U.S Congress

Congressional Record

PROCEEDINGS AND DEBATES

OF THE

FIRST SESSION OF THE SEVENTY-THIRD CONGRESS

ALSO

SPECIAL SESSION OF THE SENATE

OF

THE UNITED STATES
OF AMERICA

VOLUME 77—PART 1

MARCH 4, 1933, TO MARCH 6, 1933—MARCH 9, 1933, TO APRIL 3, 1933

(Pages 1 to 1158)

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1933

Presented by the United States of America 10-17-1933

Congressional Record

SEVENTY-THIRD CONGRESS, SPECIAL SESSION OF THE SENATE

SENATE

SATURDAY, MARCH 4, 1933

JOHN NANCE GARNER, of Texas, Vice President of the United States, to whom the oath was administered at the close of the last regular session of the Seventy-second Congress, called the Senate to order at 12 o'clock meridian.

The Chaplain, Rev. ZeBarney T. Phillips, D.D., offered the following

PRAYER

Eternal God and Heavenly Father, before whose face the generations rise and pass away, who through all the ages hast led Thy children with the fire and cloud; hearken to our prayer and turn the heart of every citizen of the Republic unto Thee in this fateful hour of our own and the world's great need. Bestow Thy choicest blessings upon these Thy servants, who under Thee have been called to be President and Vice President of the United States. Give unto them the grace of true humility, the heart that knows no guile, the courage born of innocency of life, the gentle patience of the Christ, and, above all, the spirit of love that believes and hopes and endures, that they may be true leaders of Thy people.

Bless every Member of the Congress and all others in authority, that they may be a glorious company, the flower of men, to serve a model for this mighty world and to be the fair beginning of a time when, with every root of bitterness cast out, the good of all shall be the goal of each. Let Thy blessing rest upon the retiring President, Vice President, and Members of the Congress, to whom we pay our loving tribute. Bring the nations of the world, through an ever-increasing sense of fellowship, into one great family; hasten the time when war shall be no more, and may we never be content with any peace save that of Him who won His peace by making this world's ills His own, Jesus Christ our Lord. Amen.

PROCLAMATION

The VICE PRESIDENT. The clerk will read the proclamation of the President convening the Senate in extraordinary session.

The Chief Clerk (John C. Crockett) read the proclamation of the President, as follows:

CONVENING THE SENATE IN SPECIAL SESSION BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Whereas public interests require that the Senate of the United States be convened at 12 o'clock on the 4th day of March, 1933, to receive such communications as may be made by the Executive:

Now, therefore, I, Herbert Hoover, President of the United States of America, do hereby proclaim and declare that an extraordinary occasion requires the Senate of the United States to convene at the Capitol, in the city of Washington, on the 4th day of March next, at 12 o'clock noon, of which all persons who shall at that time be entitled to act as Members of that body are hereby required to take notice.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington this 14th day of February, in the year of our Lord nineteen hundred and thirty-three, and of the independence of the United States of America the one hundred and fifty-seventh.

HERBERT HOOVER.

By the President:
[SEAL]

HENRY L. STIMSON,
Secretary of State.

ADDRESS BY VICE PRESIDENT GARNER

The VICE PRESIDENT. Senators, this is my first and possibly it may be my last opportunity to address the Senate. I am particularly anxious to ingratiate myself into your favorable consideration. Knowing from some observation the disposition of the Senate not to discuss any matter unless it is important and under particular consideration, I deem it inappropriate to say more than that I come as your Presiding Officer to cooperate, to be helpful, to do the best I can to help you conduct the proceedings of the Senate.

In carrying out that idea which I have, I shall forego saying more than that I am happy to be over here, I am happy to meet you all, and glad of the opportunity to get better acquainted with Senators.

CREDENTIALS

Mr. McKELLAR. Mr. President, I present the credentials of the Hon. NATHAN L. BACHMAN, appointed by the Governor of Tennessee to succeed the Hon. Cordell Hull, and ask that they may be read.

The VICE PRESIDENT. The credentials will be received and read by the clerk.

The Chief Clerk read the credentials, as follows:

THE STATE OF TENNESSEE,
EXECUTIVE CHAMBER.

To all who shall see these presents, greeting:

Know ye, that whereas, under chapter 8, section 3, of the first extra session of the legislature of 1913, the Governor is authorized to appoint a Senator in the Congress of the United States when vacancies occur, and whereas a vacancy has occurred caused by the resignation of Senator Cordell Hull, of Carthage, Tenn., that he might accept the appointment of Secretary of State of the United States tendered him by President-elect Franklin D. Roosevelt; and having confidence in the ability and integrity of Hon. NATHAN L. BACHMAN, of Chattanooga, Tenn.:

Now, therefore, I, Hill McAlister, Governor of the State of Tennessee, by virtue of the power and authority in me vested, do commission Hon. NATHAN L. BACHMAN to fill said office of Senator in the Congress of the United States until his successor is elected and qualified agreeably to the Constitution and laws, during the term, with all the powers, privileges, and emoluments thereunto, appertaining by law.

In testimony whereof, I, Hill McAlister, Governor as aforesaid, have hereunto set my hand and caused the great seal of the State to be affixed at the department in Nashville on this 4th day of March A.D. 1933.

HILL MCALISTER, *Governor.*
[SEAL]
ERNEST N. HASTON,
Secretary of State.

The VICE PRESIDENT. The credentials will be placed on file.

Mr. GLASS. Mr. President, I send to the desk the certificate of the Governor of Virginia attesting the appointment of Hon. HARRY F. BYRD as a Senator from the State of Virginia, and ask that they may be read and that Mr. BYRD may take the oath of office.

The VICE PRESIDENT. The certificate will be read.

The Chief Clerk read the certificate, as follows:

COMMONWEALTH OF VIRGINIA,
GOVERNOR'S OFFICE.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that pursuant to the power vested in me by the Constitution of the United States and the laws of the Com-

monwealth of Virginia, I, John Garland Pollard, Governor of the said Commonwealth, do hereby appoint HARRY FLOOD BYRD a Senator from the said Commonwealth to represent the said Commonwealth in the Senate of the United States until the vacancy therein, caused by the resignation of Hon. Claude A. Swanson, is filled by election as provided by law.

Given under my hand and under the great seal of the Commonwealth, at Richmond, this 4th day of March A.D. 1933, and in the one hundred and fifty-seventh year of the Commonwealth.

JNO. GARLAND POLLARD, *Governor.*

By the Governor:
[SEAL]

PETER SAUNDERS,
Secretary of the Commonwealth.

The VICE PRESIDENT. The credentials will be placed on file.

ADMINISTRATION OF OATH

The VICE PRESIDENT. The clerk will call the names of the newly elected Senators, and, as their names are called, they will present themselves at the desk and take the oath of office.

The Chief Clerk called the names of Mr. ADAMS, Mr. BACHMAN, Mr. BARKLEY, and Mr. BLACK.

These Senators, escorted by Mr. COSTIGAN, Mr. MCKELLAR, Mr. LOGAN, and Mr. BANKHEAD, respectively, advanced to the Vice President's desk, and the oath of office prescribed by law was administered to them by the Vice President.

The Chief Clerk called the names of Mr. BONE, Mr. BROWN, Mr. BULKLEY, and Mr. BYRD.

These Senators, escorted by Mr. DILL, Mr. KEYES, Mr. FESS, and Mr. GLASS, respectively, advanced to the Vice President's desk, and the oath of office prescribed by law was administered to them by the Vice President.

The Chief Clerk called the names of Mrs. CARAWAY, Mr. CLARK, Mr. DALE, and Mr. DAVIS.

These Senators, escorted by Mr. ROBINSON of Arkansas, Mr. PATTERSON, Mr. AUSTIN, and Mr. REED, respectively, advanced to the Vice President's desk, and the oath of office prescribed by law was administered to them by the Vice President.

The Chief Clerk called the names of Mr. DIETERICH, Mr. DUFFY, Mr. FLETCHER, and Mr. GEORGE.

These Senators, escorted by Mr. LEWIS, Mr. LA FOLLETTE, Mr. TRAMMELL, and Mr. RUSSELL, respectively, advanced to the Vice President's desk, and the oath of office prescribed by law was administered to them by the Vice President.

The Chief Clerk called the names of Mr. HAYDEN, Mr. LONERGAN, Mr. MCADOO, and Mr. MCCARRAN.

These Senators, escorted by Mr. ASHURST, Mr. WALCOTT, Mr. JOHNSON, and Mr. PITTMAN, respectively, advanced to the Vice President's desk, and the oath of office prescribed by law was administered to them by the Vice President.

The Chief Clerk called the names of Mr. MCGILL, Mr. MURPHY, Mr. NORBECK, and Mr. NYE.

These Senators, escorted by Mr. CAPPER, Mr. DICKINSON, Mr. BULOW, and Mr. FRAZIER, respectively, advanced to the Vice President's desk, and the oath of office prescribed by law was administered to them by the Vice President.

The Chief Clerk called the names of Mr. OVERTON, Mr. POPE, Mr. REYNOLDS, and Mr. SMITH.

These Senators, escorted by Mr. LONG, Mr. BORAH, Mr. BAILEY, and Mr. BYRNES, respectively, advanced to the Vice President's desk, and the oath of office prescribed by law was administered to them by the Vice President.

The Chief Clerk called the names of Mr. STEIWER, Mr. THOMAS of Utah, Mr. THOMAS of Oklahoma, Mr. TYDINGS, Mr. VAN NUYS, and Mr. WAGNER.

These Senators, escorted by Mr. MCNARY, Mr. KING, Mr. GORE, Mr. PITTMAN (Mr. GOLDSBOROUGH being absent), Mr. ROBINSON of Indiana, and Mr. COPELAND, respectively, advanced to the Vice President's desk, and the oath of office prescribed by law was administered to them by the Vice President.

ORDER FOR MEETING

Mr. ROBINSON of Arkansas. I move the following order, that at the conclusion of the inaugural address and at the hour of 2 o'clock the Senate reassemble in the Senate Chamber.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to.

LIST OF SENATORS BY STATES

Alabama.—Hugo L. Black and John H. Bankhead.
Arizona.—Henry F. Ashurst and Carl Hayden.
Arkansas.—Joseph T. Robinson and Mrs. Hattie W. Caraway.
California.—Hiram W. Johnson and William Gibbs McAdoo.
Colorado.—Edward P. Costigan and Alva B. Adams.
Connecticut.—Frederic C. Walcott and Augustine Lonergan.
Delaware.—Daniel O. Hastings and John G. Townsend, Jr.
Florida.—Duncan U. Fletcher and Park Trammell.
Georgia.—Walter F. George and Richard B. Russell, Jr.
Idaho.—William E. Borah and James P. Pope.
Illinois.—J. Hamilton Lewis and William H. Dieterich.
Indiana.—Arthur R. Robinson and Frederick Van Nuys.
Iowa.—L. J. Dickinson and Louis Murphy.
Kansas.—Arthur Capper and George McGill.
Kentucky.—Alben W. Barkley and M. M. Logan.
Louisiana.—Huey P. Long and John H. Overton.
Maine.—Frederick Hale and Wallace H. White, Jr.
Maryland.—Millard E. Tydings and Phillips Lee Goldsborough.
Massachusetts.—David I. Walsh and Marcus A. Coolidge.
Michigan.—James Couzens and Arthur H. Vandenberg.
Minnesota.—Henrik Shipstead and Thomas D. Schall.
Mississippi.—Pat Harrison and Hubert D. Stephens.
Missouri.—Roscoe C. Patterson and Bennett Champ Clark.
Montana.—Burton K. Wheeler.
Nebraska.—George W. Norris and Robert B. Howell.
Nevada.—Key Pittman and Patrick McCarran.
New Hampshire.—Henry W. Keyes and Fred H. Brown.
New Jersey.—Hamilton F. Kean and W. Warren Barbour.
New Mexico.—Sam G. Bratton and Bronson Cutting.
New York.—Royal S. Copeland and Robert F. Wagner.
North Carolina.—Josiah William Bailey and Robert R. Reynolds.
North Dakota.—Lynn J. Frazier and Gerald P. Nye.
Ohio.—Simeon D. Fess and Robert J. Bulkley.
Oklahoma.—Elmer Thomas and Thomas P. Gore.
Oregon.—Charles L. McNary and Frederick Steiwer.
Pennsylvania.—David A. Reed and James J. Davis.
Rhode Island.—Jesse H. Metcalf and Felix Hebert.
South Carolina.—Ellison D. Smith and James F. Byrnes.
South Dakota.—Peter Norbeck and W. J. Bulow.
Tennessee.—Kenneth McKellar and Nathan L. Bachman.
Texas.—Morris Sheppard and Tom Connally.
Utah.—William H. King and Elbert D. Thomas.
Vermont.—Porter H. Dale and Warren R. Austin.
Virginia.—Carter Glass and Harry Flood Byrd.
Washington.—C. C. Dill and Homer T. Bone.
West Virginia.—Henry D. Hatfield and M. M. Neely.
Wisconsin.—Robert M. La Follette, Jr., and F. Ryan Duffy.
Wyoming.—John B. Kendrick and Robert D. Carey.

INAUGURATION OF THE PRESIDENT OF THE UNITED STATES

The VICE PRESIDENT. The Deputy Sergeant at Arms will carry out the order of the Senate for the inauguration of the President of the United States on the east front of the Capitol.

The President-elect, Franklin D. Roosevelt, escorted by the Chief Justice of the Supreme Court of the United States and the Associate Justices of the Supreme Court of the United States, accompanied by the Joint Committee on Arrangements, followed by the members of the Diplomatic Corps, the Chief of Staff of the Army, the Chief of Naval Operations, and the Commandant of the Marine Corps, the Members of the Senate, preceded by the Vice President, the Deputy Sergeant at Arms (J. Mark Trice), and the Secretary of the Senate (Edwin P. Thayer), the Members of the House of Representatives, and other guests of the Senate

proceeded to the inaugural platform at the east front of the Capitol.

The oath of office having been administered to the President-elect by the Chief Justice of the United States, he delivered the inaugural address.

INAUGURAL ADDRESS OF PRESIDENT FRANKLIN D. ROOSEVELT

I am certain that my fellow Americans expect that on my induction into the Presidency I will address them with a candor and a decision which the present situation of our Nation impels. This is preeminently the time to speak the truth, the whole truth, frankly and boldly. Nor need we shrink from honestly facing conditions in our country to-day. This great Nation will endure as it has endured, will revive and will prosper. So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance. In every dark hour of our national life a leadership of frankness and vigor has met with that understanding and support of the people themselves which is essential to victory. I am convinced that you will again give that support to leadership in these critical days.

In such a spirit on my part and on yours we face our common difficulties. They concern, thank God, only material things. Values have shrunken to fantastic levels; taxes have risen; our ability to pay has fallen; government of all kinds is faced by serious curtailment of income; the means of exchange are frozen in the currents of trade; the withered leaves of industrial enterprise lie on every side; farmers find no markets for their produce; the savings of many years in thousands of families are gone.

More important, a host of unemployed citizens face the grim problem of existence, and an equally great number toil with little return. Only a foolish optimist can deny the dark realities of the moment.

Yet our distress comes from no failure of substance. We are stricken by no plague of locusts. Compared with the perils which our forefathers conquered because they believed and were not afraid, we have still much to be thankful for. Nature still offers her bounty, and human efforts have multiplied it. Plenty is at our doorstep, but a generous use of it languishes in the very sight of the supply. Primarily this is because the rulers of the exchange of mankind's goods have failed, through their own stubbornness and their own incompetence, have admitted their failure, and abdicated. Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men.

True they have tried, but their efforts have been cast in the pattern of an outworn tradition. Faced by failure of credit, they have proposed only the lending of more money. Stripped of the lure of profit by which to induce our people to follow their false leadership, they have resorted to exhortations, pleading tearfully for restored confidence. They know only the rules of a generation of self-seekers. They have no vision, and when there is no vision the people perish.

The money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths. The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit.

Happiness lies not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort. The joy and moral stimulation of work no longer must be forgotten in the mad chase of evanescent profits. These dark days will be worth all they cost us if they teach us that our true destiny is not to be ministered unto but to minister to ourselves and to our fellow men.

Recognition of the falsity of material wealth as the standard of success goes hand in hand with the abandonment of the false belief that public office and high political position are to be valued only by the standards of pride of place and personal profit; and there must be an end to a conduct in banking and in business which too often has given to a sacred trust the likeness of callous and selfish wrongdoing. Small wonder that confidence languishes, for it thrives only on honesty, on honor, on the sacredness of obligations, on faithful protection, on unselfish performance; without them it can not live.

Restoration calls, however, not for changes in ethics alone. This Nation asks for action, and action now.

Our greatest primary task is to put people to work. This is no unsolvable problem if we face it wisely and courageously. It can be accomplished in part by direct recruiting by the Government itself, treating the task as we would treat the emergency of a war, but at the same time, through this employment, accomplishing greatly needed projects to stimulate and reorganize the use of our natural resources.

Hand in hand with this we must frankly recognize the overbalance of population in our industrial centers and, by engaging on a national scale in a redistribution, endeavor to provide a better use of the land for those best fitted for the land. The task can be helped by definite efforts to raise the values of agricultural products and with this the power to purchase the output of our cities. It can be helped by preventing realistically the tragedy of the growing loss through foreclosure of our small homes and our farms. It can be helped by insistence that the Federal, State, and local Governments act forthwith on the demand that their cost be drastically reduced. It can be helped by the unifying of relief activities which to-day are often scattered, uneconomical, and unequal. It can be helped by national planning for and supervision of all forms of transportation and of communications and other utilities which have a definitely public character. There are many ways in which it can be helped, but it can never be helped merely by talking about it. We must act and act quickly.

Finally, in our progress toward a resumption of work we require two safeguards against a return of the evils of the old order; there must be a strict supervision of all banking and credits and investments; there must be an end to speculation with other people's money, and there must be provision for an adequate but sound currency.

These are the lines of attack. I shall presently urge upon a new Congress in special session detailed measures for their fulfillment, and I shall seek the immediate assistance of the several States.

Through this program of action we address ourselves to putting our own national house in order and making income balance outgo. Our international trade relations, though vastly important, are in point of time and necessity secondary to the establishment of a sound national economy. I favor as a practical policy the putting of first things first. I shall spare no effort to restore world trade by international economic readjustment, but the emergency at home can not wait on that accomplishment.

The basic thought that guides these specific means of national recovery is not narrowly nationalistic. It is the insistence, as a first consideration, upon the interdependence of the various elements in and parts of the United States—a recognition of the old and permanently important manifestation of the American spirit of the pioneer. It is the way to recovery. It is the immediate way. It is the strongest assurance that the recovery will endure.

In the field of world policy I would dedicate this Nation to the policy of the good neighbor—the neighbor who resolutely respects himself and, because he does so, respects the rights of others—the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors.

If I read the temper of our people correctly, we now realize as we have never realized before our interdependence on each other; that we can not merely take but we must give as well; that if we are to go forward, we must move as a trained and loyal army willing to sacrifice for the good of a common discipline, because without such discipline no progress is made, no leadership becomes effective. We are, I know, ready and willing to submit our lives and property to such discipline, because it makes possible a leadership which aims at a larger good. This I propose to offer, pledging that the larger purposes will bind

upon us all as a sacred obligation, with a unity of duty hitherto evoked only in time of armed strife.

With this pledge taken, I assume unhesitatingly the leadership of this great army of our people dedicated to a disciplined attack upon our common problems.

Action in this image and to this end is feasible under the form of government which we have inherited from our ancestors. Our Constitution is so simple and practical that it is possible always to meet extraordinary needs by changes in emphasis and arrangement without loss of essential form. That is why our constitutional system has proved itself the most superbly enduring political mechanism the modern world has produced. It has met every stress of vast expansion of territory, of foreign wars, of bitter internal strife, of world relations.

It is to be hoped that the normal balance of executive and legislative authority may be wholly adequate to meet the unprecedented task before us. But it may be that an unprecedented demand and need for undelayed action may call for temporary departure from that normal balance of public procedure.

I am prepared under my constitutional duty to recommend the measures that a stricken nation in the midst of a stricken world may require. These measures, or such other measures as the Congress may build out of its experience and wisdom, I shall seek, within my constitutional authority, to bring to speedy adoption.

But in the event that the Congress shall fail to take one of these two courses, and in the event that the national emergency is still critical, I shall not evade the clear course of duty that will then confront me. I shall ask the Congress for the one remaining instrument to meet the crisis—broad Executive power to wage a war against the emergency, as great as the power that would be given to me if we were in fact invaded by a foreign foe.

For the trust reposed in me I will return the courage and the devotion that befit the time. I can do no less.

We face the arduous days that lie before us in the warm courage of national unity; with the clear consciousness of seeking old and precious moral values; with the clean satisfaction that comes from the stern performance of duty by old and young alike. We aim at the assurance of a rounded and permanent national life.

We do not distrust the future of essential democracy. The people of the United States have not failed. In their need they have registered a mandate that they want direct, vigorous action. They have asked for discipline and direction under leadership. They have made me the present instrument of their wishes. In the spirit of the gift I take it.

In this dedication of a Nation we humbly ask the blessing of God. May He protect each and every one of us. May He guide me in the days to come.

After the President's inaugural address,

The Senate met at 2 o'clock p. m., on the expiration of the recess, and the Secretary of the Senate (Edwin P. Thayer) called the Senate to order.

Mr. PITTMAN. I ask unanimous consent that the Senate take a recess for 15 minutes.

The SECRETARY. Is there objection? There being no objection, it is so ordered.

Thereupon the Senate took a recess for 15 minutes, when it reassembled and the Vice President resumed the chair.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

Mr. ROBINSON of Arkansas. Mr. President, I ask that the messages from the President be laid before the Senate.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Bailey	Black	Brown
Ashurst	Bankhead	Bone	Bulkley
Austin	Barbour	Borah	Bulow
Bachman	Barkley	Bratton	Byrd
Byrnes	Glass	McAdoo	Russell
Capper	Goldsborough	McCarran	Schall
Caraway	Gore	McGill	Sheppard
Carey	Hale	McKellar	Smith
Clark	Harrison	McNary	Steiwer
Coolidge	Hastings	Metcalf	Stephens
Copeland	Hatfield	Murphy	Thomas, Okla.
Costigan	Hayden	Neely	Thomas, Utah
Couzens	Hebert	Norbeck	Townsend
Dale	Johnson	Norris	Trammell
Davis	Kean	Nye	Tydings
Dickinson	Kendrick	Overton	Vandenberg
Dieterich	Keyes	Patterson	Van Nuys
Dill	King	Pittman	Wagner
Duffy	La Follette	Pope	Walcott
Fess	Lewis	Reed	Walsh
Fletcher	Logan	Reynolds	Wheeler
Frazier	Lonergan	Robinson, Ark.	White
George	Long	Robinson, Ind.	

Mr. SHEPPARD. My colleague the junior Senator from Texas [Mr. CONNALLY] is unavoidably detained on account of illness. This announcement may stand for the day.

The VICE PRESIDENT. Ninety-one Senators having answered to their names, a quorum is present.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. The Chair lays before the Senate the following messages from the President of the United States.

Mr. McNARY. Mr. President, this is a procedure that is sanctioned by practice and is a courtesy frequently extended incoming administrations. I have no objection to it, and so far as I am concerned the confirmation of the nominations may take place this afternoon. However, it must be said that upon the objection of one Senator the nominations would have to be referred to committees. I repeat, however, that so far as I am concerned I have no objection to this procedure.

Mr. REED. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Pennsylvania?

Mr. McNARY. I yield.

Mr. REED. Are we to understand that these nominations are only of Cabinet officers?

Mr. McNARY. They are of Cabinet officers only.

Mr. ROBINSON of Arkansas. Mr. President, everyone, I think, understands the necessity for the new President, President Roosevelt, having the advice and assistance of his Cabinet. Many of the present Cabinet have already prepared to leave the city, and in any event they cannot function. It is for that reason that this session was called. The custom has been to take prompt action respecting nominations of Cabinet members. I, therefore, ask unanimous consent for the present consideration of the nominations relating to the President's Cabinet.

The VICE PRESIDENT. Is there objection? The Chair hears none. The clerk will state in order the nominations transmitted by the message of the President.

SECRETARY OF STATE

The Chief Clerk read the nomination of Cordell Hull, of Tennessee, to be Secretary of State.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

The nomination was confirmed.

SECRETARY OF THE TREASURY

The Chief Clerk read the nomination of William H. Woodin, of New York, to be Secretary of the Treasury.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

Mr. COUZENS. Mr. President, I have every desire to cooperate in the confirmation of the President's Cabinet, but I should like to ask some Member of the Senate who is close enough to the President or to Mr. Woodin to give the Senate some idea as to what the investments and holdings of Mr. Woodin are, because in the past it is well known that we have had considerable controversy, as the Senator from Pennsylvania will recall, with respect to holdings of other

Secretaries of the Treasury, and if it is possible for anyone on the other side of the Chamber to advise us in that respect, I should like to know before we confirm Mr. Woodin.

Mr. COPELAND. Mr. President, I have known Mr. Woodin for a great many years. There is no finer example of an outstanding, loyal, devoted citizen than we find in this splendid character. He is a man of large interests. He has, for a long time, been president of the American Car & Foundry Co. I am advised that Mr. Woodin has divested himself of any office, association, or holding which would embarrass him in the least in holding the office of Secretary of the Treasury or which would interfere with his immediate confirmation.

Mr. REED. Reserving the right to object, I should like an answer to my question, because, if these are only Cabinet nominations, I agree with the Senator that they should be confirmed at once.

Mr. ROBINSON of Arkansas. I shall not ask for the consideration of other nominations, at least at this time.

Mr. McNARY. I was about to reply to the Senator from Pennsylvania, and to say that it was the understanding that none other than Cabinet nominations should be considered at this time.

Mr. WAGNER. Mr. President, I can only add to what my colleague [Mr. COPELAND] has said by stating that my information is that Mr. Woodin has divested himself of all his business interests that might raise any question. I have known Mr. Woodin for some years. He is regarded as one of our most distinguished industrialists, a man of great capacity, and of very high character.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. COUZENS. Will the Senator from New York advise us of the manner in which Mr. Woodin has divested himself of the interests to which his colleague just referred?

Mr. WAGNER. My information is derived from what I have read in the newspapers. I am sure that if there should be any embarrassment at all because of his holdings he will divest himself of those holdings. The character of the man is such that I think the country is very fortunate and the President is very fortunate in securing the services of Mr. Woodin in these grave days.

Mr. GLASS. Mr. President, I think perhaps I feel authorized to say that Mr. Woodin fully understands that he was compelled to divest himself of those business interests which come within the meaning of the statute of prohibition, including all his bank stock and all interests that would identify him as being engaged in commerce. I do not get it from the newspapers; I get it from Mr. Woodin, with whom I had a personal conversation on that particular subject. I am sure that has been done. As to the manner of doing it I do not pretend to say.

Mr. STEIWER. Mr. President——

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Oregon?

Mr. GLASS. I yield the floor.

Mr. STEIWER. I do not care to interrupt the Senator from Virginia; but the Members of the Senate may recall, and those who have served upon the Judiciary Committee most certainly will recall, that the question of eligibility of the Secretary of the Treasury was submitted to the Judiciary Committee some time since under the resolution of the Senator from Tennessee [Mr. McKELLAR].

The report presented from that committee disclosed the opinion of the majority of the committee to be that mere ownership of stock in a corporation did not render the nominee ineligible for the position of Secretary of the Treasury. So that if Mr. Woodin has divested himself of his position as director and as an executive officer, even though he has retained certain stock ownership, that in and of itself, within the opinion of the majority of the committee, would not render him ineligible.

Mr. GLASS. I felicitate myself on being such a good lawyer, though not a member of the Judiciary Committee. I told Mr. Woodin exactly that at his interview with me. When it came to the matter of his bank stock, I do not know whether he followed the example of another Secretary of the Treasury on one occasion and has given it to his wife, or whether his wife will follow the example of the wife of another Secretary of the Treasury and refuse to give it back to him. [Laughter.]

Mr. COUZENS. Mr. President, I desire to ask the Senator from Virginia a question, because I have a very high regard for his opinion as to the ethics of the matter, as well as the technical legal construction. The question is, In the opinion of the Senator from Virginia, would it be of the utmost propriety for a Secretary of the Treasury to hold large amounts of stock in car and foundry institutions selling to railroads that come under governmental jurisdiction, or does the Senator think that that situation would be at least unethical?

Mr. GLASS. I venture the opinion that it would be lawful for him to do that. I can not answer about a question of ethics for other people; there are so many different opinions as to that.

I feel perfectly convinced that Mr. Woodin has done everything that is required by the statute. As to the question of good taste, that is a matter for him to determine for himself. I may add, however, that I am sure the Senator from Michigan will agree with me that the proposed new Secretary of the Treasury could not be any greater offender in that respect than we have had heretofore.

Mr. COUZENS. Mr. President, I think it is unnecessary for me to repeat what I have said over and over again about the situation to which the Senator from Virginia has just referred. I desire to say, however—and I say it without personal acquaintance with Mr. Woodin or any of his past record—that I should consider it most unethical and improper, whether legal or otherwise, for any Secretary of the Treasury to hold large amounts of railroad stock, or of the stock of car and locomotive manufacturers who are selling to railroads, when it is perfectly obvious that there is a very close relation now, both financially and in a regulatory way, between the railroads and the Government; and I should hope that with Mr. Woodin's confirmation he would think, as I am sure the Senator from Virginia thinks, and I think, that it would at least be most unethical, even if legal.

Mr. NORRIS. Mr. President, the Senator from Oregon [Mr. STEIWER] referred to an investigation made by the Judiciary Committee. I did not intend to say anything in this connection, and would not have done so if it had not been for that reference; but I had quite an intense feeling on that subject at the time, because when the resolution proposed by the Senator from Tennessee [Mr. McKELLAR] was before the Senate I opposed its adoption. I did not want the question referred to the Judiciary Committee. While it propounded a strictly legal question, I knew that political feeling would creep into it, and that it would be practically impossible to divest the question of the political considerations that would enter into it. I do not charge anybody on the committee with doing anything that he did not believe was correct. Nevertheless, human beings are human beings, and often they can not divest themselves of the political prejudice and the partisan feeling that gets into those things.

I was one of the committee that wrote a minority report, joined in by others, in which we held that the then Secretary of the Treasury was disqualified under the law. With me it was not a question of what was ethical conduct. I thought the law went farther than the law ought to go; but when, over my objection, the matter was referred to the committee, I went into it in good faith and gave it a great deal of attention. There was, as I remember now, no majority report. There were four or five reports, all minority reports. The report in which I joined, I think, had the names of more members attached to it than any other report that was presented.

Mr. STEIWER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Oregon?

Mr. NORRIS. I do.

Mr. STEIWER. I am quite certain there was a majority report. I had the honor of presenting it on behalf of the

committee. It was subscribed to, I think, by nine members. Then, there were two or three minority reports.

Mr. NORRIS. The Senator may be right. I have not the reports before me, and I have not thought of the matter for a year or so; but I was laboring under the impression that no majority report was made. I realize that I was human, like everybody else, but I do not believe that I had any prejudice in the matter when I commenced the study of it. I commenced the investigation of it rather with the belief that the then Secretary of the Treasury was qualified under the law; but the law is very severe, as I remember it now, and it seemed to me under that law that he was clearly disqualified.

Mr. COSTIGAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Colorado?

Mr. NORRIS. In just a moment.

The Senate took no action on any of those reports; so we at least have the question undecided as far as the Senate is concerned. I do not want, without our taking up the matter in the regular way, to have any of the reports approved that were made by the Judiciary Committee. It seems to me it should not be done until they are fully discussed. So I do not believe it is correct to say that this question has been settled by action of the Senate or settled by action of any of its committees.

I yield to the Senator from Colorado.

Mr. COSTIGAN. Mr. President, in view of the references to the statute or statutes touching the qualifications of the Secretary of the Treasury, may I ask the able Senator from Nebraska whether he has before him the language of the law?

Mr. NORRIS. I have not it before me. If I had known that this matter was coming up I would have had it here; but the statute is copied in the report which I made to the Senate in the preceding Congress.

Mr. COSTIGAN. May I request that the statute be incorporated as part of today's proceedings?

Mr. NORRIS. If the report may be sent for and obtained, I shall be glad to accommodate the Senator at once, because I am sure the statute is copied in the report.

Mr. REED. Mr. President, will the Senator permit an interruption?

Mr. NORRIS. I will.

Mr. REED. May I suggest that there are two statutes involved. One is with relation to the qualifications of the Secretary of the Treasury and forbids him to be engaged in commerce. It was the result of agitation over Robert Morris, as I recall. The other is a general statute relating to members of the Federal Reserve Board and forbids them to own bank stocks. Both those statutes apply to the Secretary of the Treasury.

Mr. NORRIS. Yes. I will say to the Senator from Pennsylvania that the statute under which the dispute really arises is not the one referred to by the Senator in regard to the Federal Reserve Board. I do not think there is any dispute about that. That is plain.

Mr. REED. I think the Senator is right about that, because its terms are so plain; but the phrase "carrying on the business of trade or commerce," as used in the other act, has always been in doubt.

Mr. NORRIS. Yes; that is true.

Mr. BORAH. Mr. President, I desire to ask the Senator a question.

Mr. NORRIS. I yield to the Senator from Idaho.

Mr. BORAH. Am I not correct when I say that first a subcommittee was appointed?

Mr. NORRIS. Yes; the Senator is correct.

Mr. BORAH. That subcommittee consisted of the Senator from Nebraska [Mr. NORRIS], the Senator from Montana [Mr. Walsh], and myself.

Mr. NORRIS. Yes. I do not remember about the personnel of the subcommittee, but the matter was first considered by a subcommittee.

Mr. BORAH. The Senator from Nebraska and the Senator from Montana came to one conclusion, which was that the Secretary of the Treasury was ineligible.

Mr. NORRIS. Yes.

Mr. BORAH. And the Senator from Idaho reached a different conclusion.

If the opinions are printed, I should like to have both opinions put in the RECORD.

Mr. COPELAND. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from New York?

Mr. NORRIS. Unless the Senator desires to ask me a question, let me make one statement; then I will yield the floor.

Mr. COPELAND. I will wait until the Senator is through.

Mr. NORRIS. None of these opinions, as I remember, were printed in the RECORD; but they are all printed in a Senate document. They are all in one pamphlet.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. Was there a report of the subcommittee to the full committee?

Mr. NORRIS. Yes.

Mr. ROBINSON of Arkansas. Did the full committee take any action and report to the Senate?

Mr. NORRIS. Yes; action was taken by the full committee.

Mr. ROBINSON of Arkansas. Did it make a report on the construction of the statute?

Mr. NORRIS. It did; and that report was filed with the Senate, and no action was ever taken.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I do.

Mr. KING. The Senator will recall that the Senator from Idaho [Mr. BORAH] and one other Senator whose name I have forgotten and I took a position adverse to the position taken by the Senator from Nebraska.

Mr. NORRIS. No; I think the Senator is wrong. The Senator from Idaho did not join with the Senator from Oregon in that opinion, as I remember. He gave a separate opinion of his own, a very short one. The Senator from Oregon made a report joined in by several other Senators. The report that I made was joined in by the Senator from Montana [Mr. Walsh], as I remember now, the Senator from Wisconsin [Mr. BLAINE], and some others. The Senator from Arizona [Mr. ASHURST] himself made a minority report that was very short.

Mr. KING. This situation, of course, illustrates the infirmity of the human mind; but I feel quite sure that the Senator from Idaho and one other Senator—I do not say it was the Senator from Oregon—and I took a position quite in harmony with the position taken by the Senator from Virginia [Mr. GLASS], and those associated with him. We held that there was no disqualification of Mr. Mellon to hold office, provided that he was not directly concerned in the activities of a corporation, in which he held stock, that was operating in Canada.

Mr. WAGNER. Mr. President, I want to ask the Senator whether there is any suggestion that Mr. Woodin is the owner of securities.

Mr. NORRIS. Oh, no; I have no personal information about Mr. Woodin.

Mr. WAGNER. I am relying on my general knowledge of Mr. Woodin. I know he is a man of high character and has a very high conception of public office. I am willing to rely on him.

Mr. REED. Mr. President, will the Senator from Nebraska yield?

Mr. NORRIS. I yield.

Mr. REED. It occurs to me that we are off the question somewhat. The Senator from Virginia [Mr. GLASS] has told us that he has discussed these statutes with Mr. Woodin.

Mr. Woodin knows what the law is. We have no evidence before us to show that he has not scrupulously complied with the law, and until we have some such evidence, or until the charge is made, it seems to me that we should not hesitate to confirm him. If he has done wrong, he will be subject to impeachment; he will be subject to prosecution. I am sure, from what I am told of Mr. Woodin, he would not lay himself open to such a charge to be made truthfully against him. Therefore I suggest that we go ahead and act upon the confirmation now.

Mr. NORRIS. Mr. President, in reply to what the Senator from Pennsylvania has said, I know nothing about this nominee whatever; but if there is any doubt about it, if any Senator thinks it ought to be gone into by a committee, I suggest that the matter be referred to a committee. It would be no disrespect to Mr. Woodin. I would not like to have the Senate dissatisfied with its action afterward. As far as I am concerned, I know nothing about Mr. Woodin, and have no objection to the immediate confirmation of his nomination.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

The nomination was confirmed.

Mr. NORRIS subsequently said: Mr. President, I now have the report made in regard to the qualifications of Secretary Mellon, and I find that the majority report, which was made by the Senator from Oregon [Mr. STEIWER], was concurred in by Senators Overman, Deneen, Gillette, Robinson of Indiana, Stephens, Waterman, Hastings, and Burton.

The first minority report was made by myself, concurred in by Senator Caraway, Senator Walsh of Montana, and Senator Blaine, of Wisconsin.

Senator Blaine, in addition to concurring in that opinion, added a page or so of opinion of his own.

Senator Walsh of Montana, who concurred in the report I had submitted, filed his individual views at considerable length.

Senator BORAH, Senator KING, and Senator DILL joined in another minority report.

Senator ASHURST submitted another minority report.

Mr. President, in the report is included the statute which has been discussed, so that by the printing of these various reports Senators will be enabled to see the statute and to follow the reasoning through of the various members of the committee who considered the question.

I ask unanimous consent that Report No. 7, a Senate document of the Seventy-first Congress, first session, be printed in the RECORD.

I ask, also, that a supplemental report, which I did not know the Senator from Oregon [Mr. STEIWER] had made, but which I find here, may be printed also in the RECORD.

If Senators want to read these various legal arguments, they will find them in the Senate documents to which I have referred.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

[Senate Report 7, part 1, Seventy-first Congress, first session]

ELIGIBILITY OF HON. ANDREW W. MELLON, SECRETARY OF THE TREASURY

Mr. STEIWER, from the Committee on the Judiciary, submitted the following report (pursuant to S.Res. 2):

On March 5, 1929, the Senate of the United States passed the following resolution:

"*Resolved*, That the Committee on the Judiciary be, and it is hereby, directed to inquire into and report to the Senate—

"1. Whether the head of any department of the Government may legally hold office as such after the expiration of the term of the President by whom he was appointed.

"2. Whether in view of the provisions of the laws of the United States Andrew W. Mellon may legally hold the office of Secretary of the Treasury, reference being made to section 243 of title 5 of the Code of Laws of the United States of America, as follows:

"'SEC. 243. Restrictions upon Secretary of Treasury: No person appointed to the office of Secretary of the Treasury, or Treasurer, or Register, shall directly or indirectly be concerned or interested in carrying on the business of trade or commerce, or be owner in whole or in part of any sea vessel, or purchase by himself, or another in trust for him, any public lands or other public property, or be concerned in the purchase or disposal of any public securities of any State, or of the United States, or take or apply to his own use any emolument or gain for negotiating or transacting any business in the Treasury Department, other than what shall be allowed by law; and every person who offends against any of the prohibitions of this section shall be deemed guilty of a high misdemeanor and forfeit to the United States the penalty of $3,000, and shall upon conviction be removed from office, and forever thereafter be incapable of holding any office under the United States; and if any other person than a public prosecutor shall give information of any such offense, upon which a prosecution and conviction shall be had, one half the aforesaid penalty of $3,000, when recovered, shall be for the use of the person giving such information.'

"And to section 63 of title 26 of the Code of Laws of the United States, as follows:

"'SEC. 63. Interest in certain manufactures or production of liquors by revenue officers prohibited: Any internal-revenue officer who is or shall become interested, directly or indirectly, in the manufacture of tobacco, snuff, or cigars, or in the production, rectification, or redistillation of distilled spirits, shall be dismissed from office; and every officer who becomes so interested in any such manufacture or production, rectification, or redistillation, or in the production of fermented liquors, shall be fined not less than $500 nor more than $5,000. The provisions of this section shall apply to internal-revenue agents as fully as to internal-revenue officers.'"

Pursuant to said resolution, the Committee on the Judiciary has held numerous meetings and has gathered certain information and has made careful examination of the provisions of section 243 of title 5 and section 63 of title 26 of the Code of Laws of the United States.

The Committee on the Judiciary, to whom the said resolution was referred, having fully considered the same, now report thereon as follows:

Answering question 1 of the resolution, it is the opinion of the committee that the head of any department of the Government may legally hold office as such after expiration of the term of the President by whom he was appointed. In the consideration of this matter the committee assumed that the words "head of any department" are intended to embrace the heads of the executive departments, which make up the President's Cabinet. The committee further assumed that the question was to be regarded as limited to those offices not specially governed by statute, and the foregoing opinion, therefore, has no application to the tenure of office of the Postmaster General.

Answering question 2 of the resolution, the committee is of the opinion that Andrew W. Mellon may legally hold the office of Secretary of the Treasury under the requirements of section 243, title 5, and section 63 of title 26 of the Code of Laws. It is a well-known fact that Mr. Mellon was appointed Secretary of the Treasury by President Harding and was confirmed by the Senate in 1921, and that he has held office for more than 8 years. The question asked the committee is whether he may legally hold the office. This question we have answered in the affirmative.

The question presented requires an interpretation of section 243, the significant language of which is as follows:

"No person appointed to the office of Secretary of the Treasury * * * shall directly or indirectly be concerned or interested in carrying on the business of trade or commerce."

It is contended by certain members of the committee, who are not parties to this report, that mere ownership of stock in a corporation which is engaged in trade or commerce is a violation of the law and that such ownership disqualifies the Secretary of the Treasury.

It is clear to the signers of this report that the statute condemns only an interest or concern, direct or indirect, "in carrying on the business of trade or commerce". With respect to a corporation this means that the Secretary of the Treasury shall not hold office as a director or as an officer and that he shall not by any means, either direct or indirect, participate in any activity in carrying on the business of a corporation if the corporation is engaged in trade or commerce. This, in our opinion, is a reasonable, proper, and correct interpretation of the statute.

This interpretation is supported by the fact that numerous Secretaries of the Treasury have owned stock in corporations engaged in trade. It is inconceivable that all these Secretaries willfully violated the law, and equally inconceivable that the Presidents under whom they served would have appointed men of known ineligibility, or that the Senate would have confirmed ineligible appointees. Obviously it has been thought in many official quarters that the section referred to did not apply to mere ownership of corporate stock.

Contemporaneous and subsequent departmental and executive construction is entitled to great weight. Moreover, as the statute is a penal statute, its meaning may not be extended by construction, but in case of doubt should be given a restricted construction. We feel that the construction which we have placed on the act is not only thoroughly consistent with its language but is compelled by the ordinary rules of statutory construction, as well as long-established practice.

Some of those agreeing to this report question the jurisdiction of the committee to proceed in this inquiry beyond an interpretation of the statute in question, on the ground that it would be a judicial inquiry and is not in aid of any legislative function of the Senate, and that there is no legislation pending or proposed which would bring the investigation within the lawful power of the Senate or of the Committee on the Judiciary. They believe

that it is improper for the Senate to prosecute this investigation because by the Constitution the initiative has been vested in another body.

The committee did not subpena witnesses. It considered certain information and data which were presented to the committee. With full knowledge that the facts may not all have been ascertained, we have answered question 2 literally in the language of Senate Resolution 2, viz, that Mr. Mellon "may legally hold the office of Secretary of the Treasury." In addition, it is our opinion, upon the facts which the committee has considered, that Mr. Mellon does legally hold the office, and it is also our opinion that no contrary conclusion can properly be reached except through duly instituted criminal proceedings or impeachment proceedings originating in the House of Representatives.

Relative to section 63 of title 26 of the Code of Laws, the committee finds nothing in Mr. Mellon's business relations that would make him ineligible under this section. The facts obtained by the committee disclose the only concern in which Mr. Mellon was ever interested, which was engaged in the production, rectification, or redistillation of distilled spirits, ceased such activities long before the adoption of the eighteenth amendment and long before Mr. Mellon assumed office as Secretary of the Treasury.

This committee report is concurred in by a majority consisting of the following-named members: Overman, Deneen, Gillett, Robinson of Indiana, Stephens, Steiwer, Waterman, Hastings, and Burton.

[Senate Report 7, part 2, Seventy-first Congress, first session]

ELIGIBILITY OF HON. ANDREW W. MELLON, SECRETARY OF THE TREASURY

Mr. NORRIS, from the Committee on the Judiciary, submitted the following minority views (pursuant to S.Res. 2):

The undersigned members of the Committee on the Judiciary, being unable to agree with the conclusions reached by the majority of said committee on Senate Resolution 2, relative to the tenure of office of heads of departments and the right of Andrew W. Mellon to hold the office of Secretary of the Treasury, beg leave to submit herewith our views upon the questions asked by the Senate in said Senate Resolution 2.

The resolution reads as follows:

"*Resolved*, That the Committee on the Judiciary be, and it is hereby, directed to inquire into and report to the Senate—

"1. Whether the head of any department of the Government may legally hold office as such after the expiration of the term of the President by whom he was appointed.

"2. Whether in view of the provisions of the laws of the United States Andrew W. Mellon may legally hold the office of Secretary of the Treasury, reference being made to section 243 of title 5 of the Code of Laws of the United States of America, as follows:

"'SEC. 243. Restrictions upon Secretary of Treasury: No person appointed to the office of Secretary of the Treasury, or Treasurer, or Register, shall directly or indirectly be concerned or interested in carrying on the business of trade or commerce, or be owner in whole or in part of any sea vessel, or purchase by himself, of another in trust for him, any public lands or other public property, or be concerned in the purchase or disposal of any public securities of any State, or of the United States, or take or apply to his own use any emolument or gain for negotiating or transacting any business in the Treasury Department, other than what shall be allowed by law; and every person who offends against any of the prohibitions of this section shall be deemed guilty of a high misdemeanor and forfeit to the United States the penalty of $3,000, and shall upon conviction be removed from office, and forever thereafter be incapable of holding any office under the United States; and if any other person than a public prosecutor shall give information of any such offense, upon which a prosecution and conviction shall be had, one half the aforesaid penalty of $3,000, when recovered, shall be for the use of the person giving such information.'

"And to section 63 of title 26 of the Code of Laws of the United States, as follows:

"'SEC. 63. Interest in certain manufactures or production of liquors by revenue officers prohibited: Any internal-revenue officer who is or shall become interested, directly or indirectly, in the manufacture of tobacco, snuff, or cigars, or in the production, rectification, or redistillation of distilled spirits, shall be dismissed from office; and every officer who becomes so interested in any such manufacture or production, rectification, or redistillation, or in the production of fermented liquors, shall be fined not less than $500 nor more than $5,000. The provisions of this section shall apply to internal-revenue agents as fully as to internal-revenue officers.'"

The first question submitted to the Judiciary Committee by the Senate is, Can the head of any department of the Government legally hold office as such after the expiration of the term of the President by whom he was appointed?

The appointment of the heads of departments by the President is provided for by section 2, article II, of the Constitution of the United States; but the Constitution nowhere fixes the length of the term of such officials, and it therefore follows that they can hold their respective positions indefinitely unless removed by the President.

Congress passed no law relating to the length of the tenure of office of any of the heads of the departments until it passed the act of March 2, 1867 (14 Stat. 430). This act, known as the "Tenure of Office Act," provided that the Secretaries of State, of the Treasury, of War, of the Navy, and of the Interior, the Postmaster General, and the Attorney General, "shall hold their offices respectively for and during the term of the President by whom they may have been appointed and for 1 month thereafter, subject to removal by and with the advice and consent of the Senate."

Two years later Congress amended this act by the act of April 5, 1869 (16 Stat. 6). This act repealed the section of the act of March 2, 1867, relating to the tenure of office of the heads of departments, and enacted, in lieu thereof, the following:

"That every person holding any civil office to which he has been or hereafter may be appointed by and with the advice and consent of the Senate, and who shall have become duly qualified to act therein, shall be entitled to hold such office during the term for which he shall have been appointed, unless sooner removed by and with the advice and consent of the Senate, or by the appointment, with the like advice and consent, of a successor in his place, except as herein otherwise provided."

The balance of the act from which the above quotation is made in no way modifies or changes the portion above quoted.

The section last above quoted afterward became section 1767 of the Revised Statutes of 1878. This section of the Revised Statutes (sec. 1767) was afterward, by the act of March 3, 1887 (24 Stat. 500), expressly repealed, leaving, with one exception (hereinafter noted), nothing in the statutes relating to the tenure of office of heads of departments.

This exception was that relating to the tenure of office of the Postmaster General. The original act establishing the Post Office Department and providing for a Postmaster General to be the head thereof was the act of May 8, 1794 (1 Stat. 357). This act contained no provision whatever as to the tenure of office of the Postmaster General, but, by the act of June 8, 1872 (17 Stat. 283), revising the laws relating to the Post Office Department, the tenure of office of the Postmaster General was fixed "for and during the term of the President by whom he is appointed, and for 1 month thereafter, unless sooner removed." This provision afterward became section 388 of the Revised Statutes and is now section 361, title 5, of the United States Code.

As the law now stands, the Postmaster General is the only head of a department whose tenure of office is definitely fixed by law, although, as will appear hereafter, the laws relating to the tenure of office of the Secretary of Commerce and likewise of the Secretary of Labor are different from the statutes relating to the office of the heads of any other executive departments.

It may be interesting and perhaps instructive to give a brief legislative history of the establishment of the various executive departments of the Government and the provisions made in such statutes for the heads of these departments.

DEPARTMENT OF STATE

The Department of State was established by the act of July 27, 1789 (1 Stat. 28), and was denominated the "Department of Foreign Affairs," with a head to be known as the "Secretary for the Department of Foreign Affairs." Later, by the act of September 15, 1789 (1 Stat. 68), the name of the Department was changed to "Department of State" and the name of the head of the Department was designated as "Secretary of State." There was no provision in either of these acts as to the tenure of office of the Secretary of State. These provisions of law later became section 199 of the Revised Statutes and now constitute section 151 of title 5 of the United States Code.

DEPARTMENT OF WAR

The War Department was created by the act of August 7, 1789 (1 Stat. 49), which also provided that the head of the Department should be known as the "Secretary for the Department of War." This statute afterward became section 214 of the Revised Statutes and is now section 181 of title 5 of the United States Code. None of these statutes contained any provisions relating to the length of the term of office of the head of this department.

DEPARTMENT OF THE TREASURY

The Department of the Treasury was established by the act of September 2, 1789 (1 Stat. 65). It was provided in such act that the head of the Department should be known as "Secretary for the Treasury," but nothing was said in the act as to the tenure of office of the Secretary. The act, without change in this respect, afterward became section 233 of the Revised Statutes, and is now section 241 of title 5 of the United States Code.

DEPARTMENT OF JUSTICE

The original act creating the Department of Justice was passed June 22, 1870 (16 Stat. 162). The first act providing for the office of Attorney General was the act of September 24, 1789 (1 Stat. 93), but the Attorney General was not the head of a department until the creation of the Department of Justice in 1870, nearly 100 years later. Neither of these acts, however, contained any provision fixing a definite term of office for the Attorney General. The act of 1870, creating the Department, became section 346 of the Revised Statutes, and is now section 291 of title 5 of the United States Code.

POST OFFICE DEPARTMENT

The Post Office Department was established and provision made for the appointment of a Postmaster General by the act of May 8, 1794 (1 Stat. 354), but this act contained no provision as to the length of the term of office of the Postmaster General. In 1872 an act was passed to revise the statutes relating to the Post Office Department (17 Stat. 283), in which it was provided that the Postmaster General "shall be appointed by the President, by

and with the advice and consent of the Senate, and who may be removed in the same manner; and the term of office of the Postmaster General shall be for and during the term of the President by whom he is appointed, and for 1 month thereafter, unless sooner removed."

This statute is the existing law. It became section 388 of the Revised Statutes, and is now section 361 of title 5 of the United States Code.

It will be observed that the term of office of the head of this Department is definitely fixed and that the consent of the Senate is necessary to his removal as well as to his appointment. It should be stated, however, in this connection, that Congress has no constitutional authority to deprive the President of the power of removal of executive officers where they have been appointed by the President by and with the advice and consent of the Senate. (See *Myers, Administratrix, v. United States*, 272 U. S. 52.) It will be observed, also, that with the possible exceptions of the Secretary of Commerce and the Secretary of Labor (hereinafter noted) it is the only instance where existing law makes any provision for the term of office of any of the heads of departments.

DEPARTMENT OF THE NAVY

The Navy Department was established by the act of April 30, 1798 (1 Stat. 553). It was provided that the head should be designated as the "Secretary of the Navy," but nothing was said in the act regarding the tenure of office of the Secretary and no later act has in any way modified the original one. This act later became section 415 of the Revised Statutes and is now section 411 of title 5 of the United States Code.

DEPARTMENT OF THE INTERIOR

The Department of the Interior was created by the act of March 3, 1849 (9 Stat. 395), and provision was made in the act for the Secretary of the Interior as the head of the Department. Unlike the other acts establishing the other departments, this act specifically provided that the Secretary "shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and who shall hold his office by the same tenure and receive the same salary as the Secretaries of the other executive departments."

Under this act it would probably have required the consent of the Senate for the removal of the Secretary, but when the Revised Statutes were enacted the act was changed and all reference to the method of appointment of the head of the Department and his tenure of office was omitted (Rev. Stat., sec. 437). This section of the Revised Statutes is now section 481 of title 5 of the United States Code.

DEPARTMENT OF AGRICULTURE

The Department of Agriculture was established with a Commissioner of Agriculture as the head by the act of May 15, 1862 (12 Stat. 387). This act provided in section 2, "That there shall be appointed by the President, by and with the advice and consent of the Senate, a 'Commissioner of Agriculture,' who shall be the chief executive officer of the Department of Agriculture, who shall hold his office by a tenure similar to that of other civil officers appointed by the President, and who shall receive for his compensation a salary of $3,000 per annum." The law was afterward changed by the act of February 9, 1889 (25 Stat. 659). The amendatory act changed the name of the head of the Department to that of "Secretary of Agriculture" and reenacted the provision as to the method of appointing the head, but omitted entirely the provision relating to his tenure of office; hence, as the law now stands, there is no statute making any reference to the term of office of the Secretary of Agriculture. The statute covering the subject is now found in sections 511 and 512 of title 5 of the United States Code.

DEPARTMENTS OF LABOR AND OF COMMERCE

The legislative histories of these two Departments are considerably intermingled. The Department of Labor was first established by the act of June 13, 1888 (25 Stat. 182). The head of the Department was designated as a Commissioner of Labor, and it was provided that he "shall be appointed by the President, by and with the advice and consent of the Senate; he shall hold his office for 4 years, unless sooner removed, and shall receive a salary of $5,000 per annum." By the act of February 14, 1903 (32 Stat. 825), the Department of Commerce and Labor was established, and the Department of Labor as theretofore existing was merged with the new Department thus created. It was provided that the head of this new Department should be the "Secretary of Commerce and Labor." This act provided that the head of the Department "shall be appointed by the President, by and with the advice and consent of the Senate, who shall receive a salary of $8,000 per annum, and whose term and tenure of office shall be like that of the heads of the other executive departments." This provision as to the method of appointment of the head of the Department and as to his term and tenure of office has not been changed by Congress since its original enactment. It is now contained in section 591 of title 5 of the United States Code, the act establishing the Department of Commerce.

This remained the law, and the Department of Commerce and Labor remained as one Department until the passage of the act of March 4, 1913 (37 Stat. 736), when the Department of Commerce and Labor was separated by the creation, for the second time, of a Department of Labor. In this act the head of the Department of Commerce remained as the "Secretary of Commerce," and it was provided that the head of the new Department of Labor should be designated as the "Secretary of Labor." This act separating the Departments and creating the Department of Labor as a separate Department contained the same provision as to the tenure of office of the Secretary of Labor as is contained in the law providing for the tenure of office of the Secretary of Commerce, to wit: "* * * who shall be the head thereof, to be appointed by the President, by and with the advice and consent of the Senate, * * * and whose tenure of office shall be like that of the heads of the other executive departments."

It will be seen, therefore, that the laws in regard to the tenure of office of the Secretary of Commerce and of the Secretary of Labor are indefinite. They fix the terms of office of these two Secretaries by reference to the terms of office of other heads of departments, wherein, with the exception of the Postmaster General, no term is fixed by law. It would hardly be reasonable to suppose that Congress intended, in these two instances, when it said "and whose tenure of office shall be like that of the heads of the other executive departments," that it had reference to the tenure of office of the Postmaster General when that office was the only one of the entire list where the law specifically fixed the term of office. It is not reasonable to suppose that Congress, in the passage of these two acts, had in mind the exception rather than the general rule, and since the tenure of office as to all of the heads of departments except the Postmaster General is not fixed by statute, it would follow that Congress, in enacting these statutes applying to the Departments of Commerce and Labor, did not fix any tenure of office for the heads of those two Departments.

The Constitution nowhere fixes the terms of office of the heads of departments and, with the exception of the Postmaster General, there is no law of Congress fixing any of these terms. We, therefore, conclude that with the exception of the Postmaster General, the heads of all the executive departments of the Government may legally hold office as such after the expiration of the term of the President by whom appointed.

HISTORICAL PRECEDENTS

An examination of the precedents discloses that heads of executive departments have continued to hold office as such, after the expiration of the term of the President by whom they were appointed, in a total of 110 instances.

During the second term of President Washington, Timothy Pickering, of Pennsylvania, was appointed Secretary of State. He held the position during the remainder of Washington's term and continued, without reappointment, after the inauguration of John Adams. After he had served as such Secretary of State during 3 years of Adams' administration, he was asked to resign and refused to do so. He was dismissed by President Adams on May 12, 1800.

It would appear from this that the statesmen of the early days who had much to do with the framing of the Constitution, many of whom actively participated in the framing of that instrument, were of the opinion that unless Congress definitely fixed a term of office for the heads of departments, such officials would remain in office indefinitely. The case of Mr. Pickering seems to be important as showing the opinion of men who were actively administering the affairs of government soon after the Constitution was adopted.

The practice of holding over without reappointment was general until the passage of the act of March 2, 1867, limiting the term of heads of departments to 4 years and 1 month. This provision of law was in force only 2 years when it was repealed. While the practice since that time has not been uniform, it has been sufficiently so to clearly show that all those in authority took it for granted that with the exception of the Postmaster General the heads of all executive departments of the Government held their respective positions indefinitely, subject to removal at any time by the President.

The following table, prepared by Mr. Cozier, assistant clerk of the Judiciary Committee, shows the instances where heads of departments have held office without reappointment, after the expiration of the term of the President by whom they were appointed:

Table showing instances where heads of departments have held office, without reappointment, after the expiration of the term of the President by whom they were appointed

Washington, 1793, Secretary of State, Secretary of the Treasury, Secretary of War, Attorney General, and Postmaster General	5
Adams, 1797, Secretary of State, Secretary of the Treasury, Secretary of War, Attorney General, and Postmaster General	5
Jefferson, 1801, Secretary of the Treasury, Secretary of the Navy, and Postmaster General	3
Jefferson, 1805, Secretary of State, Secretary of the Treasury, Secretary of War, Secretary of the Navy, and Postmaster General	5
Madison, 1809, Secretary of the Treasury, Secretary of the Navy, Attorney General, and Postmaster General	4
Madison, 1813, Secretary of State, Secretary of the Treasury, Secretary of War, Secretary of the Navy, Attorney General, and Postmaster General	6
Monroe, 1817, Secretary of the Navy, Attorney General, and Postmaster General	3
Monroe, 1821, Secretary of State, Secretary of the Treasury, Secretary of War, Secretary of the Navy, Attorney General, and Postmaster General	6

Table showing instances where heads of departments have held office, without reappointment, after the expiration of the term of the President by whom they were appointed—Continued

Adams, 1825, Secretary of the Navy, Attorney General, and Postmaster General	3
Jackson, 1829, Postmaster General	1
Jackson, 1833, Secretary of State, Secretary of the Treasury, Secretary of War, Secretary of the Navy, Attorney General, and Postmaster General	6
Van Buren, 1837, Secretary of State, Secretary of the Treasury, Secretary of War, Secretary of the Navy, Attorney General, and Postmaster General	6
Harrison, 1841	None.
Tyler, 1841, Secretary of State, Secretary of the Treasury, Secretary of War, Secretary of the Navy, Attorney General, and Postmaster General	6
Polk, 1845	None
Taylor, 1849	None
Fillmore, 1850	None
Pierce, 1853	None
Buchanan, 1857	None
Lincoln, 1861	None
Lincoln, 1865, Secretary of State, Secretary of War, Secretary of the Navy, Secretary of the Interior, Attorney General, and Postmaster General	6
Johnson, 1865, Secretary of State, Secretary of the Treasury, Secretary of War, Secretary of the Navy, Secretary of the Interior, Attorney General, and Postmaster General	7
Grant, 1869	None
Grant, 1873	None
Hayes, 1877	None
Garfield, 1881	None
Arthur, 1881, Secretary of War, Secretary of the Navy, and Secretary of the Interior	3
Cleveland, 1885	None
Harrison, 1889	None
Cleveland, 1893	None
McKinley, 1897	None
McKinley, 1901	None
Roosevelt, 1901, Secretary of State, Secretary of the Treasury, Secretary of War, Secretary of the Navy, Secretary of the Interior, Secretary of Agriculture, Secretary of Commerce, Secretary of Labor, and Postmaster General	8
Roosevelt, 1905	None
Taft, 1909	None
Wilson, 1913	None
Wilson, 1917, Secretary of State, Secretary of War, Secretary of the Treasury, Secretary of the Navy, Secretary of the Interior, Secretary of Agriculture, Secretary of Commerce, Secretary of Labor, and Attorney General	9
Harding, 1921	None
Coolidge, 1923, Secretary of State, Secretary of War, Secretary of the Treasury, Secretary of the Navy, Secretary of the Interior, Secretary of Agriculture, Secretary of Commerce, Secretary of Labor, Attorney General, and Postmaster General	10
Coolidge, 1925, Secretary of the Treasury, Secretary of War, Secretary of the Navy, Secretary of the Interior, Secretary of Commerce, and Secretary of Labor	6
Hoover, 1929, Secretary of the Treasury and Secretary of Labor	2
Total	110

NOTE.—Table does not include instances where officers held over for only a few weeks or less.

IS SECRETARY MELLON LEGALLY QUALIFIED TO HOLD THE OFFICE OF SECRETARY OF THE TREASURY?

The second question asked by the Senate resolution relates to the qualifications of Secretary Mellon to hold the office of Secretary of the Treasury. This question, it is obvious on its face, is a mixed question of fact and law.

To ascertain the facts, the committee accepted without question the statements made by Secretary Mellon in a letter which he addressed to Senator DAVID A. REED, and which was by him read to the committee. Other statements made by Senator REED before the committee, supplementing the letter, were likewise accepted by the committee as a true outline of the facts so far as they are necessary to construe the law. These facts, so far as they apply to the inhibitions contained in section 243 of title 5 of the Code of Laws, are in substance as follows:

AGREED STATE OF FACTS

Prior to taking the office of Secretary of the Treasury in March 1921 Mr. Mellon resigned every office which he then held in any corporation engaged in the business of trade or commerce, and resigned all his directorates in such corporations, and he has not been since that time, and is not now, a director or officer in any such corporation. He did not, however, dispose of his stock in such corporations and is still the owner of stock in many corporations engaged in the business of trade or commerce.

Mr. Mellon likewise not only resigned every office he held in any national bank, trust company, or other banking institution but he sold all the shares of stock which he owned in such banking institutions.

At the time Mr. Mellon took the office of Secretary of the Treasury he owned, and still owns, a substantial amount of stock in the Gulf Oil Corporation of Pennsylvania, the Aluminum Co. of America, the Standard Steel Car Co., and various other business corporations, all of which are engaged in the business of trade or commerce. He does not own a controlling interest in the stock of any of these corporations. The stock which he does own, in connection with the stock owned by members of his family and close business associates, does, however, in many cases, constitute a majority of the stock of the corporation, and, in some instances, including some of the corporations above mentioned, constitutes ownership of practically the entire outstanding capital stock.

Since Mr. Mellon has been Secretary of the Treasury he has not controlled or directed the business operations of any of these corporations and has not taken part in the adjudication or settlement of any Federal taxes assessed against such corporations.

It is conceded that Mr. Mellon has not purchased by himself, or another in trust for him, any public lands or other public property; that he has not been concerned and is not now concerned in the purchase or disposal of any public securities of any State or of the United States; and that he has not at any time taken or applied to his own use any emolument or gain for negotiating or transacting any business in the Treasury Department.

THE LEGAL QUESTION INVOLVED

The statute cited in the Senate resolution, in so far as it applies to the question now under discussion, reads as follows:

"No person appointed to the office of the Secretary of the Treasury * * * shall directly or indirectly be concerned or interested in carrying on the business of trade or commerce, or be the owner in whole or in part of any sea vessel." * * *

Under these admitted facts, the questions presented to the committee are: (1) Is ownership of a substantial amount of stock by the Secretary of the Treasury, in a corporation engaged in carrying on the business of trade or commerce, a violation of the statute? (2) Is the ownership of a substantial amount of stock by the Secretary of the Treasury in a corporation owning a sea vessel a violation of the statute? Both of these questions must be answered in the affirmative.

The first question might be simplified by asking: Is a person owning stock in a corporation even indirectly concerned or interested in the business of such corporation? In this simplified form the question answers itself.

To deny that the owner of stock in a corporation is interested in the business of such corporation is a violation of all logic and reason; and to assert that the owner of such stock is not even indirectly "concerned or interested" in the business of the corporation must impress the minds of honest people as being ridiculous. When we add to this the proposition that the ownership of stock in a corporation is substantial and that in connection with the stock owned by relatives and close business associates it constitutes a controlling interest in the corporation, and in some cases constitutes the ownership of practically all the outstanding stock of the corporation, we have reached a point where no reasonable mind, by any possibility, can conceive that the owner of such stock is not only indirectly but directly and positively interested in the business of the corporation. By no legal or judicial legerdemain or method of reasoning can any conclusion be reached in such a case except that the owner of such stock must be, and necessarily is, interested in the business of the corporation. There is positively no way for such person to avoid such interest or to disassociate his interest from such corporation except, in good faith, to dispose of his stock therein.

It is common knowledge that the Gulf Oil Corporation of Pennsylvania, the Aluminum Co. of America, and the Standard Steel Car Co. are among the largest business corporations of the United States. Their business operations annually run into the millions. A person who owns a "substantial" amount of the stock of these corporations and who, in connection with members of his family and close business associates, can ordinarily control the operations of such corporations, is not only interested but has it in his power to affect and control some of the most important business operations of the world. To say that such a person is not interested in the business operations of any of these corporations is to offend the reasoning process of all logical minds.

Several years ago, when the law provided that the amount of income taxes paid by any citizen should be public, it became known that the income tax paid by Mr. Mellon exceeded $1,000,000. From the agreed state of facts he must have a vast fortune tied up in stock ownership of some of the greatest business corporations in the country, and his income to a large extent, if not entirely, must come from his ownership of stock in these corporations. Can it be asserted with any reason or logic that he is not interested in the business which they transact? Can it be honestly claimed that he is not even "indirectly interested" or that he is not even "indirectly concerned"? These questions are too simple and the answers are too self-evident to admit of discussion or doubt.

GULF OIL CORPORATION OF PENNSYLVANIA

The Gulf Oil Corporation, referred to above, and which, it is admitted, Mr. Mellon and members of his family and close business associates completely dominate and control, is one of the largest, if not the largest, corporation of its kind in the world. We give the following information from Moody's Manual for 1927:

"Through its subsidiaries which it owns it operates thousands of oil wells producing several hundred thousands of barrels of crude oil per day. It owns several thousand miles of pipe lines and large refineries in different parts of the world. It owns and operates ocean-going steamers, barges, and tugs, together with harbor barges, etc. It has bulk distributing stations located on

Gulf of Mexico and Atlantic seaboard, including Galveston, New Orleans, Mobile, Tampa, Jacksonville, Savannah, Charleston, Bayonne, Philadelphia, New York, Providence, and Beverly. From these points oil is marketed through over 1,500 sales stations. Net production in 1926, after deducting all royalties and working interests, was over 44,000,000 barrels of crude oil. Deliveries in 1926 were 46,900,000 barrels. Some of these subsidiaries are as follows:

"Eastern Gulf Oil Co.: Properties located in Kentucky. Capital stock, $50,000.

"Gulf Pipe Line Co.: Located in Texas. Capital stock, $3,500,000.

"Gulf Pipe Line Co. of Oklahoma: Capital stock, $1,000,000.

"Gulf Production Co.: Producers of petroleum. Owns leases on thousands of acres in Texas. Capital stock, $2,250,000.

"Gulf Refining Co.: Transports and sells petroleum and by-products. Refineries located at Port Arthur, Port Worth, Tex., and Bayonne, N.J. Total capacity, 150,000 barrels daily. Capital stock, $15,000,000.

"Gulf Refining Co. of Louisiana: Sells petroleum products. Capital stock, $1,000,000.

"Gypsy Oil Co.: Properties located in Oklahoma and Kansas. Capital stock, $500,000.

"Mexican Gulf Oil Co.: Incorporated in Delaware to prospect for and produce petroleum in Mexico. Capital stock, $200,000.

"South American Gulf Oil Co.: Incorporated in Delaware: engaged in exploration and development work in South America. Capital stock, $25,000.

"Venezuela Gulf Oil Co.: Incorporated in Delaware to produce oil in Venezuela and other South American countries. Capital stock, $50,000."

These are only a portion of the subsidiaries owned by this great corporation. A full list, with more detailed information, can be found in Moody's Manual of Investments for 1927.

It should be added that through these subsidiaries this corporation has often done business with the Government of the United States and is a bidder upon contracts let by the Government for supplies in which these various subsidiaries deal.

THE OWNER, IN WHOLE OR IN PART, OF A SEA VESSEL, IS DISQUALIFIED FROM HOLDING THE OFFICE OF SECRETARY OF THE TREASURY

The statute we are construing says that "no person appointed to the office of Secretary of the Treasury * * * shall * * * be owner in whole or in part of any sea vessel * * *."

The corporation above named, according to Moody's Manual, an accepted authority, owns "25 ocean-going steamers, 7 barges, 6 tugs, and 2 motor ships, together with harbor barges, etc."

There is no opportunity here to quibble over the meaning of "business" or "carrying on business" or being directly or indirectly concerned or interested in "carrying on the business of trade or commerce." The statute specifically states that anyone owning, in whole or in part, a sea vessel, shall be disqualified from holding the office of Secretary of the Treasury. This is independent of "business" or of "carrying on business." The thing which the statute interdicts is the ownership, in whole or in part, of a sea vessel.

Regardless of any construction which by any method of reasoning is put upon the other portion of the statute, it must be admitted that the statute disqualifies any person from holding the office of Secretary of the Treasury who is the owner of a sea vessel.

It certainly will not be contended that "ocean-going steamers" are not sea vessels. On the other hand, it seems plain that the object of Congress in the early days in prohibiting the ownership of a sea vessel applies with equal force to the present day and with increasing force when applied to a man of Secretary Mellon's national and international business connections.

It seems clear that either Mr. Mellon must be held to be disqualified or we must close our eyes to the plain provision of a definite statute. Neither can it be claimed that the law does not apply to him because these vessels are owned by a corporation in which he is a substantial stockholder. It might be argued that he does not himself personally own the entire interest of these ocean-going vessels, but it must be admitted that to the extent of his stock ownership in the corporation he is at least a part owner, and the statute interdicts the ownership in part as well as the entire ownership.

ALUMINUM CO. OF AMERICA

The Aluminum Co. of America is the largest corporation of its kind in the world. Its primary business is the smelting of aluminum from its ore. This business is carried on at Niagara Falls and Massena, N.Y.; Alcoa, Tenn.; Badin, N.C.; Shawinigan Falls and Arvida, Province of Quebec; and in Norway. For the purpose of its business the company utilizes more than 500,000 horsepower. Hydroelectric plants for the development of electric power are either owned by the company or controlled under long-term leases. In addition, the company owns several undeveloped water powers which, when developed, will more than double its present supply of power. The company also does an extensive fabricating business, producing aluminum sheets, rod, wire, tubes, castings, and other similar forms. Mills are located at Alcoa, Tenn.; New Kensington, Pa.; Edgewater and Garwood, N.J.; Buffalo, Niagara Falls, and Massena, N.Y.; Cleveland, Ohio; Detroit, Mich.; Fairfield, Conn.; Toronto, Ontario; and Shawinigan Falls, Province of Quebec. The company owns its own bauxite mines in Arkansas, South America, and several European countries and has its plant for the preliminary refining of bauxite at East St. Louis, Ill. The corporation not only does business direct but it owns a large number of subsidiaries. Among them may be mentioned the following: St. Lawrence Water Co., Demerara Bauxite Co., United States Aluminum Co., St. Lawrence River Power Co.

This corporation also owns the Aluminum Co. of Canada and has leased property of the Aluminum Manufacturers (Inc.) for 25 years from July 1, 1923. In addition, the Aluminum Co. of America owns the entire capital stock of the Alton & Southern Railway Co.

Further detailed information can be obtained from an examination of Moody's Manual, 1927, from which the above data are quoted.

It is common knowledge that the Aluminum Co. of America deals principally in products which are highly protected by the tariff. Mr. Mellon, as Secretary of the Treasury, controls the administration of the tariff laws, and, in their administration, he is dealing with his own corporation in which he has a substantial interest and in which, as a stockholder, he, together with his close associates, has a dominating control.

STANDARD STEEL CAR CO.

The Standard Steel Car Co., incorporated under the laws of Pennsylvania, manufactures steel and composite (steel and wood) cars. It has plants located at Butler, Middletown, and New Castle, Pa.; Hammond, Ind.; and Baltimore, Md. This corporation controls the Middletown Car Co. and the Baltimore Car & Foundry Co. In 1925 it purchased the Siems-Stembel Co., covering 25 acres in St. Paul and Minneapolis, Minn. In 1926 it obtained an interest in the Columbia Steel Co. at Elyria, Ohio. It owns the Forged Steel Wheel Co. at Butler, Pa. It has an authorized capital stock of $50,000,000.

These are only samples of Mr. Mellon's stock ownership in various kinds of corporations, all actively engaged in trade and commerce. Their operations cover nearly the entire civilized world. He and his associates, under the admitted facts, are interested in and control some of the most gigantic financial operations in the world. They are interested directly in the tariff, in the levying and collection of Federal taxes, in the shipping of products upon the high seas. Most of the products of these corporations are protected by our tariff laws, and Mr. Mellon has direct charge of the enforcement of these laws.

It is not necessary that it be shown that he has taken advantage of his position to give preference to these corporations in which he has a direct interest. The law does not state that before its inhibitions apply the Secretary of the Treasury must be found guilty of malfeasance in office in the way of giving invaluable favor to corporations in which he has a direct interest. It is sufficient under this statute to disqualify Mr. Mellon that it appear that he is either directly or indirectly interested in the business of trade or commerce. It would perhaps be impossible to find in the United States a single citizen who has a greater interest in the business of trade or commerce. In the financial world Mr. Mellon has perhaps more at stake in the carrying on of trade or commerce than any other one citizen of the United States. He is not only "interested" but, under the admitted facts, he is one of the dominating and controlling influences in the business world.

A stockholder of a corporation shares in the profits of the corporation. He suffers financially when the operations of the corporation are unprofitable. Upon dissolution of the corporation he has a right to share in the assets. All of these things conclusively imply that he is necessarily interested in the business of the corporation. If the corporation engaged in business is successful, he makes a profit. If its business operations are failures, he suffers a loss. The property which it acquires in its business operations, upon dissolution of the corporation, belongs to the stockholders, and this property is great or small in proportion to the success or failure of the corporation in its business transactions. He is interested not only indirectly but directly in every transaction of the corporation. He can not dissociate himself from such interest, except to part title with the ownership of his stock. These propositions, without exception, have been upheld and reasserted time and again by judicial determination. (*Gibbons* v. *Mahon* (1890), 136 U.S. 590; *Eisner* v. *Macomber* (1920), 252 U.S. 189; *R.I. Trust Co.* v. *Doughton* (1926), 270 U.S. 69; *Collector* v. *Hubbard* (1871), 12 Wall. 1; *Lynch* v. *Thurrish* (1918), 247 U.S. 221.)

A STOCKHOLDER'S INTEREST IN A CORPORATION IS AN INSURABLE INTEREST

It has been held that a stockholder's interest in corporate property is an insurable interest, not based on legal title, but on the right to gains or profits, etc. (*Seaman* v. *Enterprise Fire & Marine Insurance Co.*, 21 Fed. 778, 784; *Warren* v. *Davenport Insurance Co.* (1871), 31 Iowa 464.)

In the case of *Seaman* v. *Enterprise Fire & Marine Insurance Co.*, above cited, it is stated in the syllabus as follows:

"An owner of stock in a corporation has an insurable interest in the corporate property in proportion to the amount of his stock."

In the other case cited (*Warren* v. *Davenport Insurance Co.*, 31 Iowa 464), where the question was distinctly presented, the Supreme Court of Iowa affirmed that a stockholder did have an insurable interest.

A STOCKHOLDER IN A CORPORATION IS DISQUALIFIED TO ACT AS JUDGE

Stockholders have a direct interest in the business of the corporation, and such interest, it has been held, disqualifies a stockholder to act as a judge or juror in a suit in which such corporation is interested. (In re *Honolulu Consolidated Oil Co.*, C.C.A. 9th cir. 1917, 243 Fed. 348.)

The syllabus of this case, in so far as it applies to this question, reads as follows:

"* * * a judge owning stock in one of such oil companies is disqualified to sit on the trial of such a suit against another of such oil companies, under Judicial Code (act March 3, 1911, ch. 231), providing that, whenever it appears that the judge of any district court is in any way concerned in interest in any suit pending therein, it shall be his duty to enter the fact on the records and certify an authenticated copy thereof to the senior judge for the circuit."

As applying to the disqualifications of the judge on account of being a stockholder in a corporation involved in litigation before such judge, we cite the following: *State* v. *Mach* (1902), 26 Nev. 430; *First National Bank* v. *McGuire* (1899), 12 S.D. 226; *Queens-Nassau Mortgage Co.* v. *Graham* (1913), 142 N.Y. Supp. 589; *Anderson* v. *Commonwealth* (Ky. 1909), 117 S.W. 364; *Adams* v. *Minor* (1898), 121 Calif. 372; *King* v. *Thompson* (1877), 59 Ga. 380.

In the case of *Queens-Nassau Mortgage Co.* v. *Graham*, above cited, it was held by the Supreme Court of Iowa that where a judge is a stockholder in a corporation he is interested in any case in which the corporation is a party, and even the consent of the parties to the action cannot qualify him to sit in such a case.

A STOCKHOLDER IN A CORPORATION IS DISQUALIFIED TO ACT AS JUROR

A person called as a juror is disqualified from acting as such in a case where he is a stockholder in the corporation which is a party involved in the litigation. (*Martin* v. *Farmers Mutual Fire Ins. Co.* (1905), 139 Mich. 148; *Peninsular Ry. Co.* v. *Howard* (1870), 20 Mich. 18; *Sovereign Camp W.O.W.* v. *Ward* (1916), 196 Ala. 327.)

In the case of *Martin* v. *Farmers Mutual Fire Ins. Co.* the Supreme Court of Michigan distinctly held that in an action against a mutual fire-insurance company the members thereof are interested and are incompetent to sit as jurors in any case in which a mutual insurance company is a party, and this is true even where the jurors upon oath declare that they "were free from bias and prejudice." In this case the court, in the opinion, said:

"The disqualification of a judge or juror to sit in a case is a question of vital interest to more than the parties to a suit. It involves the administration of justice before disinterested, unprejudiced, and impartial tribunals."

CONTRACT OF CORPORATION WITH MUNICIPALITY IS VOID IF MAYOR OR MEMBERS OF CITY COUNCIL ARE STOCKHOLDERS

Most States have statutes which prohibit officers of any municipality from being interested in contracts with such municipality. Under such statutes it is universally held that where the mayor or members of the city council are stockholders in a corporation such interest is sufficient to invalidate any contract between the municipality and the corporation. It is universally held that stock ownership in a corporation getting a contract from a municipality by a member of the council falls under the condemnation of such a statute. (II, Dillon on Municipal Corporations (5th ed.), sec. 773, p. 1147; III, McQuillan on Municipal Corporations, sec. 1354; *San Diego* v. *San Diego*, 44 Cal. 106; *Noble* v. *Davidson*, 177 Ind. 19; 28 Cyc. 653; 44 C.J. 93.)

In *Noble* v. *Davidson* (177 Ind. 19), above cited, the court canvasses at length the principle involved and gives its reasons for holding that such "interest" invalidates the contract.

A STOCKHOLDER IN A CORPORATION IS DISQUALIFIED AS A WITNESS

Where the statute makes a witness incompetent if he is interested in the result of the suit, the court held that a stockholder of a corporation is an incompetent witness where the corporation is interested as a party to the case. In the case of *Dickenson* v. *Columbus State Bank* (Nebr. 1904, 98 N.W. 813) the Supreme Court of Nebraska, in passing upon this question, said:

"Plaintiff objected to the evidence of defendant's president, Gerrard, as to transactions had with the deceased, Murdock, as being excluded by section 329, Code of Civil Procedure. It was testimony of an interested party as to transactions with a deceased person against an assignee of the deceased. Unless testimony as to such transactions had been introduced by the other side, it was inadmissible. There seems no doubt that Mr. Gerrard's interest as a stockholder of the bank is a 'direct legal interest,' and disqualified him under the terms of the statute."

To the same effect is the decision in *Tecumseh National Bank* v. *McGee* (61 Nebr. 709, 85 N.W. 949).

It is also quite generally held that a stockholder of a corporation has such an "interest" that he can not take the acknowledgment of a conveyance to such corporation. (*Southern Iron & E. Co.* v. *Voyles*, 41 L.R.A. (N.S.) 375; see also notes there cited.)

STOCKHOLDER'S INTEREST SUFFICIENT TO MAKE HIM LIABLE FOR TAXES

Under section 3251 of the Revised Statutes, persons interested in the use of a distillery were held liable for taxes on it. This section says:

"* * * Every person in any manner interested in the use of any still, distillery, or distilling apparatus shall be jointly and severally liable for the taxes imposed by law on the distilled spirits produced therefrom."

It was held by the Solicitor General of the United States (April 23, 1876) that under this statute a stockholder in a distilling corporation not otherwise liable for the debts of the corporation beyond the amount of his stock therein, was liable individually for such taxes, and that his individual property in no way connected with the business of such corporation could be seized and restrained for taxes due on spirits produced by the corporation.

In the case of *United States* v. *Wolters et al.* (C.C.S.D.Calif., 1891, 46 Fed. 509), it was held that stockholders of a corporation engaged in operating a distillery are liable for taxes under the statute which declares, "and every person in any manner interested in the use of" a distillery shall be jointly and severally liable for the taxes imposed by law on the distilled spirits produced therefrom. In this case the court said:

"The holder of stock in a corporation organized for and engaged in the business of distilling spirits, if not the proprietor or possessor of the distillery within the meaning of the statute, is certainly 'interested in the use of' the distillery operated by the corporation of which he is a stockholder. He has a direct, pecuniary interest in the business of distilling—the purpose for which the distillery is used—as well as in the property itself. The amount of such interest, whether large or small, is of no consequence. The statute declares that every person so interested shall be jointly and severally liable for the taxes imposed by law on the distilled spirits produced therefrom." (See also to the same effect: (*Richter* v. *Henningson* (1895), 110 Calif. 530; 15 Op.A.G. 559; 16 Op.A.G. 10.)

INTEREST OF STOCKHOLDER ENTITLES HIM TO BRING SUIT

The interest of stockholders has been recognized in their right to bring suit on behalf of the corporation when the proper officers neglect a duty to enforce its rights, and to bring suit to restrain ultra vires acts. (*Kelly* v. *Dolan*, D.C.E.D.Pa., 1914, 218 Fed. 966; *Leo* v. *U. P. Ry. Co.*, C.C.S.D.N.Y., 1884, 17 Fed. 273; *Siegman* v. *Electric Vehicle Co.*, C.C.D.N.J., 1905, 140 Fed. 117.)

There was submitted, on behalf of the contention of Mr. Mellon, a brief written by Messrs. Faust and Wilson, attorneys, which was printed in the CONGRESSIONAL RECORD of March 31, 1924 (p. 5246), and also an opinion by Hon. William D. Mitchell, the present Attorney General of the United States. The opinion of the Attorney General was prepared at the request of the President of the United States. The writers of these briefs have reached the conclusion that under the statute heretofore quoted and the agreed state of facts above set forth, Mr. Mellon is not disqualified from holding the office of Secretary of the Treasury. The Attorney General, in reaching his conclusion, as did also Messrs. Faust and Wilson, placed great stress upon the case In re *Deuel* (127 App. Div. 640), to the effect that the ownership of stock in a corporation does not constitute carrying on the business of the corporation.

These eminent attorneys are led into a false theory which has no application whatever to the case of Secretary Mellon. No one claims that Mr. Mellon is carrying on any trade or business. It is frankly admitted that he is not engaged in business and is not carrying on business. There is a vast difference—one that is clearly defined by the courts—between carrying on business or being engaged in business and having an interest in any trade or business.

A person is engaged in business and is carrying on business when he has something to do with the management of the same; but he may be interested in any trade or business and be interested or concerned in the carrying on of such trade or business, without having anything to do in the way of management or direction of the business. In fact, the person who is not managing a trade or business may be much more directly "interested or concerned" in the business than the one who is actually at the head of the concern, directing it. This is particularly true in the case of corporations. The stockholders, after all, are the ones who are most directly and vitally interested in the business of the corporation and in the way and manner in which it is carried on. The manager or director may have no interest except in the position which he holds, while the stockholder may have the savings of a lifetime invested in the corporation and may, in fact, be much more concerned and more deeply interested than the hired man who manages the business.

In the case last cited the New York court was construing a statute which provided that no justice should carry on any business, and an attempt was made to disqualify Judge Deuel from holding office on the ground that he was carrying on a business. It was admitted on the trial that the judge was a stockholder in a corporation and that he was vice president of such corporation, but, in the syllabus of the case the court says that, as such vice president, he was not charged with any specific duties, was not actively engaged in the conduct of the business, was not responsible to the corporation or its stockholders for the conduct or the management of the business, and was not actively interfering in any way in relation to it, and, therefore, he had not violated the statute which forbade a justice to carry on any business.

The statute relating to the duty of the justice provided, among other things:

"Nor shall any such justice hold any other public office, or carry on any business * * * but each such justice shall devote his whole time and capacity, so far as the public interests demand, to the duties of his office."

The object of the law seems to have been to require the justice to devote his time and abilities to his official duties, and in order to do this it was provided that he should not carry on any other business.

In the body of the opinion the court said:

"It would serve no useful purpose to analyze this voluminous testimony, and I shall attempt to do no more than to state the conclusion at which I have arrived. I do not find it proved that this relator accepted any office in this corporation that imposed upon him any active duties in relation to the corporation

itself or the business that it conducted. He was vice president of the corporation, but charged with no specific duties in relation to it. There is no evidence that he actively engaged in the conduct of the business of the corporation; that he was responsible, either to the corporation or to its stockholders, for the conduct or management of the business, or that he actively interfered in any way in relation to it. In fact, the evidence is all the other way. Certainly if no one did anything more for this business than the respondent did, or was under obligation to do, the business would not have been carried on at all, and the conclusion that I have arrived at is that the charge of a violation of section 1416 of the charter is not sustained."

It should be noted in passing that in this case there was nothing pending before the judge in the way of litigation in which the corporation, of which he was a stockholder, was a party.

If this corporation in which he was a stockholder had been a party to a suit pending before him, and the court had held that such "interest" did not disqualify the judge from sitting, then there would be some reason for citing the case in support of the contention that Mr. Mellon's ownership of stock does not in any way constitute an interest; but, from the admitted facts of the case, it is perfectly plain that it has no application whatever to the question pending before the Committee on the Judiciary.

The Attorney General, in his opinion, also relies upon the case In re *Levy* (198 App. Div. 326) as sustaining his contention. A careful examination of this case will convince anyone that it has no application to the case of Secretary Mellon. The court decided in that case, as it did in the Deuel case, that the ownership of stock in a corporation did not constitute an offense upon the part of the judge such as would make him liable to removal from office. This decision was a construction of the same statute as was passed on in the Deuel case, and the court only held that the ownership of stock in a corporation, where the owner of the stock had nothing whatever to do with the management of the corporation, was not an officer or manager in any way, and was not "engaged in any other business or profession," did not offend the statute.

This case and the other case cited by the Attorney General in his opinion on this branch of the subject only demonstrates that the Attorney General and Messrs. Faust and Wilson have devoted considerable of their time and their great abilities in an attempt to show that the ownership of stock in a corporation is not, in and of itself, the carrying on of a business or profession—a proposition, as stated before, about which there is no contention and which has no bearing upon the question involved in the case before the committee as to whether the owner of stock in a corporation is "interested" in the business of the corporation.

The cases cited in these briefs, with the one apparent exception hereinafter noted, are all based on the imaginary claim that it is sought to disqualify Secretary Mellon because he is "engaged in business" or is "carrying on a business." They have no bearing upon the question of being "interested" in a business, and, therefore, they have no application or bearing upon the question submitted by the Senate to its Judiciary Committee. The question of whether the ownership of stock in a corporation constitutes the carrying on of business is not necessarily involved in the matter before us.

The exception above referred to is the case of *United States* v. *Delaware & Hudson Co* (213 U.S. 366). In this case the Supreme Court of the United States was called upon to place a construction upon the commodities clause of the Hepburn Act. There were several cases involved in this decision. They were all cases between the United States and various railroad companies. These defendants were all engaged in the mining of coal as well as in its transportation in interstate commerce. The clause in the Hepburn Act under consideration in these cases reads as follows:

"From and after May 1, 1908, it shall be unlawful for any railroad company to transport from any State, Territory, or the District of Columbia, to any other State, Territory, or the District of Columbia, or to any foreign country, any article or commodity, other than timber and the manufactured products thereof, manufactured, mined, or produced by it, or under its authority, or which it may own in whole or in part, or in which it may have any interest, direct or indirect, except such articles or commodities as may be necessary and intended for its use in the conduct of its business as a common carrier."

The constitutionality of the act was at issue. A careful reading of this very lengthy and laborious opinion will convince anyone that the Court was extremely anxious not to declare the act null and void as being in contravention to the Constitution of the United States.

These railroads, it was conceded, had for many years been engaged in the mining of coal, as well as in its transportation. They had been encouraged to invest in coal mines and to go into the business by the State legislature. In accordance with the laws of the State and the constitution of the State they had been carrying on this business for many years and, if the Court had given effect to the restrictive clause which would ordinarily be given by a careful student, it would have been compelled to nullify the laws of the State and would have necessarily confiscated many millions of dollars worth of property which the railroad companies had invested in accordance with their charters and in accordance with the constitution and laws of the State. In describing this condition that had arisen under State laws prior to the passage of the Hepburn Act, the Court said:

"The general situation is that for half a century or more it has been the policy of the State of Pennsylvania, as evidenced by her legislative acts, to promote the development of her natural resources, especially as regards coal, by encouraging railroad companies and canal companies to invest their funds in coal lands, so that the product of her mines might be conveniently and profitably conveyed to market in Pennsylvania and other States. Two of the defendant corporations, as appears from their answers, were created by the Legislature of Pennsylvania, one of them three-quarters of a century ago and the other a half century ago, for the expressed purpose that its coal lands might be developed and that coal might be transported to the people of Pennsylvania and of other States. It is not questioned that pursuant to this general policy investments were made by all the defendant companies in coal lands and mines and in the stock of coal-producing companies, and that coal production was enormously increased and its economies promoted by the facilities of transportation thus brought about. As appears from the answers filed, the entire distribution of anthracite coal in and into the different States of the Union and Canada for the year 1905 (the last year for which there is authoritative statistics), was 61,410,201 tons; that approximately four-fifths of this entire production of anthracite coal was transported in interstate commerce over the defendant railroads, from Pennsylvania to markets in other States and Canada, and of this four-fifths, from 70 to 75 per cent was produced either directly by the defendant companies or through the agency of their subsidiary coal companies.

"It also appears from the answers filed that enormous sums of money have been expended by these defendants to enable them to mine and prepare their coal and to transport it to any point where there may be a market for it. It is not denied that the situation thus generally described is not a new one, created since the passage of the act in question, but has existed for a long period of years prior thereto, and that the rights and property interests acquired by the said defendants in the premises have been acquired in conformity to the constitution and laws of the State of Pennsylvania, and that their right to enjoyment of the same has never been doubted or questioned by the courts or people of that Commonwealth, but has been fully recognized and protected by both."

In discussing the constitutional questions presented to the Court, the Chief Justice, in writing the opinion, used the following language:

"With these concessions in mind, and despite their far-reaching effect, if the contentions of the Government as to the meaning of the commodities clause be well founded, at least a majority of the court are of the opinion that we may not avoid determining the following grave constitutional questions: 1. Whether the power of Congress to regulate commerce embraces the authority to control or prohibit the mining, manufacturing, production, or ownership of an article or commodity, not because of some inherent quality of the commodity, but simply because it may become the subject of interstate commerce. 2. If the right to regulate commerce does not thus extend, can it be impliedly made to embrace subjects which it does not control, by forbidding a railroad company engaged in interstate commerce from carrying lawful articles or commodities because, at some time prior to the transportation, it had manufactured, mined, produced, or owned them, etc.? And involved in the determination of the foregoing questions we shall necessarily be called upon to decide: (a) Did the adoption of the Constitution and the grant of power to Congress to regulate commerce have the effect of depriving the States of the authority to endow a carrier with the attribute of producing as well as transporting particular commodities, a power which the States from the beginning have freely exercised, and by the exertion of which governmental power the resources of the several States have been developed, their enterprises fostered, and vast investments of capital have been made possible? (b) Although the Government of the United States, both within its spheres of national and local legislative power, has in the past for public purposes, either expressly or impliedly, authorized the manufacture, mining, production, and carriage of commodities by one and the same railway corporation, was the exertion of such power beyond the scope of the authority of Congress, or, what is equivalent thereto, was its exercise but a mere license, subject at any time to be revoked and completely destroyed by means of a regulation of commerce?"

In discussing the duty of the Court, when presented with such question, the following language was used:

"It is elementary when the constitutionality of a statute is assailed, if the statute be reasonably susceptible of two interpretations, by one of which it would be unconstitutional and by the other valid, it is our plain duty to adopt that construction which will save the statute from constitutional infirmity. (*Knights Templars Indemnity Co.* v. *Jarman*, 187 U.S. 197, 205.) And unless this rule be considered as meaning that our duty is to first decide that a statute is unconstitutional and then proceed to hold that such ruling was unnecessary because the statute is susceptible of a meaning which causes it not to be repugnant to the Constitution, the rule plainly must mean that where a statute is susceptible of two constructions, by one of which grave and doubtful constitutional questions arise and by the other of which such questions are avoided, our duty is to adopt the latter." (*Harriman* v. *Interstate Com. Comm.*, 211 U.S. 407.)

The Chief Justice then refers to what he regards as inconsistent provisions in the commodities clause itself:

"Recurring to the text of the commodities clause, it is apparent that it disjunctively applies four generic prohibitions; that is, it forbids a railroad carrier from transporting in interstate commerce articles or commodities, 1, which it has manu-

factured, mined, or produced; 2, which have been so mined, manufactured, or produced under its authority; 3, which it owns in whole or in part; and, 4, in which it has an interest, direct or indirect.

"It is clear that the two prohibitions which relate to manufacturing, mining, etc., and the ownership resulting therefrom, are, if literally construed, not confined to the time when a carrier transports the commodities with which the prohibitions are concerned, and hence the prohibitions attach and operate upon the right to transport the commodity because of the antecedent acts of manufacture, mining, or production. Certain also is it that the two prohibitions concerning ownership, in whole or in part, and interest, direct or indirect, speak in the present and not in the past; that is, they refer to the time of the transportation of the commodities. These last prohibitions, therefore, differing from the first two, do not control the commodities if at the time of the transportation they are not owned in whole or in part by the transporting carrier, or if it then has no interest, direct or indirect, in them. From this it follows that the construction which the Government places upon the clause as a whole is in direct conflict with the literal meaning of the prohibitions as to ownership and interest, direct or indirect. If the first two classes of prohibitions as to manufacturing, mining, or production be given their literal meaning, and therefore be held to prohibit, irrespective of the relation of the carrier to the commodity at the time of transportation, and a literal interpretation be applied to the remaining prohibitions as to ownership and interest, thus causing them only to apply if such ownership and interest exist at the time of transportation, the result would be to give to the statute a self-annihilative meaning. This is the case since in practical execution it would come to pass that where a carrier had manufactured, mined, and produced commodities, and had sold them in good faith, it could not transport them: but, on the other hand, if the carrier had owned commodities and sold them it could carry them without violating the law. The consequence, therefore, would be that the statute, because of an immaterial distinction between the sources from which ownership arose, would prohibit transportation in one case and would permit it in another like case. An illustration will make this deduction quite clear: A carrier mines and produces, and owns coal as a result thereof. It sells the coal to A. The carrier is impotent to move it for account of A in interstate commerce because of the prohibition of the statute. The same carrier at the same time becomes a dealer in coal and buys and sells the coal thus bought to the same person, A. This coal the carrier would be competent to carry in interstate commerce. And this illustration not only serves to show the incongruity and conflict which would result from the statute if the rule of literal interpretation be applied to all its provisions, but also serves to point out that as thus construed it would lead to the conclusion that it was the intention, in the enactment of the statute, to prohibit manufacturing and production by a carrier and at the same time to offer an incentive to a carrier to become the buyer and seller of commodities which it transported."

Further on in the opinion the Court said:

"Looking at the statute from another point of view the same result is compelled. Certain it is that we could not construe the statute literally without bringing about the irreconcilable conflict between its provisions which we had previously pointed out, and therefore some rule of construction is essential to be adopted in order that the statute may have a harmonious operation. Under these circumstances, in view of the far-reaching effect to arise from giving to the first two prohibitions a meaning wholly antagonistic to the remaining ones, we think our duty requires that we should treat the prohibitions as having a common purpose, that is, the dissociation of railroad companies prior to transportation from articles or commodities, whether the association resulted from manufacture, mining, production, or ownership, or interest, direct or indirect. In other words, in view of the ambiguity and confusion in the statute we think the duty of interpreting should not be so exerted as to cause one portion of the statute which, as conceded by the Government, is radical and far-reaching in its operation if literally construed, to extend and enlarge another portion of the statute which seems reasonable and free from doubt if also literally interpreted. Rather it seems to us our duty is to restrain the wider, and as we think, doubtful prohibitions so as to make them accord with the narrow and more reasonable provisions, and thus harmonize the statute."

When the Court came to a discussion of the words "in which it is interested directly or indirectly," included in the commodities clause, it examined the proceedings had in Congress when the Hepburn Act was under consideration. It must be remembered that the cases which the Court was deciding involved the construction of a statute which prohibited the common carrier, among other things, from transporting, in interstate commerce, commodities "in which it may have any interest, direct or indirect." The railroad company was transporting coal owned by a separate corporation in which the railroad company owned stock, and the question was whether this ownership constituted such an interest in the commodity as to prohibit the railroad company from transporting it in interstate commerce.

In an examination of the CONGRESSIONAL RECORD it was found that in the Senate, where the commodities clause originated, an amendment, in specific terms stating that stock ownership should be held to be such prohibitory interest, was defeated; and that another amendment, expressly declaring that interest, direct or indirect, was intended, among other things, to embrace the prohibition of carrying a commodity owned by a corporation in which the railroad company was interested as a stockholder, was offered and was likewise defeated.

The Court, therefore, reached the conclusion that the very point was directly pending before the Senate of the United States and that the Senate, as a law-making body, had expressed itself on the record to the effect that the ownership of stock in such a corporation by the railroad should not be a prohibitive interest. On this point the Court said:

"Certain, it is, however, that in the legislative progress of the clause in the Senate, where the clause originated, an amendment in specific terms, causing the clause to embrace stock ownership, was rejected, and immediately upon such rejection an amendment, expressly declaring that interest, direct or indirect, was intended, among other things, to embrace the prohibition of carrying a commodity manufactured, mined, produced, or owned by a corporation in which a railroad company was interested as a stockholder, was also rejected (1906, vol. 40, CONGRESSIONAL RECORD, pt. 7, pp. 7012–7014). And the considerations just stated, we think, completely dispose of the contention that stock ownership must have been in the mind of Congress, and therefore must be treated as though embraced within the evil intended to be remedied, since it cannot in reason be assumed that there is a duty to extend the meaning of a statute beyond its legal sense upon the theory that a provision which was expressly excluded was intended to be included. If it be that the mind of Congress was fixed on the transportation by a carrier of any commodity produced by a corporation in which the carrier held stock, then we think the failure to provide for such a contingency in express language gives rise to the implication that it was not the purpose to include it. At all events, in view of the far-reaching consequences of giving the statute such a construction as that contended for, as indicated by the statement taken from the answers and returns which we have previously inserted in the margin, and of the questions of constitutional power which would arise if that construction was adopted, we hold the contention of the Government not well founded."

It seems perfectly plain, not only from a reading of the entire opinion but from the direct statement of the Court in the quotation last above cited, that the conclusion was reached that the Senate, the law-making body, had placed its own construction upon this language and that it explicitly stated by its negative action on the proposed amendments that it was not the intention of the law-making body to permit the ownership of stock by a railroad company in a corporation owning the commodity, to exclude the railroad company from carrying such commodity in interstate commerce.

DISSENTING OPINION OF JUSTICE HARLAN

It is important also to note that Justice Harlan, whose opinions, and even dissenting opinions, have not only commanded universal respect but have given encouragement to many struggling hearts in their hope for the perpetuity of democratic government, did not agree with the Court in the conclusions reached.

The opinion of the Court from which we have been quoting covers more than 50 pages. Justice Harlan, in a dissenting opinion of less than a page, has gone to the very heart of the question involved and plainly and logically stated the reasons which controlled him in the conclusion which he reached. We quote his opinion in full:

"As these cases have been determined wholly on the construction of those parts of the Hepburn Act which are here in question, and as Congress, if it sees fit, may meet that construction by additional legislation, I deem it unnecessary to enter upon an extended discussion of the various questions arising upon the record, and will content myself simply with an expression of my nonconcurrence in the view taken by the Court as to the meaning and scope of certain provisions of the act. In my judgment the act, reasonably and properly construed, according to its language, includes within its prohibitions a railroad company transporting coal, if, at the time, it is the owner, legally or equitably, of stock—certainly, if it owns a majority or all of the stock—in the company which mined, manufactured, or produced, and then owns, the coal which is being transported by such railroad company. Any other view of the act will enable the transporting railroad company, by one device or another, to defeat altogether the purpose which Congress had in view, which was to divorce, in a real, substantial sense, production and transportation, and thereby to prevent the transporting company from doing injustice to other owners of coal."

We think it can be fairly stated that the opinion by the majority of the Court in this case we have been considering was in effect modified by several subsequent decisions of the Supreme Court—at least the dominating reason moving the Court to hold that stock ownership in a corporation was not such an interest as to bring upon the railroad company the condemnation of the law is definitely explained in a subsequent opinion rendered by the Court. In the case of *United States* v. *Delaware, Lackawanna & Western Railroad Co.* (238 U.S. 516), in the body of the opinion (pp. 526, 527), it is stated:

"But mere stock ownership by a railroad, or by its stockholders, in a producing company can not be used as a test by which to determine the legality of the transportation of such company's coal by the interstate carrier. For, when the commodity clause was under discussion, attention was called to the fact that there were a number of the anthracite roads which at that time owned stock in coal companies. An amendment was then offered which, if adopted, would have made it unlawful for any such road to transport coal belonging to such company. The amendment, however, was voted down; and, in the light of that indication of con-

gressional intent, the commodity clause was construed to mean that it was not necessarily unlawful for a railroad company to transport coal belonging to a corporation in which the road held stock."

Further on in this opinion the Court said:

"Taking it as a whole and bearing in mind the policy of the commodity clause to dissociate the railroad company from the transportation of property in which it is interested and that the Sherman Antitrust Act prohibits contracts in restraint of trade, there would seem to be no doubt that this agreement violated both statutes.

"The railroad company, if it continues in the business of mining, must absolutely dissociate itself from the coal before the transportation begins. It can not retain the title nor can it sell through an agent."

As before stated, in *United States* v. *Delaware & Hudson Co.* a large number of railroads were involved, all of which were engaged in one way or another, either directly or indirectly, in the mining of coal and its transportation. Practically all of these cases came into the Supreme Court again after the decision in the Delaware & Hudson case, and in every case, so far as we are able to find, the Court, while not expressly reversing itself in the Delaware & Hudson case, always found a reason for declaring these combinations illegal. *The United States* v. *Lehigh Valley Railroad Co.* (1911) (220 U.S. 257) is one of these cases. Another one is *The United States* v. *Reading Co.* (253 U.S. 26).

In the Reading Co. case one of the railroad companies owned eleven-twelfths of the capital stock of the coal company, and the Court said that such conduct fell within the condemnation of the commodities clause of the Hepburn Act and it ordered that the relation thus existing between the railroad company and the coal company should be dissolved.

It seems logical, therefore, to say that the decision in the Delaware & Hudson case, even if not modified by subsequent decisions, has at least been explained away so far as that decision tends to hold that the ownership of stock in a corporation does not constitute an interest either direct or indirect on the part of the stockholder in the business of the corporation.

The conclusion is irresistible that Secretary Mellon, under the section of the statute which we are now considering, is not qualified to hold the office of Secretary of the Treasury.

Attorneys Faust and Wilson in their opinion say:

"Such a construction is repugnant to common sense and would tend to eliminate the men best qualified by training and experience to administer the intricate business of the Treasury."

And the Attorney General in his opinion says such a construction would—

"* * * exclude from the office a great majority of the men most competent to hold and administer it efficiently without accomplishing any good."

We are not at present concerned with the result of our conclusion. We have not been asked by the Senate whether the law is a good one or a bad one. We have not been asked to express any opinion as to whether it should be amended or absolutely repealed. The constitutionality of the act has not been questioned. These questions are all outside of the record and all outside of the duty imposed upon the committee by the Senate.

We are asked a simple question, although it may be a difficult one. The law which we are asked to construe is specifically stated in the resolution and, regardless of consequences, it becomes our duty to answer the question without considering the effect or without considering the reasonableness of the statute. Perhaps the statute should be repealed. Perhaps it should be modified. That is not for the committee to determine in the performance of the duty imposed upon it by the Senate. Nevertheless, we feel constrained to call the attention of the Senate to some historical matters and legal opinions which contradict the position taken by these eminent attorneys.

The case of A. T. Stewart, who was appointed by President Grant as Secretary of the Treasury, has a direct bearing. Mr. Stewart was nominated for that office and was formally confirmed by the Senate. The prohibiting statute was apparently not called to the attention of President Grant or the Senate. After Mr. Stewart had been confirmed, the President's attention was called to this statute (the same law now under consideration in the Senate resolution). It was conceded that under this statute Mr. Stewart, on account of the business in which he was engaged, was disqualified. Thereupon, President Grant sent a message to the Senate calling the attention of the Senate to the statute, and in this message he officially asked Congress to pass an amendatory act which would, in effect, exempt Mr. Stewart from its provisions.

Opposition to the change or the repeal of the statute at once developed. The President, under the circumstances, sent another message to the Senate, withdrawing the name of Mr. Stewart, who, although confirmed, had not been commissioned as Secretary. The President then submitted the name of Mr. George Boutwell to be Secretary of the Treasury, and he was later confirmed by the Senate.

A bill was introduced to change this law, but it never made any headway. Congress apparently at that time was satisfied with the law and took no action toward its modification or repeal.

This law applying to the qualifications of the Secretary of the Treasury has been in force practically from the beginning of the Government. The records of the House of Representatives show:

"Mr. Burke gave notice that he meant to bring in a clause to be added to the bill to prevent any of the persons appointed to execute the offices created by the bill from being directly or indirectly concerned in commerce, or in speculating in the public funds, under a high penalty, and being deemed guilty of a high crime or misdemeanor." (House proceedings, Monday, June 29, 1789; 1 Annals, 611.)

The next day, the records show that the following occurred:

"Mr. Burke introduced his additional clause, which, after some alteration and addition proposed by Mr. Fitzsimons and others, was made a part of the bill." (House proceedings, Tuesday, June 30, 1789; 1 Annals, 615.)

The purpose of the provision contained in this law has been referred to in the Attorney General's opinions and in the opinion of the Supreme Court noted below.

In holding that certain officers of the Treasury Department, whose appointments were authorized by section 3 of the act of March 3, 1817, were subject to the prohibitions and restrictions of section 8 of the act of September 2, 1789, Attorney General Clifford made the following statement with respect to the purpose of the latter section:

"One of the principal objects of the restriction was to withdraw from the accounting officers of the Treasury every motive of private interest in the performance of their public duties and to guard the Nation from the consequences frequently to be apprehended when the business affairs of public officers are suffered to lie commingled with the financial concerns of the country.

"To prevent the public mischief within the true intent and meaning of the law, it is as necessary to apply its restraining influence to the additional officers of the Treasury, authorized by the third section of the act of 1817, as it was in the first instance to those designated in the original act * * *." (4 Op. Atty. Gen. 555.)

In an opinion by Solicitor General Hoyt, approved by Secretary of the Treasury Knox, relating to the question whether there was any legal objection to the Treasurer receiving the principal and interest of certain Philippine bonds and distributing same to the holders of the securities, there is the following statement with respect to section 243 of the Revised Statutes (the section quoted in the Senate resolution):

"Section 243, Revised Statutes, forbids the Secretary of the Treasury, the Treasurer, and the Register, among other officers, to be concerned or interested directly or indirectly in the purchase or disposal of public securities of the United States or of any State. The obvious purpose of that law, as shown throughout the section, is to prohibit personal interest in such bond issues and certain other affairs and business, and private emoluments or gain in the transaction of any business in the Treasury Department." (25 Op. Atty. Gen. 99.)

In *Ex parte Curtis* (1882) (106 U.S. 371), in which the Supreme Court upheld the constitutionality of the act of Congress of August 15, 1876, prohibiting political campaign contributions between certain officers and employees of the United States, the Court stated (p. 372):

"The act now in question * * * rests on the same principle as that originally passed in 1789 at the first session of the First Congress, which makes it unlawful for certain officers of the Treasury Department to engage in the business of trade or commerce, or to own a sea vessel, or to purchase public lands or other public property, or to be concerned in the purchase or disposal of the public securities of a State or of the United States * * *."

After enumerating certain other statutes of a similar character, the Court continued (p. 373):

"The evident purpose of Congress in all this class of enactments has been to promote efficiency and integrity in the discharge of official duties, and to maintain proper discipline in the public service."

With the exception of the bill which was introduced at the request of President Grant to modify this law, no attempt, so far as we are able to ascertain, has ever been made, either in Congress or out of it, to change the qualifications of the Secretary as therein set forth.

In the Federal Reserve Act Congress provided by law that no member of the Federal Reserve Board should be an officer in any banking institution; neither should any such member be a stockholder. In order for any person to be qualified to be a member of this board, it is not sufficient that he resign official positions and his directorates on banking institutions, but he must absolutely dispose of any stock he may own in any banking institution.

This act was passed in 1921. It provided in words that a member of the Federal Reserve Board should not be a stockholder in a bank. Under the reasoning of Attorneys Faust and Wilson this is "repugnant to common sense," and, in the opinion of our Attorney General, such a law must "exclude from the office a great majority of the men most competent to hold and administer it efficiently."

In the case of Mr. Mellon, in order to qualify himself for the office which he now holds, he not only resigned the offices which he held in banks, but he disposed of all of his stock in such banking institutions and, at the present time, he is not the owner of any bank stock.

In the same way, and in the same manner, would it not be as logical for him to dispose of his stock in business institutions as well as in banking institutions?

The objections set out in these briefs referred to claim that if the construction above given is applied to this law, competent men can not be secured for the office, and yet, during all the time that the Federal Reserve Act has been in effect, we have never heard any complaint on the part of anyone that the provision of that

law which prohibits a member of the board from owning stock in a bank has had the effect claimed by the Attorney General and Attorneys Faust and Wilson.

It would be just as easy for Mr. Mellon to sell his stock in the Gulf Oil Corporation or the Aluminum Co. of America as it was for him to sell his stock in the Mellon National Bank at Pittsburgh.

As late as February 1927, Congress passed an act for the regulation of radio communications, and in this act it provided that no member of the commission therein set up for the control of the business shall be "financially interested" in the manufacture or sale of radio apparatus or in the transmission or operation of radio messages or broadcasting.

It seems that in our own day Congress, in passing laws and providing officials for the administration of the same, has done the same as our forefathers did more than 100 years ago and has been particular in providing that the public official shall not be financially interested in the corporations coming under his control in his official capacity.

In the radio act above referred to it is not specifically stated that a member shall not be a stockholder in the radio corporation. In the act we are asked to construe by the Senate it is not specifically stated that the Secretary of the Treasury shall not be a stockholder in a corporation engaged in trade or commerce, but it is stated that such Secretary shall not be either directly or indirectly interested in the business of trade or commerce. In the radio act we have provided that members of the commission shall not be "financially interested." The language in the radio act is not nearly so broad as in the act which we are construing, and yet the Senate is so careful in seeing that the radio act is administered in good faith that it requires nominees for places on the commission to absolutely dispose of all stock owned in the corporations to be regulated before it will confirm such nominees. There has been an instance of this kind during the present session, wherein the President sent to the Senate a nominee for a place on the Radio Commission, and before the confirmation took place the nominee was required to actually and in good faith sell stock which he owned in some of the corporations to be regulated.

It seems, therefore, that even the present Congress had not regarded such statutes as foolish or as excluding from office "a great majority of the men most competent to hold and administer it efficiently."

This law which the Senate has asked us to construe has been on the statute books for more than 100 years. If it is not going to be repealed or modified, it ought to be enforced.

LAW ENFORCEMENT

Just at the present time a great deal is being said about law enforcement. From the public press it is learned that the President of the United States has appointed, or is about to appoint, a commission to study the subject with a view of bringing about better enforcement of our laws. If we expect to enforce the law generally as to the citizens of our country, why have we not the same right to ask that our statesmen and our public officials should be weighed in the same balance? And is it not true that the ordinary citizen will not have the same respect for law generally if he understands that a plain statute is being violated by those in control of the Government itself? Why not begin our law enforcement at the top?

This idea of general law enforcement and respect for all law was recently very beautifully portrayed by a great statesman. He said:

"I have accepted this occasion for a frank statement of what I consider the dominant issue before the American people. Its solution is more vital to the preservation of our institutions than any other question before us. That is the enforcement and obedience of the laws of the United States, both Federal and State.

"I ask only that you weigh this for yourselves, and if my position is right, that you support it—not to support me but to support something infinitely more precious—the one force that holds our civilization together—law. And I wish to discuss it as law, not as to the merits or demerits of a particular law but all law, Federal and State, for ours is a government of laws made by the people themselves.

"A surprising number of our people, otherwise of responsibility in the community, have drifted into the extraordinary notion that laws are made for those who choose to obey them. And in addition our law-enforcement machinery is suffering from many infirmities arising out of its technicalities, its circumlocutions, its involved procedures, and too often, I regret, from inefficient and delinquent officials * * *.

"Life and property are relatively more unsafe than in any other civilized country in the world. In spite of all this we have reason to pride ourselves on our institutions and the high moral instincts of the great majority of our people. No one will assert that such crimes would be committed if we had even a normal respect for law and if the laws of our country were properly enforced. * * *

"What we are facing to-day is something far larger and more fundamental—the possibility that respect for law as law is fading from the sensibilities of our people. Whatever the value of any law may be, the enforcement of that law written in plain terms upon our statute books is not, in my mind, a debatable question. Law should be observed and must be enforced until it is repealed by the proper processes of our democracy. The duty to enforce the law rests upon every public official, and the duty to obey it rests upon every citizen.

"No individual has the right to determine what law shall be obeyed and what shall not be enforced. If a law is wrong, its rigid enforcement is the surest guaranty of its repeal. If it is right, its enforcement is the quickest method of compelling respect for it. I have seen statements published within a few days encouraging citizens to defy a law because that particular journal did not approve of the law itself. I leave comment on such an attitude to any citizen with a sense of responsibility to his country.

"In my position, with my obligations, there can be no argument on these points. * * *

"It is unnecessary for me to argue the fact that the very essence of freedom is obedience to law; that liberty itself has but one foundation, and that is in the law." (President Hoover, in an address before the Associated Press, New York City, April 22, 1929.)

This beautiful sentiment so eloquently expressed should be our guiding star. But it is not enough to state our ideas in beautiful generalities. We must practice what we preach. It is not sufficient that those at the top should remind the common citizen of his duty, but the high official, the appointing power, must obey the same law for which he demands obedience of the citizen. When the law is strictly and honestly obeyed and followed by the official, the respect of the common citizen for all law will be greatly increased. If corruption in official life had not been so universal during the last few years, or if such crimes when exposed had been publicly denounced by high officials in our Government, this disrespect for law, charged by the President to be almost universal, would have been much lessened, if not entirely eliminated.

Most of us have a very high admiration for Alexander Hamilton, the first Secretary of the Treasury. His ability and his statesmanship are lauded and praised by his countrymen more than a century after he has passed away, and yet this great statesman held the office of Secretary of the Treasury under President Washington while this particular law, now before us for consideration, was on the statute books. It seemed, in that day, that there was no danger such as is pointed out in the briefs of the Attorney General and Messrs. Faust and Wilson.

When President Grant appointed a Secretary of the Treasury who was disqualified under this act, he formally withdrew the nomination and sent in another name.

We feel, therefore, that the danger to the country if Mr. Mellon be disqualified from holding the office of Secretary of the Treasury has been greatly exaggerated. If, however, the country has reached the condition where only men owning millions of stock in business corporations are qualified to hold the office of Secretary of the Treasury, then instead of trying to nullify the law and set a precedent before the people we should amend or repeal it so that at least we could truthfully say that those whose duty it is to enforce the law are not themselves looking for technical means by which the law can be nullified.

There only remains for our consideration in connection with the resolution before the committee the question involved in section 63 of title 26 of the Code of Laws. This section reads as follows:

"Any internal-revenue officer who is or shall become interested, directly or indirectly, in the manufacture of tobacco, snuff, or cigars, or in the production, rectification, or redistillation of distilled spirits, shall be dismissed from office; and every officer who becomes so interested in any such manufacture or production, rectification or redistillation, or in the production of fermented liquors, shall be fined not less than $500 nor more than $5,000. The provisions of this section shall apply to internal-revenue agents as fully as to internal-revenue officers."

Under the stipulated facts before the committee, Mr. Mellon at one time owned stock in the A. Overholt & Co., a corporation engaged in the manufacture and distillation of spirituous liquors. Before he became Secretary of the Treasury this corporation was put in liquidation in the hands of a trustee. The trustee had full discretion as to the liquidation of the assets. In accordance with this trusteeship, the company has been fully liquidated and the former owners, including Secretary Mellon, have been paid for their interests, and Secretary Mellon has at this time no further connection with or interest in that enterprise or any other enterprise of a similar nature.

Although the corporation went out of business so far as the manufacture, production, rectification, or redistillation of distilled spirits was concerned, the complete liquidation of the assets of the corporation did not take place until after Mr. Mellon became Secretary of the Treasury. We do not believe there was any violation of this section in the appointment of Mr. Mellon as Secretary of the Treasury or in his holding such office. It will be noted that at the time he went into office, and since he has held the office, this corporation has not been engaged in the "production, rectification, or redistillation of distilled spirits" and, therefore, there has been no violation of this law.

CONCLUSION

In conclusion, therefore, we answer the questions submitted by the Senate specifically as follows:

First. The head of any executive department of the Government, except the Postmaster General, may legally hold office as such after the expiration of the term of the President by whom he was appointed.

Second. Secretary Mellon, under section 243 of title 5 of the Code of Laws of the United States, is disqualified from holding the office of Secretary of the Treasury.

Third. The appointment of Mr. Mellon as Secretary of the Treasury and his holding such office do not constitute a violation of section 63 of title 26 of the Code of Laws of the United States.

G. W. NORRIS.
T. H. CARAWAY.
T. J. WALSH.
JOHN J. BLAINE.

[Senate Report 7, part 3, Seventy-first Congress, first session]

ELIGIBILITY OF HON. ANDREW W. MELLON, SECRETARY OF THE TREASURY

Mr. Blaine, from the Committee on the Judiciary, submitted the following additional views (pursuant to S.Res. 2):

Mr. Blaine presents the following additional views:

1. I concur in the opinion of the committee to the effect that the head of a department may legally hold office as such after the expiration of the term of the President by whom he was appointed.

2. I concur in the opinion of the minority to the effect that the prohibition contained in section 243, title 5, of the United States Code, applies to a Secretary of the Treasury who owns a "substantial" amount of stock of corporations "carrying on the business of trade or commerce" or who, in connection with members of his family and close business associates, has a substantial control of the operations of any such corporations.

3. A Secretary of the Treasury who owns, in whole or in part, a whisky distillery, but which distillery is not engaged in the production, rectification, or redistillation of distilled spirits, does not come within the prohibition of section 63 of title 26 of the United States Code.

However, section 243 is offended against if a Secretary of the Treasury is at any time during his term of office concerned or interested, directly or indirectly, in the disposal of liquor stock in trade or commerce or in the proceeds or profits of the business involved in the sale of whisky.

The Attorney General of the United States, William D. Mitchell, states "that at one time he (Andrew W. Mellon) held a partnership interest in a firm (A. Overholt & Co.) which distilled whisky," and "before March 4, 1921, the entire property of the firm was conveyed to a trustee under an irrevocable trust with full authority in the trustee to dispose of the property free from any control of those who were members of the partnership, but without power to operate the distillery," and that between March 4, 1921, and October 2, 1928, the whisky so held was sold.

It is not in dispute that Mr. Mellon was a beneficiary under such trust agreement and received his share of the proceeds and profits from the sale of the whisky while he was Secretary of the Treasury. It is presumed that the whisky was sold lawfully, and under the national prohibition act it could only have been sold as a commodity in trade and commerce.

The trustee, while having absolute control over the sale of the whisky, acted in no other capacity than as an agent for Mr. Mellon and his copartners, while Mr. Mellon retained his beneficial interest in such whisky and received the proceeds and profits therefrom, and such beneficial interest was a substantial amount.

Under these facts the Secretary of the Treasury was directly interested in carrying on the business of trade or commerce by a trustee, who through the trust agreement was substituted as his agent.

Clearly such transaction offends against said section 243.

The question arises, therefore, whether or not the Secretary of the Treasury could, by any such device, give himself an "immunity bath" by substituting an agent to act for him, though retaining the beneficial interest and receiving the proceeds and profits. The act of the agent (in this case the trustee) is the act of the principal. That is axiomatic, and it would not seem necessary to go into further discussion of that question in demonstrating that the Secretary of the Treasury stands as an offender against section 243.

4. Section 243 is not a self-operating law. A person who offends against such law "shall * * * forfeit to the United States the penalty of $3,000, and shall upon conviction be removed from office, and forever thereafter be incapable of holding any office under the United States." However, in this case the President has the power to remove Mr. Mellon from office by the simple process of appointing another person to such office.

The President also has the power to direct the Attorney General's department to bring an action against Mr. Mellon for the collection of the forfeiture provided by section 243. In such case his conviction would make him incapable of holding the office even if the President were delinquent in failing to name his successor.

The responsibility is solely upon the President to determine whether or not he will permit technicalities, the circumlocutions of the law-enforcement machinery, and its involved procedures (which the President has so emphatically denounced) to control his actions in this case and thereby defeat the objects and purposes of the law.

JOHN J. BLAINE.

[Senate Report 7, part 4, Seventy-first Congress, first session]

ELIGIBILITY OF HON. ANDREW W. MELLON, SECRETARY OF THE TREASURY

Mr. Walsh of Montana, from the Committee on the Judiciary, submitted the following individual views (pursuant to S.Res. 2):

That the Senate may be advised more fully of the proceedings had before the Committee on the Judiciary, acting under Senate Resolution 2, of the Seventy-first Congress, special session, it is apprised:

(1) That there was presented to the committee a letter from Andrew W. Mellon, Secretary of the Treasury, a copy of which is herewith attached, marked "Exhibit A."

(2) It was represented to the committee that one George D. Haskell brought suit against the Aluminum Co. of America and the representative of the Duke estate, alleging a combination between the said company and one James B. Duke, or a company represented by him, for the production of aluminum in a plant to be erected on or near the Saguenay River in Canada, where Duke had developed or was developing a large water-power plant, the electricity to be generated by it to be used in the aluminum plant. In that suit the deposition of Mr. Mellon was taken, a copy of which is hereto attached, marked "Exhibit B." From the deposition it appeared that the enterprise, which contemplated the issuance of stock to the amount of some hundreds of millions of dollars, was the subject of conference between him, his brother, Mr. R. B. Mellon, and Mr. Arthur Davis, president of the company, and that by arrangement Duke and an associate by the name of Allen, and Davis had dinner with Andrew W. Mellon at his apartment in the city of Washington, in which the proposal to unite in the enterprise was under consideration for some hours. Later A. W. Mellon joined a party which visited the plant in Canada. In the deposition Mr. Mellon testified as follows, referring to the Aluminum Co. of America:

"A. Yes. I should say for over 20 years at least I have not been in touch with the affairs of the business other than occasionally seeing Davis when something would come up in conversation. But I was not generally consulted. Of course, if there was anything of importance in the way of policy or something that way I think I usually was. I am talking now of the last 20 years" (pp. 5–6).

(3) In a suit brought in the Court of Claims of the United States by the administratrix of the estate of John H. Murphy against the United States, claiming that Murphy had a contract with the United States through Hon. John W. Weeks, Secretary of War, by which the said Murphy was commissioned to make or undertake to make a sale of certain cars belonging to the United States, then in Europe, the deposition of Peter F. Tague, formerly a Member of Congress from the tenth Massachusetts district, being taken, he testified concerning conversations between Secretary Weeks and himself and Mr. Murphy, in the course of which the witness testified, among other things, as follows:

"120. Question. What did Mr. Murphy say, if anything?

"Answer. Mr. Murphy—you mean at this interview in September?

"121. Question. The second interview in September.

"Answer. He told Secretary Weeks of the amount of work that he had put in in trying to sell these cars, of how he had been to almost every country in Europe, and that the men in Europe, his associates, had been around Europe trying to sell these cars, and that they had been unable to do so, and that he was positive this concern couldn't sell these cars in France. He then asked Secretary Weeks to tell him, if it wasn't a breach of confidence, to whom the option had been given, inasmuch as he had other people in New York peddling these cars and they were anyone's to sell. He told him. I don't remember exactly the words, but in substance he said, 'Now, John, you've got me in an embarrassing position. I didn't intend to tell, but I have given this option to Secretary Mellon, for the Standard Pressed Steel Car Co.' And he said that they had a large organization and that if anyone could sell these cars they could. Mr. Murphy then emphasized that he didn't believe they could sell them. He then said, 'Let this matter lay a little longer, and you come back to see me; and if they haven't sold them I will give you an opportunity to sell the cars.'

"122. Question. Did Mr. Murphy tell the Secretary where he could sell them?

"Answer. He told him he could sell them in Poland.

"123. Question. Does that exhaust your recollection of that interview?

"Answer. I believe Mr. Murphy told the Secretary at that interview that Poland had already bought some of these cars and had paid—I forget the price—but had paid a large price for them; that they were using the cars, and that they could take these cars over with practically no alteration and use them immediately, and that they needed the cars; and that he believed that an arrangement could be made with Poland so that they would be in a position to finance the sale.

"124. Question. Did the Secretary say anything about what he would do with regard to an investigation of the Polish situation?

"Answer. Yes; he said he wished to discuss with the State Department or the Treasury Department the condition of their finances in relation to the last sale of cars, and that he wanted to be in position to know their financial standing and whether they would be competent to take on this (pp. 28–29)."

The action was brought by Murphy during his lifetime, and his administratrix substituted after his death. His deposition being taken, he testified, among other things, as follows:

"157. Question. Will you state the conversation that took place between you at that time?

"Answer. I told the Secretary that I had received a proposition for these cars for Poland. I told him that the price offered me was $1,200 by Major De Grass, of the General Equipment Co., of New York City. I told him that I found the cars were being freely offered for sale. I meant by that, by word of mouth freely advertised. And I told him if such was the case that I knew I could

sell these cars. I told him that Poland was the only country in the world, in my opinion, that would buy the cars. I told him that in the other countries, where changes were required, the cost was all the way from $500 to $1,300, and that the freight, cost of erection, and so on, made it practically prohibitive; that these cars could not be sold in other countries unless sold at a greatly reduced rate. I told him that Poland needed the cars. I told him that they had Baldwin locomotives with Baldwin air-brake equipment. I told him no changes had to be made. I told him they had their own erection yards in Danzig, where they had 4,600 cars from the United States of America and had paid $1,600 previously. I told him that in my opinion Poland was absolutely the only country where they could expect to sell these cars. I said, 'Now, Senator, I would like the privilege of going over to try to sell these cars for you.' He said, 'Now, John, you have got me in a very embarrassing position.' He said, 'I didn't intend to tell you the name of the man I have given the option to, but now I will tell you.' He told me the man was Mr. Mellon, and that 'Mr. Mellon has a very powerful'—no; I asked him, 'Senator, would you mind telling me what countries he has got the option for?' He says, 'France.' I says, 'He will never sell these cars in France. We have gone over France with a fine-tooth comb, and not only France but her colonies.' I says, 'France already has 27,000 more cars than she needs. You can see them on the railroad tracks all the way from Paris down to Sofia.' I says, 'He will never sell these cars to France.' He says, 'John, that might be, but I must keep my word with him,' and he said, 'You come back and see me again.' So I left the Secretary, and I believe I returned again to New York and Boston.

"177. Question. Does that comprise what you recall of that conversation?

"Answer. Practically. I do not recall at this time whether it was at this conference or at the conference of October 10 that the Secretary told me that Mr. Mellon had failed in his efforts to sell the cars to France (pp. 66, 69)."

(4) A Washington dispatch appearing in the Journal of Commerce of date August 29, 1928, was read to the committee. It gave the information that the Gulf Refining Co. had been awarded contracts to supply the requirements of the Shipping Board Emergency Fleet Corporation at all Gulf and Atlantic ports with fuel oil, the contract calling for deliveries amounting to approximately 8,000,000 barrels annually. Copy of the article is herewith attached, marked "Exhibit C."

EXHIBIT A

TREASURY DEPARTMENT,
Washington, April 18, 1929.

DEAR SENATOR REED: I understand that the Senate Judiciary Committee wishes to know whether I am now concerned in carrying on "trade or commerce" in violation of the law which makes such action a high misdemeanor, and that the committee has asked you to meet with it at its session to-morrow morning.

Before I took office as Secretary of the Treasury, in March 1921, I resigned every office that I then held in any corporation and resigned all my directorates in such corporations, and I have not since that time been, nor am I now, a director or officer in any corporation for profit. I am a trustee or director of the University of Pittsburgh, the Carnegie Institute, and of several hospitals and charitable corporations, none of which, however, is engaged in trade or commerce or in any business conducted for profit.

Before I became Secretary of the Treasury I sold every share of stock which I owned in any national bank, trust company, or other banking institution, and I have not since then owned, nor do I now own, any stock in such corporations. I owned then and I now own a substantial amount of stock in the Gulf Oil Corporation, the Aluminum Co. of America, the Standard Steel Car Co., and other business corporations, but in every case my holding is very much less than a majority of the voting stock of such company. As far as these companies are concerned, my active connection with them was severed in 1921 as completely as if I had died at that time. I have not concerned myself with their affairs, and I have not endeavored to control or dictate their operations in any way. It should be needless to add that I have in no way taken part in the adjudication or settlement of any Federal taxes upon such companies, and I have consistently refrained even from inquiring about their tax affairs.

Senate Resolution 2 mentions also the prohibition against an internal-revenue officer being interested in the production of distilled spirits, as if to imply that there was some question of my having violated that statute. As you know, I had an interest in A. Overholt & Co., but that company discontinued the manufacture of distilled spirits several years before the prohibition amendment was adopted. The company was put in liquidation in the hands of a trustee before I became Secretary of the Treasury, the trustee having full discretion as to the liquidation of the assets. This company has been fully liquidated, the former owners, including myself, have been paid for their interests, and I have no further connection or interest in that enterprise or any other of that nature.

All the foregoing facts have been so often stated publicly that I had not supposed there was the slightest question about them in the minds of any person interested, but I should be glad to have you explain the situation to any member of the committee who is not familiar with them.

Yours very truly,

A. W. MELLON.

Hon. DAVID A. REED,
United States Senate.

EXHIBIT B

GEORGE D. HASKELL *v.* WILLIAM R. PERKINS ET AL., EXECUTORS OF THE LAST WILL AND TESTAMENT OF JAMES B. DUKE, DECEASED

NEW YORK, *July 2, 1928.*

Met pursuant to agreement, in room 640, Hotel Biltmore.

Present: The notary, Mr. Whipple, Mr. Park, and Mr. McClennen.

The taking of this deposition was noticed by the plaintiff for the city of Washington, District of Columbia, but by agreement of counsel, for their mutual convenience, finding Mr. Mellon in New York, it is taken in New York before Rowland W. Philips as commissioner.

ANDREW W. MELLON, called as a witness in behalf of the plaintiff, being duly sworn, testified as follows:

Direct examination by Mr. WHIPPLE:

Q. Will you state your full name, Mr. Mellon?—A. Andrew William Mellon.

Q. And your residence?—A. Pittsburgh, Pa.

Q. I assume the court will take judicial notice that you are now, and have been for several years, Secretary of the Treasury and residing temporarily in Washington.—A. Since 1921, which is about 7 years and 4 months.

Q. And you have been continuously Secretary of the Treasury since then?—A. Since that time.

Q. Are you familiar with a corporation known as the Aluminum Co. of America?—A. I am.

Q. You know of it as a corporation organized and having its principal office at Pittsburgh, Pa.?—A. I do.

Q. How long have you been interested in the corporation?—A. Almost since the inception of the corporation; I do not recall just how many years ago that is—what year I became interested in it.

Q. Was your brother also interested—Mr. R. B. Mellon?—A. Yes.

Q. Equally with you?—A. Yes.

Q. And has been from the beginning?—A. Yes.

Q. Were you at any time a director of the corporation?—A. I was.

Q. Approximately between what dates?—A. From the time I speak of until I went to Washington or shortly before the time I went to Washington, in March 1921. I then resigned.

Q. Was your brother a director covering the same period of time?—A. Yes.

Q. And he did not resign but has continued since as a director?—A. He has continued since.

Q. Have your financial relations with your brother during this whole period of time been very close and intimate?—A. Yes.

Q. I have seen it stated and I will ask you to verify it that in all business matters in which you are interested he also is equally interested, or in practically all.—A. No; but in a great many investments and properties that we have, we have them together, but not all.

Q. But you acquired equal interests at the same time in the Aluminum Co. of America?—A. Yes.

Q. And have continuously held equal interests since that time? I limit it up to 1925.—A. Yes.

Mr. MCCLENNEN. Mr. Whipple, as we know, but to avoid any misunderstanding later, when you say the Aluminum Co. of America you mean whatever its name was. At the beginning it was the Pittsburgh Reduction Co.

The WITNESS. The Pittsburgh Reduction Co.

Mr. WHIPPLE. Yes.

The WITNESS. The same business.

Mr. WHIPPLE. It may be understood that in speaking of the Aluminum Co. of America I refer to the present organization and also that or those which it succeeded—I mean the original company.

Mr. MCCLENNEN. It was merely a change in name?

Mr. WHIPPLE. Yes.

Q. Do you object to stating the stock holdings of your brother and yourself in, say, January 1925, in the Aluminum Co. of America?—A. I do not recall the exact number of shares. Generally speaking, it was about 15 per cent; something over, but thereabouts.

Q. That is your combined holdings or each?—A. No; the combined holdings were twice that.

Q. Yes; I was not quite sure which you meant, whether it was that or not. Did you meet at about the time you went into it the president of the corporation, Arthur V. Davis?—A. Well, he was not president at the beginning. Captain Hunt—Alfred B. Hunt—was then president.

Q. Was Mr. Davis connected with it when you became interested in it?—A. He was.

Q. And you have known him ever since?—A. Ever since.

Q. Have your business relations with him been what might be called close or intimate?—A. Yes.

Q. Was this one of the corporations in which you felt some personal interest and had some personal knowledge of its affairs?—A. In the early days I was closely in touch with it, but later on I was very much occupied, even before I went to Washington, with other undertakings, and so I did not keep an active connection with the company in the sense of knowing all the trades that were made or the developments. For a good many years I sort of dropped out, because I was too much absorbed with other investments.

Q. It would be fair to say that you gave up that attention to what might be called the details?—A. Yes.

Q. That you had been able to give attention to before?—A. Yes. I should say for over 20 years at least I have not been in touch with the affairs of the business other than occasionally seeing

Davis when something would come up in conversation. But I was not generally consulted. Of course, if there was anything of importance in the way of policy or something that way I think I usually was. I am talking now of the last 20 years.

Q. Did your brother continue, so far as you observed, in active participation in the affairs of the company or care of details?—A. No. To an extent he was familiar with what was going on, but he was not at all active in the affairs of the company.

Q. But he continued as director?—A. He continued as director.

Q. Can you remember who the directors were other than your brother at the time you resigned?—A. Well, I remember some of them.

Q. There was Mr. Davis, of course?—A. There was Mr. Davis, and I think his brother was also a director at that time; and there was a man who has now retired and is living up at Williamstown; what was his name?

Mr. McCLENNEN. Was it Mr. Laurie?

The WITNESS. Mr. Laurie, and there was Gillespie, D. L. Gillespie. That is all I can think of just now.

Q. Did you know Mr. Gillespie pretty well, and Mr. Laurie?—A. Oh, yes.

Q. Had you other business connections or contacts with them?—A. With Mr. Gillespie some other business contacts and investments, but not with Mr. Laurie other than the aluminum business.

Q. Did you at some time meet the late James B. Duke?—A. I met him, I think it was, in 1922, in Washington. I had under consideration a man from Winston-Salem, Mr. Blair, for the position of Commissioner of Internal Revenue. He had been recommended and one of the references or one of the parties who it was stated to me was acquainted with Mr. Blair was Mr. Duke. I was not acquainted with Mr. Duke but I asked over the telephone or in some way—perhaps I wrote to him, I do not recall—about Mr. Blair. He said that he was going to New York and would stop in Washington to see me, which he did; and he brought with him a man who he said knew Mr. Blair better than he did, and that man died on the way to Washington, dropped dead on the train, and he had quite a time in Washington when he got there. That was all in relation to Mr. Blair. And the next time and the only other time——

Q. If you will pardon me, as to that, perhaps you have answered it. You had no conversation with Mr. Duke at that time except with reference to Mr. Blair?—A. No.

Q. Then the next time you saw him?—A. The next time was at my apartment in Washington, when Mr. Duke and Mr. Allen with him, and Mr. Davis came to dinner. Mr. Davis had made the engagement, had spoken to me of Mr. Duke, and he wanted to make an arrangement for Mr. Duke to meet me, and I suggested that they come to dinner.

Q. In the meantime, I take it, that you had not talked with Mr. Duke at all?—A. No.

Q. And had not met him?—A. No.

Q. And I suppose you then remembered him as the person who dropped in at Washington and spoke about Mr. Blair?—A. Oh, yes.

Q. Do you know a man by the name of George G. Allen?—A. Yes.

Q. When did you first meet him?—A. He came with Mr. Duke to the dinner I speak of. That is the first meeting.

Q. Had you ever heard of him before that?—A. I do not think so. I do not recall it.

Q. You say that Mr. Davis arranged the meeting?—A. Yes.

Q. Do you know that at some time later a merger was negotiated and arranged between a corporation known as the Quebec Aluminum Co., Ltd., and the Aluminum Co. of America?—A. You mean before this dinner?

Q. No; after this interview.—A. I knew afterwards. I do not just recall the name of the company.

Q. Well, I am reminded that it is the Canadian Manufacturing & Development Co., although the correspondence or negotiations that I refer to were on the part of Mr. Davis, on the one side, and Mr. Duke, on the other, representing, respectively, the Aluminum Co. of America and the Quebec Development Co.—A. Well, I knew that Mr. Davis had been in negotiation with Mr. Duke at the time of this dinner. It was on account of Mr. Duke's interests in Canada, the water-power interests, and, as I understood, he wanted to connect up with the Aluminum Co. and negotiate an alliance there so that he would have a market for his water power.

Q. You knew that before the meeting?—A. Yes.

Q. From whom did you learn it?—A. Mr. Davis.

Q. How long before the dinner at Washington did you learn it?—A. Not a very great while; I suppose a month or two or something like that; not very distant.

Q. How did you learn it—I mean was it in writing or telephone or personal interview?—A. No; I was just thinking where; I think it was when I was out in Pittsburgh that Davis spoke to me about it.

Q. Can you fix approximately the date when you were out in Pittsburgh?—A. No; I could not do that.

Q. But it was within two months prior to the dinner?—A. My recollection is it was not a long time before it. It may have been several months, not very long, though.

Q. Well, possibly it would assist you somewhat if I called your attention to the fact that there is in existence and has been put in evidence a telegram dated January 13, 1925, about the dinner?—A. Yes.

Q. And to refresh your recollection perhaps or to assist your memory I will read it to you.—A. Yes.

Q. It is a telegram from Mr. Davis to Mr. Allen; this same Allen I spoke of a moment ago. It reads as follows:

"Mr. Mellon has just telephoned me to ask if Mr. Duke will take dinner with him on Friday night and says that he will arrange the dinner at whatever time fits in with the arrival of the train. Mr. Mellon added that he would be alone at dinner so that we can come direct from the train to his house. It was arranged that I was to let Mr. Mellon know what time we would arrive. Can you figure on the train schedule a little? And I will telephone you the first thing tomorrow morning from New York, so that I can let Mr. Mellon know as promptly as possible."

Now, that is a telegram which was put in evidence as exhibit 105. You think that refers to the dinner that you have spoken of?—A. Oh, yes; undoubtedly.

Q. That would fix it as Friday after January 13, 1925?—A. Yes.

Q. Which is——

Mr. McCLENNEN. January 16, I think.

Q. Which we will accept for the moment as on January 16, the exact date being not of the slightest consequence.—A. Yes.

Q. We will speak of it then as the January 16 dinner. Now you said a moment ago that it was your best memory that you had heard of what I may speak of as negotiations perhaps a couple of months before that.—A. Yes.

Q. And does that accord with your memory?—A. Yes.

Q. I may state perhaps for your information that Mr. Davis, in his testimony, has fixed the date when those negotiations opened as about November 6, which would be just 2 months and 10 days before the dinner.—A. Yes.

Q. Then, I will ask you, did Mr. Davis, in his first talk, speak of negotiations as having been opened or as something that he was going to look into?—A. It was rather tentative, or, rather, that Mr. Duke was desirous of making an alliance with the Aluminum Co. on account of this water power.

Q. Did he say that he had seen Duke, do you remember?—A. Well, I would infer that he had seen Duke; he had been negotiating with him.

Q. And this occasion when the first information was given you, you think was at Pittsburgh?—A. I would not be certain. It may have been. I just have a recollection of seeing Davis at Pittsburgh, and it is likely that that is when. It might possibly have been by telephone. I think likely the arrangement for the dinner was over the telephone.

Q. Yes; the arrangement for the dinner, but you think before that at some interview at Pittsburgh Mr. Davis had mentioned something to you about it?—A. Yes; I think so.

Q. And then was the first you learned about the project?—A. Yes.

Q. Had you ever heard before that of Duke's having a water power?—A. I do not recall that I had.

Q. Or that he had any notion or desire to join forces with the Aluminum Co. in any way?—A. Not before the period I speak of.

Q. That was your first information about it?—A. Yes.

Q. Or that Mr. Davis had desired to get in touch with Mr. Duke?—A. No; I had not.

Q. Nothing of that sort?—A. I had not any information on that score.

Q. Appreciating it was a long time ago and that you have had many things to pass through your mind since, I still would like to have you state as fully as you can that first or initial conversation with Mr. Davis in which he gave you this information.—A. It has pretty nearly been covered by what I have said already. I do not know of anything further than that—that Duke had this large water power and wanted to negotiate with the Aluminum Co.

Q. Did he say anything about Mr. Duke's having organized or having in mind to organize an aluminum company?—A. No.

Q. Did you hear at some time that Mr. Duke had caused to be organized a corporation known as the Quebec Development Co., Ltd.?—A. I had no knowledge of that.

Q. You think Mr. Davis did not tell you that he either intended to or had at some time——A. Not to my recollection.

Q. Do you remember whether you said anything at this initial interview at which Davis told you what you say Duke wanted?—A. Well, it was something that was not very definite, very tangible at all; there was no plan or arrangement suggested. It was just in general that they had had conversation on the subject.

Q. Did he mention Allen at that time?—A. I do not recall. He may have, but I do not recall it.

Q. Or any engineers that had conferred on the subject?—A. No.

Q. But you inferred that he had himself had a talk with Duke personally?—A. Yes.

Q. Did he at that time say anything about your seeing Duke?—A. No; I do not think so. I think that came afterwards.

Q. Did he keep you informed after that and up to January 1925 of what was going on between himself and Duke?—A. No; I have not——

Q. What is your recollection of the next talk or the next thing you heard?—A. I think the next communication from Mr. Davis was regarding a meeting with Mr. Duke.

Q. Have you any letters on the subject?—A. No.

Q. Did you receive any?—A. No.

Q. Were you in the habit of keeping such letters as came to you from Mr. Davis?—A. Oh, yes; all my letters go in the files.

Q. And have you caused your files to be examined?—A. Yes.

Q. To see if there were any on this subject?—A. On the occasion that this question of having my testimony taken as to the date

of that dinner, I had my secretary then look up to see if he had anything that showed the date of the dinner, and there was something, I have forgotten exactly, that gave the date of that dinner, but that was the only thing.

Q. Did you ask him to examine to see whether there were letters from Mr. Davis or copies of letters you sent to him?—A. Well, he naturally would have found them. I asked him to see if he could locate that date. But my own recollection is that I never—I do not recall receiving any letters from Davis during all this time I have been in Washington, although I have had communications from Davis which have been usually on the telephone, and he has been in Washington and I have seen him when I was at Pittsburgh.

But there were other matters; for instance, we got into a controversy in the last campaign over the tariff question. Mr. Davis, who was the Democratic candidate, attacked me or criticized me in the position I held in—that in that position I used my influence to obtain high tariff rates for the company, and I had to answer some of those things. Mr. Davis and Mr. Hunt and some of the others came down to Washington on that. That was one thing. There have been subjects of that nature that have brought the contact, but I do not just recall of any letters between us.

Q. In the subpena that was served, were you asked to bring any letters or copies of letters?—A. Yes.

Q. And I had hoped and was assured by Mr. Bond, the Assistant Secretary of the Treasury, that you would have someone make diligent search in your files to see if there were any such letters. Do you really know whether that has been done?—A. That has been done by my secretary.

Q. By whom?—A. My secretary.

Q. What is his name?—A. Mr. Sixsmith.

Q. Did he report to you that he had made a careful examination?—A. Yes.

Q. Did he say whether he found any letters from Mr. Davis concerning this matter?—A. He found only something that indicated that date of the dinner.

Q. What was that?—A. I have forgotten; it was something. I won't be sure, but I think it was an answer to a request for an appointment out of Washington, and I said that I had an engagement and mentioned this dinner. Now, I think that is it. I would not be sure. He showed it to me, but——

Q. Do you know when he made a search of the files?—A. At the time this question came up of having my testimony taken.

Q. You say that when letters come, they are put in the files. Did you have any files with regard to the Aluminum Co. or Mr. Davis?—A. Yes; there was the file that had matters in connection—all this relating to the statement that was made on the question of the tariff and all that—those are all in that file.

Q. What is the earliest date of any communication in the file, do you remember?—A. I could not say.

Q. Did you receive any letters on the subject from your brother?—A. No.

Q. Any letter or letters?—A. No.

Q. Did you have any consultations with him or conference or conversations with him—I mean prior to this dinner?—A. No; other than I think he was present at the time Davis spoke to me in Pittsburgh.

Q. Had he mentioned it before then?—A. No.

Q. Oh, he was present at the time?—A. Yes.

Q. What did your brother say to Mr. Davis in Pittsburgh when he spoke of Duke's proposition, or if I may call it, desire?—A. I do not recall any expression used.

Q. Did you make any remark about it?—A. I do not recall it exactly. You see, it was not anything that was at all before us to decide in any way on anything; there was nothing definite spoken of.

Q. Did Davis make any comment about it? Did he say he was going to follow it up or anything of that sort?—A. I have no doubt he did.

Q. But you can not remember anything else that he said?—A. I do not recall the conversation very clearly. I recall the occasion and have an impression about it.

Q. Did he tell you about how much water power Duke had?—A. I think he did.

Q. And what is your memory about it in a general way?—A. Well, I knew it was a very large power.

Q. Did Davis tell you that?—A. Who?

Q. Davis.—A. Oh, yes.

Q. Well, what did he tell you about the water power? Perhaps that is a better way to put it.—A. Well——

Q. Did he tell you where it was?—A. Yes; and that it was a very large potential power that Mr. Duke had acquired. I think I recall he said that Duke had been working on this since 1911. I just have that in my mind.

Q. Did he speak of Price or the Prices in connection with it?—A. No; Mr. Davis did not speak of Mr. Price as far as I can recall. He may have. I remember that Mr. Duke spoke of Price or the Prices.

Q. Did Mr. Davis tell you to what extent Duke had proceeded with the development?—A. Yes; I think he did in a general way; he spoke of this power development.

Q. Did he tell you where it was?—A. Yes; on the Saguenay River.

Q. Did he speak of the upper and lower development?—A. No; it was just a general reference to the project and the scope of it.

Q. Can you remember how he happened to mention it—what the occasion was of the meeting?—A. In Pittsburgh?

Q. Yes.—A. Well, it was just an occasion when he brought this matter up.

Q. I mean had you dropped in to see him when you were there or had he dropped in to see you and your brother?—A. I think it was rather that he is a director in our bank, and I make my headquarters in the bank, and he was there.

Q. Was it at an interview that had been arranged, or one that was accidental?—A. Well, it had not been arranged. I happened to be in Pittsburgh, and Mr. Davis usually came to see me. I do not go very often to Pittsburgh.

Q. And your brother was also there, you think, rather accidentally?—A. Yes.

Q. Were any other directors of the Aluminum Co. there?—A. No; not to my memory.

Q. Did Mr. Davis say whether he had talked to other directors who were there?—A. It is possible that Roy Hunt was there, because he is also a director in the Mellon National Bank. He may have been present at that conversation. I do not just recall.

Q. But it was not a meeting of the directors of the bank?—A. There is a daily meeting there, and Davis comes to that daily meeting, and that is usually the time I see him.

Q. So you saw him practically every day you were there?—A. I don't think I was there more than a day at the time. Since I have been in Washington I do not think I have been in Pittsburgh more than—well, I have been there over the week-end, but not to be at the bank.

Q. Then it would be true that being there only one day, if that was all, he saw you every day that you were there?—A. Yes.

Q. But on this single occasion. Now, can you tell us what you said, what the conversation was which led up to the dinner, if that was the next time that the thing was called to your attention?—A. Well, I recall that he said that Mr. Duke would like to come to Washington and talk this business over in Washington.

Q. With you?—A. Mr. Duke had said that he would.

Q. He would like to talk it over with you?—A. Yes; and I said that I would be glad to have him come to dinner and discuss it.

Q. Was that all?—A. I think that was all.

Q. What business did he say Duke wanted to talk over?—A. His water-power business.

Q. That is a combination or merger or something?—A. Yes; whatever it might lead to.

Q. And you remember nothing more of the conversation that occurred before the dinner?—A. No; that was substantially all.

Q. Who were present at the dinner?—A. Mr. Duke, Mr. Allen, Mr. Davis, and myself—the four of us.

Q. Was not your brother there?—A. No.

Q. No other director was there?—A. No.

Q. How long was the conversation on this matter on account of which they were there?—A. They came about dinner time. There was no conversation, as I recollect, immediately before dinner. We had dinner and sat up quite late; I should say we were there—yes—until about 1 o'clock. I think there was a 1:30 train that Duke's car was to go back to New York on, and we sat there until, my recollection is, about the time that they were to return.

Q. Did Mr. Duke bring Mr. Davis down in his private car?—Did they come together?—A. Well, I suppose so. I do not know.

Q. At any rate they went away together, the three of them?—A. They went away together.

Q. Can you tell us what was said by the different people on this subject during that interview?—A. The conversation was principally, almost wholly, on the part of Mr. Duke with me. I do not recall excepting what Mr. Davis might join in on something, or something casual, but the conversation was chiefly between Mr. Duke and myself.

Q. Will you tell us as best you can what was said by Mr. Duke and what was said by you?—A. Well, I have tried to refresh my memory on what was said. You see, it is difficult to remember clearly that length of time, when there have been so many other things all the time in my mind. But he described the water power and his acquisition of it and spoke a great deal of the paper industry. He seemed to want to interest me in that feature of it, the great possibilities of it, the great area that there was in paper and this power business and the Duke-Price business. He talked of that and the water power and the advantage that it would be to the Aluminum Co. to have that connection, to be interested in that power.

Q. What did he say of the advantages to the Aluminum Co. to have that power?—A. The future of the aluminum business would require great quantities of power; and I remember, too, he said that the Aluminum Co.—and that we ought to lay a basis for a broader and greater business on account of the developments that would make use of aluminum and that——

Q. That is, the great demand in the future, was that what he said?—A. Yes.

Q. The broadening demand for aluminum?—A. Yes; broadening demand, and that we ought to lay the basis for that; we ought to look ahead and have this power so that we could expand.

Q. Did he say he had been in the aluminum business?—A. No.

Q. How did he say that he knew of this great necessity there was going to be for water power?—A. Well, that was his vision.

Q. Well, what did he know about the aluminum business, or how had he learned about it?—Oh, well——

Q. Did he tell you?—A. Of course, he knew about the aluminum business; he knew that it was a consumer of power.

Q. Did he say how he had learned that?—A. No.

Q. What did he say as to how he had learned about this great prospective expansion of the business?—A. Oh, well, that was his speculation or imagination of the future of the business.

Q. Did he say he had looked into it at all?—A. He did not say that he had looked into the business; but just generally that

here we had this great business with its possibilities in regard to aviation and everything else, and there would be a great future to it.

Q. Did he mention that the Aluminum Co. of America was the only company of the size, or substantial size, manufacturing aluminum in America?—A. No; I do not think he mentioned that. That was generally known.

Q. But here was a man, as I observe, who never had any experience in the aluminum business telling to yourself and Mr. Davis his views in regard to what you ought to do in your business.—A. Well, that had not any significance. He had the power and wanted a customer for the power.

Q. Well, of course, there was always the possibility of his going into the business?—A. Yes.

Q. Did you speak of that?—A. No, no.

Q. But you understood it, that is, with all this great power, that it was adapted to the manufacture of aluminum?—A. Well, that was not discussed at all.

Q. I was wondering whether you appreciated that this great potential water development that he had that it was adapted to going into the aluminum business?—A. Oh, yes; I understood that, of course.

Q. Did he tell you that he had organized or caused to be organized in the December prior a company called an aluminum company?—A. No.

Q. The Quebec Aluminum Co.?—A. Not anything of that nature at all.

Q. Well, did you ask him?—A. No.

Q. Then, as I get it——A. It never occurred to me that he had been considering anything like that.

Q. Did he seem to be pretty well informed upon the aluminum industry?—A. Well, he did not talk much of the aluminum industry other than in the direction I speak of—that it had a great future. He was stressing the value of this power and the value of the Duke-Price business in connection with it.

Q. Was there any talk about bauxite deposits at that interview?—A. No.

Q. You knew bauxite was necessary?—A. Oh, yes; but there was nothing said of bauxite at all. We were not discussing the business.

Q. Well, as you have pointed out, he was discussing what he thought were magnificent opportunities for expansion in your business?—A. Yes.

Q. That is the aluminum business?—A. Yes.

Q. You did not ask him how he knew that, how a man, a stranger to the aluminum business, should be calling to the attention of a man who had been in it a great many years——A. Oh, no; that was a perfectly natural thing for him to speak of. Almost everybody has the same idea of the aluminum business, as having a very great future. It is one of these—to a certain extent it is a new business, in a sense, and a new metal, comparatively speaking, and it has——

Q. Tremendous possibilities of development and profit?—A. Yes.

Q. And you knew that Duke was a man of sizable fortune?—A. Oh, yes.

Q. And that if he wanted to go into the aluminum business he could?—A. Oh, yes; there was no doubt about that.

Q. He had the water power?—A. Yes.

Q. Which is one of the great fundamentally essential requisites?—A. Yes.

Q. Provided he could get bauxite. That is the other?—A. Well, I did not know that, but I was not particularly——

Q. Well, did you know that bauxite was the other great fundamental requisite of the business?—A. Oh, yes; I understand the situation in the industry very well, but——

Q. Did you understand where there were bauxite deposits that had not been acquired by the Aluminum Co. or some of its subsidiaries?—A. Yes; I knew that there are a great many sources of bauxite other than those owned by the Aluminum Co.

Q. Where?—A. Abroad; some in Italy and in Austria and Yugoslavia, and then in South America, and also to some extent in this country, although there is very little in this country of the grade of metallic content that would make it profitable.

Q. Did Mr. Duke in the course of this conversation, which I suppose went on intermittently from perhaps 8 o'clock in the evening until 1 or so in the morning——A. Yes.

Q. Tell you that he had been spending considerable sums in investigating the feasibility or practicability of going into the aluminum business?—A. No; he did not mention that.

Mr. McCLENNEN. I think, Mr. Whipple, that perhaps in your assumption you have forgotten from your experience in Washington that you cannot talk in the dwelling part of Washington until 1 o'clock and have a private car hitched to a 1:10 train.

Mr. WHIPPLE. I thought it was a 1:30 train.

The WITNESS. I do not recall how long they were there. I just recall that there came a time when they had to go and they went. It was at least 12 o'clock, but——

Q. Well, call it that. During that time did Mr. Duke let drop that he had spent or caused to be spent very considerable sums of money in investigating the practicability of the aluminum industry?—A. No, no; he never said on that score.

Q. And I don't suppose it entered your head that possibly he might with his water power and bauxite which he could get hold of, of course—that he might possibly go into the industry or into the business?—A. Well, of course, I am positive that I had not any knowledge of any activity or anything in that direction upon the part of Mr. Duke. I am sure of that.

Q. Well, had anything been said on that subject——A. Nothing.

Q. Between you and Mr. Davis?—A. No.

Q. Suppose you were always more or less on the look-out for possibilities of competition?—A. Well, as far as I was concerned, I was not on the look-out or thinking of the business. So far as the aluminum business is concerned, for a great many years I have depended entirely on Mr. Davis and I was——

Q. Well, I should perhaps have put it that you understood Mr. Davis was on the look-out for those possibilities?—A. Well, I was not troubling my mind about Mr. Davis' lacking in resourcefulness so far as looking after the interest of the business is concerned. You might say he was practically the whole business and we depended upon him.

Q. Did Mr. Duke during the course of his suggestions as to what would be wise for the Aluminum Co. to do in respect of the development of his business point out the adaptability of his water power up there for an aluminum enterprise?—A. That is what he was speaking of, the advantage that it would be to the Aluminum Co.

Q. Did he speak of the geographical advantages, or what were the advantages that he pointed out?—A. Well, the large quantity of power, the largest power development in the world or in America, I believe it was, or something of that kind.

Q. Did he say why he asked to see you about it?—A. I don't know; he may have.

Q. I beg pardon?—A. I do not recollect of his having given any explanation of why.

Q. Was anything said either by Mr. Davis or Mr. Duke about further interviews that they had since Mr. Davis' talk with you in Pittsburgh?—A. No. As a matter of course, this dinner had come about through the conversations of Mr. Duke and Mr. Davis. There was not anything particularly said of that.

Q. You mean after the talk in Pittsburgh?—A. You are speaking of whether at this dinner anything was said about conversations?

Q. Yes.—A. No; there was nothing.

Q. I mean were you told how far the negotiations had gotten along, whether they were any further along than they were in November?—A. No; according to my recollection there was not anything said of a particular plan or arrangement; it was a rather general conversation, and it was all in the hands of Mr. Davis as far as any negotiations with Mr. Duke were concerned, so he did not take up anything of that nature with me.

Q. Well, I do not quite see yet why, if it was all in Mr. Davis' hands, he wanted to talk with you.—A. Well, I suppose he recognized whatever was done would be—that I would be a factor in it, whatever it was.

Q. He did not propose anything particularly, did he?—A. No. When you say he did not propose anything, he suggested——

Q. Or did he?—A. He suggested taking in all of this property and taking an interest in the Aluminum Co.; that is, that we make some arrangements by which it would all be put together; just a suggestion of the advantages of the business and the power there, the advantage that it would be to us, and the advantage it would be to expand and have all this power for the future.

Q. But he had that; Mr. Davis had told you as much as that in Pittsburgh?—A. Oh, yes.

Q. Well, how much further did they get at this dinner?—A. I do not think that we got any further. There was no conclusions at all arrived at.

Q. Had you made any objection to Davis' going in?—A. Had I made any objection?

Q. Yes.—A. No; I do not recall having made any objection. I did not know what the negotiations might develop into. I may have suggested, and I suppose I did to Davis, that if we could acquire the power, buy the power, that we ought to consider that for the Aluminum Co.

Q. Was that in the Pittsburgh interview?—A. No; I do not think so—well, I think perhaps it was in Pittsburgh. That was on the question of policy of acquiring the Duke-Price power project, and I said, "Well, he has not any market for the power and would he sell the property."

Q. Well, that is what Davis told you Duke had proposed—that is, that he wanted to sell it or put it into the Aluminum Co.—was it not?—A. No; but my suggestion was that if we could buy it without regard to the use for the Aluminum Co., that it would be a fine property for the Aluminum Co. to own.

Q. Oh, you suggested that at the Pittsburgh interview?—A. I think so.

Q. And what you wanted to do was to buy it instead of taking Duke in?—A. Yes; that perhaps he would sell his power.

Q. Well, what did Duke say about that, or what did Davis tell you?—A. I don't think when I talked with Duke I suggested that. I was depending entirely on Davis as far as the negotiations were concerned.

Q. But I do not quite see now the object of the dinner and the interview in Washington, unless the thing had developed so that the gentleman whom they recognized as having really something to say about it was ready for something to be proposed.—A. Well, I did not consider that it was a meeting to discuss any plan or any actual business in connection with it. It was——

Q. Had you asked to see Duke?—A. Oh, no. It came altogether just as has been stated.

Q. That makes me inquire what Davis said to you was the object of meeting him.—A. That Mr. Duke wanted to meet me and talk this power proposition over with me.

Q. Yes; and, having met you, the only thing you can definitely remember is that he said he had a very large water power and that there was ahead a great expansion of business in which the Aluminum Co. was engaged, and that he thought you ought to get the water power, or that in substance.

Mr. MCCLENNEN. You have seemingly summarized what has gone before rather than ask any question, and you have omitted from the summary Mr. Duke's references to the paper business, and that as a potentially great user of power also.

The WITNESS. Yes.

Q. Yes; well, putting that in, that is the substance of all he said; that is, that he had a great water power, that the aluminum business had a great future, and that you ought to be on guard and look out for it?—A. Oh, no——

Q. And prepare yourself with water power?—A. As I recall this conversation, Mr. Duke was a very interesting man, and he started in and described his work up there in getting this property together; it had taken him a long time; and I remember he spoke of the different steps that he had to take and then about the nature of this power; that with this large lake—Lake St. John—that he had the right to raise the lake; I remember him speaking about the square miles of water, the franchise to raise the water 17 feet above what it then was, and this would make a continuous supply of power of approximately a million horsepower. And he described the country up there, and then this paper business, and how this paper business was like the water power itself—yes; I remember it was the next thing to perpetual motion. He said now this water power—the rain falls over this country, and the water collects in Lake St. John, and so forth, and if we develop the power and use the water, it goes down the river and is evaporated into clouds and comes down from the clouds again, and he says that is perpetual motion. Then he linked the paper business up with this perpetual motion; that this Duke-Price concern had so many square miles or great areas of this timber; some of it they owned and some of it—well, anyhow, they had this available supply, and in cutting over it—that when they got it cut over the beginning of the cut would have grown up again to a place that they could start over again, and they had for all time to come a supply of this pulpwood through the growth and the area of what they had. And he was picturing that industry. Now, we would take that industry, become interested; he seemed to desire to have us interested in his water power and the Duke-Price industry and in the aluminum business in connection with it, and we would have such a great future.

Q. Had you ever had anything to do with the paper-pulp business?—A. No.

Q. Had he?—A. I don't know.

Q. I beg pardon?—A. I do not know, other than the Duke-Price interests.

Q. You never knew of his having had anything to do with it?—A. No.

Q. And, therefore, although this man, as it appears now, had organized the Quebec Aluminum Co., and, as it appears now, had been spending considerable sums of money in investigating the aluminum business and had sought to talk with you, the thing that you can remember most is that he talked about a business that you had never been in—that is, the paper and pulp business—nor he, either. May I ask if that accords with your memory?

Mr. MCCLENNEN. Just note on the record an objection to that question as unintentionally argumentative rather than interrogative, and as assuming facts not in evidence and leading, and not the proper question to put to one's own witness.

Mr. WHIPPLE. Read the question.

(The question was read, as follows:)

"Q. And, therefore, although this man, as it appears, now had organized the Quebec Aluminum Co., and, as it appears now, had been spending considerable sums of money in investigating the aluminum business"——

The WITNESS. Well, I had no knowledge of any organization of his.

Q. No; but——

Mr. MCCLENNEN. I think the witness ought not to be interrupted in his answer, and it is intensified by your assuming things not of his knowledge and not in evidence.

Q. I did not mean to interrupt you, Mr. Mellon.

Mr. MCCLENNEN. I thought you almost, involuntarily, without meaning it, had interrupted him. I think we had better go back and let him complete the statement that he was making.

Mr. WHIPPLE. Let us complete the question first and then make your answer in full instead of making it as you go along.

(The previous question was then read by the reporter.)

The WITNESS. Well, I would not say that I remembered it most. I have just given that as part of the conversation. Most of the conversation was this water power and the great extent of it.

Q. But are you quite sure upon reflection that he did not mention that he had been looking into the aluminum business and knew really a little something about it?—A. I am quite sure that there was nothing said to that effect.

Q. I beg pardon?—A. I am quite sure that nothing was said to the effect that he had been looking into the aluminum business.

Q. When next was this matter called to your attention after this dinner?—A. I am not very clear when or how long it may have been after that that I learned that Davis and Duke were approaching an agreement for the exchange of power with the Aluminum Co. I am not sure just how long it may have been afterward.

Q. Of course, you recognize that if the Aluminum Co. acquired this water power that no competitor or potential competitor could acquire it?—A. Well, there is no monopoly in water power. Canada is full of it. But this was a particularly desirable power.

Q. And particularly adapted to the aluminum business?—A. Well, of course, any power is adapted to the aluminum business.

Q. But this was the greatest in the United States?—A. So he said.

Mr. MCCLENNEN. You do not want to put it that way, do you?

The WITNESS. In Canada.

Q. The greatest in North America?—A. I do not recall just whether he said it was the greatest in North America, but it was undoubtedly a great power.

Q. Did you talk with your brother about this at all after this interview?—A. Yes; on this question of making the reappraisement of the aluminum property and making an exchange with Duke.

Q. Where was that talk?—A. I think that that was pretty much over the telephone.

Q. Did he come to Washington to see you about it at any time?—A. No; I do not recall that he came to Washington to see me about it.

Q. Do you remember anything that Mr. Davis said at this dinner in Washington or Mr. Allen?—A. I do not recall their part in the conversation. Mr. Duke, I know, kept up the conversation; he did most of the talking.

Q. Now, it may possibly refresh your recollection if I call to your attention the fact that on March 23, 1925, which was a little more than 2 months later, you see, after the dinner—A. Yes.

Q. Mr. Davis wired to Mr. Allen as follows:

"On arrival in Pittsburgh this morning I found Mr. R. B. Mellon had unexpectedly gone last night to Washington to confer with Mr. A. W. Mellon, returning to Pittsburgh tomorrow morning. I am therefore not able to make any progress today but will see Mr. Mellon tomorrow morning."

That is exhibit 148 in the case. Do you remember that your brother did see you in Washington about it?—A. I have no recollection of my brother having come to Washington on this subject. I cannot just recall. He may have.

Q. Did Davis come to Washington to talk about it?—A. I do not think so. I have no recollection that Davis came to Washington.

Q. Let me call your attention to the fact that 2 days later Davis wired Allen as follows: "My Washington visit is postponed until next week, so I will be at your office tomorrow morning." (Exhibit 149.) That would indicate that Davis had arranged to go to Washington.—A. He may have.

Q. Do you remember about his coming or his planning to come?—A. I have not a recollection of Davis coming nor of my brother coming, but I would not say that they had not been there. My brother has been there at times, and Mr. Davis has been there at times. But on this Duke power matter my nearest recollection is that my brother talked to me over the telephone about it, but he may have come to Washington.

Q. Then on April 7 Davis wired Allen in part as follows:

"Mr. A. W. Mellon and Mr. R. B. Mellon very much prefer the prior preference and straight-preference plan that I outlined to you yesterday, as they think it is a much better set-up for the future company and equally satisfactory if not a little more so to the stockholders than the original plan." (Exhibit 185.)

Do you remember having expressed your views on that subject?—A. I think I remember something of a plan of organization that was not the same as that which afterward was arrived at, that I was consulted about. I can not recall just the particulars of it.

Q. Did you see any of the papers that were being drafted or being considered between the parties?—A. Yes; I remember I had sort of a typewritten set-up or something of that kind.

Q. Who furnished you with that?—A. I think that came from my brother.

Q. When?—A. Possibly it came from—well, it must have come from Pittsburgh.

Q. When?—A. I do not know. It must have been—that, of course, was along during this negotiation after the time we had the dinner.

Q. Have you that with you?—A. No; I have not thought of that until now. I had forgotten that there was such a thing. I will see if I can find whatever that was.

Q. That is a set-up of the proposed merger?—A. It was in connection with the reorganization of the Aluminum Co.'s structure, and there was something before we arrived at that which was concluded upon the 150,000,000 preferred and 150,000,000 common; there was something before that, since it has been brought to my attention, but I do not recall a great deal about it, except that it is just my impression now that it appeared to be something not very clear but rather a complicated arrangement, whatever it was.

Q. Did you hear at any time the suggestion that in the reorganized company Duke should have one ninth and the Aluminum Co. should have eight ninths?—A. Yes.

Q. Were papers——A. That was the basis that was finally arrived at.

Q. When did you first hear that discussed?—A. Well, that was along during that period. There was the dinner in Washington and the next time was when I went on a trip up to Canada with the Aluminum people.

Q. That was not until July, I believe?—A. That was in July; yes. Now, it was along in that period somewhere that this occurred that I am speaking of.

Q. I think the letter in which that was stated was April 15.—A. Which? April 15?

Q. Yes.—A. Yes.

Q. How long before that had you heard about Duke's having one ninth and the Aluminum Co. eight ninths of the stock of the company?—A. I could not say just when.

Q. Did you see the——A. I only thought of it when it was brought to my attention at any time, and I do not recollect just the dates.

Q. Who told you about that?—A. It was either Mr. Davis or my brother.

Q. Well, did they show you the paper when drafted?—A. Yes; they either showed it to me or sent it to me. I just recall seeing the paper.

Q. Was that agreed on at the dinner?—A. Oh, no.

Q. Mentioned?—A. No, no; there was no definite mention of any percentage or anything in that direction.

Q. Now I understand that you did see the letter or proposed agreement in which this one ninth and eight ninths was referred to?—A. Yes.

Q. But you have not that among your papers with you?—A. I suppose so.

Q. Are they here?—A. No; I have not any papers here, and I do not know whether I have in Washington. It may have been that my brother showed that to me, possibly in Washington or possibly in Pittsburgh, and I may have a copy. I will look that up, but I could not say now.

Q. I will ask you to look at exhibit 191, which is a copy, or which purports to be a copy, of an original paper that was furnished while Mr. Davis was testifying; and I want to call particular attention to this paragraph on the third page:

"The proposal is that you and I (this is written by Duke and accepted by Davis) will cause, with reasonable promptness, a merger of such United States Corporation with the Aluminum Co. of America or the corporation to which all of its property and assets will be transferred, whereby the resulting corporation will own all of the rights, franchises, and properties of both of said companies, correspondingly assuming all of their engagements, debts, and liabilities; and have authorized and made distribution of the capitalization as set forth in schedule B hereto annexed as a reorganization of said two companies by way of such merger, the ultimate outcome being that of each class of the securities issued by the resulting corporation eight ninths will be issued pro rata to the shareholders of the Aluminum Co. of America, and one ninth will be issued pro rata to the shareholders of such United States Corporation."

A. Yes.

Q. Do you remember that?—A. Yes; that is what was arrived at. I knew that, but I never saw this; I never read any of the papers in connection with the negotiation.

Q. Just look at that letter and see if a copy of that was not furnished or shown to you.—A. No; I am quite sure I never read any of the papers connected with this. It was just sort of a tentative outline of the figures that was shown to me. I was not taking any responsibility for the carrying out of this arrangement or in the negotiation.

Q. But you remember that that was the conclusion that was reached?—A. That is—what I was saying is that I never read any of the papers connected with this agreement.

Q. But you knew that of the securities of the new company one ninth was to go to Duke?—A. Yes.

Q. Or Duke and his associates, as you said?—A. Yes.

Q. And eight ninths to the Aluminum Co. You remember that?—A. Yes.

Q. Then do you remember that there was certain stock that was to be issued to Davis at $5 a share?—A. You mean the employees' stock?

Q. Well, was it employees' stock?—A. There was something about making some provision. I don't know of any special stock to Davis.

Q. Did you not know there was an agreement whereby a good many shares of stock were to be issued by the new company to Davis at $5 a share?—A. No.

Q. In plaintiff's exhibit 239 or a copy of it, which is entitled "Agreement of Merger and Consolidation," which is dated July 9, 1925, between the Aluminum Co. of America and the Canadian Manufacturing & Development Co.—A. The which?

Q. The Canadian Manufacturing & Development Co., which was the new company organized, and which was signed by the Aluminum Co. of America by Arthur V. Davis, president; and by G. G. Allen, president of the Canadian Development Co. of America; and by all the directors of the Aluminum Co., including R. B. Mellon; and by all the directors of the Canadian Development Co., being Allen, Perkins, and Ingersoll, there is this provision on page 9:

"There shall also be issued upon such merger and consolidation 147,262 additional shares of the common stock of the merged company, which stock shall be sold by the merged company at $5 per share to such person or persons (including the president of the merged company) and in such amounts to each as the president of the merged company shall determine, whether or not such person shall be stockholders in the Aluminum Co. or in the development company or in the merged company."

Did you know that; do you remember that provision in the merger agreement?—A. No. That agreement, I suppose, is the agreement which was signed on the train when we were up in Canada. It was in another car, and I went in from Mr. Duke's car; I was with him in there, and they were all together, and I signed the agreement with the others. I did not read the agreement. I supposed, of course, that it was the agreement that had been under negotiation and that in a general way I was familiar with, but I did not read it and I do not know exactly the application of that which you speak of unless it is that which I was speaking of, that there was an arrangement for a certain amount of stock that was going to be divided. I think there was something of that kind.

Q. This does not say anything about employees?—A. No. There was no discussion of anything of that kind on the train at all. It was only that this agreement had been reduced to writing and was there to be executed and we executed it.

Q. Who reduced it to writing?—A. I do not know. I suppose Mr. Davis was concerned in it, because I was relying entirely—and my brother also—on Mr. Davis.

Q. Who were the counsel of the company?—A. I can not recall whether Mr. Gordon was the counsel, but he was not on that trip up there. I do not recall that any of the counsel of the company were there.

Q. No; but did you know who drafted the agreement or looked it over as counsel in behalf of the Aluminum Co.?—A. I do not. As I say, I was depending entirely on Davis.

Q. Here were 147,262 additional shares to be issued at $5 a share.—A. I see.

Q. Now——A. Well, as I recall, $5 a share was about the asset value of the common shares at that time.

Q. Was it?—A. That was the book value. I knew that, but I do not recall what this part of the agreement means or what it provides.

Q. This is a copy of the paper. Would you like to see what I read and see where its relation comes in exhibit 239?—A. Yes; I would.

(Exhibit 239 handed to the witness.)

Q. That is a copy of the agreement of merger and consolidation of the companies.—A. Yes. As I said before, I never looked at this—I did not read it. They had it there and I knew of what was being done and went in and signed it.

Mr. McCLENNEN. Why don't you make sure that this is the one he speaks about? Of course, there is nothing to show that.

Q. I am calling your attention to that and——A. I never examined any of the papers. Where was this particular paper executed?

Q. It was on the 9th of July.—A. What date was this trip we had, do you know?

Mr. WHIPPLE. What date was it, Mr. Park?

Mr. PARK. It was about the 9th.

Mr. McCLENNEN. Yes; but whether it included the 9th I would not dare to say.

Mr. WHIPPLE. That is on the 9th of July.

Mr. PARK. I think the photograph was taken up there on July 11, 1925.

The WITNESS. Oh, well, then; but the photograph was taken on our way down and this agreement was signed on the way up in Canada, but after we had left Montreal, I think.

Q. I do not find your signature attached at all.—A. There was something that struck me that they had this in another car or in a car that had the dining room and on the table was this and I thought——

Q. Was there something you had signed besides this?—A. I thought I had signed it. I went in there, I know, and I thought I had signed something. My brother was there also. He was with them.

Mr. McCLENNEN. Has this Mr. R. B. Mellon's signature on it?

Mr. WHIPPLE. Yes.

Mr. McCLENNEN. But not Mr. A. W. Mellon?

Mr. WHIPPLE. I do not think I ever heard of one before with Mr. A. W. Mellon's signature on it.

The WITNESS. Well, it is possible that I was not required to sign anything. I looked upon it as a matter that had been settled and they were all there and I supposed they were executing this paper.

Mr. McCLENNEN. Do the signatures on this exhibit purport to be of the stockholders or of directors?

Mr. WHIPPLE. Of directors.

The WITNESS. Well, then, I was not a director.

Q. No; you were not a director.—A. Then I did not sign it.

Q. But if you have a memory of signing something, I would very much like to see it.—A. I would not be positive that I signed anything, but I was present there when they were signing the paper.

Q. I think it is quite likely that where one hundred and forty-seven thousand and odd shares were to be issued under the circumstances to persons not named but persons to be designated by the president that they might have been anxious to have had so important a stockholder sign by way of approval, but we have not found your signature anywhere.—A. Well, I do not know. I have not any recollection.

Q. Because if you have now discovered that for the first time, you might wonder what became of so many shares.—A. Well, I do remember that there was an amount of stock that was to go to Davis and a lot of others there in the company. I took it as employees. I do not mean perhaps the working men and others in that way, but those connected with the company.

Q. Did you regard Mr. Duke as one of the employees in that sense?—A. No. Of this 147,000 shares, was Mr. Duke a participant in that?

Q. We very much suspect he was.—A. Well, may this not have been——

Mr. MCCLENNEN. I ask to have that statement of Mr. Whipple's suspicions stricken out as not founded on any fact and not being any part of this deposition.

The WITNESS. Might it not be this: On the basis of this reorganization which was made, there was a certain amount of unissued stock of the old company, you know, that had not been issued and was in the treasury? It was, you might say, treasury stock; and that this represented that treasury stock, and if it did, would not Mr. Duke be entitled to his one ninth of that treasury stock? If that is what the explanation of it is, or something on that line——

Q. Well, you see this agreement for merger gives one ninth to the Canadian company which included Mr. Duke and his associates.—A. Yes.

Q. And eight ninths to the Aluminum Co.—A. Yes.

Q. Then, besides that there are one hundred and forty-seven thousand and odd shares that went to Mr. Davis for him to do with as is pointed out there, you see, to give them to such—will you let me read just what it is in order to be accurate—well, you read it.—A. "There shall also be issued upon such merger and consolidation 147,262 additional shares of the common stock of the merged company, which stock shall be sold by the merged company at $5 per share to such person or persons (including the president of the merged company) and in such amounts to each as the president of the merged company shall determine, whether or not such persons shall be stockholders in the Aluminum Co. or in the development company or in the merged company."

Q. Yes. You see, they could all be sold to the president if he said so.—A. Well, of course, I do not know what the purport of it is at all; but what occurs to me is that unissued stock that it took to round this thing out would likely have been issued in this way and a certain proportion of it was the stock that we contemplated giving to others who were not stockholders; that is, to officers of the company and all that, and then perhaps a portion of that also to go to the stockholders and to Mr. Duke. It may have been a provision of that kind.

Q. Do you remember anything about it?—A. I do not recall anything of it; no. But I do recall there was the question of this surplus stock and dividing a certain amount, which I said would be agreeable, to divide among those as a sort of bonus stock or something, to those people. Now, there was something of that kind in this; there was some stock used in that way.

Q. Did you get any of it?—A. I may have. I don't know.

Q. Did your brother?—A. If I got any, he did also.

Q. Do you know whether there was a provision whereby Mr. Duke should get something that his so-called associates in the Canadian company or the development company did not get?—A. No; I do not know that.

Q. You see the one ninth under that merger agreement that was to be distributed was to go to the stockholders of the development company, and that included Price and Duke and his associates.—A. Well, I did not know that, but it only occurred to me that might be an explanation. I should not go in, when I know nothing about it, and make suggestions.

Q. And eight ninths was to be distributed to the stockholders of the Aluminum Co.?—A. Yes.

Q. Now, did the officers of the Aluminum Co. get some bonus stock besides that?—A. I do not know. If they did——

Q. Well, that was your suggestion a moment ago, was it not?—A. Well, as I say——

Q. As a theory?—A. That was a theory, because you raised something here that I knew nothing about, and I was casting about in my mind to see if I could offer any explanation for it. But I do not know anything in connection with this at all.

Q. Do you want to try again on an offer of an explanation, any different from what you have?—A. I do not know of anything else.

Q. Well, when you spoke about knowing as to some bonus stock.—A. In our conversations there was a tentative suggestion that we use some of this stock for these officers and workers in the company. I just recall that.

Q. Like whom, for instance?—A. Well, Roy Hunt and Withers, and so forth, and the engineers and such.

Q. Bonuses?—A. Yes.

Q. That would be something not distributable to the stockholders of the company in general, but would go as bonuses to them?—A. Oh, entirely.

Q. Some of it to the president?—A. Yes.

Q. And some to the people who had been influential in bringing about the merger, or something like that?—A. Oh, no; nothing of that kind. It was for the work that they had done.

Q. What work?—A. Work in carrying on the aluminum business. They were employees.

Q. But that would not include Duke?—A. Oh, no. But when I was suggesting a theory in regard to Duke, as I say, I ought not to suggest any of these things, but it was just a theory that possibly this treasury stock that I speak of, this stock that had never been issued, and yet it was owned by the company; I think it had been issued, but there might be something whereby Duke would have a right to a share in it.

Q. Well, why Duke rather than the Canadian company?—A. Well, I don't know that.

Q. Because, you see, he was acting for the Canadian company?—A. Well, then, I would say it would be the Canadian company entirely, but I would have to——

Q. Were you told that Duke had a private arrangement with Davis for the distribution of some of this stock?—A. No; I never heard of that at all.

Q. Have you ever talked with Mr. Davis about the distribution of any of that 147,000 shares of $5 stock?—A. No; this is the first time I have thought of it, seeing it there.

Q. You will notice that that letter of April 15 which I handed you a few minutes ago was a proposal by Duke and accepted by Davis.—A. The letter of April 15?

Q. Yes; and that it was in behalf of their respective companies?—A. I see.

Q. Now, you see it begins, "I own a majority (that would be Duke) of the issued stock of the Quebec Development Co., hereinafter called the Quebec Co., a corporation organized under the companies act," and so forth, and then the Duke-Price Power Co., Ltd., which was constructing what was known as the Isle Maligne station on the Saguenay River. Then, there is a statement—will you refer to that where it says they are both acting for the respective companies? I guess we can agree that is in there. Then, on page 3, as I called your attention to it, "The proposal is that you and I will cause with reasonable promptness"—and so forth.—A. "And make distribution of the capitalization as set forth in schedule B hereto annexed, as a reorganization of said two companies by way of such merger, the ultimate outcome being that of each class of the securities issued by the resulting corporation eight ninths will be issued pro rata to the shareholders of the Aluminum Co. of America and one ninth will be issued pro rata to the shareholders of such United States corporation."

Q. That is, there was a United States corporation to be organized, which was the Canadian Manufacturing & Development Co. finally; is that right?—A. Yes. I do not recall that I ever heard those names.

Q. Well, that represented the Duke interests, and you see the agreement was that eight ninths should go to the stockholders of the Aluminum Co.—A. Yes.

Q. And one ninth of the new shares to the stockholders of what we will call the Duke Co., which was to be organized, representing himself and his associates. Now, what I want to ask is whether you knew that on the same day another letter was written by Duke to Davis in which Davis agreed to sell and deliver to Duke shares of the common stock of the resulting corporation at $5 a share in sufficient number so that when taken in connection with the shares of such stock received by himself and associates through such merger will constitute 15 per cent of the total issue of the stock?—A. I see. What is that?

Q. I will ask you to just read that and see if you knew of any such letter as that being written, which was to give to the Duke Co. stockholders one ninth, just as stated in the agreement, but to give enough more to Duke personally so that their total holdings should be 15 per cent?—A. No; I had no knowledge of this letter nor of either of these letters.

Q. Did not Duke tell you about it?—A. No.

Q. Did Davis on this trip when you met them, the trip to Canada?—A. No; I have no knowledge of it. Does this mean that Duke and his associates obtained 15 per cent of the Aluminum Co. instead of one ninth?

Q. No; it does not mean, as I construe it, any such thing. It means that on April 15 one agreement was made whereby Duke and his associates were to get one ninth for distribution among Duke and his associates, one ninth of the shares of the new company, and Davis or the Aluminum Co. were to get eight ninths for distribution among their stockholders; but that at the same time Davis promised Duke that he should get hold of enough shares, although the way is not there pointed out, at $5 a share, to give Duke personally, not for himself and his associates, another 4 per cent of the total shares of the Aluminum Co., since you have asked me.—A. Yes.

Mr. MCCLENNEN. Just note an objection to the explanation as not an accurate statement of the letter which has been shown the witness, and which I take it is the one which purports to be characterized by the description given.

Mr. WHIPPLE. Will you point out in what respect it is not an accurate statement of that letter?

Mr. MCCLENNEN. Well, it would best be pointed out when the text of the letter becomes a part of the record.

Q. Were you aware of any such arrangement as that between Duke and Davis as was represented by that letter?—A. I have no recollection.

Q. Did you ever hear of any such thing as that?—A. Not to my recollection.

Q. Did you ever hear that Duke and his associates were to get for distribution one ninth of the total issue of the shares of the new company, but that through an arrangement between Davis and Duke in some way Duke was personally to get 4 per cent of the total capitalization more and in addition to the one ninth?—A. I have no recollection of that additional percentage that you speak of.

Q. Did you consciously approve any such plan?—A. Well, I do not know; I do not know anything of it.

Q. I say, did you consciously approve at the time of a certain percentage of the new shares going to Duke and his associates and through an arrangement between Davis and Duke written on

the same day enough to make up 15 per cent of the shares were to be given to Duke?—A. I just—if there was anything of that said to me I have forgotten it, that is all. I have not a recollection of it.

Mr. WHIPPLE. I am going to have this paper which I used marked for identification.

(The paper was marked "Plaintiff's Exhibit No. 311 for identification, July 2, 1928, R. W. P.")

Q. Mr. Mellon, have you brought any papers at all on from Washington—correspondence or copies of correspondence?—A. No.

Q. And you have not personally looked for any among your files?—A. Not personally.

Q. Just what did you tell your secretary that you would like to have him look for?—A. It was to fix the date that Mr. Duke came to dinner.

Q. And was that all?—A. Well, I asked him for anything in connection with the Aluminum papers, to bring them to me, and he did not bring any so I——

Q. Did you ask him specifically to bring all the correspondence or copies of correspondence that you had had with either Duke or your brother or Davis in relation to this transaction with Duke?—A. I do not recall. I asked him to bring all the files for me to look at, and I just looked over them and I do not recall seeing anything there having to do with this.

Q. What I specifically asked for in the subpena was for copies of correspondence passing between yourself and Mr. Davis, and yourself and your brother, and I think yourself and Mr. Duke.—A. Well, there was not any intention at all of leaving anything or not making a thorough search, but I have not any recollection of correspondence. I did not think there was anything in the files in connection with it.

Q. I was not suggesting any intentional purpose. I was merely trying to find out what instructions you gave to your secretary, and I was especially anxious to find out about it because in the case of Mr. Davis, he, trusting to his secretary or somebody else, neglected to produce in my deposition with him as far as I had gone what we regarded as a somewhat important letter or copy of a letter, and I wanted to be very sure——A. From me?

Q. No; from Duke.—A. Oh.

Q. And I wanted to be very sure that there was no mischance in reference to your instructions to your secretary so that your secretary might have overlooked his duty in that connection.

Mr. MCCLENNEN. Will you just note a motion to strike off the record Mr. Whipple's assertion as not germane to the deposition that is now being taken, not conceded fully accurate, and uncalled for so far as interrogating this witness is concerned, and irrelevant, incompetent, and immaterial and otherwise improper?

Q. Therefore I want to ask, Mr. Mellon, whether you specifically asked your secretary to look for and produce for you to bring here——A. You mean whether I was——

Q. Whether you did do it, copies of letter or letters passing between yourself and your brother either way, yourself and Mr. Davis either way, or yourself and Mr. Duke, if any did pass, on the subject matter of this merger or any of the facts which lead up to it.—A. Well, before coming away at this time it did not occur to me—and I do not think there is anything—but it did not occur to me that there was anything to bring away; but it had occurred to me before in looking this up. I had the files brought in and looked over them, and I did not see anything that had to do with this transaction, and I do not think I have anything. When I go back I shall have a search made for them and see if there is anything.

Q. That would greatly oblige me, if you would.—A. Yes; I shall do that.

Q. And you see what I want particularly?—A. Yes.

Q. And that is correspondence or copies of correspondence or letters or memoranda of telephone conferences between yourself and Mr. Davis.—A. Yes; I shall do that.

Q. Yourself and your brother.—A. Yes.

Q. And yourself and Mr. Duke, and yourself and anyone else covering this period of time with reference to this merger or the negotiations which led up to it.—A. Exactly. I shall do that and bring anything, if there is anything, to your attention.

Q. Well, if you would.—A. Yes.

Q. And I should be glad to have a statement from your private secretary as to the care with which that search has been made.—A. Yes.

Q. I am not asking you to make it, and I am not intimating in the slightest that you have overlooked anything, but, you see, if instructions are given to a private secretary there might be a mistake, and that I want to avoid.—A. Yes. I am sorry that I did not go into it so I could say I had made a thorough search, but it did not occur to me to do it. But I did not recall and I never read any of these papers at all.

Mr. WHIPPLE. As far as I am concerned, I am not going to keep Mr. Mellon any longer. That is all.

Mr. MCCLENNEN. I think I have no questions. I want to put in evidence as a part of Mr. Mellon's deposition this exhibit 311 for identification, so if you will just strike off the identification it may became exhibit 311.

(The paper was marked "Exhibit No. 311, July 2, 1928, R.W.P.")

By Mr. WHIPPLE:

Q. There is a question which I omitted. Did you ever hear of one George D. Haskell, of Springfield, Mass., or of any other place?—A. He is the man who has brought suit?

Q. Yes.—A. Yes. Well, I have read—not during all this time; I have not heard of him, but I have read of the suit in the papers.

Q. Against the Aluminum Co.?—A. Against the Aluminum Co., and I inquired of Mr. Davis what it meant, and he explained it to an extent.

Q. And very likely you heard of him as bringing suit against Mr. Duke.—A. Yes.

Q. Or the Duke estate?—A. Yes.

Mr. WHIPPLE. That is all.

(It is stipulated by and between the respective counsel hereto that the signing of this deposition by the witness, Andrew W. Mellon, is waived.)

EXHIBIT C

The Gulf Refining Co., of Pittsburgh, has been awarded the contract to supply the bunker fuel oil requirements of the Shipping Board Merchant Fleet Corporation vessels at Charleston, Savannah, Jacksonville, and Tampa over a 3-year period, in accordance with its proposal submitted July 30, it was learned here to-day. All other proposals, including bids of several oil companies for furnishing requirements at Boston, were rejected by the Shipping Board.

Terms of the contract call for supplying the estimated maximum requirements of 100,000 barrels per month at the four South Atlantic and Gulf ports for 93 cents per barrel at Charleston, Savannah, and Jacksonville, and for 90 cents per barrel at Tampa during the 3-year period commencing January 1, 1929. These fixed prices are for terminal delivery with an additional charge of 5 cents per barrel for barging.

HOLDS ALL CONTRACTS

With its contract for furnishing oil requirements at these ports, the Gulf Refining Co. now will supply about 8,000,000 barrels annually for Government vessels at all Atlantic and Gulf ports, since on July 10 it was awarded the first contract under the new 3-year period terms devised by the Shipping Board for fulfilling the needs at New York, Philadelphia, New Orleans, Galveston, and Port Arthur. The Pittsburgh company's contract on this calls for oil supply at an average rate of 92 cents per barrel for terminal delivery at New York and Philadelphia, with still lower average fixed prices at the other ports.

By virtue of these two contracts the Gulf Refining Co. will supply all oil requirements for Government vessels at Atlantic and Gulf ports. The maximum estimated requirement of the Government vessels at these ports is approximately 875,000 barrels monthly.

Bids for supply requirements at Boston will not be reinvited, it was announced by the Board. The bunkering of Government vessels making port at Boston will be shifted to New York or Philadelphia.

[Senate Report 7, part 5, Seventy-first Congress, first session]

ELIGIBILITY OF HON. ANDREW W. MELLON, SECRETARY OF THE TREASURY

Messrs. BORAH, KING, and DILL, from the Committee on the Judiciary, submitted the following views (pursuant to S.Res. 2):

The committee, as we understand, is not in disagreement in any respect except as to question 2 submitted by Senate Resolution 2.

The controversy, or differences of view, arise over the construction to be given to section 243, title V, of the laws of the United States. This section reads as follows:

"No person appointed to the office of Secretary of the Treasury, or Treasurer, or Register shall, directly or indirectly, be concerned or interested in carrying on the business of trade or commerce, or be owner in whole or in part of any sea vessel, or purchase by himself, or another in trust for him, any public lands or other public property, or be concerned in the purchase or disposal of any public securities of any State, or of the United States, or take or apply to his own use any emolument or gain for negotiating or transacting any business in the Treasury Department, other than what shall be allowed by law; and every person who offends against any of the prohibitions of this section shall be deemed guilty of a high misdemeanor and forfeit to the United States the penalty of $3,000, and shall upon conviction be removed from office, and forever thereafter be incapable of holding any office under the United States; and if any other person than a public prosecutor shall give information of any such offense, upon which a prosecution and conviction shall be had, one-half the aforesaid penalty of $3,000, when recovered, shall be for the use of the person giving such information."

The view we entertain is that a person may be interested in the business of trade or commerce—may, for illustration, be a stockholder in a corporation engaged in the business of trade or commerce, without becoming ineligible to the office of the Secretary of the Treasury. His interest alone or his ownership of stock alone does not render him ineligible under this statute.

It seems to be contended by some that the statute should be construed as if the statute read:

"No person appointed to the office of the Secretary of the Treasury * * * shall, directly or indirectly, be concerned or interested in the business of trade or commerce."

It is argued that the words "carrying on" may be treated as surplusage, to be given no meaning, or force, or effect; a bad example of tautology. We do not so construe the statute. The words "carrying on" must be construed in connection with the other language in the section. The statute as a whole must be construed as a whole, if under any rule of reason you may do so. Under no rule of construction with which we are familiar are we justified in excluding this language as having no meaning or

significance at all. The language was evidently placed in the statute for a purpose. The framers evidently had some object in mind, and therefore it should be given consideration in construing the statute. If the framers of the statute had desired to exclude everyone from this office who was interested in the business of trade or commerce, the plain, simple, language by which that would have been accomplished would have been as follows: "No person appointed to the office of Secretary of the Treasury * * * shall, directly or indirectly, be interested in the business of trade or commerce." But evidently they did not intend to exclude everyone who might have an interest in such businesses. Evidently they intended to exclude only those who were directly or indirectly concerned or interested in "carrying on" the business, or who participated in managing or running the business, or in counseling and advising in reference to the management of the same.

We have not found any decisions of the courts construing this statute or a statute identical in terms. This leaves us to search for construction among decisions which, while not decisive or controlling, may be deemed instructive or persuasive. In addition to such decisions as may be found along that line, we are permitted to consider such practical constructions as may have been placed upon the statute by those departments of the Government having to do with the execution or maintenance of the statute.

The laws of the State of New York at one time provided:

"That no person shall be appointed to the office of justice of the court of special sessions unless he shall be a resident * * * no such justice shall receive to his own use any fees or perquisites of office; nor shall any such justice hold any other public office or carry on any business."

The words "carry on" were construed by the supreme court (appellate division) of that State. The court said:

"He can hold no other public office, can carry on no business, but is required to devote his whole time and capacity to the duties of his office. In the Standard Dictionary to 'carry on' is defined: 'To keep up; keep going; maintain; manage.' And in the Century Dictionary: 'To manage or be engaged in; continue to prosecute; keep in progress.' And I think to bring a person within the prohibition against carrying on a business there must be such relation to the business as imposes upon the person charged an obligation or responsibility to it, a responsibility for its management, the assumption of its control, or an obligation to perform duties in relation to it. The term 'to carry on a business' implies such a relation to the business as identifies the person with it and imposes upon him some duties or responsibility with its management." (*Matter of Deuel*, supreme court, appellate division, vol. 127, p. 632.)

The same principle was announced in the case entitled "*Matter of Levy*." (Supreme court, appellate division, vol. 198, p. 326.) We quote from the syllabus of the case:

"The term 'to carry on a business' implies such relation to the business as identifies the person with it and imposes upon him some duty or responsibility in connection with its management."

In the above case the respondent held 10 percent of the capital stock of a business corporation.

We do not refer to the foregoing opinions as conclusive upon the question here, but they are persuasive. The court clearly holds that carrying on a business has a significance and a meaning wholly aside from a mere interest in the business, such as that of a stockholder; that it implies much more and something different from an interest in the business or concern in the business. It must be concluded from these cases that the court was of the opinion that the ownership of stock is not sufficient to constitute a violation of the statute which provided against having an interest in carrying on a business. In other words, "to carry on a business" there is an obligation, a responsibility, an authority with the one that is in no sense a part of the other, a mere interest in the business.

The violation of law, however, long continued, and regardless of the high standing of the parties, will not, of course, change the law nor exempt those who repeat the violation from the penalties of the law. But when a construction of the law is involved and the meaning is in doubt it has always been considered proper to take into consideration the practical construction placed upon it by those brought in touch with it. And even acquiescence upon the part of those having responsibility in the acts or conduct of parties operating under the law may be considered.

The records will bear out the contention that never has a mere interest or the mere ownership of stock in the business of trade or commerce been regarded as rendering a party ineligible to the office of Secretary of the Treasury. From Alexander Hamilton to the present incumbent, Secretaries of the Treasury have been interested or have been stockholders in corporations engaged in the business of trade or commerce. We do not know, because the records are not available, whether all Secretaries have been so interested. But we do know that a great number of them have been. Secretary after Secretary, men of the highest and most sensitive regard for the integrity of official conduct, have been holders, and in some instances large holders, of stock in corporations engaged in trade or commerce. This fact has been known to the different departments of the Government, including the House and the Senate. Such interests have been held without challenge from anyone as to the eligibility or fitness of the incumbent. Thus by long practice has a construction been placed upon the statute which we are entitled to consider in our effort to arrive at the true meaning of the law.

The Supreme Court of the United States, in the Midwest Oil case (236 U.S.), in passing upon the power of the Executive to make temporary withdrawals of public land, took into consideration the silence of Congress as to the practice of the Executive and the legality of such withdrawals. Reasoning upon the same principle, it will throw some light upon the proper construction of this statute to take into consideration the acts of the Executive, the different Secretaries of the Treasury, in conjunction with the acquiescence if not affirmative approval of the Congress.

When we take into consideration, therefore, the language of the statute itself, distinguishing as we think it does, between an interest in and the carrying on of the business, when we take into consideration the practical construction placed upon the statute through these years, together with the opinions of the courts in cases involving the construction of statutes of a similar import, we have no doubt that a fair and reasonable construction of the statute does not deny an incumbent the right to hold stock in a corporation engaged in trade or commerce.

It should be borne in mind also that when Mr. Mellon was being considered for the office of the Secretary of the Treasury he took advice of able counsel relative to the meaning of the statute. These lawyers, including ex-Senator Knox, were of the opinion that an interest in the business or the holding of stock did not render Mr. Mellon ineligible to the office. It was after careful consideration of all the facts and of the law that Mr. Mellon received his appointment, was confirmed by the Senate, and has since been continued by two subsequent Presidents in the Secretaryship of the Treasury. He has served eight years, and during that time the fact that he was a stockholder in large corporations engaged in trade or commerce was known to all, known to the different departments of the Government, known to the Senate and House of Representatives, the executive department, including the legal department of the Government.

The most noted incident arising under this law is that in reference to the appointment of A. T. Stewart, the great dry-goods merchant in New York City. President Grant named Stewart Secretary of the Treasury. He was promptly confirmed. Objections were made immediately thereafter based upon his ineligibility under the act now before us for construction. Stewart immediately sought legal advice. He was advised that as he was heavily interested and actively conducting a large business in trade and commerce he could only avoid the statute by retiring from the business. Stewart stated that it would be impracticable, if not impossible, to get out of the business inside of 5 years. The President sought a joint resolution exempting Stewart from the operations of the law and sent a message to Congress to that effect. But there was objection to the resolution, also objection to repealing the law. In fact, it now developed that there were objections to Stewart upon the part of the high protectionists, Stewart being a free-trader. Someone proposed that Stewart enter into an agreement to give the profits of his business to charity—an irrelevant suggestion from the standpoint of the law. It was also claimed that Stewart had constantly large claims for heavy drawbacks on duties. On March 8, in an editorial in the New York Times, it was said:

"The most direct and unobjectionable mode of meeting the difficulty would be for the newly appointed Secretary to retire from the commercial business which brings him within the prohibitions of the law; but in Mr. Stewart's case this seems to be impossible. His business is so extensive and so complicated that, as he himself is reported to have said, it would take him 5 years to withdraw from it."

Finally, on March 9, 1869, Stewart sent in his resignation. In his resignation, among other things, he said:

"The business relations of my firm in its connection with others largely interested in their continuance are such that they can not be severed summarily, nor can my interest in it be wholly and absolutely disposed of without great embarrassment and loss to those with whom I have been connected."

Manifestly, Stewart under any construction of the law was ineligible. He had the largest trade in dry goods in the United States. He was in the immediate, active management of the business, giving it his personal attention and direction. As he felt he could not justify getting out of the business, he resigned.

But while an interest or the holding of stock will not alone render a person ineligible to the office the terms of this statute are such as to exact from the holder of such interests or stock the most scrupulous observance of the difference between an interest or ownership of stock and the management or carrying on of the business. Undoubtedly the purpose of the law was to divorce the Secretary of the Treasury from all attachment to his private interests, to the detriment of the public business. Responsibility for his private interests were not to be permitted to conflict with the responsibilities attaching to his public office. His time, his mind, his concern were to belong to the public, to his office. The distinction between the ownership of stock and concern or interest in carrying on the business is so narrow that it can only be measured in many instances by a keen sense of honor and propriety upon the part of the official.

If he counsels, or advises, or directs—although he may not be a director or officer of the corporation—still he would, it seems to us, be directly or indirectly engaged in the business of carrying on trade or commerce. And in considering these matters, one would have to take into consideration also the amount and the extent of his interest in the business. This may seem to render the law antiquated and unreasonable under modern business conditions. It may be contended that such an interpretation of the law would

make it difficult to find a competent party to fill this office. But the answer to all such contentions is at hand and is full and complete—amend or repeal the law.

Our personal views are that the law is sound in principle, but it is poorly expressed in the light of modern methods of carrying on business. As it is now written, it is susceptible of abuse, both by those who hold the office and by those who would criticize the official. The law should be made plain by specifying what interests, if any, the official may have and what constitutes "carrying on the business." The principle and the purpose of the law no doubt have a wise foundation. But it ought to be adapted in its language to present circumstances and conditions. It should be expressed in language which would constitute a clear rule of guidance and conduct for the official and also a definite measure by which the public could gage and protect its interests.

We do not consider that such facts and circumstances have been placed before the committee in detail as would permit us to form an opinion whether as a stockholder Mr. Mellon has actually counseled or advised or been interested in the carrying on of the business in which he is a stockholder. We therefore content ourselves, as we feel we must, to a construction of the law as we understand it.

WM. E. BORAH.
WILLIAM H. KING.
C. C. DILL.

[Senate Report 7, part 6, Seventy-first Congress, first session]

ELIGIBILITY OF HON. ANDREW W. MELLON, SECRETARY OF THE TREASURY

Mr. ASHURST, from the Committee on the Judiciary, submitted the following individual views (pursuant to S.Res. 2):

The Senate has no power to institute and commence impeachment proceedings; that power is by the Constitution committed to the House of Representatives.

A concise discussion of this question will be found by reading the remarks of Hon. GEORGE W. NORRIS, Senator from Nebraska and Chairman of the Senate Committee on the Judiciary, delivered in the Senate on March 5, 1929, when this resolution was considered. The substance of what Senator NORRIS then said is as follows:

"Mr. NORRIS. Mr. President, * * *. The Constitution of the United States confers exclusive jurisdiction upon the House of Representatives to impeach officials who are guilty of misdemeanors or high crimes. The House would have to decide, the same as a prosecutor would have to decide in a case in court, whether the defendant, or whether, as in this case, the respondent, was guilty of a misdemeanor. The Senate ought to hold itself aloof, because in case the House should impeach it would become necessary for the Senate to try the impeachment.

"It seems to me, having exclusive jurisdiction of such trials, we ought not to consider this matter, first, because we have no impeachment jurisdiction; and, second, we should not express in advance an opinion, either as to fact or law, on the action of a public official who, under the Constitution, is liable to impeachment by the House and trial by the Senate.

"To me it seems perfectly clear that that part of the resolution ought to be eliminated. Suppose, for instance, we should agree to the resolution, and the Judiciary Committee should report, after looking up the law, that in its judgment the Secretary of the Treasury had not violated any law, and let us suppose that the Senate approved that decision. We would have gone on record then officially upon a question that, so far as any effect is concerned, we would have no jurisdiction to try until an impeachment proceeding came regularly before us.

"Suppose that afterwards the House began impeachment proceedings against Mr. Mellon and found that he was guilty and impeached him and the articles of impeachment came to the Senate as a court to try Mr. Mellon. We would have already gone on record on the merits of a question upon which, regardless of how we should find, we could not act unless the official were impeached, and we should be trying him for a violation of the law. It would at least put the Senate in rather an embarrassing position.

"Suppose we find the reverse of what I have suggested and the Judiciary Committee holds, upon hearings, that Mr. Mellon is guilty and that he has violated the law, what are we going to do about it? We can not try him. We can not both impeach him and try him. We are at the end of the string so far as the Senate is concerned. We have held that he is not guilty. We have in reality taken the place of the House of Representatives."

When a tribunal discovers that it has no jurisdiction, the only order it may then properly enter is the order declaring that it has no jurisdiction.

Respectfully submitted.

HENRY F. ASHURST.

[Senate Report 7, part 7, Seventy-first Congress, first session]

ELIGIBILITY OF ANDREW W. MELLON AS SECRETARY OF THE TREASURY

Mr. STEIWER, from the Committee on the Judiciary, submitted the following supplemental report (pursuant to S.Res. 2):

The report of the Committee on the Judiciary, heretofore made pursuant to Senate Resolution 2, on the eligibility of Andrew W. Mellon to serve as Secretary of the Treasury, did not include any data or information upon which it was based. In view of the fact that certain of the minority reports were supported by considerable data, the majority of the committee deem it desirable to present, as supporting their views, the following tabulated information:

Secretary of Treasury	Term of service	Administration	Name of corporation	Nature of business	Authority
Alexander Hamilton	Sept. 11, 1789, to Jan. 31, 1795.	Washington	Bank of New York, 1¼ shares, at a value of $750, while holding office.	Conducted a banking business and exchange transactions with London, Amsterdam, and others in connection with trade or commerce. It was not unusual for banks in the colonial days to engage in the business of trade or commerce. For example, the Bank of North America was organized in 1780 and dealt in flour, beef, pork, sugar, coffee, salt, and other goods, which it would invest in and store in large quantities and from time to time forward to the Revolutionary Army. (History of the Bank of North America, 1781–1881, by Lawrence Lewis, Jr., p. 4, et seq.)	Statement received from Bank of New York & Trust Co., New York, Apr. 29, 1929.
Do	do	do	5 shares of Ohio Co. stock	London corporation engaged in buying and selling land.	The Intimate Life of Alexander Hamilton, by Allan McLane Hamilton, p. 418. See also Three Select Essays in Anglo-American L. H. 195 or 236.
Do	do	do	New York Manufacturing Society—a joint-stock association organized in 1789.	Formed for the purpose of establishing useful manufactures in the State of New York and furnishing employment for the honest, industrious poor. There were 246 subscribers, including Alexander Hamilton, who took 380 shares at 10 pounds each. A large brick building was constructed in Vesey Street and stocked with reels, looms, carding machines, spinning jinnies, and with every other machine necessary and complete for carrying on the cotton and linen manufacture. The concern was incorporated Mar. 16, 1790.	Essays in the Earlier History of American Corporations, No. IV, Eighteenth Century, by Jos. Stancliffe Davis, Cambridge, 1917, pp. 274–275. See also An Address Delivered Before the New York Historical Society, by Gen. James Grant Wilson, Dec. 3, 1901, New York, 1902; John Pintard, pp. 18–21.
Salmon P. Chase [1]	Mar. 7, 1861, to June 30, 1864.	Lincoln	Cleveland & Pittsburgh Railroad Co.	Railroad business	Life of Salmon Portland Chase, by S. P. Chase, p. 617.
Lyman J. Gage	Mar. 6, 1897, to Sept. 14, 1901.	McKinley	First National Bank of Chicago.	Banking	History of the First National Bank of Chicago, by Henry C. Morris, pp. 76–89.
Do	Sept. 15, 1901, to Jan. 31, 1902.	Roosevelt			Telegram May 6, 1929, from bank to Senator Steiwer.
Leslie M. Shaw	Feb. 1, 1902, to Mar. 3, 1907.	do	While in office was the largest stockholder in a corporation.	Not stated except that it was a "producing" corporation; but admits it was engaged in trade or commerce.	Letter of May 1, 1929, from Mr. Shaw to Senator Steiwer.

[1] Salmon P. Chase was at one time Governor of Ohio and later United States Senator. He was also later appointed Chief Justice of the Supreme Court of the United States by Lincoln, and was one of the great lawyers of his day. On page 488 of "Life of S. P. Chase" by Schuckers, Lincoln is reported to have said of Chase: "Of all the great men I have ever known Chase is equal to about one and a half of the best of them."

Secretary of Treasury	Term of service	Administration	Name of corporation	Nature of business	Authority
Daniel Manning	Mar. 8, 1885, to Mar. 31, 1887.	Cleveland	The Argus Co.	Publishers of the Argus newspaper and general printers. Also contracted for furnishing public printing to State government. Selling product of the printing business.	Telegram of May 1, 1929, from Mr. M. V. Dolan, Albany, N. Y., to Senator Steiwer.
Do	do	do	Albany Electric Illuminating Co., Albany, N. Y.	Production and sale of electricity	Not authorized to disclose name of informant
George B. Cortelyou	Mar. 4, 1907, to Mar. 7, 1909.	Roosevelt	Held dividend-paying stocks in corporations.	Corporations not named; but advice given that they were local public utilities.	Telegrams Apr. 30, 1929, and May 6, 1929, from Mr. Cortelyou to Senator Steiwer.
Franklin MacVeagh	Mar. 8, 1909, to Mar. 5, 1913.	Taft	Continental Illinois Bank & Trust Co.	Banking and trust	Telegram, May 1, 1929, from Mr. MacVeagh to Senator Steiwer.
Do	do	do	Illinois Central R. R. Co.	Railroading	
William G. McAdoo	Mar. 6, 1913, to Dec. 15, 1918.	Wilson	Doubleday, Page & Co. (10 shares preferred stock).	Publishers	Telegram, May 3, 1929, from Mr. McAdoo to Senator Steiwer.
Do	do	do	General Gas & Electric Co. (10 shares preferred and common stock; value, $4,000).	Producers and sellers of gas and electricity	
Do	do	do	Shares in Donald Steamship Co.; sold in latter part of 1916; that is, after Mr. McAdoo had been in office 3 years.	Company owns 4 steamers, 3 of which are employed under charter to Atlantic Fruit Co. "in trade between West Indies, Central America, and the United States." The company also transacts a general freight business between Canada, West Indies, and United States ports and does a general shipping and brokerage business. (Poor's Manual of Industrials, 1917.)	
David F. Houston	Feb. 2, 1920, to Mar. 3, 1921.	do	Owned a number of stocks in domestic corporations while holding office.		Telegrams of Apr. 30, 1929, and May 3, 1929, from Mr. Houston to Senator Steiwer.
			Turner Falls Power & Electric Co. (20 shares).	Producers and sellers of electric power	
			Merrimac Chemical Co. (20 shares).	Unknown; presumably production of chemicals.	
			Ludlow Manufacturing Co. (15 shares).	Poor's Manual of Industrials, 1917, shows the Ludlow Manufacturing Associates as successor to Ludlow Manufacturing Co. That company manufactured jute and linen carpet yarns, bagging for covering cotton, jute and hemp twines.	
Do	do	do	General Electric Co. (15 shares).	The business of that company is well known. In Poor's Manual of Industrials, 1917, this company is shown to be the manufacturer of electric railway, lighting, and power apparatus, and all kinds of electrical supplies, and is said to be the largest manufacturer of electrical machinery and apparatus in the world.	
Hugh McCulloch	Mar. 9, 1865, to Apr. 16, 1865.	Lincoln	Old National Bank, Fort Wayne, Ind.	Banking	Telegram of May 7, 1929, from Mr. J. R. McCulloch.
	Apr. 16, 1865, to Mar. 3, 1869.	Johnson			
Carter Glass	Dec. 16, 1918, to Feb. 1, 1920.	Wilson	2 newspapers and one of the largest stockholders in an industrial enterprise in his home town.		Interview given to newspapers by Senator Glass.
Andrew W. Mellon	Mar. 4, 1921, to Aug. 2, 1923.	Harding	Gulf Oil Corporation; Aluminum Co. of America; Standard Steel Car Co.; various other corporations.	Engaged in business of trade or commerce	Letter of Apr. 18, 1929, by Secretary Mellon to Senator Reed.
Do	Aug. 2, 1923, to Mar. 3, 1929.	Coolidge			
	Mar. 4, 1929	Hoover			

[Telegram]

NEW YORK, *April 30, 1929.*

Hon. FREDERICK STEIWER,
United States Senate, Washington, D.C.:

During my incumbency of the office of Secretary of the Treasury I held dividend-paying stocks in corporations, but, of course, had no connection directly or indirectly with national banks or with any concerns doing business with Treasury Department. Such stock ownership was not regarded as in the slightest degree a disqualification. Legal advice upon this point was definite and, to my mind, conclusive.

GEORGE B. CORTELYOU.

[Telegram]

NEW YORK, *May 6, 1929.*

Hon. FREDERICK STEIWER,
United States Senate, Washington, D.C.:

Your telegram received. The stockholdings referred to in my telegram to you of April 30, 1929, were in public utilities doing a local, not interstate, business.

GEORGE B. CORTELYOU.

[Telegram]

NEW YORK, *April 30, 1929.*

Hon. FREDERICK STEIWER,
United States Senate:

I note that one question raised before your committee is whether one may be Secretary of the Treasury who owns stock in domestic corporations. I have been asked if while I was Secretary of the Treasury I was the owner of any such stocks. I was. I did own a number of stocks of small aggregate value; I regret to say, very much too small. Every good citizen should try to save and invest in good securities including stocks of his Nation's industries. I imagine it would be very difficult to secure a competent person for Secretary of the Treasury who is not the owner of stocks.

DAVID F. HOUSTON.

[Telegram]

NEW YORK, *May 3, 1929.*

Hon. FREDERICK STEIWER,
Washington, D.C.:

Stocks held by me when Secretary of the Treasury are as follows: Twenty shares Turner Falls Power & Electric; 20 shares Merrimac Chemical Co.; 15 shares Ludlow Manufacturing Co.; 15 shares General Electric Co.

DAVID F. HOUSTON.

[Telegram]

CHICAGO, ILL., *May 1, 1929.*

Hon. FREDERICK STEIWER,
United States Senate:

Two companies in which I was stockholder when I became Secretary of the Treasury and have continued to be are the Continental Illinois Bank & Trust Co., as now named, and the Illinois Central Railroad Co. My wholesale grocery business controlled by me I disposed of to conform to the old law.

FRANKLIN MACVEAGH.

[Telegram]

CHICAGO, ILL., *April 30, 1929.*

Hon. ANDREW W. MELLON,
Treasury Department:

I did not dispose of any stocks when I was appointed Secretary of Treasury. It never entered my mind to do so, nor did I at any time hear the point raised that the old law now being quoted ever contemplated stock shares. It would be very unfortunate if any such law did.

FRANKLIN MACVEAGH.

[Telegram]

LOS ANGELES, *May 1, 1929.*

Hon. FREDERICK STEIWER,
United States Senate:

Secretary Mellon requests me to wire you whether or not I owned any dividend-paying stocks while holding the office of Secretary of the Treasury. I did not own or hold any stocks, dividend-paying or otherwise, except shares in a few companies, the aggregate market value of which was about $10,000, when I was Secretary.

W. G. MCADOO.

[Telegram]

LOS ANGELES, *May 3, 1929.*

Hon. FREDERICK STEIWER,
United States Senate:

I have no objection to giving you names of corporations as requested. I held 10 shares preferred stock in Doubleday Page & Co.; preferred and common shares of General Gas & Electric Co. (market value about $4,000); shares in Donald Steamship Co. sold for about $5,000 in latter part of 1916. If I can be of any further service, command me.

W. G. MCADOO.

WASHINGTON, D.C., *May 1, 1929.*

Senator FREDERICK STEIWER,
Senate Chamber, Washington, D.C.

DEAR SENATOR STEIWER: Your letter of April 30 asking, as a member of the Judiciary Committee, whether, while serving as Secretary of the Treasury, I was a stockholder in any company either directly or indirectly in trade or commerce, is before me.

While Secretary of the Treasury I remained the senior member of my law firm and an active producer of farm products of many kinds, which made me interested in trade and commerce, and during the five years of my incumbency I acquired a half interest in a copartnership and became the largest stockholder in a corporation, both producers, and therefore both interested in State and interstate commerce; but I was careful not to violate the time-honored statute which prohibits the Secretary of the Treasury from being "directly or indirectly interested in the business of trade or commerce."

The fact that we had to sell what we produced did not change the nature of our business from that of producer to that of trade or commerce. Trade and commerce, with us, and with me, was an incident to the business of production.

I was familiar with the statute, the manifest purpose of which I approve, and if I had become directly or indirectly interested in the "business of trade or commerce," again to quote the exact language of the statute, I should have expected the House to have impeached me, and the Senators of that period, without having first disqualified themselves as impartial triers of the issue, undoubtedly would have convicted me.

The statute needs no elucidation from me, and yet I suggest that the Members of the First Congress evidently thought it would be unwise, perhaps imprudent, to have a tradesman Secretary of the Treasury. Hence the statute, and hence the admirable wording thereof. It is careful not to prohibit producers, either farmers or manufacturers, though both are necessarily interested in trade. The inhibition is made to apply only to those interested in "business of trade or commerce."

Yours, with great respect,

LESLIE M. SHAW.

STATE OF PENNSYLVANIA,
County of Allegheny, ss:

I, Arthur V. Davis, being first duly sworn according to law, do depose and say that I am the chairman of the board of directors of the Aluminum Co. of America, and reside at Pittsburgh, county of Allegheny, State of Pennsylvania.

That I am thoroughly acquainted with all transactions that took place between representatives of the Aluminum Co. of America and the Quebec Development Co. and/or Canadian Manufacturing & Development Co., and in connection with which Mr. Andrew W. Mellon testified before Rowland W. Philips, commissioner, in New York on July 2, 1928, on account of a private suit brought by George D. Haskell against the Duke estate and the Aluminum Co. of America, and, further, that I was president of the Aluminum Co. of America at the time these transactions took place.

That Mr. Andrew W. Mellon has not been a director of the Aluminum Co. of America at any time while holding the office of Secretary of the Treasury; and I, as chairman of the board of directors of the Aluminum Co. of America, and the other directors of the corporation handled all of the negotiations and consummated all agreements for and in behalf of the Aluminum Co. of America.

That I have examined the merger agreement referred to in said testimony and find that Mr. Andrew W. Mellon did not sign the same; and that not only did he not sign the said agreement but I know of my own knowledge, as well as from the records of the corporation, that he did not execute any other agreement or memorandum in connection with the said transactions.

During all the time that Mr. Mellon has been Secretary of the Treasury I have been intimately acquainted with all of the affairs of the Aluminum Co. of America and I further depose and say that since March 4, 1921, Mr. Andrew W. Mellon has not participated in or been connected with the management or the carrying on of its business, nor with the determination of its policies.

The original agreement mentioned in the testimony and referred to herein is submitted herewith.

ARTHUR V. DAVIS.

Subscribed and sworn to before me this 30th day of April 1929.

J. J. DEMSKIE, *Notary Public.*

My commission expires March 7, 1931.

MAY 18, 1929.

Hon. FREDERICK STEIWER,
United States Senate.

MY DEAR SENATOR STEIWER: Among the various minority reports from the Committee on the Judiciary, pursuant to Senate Resolution No. 2, I notice a reference to testimony in a suit brought in the United States Court of Claims by the administratrix of the estate of one John H. Murphy against the United States, in which Mr. Peter F. Tague is reported to have said that former Secretary of War, Mr. Weeks, now deceased, had told him that I had been given on behalf of the "Standard Pressed Steel Car Co.," an option for the sale of certain cars belonging to the United States Government.

When this testimony was called to my attention, it was the first intimation I ever had regarding the sale by the War Department of such cars, or an option given by it to sell the same. I think you should also be advised that I was not given an option for the sale of cars by former Secretary Weeks, nor by any other Government department, either on my own behalf or on behalf of the Standard Steel Car Co., or any other concern or individual. Moreover, I have never discussed the matter of an option for the sale of such cars, either with former Secretary Weeks or with the Standard Steel Car Co., or with anyone connected with that company, nor do I have any recollection of former Secretary Weeks' ever speaking to me regarding the matter.

Furthermore, I have inquired of those in charge of the affairs of the Standard Steel Car Co. and am informed that that company never received an option for the sale of such cars, nor did it ever buy or dispose of the same. The officers of the company have advised me that they will be glad to submit affidavits to this effect. Incidentally, while I am a stockholder in the Standard Steel Car Co., I do not know of any company called the "Standard Pressed Steel Car Co." There is a company known as the Pressed Steel Car Co., in which I have never been a stockholder, but I have furnished you this information on the assumption that the Standard Steel Car Co. was referred to. A question arises in my mind as to whether or not such an informal offer of this kind would have been made by the Secretary of War to a mere stockholder of a company, and whether such an option would have been legal if made.

It is unnecessary for me to repeat here, in view of my letter of April 18 to Senator REED, that I have not concerned myself in the affairs of the companies in which I own stock nor have I dictated their affairs in any way since holding the office of Secretary of the Treasury. But, in view of the fact that Senator Walsh has printed as part of his report excerpts from the testimony above referred to and has made particular reference to certain testimony in the suit of George D. Haskell against the Aluminum Co. of America (p. 1033 CONGRESSIONAL RECORD, May 9, 1929), I feel that you should be in possession of the facts as stated in this letter and also in my two letters of May 1, 1929, to Senator REED. These letters, I understand, were submitted to the Committee on the Judiciary but appear not to have been included in Senator Walsh's report.

In those letters I stated that I was not a party to the negotiations being carried on by Mr. Davis, the president of the Aluminum Co., with Mr. James B. Duke, to which reference was made by Senator Walsh in his report. I stated specifically that I did not take part in those negotiations and that while Mr. Davis and Mr. Duke visited me in Washington in 1925, their visit was of no importance and was not essential in any way to the business transactions of the Aluminum Co. Furthermore, that in joining the Aluminum Co.'s party for their trip to Canada, I did so while on vacation at Southampton merely as a matter of pleasure and recreation and that I had no business responsibility of any kind while on the trip.

Neither on that occasion nor at any other time have I participated in the management, the carrying on of the business, or the determination of the policies of the Aluminum Co. of America since I assumed the office of Secretary of the Treasury on March 4, 1921. Mr. Davis, the former president of the Aluminum Co. of America and now chairman of the board of directors, submitted an affidavit to that effect, which I understand was placed before the Committee on the Judiciary but also appears to have been omitted in Senator Walsh's report.

Sincerely yours,

A. W. MELLON.

AFFIDAVIT

STATE OF PENNSYLVANIA,
County of Allegheny, ss:

I, William Bierman, being first duly sworn according to law, do depose and say:

That I am secretary of he Standard Steel Car Co. and reside at Pittsburgh, County of Allegheny, State of Pennsylvania.

That I have examined the records of the Standard Steel Car Co., particularly for the year 1921, and find no record indicating that Mr. Andrew W. Mellon received an option for the sale of certain cars belonging to the United States, referred to in the testimony given by Mr. Peter F. Tague, and Mr. John H. Murphy, deceased, in the suit brought in the Court of Claims of the United States by the administratrix of the estate of John H. Murphy, nor do the records of this corporation indicate that it received any such option either directly or through the medium of Mr. Mellon. Furthermore, I was connected with the Standard Steel Car Co. during the year 1921, and am thoroughly acquainted with the transactions had by that company during said year, and I further depose and say of my own knowledge, as well as from the records of the corporation, that the corporation did not have an option for the sale of said cars, nor were there any negotiations between the company or its representatives and the War Department, or Secretary Weeks, looking toward the company's obtaining an option on said cars, nor did it purchase or dispose of any of the cars referred to in said testimony.

WILLIAM BIERMAN.

Subscribed and sworn to before me this 21st day of May 1929.
[SEAL] G. R. LANDERS, *Notary Public.*

My commission expires March 9, 1931.

CITY OF WASHINGTON,
District of Columbia, ss:

I, Dwight E. Rorer, being first duly sworn according to law, do depose and say:

1. That I am an attorney at law with offices at 915 Southern Building, Washington, D. C., having resigned from the Attorney General's office on February 15, 1929, as attorney for the United States in the Court of Claims division of the Department of Justice.

2. That from on or about September 1921 to February 15, 1929, I was an attorney in the office of the Attorney General of the United States and was in direct charge of the defense on behalf of the United States of the case of M. Grace Murphy, administratrix of the estate of John H. Murphy, deceased, against the United States, No. D-921, in the Court of Claims of the United States.

3. That my attention has been called to the report of the Committee on the Judiciary of the Senate of the United States pursuant to Senate Resolution No. 2 as contained in Report No. 7 of the United States Senate, and in particular to pages 38 and 39 thereof, wherein certain questions and answers are set out which have been taken from pages 28 and 29 and pages 66 and 69, respectively, from the record in the case of M. Grace Murphy, administratrix of the estate of John H. Murphy, deceased, against United States, No. D-921, in the Court of Claims of the United States. The questions and answers referred to relate to the testimony of Peter F. Tague and John H. Murphy (now deceased). This testimony purports to show that in September 1921 the said Tague and Murphy interviewed Secretary of War John W. Weeks at his office in Washington with respect to certain surplus Army railroad rolling stock and equipment.

4. That in this testimony the said Murphy and Tague testified that Secretary Weeks said that he (Secretary Weeks) had given an option "to Secretary Mellon, for the Standard Pressed Steel Car Co.," for the sale of this rolling stock to France.

5. That on March 5, 1925, as special assistant to the Attorney General and as attorney in charge of the case above referred to, I interviewed Secretary Weeks in his office in Washington with a view to calling him as a witness for the United States in the said case. In that interview I called the attention of Mr. Weeks to the testimony of the said Tague and Murphy as herein referred to, and asked him if he had given any option to Secretary Mellon for the Standard Pressed Steel Car Co., or if he had given any option to Secretary Mellon or any other person or corporation with respect to this rolling stock. He told me he had not given any option of any character to Secretary Mellon or to any other person or corporation. I further interviewed Mr. Weeks with respect to numerous other matters not directly concerned with the question of this alleged option. He agreed to appear and testify as to the statements he had made to me, including his statement that he did not give any option to Secretary Mellon or to any other person or corporation, and accordingly his deposition was arranged to be taken on April 20, 1926, and plaintiff's counsel was so notified. On or about April 17, 1926, the Attorney General's office was notified that upon advice of his physician Secretary Weeks would be unable to give his deposition on April 20, 1926. Accordingly the date was left open until such time as Mr. Weeks was physically able to appear and testify. Unfortunately, however, Mr. Weeks became seriously ill and died before he could be examined as a witness.

6. That had Secretary Weeks been called as a witness, I would have questioned him with respect to this alleged option. I might state in passing that the existence of the alleged option was immaterial to any issue involved on the merits of the suit, but the United States had intended to examine Mr. Weeks with respect to same with a view to attacking the credibility of the plaintiff.

DWIGHT E. RORER.

Subscribed and sworn to before me this 25th day of May 1929.
[SEAL] NELLIE MAE SPATES, *Notary Public.*

AFFIDAVIT

STATE OF MARYLAND,
City of Baltimore, ss:

I, George M. Shaw, being first duly sworn according to law, do depose and say:

That I am now connected with the Baltimore Car & Foundry Co., Baltimore, Md., and that I reside in Baltimore, Md.

That in 1921 I was connected with the Standard Steel Car Co., and acted as the Washington representative of that corporation.

That while representing the Standard Steel Car Co. in Washington I was charged with the responsibility and had to do with any or all transactions between that corporation and the United States Government.

That I am thoroughly acquainted with any and all transactions that took place between the Standard Steel Car Co. and the United States Government during the year 1921, and that if any option had been given to the Standard Steel Car Co. for the purchase, sale, or disposal of the cars mentioned in the testimony given by Peter F. Tague, or John H. Murphy, deceased, in the suit brought by the administratrix of the estate of John H. Murphy, in the Court of Claims of the United States, such fact would have come to my attention.

That I have no knowledge of any such option's being given to the Standard Steel Car Co. nor do my records show that any such option was given to said corporation or to Mr. Andrew W. Mellon for said corporation.

GEO. M. SHAW.

Subscribed and sworn to before me this 21st day of May 1929.
[SEAL] SARAH V. BLANCHARD,
Notary Public.

My commission expires May 4, 1931.

SECRETARY OF WAR

The Chief Clerk read the nomination of George H. Dern, of Utah, to be Secretary of War.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

The nomination was confirmed.

ATTORNEY GENERAL

The Chief Clerk read the nomination of Homer S. Cummings, of Connecticut, to be Attorney General.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

The nomination was confirmed.

POSTMASTER GENERAL

The Chief Clerk read the nomination of James A. Farley, of New York, to be Postmaster General.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

The nomination was confirmed.

SECRETARY OF THE NAVY

The Chief Clerk read the nomination of Claude A. Swanson, of Virginia, to be Secretary of the Navy.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

The nomination was confirmed.

SECRETARY OF THE INTERIOR

The Chief Clerk read the nomination of Harold L. Ickes, of Illinois, to be Secretary of the Interior.

Mr. LEWIS. Mr. President, I take it that there may be many Senators who do not know the gentleman who has been presented for Secretary of the Interior by the President. I will not disguise from the Senate even in the slightest degree that, for myself, I was anxious that any appointment that came from the State of Illinois would go to what we speak of as a Democrat. But I am pleased to inform the Senate that if the President has found it agreeable, for reasons satisfactory to himself, to name Mr. Ickes, I will assure the Senate that he is an able lawyer, a man who has given a great deal of attention to public benefactions, has led a life touching on reforms of politics, and in point of integrity he is a gentleman who represents a scrupulous standard, worthy of the position to which he has been named. I am pleased to present to the Senate this credential.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the appointment?

The nomination was confirmed.

SECRETARY OF AGRICULTURE

The chief clerk read the nomination of Henry A. Wallace, of Iowa, to be Secretary of Agriculture.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

The nomination was confirmed.

SECRETARY OF COMMERCE

The Chief Clerk read the nomination of Daniel C. Roper, of South Carolina, to be Secretary of Commerce.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

The nomination was confirmed.

SECRETARY OF LABOR

The Chief Clerk read the nomination of Frances Perkins, of New York, to be Secretary of Labor.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

The nomination was confirmed.

Mr. ROBINSON of Arkansas. Mr. President, I ask that the President be notified of the confirmations of the respective nominations.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the President will be notified.

The Senate resumed legislative business.

HOUR OF DAILY MEETING

Mr. ROBINSON of Arkansas. Mr. President, I submit a resolution, and ask for its immediate consideration.

The VICE PRESIDENT. The Secretary will report the resolution.

The Chief Clerk read the resolution (S.Res. 1), as follows:

Resolved, That the hour of daily meeting of the Senate be at 12 o'clock meridian unless otherwise ordered.

The resolution was agreed to.

RECESS

Mr. ROBINSON of Arkansas. Mr. President, the exercises in the Senate in memory of the late Senator Walsh, of Montana, being fixed for 10 o'clock Monday morning, I move that the Senate be in recess until 9:45 o'clock Monday morning.

The motion was agreed to; and the Senate (at 2 o'clock and 55 minutes p.m.) took a recess until Monday, March 6, 1933, at 9:45 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate March 4, 1933

SECRETARY OF STATE

Cordell Hull, of Tennessee, to be Secretary of State.

SECRETARY OF THE TREASURY

William H. Woodin, of New York, to be Secretary of the Treasury.

SECRETARY OF WAR

George H. Dern, of Utah, to be Secretary of War.

ATTORNEY GENERAL

Homer S. Cummings, of Connecticut, to be Attorney General.

POSTMASTER GENERAL

James A. Farley, of New York, to be Postmaster General.

SECRETARY OF THE NAVY

Claude A. Swanson, of Virginia, to be Secretary of the Navy.

SECRETARY OF THE INTERIOR

Harold L. Ickes, of Illinois, to be Secretary of the Interior.

SECRETARY OF AGRICULTURE

Henry A. Wallace, of Iowa, to be Secretary of Agriculture.

SECRETARY OF COMMERCE

Daniel C. Roper, of South Carolina, to be Secretary of Commerce.

SECRETARY OF LABOR

Frances Perkins, of New York, to be Secretary of Labor.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 4, 1933

SECRETARY OF STATE

Cordell Hull to be Secretary of State.

SECRETARY OF THE TREASURY

William H. Woodin to be Secretary of the Treasury.

SECRETARY OF WAR

George H. Dern to be Secretary of War.

ATTORNEY GENERAL

Homer S. Cummings to be Attorney General.

POSTMASTER GENERAL

James A. Farley to be Postmaster General.

SECRETARY OF THE NAVY

Claude A. Swanson to be Secretary of the Navy.

SECRETARY OF THE INTERIOR

Harold L. Ickes to be Secretary of the Interior.

SECRETARY OF AGRICULTURE

Henry A. Wallace to be Secretary of Agriculture.

SECRETARY OF COMMERCE

Daniel C. Roper to be Secretary of Commerce.

SECRETARY OF LABOR

Frances Perkins to be Secretary of Labor.

SENATE

MONDAY, MARCH 6, 1933

(Legislative day of Saturday, Mar. 4, 1933)

The Senate met at 9:45 o'clock a.m., on the expiration of the recess.

Mr. VANDENBERG. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Keyes	Reynolds
Ashurst	Couzens	King	Robinson, Ark.
Austin	Dale	La Follette	Robinson, Ind.
Bachman	Dickinson	Lewis	Russell
Bailey	Dieterich	Logan	Schall
Bankhead	Dill	Lonergan	Sheppard
Barbour	Duffy	Long	Smith
Barkley	Fess	McAdoo	Steiwer
Black	Fletcher	McCarran	Stephens
Bone	Frazier	McGill	Thomas, Okla.
Borah	George	McKellar	Thomas, Utah.
Bratton	Glass	McNary	Townsend
Brown	Goldsborough	Metcalf	Trammell
Bulkley	Gore	Murphy	Tydings
Bulow	Hale	Neely	Vandenberg
Byrd	Harrison	Norbeck	Van Nuys
Byrnes	Hastings	Norris	Wagner
Capper	Hatfield	Nye	Walcott
Caraway	Hayden	Overton	Walsh
Carey	Hebert	Patterson	Wheeler
Clark	Johnson	Pittman	White
Coolidge	Kean	Pope	
Copeland	Kendrick	Reed	

Mr. SHEPPARD. I wish to announce that my colleague [Mr. CONNALLY] is absent on account of illness.

Mr. NORRIS. My colleague [Mr. HOWELL] is necessarily detained from the Senate by reason of illness.

Mr. FESS. I wish to announce the necessary absence of Mr. SHIPSTEAD by reason of illness.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that at the conclusion of the memorial ceremonies in memory of the late Senator Walsh, of Montana, the Senate take a recess for 15 minutes.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

FUNERAL OF SENATOR THOMAS J. WALSH, OF MONTANA

The casket containing the body of the dead Senator had previously been brought into the Senate Chamber and placed in the area in front of the Secretary's desk.

The Members-elect of the House of Representatives entered the Senate Chamber. They were soon followed by the Ambassadors of and Ministers from foreign countries; the Chief Justice and Associate Justices of the Supreme Court of the United States, escorted by the marshal, clerk, and reporter for the Court; by the Chief of Staff of the Army; the Chief of Naval Operations of the Navy; the Major General Commandant of the Marine Corps; and the Commandant of the Coast Guard.

The committee of arrangements, consisting of the following Senators, Mr. WHEELER, Mr. ROBINSON of Arkansas, Mr. MCNARY, Mr. ASHURST, Mr. BORAH, Mr. PITTMAN, Mr. KENDRICK, Mr. SCHALL, Mr. KING, Mr. CAREY, Mr. DILL, and Mr. WALSH, entered the Chamber and occupied the seats assigned them fronting the area on the east side of the aisle.

At 10 o'clock and 5 minutes a.m., the President of the United States, accompanied by his Cabinet, entered the Chamber and took the seats reserved for them fronting the area on the west side of the aisle.

The family of the deceased Senator were escorted into the Senate Chamber and took the seats reserved for them at the left of the casket.

His Excellency Most Reverend Michael J. Curley, Archbishop of Baltimore, accompanied by his chaplains, Monsignor Cornelius F. Thomas, rector of St. Patrick's Church, Washington, and Monsignor James H. Ryan, rector of the Catholic University of America, preceded by the Chaplain of the Senate, Rev. ZeBarney T. Phillips, D.D., and the cross-bearer and two acolytes, and by Right Reverend John M. McNamara, auxiliary bishop of Baltimore; Monsignor David T. O'Dwyer, of the Catholic University of America; Monsignor James J. O'Brien, of Albany, N.Y.; Monsignor Edward L. Buckey, rector of St. Matthew's Church, Washington; Very Reverend W. Coleman Nevils, S.J., president of Georgetown University; Very Reverend John T. Fenlon, president of St. Mary's Seminary, Baltimore, Md.; and Reverend Fathers Joseph M. Nelligan and William J. Sweeny, of St. Gabriel's Church, Washington.

The VICE PRESIDENT. The Chaplain of the Senate will now take charge of the exercises.

The CHAPLAIN (Rev. ZeBarney T. Phillips). The services will be conducted by His Excellency Most Reverend Michael J. Curley, Archbishop of Baltimore.

Archbishop CURLEY. In the name of the Father and of the Son and of the Holy Ghost. Amen.

Come to his assistance, ye saints of God. Meet him, ye angels of the Lord. Receive his soul and present it to the Most High.

Response by the attending clergy: May Christ, who called thee, receive thee; and may the angels lead thee into the bosom of Abraham.

Archbishop CURLEY. Eternal rest grant unto him, O Lord.

Response: And let perpetual light shine upon him.

The male choir of St. Matthews Church, of Washington, D.C., sang the hymn, Lead Kindly Light.

Archbishop Curley recited the following prayer:

Enter not into judgment with Thy servant, O Lord; for in Thy sight shall no man be justified, unless through Thee he find pardon for all his sins. Let not, therefore, we beseech Thee, the hand of Thy justice be heavy upon him whom the earnest prayer of Christian faith commendeth unto Thee, but by the help of Thy grace may he escape the judgment of vengeance who, whilst he was living, was marked with the sign of the Holy Trinity: Who livest and reignest world without end.

Response: Amen.

Archbishop CURLEY. Deliver me, O Lord, from everlasting death on that dread day when the heavens and the earth shall be moved and Thou shalt come to judge the world by fire.

Response: I am struck with fear and trembling at the thought of judgment and the wrath to come, when the heavens and the earth shall be moved, and Thou shalt come to judge the world by fire.

Archbishop CURLEY. That day is the day of wrath, of wasting and misery, a dreadful day, and exceedingly bitter, when Thou shalt come to judge the world by fire.

Eternal rest grant unto him, O Lord.

Response: And let perpetual light shine upon him.

Archbishop CURLEY. Lord, have mercy on us; Christ, have mercy on us; Lord, have mercy on us.

Our Father, who art in heaven, hallowed be Thy name; Thy kingdom come; Thy will be done on earth as it is in heaven. Give us this day our daily bread, and forgive us our trespasses as we forgive those who trespass against us.

(The Archbishop sprinkled the corpse with holy water.)

Archbishop CURLEY. And lead us not into temptation.

Response: But deliver us from evil.

Archbishop CURLEY. From the gate of hell.

Response: Deliver his soul, O Lord!

Archbishop CURLEY. May he rest in peace.

Response: Amen.

Archbishop CURLEY. O Lord, hear my prayer.

Response: And let my cry come unto Thee.

Archbishop CURLEY. The Lord be with you.

Response: And with thy spirit.

Archbishop CURLEY. Let us pray.

O God, to whom belongeth always to show mercy and to spare, we humbly beseech Thee for the soul of Thy servant, Thomas, whom Thou hast called out of this world, that Thou deliver him not into the hands of the enemy nor forget him forever; but command that he be received by Thy holy angels and taken to paradise, his true country, and that as he hath believed and hoped in Thee, he may not suffer the pains of hell but have joy everlasting. Through the same Christ our Lord.

Response: Amen.

Archbishop Curley delivered the following sermon:

Dear friends in Christ, we pass from the centuries-old sacred prayers for our beloved dead to just a few short words of appreciation, on my part, of one whom I knew intimately and whom I loved. I shall preface my very brief remarks with a quotation from that most marvelous character in all Christianity, the Apostle of the Gentiles, written to his friend Timothy, in his second epistle, where he uses the following words :

> I have fought the good fight, I have finished my course, I have kept the faith.
>
> As to the rest, there is laid up for me a crown of justice, which the Lord the just Judge will render to me in that day.—II Tim. iv : 7, 8.

Dear friends in Christ, the Apostle of the Gentiles was nearing life's sunset. Frankly and honestly, as one voicing an objective truth, he declares as the basis of his hope that he had fought the good fight and had kept the faith. We are assembled here to pay our last meed of respect to all that is mortal of one who in his own humble way might have repeated the Pauline words.

It is not customary for us to eulogize our beloved dead. If they lived their lives on the high plane indicated by their faith; if they made the teachings of their Divine Master the lamp to guide their way; if they exemplified in their living their stanch adherence to the fundamental rule—thou shalt love the Lord Thy God—thou shalt love they neighbor as thyself—then they need no eulogy. They have written their own in the golden book of deeds well done. They have handed on to posterity its richest inheritance not purchasable by any monetary consideration—good example that is better than precept.

If they have not lived as they should have; if their lives belied their faith; if there was lack of equation between their principles and practices, then they deserve no eulogy regardless of high position, place, or power.

The beloved Senator from Montana deserves a eulogy, but he needs none. He loved and served his God. He loved and served his fellow man.

He practiced his faith quietly, unobtrusively, without show or demonstration. He knelt with his fellow adorers, rich and poor, on Sundays in one of the churches of this city, and there remained during the offering up of the august sacri-

fice of the Mass in sweet communion with his God. Frequently during the year he approached in all humility the altar railing to refresh his soul with the "bread of angels." National fame did not spoil him. Pride did not grip him. Humility, grounded in self-knowledge, saved him from the ruin wrought in the heart and character of man by foolish egotism. He was not a Catholic in name only. He was, thank God, in the fullest sense of the word a practical Catholic. He lived his religion.

He served his country. The Nation knows it and to-day gives ample recognition of that fact as it honors his memory in a way in which the memory of few men is honored. This service of country was no mere superficial sentiment with the dead Senator from Montana. It was a duty deep-rooted and sacred, binding him in conscience and before God. His first loyalty was to his God, and after God came his country, this country, your country, and my country—this mighty Republic of the West. He was American to the core. His patriotism was as profound and as actuating as his religion, and it was so precisely because he was loyal to his God. If a man is not loyal to his God, he can scarcely be expected to be loyal to his country. With the man whom we loved and knew familiarly as "TOM WALSH of Montana," there was no antagonism between his faith and his loyalty to his great Nation's Government and institutions.

His colleagues in the United States Senate may not have been able at all times to see eye to eye with him on questions of national policy, but there is not a man of them who will not agree with me when I say that they respected his views as those of an honest, fearless American who had at all times the best interests of the people at heart. He had convictions and he had the courage of them. He loved justice. He hated iniquity. He did his duty as he saw it, and he did it conscientiously and courageously, even though its doing gave him pain at times. And I am in a position to say that I know he suffered keen anguish on one memorable occasion when imperious duty bade him go forward in its performance. The record of this august senatorial body—in fact, the story of our Nation's great—will carry the name of Senator WALSH of Montana as that of a man who ranked amongst the most loyal, most deserving, most unselfish servants of the people. His sudden passing has been heralded throughout the world. It has caused sorrow in the humblest as well as in the highest homes of these United States.

The Chief Executive of this Nation, whom God preserve, had selected him as a member of his official family, to be head of an important department of Government. That selection was applauded by men of every political and religious faith. And now the Nation in its hour of need will miss the honest, straightforward advice of the incomparable WALSH of Montana. His name had all but become a synonym for justice.

To his friends everywhere, proud of the man in their sorrow for his demise, our sympathy.

To his own loved ones what can we say in this moment of crushing grief? Mere human words are weak and inadequate.

But there are inspired words, and they come down to us through the centuries laden with consolation and cheer:

> And we will not have you ignorant, brethren, concerning them that are asleep, that you be not sorrowful, even as others who have no hope.
>
> For if we believe that Jesus died, and rose again; even so them who have slept through Jesus, will God bring with him.
>
> Wherefore, comfort yet one another with these words.—I Thess. iv.

You have the prayerful condolence of a saddened Nation today. And now, beloved friends, may I be permitted to express the hope and prayer that the God of Nations will raise up for the good and guidance of our country in these distressful days men of the fine mold of this great son of Montana, men who will forget self and dedicate themselves whole-heartedly to the service of their Nation, men who will not count the cost but to give of their best to the work of keeping this Republic true to the spirit of its fathers.

> What we lack and sorely need,
> For want of which we bleed and bleed,
> Is men of a more Godly breed—
> Honest men in highest places;
> Men with single aims and faces;
> Men whose nobler thought outpaces
> Thought of self, or power, or pelf;
> Men whose axes need no grinding;
> Men who are not always minding
> First their own concerns, and blinding
> Their soul's eyes to larger things;
> Men of wide and Godly vision;
> Men of quick and wise decision;
> Men who shrink not at derision;
> Men whose souls have wings.
> Oh, for one such man among us—
> One among the mobs that throng us,
> And for self-advancement wrong us!
> Him we would acclaim—
> Hold in highest estimation,
> Reverence with consecration
> As the savior of the Nation,
> Dower him with fame.
> Lord, now raise us such a man—
> Patriot, not partisan,
> And complete Thy mighty plan!

And now farewell to the fearless friend of justice and of truth. We shall follow him on the wings of prayer out beyond the tomb. May light perpetual suffuse his soul, and may rest eternal be his. Amen.

The choir sang the hymn Requiem Aeternam.

Archbishop CURLEY. May the angels lead thee into paradise; may the martyrs receive thee at thy coming, and take thee to Jerusalem, the Holy City. May the choirs of the angels receive thee, and mayest thou have rest everlasting with Lazarus, once a beggar.

We shall close these services with a blessing.

And may the blessing of Almighty God, Father, Son, and Holy Ghost, descend upon you today and remain with you forever.

Response: Amen.

The President of the United States and his Cabinet, the family of the deceased Senator, the Chief Justice and Associate Justices of the Supreme Court, the members of the Diplomatic Corps, the Members-elect of the House of Representatives, the Chief of Staff of the Army, the Chief of Naval Operations of the Navy, the Major General Commandant of the Marine Corps, the Commandant of the Coast Guard, Archbishop Curley, Bishop McNamara, and the attending clergy retired from the Chamber.

The casket containing the body of the deceased Senator, preceded by the Chaplain of the Senate, was carried from the Chamber and taken to the Union Station to be borne to Helena, Mont., for interment.

The VICE PRESIDENT (at 10 o'clock and 40 minutes a.m.). In pursuance to the order heretofore made, the Senate will stand in recess for 15 minutes.

On the expiration of the recess (at 10 o'clock and 55 minutes a.m.) the Senate reassembled.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Capper	Glass	Lonergan
Ashurst	Caraway	Goldsborough	Long
Austin	Carey	Gore	McAdoo
Bachman	Clark	Hale	McCarran
Bailey	Coolidge	Harrison	McGill
Bankhead	Copeland	Hastings	McKellar
Barbour	Costigan	Hatfield	McNary
Barkley	Couzens	Hayden	Metcalf
Black	Dale	Hebert	Murphy
Bone	Dickinson	Johnson	Neely
Borah	Dieterich	Kean	Norbeck
Bratton	Dill	Kendrick	Norris
Brown	Duffy	Keyes	Nye
Bulkley	Fess	King	Overton
Bulow	Fletcher	La Follette	Patterson
Byrd	Frazier	Lewis	Pittman
Byrnes	George	Logan	Pope

Reed	Sheppard	Townsend	Walcott
Reynolds	Smith	Trammell	Walsh
Robinson, Ark.	Steiwer	Tydings	Wheeler
Robinson, Ind.	Stephens	Vandenberg	White
Russell	Thomas, Okla.	Van Nuys	
Schall	Thomas, Utah	Wagner	

Mr. SHEPPARD. My colleague the junior Senator from Texas [Mr. CONNALLY] is unavoidably detained because of illness. This announcement may stand for the day.

Mr. NORRIS. I desire to announce the necessary absence of my colleague [Mr. HOWELL] because of illness.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

INAUGURAL ADDRESS OF THE PRESIDENT (S.DOC. NO. 1)

Mr. ROBINSON of Arkansas. I send to the desk an order which I ask to have read.

The VICE PRESIDENT. The order will be read.

The order was read and agreed to, as follows:

Ordered, That the inaugural address of the President of the United States be printed as a Senate document.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business in open session.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to.

The VICE PRESIDENT laid before the Senate the following nominations:

William Phillips, of Massachusetts, to be Under Secretary of State.

Wilbur J. Carr, of New York, to be an Assistant Secretary of State.

Raymond Moley, of Ohio, to be an Assistant Secretary of State.

Mr. ROBINSON of Arkansas. I ask that for the present the nominations lie on the table.

The VICE PRESIDENT. Without objection, it is so ordered.

The VICE PRESIDENT laid before the Senate the following nominations, which were read by the Chief Clerk:

William F. Stevenson, of South Carolina, to be a member of the Federal Home Loan Bank Board for the unexpired portion of the term of 6 years from July 22, 1932.

T. D. Webb, of Tennessee, to be a member of the Federal Home Loan Bank Board for the unexpired portion of the term of 5 years from July 22, 1932.

Henry Morgenthau, Jr., of New York, to be a member of the Federal Farm Board for the unexpired portion of the term of 5 years from June 15, 1929.

Mr. ROBINSON of Arkansas. Mr. President, I am advised that it is essential for the Senate to dispose as promptly as may be of the nominations that have just been read by the clerk, for the reason that the condition of the public business in the departments affected requires prompt action.

With respect to the members of the Federal Home-Loan Bank Board nominated, that Board is not in a position to function until other members are appointed and confirmed.

With respect to the appointments in the State Department, the vacancies exist, and it is essential that these officers be installed and begin their duties.

The other nomination, that pertaining to the Federal Farm Board, is not so emergent; but if we can dispose of these nominations today the Senate will be in a position, immediately following its action, to take an adjournment sine die.

We all understand that the Congress is being convened in extraordinary session next Thursday, and it would be convenient to most Senators with whom I have talked to have a day or two in order to adjust some public business and some private affairs that have long been deferred.

For these reasons, Mr. President, I am going to request unanimous consent for the present consideration of these nominations.

The VICE PRESIDENT. Is there objection?

Mr. MCNARY. Mr. President, the request is a rather unusual one, but I confess that these times are unusual.

I conferred a few moments ago with the able Senator from Arkansas and with some other Senators, and I realize that there is some advantage in adjourning sine die until the next session, which will convene on Thursday. I think in this course there is some advantage to the country. I know it will be some accommodation to the Members of the Senate.

So far as I know, the nominees are all acceptable. At least, that is the report that has come to me from those who know these gentlemen. I am not going to object; but I wish to say to the Senator from Arkansas and other Democratic Senators that hereafter all nominations must go to the respective committees having jurisdiction of the appointments.

In view of the present situation throughout the country, however, and in order to show a desire to cooperate and enable this session to adjourn, for my part I shall not object.

The VICE PRESIDENT. Is there objection to the present consideration of the nominations? The Chair hears none.

The question is, Will the Senate advise and consent to the nominations? [Putting the question.] The ayes have it, and the nominations are confirmed.

Mr. ROBINSON of Arkansas. I ask that the President be notified of the action of the Senate.

The VICE PRESIDENT. Without objection, the President will be notified accordingly.

ADJOURNMENT SINE DIE

Mr. ROBINSON of Arkansas. I move that the Senate adjourn sine die.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 11 o'clock and 8 minutes a.m.) the Senate adjourned sine die.

NOMINATIONS

Executive nominations received by the Senate March 6 (legislative day of March 4), 1933

UNDER SECRETARY OF STATE

William Phillips, of Massachusetts, to be Under Secretary of State.

ASSISTANT SECRETARIES OF STATE

Wilbur J. Carr, of New York, to be an Assistant Secretary of State.

Raymond Moley, of Ohio, to be an Assistant Secretary of State.

MEMBER OF THE FEDERAL FARM BOARD

Henry Morgenthau, Jr., of New York, to be a member of the Federal Farm Board for the unexpired portion of the term of 5 years from June 15, 1929.

MEMBERS OF THE FEDERAL HOME-LOAN BANK BOARD

The following-named persons to be members of the Federal Home-Loan Bank Board for the terms indicated, as follows:

William F. Stevenson, of South Carolina, for the unexpired portion of the term of 6 years from July 22, 1932.

T. D. Webb, of Tennessee, for the unexpired portion of the ter mof 5 years from July 22, 1932.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 6 (legislative day of March 4), 1933

UNDER SECRETARY OF STATE

William Phillips, of Massachusetts, to be Under Secretary of State.

ASSISTANT SECRETARIES OF STATE

Wilbur J. Carr, of New York, to be an Assistant Secretary of State.

Raymond Moley, of Ohio, to be an Assistant Secretary of State.

MEMBER OF THE FEDERAL FARM BOARD

Henry Morgenthau, Jr., of New York, to be a member of the Federal Farm Board.

MEMBERS OF THE FEDERAL HOME LOAN BANK BOARD

William F. Stevenson, of South Carolina.
T. D. Webb, of Tennessee.

SEVENTY-THIRD CONGRESS

FIRST SESSION

Congressional Record

SEVENTY-THIRD CONGRESS, FIRST SESSION

SENATE

THURSDAY, MARCH 9, 1933

The first session of the Seventy-third Congress met this day at the Capitol, in the city of Washington, in pursuance of the proclamation of the President of the United States of the 5th day of March, 1933.

JOHN NANCE GARNER, of the State of Texas, Vice President of the United States, called the Senate to order at 12 o'clock meridian.

The Chaplain, Rev. ZeBarney T. Phillips, D.D., offered the following

PRAYER

Father of life, who givest to our dust the breath of being, who unfoldest to our growing mind the greatness of our world; make Thou our hearts true homes of prayer, our lips the gates of praise as we bow before Thy presence and await with quiet gladness the mandates of Thy love.

O blessed Savior of the world, who hast worn the mantle of our flesh, revealing in its human folds the glory of divinity, give to our President, Vice President, the Members of the Congress, and to all others in authority, wisdom and strength to know and to do Thy will, and grant that they and all the people of the United States may come unto the fullness of the stature of that manhood which is Thine.

Breathe on us, breath of God, in this our day of national consecration, as we pray:

Come Holy Ghost, our souls inspire,
And lighten with celestial fire.
Thou the anointing spirit art,
Who dost Thy sevenfold gifts impart.
Thy blessed unction from above,
Is comfort, life, and fire of love.
Enable with perpetual light
The dullness of our blinded sight.

Anoint and cheer our soiled face,
With the abundance of Thy grace.
Keep far our foes, give peace at home:
Where Thou art guide, no ill can come.
Teach us to know the Father, Son,
And Thee of both to be but One:
That through the ages all along,
This may be our endless song;
Praise to Thy eternal merit,
Father, Son, and Holy Spirit.

Amen.

PROCLAMATION

The VICE PRESIDENT. The hour having arrived of the day on which, in accordance with the proclamation of the President of the United States, an extraordinary session of the Congress of the United States is to be convened, the Secretary of the Senate will read the proclamation.

The Chief Clerk (John C. Crockett) read the proclamation, as follows:

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Whereas public interests require that the Congress of the United States should be convened in extra session at 12 o'clock noon on the 9th day of March 1933 to receive such communication as may be made by the Executive.

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, do hereby proclaim and declare that an extraordinary occasion requires the Congress of the United States to convene in extra session at the Capitol in the city of Washington on the 9th day of March 1933 at 12 o'clock noon, of which all persons who shall at that time be entitled to act as Members thereof are hereby required to take notice.

In witness whereof I have hereunto set my hand and caused to be affixed the great seal of the United States.

Done at the city of Washington this 5th day of March in the year of our Lord nineteen hundred and thirty-three, and of the independence of the United States the one hundred and fifty-seventh.

FRANKLIN D. ROOSEVELT.

By the President:
[SEAL]

CORDELL HULL,
Secretary of State.

CALL OF THE ROLL

The VICE PRESIDENT. The Secretary will call the roll of the Senate to ascertain whether there is a constitutional number of Senators present for the transaction of business.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Reynolds
Ashurst	Copeland	King	Robinson, Ark.
Austin	Costigan	La Follette	Robinson, Ind.
Bachman	Couzens	Lewis	Russell
Bailey	Dale	Logan	Sheppard
Bankhead	Davis	Lonergan	Smith
Barbour	Dickinson	Long	Steiwer
Barkley	Dieterich	McAdoo	Stephens
Black	Dill	McCarran	Thomas, Okla.
Bone	Duffy	McGill	Thomas, Utah
Borah	Fess	McKellar	Townsend
Bratton	Fletcher	McNary	Trammell
Brown	George	Murphy	Tydings
Bulkley	Glass	Neely	Vandenberg
Bulow	Goldsborough	Norbeck	Van Nuys
Byrd	Gore	Norris	Wagner
Byrnes	Hale	Nye	Walcott
Capper	Harrison	Overton	Walsh
Caraway	Hayden	Patterson	White
Carey	Hebert	Pittman	
Clark	Johnson	Pope	
Connally	Kean	Reed	

Mr. TOWNSEND. I desire to announce the necessary absence of my colleague the Senator from Delaware [Mr. HASTINGS].

Mr. NORRIS. I desire to announce that my colleague the junior Senator from Nebraska [Mr. HOWELL] is detained from the Senate on account of illness. I ask that this announcement may stand for the day.

Mr. FESS. I desire to announce the necessary absence of the Senator from North Dakota [Mr. FRAZIER], the Senator from Delaware [Mr. HASTINGS], the Senator from West Virginia [Mr. HATFIELD], the Senator from Rhode Island [Mr. METCALF], the senior Senator from Minnesota [Mr. SHIPSTEAD], the junior Senator from Minnesota [Mr. SCHALL], the Senator from Wyoming [Mr. KENDRICK], the Senator from New Mexico [Mr. CUTTING], and the Senator from Montana [Mr. WHEELER].

The VICE PRESIDENT. Eighty-five Senators having answered to their names, a constitutional number of Senators is present for the transaction of business.

LIST OF SENATORS BY STATES

Alabama.—Hugo L. Black and John H. Bankhead.
Arizona.—Henry F. Ashurst and Carl Hayden.

Arkansas.—Joseph T. Robinson and Mrs. Hattie W. Caraway.
California.—Hiram W. Johnson and William Gibbs McAdoo.
Colorado.—Edward P. Costigan and Alva B. Adams.
Connecticut.—Frederic C. Walcott and Augustine Lonergan.
Delaware.—Daniel O. Hastings and John G. Townsend, Jr.
Florida.—Duncan U. Fletcher and Park Trammell.
Georgia.—Walter F. George and Richard B. Russell, Jr.
Idaho.—William E. Borah and James P. Pope.
Illinois.—J. Hamilton Lewis and William H. Dieterich.
Indiana.—Arthur R. Robinson and Frederick Van Nuys.
Iowa.—L. J. Dickinson and Louis Murphy.
Kansas.—Arthur Capper and George McGill.
Kentucky.—Alben W. Barkley and M. M. Logan.
Louisiana.—Huey P. Long and John H. Overton.
Maine.—Frederick Hale and Wallace H. White, Jr.
Maryland.—Millard E. Tydings and Phillips Lee Goldsborough.
Massachusetts.—David I. Walsh and Marcus A. Coolidge.
Michigan.—James Couzens and Arthur H. Vandenberg.
Minnesota.—Henrik Shipstead and Thomas D. Schall.
Mississippi.—Pat Harrison and Hubert D. Stephens.
Missouri.—Roscoe C. Patterson and Bennett Champ Clark.
Montana.—Burton K. Wheeler.
Nebraska.—George W. Norris and Robert B. Howell.
Nevada.—Key Pittman and Patrick McCarran.
New Hampshire.—Henry W. Keyes and Fred H. Brown.
New Jersey.—Hamilton F. Kean and W. Warren Barbour.
New Mexico.—Sam G. Bratton and Bronson Cutting.
New York.—Royal S. Copeland and Robert F. Wagner.
North Carolina.—Josiah William Bailey and Robert R. Reynolds.
North Dakota.—Lynn J. Frazier and Gerald P. Nye.
Ohio.—Simeon D. Fess and Robert J. Bulkley.
Oklahoma.—Elmer Thomas and Thomas P. Gore.
Oregon.—Charles L. McNary and Frederick Steiwer.
Pennsylvania.—David A. Reed and James J. Davis.
Rhode Island.—Jesse H. Metcalf and Felix Hebert.
South Carolina.—Ellison D. Smith and James F. Byrnes.
South Dakota.—Peter Norbeck and W. J. Bulow.
Tennessee.—Kenneth McKellar and Nathan L. Bachman.
Texas.—Morris Sheppard and Tom Connally.
Utah.—William H. King and Elbert D. Thomas.
Vermont.—Porter H. Dale and Warren R. Austin.
Virginia.—Carter Glass and Harry Flood Byrd.
Washington.—C. C. Dill and Homer T. Bone.
West Virginia.—Henry D. Hatfield and M. M. Neely.
Wisconsin.—Robert M. La Follette, Jr., and F. Ryan Duffy.
Wyoming.—John B. Kendrick and Robert D. Carey.

NOTIFICATION TO THE PRESIDENT

Mr. ROBINSON of Arkansas submitted a resolution (S. Res. 2), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That a committee consisting of two Senators be appointed to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that the Congress is ready to receive any communication he may be pleased to make.

The VICE PRESIDENT. The Chair appoints as the committee to wait upon the President the Senator from Arkansas [Mr. ROBINSON] and the Senator from Oregon [Mr. MCNARY].

NOTIFICATION TO HOUSE OF REPRESENTATIVES

Mr. MCNARY submitted a resolution (S.Res. 3), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

HOUR OF DAILY MEETING

Mr. ROBINSON of Arkansas submitted a resolution (S. Res. 4), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the hour of daily meeting of the Senate be 12 o'clock meridian unless otherwise ordered.

ELECTION OF PRESIDENT PRO TEMPORE

Mr. ROBINSON of Arkansas submitted a resolution (S. Res. 5), which was read and considered by unanimous consent, as follows:

Resolved, That Hon. KEY PITTMAN, a Senator from the State of Nevada, be, and he hereby is, elected President pro tempore, to hold office during the pleasure of the Senate in accordance with the resolution of the Senate adopted on the 12th day of March 1890 on the subject.

Mr. MCNARY. Mr. President, on behalf of the Republican minority conference I move to strike out the name of KEY PITTMAN and insert the name of ARTHUR H. VANDENBERG.

The amendment was rejected.

The resolution was agreed to.

ELECTION OF SECRETARY OF THE SENATE

Mr. ROBINSON of Arkansas submitted a resolution (S. Res. 6), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That Edwin A. Halsey, of Virginia, be, and he is hereby, elected Secretary of the Senate.

ELECTION OF SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE

Mr. ROBINSON of Arkansas submitted a resolution (S. Res. 7), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That Chesley W. Jurney, of Texas, be, and he is hereby, elected Sergeant at Arms and Doorkeeper of the Senate.

NOTIFICATION TO PRESIDENT

Mr. ROBINSON of Arkansas submitted a resolution (S. Res. 8), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the President of the United States be notified of the election of Hon. KEY PITTMAN, a Senator from the State of Nevada, as President of the Senate pro tempore, and Edwin A. Halsey, of Virginia, as Secretary of the Senate.

NOTIFICATION TO HOUSE OF REPRESENTATIVES

Mr. MCNARY submitted a resolution (S.Res. 9), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the House of Representatives be notified of the election of Hon. KEY PITTMAN, a Senator from the State of Nevada, as President of the Senate pro tempore, and Edwin A. Halsey, of Virginia, as Secretary of the Senate.

ADMONITION TO OCCUPANTS OF THE GALLERIES

Mr. LEWIS. Mr. President, I rise to a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. LEWIS. Mr. President, I hesitate to make any complaint against anyone anywhere, but I think it is timely in the position with which I am honored by the majority to take the liberty of calling attention to the fact that the occupants of the galleries are received in this body as a courtesy. It is not intended that merriment should be indulged in to the extent that the voice of our leader [Mr. ROBINSON of Arkansas] or of the eminent Senator from Oregon [Mr. MCNARY], on the other side, should be drowned out. I take the liberty to request the honorable President of the Senate to direct whatever officers he feels appropriate to inform the occupants of the galleries that order and quietude are necessary for the transaction of the business of the Senate in a dignified manner and are owed in due respect to the Members of the Senate.

The VICE PRESIDENT. The point of order is well taken. Let the Chair state to the occupants of the galleries—and in so stating he is sure he speaks for the Senate—that as guests of the Senate they are welcome; but it is hoped that they will be considerate enough to abide by the rules of the Senate, which prohibit any demonstration, verbal or otherwise, during the course of the proceedings of the Senate. The Chair expresses the hope that the galleries will take notice.

NOTIFICATION TO THE PRESIDENT

Mr. ROBINSON of Arkansas and Mr. MCNARY appeared, and Mr. ROBINSON of Arkansas said: Mr. President, your

committee appointed to notify the President that a quorum of the Senate is present, and that the Senate is ready to transact business, beg leave to report that we have communicated with the President, and he will immediately transmit to the Senate a message in writing.

ELECTION OF SECRETARY FOR THE MAJORITY

Mr. ROBINSON of Arkansas submitted a resolution (S. Res. 10), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That Leslie L. Biffle, of Arkansas, be, and he is hereby, elected secretary for the majority of the Senate.

ELECTION OF SECRETARY FOR THE MINORITY

Mr. McNARY submitted a resolution (S.Res. 11), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That Carl A. Loeffler, of Pennsylvania, be, and he is hereby, elected secretary for the minority of the Senate.

ADMINISTRATION OF OATH TO PRESIDENT PRO TEMPORE AND SECRETARY

The VICE PRESIDENT. If it is agreeable, the Chair will administer the oath to the Senator from Nevada, elected President pro tempore, and to Mr. Halsey, elected Secretary of the Senate.

Thereupon, Mr. PITTMAN, escorted by Mr. ROBINSON of Arkansas, and Mr. Halsey, escorted by Edwin P. Thayer, retiring Secretary of the Senate, advanced to the Vice President's desk and the oath was administered to them.

STANDING COMMITTEES OF THE SENATE

Mr. ROBINSON of Arkansas. Mr. President, I offer a resolution having relation to the representation of the majority and of the minority on the standing committees of the Senate, and ask that it may be reported and considered.

The VICE PRESIDENT. The Senator from Arkansas submits a resolution, which the clerk will report.

The Chief Clerk read the resolution (S.Res. 12), as follows:

Resolved, That paragraph 1 of rule XXV of the Standing Rules of the Senate be, and it is hereby, amended so as to read as follows:

"1. The following standing committees shall be appointed at the commencement of each Congress, with leave to report by bill or otherwise:

"Committee on Agriculture and Forestry, to consist of 19 Senators.

"Committee on Appropriations, to consist of 23 Senators.

"Committee to Audit and Control the Contingent Expenses of the Senate, to consist of five Senators, to which shall be referred all resolutions directing the payment of money out of the contingent fund of the Senate or creating a charge upon the same.

"Committee on Banking and Currency, to consist of 20 Senators.

"Committee on Civil Service, to consist of 10 Senators.

"Committee on Claims, to consist of 13 Senators.

"Committee on Commerce, to consist of 20 Senators.

"Committee on the District of Columbia, to consist of 15 Senators.

"Committee on Education and Labor, to consist of 13 Senators.

"Committee on Enrolled Bills, to consist of three Senators, who shall examine all bills, amendments, and joint resolutions before they go out of the possession of the Senate, and which shall have power to act jointly with the same committee of the House of Representatives, and which, or some one of which, shall examine all bills or joint resolutions which shall have passed both Houses, to see that the same are correctly enrolled, and, when signed by the Speaker of the House and President of the Senate, shall forthwith present the same, when they shall have originated in the Senate, to the President of the United States in person, and report the fact and date of such presentation to the Senate.

"Committee on Expenditures in the Executive Departments, to consist of seven Senators.

"Committee on Finance, to consist of 20 Senators.

"Committee on Foreign Relations, to consist of 23 Senators.

"Committee on Immigration, to consist of 14 Senators.

"Committee on Indian Affairs, to consist of 13 Senators.

"Committee on Interoceanic Canals, to consist of eight Senators.

"Committee on Interstate Commerce, to consist of 20 Senators.

"Committee on Irrigation and Reclamation, to consist of 17 Senators.

"Committee on the Judiciary, to consist of 18 Senators.

"Committee on the Library, to consist of 10 Senators, which shall have power to act jointly with the same committee of the House of Representatives.

"Committee on Manufactures, to consist of 13 Senators.

"Committee on Military Affairs, to consist of 17 Senators.

"Committee on Mines and Mining, to consist of 13 Senators.

"Committee on Naval Affairs, to consist of 17 Senators.

"Committee on Patents, to consist of seven Senators.

"Committee on Pensions, to consist of 10 Senators.

"Committee on Post Offices and Post Roads, to consist of 19 Senators.

"Committee on Printing, to consist of seven Senators, which shall have power to act jointly with the same committee of the House of Representatives.

"Committee on Privileges and Elections, to consist of 17 Senators.

"Committee on Public Buildings and Grounds, to consist of 14 Senators, which shall have power to act jointly with the same committee of the House of Representatives.

"Committee on Public Lands and Surveys, to consist of 15 Senators.

"Committee on Rules, to consist of 13 Senators.

"Committee on Territories and Insular Affairs, to consist of 17 Senators."

Mr. ROBINSON of Arkansas. Mr. President, my attention has been called to the fact that a proviso to rule XXV has been heretofore adopted, and I wish to modify the resolution so as to incorporate that proviso, as follows:

: *Provided*, That any such resolution relating to substantive matter within the jurisdiction of any of the standing committees of the Senate shall be first referred to such committee.

I ask that that proviso may be incorporated immediately following the provision relating to the Committee to Audit and Control the Contingent Expenses of the Senate and before the period.

The VICE PRESIDENT. Without objection, the modification will be made; and, without objection, the resolution as modified is agreed to.

Mr. ROBINSON of Arkansas. On behalf of the majority I present an assignment to committees for the majority Members of the Senate and ask that it may be read.

The VICE PRESIDENT. The clerk will read as requested.

The Chief Clerk read the majority assignments.

Mr. McNARY. Mr. President, from the minority conference I submit a report containing the Republican assignments to various committees, and ask for its immediate consideration.

The VICE PRESIDENT. The report will be read.

The Chief Clerk read the minority assignments.

Mr. ROBINSON of Arkansas. Mr. President, I move the adoption of the following order.

The order was read and agreed to, as follows:

Ordered, That the following shall constitute the standing committees of the Senate of the Seventy-third Congress:

On Agriculture and Forestry: Ellison D. Smith, of South Carolina (chairman); John B. Kendrick, of Wyoming; Burton K. Wheeler, of Montana; Elmer Thomas, of Oklahoma; George McGill, of Kansas; John H. Bankhead, of Alabama; W. J. Bulow, of South Dakota; Hattie W. Caraway, of Arkansas; Homer T. Bone, of Washington; Louis Murphy, of Iowa; James P. Pope, of Idaho; George W. Norris, of Nebraska; Charles L. McNary, of Oregon; Arthur Capper, of Kansas; Peter Norbeck, of South Dakota; Lynn J. Frazier, of North Dakota; H. D. Hatfield, of West Virginia; Bronson Cutting, of New Mexico; Henrik Shipstead, of Minnesota.

On Appropriations: Carter Glass, of Virginia (chairman); Kenneth McKellar, of Tennessee; John B. Kendrick, of Wyoming; Royal S. Copeland, of New York; Carl Hayden, of Arizona; Sam G. Bratton, of New Mexico; Elmer Thomas, of Oklahoma; James F. Byrnes, of South Carolina; Millard E. Tydings, of Maryland; Richard B. Russell, Jr., of Georgia; Marcus A. Coolidge, of Massachusetts; Alva B. Adams, of Colorado; Patrick McCarran, of Nevada; John H. Overton, of Louisiana; Frederick Hale, of Maine; Henry W. Keyes, of New Hampshire; Gerald P. Nye, of North Dakota; Frederick Steiwer, of Oregon; Peter Norbeck, of South Dakota; Porter H. Dale, of Vermont; L. J. Dickinson, of Iowa; John G. Townsend, Jr., of Delaware; Robert D. Carey, of Wyoming.

To Audit and Control the Contingent Expenses of the Senate: James F. Byrnes, of South Carolina (chairman); John B. Kendrick, of Wyoming; Millard E. Tydings, of Maryland; Simeon D. Fess, of Ohio; John G. Townsend, Jr., of Delaware.

On Banking and Currency: Duncan U. Fletcher, of Florida (chairman); Carter Glass, of Virginia; Robert F. Wagner, of New York; Alben W. Barkley, of Kentucky; Robert J. Bulkley, of Ohio; Thomas P. Gore, of Oklahoma; Edward P. Costigan, of Colorado; Robert R. Reynolds, of North Carolina; James F. Byrnes, of South Carolina; John H. Bankhead, of Alabama; William Gibbs McAdoo, of California; Alva B. Adams, of Colorado; Peter Norbeck, of South Dakota; Phillips Lee Goldsborough, of Maryland; John G. Townsend, Jr., of Delaware; Frederic C. Walcott, of Connecticut; Robert D. Carey, of Wyoming; James Couzens, of Michigan; Frederick Steiwer, of Oregon; Hamilton F. Kean, of New Jersey.

On Civil Service: W. J. Bulow, of South Dakota (chairman); Kenneth McKellar, of Tennessee; Walter F. George, of Georgia; M. M. Logan, of Kentucky; M. M. Neely, of West Virginia; William H. Dieterich, of Illinois; Porter H. Dale, of Vermont; Hamilton F.

Kean, of New Jersey; Wallace H. White, Jr., of Maine; Roscoe C. Patterson, of Missouri.

On Claims: Josiah William Bailey, of North Carolina (chairman); Park Trammell, of Florida; Hubert D. Stephens, of Mississippi; Hugo L. Black, of Alabama; Marcus A. Coolidge, of Massachusetts; M. M. Logan, of Kentucky; ——— ———; Arthur Capper, of Kansas; Robert B. Howell, of Nebraska; John G. Townsend, Jr., of Delaware; Wallace H. White, Jr., of Maine; Frederic C. Walcott, of Connecticut; Warren R. Austin, of Vermont.

On Commerce: Hubert D. Stephens, of Mississippi (chairman); Duncan U. Fletcher, of Florida; Morris Sheppard, of Texas; Royal S. Copeland, of New York; Robert J. Bulkley, of Ohio; Josiah William Bailey, of North Carolina; Hattie W. Caraway, of Arkansas; Bennett Champ Clark, of Missouri; Louis Murphy, of Iowa; John H. Overton, of Louisiana; ——— ———; ——— ———; Charles L. McNary, of Oregon; Hiram W. Johnson, of California; Porter H. Dale, of Vermont; Gerald P. Nye, of North Dakota; Arthur H. Vandenberg, of Michigan; Roscoe C. Patterson, of Missouri; Robert B. Howell, of Nebraska; Wallace H. White, Jr., of Maine.

On the District of Columbia: William H. King, of Utah (chairman); Carter Glass, of Virginia; Royal S. Copeland, of New York; Millard E. Tydings, of Maryland; Thomas P. Gore, of Oklahoma; J. Hamilton Lewis, of Illinois; John H. Bankhead, of Alabama; ——— ———; ——— ———; Arthur Capper, of Kansas; Hamilton F. Kean, of New Jersey; Robert D. Carey, of Wyoming; Warren R. Austin, of Vermont; James J. Davis, of Pennsylvania; James Couzens, of Michigan.

On Education and Labor: David I. Walsh, of Massachusetts (chairman); Royal S. Copeland, of New York; Park Trammell, of Florida; Hugo L. Black, of Alabama; Louis Murphy, of Iowa; Elbert D. Thomas, of Utah; ——— ———; ——— ———; William E. Borah, of Idaho; Jesse H. Metcalf, of Rhode Island; Frederic C. Walcott, of Connecticut; Robert M. La Follette, Jr., of Wisconsin; James J. Davis, of Pennsylvania.

On Enrolled Bills: Hattie W. Caraway, of Arkansas (chairman); Augustine Lonergan, of Connecticut; Arthur H. Vandenberg, of Michigan.

On Expenditures in the Executive Departments: J. Hamilton Lewis, of Illinois (chairman); Hubert D. Stephens, of Mississippi; Robert F. Wagner, of New York; Frederick Van Nuys, of Indiana; Daniel O. Hastings, of Delaware; Hamilton F. Kean, of New Jersey; Phillips Lee Goldsborough, of Maryland.

On Finance: Pat Harrison, of Mississippi (chairman); William H. King, of Utah; Walter F. George, of Georgia; David I. Walsh, of Massachusetts; Alben W. Barkley, of Kentucky; Tom Connally, of Texas; Thomas P. Gore, of Oklahoma; Edward P. Costigan, of Colorado; Josiah W. Bailey, of North Carolina; Bennett Champ Clark, of Missouri; William Gibbs McAdoo, of California; Harry Flood Byrd, of Virginia; Augustine Lonergan, of Connecticut; David A. Reed, of Pennsylvania; James Couzens, of Michigan; Henry W. Keyes, of New Hampshire; Robert M. La Follette, Jr., of Wisconsin; Jesse H. Metcalf, of Rhode Island; Daniel O. Hastings, of Delaware; Frederic C. Walcott, of Connecticut.

On Foreign Relations: Key Pittman, of Nevada (chairman); Joseph T. Robinson, of Arkansas; Pat Harrison, of Mississippi; Walter F. George, of Georgia; Hugo L. Black, of Alabama; Robert F. Wagner, of New York; Tom Connally, of Texas; J. Hamilton Lewis, of Illinois; Nathan L. Bachman, of Tennessee; Elbert D. Thomas, of Utah; Frederick Van Nuys, of Indiana; F. Ryan Duffy, of Wisconsin; James F. Pope, of Idaho; ——— ———; William E. Borah, of Idaho; Hiram W. Johnson, of California; Arthur Capper, of Kansas; David A. Reed, of Pennsylvania; Simeon D. Fess, of Ohio; Robert M. La Follette, Jr., of Wisconsin; Arthur H. Vandenberg, of Michigan; Arthur R. Robinson, of Indiana; Henrik Shipstead, of Minnesota.

On Immigration: Marcus A. Coolidge, of Massachusetts (chairman); William H. King, of Utah; Royal S. Copeland, of New York; Hubert D. Stephens, of Mississippi; George McGill, of Kansas; Richard B. Russell, Jr., of Georgia; ——— ———; ——— ———; Hiram W. Johnson, of California; Henry W. Keyes, of New Hampshire; David A. Reed, of Pennsylvania; Gerald P. Nye, of North Dakota; H. D. Hatfield, of West Virginia; Roscoe C. Patterson, of Missouri.

On Indian Affairs: Burton K. Wheeler, of Montana (chairman); Henry F. Ashurst, of Arizona; John B. Kendrick, of Wyoming; Sam G. Bratton, of New Mexico; Elmer Thomas, of Oklahoma; W. J. Bulow, of South Dakota; ——— ———; ——— ———; Lynn J. Frazier, of North Dakota; Thomas D. Schall, of Minnesota; Robert M. La Follette, Jr., of Wisconsin; Frederick Steiwer, of Oregon; Peter Norbeck, of South Dakota.

On Interoceanic Canals: Thomas P. Gore, of Oklahoma (chairman); Park Trammell, of Florida; Bennett Champ Clark, of Missouri; ——— ———; ——— ———; Thomas D. Schall, of Minnesota; Felix Hebert, of Rhode Island; W. Warren Barbour, of New Jersey.

On Interstate Commerce: Clarence C. Dill, of Washington (chairman); Ellison D. Smith, of South Carolina; Burton K. Wheeler, of Montana; Robert F. Wagner, of New York; Alben W. Barkley, of Kentucky; M. M. Neely, of West Virginia; William H. Dieterich, of Illinois; Augustine Lonergan, of Connecticut; Huey P. Long, of Louisiana; Fred H. Brown, of New Hampshire; ——— ———; ——— ———; James Couzens, of Michigan; Simeon D. Fess, of Ohio; Robert B. Howell, of Nebraska; Jesse H. Metcalf, of Rhode Island; Hamilton F. Kean, of New Jersey; Daniel O. Hastings, of Delaware; H. D. Hatfield, of West Virginia; Wallace H. White, Jr., of Maine.

On Irrigation and Reclamation: Sam G. Bratton, of New Mexico (chairman); Morris Sheppard, of Texas; John B. Kendrick, of Wyoming; Key Pittman, of Nevada; Clarence C. Dill, of Washington; Henry F. Ashurst, of Arizona; John H. Bankhead, of Alabama; Alva B. Adams, of Colorado; James F. Pope, of Idaho; Patrick McCarran, of Nevada; John H. Overton, of Louisiana; Charles L. McNary, of Oregon; Hiram W. Johnson, of California; Robert B. Howell, of Nebraska; John G. Townsend, Jr., of Delaware; Robert D. Carey, of Wyoming; Bronson Cutting, of New Mexico.

On the Judiciary: Henry F. Ashurst, of Arizona (chairman); William H. King, of Utah; Hubert D. Stephens, of Mississippi; Clarence C. Dill, of Washington; Sam G. Bratton, of New Mexico; Hugo L. Black, of Alabama; M. M. Neely, of West Virginia; Huey P. Long, of Louisiana; Frederick Van Nuys, of Indiana; Patrick McCarran, of Nevada; ——— ———; William E. Borah, of Idaho; George W. Norris, of Nebraska; Arthur R. Robinson, of Indiana; Daniel O. Hastings, of Delaware; Felix Hebert, of Rhode Island; Thomas D. Schall, of Minnesota; Warren R. Austin, of Vermont.

On the Library: Alben W. Barkley, of Kentucky (chairman); Kenneth McKellar, of Tennessee; Elmer Thomas, of Oklahoma; Hattie W. Caraway, of Arkansas; ——— ———; ——— ———; Simeon D. Fess, of Ohio; Robert B. Howell, of Nebraska; Peter Norbeck, of South Dakota; W. Warren Barbour, of New Jersey.

On Manufactures: Robert J. Bulkley, of Ohio (chairman); Ellison D. Smith, of South Carolina; Burton K. Wheeler, of Montana; Morris Sheppard, of Texas; Edward P. Costigan, of Colorado; Richard B. Russell, Jr., of Georgia; Fred H. Brown, of New Hampshire; John H. Overton, of Louisiana; Charles L. McNary, of Oregon; Jesse H. Metcalf, of Rhode Island; Robert M. La Follette, Jr., of Wisconsin; Bronson Cutting, of New Mexico; W. Warren Barbour, of New Jersey.

On Military Affairs: Morris Sheppard, of Texas (chairman); Duncan U. Fletcher, of Florida; Hugo L. Black, of Alabama; J. Hamilton Lewis, of Illinois; Marcus A. Coolidge, of Massachusetts; M. M. Logan, of Kentucky; Robert R. Reynolds, of North Carolina; Nathan L. Bachman, of Tennessee; F. Ryan Duffy, of Wisconsin; Elbert D. Thomas, of Utah; David A. Reed, of Pennsylvania; Bronson Cutting, of New Mexico; Roscoe C. Patterson, of Missouri; Robert D. Carey, of Wyoming; L. J. Dickinson, of Iowa; Warren R. Austin, of Vermont; W. Warren Barbour, of New Jersey.

On Mines and Mining: M. M. Logan, of Kentucky (chairman); Key Pittman, of Nevada; Carl Hayden, of Arizona; Duncan U. Fletcher, of Florida; W. J. Bulow, of South Dakota; James P. Pope, of Idaho; Elbert D. Thomas, of Utah; ——— ———; Arthur R. Robinson, of Indiana; Lynn J. Frazier, of North Dakota; Roscoe C. Patterson, of Missouri; H. D. Hatfield, of West Virginia; James J. Davis, of Pennsylvania.

On Naval Affairs: Park Trammell, of Florida (chairman); David I. Walsh, of Massachusetts; Millard E. Tydings, of Maryland; Ellison D. Smith, of South Carolina; George McGill, of Kansas; Richard B. Russell, Jr., of Georgia; Homer T. Bone, of Washington; Harry Flood Byrd, of Virginia; William H. Dieterich, of Illinois; ——— ———; Frederick Hale, of Maine; Jesse H. Metcalf, of Rhode Island; Phillips Lee Goldsborough, of Maryland; Hamilton F. Kean, of New Jersey; James J. Davis, of Pennsylvania; Henry W. Keyes, of New Hampshire; Hiram W. Johnson, of California.

On Patents: Robert F. Wagner, of New York (chairman); Ellison D. Smith, of South Carolina; Clarence C. Dill, of Washington; Park Trammell, of Florida; George W. Norris, of Nebraska; Phillips Lee Goldsborough, of Maryland; Felix Hebert, of Rhode Island.

On Pensions: George McGill, of Kansas (chairman); Burton K. Wheeler, of Montana; David I. Walsh, of Massachusetts; Robert J. Bulkley, of Ohio; Augustine Lonergan, of Connecticut; Elbert D. Thomas, of Utah; Thomas D. Schall, of Minnesota; Lynn J. Frazier, of North Dakota; Arthur R. Robinson, of Indiana; and Henrik Shipstead, of Minnesota.

On Post Offices and Post Roads: Kenneth McKellar, of Tennessee (chairman); Park Trammell, of Florida; Carl Hayden, of Arizona; George McGill, of Kansas; Josiah William Bailey, of North Carolina; W. J. Bulow, of South Dakota; James F. Byrnes, of South Carolina; M. M. Logan, of Kentucky; Fred H. Brown, of New Hampshire; ——— ———; ——— ———; Porter H. Dale, of Vermont; Thomas D. Schall, of Minnesota; Lynn J. Frazier, of North Dakota; Felix Hebert, of Rhode Island; Arthur Capper, of Kansas; Robert M. La Follette, Jr., of Wisconsin; W. Warren Barbour, of New Jersey, and James J. Davis, of Pennsylvania.

On Printing: Carl Hayden, of Arizona (chairman); Duncan U. Fletcher, of Florida; David I. Walsh, of Massachusetts; ——— ———; Arthur H. Vandenberg, of Michigan; L. J. Dickinson, of Iowa; and Henrik Shipstead, of Minnesota.

On Privileges and Elections: Walter F. George, of Georgia (chairman); William H. King, of Utah; Ellison D. Smith, of South Carolina; Sam G. Bratton, of New Mexico; Tom Connally, of Texas; Robert J. Bulkley, of Ohio; Thomas P. Gore, of Oklahoma; M. M. Logan, of Kentucky; Nathan L. Bachman, of Tennessee; Fred H. Brown, of New Hampshire; F. Ryan Duffy, of Wisconsin; Daniel O. Hastings, of Delaware; Felix Hebert, of Rhode Island; Warren R. Austin, of Vermont; Frederic C. Walcott, of Connecticut; and L. J. Dickinson, of Iowa.

On Public Buildings and Grounds: Tom Connally, of Texas (chairman); Henry F. Ashurst, of Arizona; Park Trammell, of Florida; Millard E. Tydings, of Maryland; David I. Walsh, of Massachusetts; Huey P. Long, of Louisiana; William Gibbs McAdoo, of California; ——— ———; Henry W. Keyes, of New Hampshire; Simeon D. Fess, of Ohio; L. J. Dickinson, of Iowa; Warren R. Austin, of Vermont; W. Warren Barbour, of New Jersey; and Henrik Shipstead, of Minnesota.

On Public Lands and Surveys: John B. Kendrick, of Wyoming (chairman); Key Pittman, of Nevada; Henry F. Ashurst, of Arizona; Robert F. Wagner, of New York; Clarence C. Dill, of Washington; Sam G. Bratton, of New Mexico; ———; ———; ———; ———; Peter Norbeck, of South Dakota; Porter H. Dale, of Vermont; Gerald P. Nye, of North Dakota; Bronson Cutting, of New Mexico; Frederick Steiwer, of Oregon; and Robert D. Carey, of Wyoming.

On Rules: Royal S. Copeland, of New York (chairman); Joseph T. Robinson, of Arkansas; Pat Harrison, of Mississippi; Kenneth McKellar, of Tennessee; M. M. Neely, of West Virginia; Hugo L. Black, of Alabama; Alva B. Adams, of Colorado; Harry Flood Byrd, of Virginia; Frederick Hale, of Maine; Porter H. Dale, of Vermont; David A. Reed, of Pennsylvania; Frederick Steiwer, of Oregon; and Felix Hebert, of Rhode Island.

On Territories and Insular Affairs: Millard E. Tydings, of Maryland (chairman); Key Pittman, of Nevada; Carl Hayden, of Arizona; William H. King, of Utah; Joseph T. Robinson, of Arkansas; Bennett Champ Clark, of Missouri; Robert R. Reynolds, of North Carolina; Homer T. Bone, of Washington; ———; ———; Hiram W. Johnson, of California; Arthur R. Robinson, of Indiana; Gerald P. Nye, of North Dakota; Jesse H. Metcalf, of Rhode Island; Arthur H. Vandenberg, of Michigan; Bronson Cutting, of New Mexico; and Charles L. McNary, of Oregon.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

(The message was received by Mr. Biffle and handed to the Vice President.)

REGULATION OF BANKING OPERATIONS (H.DOC. NO. 1)

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, which will be read.

The Chief Clerk read as follows:

To the Senate and House of Representatives:

On March 3 banking operations in the United States ceased. To review at this time the causes of this failure of our banking system is unnecessary. Suffice it to say that the Government has been compelled to step in for the protection of depositors and the business of the Nation.

Our first task is to reopen all sound banks. This is an essential preliminary to subsequent legislation directed against speculations with the funds of depositors and other violations of positions of trust.

In order that the first objective—the opening of banks for the resumption of business—may be accomplished, I ask of the Congress the immediate enactment of legislation giving to the executive branch of the Government control over banks for the protection of depositors; authority forthwith to open such banks as have already been ascertained to be in sound condition and other such banks as rapidly as possible; and authority to reorganize and reopen such banks as may be found to require reorganization to put them on a sound basis.

I ask amendments to the Federal Reserve Act to provide for such additional currency, adequately secured, as it may become necessary to issue to meet all demands for currency and at the same time to achieve this end without increasing the unsecured indebtedness of the Government of the United States.

I cannot too strongly urge upon the Congress the clear necessity for immediate action. A continuation of the strangulation of banking facilities is unthinkable. The passage of the proposed legislation will end this condition, and I trust within a short space of time will result in a resumption of business activities.

In addition, it is my belief that this legislation will not only lift immediately all unwarranted doubts and suspicions in regard to banks which are 100 percent sound but will also mark the beginning of a new relationship between the banks and the people of this country.

The Members of the new Congress will realize, I am confident, the grave responsibility which lies upon me and upon them.

In the short space of five days it is impossible for us to formulate completed measures to prevent the recurrence of the evils of the past. This does not and should not, however, justify any delay in accomplishing this first step.

At an early moment I shall request of the Congress two other measures which I regard as of immediate urgency. With action taken thereon we can proceed to the consideration of a rounded program of national restoration.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 9, 1933.*

The VICE PRESIDENT. The message will lie on the table and be printed.

SECURITY OF BANK DEPOSITS

Mr. GORE. I introduce a joint resolution and ask that it be referred to the Committee on Banking and Currency. I should like to have it printed in the RECORD also.

The VICE PRESIDENT. Without objection, that order will be made.

The joint resolution (S.J.Res. 2) to strengthen the security of deposits in certain banks, and for other purposes, was read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Resolved, etc., That (a) this act shall apply to all banks which are members of the Federal Reserve System, which for the purposes of this act shall be designated as active member banks. (b) This act shall apply to State banks and banking associations which are eligible under existing law to become members of the Federal Reserve System subject to the conditions herein prescribed, which banks for the purposes of this act shall be designated as associate member banks. (c) Any bank described in the preceding paragraph which is otherwise qualified may with the approval of the Comptroller of the Currency become an associate member bank for a period of two years unless sooner terminated by the comptroller without subscribing to the capital stock of the Federal reserve bank in the district in which it is located, upon agreeing to comply with all applicable provisions of the Federal Reserve Act, as amended: *Provided*, That the Comptroller of the Currency with the approval of the Secretary of the Treasury may relieve such bank from compliance with the provisions of said act which are inapplicable or which are unnecessary for the purposes of this act.

SEC. 2. The Comptroller of the Currency shall have power until the adjournment of the first session of the Seventy-third Congress to prescribe and enforce suitable rules and regulations with the approval or upon the order of the President to maintain or strengthen the security of deposits in both active and associate member banks, or any of them.

SEC. 3. It shall be the duty of the Federal Reserve Board, the Reconstruction Finance Corporation, and any other agency or officer of the Government to aid in carrying out the rules and regulations made in pursuance of this act and such Executive orders and proclamations of the President as may be issued prior to the adjournment of the first session of the Seventy-third Congress to carry into effect the provisions and purposes of this act.

SEC. 4. The Government undertakes to indemnify the depositors of any bank complying with the provisions of this act against any losses which may be directly caused by or due to such compliance alone, and the Comptroller General is empowered to ascertain and determine finally the amount of such losses, if any, in any particular case, and he is authorized, with the approval of the President, to prescribe and promulgate suitable rules and regulations to carry out the purposes of this act.

SEC. 5. That the provisions of Public 91 of the Sixty-fifth Congress, as amended, are hereby reenacted and revived in so far as applicable and appropriate to the execution of this act and not peculiar to a state of war, and the President is empowered by proclamation to declare and publish from time to time such provisions of said act as are found to be necessary to the execution of this act during the continuance of the present national emergency.

The reports required to be made by the Reconstruction Finance Corporation pursuant to subsection (b) of section 201 of the Emergency Relief and Construction Act of 1932 with respect to loans and advances to banks and trust companies shall be made public by the President whenever he shall deem it to be in the public interest.

RECESS

Mr. ROBINSON of Arkansas. Mr. President, it is expected that the bill which is the primary subject of the President's message will be ready for presentation and reference within a very short time.

I therefore move that the Senate take a recess until the hour of 1:30 o'clock.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 12 o'clock and 41 minutes p.m.) the Senate took a recess until 1:30 o'clock p.m., when it reassembled and the Vice President resumed the chair.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Reynolds
Ashurst	Copeland	King	Robinson, Ark.
Austin	Costigan	La Follette	Robinson, Ind.
Bachman	Couzens	Lewis	Russell
Bailey	Dale	Logan	Sheppard
Bankhead	Davis	Lonergan	Smith
Barbour	Dickinson	Long	Steiwer
Barkley	Dieterich	McAdoo	Stephens
Black	Dill	McCarran	Thomas, Okla.
Bone	Duffy	McGill	Thomas, Utah
Borah	Fess	McKellar	Townsend
Bratton	Fletcher	McNary	Trammell
Brown	George	Murphy	Tydings
Bulkley	Glass	Neely	Vandenberg
Bulow	Goldsborough	Norbeck	Van Nuys
Byrd	Gore	Norris	Wagner
Byrnes	Hale	Nye	Walcott
Capper	Harrison	Overton	Walsh
Caraway	Hayden	Patterson	White
Carey	Hebert	Pittman	
Clark	Johnson	Pope	
Connally	Kean	Reed	

Mr. NYE. I desire to announce that my colleague [Mr. FRAZIER] is unavoidably absent on official business of the Senate.

Mr. CAREY. I desire to announce that my colleague [Mr. KENDRICK] is absent on official business.

The VICE PRESIDENT. Eighty-five Senators having answered to their names, a quorum is present.

REGULATION OF BANKING OPERATIONS

Mr. FLETCHER. Mr. President, I introduce a bill to provide relief in the existing national emergency in banking, and for other purposes, and move its reference to the Committee on Banking and Currency with instructions to report on this calendar day.

The VICE PRESIDENT. The clerk will read the bill by its title.

The bill (S. 1) to provide relief in the existing national emergency in banking, and for other purposes, was read twice by its title.

The VICE PRESIDENT. Is there objection to the request of the Senator from Florida?

Mr. NORBECK. Mr. President, what were the instructions—to report when?

The VICE PRESIDENT. To report on this calendar day.

Mr. NORBECK. Does that mean today or tomorrow?

Mr. FLETCHER. Today, if we can get through; to report as of this calendar day, and do it in an hour if we can, or as soon as we can.

Mr. NORBECK. I am not going to object, Mr. President; but when we undertake to frame important banking legislation in an hour we are liable to get ourselves in trouble.

The VICE PRESIDENT. Is there objection to the request of the Senator from Florida? The Chair hears none.

Mr. FESS. Mr. President, are printed copies available of the bill that has just been introduced?

Mr. ROBINSON of Arkansas. There are no additional copies. A confidential committee print was made of a limited number of copies. I regret to say that I have been unable to secure a sufficient number to supply them to Senators. I am hopeful that copies will be available within a very short time.

Mr. LONG. Mr. President, as I understand, we are expected to pass on this bill today. It is going to be reported back from the committee today?

Mr. ROBINSON of Arkansas. I am hopeful that that may be done.

Mr. LONG. It has already been referred to the Committee on Banking and Currency, has it not?

Mr. ROBINSON of Arkansas. Yes.

Mr. LONG. I desire to suggest to some Senator who understands this bill that we might have an explanation of it to the Senate as a whole while the committee is considering the bill. I presume the Senator from Arkansas understands what is in the bill. I have been trying all night and all day to find out what is in it.

Mr. ROBINSON of Arkansas. As far as I am personally concerned, I should prefer not to enter upon the discussion of the bill until the committee has reported. I think that is the best procedure; and I recommend that to the Senator from Louisiana.

Mr. HEBERT. Mr. President, I send to the desk several telegrams from people in the State of Rhode Island, including one from Gov. Theodore Francis Green, on the subject of proposed legislation affecting banking in the United States, which I ask may be printed in the RECORD and referred to the appropriate committee.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The telegrams were ordered to be printed in the RECORD and referred to the Committee on Banking and Currency, as follows:

[Telegram]

PROVIDENCE, R.I., *March 9, 1933.*

Senator FELIX HEBERT,
United States Senate:

If plans are being considered for expanding Federal reserve currency to be secured by certain assets of commercial banks, we strongly urge the new legislation be worded so that receivables of industrial banking institutions, especially Morris Plan banks and companies, be made acceptable for such currency.

HOWARD E. GLADDING,
Secretary Morris Plan Co. of Rhode Island.

[Telegram]

PROVIDENCE, R.I., *March 9, 1933.*

Senator FELIX HEBERT,
United States Senate:

Urge you to have inserted in currency bill provision that currency may be issued by National and State banks and all other banking institutions under supervision of banking commissioners in several States or of the Comptroller of the Currency. Limitation to banks alone undesirable.

THEODORE FRANCIS GREEN, *Governor.*

[Telegram]

PROVIDENCE, R.I., *March 9, 1933.*

Hon. FELIX HEBERT,
United States Senate, Senate Office Building:

The following wholesale fruit and produce dealers of Providence urge your most earnest efforts to pass suitable legislation immediately to release our bank deposits, so we may pay drafts on cars perishable commodities, as has been customary in handling all these transactions. Unless we can pay these drafts and this money is made available to shippers at producing end Providence will be in serious danger of food famine within few days. We are doing and will do our utmost to keep food supply coming to Providence, but we must have some means of paying for these perishable goods. You know that food famine might result in serious disorders, and we strenuously urge you make every effort possible to relieve this situation. We must have our frozen bank accounts released for this purpose.

H. B. Fiske & Co., Morris Shore & Co. (Inc.), L. Del Sesto, T. A. Boyle, Frank A. Crossley, J. H. Preston Co. (Inc.), G. A. Mercurio Co., A. M. Tourtellot, Corvese Bros., Providence Brokerage Co., Rocco & Petrocchi, Wm. S. Sweet & Son (Inc.), D. W. Brayton Co., Felix Rocco Est., Terminal Fruit Co., M. Longo & Sons, S. F. Meyers, South Water Fruit Co., United Produce Co., L. J. Gelardi, F. J. Rogers Co., Julius Rosenberg.

MUSCLE SHOALS

Mr. NORRIS. Mr. President, I ask unanimous consent to introduce a joint resolution for reference to the Committee on Agriculture and Forestry.

The VICE PRESIDENT. Is there objection?

Mr. ROBINSON of Arkansas. Mr. President, I am going to suggest that the introduction of bills, resolutions, and joint resolutions not having relationship to the present emergency be deferred for the present.

I realize that under the rules of the Senate, of course, Senators can proceed to the introduction of bills and joint resolutions. I do not wish to object to the requests of Senators. There is no order of business that permits the introduction of such measures now; and I merely make that suggestion for the convenience of Senators and of the Senate.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield.

Mr. BARKLEY. Would the Senator's request include the introduction of a bill which the Senate passed the other day, known as the Hull-Walcott bill, which it is my purpose to reintroduce?

Mr. ROBINSON of Arkansas. I think we may well defer the introduction of bills for the present, including the bill to which the Senator from Kentucky refers.

Mr. President, some days ago an order was made requiring the organization of the Senate as a court in the impeachment case of Judge Louderback. The order made requires that we proceed in that matter at 2 o'clock. I therefore move——

Mr. NORRIS. Mr. President, will the Senator withhold that motion?

The VICE PRESIDENT. The Senator from Nebraska has the floor, having asked unanimous consent to introduce a joint resolution.

Mr. NORRIS. I have submitted a unanimous-consent request. I would not want to say that the joint resolution I have asked permission to introduce and have referred to the Committee on Agriculture and Forestry has to do with the present depression. I think it does have something to do with the continuation of employment; but I realize that I have to obtain unanimous consent now to introduce it.

I ask that the title of the joint resolution be read by the clerk.

If any Senator objects, of course, I can not introduce it now.

The VICE PRESIDENT. Without objection, the title of the joint resolution will be read.

The CHIEF CLERK. A joint resolution (S.J.Res. 4) to improve the navigability, and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense, by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes.

The VICE PRESIDENT. Is there objection?

Mr. ROBINSON of Arkansas. Mr. President, I do not desire to object to the request of the Senator from Nebraska, nor did I object to the requests that have heretofore been made. I shall object to the introduction of other bills and joint resolutions unless they appear to be emergent.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The joint resolution was read the second time by title and referred to the Committee on Agriculture and Forestry.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until the hour of 2 o'clock p.m.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 1 o'clock and 45 minutes p.m.) the Senate took a recess until 2 o'clock p.m., when it reassembled, and the Vice President resumed the chair.

IMPEACHMENT OF HAROLD LOUDERBACK

The Senate, sitting as a Court of Impeachment, met at 2 o'clock p.m. under its previous order.

Mr. NORRIS. Mr. President, I move that the Senator from Idaho [Mr. BORAH] be designated by the Senate to administer the oath to the presiding officer of the Court of Impeachment.

The motion was agreed to; and Mr. BORAH advanced to the Vice President's desk and administered the oath to Vice President Garner as presiding officer, as follows:

You do solemnly swear that in all things appertaining to the trial of the impeachment of Harold Louderback, a district judge for the northern district of California, now pending, you will do impartial justice according to the Constitution and laws. So help you God.

Mr. NORRIS. Mr. President, I suggest that the roll be called and the Secretary make note of those who are present in order that the oath may be administered to them.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Logan	Russell
Bachman	Dale	Lonergan	Sheppard
Bailey	Davis	Long	Smith
Barbour	Dickinson	McCarran	Steiwer
Barkley	Dieterich	McGill	Stephens
Black	Dill	McKellar	Thomas, Okla.
Bone	Duffy	McNary	Thomas, Utah
Borah	Fess	Murphy	Townsend
Bratton	George	Neely	Trammell
Brown	Goldsborough	Norris	Tydings
Bulow	Hale	Nye	Vandenberg
Byrd	Harrison	Overton	Van Nuys
Capper	Hebert	Patterson	Walcott
Caraway	Johnson	Pittman	Walsh
Clark	Keyes	Pope	White
Connally	King	Reed	
Coolidge	La Follette	Robinson, Ark.	
Copeland	Lewis	Robinson, Ind.	

The VICE PRESIDENT. Sixty-nine Senators having answered to their names, a quorum is present. The Chair will swear in the Senators present, and those who arrive later can be sworn in at that time.

Mr. ROBINSON of Arkansas. Mr. President, I ask that all Senators be permitted to take the oath at once at their places in the Chamber.

Mr. BORAH. Mr. President, I have no objection to the request, but I want to make a personal statement before the oath is taken. I feel that I ought not to sit in this matter by reason of some things which transpired at the time of the appointment of Judge Louderback. The question which I wish to submit now is, Should I make that excuse definite at this time or will it be proper after the oath is taken?

Mr. ASHURST. Mr. President, will the Senator from Idaho yield?

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Arizona?

Mr. BORAH. Certainly.

Mr. ASHURST. In my judgment, such statement should be made after Senators shall have taken the oath as members of the court; only the court should excuse Senators from duties to be performed in the court.

Mr. JOHNSON. Mr. President, if the Senator from Idaho will pardon me——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from California?

Mr. BORAH. Certainly.

Mr. JOHNSON. May I differ with my distinguished friend from Arizona? The question has occurred to me, and I was about to rise to ask that I be permitted to stand aside in this trial. I had reached the conclusion that the appropriate time to make the request is before being sworn in as one of the trial judges in the matter of impeachment.

Mr. ASHURST. Mr. President, will the Senator from Idaho yield further?

Mr. BORAH. Certainly.

Mr. ASHURST. Care should be taken as to establishing precedents. It does the two Senators much credit that they have declared to us who are soon to become an impeachment court, that for certain reasons the two Senators feel disqualified. In strict practice, under the English procedure and under the American procedure, there is no such thing as an impeachment juror or Senator escaping from his responsibility to compose the court. Indeed, in the Andrew Johnson impeachment case, Senator Ben. F. Wade, then the President pro tempore, who would have become President had the impeachment succeeded, was asked to stand aside, but it was determined that there was no way by which he, Senator Wade, could be disqualified and thus made to stand aside. But I am sure, if a Senator should declare that he is disqualified, he could not and should not be required to hear evidence or to render a verdict.

Mr. BORAH. Mr. President, I have not familiarized myself lately with the precedents. I should not want to be governed, however, by what took place in the impeachment trial of Andrew Johnson. I felt that the appropriate time to speak was before I become a member of the court, and I

have that strong impression now. However, I am willing to be governed by the decision of the Senate.

Mr. NORRIS. Mr. President, regardless of some precedents to the contrary, which the Senate does not need to follow unless it desires, it seems to me that the Senate may do it as it pleases. The Senate is acting as a supreme body in this respect and can establish any rule it pleases or pursue any course it chooses. We are now organized as a court, or at least partially so. We are assembled as a court and ready to take the oath of office. It seems to me it is very much akin to a juror taking the oath in a court. Before the juror is sworn to try the case is the time when he is excused if he is excused at all.

Senators who feel that they are disqualified to sit and render judgment in the case I think ought to make it known now and ought to ask to be excused now. Whether they could be excused if someone objected would be a different proposition, but I take it that no one would object if any Senator is conscientiously of the opinion that he could not sit and ought not to sit as a judge or as a juror in this case. It seems to me he ought to be excused now, before we take the oath of office.

The oath we are about to take, Senators, is not like the oath a juror takes when he first goes into the box to be examined on his voir dire. The oath we are about to take is the trial oath. It is the final oath we are about to take that we will try this man and try him properly. I believe that any Senator who feels that he can not conscientiously act for any reason satisfactory to himself ought to make it known before the oath is administered.

Mr. JOHNSON. Mr. President, in order that the matter may be brought to a head, I ask unanimous consent of those who sit here as a Court of Impeachment or are about to take the oath as jurors or Senators in the Court of Impeachment, that I be permitted to stand aside in this trial. There are certain incidents which have occurred which, in my opinion, render it improper that I should sit as a judge in this case. I do not wish to detail them, of course, because I feel that in the detailing of them I might do or say something which ought not to be done or said. But while certain of myself, Mr. President, perhaps feeling that I might lean backward one way or the other in a case of this sort, I do not think that I ought to sit in the case, and I ask unanimous consent of the Senate that I may stand aside in the trial of Harold Louderback about to begin.

The VICE PRESIDENT. Is there objection to the request of the Senator from California? The Chair hears none, and the Senator from California is excused.

Mr. BORAH. Mr. President, I feel compelled to make a similar request. I can not go into details regarding this matter, and, as the Senator from California [Mr. JOHNSON] has suggested, I suppose that should not be done, but I feel very strongly that I can not enter upon the trial with that impartial condition of mind which should characterize one who would be a member of the court. I therefore ask unanimous consent that I may be permitted to stand aside.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Idaho is excused.

May the Chair make the suggestion that if any Senator has entered the Chamber since the roll was called he now make it known, so that the RECORD and the Journal may show that he has taken the oath?

Mr. LA FOLLETTE. Mr. President——

The Chief Clerk called the name of Mr. LA FOLLETTE, and he answered to his name.

Mr. ROBINSON of Arkansas. Now, Mr. President, I repeat the request made a moment ago, that Senators be permitted to take the oath at their places in the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. Senators will now be sworn.

Thereupon the Vice President administered the oath to the Senators present, as follows:

You do each solemnly swear that in all things appertaining to the trial of the impeachment of Harold Louderback, United States district judge for the northern district of California now pending, you will do impartial justice according to the Constitution and laws. So help you God.

Mr. NORRIS. Mr. President, I ask the adoption of the order which I send to the Secretary's desk.

The VICE PRESIDENT. The order will be read.

The Chief Clerk read as follows:

Ordered, That the Secretary notify the House of Representatives that the Senate is now organized for the trial of articles of impeachment against Harold Louderback, United States district judge for the northern district of California, and is ready to receive the managers on the part of the House at its bar.

The VICE PRESIDENT. The question is on agreeing to the order presented by the Senator from Nebraska.

The order was agreed to.

Mr. NORRIS. Mr. President, in order to afford time to notify the managers on the part of the House and to enable them to be here it will be necessary either that we wait until they come or else take a recess and notify them of the time at which the Senate, sitting as a court, will reassemble. Therefore, Mr. President, I move that the Senate, sitting as a court for the trial of the articles of impeachment against Harold Louderback, now take a recess until 4 o'clock and that the Secretary of the Senate be directed to notify the House of its action.

Mr. LONG. Mr. President, will the Senator yield for a moment?

Mr. NORRIS. I yield.

Mr. LONG. I understand we just adjourn as a Court of Impeachment, but that the Senate does not adjourn?

Mr. NORRIS. Oh, no; the Senate will reassemble as soon as the Senate, sitting as a court, shall take a recess.

The VICE PRESIDENT. The question is on the motion of the Senator from Nebraska.

The motion was agreed to; and (at 2 o'clock and 20 minutes p.m.) the Senate, sitting as a Court of Impeachment, took a recess until 4 o'clock p.m.

RECESS

The Senate resumed legislative business.

Mr. ROBINSON of Arkansas. Mr. President, I have conferred with the Chairman of the Committee on Banking and Currency and with some other members of the committee. It is hoped that a report may be ready for the Senate by the hour of 4:30 p.m. I therefore move that the Senate take a recess until 4:30 p.m. this afternoon.

Mr. LONG. Mr. President, I hope the Senator will not insist on that motion, for this reason: I know that the Senator from Arkansas understands this bill as well as anybody else understands it. I have read it since it has been brought to my desk, and there are many Members of the Senate who would like to hear an explanation of the bill.

Mr. ROBINSON of Arkansas. Mr. President, I do not feel that the Senate should proceed to the consideration of the bill until after the committee shall have reported. I renew my motion that the Senate take a recess until 4.30 o'clock this afternoon.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 2 o'clock and 22 minutes p.m.) the Senate in legislative session took a recess until 4 o'clock and 30 minutes p.m.

IMPEACHMENT OF HAROLD LOUDERBACK

The Senate, sitting as a Court of Impeachment, met at 4 o'clock p.m.

Mr. BRATTON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Davis	McGill	Robinson, Ind.
Bachman	Dickinson	McKellar	Russell
Bailey	Duffy	McNary	Sheppard
Barbour	Fess	Murphy	Smith
Black	George	Neely	Stephens
Bratton	Harrison	Norris	Thomas, Okla.
Bulow	Hebert	Nye	Thomas, Utah
Capper	Keyes	Patterson	Townsend
Caraway	King	Pittman	Tydings
Clark	La Follette	Pope	Vandenberg
Coolidge	Logan	Reed	Van Nuys
Copeland	Long	Reynolds	Walsh
Dale	McCarran	Robinson, Ark.	White

Mr. BLACK. I wish to announce that the following-named Senators are detained in an emergency meeting of the Committee on Banking and Currency:

Mr. FLETCHER, Mr. GLASS, Mr. WAGNER, Mr. BARKLEY, Mr. BULKLEY, Mr. GORE, Mr. COSTIGAN, Mr. BYRNES, Mr. BANKHEAD, Mr. MCADOO, Mr. ADAMS, Mr. NORBECK, Mr. GOLDSBOROUGH, Mr. WALCOTT, Mr. CAREY, Mr. COUZENS, Mr. STEIWER, and Mr. KEAN.

The VICE PRESIDENT. Fifty-two members of the court having answered to their names, a quorum of the court is present.

Mr. OVERTON. Mr. President, I wish to make a statement. I was a Member of the House of Representatives at the time the articles of impeachment were preferred against Judge Louderback. I voted against the impeachment. I thought that matter should be tendered to the Chair and Members of the Senate before the court convened; but another Senator, indeed, perhaps two Senators, occupy the same position that I occupy and I wished to consult with them before making the statement. After consulting with them and consulting with some senior Senators who are experienced in such matters, I have come to the conclusion that under all the circumstances it would be proper that I ask to be excused from sitting as a member of the court, which I accordingly do.

The VICE PRESIDENT. Is there objection to the request of the junior Senator from Louisiana to be excused from acting as a member of the court? The Chair hears none.

Mr. LONERGAN. Mr. President, for the same reasons assigned by the Senator from Louisiana [Mr. OVERTON] I ask unanimous consent that I may be excused from participating in the impeachment proceeding.

The VICE PRESIDENT. Is there objection to the request of the Senator from Connecticut? The Chair hears none.

Will members of the court permit the Chair to make a statement? The Chair presided in the House at the time impeachment proceedings were considered by that body. The Chair did not have occasion to vote or in any way express himself concerning the merits of the case. The Chair thought that members of the court ought to know the situation so that if they have any doubt as to the qualifications of the Chair to act as the presiding officer of the court, they may act accordingly.

Mr. NORRIS. Mr. President, it was expected that at this time the managers on the part of the House would be present. I have discovered, however, that the House has not yet fully organized and has not yet elected managers. The managers elected in the last Congress and who appeared before the Senate on a previous occasion have gone out of office, and it is necessary that the House elect new managers. There is some doubt as to just when the organization of the House will be so fully completed that new managers can be elected. However, the Chairman of the Judiciary Committee of the House has informed me that he thinks that without any doubt they will be able to do that by next Monday.

Before asking for an adjournment of the court, I would suggest to the Chair that there may be present at this time some Senators who have not yet been sworn in as members of the court. If there are, it would be advisable to have them sworn in at this time.

The VICE PRESIDENT. If there are any Senators in the Chamber who have not been sworn in as members of the court, they will please rise and the oath will be administered.

Mr. ROBINSON of Indiana and Mr. REYNOLDS rose, and the oath was administered to them by the Vice President.

Mr. NORRIS. Mr. President, I move that the Senate, sitting as a Court of Impeachment, adjourn until Monday next at 3 o'clock in the afternoon.

The motion was agreed to; and the Senate, sitting as a Court of Impeachment (at 4 o'clock and 15 minutes p.m.) adjourned until Monday, March 13, 1933, at 3 o'clock p.m.

Mr. ASHURST. Mr. President, I ask unanimous consent to introduce a joint resolution and have it read and referred to the Committee on Appropriations. It relates to the impeachment.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The joint resolution (S.J.Res. 5) providing for the payment of the expenses of the Senate in the impeachment trial of Harold Louderback, was read the first time by its title and the second time at length, and referred to the Committee on Appropriations, as follows:

Resolved, etc., That there be appropriated out of any money in the Treasury not otherwise appropriated, the sum of $5,000, or so much thereof as may be necessary, to defray the expenses of the Senate in the impeachment trial of Harold Louderback.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Senate bill 1, introduced by Mr. FLETCHER, was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. POPE:

A bill (S. 2) for the relief of C. M. Williamson, Mrs. Tura Liljenquist, administratrix of C. E. Liljenquist, deceased, Lottie Redman, and H. N. Smith; to the Committee on Claims.

By Mr. GORE:

A bill (S. 3) to prohibit members of the Federal Farm Loan Board from serving as officers of Federal land banks; to the Committee on Banking and Currency.

By Mr. TOWNSEND:

A joint resolution (S.J.Res. 1) proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

(Senate Joint Resolution 2, introduced by Mr. GORE, was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. LONG:

A joint resolution (S.J.Res. 3) proposing an amendment to the Constitution of the United States to permit the taxation of capital without apportionment among the States; to the Committee on the Judiciary.

(Senate Joint Resolution 4, introduced by Mr. NORRIS, was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, informed the Senate that a quorum of the House of Representatives had assembled; that HENRY T. RAINEY, a Representative from the State of Illinois, was elected Speaker; that South Trimble, a citizen of the State of Kentucky, was elected Clerk; and that the House was ready for business.

The message also announced that a committee of three Members was appointed by the Speaker on the part of the House of Representatives to join the committee on the part of the Senate, to wait on the President of the United States and notify him that a quorum of the two Houses had assembled and that Congress was ready to receive any communication he might be pleased to make.

The message further announced that the House had passed a bill (H.R. 1491) to provide relief in the existing national emergency in banking, and for other purposes, in which it requested the concurrence of the Senate.

FIRST APPEARANCE OF SENATORS

DANIEL O. HASTINGS, a Senator from the State of Delaware, and HENRIK SHIPSTEAD, a Senator from the State of Minnesota, appeared in their seats.

REGULATION OF BANKING OPERATIONS

Mr. FLETCHER. From the Committee on Banking and Currency, I report back favorably, without amendment, Senate bill 1, to provide relief in the existing national emergency in banking, and for other purposes. It is the same

bill as the one transmitted to us a moment ago by the House of Representatives.

Mr. ROBINSON of Arkansas. Mr. President, I ask that the Senate proceed to the consideration of the House bill.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The Senate proceeded to consider the bill (H.R. 1491) to provide relief in the existing national emergency in banking, and for other purposes, which was read twice by its title.

Mr. NORRIS. Mr. President, I should like to inquire of the Senator from Arkansas whether the House bill is the same as the Senate bill.

Mr. ROBINSON of Arkansas. My information is that it is identical with the Senate bill.

The VICE PRESIDENT. The clerk will read the bill.

The Chief Clerk read the bill, as follows:

Be it enacted, etc., That the Congress hereby declares that a serious emergency exists and that it is imperatively necessary speedily to put into effect remedies of uniform national application.

TITLE I

SECTION 1. The actions, regulations, rules, licenses, orders, and proclamations heretofore or hereafter taken, promulgated, made, or issued by the President of the United States or the Secretary of the Treasury since March 4, 1933, pursuant to the authority conferred by subdivision (b) of section 5 of the act of October 6, 1917, as amended, are hereby approved and confirmed.

SEC. 2. Subdivision (b) of section 5 of the act of October 6, 1917 (40 Stat.L. 411), as amended, is hereby amended to read as follows:

"(b) During time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise, any transactions in foreign exchange, transfers of credit between or payments by banking institutions as defined by the President, and export, hoarding, melting, or earmarking of gold or silver coin or bullion or currency, by any person within the United States or any place subject to the jurisdiction thereof; and the President may require any person engaged in any transaction referred to in this subdivision to furnish under oath complete information relative thereto, including the production of any books of account, contracts, letters, or other papers in connection therewith in the custody or control of such person, either before or after such transaction is completed. Whoever willfully violates any of the provisions of this subdivision or of any license, order, rule, or regulation issued thereunder shall, upon conviction, be fined not more than $10,000, or, if a natural person, may be imprisoned for not more than 10 years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both. As used in this subdivision the term 'person' means an individual, partnership, association, or corporation."

SEC. 3. Section 11 of the Federal Reserve Act is amended by adding at the end thereof the following new subsection:

"(n) Whenever in the judgment of the Secretary of the Treasury such action is necessary to protect the currency system of the United States, the Secretary of the Treasury, in his discretion, may require any or all individuals, partnerships, associations, and corporations to pay and deliver to the Treasurer of the United States any or all gold coin, gold bullion, or gold certificates owned by such individuals, partnerships, associations, and corporations. Upon receipt of such gold coin, gold bullion, or gold certificates, the Secretary of the Treasury shall pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States. The Secretary of the Treasury shall pay all costs of the transportation of such gold bullion, gold certificates, coin, or currency, including the cost of insurance, protection, and such other incidental costs as may be reasonably necessary. Any individual, partnership, association, or corporation failing to comply with any requirement of the Secretary of the Treasury made under this subsection shall be subject to a penalty equal to twice the value of the gold or gold certificates in respect of which such failure occurred, and such penalty may be collected by the Secretary of the Treasury by suit or otherwise."

SEC. 4. In order to provide for the safer and more effective operation of the national banking system and the Federal Reserve System, to preserve for the people the full benefits of the currency provided for by the Congress through the national banking system and the Federal Reserve System, and to relieve interstate commerce of the burdens and obstructions resulting from the receipt on an unsound or unsafe basis of deposits subject to withdrawal by check, during such emergency period as the President of the United States by proclamation may prescribe, no member bank of the Federal Reserve System shall transact any banking business except to such extent and subject to such regulations, limitations, and restrictions as may be prescribed by the Secretary of the Treasury, with the approval of the President. Any individual, partnership, corporation, or association, or any director, officer, or employee thereof, violating any of the provisions of this section shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $10,000 or, if a natural person, may, in addition to such fine, be imprisoned for a term not exceeding 10 years. Each day that any such violation continues shall be deemed a separate offense.

TITLE II

SEC. 201. This title may be cited as the "Bank Conservation Act."

SEC. 202. As used in this title, the term "bank" means (1) any national banking association, and (2) any bank or trust company located in the District of Columbia and operating under the supervision of the Comptroller of the Currency; and the term "State" means any State, Territory, or possession of the United States, and the Canal Zone.

SEC. 203. Whenever he shall deem it necessary in order to conserve the assets of any bank for the benefit of the depositors and other creditors thereof, the Comptroller of the Currency may appoint a conservator for such bank and require of him such bond and security as the Comptroller of the Currency deems proper. The conservator, under the direction of the Comptroller, shall take possession of the books, records, and assets of every description of such bank, and take such action as may be necessary to conserve the assets of such bank pending further disposition of its business as provided by law. Such conservator shall have all the rights, powers, and privileges now possessed by or hereafter given receivers of insolvent national banks and shall be subject to the obligations and penalties, not inconsistent with the provisions of this title, to which receivers are now or may hereafter become subject. During the time that such conservator remains in possession of such bank, the rights of all parties with respect thereto shall, subject to the other provisions of this title, be the same as if a receiver had been appointed therefor. All expenses of any such conservatorship shall be paid out of the assets of such bank and shall be a lien thereon which shall be prior to any other lien provided by this act or otherwise. The conservator shall receive as salary an amount no greater than that paid to employees of the Federal Government for similar services.

SEC. 204. The Comptroller of the Currency shall cause to be made such examinations of the affairs of such bank as shall be necessary to inform him as to the financial condition of such bank, and the examiner shall make a report thereon to the Comptroller of the Currency at the earliest practicable date.

SEC. 205. If the Comptroller of the Currency becomes satisfied that it may safely be done and that it would be in the public interest, he may, in his discretion, terminate the conservatorship and permit such bank to resume the transaction of its business subject to such terms, conditions, restrictions, and limitations as he may prescribe.

SEC. 206. While such bank is in the hands of the conservator appointed by the Comptroller of the Currency, the Comptroller may require the conservator to set aside and make available for withdrawal by depositors and payment to other creditors, on a ratable basis, such amounts as in the opinion of the Comptroller may safely be used for this purpose; and the Comptroller may, in his discretion, permit the conservator to receive deposits, but deposits received while the bank is in the hands of the conservator shall not be subject to any limitation as to payment or withdrawal, and such deposits shall be segregated and shall not be used to liquidate any indebtedness of such bank existing at the time that a conservator was appointed for it, or any subsequent indebtedness incurred for the purpose of liquidating any indebtedness of such bank existing at the time such conservator was appointed. Such deposits received while the bank is in the hands of the conservator shall be kept on hand in cash, invested in the direct obligations of the United States, or deposited with a Federal Reserve bank. The Federal Reserve banks are hereby authorized to open and maintain separate deposit accounts for such purpose, or for the purpose of receiving deposits from State officials in charge of State banks under similar circumstances.

SEC. 207. In any reorganization of any national banking association under a plan of a kind which, under existing law, requires the consent, as the case may be, (a) of depositors and other creditors, or (b) of stockholders, or (c) of both depositors and other creditors and stockholders, such reorganization shall become effective only (1) when the Comptroller of the Currency shall be satisfied that the plan of reorganization is fair and equitable as to all depositors, other creditors, and stockholders and is in the public interest and shall have approved the plan subject to such conditions, restrictions, and limitations as he may prescribe, and (2) when, after reasonable notice of such reorganization, as the case may require, (A) depositors and other creditors of such bank representing at least 75 per cent in amount of its total deposits and other liabilities as shown by the books of the national banking association, or (B) stockholders owning at least two thirds of its outstanding capital stock as shown by the books of the national banking association, or (C) both depositors and other creditors representing at least 75 per cent in amount of the total deposits and other liabilities and stockholders owning at least two thirds of its outstanding capital stock as shown by the books of the national banking association, shall have consented in writing to the plan of reorganization: *Provided, however*, That claims of depositors or other creditors which will be satisfied in full under the provisions of the plan of reorganization shall not be included among the total deposits and other liabilities of the national banking association in determining the 75 per cent thereof as above provided. When such reorganization becomes effective, all books, records, and assets of the national banking association shall be disposed of in accordance with the provisions

of the plan, and the affairs of the national banking association shall be conducted by its board of directors in the manner provided by the plan and under the conditions, restrictions, and limitations which may have been prescribed by the Comptroller of the Currency. In any reorganization which shall have been approved and shall have become effective as provided herein, all depositors and other creditors and stockholders of such national banking association, whether or not they shall have consented to such plan of reorganization, shall be fully and in all respects subject to and bound by its provisions, and claims of all depositors and other creditors shall be treated as if they had consented to such plan of reorganization.

SEC. 208. After 15 days after the affairs of a bank shall have been turned back to its board of directors by the conservator, either with or without a reorganization as provided in section 207 hereof, the provisions of section 206 of this title with respect to the segregation of deposits received while it is in the hands of the conservator and with respect to the use of such deposits to liquidate the indebtedness of such bank shall no longer be effective: *Provided*, That before the conservator shall turn back the affairs of the bank to its board of directors, he shall cause to be published in a newspaper published in the city, town, or county in which such bank is located, and if no newspaper is published in such city, town, or county, in a newspaper to be selected by the Comptroller of the Currency published in the State in which the bank is located, a notice in form approved by the Comptroller, stating the date on which the affairs of the bank will be returned to its board of directors and that the said provisions of section 206 will not be effective after 15 days after such date; and on the date of the publication of such notice the conservator shall immediately send to every person who is a depositor in such bank under section 206 a copy of such notice by registered mail addressed to the last-known address of such person as shown by the records of the bank, and the conservator shall send similar notice in like manner to every person making deposit in such bank under section 206 after the date of such newspaper publication and before the time when the affairs of the bank are returned to its directors.

SEC. 209. Conservators appointed pursuant to the provisions of this title shall be subject to the provisions of and to the penalties prescribed by section 5209 of the Revised Statotes (U.S.C., title 12, sec. 592); and sections 112, 113, 114, 115, 116, and 117 of the Criminal Code of the United States (U.S.C., title 18, secs. 202, 203, 204, 205, 206, and 207), insofar as applicable, are extended to apply to contracts, agreements, proceedings, dealings, claims, and controversies by or with any such conservator or the Comptroller of the Currency under the provisions of this title.

SEC. 210. Nothing in this title shall be construed to impair in any manner any powers of the President, the Secretary of the Treasury, the Comptroller of the Currency, or the Federal Reserve Board.

SEC. 211. The Comptroller of the Currency is hereby authorized and empowered, with the approval of the Secretary of the Treasury, to prescribe such rules and regulations as he may deem necessary in order to carry out the provisions of this title. Whoever violates any rule or regulation made pursuant to this section shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $5,000, or imprisoned not more than 1 year, or both.

TITLE III

SEC. 301. Notwithstanding any other provision of law, any national banking association may, with the approval of the Comptroller of the Currency and by vote of shareholders owning a majority of the stock of such association, upon not less than 5 days' notice, given by registered mail pursuant to action taken by its board of directors, issue preferred stock in such amount and with such par value as shall be approved by said Comptroller, and make such amendments to its articles of association as may be necessary for this purpose; but, in the case of any newly organized national banking association which has not yet issued common stock, the requirement of notice to and vote of shareholders shall not apply. No issue of preferred stock shall be valid until the par value of all stock so issued shall be paid in.

SEC. 302. (a) The holders of such preferred stock shall be entitled to cumulative dividends at a rate not exceeding 6 per cent per annum, but shall not be held individually responsible as such holders for any debts, contracts, or engagements of such association and shall not be liable for assessments to restore impairments in the capital of such association as now provided by law with reference to holders of common stock. Notwithstanding any other provision of law, the holders of such preferred stock shall have such voting rights, and such stock shall be subject to retirement in such manner and on such terms and conditions, as may be provided in the articles of association with the approval of the Comptroller of the Currency.

(b) No dividends shall be declared or paid on common stock until the cumulative dividends on the preferred stock shall have been paid in full; and, if the association is placed in voluntary liquidation or a conservator or a receiver is appointed therefor, no payments shall be made to the holders of the common stock until the holders of the preferred stock shall have been paid in full the par value of such stock plus all accumulated dividends.

SEC. 303. The term "common stock" as used in this title means stock of national banking associations other than preferred stock issued under the provisions of this title. The term "capital" as used in provisions of law relating to the capital of national banking associations shall mean the amount of unimpaired common stock plus the amount of preferred stock outstanding and unimpaired; and the term "capital stock," as used in section 12 of the act of March 14, 1900, shall mean only the amount of common stock outstanding.

SEC. 304. If in the opinion of the Secretary of the Treasury any national banking association or any State bank or trust company is in need of funds for capital purposes either in connection with the organization or reorganization of such association, State bank, or trust company or otherwise, he may, with the approval of the President, request the Reconstruction Finance Corporation to subscribe for preferred stock in such association, State bank, or trust company, or to make loans secured by such stock as collateral, and the Reconstruction Finance Corporation may comply with such request. The Reconstruction Finance Corporation may, with the approval of the Secretary of the Treasury, and under such rules and regulations as he may prescribe, sell in the open market or otherwise the whole or any part of the preferred stock of any national banking association, State bank, or trust company acquired by the corporation pursuant to this section. The amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions of this section.

TITLE IV

SEC. 401. The sixth paragraph of section 18 of the Federal Reserve Act is amended to read as follows:

"Upon the deposit with the Treasurer of the United States, (a) of any direct obligations of the United States, (b) or any notes, drafts, bills of exchange, or bankers' acceptances acquired under the provisions of this act, any Federal Reserve bank making such deposit in the manner prescribed by the Secretary of the Treasury shall be entitled to receive from the Comptroller of the Currency circulating notes in blank, duly registered and countersigned. When such circulating notes are issued against the security of obligations of the United States, the amount of such circulating notes shall be equal to the face value of the direct obligations of the United States so deposited as security; and, when issued against the security of notes, drafts, bills of exchange, and bankers' acceptances acquired under the provisions of this act, the amount thereof shall be equal to not more than 90 percent of the estimated value of such notes, drafts, bills of exchange, and bankers' acceptances so deposited as security. Such notes shall be the obligations of the Federal Reserve bank procuring the same, shall be in form prescribed by the Secretary of the Treasury, shall be receivable at par in all parts of the United States for the same purposes as are national-bank notes, and shall be redeemable in lawful money of the United States on presentation at the United States Treasury or at the bank of issue. The Secretary of the Treasury is authorized and empowered to prescribe regulations governing the issuance, redemption, replacement, retirement, and destruction of such circulating notes and the release and substitution of security therefor. Such circulating notes shall be subject to the same tax as is provided by law for the circulating notes of national banks secured by 2 percent bonds of the United States. No such circulating notes shall be issued under this paragraph after the President has declared by proclamation that the emergency recognized by the President by proclamation of March 6, 1933, has terminated, unless such circulating notes are secured by deposits of bonds of the United States bearing the circulation privilege. When required to do so by the Secretary of the Treasury, each Federal Reserve agent shall act as agent of the Treasurer of the United States or of the Comptroller of the Currency, or both, for the performance of any of the functions which the Treasurer or the Comptroller may be called upon to perform in carrying out the provisions of this paragraph. Appropriations available for distinctive paper and printing United States currency or national-bank currency are hereby made available for the production of the circulating notes of Federal Reserve banks herein provided; but the United States shall be reimbursed by the Federal Reserve bank to which such notes are issued for all expenses necessarily incurred in connection with the procuring of such notes and all other expenses incidental to their issue, redemption, replacement, retirement, and destruction."

SEC. 402. Section 10 (b) of the Federal Reserve Act, as amended, is further amended to read as follows:

"SEC. 10. (b) In exceptional and exigent circumstances, and when any member bank has no further eligible and acceptable assets available to enable it to obtain adequate credit accommodations through rediscounting at the Federal Reserve bank or any other method provided by this act other than that provided by section 10 (a), any Federal Reserve bank, under rules and regulations prescribed by the Federal Reserve Board, may make advances to such member bank on its time or demand notes secured to the satisfaction of such Federal Reserve bank. Each such note shall bear interest at a rate not less than 1 per cent per annum higher than the highest discount rate in effect at such Federal Reserve bank on the date of such note. No advance shall be made under this section after March 3, 1934, or after the expiration of such additional period not exceeding 1 year as the President may prescribe."

SEC. 403. Section 13 of the Federal Reserve Act, as amended, is amended by adding at the end thereof the following new paragraph:

"Subject to such limitations, restrictions, and regulations as the Federal Reserve Board may prescribe, any Federal Reserve bank may make advances to any individual, partnership, or corpora-

tion on the promissory notes of such individual, partnership, or corporation secured by direct obligations of the United States. Such advances shall be made for periods not exceeding 90 days and shall bear interest at rates fixed from time to time by the Federal Reserve bank, subject to the review and determination of the Federal Reserve Board."

TITLE V

SEC. 501. There is hereby appropriated out of any money in the Treasury not otherwise appropriated the sum of $2,000,000, which shall be available for expenditure, under the direction of the President and in his discretion, for any purpose in connection with the carrying out of this act.

SEC. 502. The right to alter, amend, or repeal this act is hereby expressly reserved. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

Mr. FLETCHER. Mr. President, I simply desire to state that the bill of the House is identical with the Senate bill which the Banking and Currency Committee had under consideration and which was favorably reported this afternoon. It is therefore in order to substitute the House bill for the Senate bill, as has been done. It is very important, I think, that we act on the measure promptly. Of course we may be said to be speeding the matter somewhat, but the Senate realizes that at 12 o'clock tonight the President's proclamation closing the banks of the country expires, and we want to make it safe to proceed regularly with the banking business tomorrow.

Mr. VANDENBERG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Michigan?

Mr. FLETCHER. I yield.

Mr. VANDENBERG. I have heard it stated that the purpose of the measure is to clothe the Comptroller with authority to permit only such banks to open tomorrow as, in his judgment, are solvent as of today. May I ask the Senator whether he has any information for the enlightenment of the Senate as to the prescription which the Comptroller contemplates under the language on page 4 of the bill—which seems to be a blanket authorization to permit him to prescribe, as he sees fit—what shall happen to the banks of the Nation? Can the Senator tell me what is contemplated under that exercise of that power?

Mr. FLETCHER. Mr. President, this simply specifies the power of the Comptroller of the Currency with respect to the banks, and is nothing more, really, than the power he now possesses. Under the national banking act the Comptroller can close any bank that he considers insolvent. Here he is given authority to pass upon that question.

Mr. VANDENBERG. If the Senator will bear with me, I fully understand the fact to which the Senator adverts.

The Senator is equally familiar with the fact that there has been a sympathetic administration of many of these regulations up to date. We have been told that it is now the purpose deliberately to force out of business all save those banks which are 100 percent solvent as of today. I am inquiring of the Senator whether he can tell us if that is the expectation.

Mr. FLETCHER. I cannot agree with that. Undoubtedly the Comptroller will, I presume, though the law does not require it, know by the records in his office what banks are absolutely insolvent today. He will notify them what to do perhaps, if he desires to do that, because the proclamation expires at midnight tonight, anyhow. He may notify those to proceed which are solvent, and in respect to those that he may consider in a doubtful condition he may require some further regulation. I am not advised as to what course he will pursue.

Mr. VANDENBERG. May I ask the Senator for his own judgment as to whether it would be fair or proper to assess a rule of solvency against the values as of this afternoon?

Mr. FLETCHER. I should say not.

Mr. VANDENBERG. The Senator would not anticipate that any such rule would be contemplated under the language of the act?

Mr. FLETCHER. I should say not.

Mr. VANDENBERG. Will the Senator tell me what happens under this bill to the State banks which are not members of the Federal Reserve System?

Mr. FLETCHER. Under the provisions of the bill such banks are not affected directly. They are not made members under the provisions of the bill. They are left entirely free, as they are under the law today, to the control of the State authorities. There are some provisions in the bill whereby they may receive some indirect benefit; but they may or may not as they see fit, as in the case of capital-stock increases. We have a provision which may benefit the State banks.

Mr. VANDENBERG. Of course, any State bank a member of the Federal Reserve System would be benefited.

OFFER TO PROTECT STATE BANKS

Mr. LONG. Mr. President, will the Senator from Florida yield?

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Louisiana?

Mr. FLETCHER. Certainly.

Mr. LONG. I want to know if at this time I may offer an amendment? Does the Senator object? While the Senate was discussing the bill I have prepared an amendment, which I intend to ask to have inserted in the third section from the last, reading as follows:

Upon such terms and conditions as the President of the United States may see fit to prescribe, either generally or for a specific case or cases, any State bank may be declared a member of the Federal Reserve System and thereby receive the benefits and protection of this act, but under such conditions, requirements, and limitations as the President may prescribe.

In other words, there is no greater power to be conferred upon the President than this bill is going to give him over other banks. I propose to give the President the right to save the State banks.

Mr. FLETCHER. Have not the State banks that privilege now?

Mr. LONG. They would be required to subscribe to the capital stock and comply with other requirements which today they can not meet.

Mr. President, the condition of our State banks is due to the impositions of the big banks. They have loaded us down with their own collateral that they did not want themselves. They have filled our banks with German bonds and German marks. They have given us everything they did not want themselves. We have understood what they recommended to be a total loss. Whoever defied the works and powers and ultimatums of the big banking interests of this country could not remain in existence. The country banks were undertaking to finance farmers and mortgages and homes. The people of this country with little businesses today find themselves faced with a proposal which will open many big banks, but which will be nothing but an order for closing the little State banks in the country and many in the cities.

In order that the President of the United States, where it is justified, may take care of State banks, I simply propose to clothe him with power in similar language to that used in the bill by providing that where the President thinks it is proper he will have the right, on terms and conditions that he thinks proper, to protect the State banks, to enable them to receive the benefits of this act. Otherwise, tomorrow will not be a bank-opening day for State banks. It will be a black sunrise to 90 percent of the population of my State. Therefore I send the amendment to the desk and ask that it may be incorporated at the proper place in the bill.

The PRESIDENT pro tempore. The amendment will be read for the information of the Senate.

The CHIEF CLERK. The Senator from Louisiana offers the following amendment:

SEC. 501. Upon such terms and conditions as the President of the United States may see fit to prescribe, either generally or for specific case or cases, any State bank may be declared a member of the Federal Reserve System and thereby receive the benefits and protection of this act, but under such conditions and requirements and limitations as the President may prescribe.

Mr. BARKLEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. I yield.

Mr. BARKLEY. Does the Senator's amendment contemplate that the State banks shall enjoy the circulating privilege, similar to that enjoyed by national banks?

Mr. LONG. If the President of the United States in his wide wisdom and having in mind the welfare of the country thinks it necessary, I think he could go that far. I have proposed this in order that the President of the United States can protect all the people.

Mr. BARKLEY. Does the Senator think it is in the interest of sound banking, wise and expédient banking, to allow State banks, all sorts of State banks, all sizes and character of State banks, to enjoy the right to issue circulating money?

Mr. LONG. I have not done that.

Mr. BARKLEY. But the Senator proposes to give the President the power to permit them to do it.

Mr. LONG. The President has been given power to go into the stockings of the people at the forks of the creek and see what they have there. We have not proposed to give him a bit more power than the Senator has proposed to give him. We do not debate or question the power the President has been given. He has the right to go down into the pocket of the Senator from Idaho [Mr. BORAH] right now and see what is there. There is no limit to that. I do not mean the Senator has anything there, of course. [Laughter.]

I am not going to urge taking away from the President any power that is given him. In order to convince my friend from Kentucky that I am not undertaking to give the President undue power, I would ask that he turn and read the first section of this bill where he will find in section 2, subdivision (b) the President is given the right to make any kind of examination he desires to see if anybody is hoarding money, or to do anything in any realm the President may deem proper. While I was not one of those consulted with regard to this legislation, I am not willing to say that the possibilities of distress are not such as to require these unusual, extortionate powers to be given the President of the United States at this time. I do not believe that he should be given any power to amalgamate and concentrate, but I do believe that he is being given power in a manner that forces the closing of 95 percent of the State banks of the United States tomorrow morning, unless he is given the right to save them, too.

What will the little banks do in the little county seats? They have been lending money to farmers and also buying securities that have been sent to them from New York. They have filled their coffers full with German marks, bonds of Brazil, bonds of Argentina. They have had to do it. They would not have had credit otherwise. The word of Charles E. Mitchell was law. Now the Senator comes with a bill which will permit the bank of Charles E. Mitchell to hoist the flag of purity tomorrow morning under the sanction and protection of the Government of the United States and to close 95 percent of the State banks at the forks of the creeks of this country which have been guilty of no such practices as have the banks which the Senator proposes to save.

I do not propose to make it a blanket proposition. I propose that the President of the United States, in his power and in his wisdom, shall be allowed the right to include the banks of a State as members entitled to the provisions of this act, subject to the limitations, subject to the restrictions, and subject to the terms and conditions, either generally or specifically, which the President may see fit to prescribe. I should like to know where there is an injustice in that. Where is there a single act of injustice in it? I do not say that the President of the United States is going to grant any particular right or any limitation of rights as to any one of these banks that he may or may not wish to exercise, but let us not preclude him from having the right to do it.

I stepped over into the Finance Committee room in time to hear one remark today. That remark was that 60 percent, I believe it was, of the banking deposits are covered by the Federal Reserve System. That may be true, Mr. President; 60 percent of the deposits may be covered by the big banks; but the little banks in the counties and in the parishes and in the States are most in need of protection; and if we close up all these banks tomorrow and take away from them the means of credit and the means of circulation and force those means into the financial centers, we shall have done a far greater travesty here, I fear, than we are going to do with the relief we are going to give to the big banks.

Mr. BARKLEY. Mr. President, will the Senator yield again?

Mr. LONG. I yield to the Senator.

Mr. BARKLEY. Does the Senator's amendment contemplate conferring upon the Federal Government, either through the President or Secretary of the Treasury or the Comptroller of the Currency, power to examine local State banks or check their business?

Mr. LONG. Yes, sir.

Mr. BARKLEY. Does the Senator think Congress has any such power as that over State banks?

Mr. LONG. Yes, sir.

Mr. BARKLEY. Under what provision has it such authority?

Mr. LONG. Because whenever such a bank makes itself a member of the Federal Reserve System, it is subject to the President of the United States, and he would have the right to declare State banks to be members of the Federal Reserve System, and the same as this proposed act gives him the right to investigate and appoint conservators over the members of the Federal Reserve System, he would have that right as to State banks.

The only difference is that if these banks were to be made members of the Federal Reserve System, there are certain requirements imposed that we know they could not meet today. We all know what those requirements are. Particularly they could not keep all the reserves that member banks are required to keep; they could not contribute to the capital stock the amount that they would be required to contribute; and, possibly, they could not stand the initial examination that would be required; but I desire that the President—and I have no objection so to modify the amendment as to provide that he may act through the Secretary of the Treasury or the Comptroller of the Currency—that the President of the United States, who is being vested with these broad general and specific powers, will have the right under such limitations, terms, and conditions as he may see fit to prescribe to save these State banks, if he can. There will, of course, be some that he can not save.

Mr. BARKLEY. Will the Senator allow me to ask him one more question?

Mr. LONG. Certainly.

Mr. BARKLEY. I appreciate the sincerity of the Senator in offering his amendment, and I am in sympathy with the predicament in which the State banks are found; but, as a matter of fairness among the State banks, does the Senator think, even in an emergency of this sort, it is quite fair to the State banks that have taken on certain obligations on coming into the Federal Reserve System voluntarily and have complied with the requirements of the law that now those that have remained out, whether they are large or small, should be covered in, as an Executive order can cover in Government employees to the civil service, without undertaking the requirements and obligations that go along with membership in the Federal Reserve system?

Mr. LONG. I think it is manifestly fair. I think the Senator fails to appreciate that the pending bill is designed to permit members of the Federal Reserve System to open. There is not any difference, in fairness, in this proposed act. The mere fact that one of them qualified and one of them did not qualify, back at some far day in the distant past, does not make any difference; every one of them is holding money of the people of the United States. Whether they

are or are not members of the Federal Reserve System does not make a bit of difference in the world. Their correspondents are members of the Federal Reserve System, and there has been no such thing as a separate unit-banking operation in any State under the Federal Reserve Act.

The serious thing is this: I am not pleading for the banks; I am pleading for the little depositors in the banks in every community in this country. I am not talking about fairness to the little bank at Pelahatchee or the big bank in New York City; I am talking about the men and women, the bootblacks, the farmers, and widows who have money in these little State banks, just the same as other depositors have their money in big banks. You are proposing to take every dime they have away from them, and when Friday morning comes it will be a hanging day for that kind of people. Instead of there being a sunrise with the banks open, we will have opened the big banks, but the little State banks will not have a chance to open in many cases, because they may not be put under the banking receivers of the United States. We require the President to reach out and sieze the gold and issue certificates that big banks may live, but the little banks of the States of this country have got to be closed up while the big ones are saved. That is what this bill means.

Mr. ADAMS. Mr. President, will the Senator permit one bit of good news?

Mr. LONG. Yes, sir; but I know what good news the Senator is going to tell me.

Mr. ADAMS. The premise of the Senator's argument is that for a large number of State banks tomorrow is to be a bad day. I merely want to say that there is one State in the Union to which that statement does not apply. In the State of Colorado the State banks are sound; they are going to open; they are not filled with German marks or any bad securities. I know the Senator will be glad to get that information.

Mr. LONG. I thank the Senator, and I certainly am glad to get that information; but the trouble is that the Senator from Colorado, instead of myself and my successors, has not been running Louisiana. [Laughter in the galleries.]

The PRESIDENT pro tempore. The Chair warns the occupants of the galleries that there must be no applauding or laughing by them.

Mr. LONG. I wish all our banks were in the shape in which the Senator from Colorado says the banks of his State are, and I want to congratulate him upon being able to make such a statement. I certainly am happy if the people of the State of Colorado are in that condition and have had an administration that has no doubt reflected such credit on them, although none of us can claim it for our own States; but I can say for the State of Alabama and the State of Tennessee and the State of Michigan and the State of Louisiana—and I hate to admit it for the State of Louisiana—that we got along all right, particularly in the State of Louisiana, until the big banks broke down. We had a few bank failures, but we were getting along all right until the black flag went up over the high financial masters of America. Then we went down with a catastrophe that carried America down, and now we who have fallen beneath the debris of the big man who took us along with the little man cannot open our banks, but the National City Bank will open.

Mr. COUZENS. Mr. President——

Mr. LONG. I yield to the Senator from Michigan.

Mr. COUZENS. It may help the Senate to understand what the Senator from Louisiana intends to accomplish by the substance of his amendment if the Senator will enumerate, in case the President should permit the State banks to join the Federal Reserve System, just what benefit they would get, according to the understanding of the Senator from Louisiana.

Mr. LONG. Mr. President, as I understand the benefits of this act—and if there are no benefits in it I will say to the Senator from Michigan there is not any use passing it for anybody, but I conceive it to have intended certain benefits—the President is given certain broad sweeping powers. As an example, as I read the bill—and I hope the Senator will not expect me to have a mind that can grasp such a measure any quicker than his own—I only saw this bill the minute the Secretary began to read it and with a mind that is slow to move, and even when it does move does not catch very fast or very securely, I only thought I found the following things that we can point to that might be of benefit: The President is allowed to appoint a conservator over the banks, to receive deposits for the bank and to separate them from those that have already been received, thereby adding greater security for the man who wishes to deposit from this time on. Then they are allowed two other privileges. They are allowed first to deposit their bonds of the United States Government and to receive circulating currency; and then if they have not got bonds, they can deposit their bills of exchange, drafts, and notes and receive circulating currency up to 90 percent of the estimated value of those securities. That is my understanding. Have I stated that correctly?

Mr. COUZENS. May I ask the Senator to refer to page 5, section 202, under the title which is cited as the Bank Conservation Act? The Senator will observe that that is not extended to any other agencies than the National Banking Association and those in the District of Columbia and is not extended to member banks.

Mr. LONG. Does the Senator mean the right to issue circulating currency to member banks of the Federal Reserve System?

Mr. COUZENS. The Senator was referring to the right to appoint conservators?

Mr. LONG. Yes.

Mr. COUZENS. That is not granted the member banks under title 2.

Mr. LONG. I see that.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. LONG. Yes, sir.

Mr. BARKLEY. Under the State laws governing the operation of State banks the banking department of any State may take over a State bank and thereby perform the duties of a receiver. If the President should exercise the authority conferred upon him by the Senator's amendment, the President could issue a proclamation superseding the authority of all the State banking departments by authorizing the appointment of conservators for State banks under this proposed act. Is not that true?

Mr. LONG. I do not say that the President has the authority to appoint conservators; I was on my way to detailing what I understood to be the benefits; but I will say to the Senator that the President did issue a proclamation closing all the banks—National and State—whether belonging to the Federal Reserve System or not. Did he not do that the other day?

Mr. BARKLEY. There may be some question as to whether he had the power to close State banks.

Mr. LONG. Whether he had the power or not it has been done.

Mr. BARKLEY. Most of them were closed under proclamations of the governors and not by the President; most of them had already been closed under proclamations of the governors of the States. But, waiving the question of legality, if the Senator's amendment shall be adopted, it will authorize the President to issue a proclamation taking these banks into the Federal Reserve System and thereby substitute the national law as to either receivership or conservation for the State laws.

Mr. LONG. I would not undertake at this time, the Senator being much better versed in constitutional law than myself, to argue the question as to what would be the limitation of that power. I do not undertake to define it in this amendment. I assume, and I presume that the President, with good advice and the lights before him, will act constitutionally in what he does, but whether he appoints a conservator or not—and I am not by any means convinced that he can not do so, because the banks undertaking to become members of the Federal Reserve System would come into the

system under the terms and conditions he might prescribe—the bank would have the right to deposit bonds and get money; it would have the right to take the notes of farmers and get money on them; it would have the right, Mr. President, to participate in the liquidating fund that is set up, supposed to be in the amount of $500,000,000, so that if a bank has got to close it can pay the little depositor who has on deposit less than $1,000, 50 per cent and pay those who have more than $1,000, 25 per cent. Those are benefits, or they are supposed to be benefits, of which the farmers' banks, and the community banks, and the State banks, little and big, old and young, would have the right to avail themselves under this proposed act which they will not have if we pass this bill without any amendment to include State banks.

Mr. THOMAS of Oklahoma. Mr. President——

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. LONG. I yield first to the Senator from Oklahoma, and then I will yield to the Senator from Kentucky.

Mr. THOMAS of Oklahoma. Mr. President, I have just received a telegram from two prominent citizens of the State of Oklahoma, and I ask the Senator from Louisiana to yield that I may ask unanimous consent to have the telegram read at the desk.

Mr. LONG. I have no objection, Mr. President.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and the Secretary will read.

The Chief Clerk read as follows:

OKLAHOMA CITY, OKLA., *March 9, 1933.*

Senator ELMER THOMAS,
Senate Office Building:

Announced plan of opening good banks and deferring opening of doubtful or bad banks means that every bank whose opening is delayed will have received death sentence. We believe opening of all banks not positively known to be insolvent is necessary, even though withdrawals are restricted to extremely low percentage. Failure to open some banks will also make heavier runs on those opened. We believe issuance of clearing-house certificates or other paper resembling checks or drafts would cause people to spend their money more rapidly and pay debts than the issuance of new money. They will hoard the new money but would not hoard certificates.

E. K. GAYLORD.
GEORGE D. KEY.

Mr. GORE. Mr. President——

Mr. LONG. I now yield to the Senator from Kentucky.

Mr. GORE. Mr. President, I merely wish to make a request.

Mr. LONG. I yield then to the Senator from Oklahoma.

Mr. GORE. Mr. President, I received a similar telegram to that submitted by my colleague and from the same gentlemen. I should like to have printed in the RECORD at this point the answer which I sent.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

MARCH 9, 1933.

Mr. E. K. GAYLORD,
Oklahoma City, Okla.:

I agree with you entirely in regard to issuance clearing-house certificates or certified checks. I fear the reaction on all State banks reserving from the bill just reported. Those who formulated the bill and the committee took the position that the Congress could not regulate or coerce State banks. The resolution which I introduced the other day would have permitted State banks to become temporarily members of the Federal Reserve System without subscribing to the stock of the Federal Reserve banks. It was elastic and adjustable. The bill just reported should expire with the present session. That would constitute a motive to enact more matured and, as I think, more judicious legislation.

T. P. GORE, *United States Senator.*

Mr. BARKLEY. Mr. President, getting away, for the time being, from the question of the appointment of a conservator for banks that are in trouble, another title of this act provides that national banks may issue preferred stock, and that stock may be purchased by either the present stockholders or others or it may be subscribed by the Government for the purpose of providing a greater capital for those national banks. Would the Senator say that under his amendment, if the President should exercise all his powers, he would have the right to issue a proclamation authorizing State banks to issue preferred stock in States where the law of the State does not permit them to do it?

Mr. LONG. The Senator is propounding a technical constitutional question that I must confess my inability to answer at this time.

Mr. BARKLEY. Oh, no; that is a simple question.

Mr. LONG. I am going to answer the Senator. I would not undertake to state—and I trust Senators will understand, in my very limited practice of constitutional law that I could not tell exactly—what the powers of the President are in this emergency. I notice, though, for the benefit of the Senator from Kentucky, that even this bill has probably been written with some of its authors doubting all of its constitutionality, because they have provided a saving clause to the effect that if any part of this act shall be held to be unconstitutional it shall not affect the balance of the act.

Mr. BARKLEY. That is a thing that has been done many times in the Congress.

Mr. LONG. Many times; yes. I have done it myself. We do that quite frequently, but we do it as a saving matter.

To answer the Senator's question, however, what my amendment stipulates is that our President—our great President, and he is bound to be a great President for us to confer any such power as this on him, and I am one among the many who take the view that he yet is a great President, although I should like to see him have more advice than he is getting but he has not the time to take it—that our President shall have the right to say to a State bank, "You have not been condemned to death on Friday." Now, Friday is our usual hanging day in my State. [Laughter in the galleries.] It has been a custom for many years——

The PRESIDENT pro tempore. Will the Senator suspend a minute?

The Chair wishes to say to the occupants of the galleries, as was said this morning by the Vice President, that they are guests of the Senate, and that they must preserve order or it will be necessary to exclude them from the galleries. That has not been done often, and no one wants it done; but the occupants of the galleries must not engage in conversation, nor laugh, nor applaud. It is a courtesy that they owe the United States Senate to refrain from any demonstration.

Mr. LONG. Friday is generally known as "Black Friday." I almost have some superstitions about trying to open up the banks on Friday. We want to hurry to try to open them on Friday; but I know, Mr. President, that if we open up the big banks, the Federal Reserve banks, and say to the State banks, "You can not open tomorrow"—and, I tell you, they do not dare open; if they should open tomorrow morning they would be closed before the hour of 12 o'clock comes around—if we say to those banks, "You can open on your own responsibility," there is not one of them with any kind of discretion, or with the slightest understanding of human psychology or banking, that dares to think that his doors are going to remain open 3 hours tomorrow morning.

We are not saving many banks with this bill if we do not include the State banks, as we should. We are saying to the State banks, "You have been condemned to death, and you are doomed."

I do not want to argue the points that the Senator from Kentucky brings up. I believe he thinks about this matter exactly as I think about it. I know he wants to save every bank that he can; but we have had a very short time, Mr. President, and we must of necessity act in haste, I understand, on this legislation. In acting in haste, however, surely we ought not to leave out the State banks, and close them up, when all I have proposed to do is to empower the President to afford these provisions that are supposed to be good—and I think some of them are bound to be good—to the State banks instead of closing them.

The PRESIDENT pro tempore. The question is on the adoption of the amendment offered by the Senator from Louisiana [Mr. LONG].

Mr. GLASS and Mr. GEORGE addressed the Chair.

The PRESIDENT pro tempore. The Senator from Virginia.

Mr. GEORGE. I wish to offer an amendment to the amendment. That was my purpose in rising.

The PRESIDENT pro tempore. The Senator will have an opportunity to do so later.

Mr. GLASS. Mr. President, Congress is dealing in an unprecedented way with an extraordinary and desperate situation in the country.

Under the proclamation of the President and of the governors of many of the States, all the banks in the country are now closed. The proclamation of the President automatically expires at midnight tonight; and, unless some remedial legislation is enacted before that hour, we will have an indescribable condition of distress in the United States tomorrow.

This bill undertakes to apply, in the emergency, remedial powers vested in the President of the United States, the Secretary of the Treasury, and the Comptroller of the Currency. It broadens—in a degree that is almost shocking to me—the currency and credit facilities of the Federal Reserve Banking System, and largely extends these facilities to State banks which are not members of the Federal Reserve Banking System, that have never endured one penny of the expense of the establishment of the system or of its maintenance, and do not do so today.

This talk about closing all the State banks is based upon a total misunderstanding of the provisions of the bill. We do not close, by act or by implication, a single, solitary State bank in the United States—not one. These banks are within the jurisdiction and under the authority of the respective States, and every one of them may be opened at daybreak tomorrow morning by authority of the respective States.

Mr. COUZENS. Mr. President, will the Senator yield there?

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Michigan?

Mr. GLASS. I do.

Mr. COUZENS. Is it not possible by indirection, under this bill, to enable the State banks more easily to open, because they will have more liberal opportunities to borrow from national banks?

Mr. GLASS. From their correspondents in the Federal Reserve System.

Mr. COUZENS. That is true.

Mr. GLASS. Yes; undoubtedly so.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Michigan?

Mr. GLASS. Yes.

Mr. VANDENBERG. In the final analysis, would it be fair to say that the effect of the bill will be largely determined by the interpretation given its administration by the Comptroller?

Mr. GLASS. Ninety per cent of the effectiveness of this and of almost any other legislative measure depends upon its administration.

Mr. VANDENBERG. And the answer to the question as to whether State banks or other banks are affected largely comes down to a question of interpretation of the language defining the powers of the Comptroller?

Mr. GLASS. The State banks are not affected in any disadvantageous way by the text of the bill or by any fair implication that may be drawn from the bill.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. GLASS. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. Is it not true that the bill not only contains provisions which will enable State banks to obtain loans from member banks, but there is also a provision in the bill which will enable State banks, for reorganization purposes, to obtain capital from the Reconstruction Finance Corporation?

Mr. GLASS. It authorizes the Reconstruction Finance Corporation, upon the initiative of the Secretary of the Treasury and the approval of the President, to subscribe to the preferred stock of State banks.

Mr. REED. Mr. President, will the Senator permit a question?

Mr. GLASS. I will.

Mr. REED. All of us have been deluged today with inquiries from State banks that are not members of the System. Am I correct in understanding that the effect of this bill upon the opening of those banks will be that they will not have to receive permission from Washington; they will not have to receive permission from the Comptroller; they will look, as before, to the State banking authorities of the respective States for permission to open; and, if they get that permission, there is nothing to stop them from opening up at the end of the holiday?

Mr. GLASS. The Senator has stated the case precisely.

Mr. LONG. Mr. President——

Mr. REED. Just a minute. May I ask a further question? Is it not a fact that instead of impeding their opening and their operation, the bill will add certain resources to them, such as the Senator has described—the possibility of issuing preferred stock, if they see fit, and selling it to the Reconstruction Finance Corporation—and, in addition to that, the bill makes eligible for rediscount with the Federal Reserve System any secured notes which these State banks may give to their member correspondents? Is that correct?

Mr. GLASS. Undoubtedly it does that and does other things that will facilitate the opening of State banks, and will largely aid State banks.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. GLASS. I yield to the Senator.

Mr. COUZENS. I think there has been a misstatement or a misunderstanding, because I understood the Senator from Virginia to say that preferred stock would be issued by State banks and sold to the Reconstruction Finance Corporation. I do not so read the bill. As I understand the bill, it is confined to national banks.

Mr. GLASS. Oh, no; it is not confined to national banks.

Mr. COUZENS. What does title III mean?

Mr. GLASS. If the Senator will look on page 13, line 20, I will read the section:

> If in the opinion of the Secretary of the Treasury any national banking association or any State bank or trust company is in need of funds for capital purposes either in connection with the organization or reorganization of such association, State bank, or trust company, or otherwise, he may, with the approval of the President, request the Reconstruction Finance Corporation to subscribe for preferred stock in such association, State bank, or trust company, or to make loans secured by such stock as collateral, and the Reconstruction Finance Corporation may comply with such request.

Mr. COUZENS. Mr. President, will the Senator yield further?

Mr. GLASS. I yield.

Mr. COUZENS. I did not intend to confuse the issue. Of course, this is only by permission of the President; but section 301 of title III does limit it to national banks by authority of the Comptroller of the Currency without consent of the President.

Mr. BYRNES. He could not authorize State banks.

Mr. COUZENS. I understand what the Senator from South Carolina means, of course—unless the State enacted legislation permitting issuance.

Mr. BYRNES. That is exactly what I mean.

Mr. REED. Mr. President, will the Senator permit me to answer that?

Mr. GLASS. I yield.

Mr. REED. Of course the Congress has no power to regulate the internal affairs of a State corporation. We can not prescribe the method for it to increase or issue its stock. That authority has to come from the State.

Mr. COUZENS. We all understand that.

Mr. REED. And that is why section 301 is limited to national banks.

Mr. LONG. Mr. President——

Mr. GLASS. Now may I proceed, Mr. President?

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Louisiana?

Mr. GLASS. I do.

Mr. LONG. As I understand, the State banks, under the observation of my distinguished friend from Pennsylvania, are allowed to borrow from member banks. I should like to know about how much help they are going to get from member banks when they are closed today, and it is taking all the power of the Government to enable them to open.

Mr. GLASS. They are not going to get anything today, and they will not get anything tomorrow if this legislation is defeated here in the Senate; but if this legislation is enacted, they will have access to banks representing 64 percent of the resources of the Federal Reserve Banking System.

Now as to the proposition embodied in the amendment sent to the desk, authorizing the President of the United States to compel State banks to become members of the Federal Reserve Banking System, there is not a layman sitting in his seat here who does not know that that would be utterly invalid.

Mr. LONG. Mr. President, the Senator has misstated the facts. It does not compel them; it permits them to become members. The Senator wants to get his record straight.

Mr. GLASS. The Senator has his record quite straight, and the Senator does not relish having the Senator from Louisiana say that he has misrepresented anything.

Mr. LONG. The Senator is mistaken on the facts.

Mr. GLASS. Then the Senator had better be more civil when he first starts out.

Mr. LONG. The Senator is honestly in error on the facts.

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Louisiana?

Mr. GLASS. I do not.

The PRESIDENT pro tempore. The Senator from Virginia has the floor.

Mr. GLASS. There is not a desirable State bank in the United States which is not authorized to make application and gain membership in the Federal Reserve Banking System before noon tomorrow—not one. But it is idle to talk about the President issuing an edict declaring State banks to be members of the Federal Reserve System—State banks which have persistently for 18 years remained outside of the fold and protection of the Federal Reserve Banking System; State banks over which the Federal Government has not even the power of examination or espionage of any description; State banks which may do a variety of banking business not tolerated in the Federal Reserve Banking System. Yet it is proposed that the President of the United States, destitute, necessarily, of any knowledge of the condition of these banks, with no possible opportunity in weeks and weeks to ascertain their condition, shall cover them in arbitrarily by a blanket order and have them become members of the Federal Reserve Banking System, enjoying all the privileges of the System.

I said a while ago that there are provisions of this bill so broad and so liberal that no friend of the Federal Reserve Banking System, in ordinary times, would tolerate them for a moment. Under the provisions of the bill, when member banks shall have exhausted their eligible paper they may then bring their "cats and dogs," if you please, to the Federal Reserve bank, and with the assent of the Federal Reserve Board have them discounted under this bill, the whole thing submitted to the judgment of the Federal Reserve Board and banks.

Mr. REED. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. REED. Lest there be some misunderstanding of what the Senator has just said, I am sure the Senator does not mean to intimate that those loans would be made by the Federal Reserve banks without collateral which they believed to be strictly good.

Mr. GLASS. Oh, no. It is a question of judgment, it is a question of administration; but in dire and distressful times like these, the Senator knows as well as I know that the Federal Reserve Board and banks would be very liberal in their interpretation of this power and in their dealings with these banks.

Not only that, but it is provided under this measure, and a provision of law passed by the last Congress, that individuals shall be permitted to do business with the Federal Reserve banks, something that has never been done before since they were organized, individuals who have eligible paper in their possession, and who can not get accommodation at the member bank, permitted to take it directly to the Federal Reserve banks and be accommodated.

Mr. FLETCHER. Mr. President, the Senator referred to "cats and dogs." He means that paper which has not heretofore been eligible to rediscount may come in under this bill?

Mr. GLASS. Undoubtedly, under two provisions of the bill; and it will come in, in large degree.

An outstanding provision of the bill is that dealing with the issue of new currency. Senators will understand that there are two different kinds of Federal Reserve notes. Federal Reserve notes are required to be buttressed with 40 per cent gold reserve. But there is what the act calls a Federal Reserve bank note which requires no reserve whatsoever. It is on a par with national-bank notes. It is secured by bonds of the United States, and we have authorized in this bill the issuance of some billions of dollars of Federal Reserve bank notes to relieve the situation.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. BORAH. Is this additional amount of currency which is to be issued to be secured alone by Government bonds?

Mr. GLASS. It may be secured by other collateral than United States bonds.

Mr. BORAH. But it does not require any gold basis?

Mr. GLASS. It does not require any gold basis. Therefore, it is not a drain upon the gold reserves, so far as the gold reserves are concerned. I am coming to have less and less respect for a gold reserve which can not be used when it is needed to relieve the country. What is a reserve? It is a sum of money retained in the banks to meet emergencies, and yet when an emergency arises a banker will tell us he can not use his reserves except under penalty. The Federal Reserve Board is authorized by law to suspend all reserves for a period of 90 days, and then for an additional period of 90 days, covering a period of 6 months; and I have been urging them for 6 months to make the suspension, and they did it just 3 or 4 days ago.

There is talk about closing the State banks. The Senator from Pennsylvania has the correct idea. There is not a State bank in a State of this Union which will not be privileged to open tomorrow morning if it wants to do so, under State authority, and there is nothing the President of the United States or the Congress of the United States can do to prevent it.

There may be proclamations made, and some of us are disposed to think that most of these proclamations have been invalid and unconstitutional.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. VANDENBERG. The Senator used a figure a short time ago which I wish he might repeat and amplify. He made some reference to the fact that under this bill 64 percent of the Federal Reserve member bank resources would be released to-morrow. Was that the Senator's statement?

Mr. GLASS. Banks will be opened which represent approximately 64 percent of the banking resources of the System.

Mr. VANDENBERG. Does that indicate, then, that the Comptroller already has made the rule under which he proposes to open the banks?

Mr. GLASS. It indicates that the Comptroller of the Currency is accurately informed as to this class of banks, and would issue a blanket order right away.

Mr. VANDENBERG. Is it known precisely what banks will open and what banks will not open under the terms of the measure?

Mr. GLASS. The whole body of banks which come within the classification I have indicated will be reopened, and very shortly, promptly, we are assured by the Comptroller of the Currency, that larger body of banks, with somewhat impaired capital structure, will be opened, very likely within a few days; and only those banks which are literally rotten, and which ought to have been permitted to fail long ago, will not be allowed to be opened.

Mr. VANDENBERG. Those that will open in the course of a few days, to which the Senator refers, are in addition to the 64 per cent?

Mr. GLASS. In addition, aggregating nearly 5,000 of the 5,900 banks in the Federal Reserve Banking System.

Mr. REED. Mr. President, will the Senator permit a question?

Mr. GLASS. Yes; if it is not technical.

Mr. REED. It is not very technical. Some attention has been called to the fact that there is no gold reserve behind these Federal Reserve bank notes.

Mr. GLASS. No.

Mr. REED. Lest the impression get out that that is a novelty in the field of finance, I want to ask the Senator if it is not true that they were issued during the World War, to some extent secured entirely by Panama Canal bonds, and if it is not true that in English finance such notes have been repeatedly issued by the Bank of England, so that there is nothing novel about them?

Mr. GLASS. The history of the case is just this, in a word. For 50 years the whole banking community and business public denounced our bond-secured currency, and effort after effort was made to rid us of it, so that when the Federal Reserve law was enacted we provided that the Federal Reserve banks might purchase from the member banks their United States 2's, which carried the circulation privilege, in an amount not exceeding $25,000,000 per annum, in order that we might literally and eventually abolish the bond-secured currency, and substitute for it the Federal Reserve currency, issued upon commercial, industrial, and agricultural transactions, which would be emitted upon those transactions, and automatically retired at the maturity of the transactions.

Before the Federal Reserve banks could make large purchases of these bonds the World War came on and interrupted the whole proceedings. So that the Federal Reserve banks now have a very limited amount of these bonds upon which they are authorized by the law to issue Federal Reserve bank notes.

In the pending bill we very tremendously enlarge the authority of Federal Reserve banks to issue Federal Reserve bank notes on United States bonds, whether they carry the circulation privilege or not.

Mr. REED. What I am driving at, Mr. President, is that bond-secured currency is not a new thing in the world.

Mr. GLASS. Not by any means.

Mr. REED. Although we would all like to see it done away with.

Mr. GLASS. We would like to see it done away with, but it will be a long time now before it will be done away with.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. THOMAS of Oklahoma. Is it not a fact that the national-bank currency is secured only by 2 percent consols and a 5 per cent redemption fund?

Mr. GLASS. That I have said.

Mr. THOMAS of Oklahoma. Not necessarily gold.

Mr. GLASS. It has no gold reserve behind it at all, nor would the new currency we are proposing here have any gold reserve behind it.

About the only really arbitrary provision of the bill is that provision which authorizes the President, under the act of October, 1917, to embargo gold payments and to penalize the hoarding of gold and currency. I do not know who there is with wit or wisdom enough to define hoarding. Under that provision of the bill any Senator who drew his salary 3 or 4 days ago and kept it in his pocket might be regarded as a hoarder and fined $10,000 or put in the penitentiary for 10 years if the act should be administered in that unwise way.

But there is no difficulty in the world about following gold withdrawals to their destination and penalizing those people who are so unpatriotic as to accentuate this desperate situation by undertaking to deplete the gold of the banks. The banks themselves should have done that long ago. They have not lifted their little fingers to help the situation. They have swooped down here to Washington to have the Federal Government help them instead of helping themselves and helping the business of the country. Every man who stands behind a bank counter and is worthy of the name of banker knows perfectly well, when his customer comes in to rake gold over the counter, what he wants with it. He knows that ordinarily that customer does not want it for business purposes, but he wants to hide it away and hoard it. Under that provision of the bill I anticipate very little difficulty in tracking the gold down and in punishing, by fine and imprisonment if necessary, people who thus hoard their gold.

So largely with currency. Every banker ought to know the business of the patrons of his bank. They do in Great Britain. They do in Canada. In Canada at the beginning of the fiscal year every patron of a bank, every business man, has to file with the bank his budget for the year and his probable requirements in credit and currency. If during the year he undertakes to exceed his requirements as filed, he has to give to the banker a reason for it.

"Little banks"? Little corner grocerymen who run banks, who get together $10,000 or $15,000, as it may be, and then invite the deposits of their community, and at the very first gust of disaster topple over and ruin their depositors! What we need in this country are real banks and real bankers. If a struggling young man wants to get a place here in Washington as a stenographer or typist, he has to have a civil-service examination; and yet we have people all over the country from one end to the other calling themselves "bankers," and all they know is how to shave notes at an excessive rate of interest. They are not bankers.

Mr. President, I do not want to delay the consideration and enactment of this bill into law. I want to refer to just one further aspect of the problem. I have never known in the history of this country, except in time of war, such nonpartisan concert, such a desire upon the part of every reasonable man to cooperate and to relieve the situation. At the White House last night we had assembled there the leading representatives of both political parties in both Houses of Congress. With one voice they all agreed, almost if not quite without qualification, in saying that they would unite to enact this legislation before midnight tonight, and that if there might be discovered in it any defects, they should be remedied later. But let us do today what will result in the opening tomorrow or within the next few days of 5,000 member banks of the Federal Reserve System, which banks in turn will give out their facilities in an indirect way to their correspondent nonmember State banks and thus help the whole banking situation in the country.

There are provisions in the bill to which in ordinary times I would not dream of subscribing, but we have a situation that invites the patriotic cooperation and aid of every man who has any regard for his country and for its business interests. I appeal to you, Senators, not to load it down with amendments. Let us accept the bill, almost if not unanimously passed by the House of Representatives, and not alter it and have to go into controversial conference that might take us beyond the time when aid is imperatively needed.

Mr. KING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Utah?

Mr. GLASS. Certainly.

Mr. KING. I am sure it will be gratifying to the Senator from Virginia, as well as to other Senators, to know that within the past hour, as news has been flashed throughout the country of the terms of the bill, there have been a large number of applications by State banks to come into the Federal Reserve System. I am informed by Dr. Miller that they are coming in now by wire and that yesterday $350,000,000 of gold was restored to the banks in New York and large quantities today are being poured into the banks throughout the United States.

Mr. GLASS. The very psychological effect of the prompt enactment of this legislation will be tremendous. In my view it will do more than anything that has been suggested to restore confidence, and what we need, after all, is the restoration of confidence. I say to you, Senators, that it is the least objectionable of all the multitude of suggestions that have been presented. We have been trying in mass meetings to frame a banking bill, which is an utterly futile undertaking. Not until last night and extending into the early hours of this morning, with the assistance of experts, of actuaries, of practical banking men, were we enabled to frame a bill.

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Louisiana?

Mr. GLASS. Not yet. Although the responsibility in no sense is mine officially, I was there as an unofficial observer. I say that this is the least objectionable of any proposal that was made. I have not slept an hour since night before last, and now to be pestered with attempts to pinprick a great measure like this is not at all agreeable.

I yield to the Senator from Louisiana.

Mr. LONG. How many banks are there in the United States?

Mr. GLASS. When I had the last report there were about 19,000.

Mr. LONG. And you are going to open 5,000 and close 14,000.

Mr. GLASS. We are not going to close one, and the Senator does not know what he is talking about when he says "close 14,000." There is not a line or a sentence in the bill that authorizes the closing of any bank. They are all closed now, are they not?

Mr. LONG. Will the Senator yield further? Were you not told that this would mean that 5,000 national banks could open, that if this subscription of preferred stock were allowed they could open 5,000, and without it they will open 2,400, but even with it all 900 national banks would not open and 14,000 State banks would stay closed?

Mr. GLASS. No; I was not told anything of the kind, and if anybody who would tell me there is a word or sentence in the bill that closes a State bank, I would tell him he did not know what he was talking about.

Mr. LONG. I ask the Senator if he has not understood that under this bill, or was it not told to the Senator and did he not understand that under this bill, of the 19,000 banks in America, 5,900 of which are national banks, 900 national banks would not open and 14,000 State banks would not open?

Mr. GLASS. The Senator from Louisiana has such ignorance of the whole problem and such a lack of appreciation of things that he wants the President of the United States to cover 14,000 State banks into the Federal Reserve System without knowing a thing in the world about them.

Mr. President, I do not care to detain the Senate further. I simply implore Senators to subordinate their convictions, if it may be so, and to yield their prejudices upon these questions, and let us go forward and do the best we can, and then remedy the situation hereafter if the pending measure does not completely cure it.

Mr. GEORGE. Mr. President, if the amendment of the Senator from Louisiana is to be adopted, I think it should be amended. The amendment reads as follows:

> Upon such terms and conditions as the President of the United States may see fit to prescribe, either generally or for a specific case or cases, any State bank may be declared a member of the Federal Reserve System and thereby receive the benefits and protection of this act, but under such conditions, requirements, and limitations as the President may prescribe.

I move to amend, in line 3, after the word "may," by inserting the words "with its consent," so it would read "any State bank may with its consent be declared," and so forth. I think the Senator from Louisiana would not object to that.

Mr. LONG. I accept the amendment.

Mr. GEORGE. Reading further: "And thereby receive the benefits and protection of this act," I move to amend by inserting the words "in so far as applicable to the State banks."

Mr. LONG. I have no objection to that amendment. I accept it.

Mr. GEORGE. The amendment, as thus modified, would read:

> Upon such terms and conditions as the President of the United States may see fit to prescribe, either generally or for a specific case or cases, any State bank may, with its consent, be declared a member of the Federal Reserve System and thereby receive all the benefits and protection of this act in so far as applicable to State banks, but under such conditions, requirements, and limitations as the President may prescribe.

Mr. REED. Mr. President, in common with other Senators, I have found in the bill certain passages which I dislike and which do violence to my belief, but I am so impressed with the necessity of the case as it has been told us by the Senator from Virginia [Mr. GLASS] that I am not even going to mention those things to which I take exception. That can be corrected later when time is not so precious as it is at this moment. It suffices to say, Mr. President, that if this bill shall pass tonight, then every depositor in every one of the thousands of banks which will reopen tomorrow will know that by virtue of the provisions of the bill, currency is available to his bank which will be sufficient to pay every penny of every deposit in every one of the member banks that open. The resulting confidence will be so great that I shall feel amply justified in having postponed the relatively petty criticisms which I would otherwise be impelled to make at this moment.

Mr. ROBINSON of Indiana. Mr. President, I note on the first page of the bill language that seems to me to be much broader than will be necessary. I read section 1, title 1, line 7:

> SECTION 1. The actions, regulations, rules, licenses, orders, and proclamations heretofore or hereafter taken, promulgated, made, or issued by the President of the United States or the Secretary of the Treasury since March 4, 1933, pursuant to the authority conferred by subdivision (b) of section 5 of the act of October 6, 1917, as amended, are hereby approved and confirmed.

Mr. President, as I read this section, I assume it to mean that in matters of this kind the Congress will practically abdicate all authority and, for that matter, all its duties in the future, because it specifically approves and confirms everything, all the "actions, regulations, rules, licenses, orders, and proclamations" that may be promulgated, made, or issued by either the President or the Secretary of the Treasury heretofore or hereafter.

It seems to me that the words "or hereafter" could very well come out of that section. I assume that Congress certainly does not desire to confirm and approve everything the President may do in the future as well as what he has done in the past.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Nebraska?

Mr. ROBINSON of Indiana. I yield.

Mr. NORRIS. I think most of us will agree that under any ordinary circumstances the words the Senator has indi-

cated should come out, but the section, as I look at it, is not really as bad as it appears on its face. All of those acts, whether done now or whether they are going to be done in the future, come under section 5 of the act of October 6, 1917.

Mr. ROBINSON of Indiana. Then I would say to the Senator the authority is provided now, and the proclamations which have been issued have been issued under that particular law.

Mr. NORRIS. The President could issue other proclamations.

Mr. ROBINSON of Indiana. So long as they are pursuant to law.

Mr. NORRIS. But they would have to be under that particular section, so that it is not so broad. I was shocked when I first read the words, but if the Senator will follow the language and notice the reference, the action must be taken under section 5 of the act of October 6, 1917, which gives to the President certain authority. So I do not believe the provision is nearly so bad as it looks on its face.

Mr. REED. Mr. President, will the Senator yield to me?

Mr. ROBINSON of Indiana. I yield.

Mr. REED. The Trading With the Enemy Act is today of doubtful validity; no one knows definitely whether it was repealed by the Knox resolution. It is reenacted by section 2 of this bill. Section 2 as it stands now reenacted would have authorized all that President Roosevelt has done. Of course, what we are doing is merely ratifying those actions that he has taken and that would have been valid if section 2 had been in effect.

The inclusion of the words "or hereafter" is not good draftsmanship; that we all know; it is surplusage, because we do not confirm and approve any future act unless it is in compliance with section 5 of the act of October 6, 1917, as amended.

Mr. ROBINSON of Indiana. And that is already authorized.

Mr. REED. That is already authorized; it is pure surplusage.

Mr. ROBINSON of Indiana. Would it not be just as well to eliminate the words "or hereafter"?

Mr. REED. They are surplusage, as I say.

Mr. ROBINSON of Indiana. If that is all it amounts to, I shall not insist on my point.

Mr. REED. If President Roosevelt should go beyond the section of the Trading With the Enemy Act, the approval we are giving him would be of no effect.

Mr. LONG. Mr. President, I hesitate to consume any more of the time of the Senate, but the Senator from Virginia [Mr. GLASS] has practically given us to understand that it is almost an act of treason to question his mistaken remarks. If his argument is good, it is no different from the argument he made for 6 days some weeks ago, which was almost unanimously repudiated by all sections of the country, when by his own words he advocated closing State banks by preferring others to them. But the Senator has made one admission that I want Senators to recall. They will be voting, not under my statement, but they will be voting under the admission that has been made here by the Senator from Virginia that this vote means we will leave closed 14,900 of the 19,000 banks of the United States tomorrow morning, and once we leave them closed we have given a death blow to more than two thirds of the banking facilities, if not the banking resources, of this country.

The PRESIDENT pro tempore. The question is——

Mr. LONG. Just a moment, Mr. President; I have not half finished; I want to talk just a little bit more, and I will not exceed the time taken by the distinguished Senator from Virginia.

I know that rising here to speak for the little man at the forks of the creek is perhaps to be howled down the wind, and it probably is a little bit timetaking; but the authority which I have asked, Mr. President, is not anything beyond what the Senator from Virginia contends for within reasonable province. He has made a plea that the President of the United States be given authority to exercise the power to open the National City Bank tomorrow morning; he called upon every man who is patriotic to stand up and be counted in favor of opening the 5,000 big banks of the country tomorrow; but, as may be inferred from his remarks, it is an act of treason for anyone to stand up here today and plead for the cause of opening 14,000 banks that he calls pawnshops and corner grocery stores, though they have not got a bad nickel in them, they have not marketed German marks, they have not marketed bonds of Brazil, they have not used the United States Treasury, they have not financed the war between Japan and China. Mr. President, they may not represent to exceed 40 percent of the banking resources of the country, because the larger part of our banking resources is concentrated in the big financial centers of the East, and I do not wonder that my friend from Pennsylvania [Mr. REED] feels satisfied. Under the influence of the atmosphere of Pittsburgh and Philadelphia I might feel likewise; but coming from the broad, open spaces of the State of Louisiana, I say what the Senator from Virginia does not deny, but, on the contrary, what he even asserts on the floor of the Senate, that the United States Government is going to let 14,900 banks in America go to the bowwows, to eternal damnation, if what is being done here shall be consummated.

I am not disputing that it is better to have 5,000 banks than to have none; but what reason is the Senator going to give for opposing the amendment which I have proposed which merely allows the President of the United States to take into the Federal Reserve System banks that cannot, because of this emergency, meet the particular requirements? Why can they not meet them? Because they have been led to depend upon the banks of New York and Philadelphia and Pittsburgh; because they have sent on their collateral and securities to the banking centers; and since the gigantic financial operators of the country have closed the big banks and therefore have closed the little banks, the little banks cannot today comply with the requirements of the law and become members of the Federal Reserve System.

I want to read my amendment as it has been perfected. Here is what it is; here is what Senators are being called upon to vote against:

> Upon such terms and conditions as the President may see fit to prescribe, either generally or for specific case or cases, any State bank may, with its consent, be declared a member of the Federal Reserve System and thereby receive all the benefits and protection of this act in so far as applicable to State banks, but under such conditions, requirements, and limitations as the President may prescribe.

Why should Senators vote against this amendment? Will they vote against it because they want to say that the President of the United States shall not have the power to extend this act to protect 14,900 banks that otherwise will have to close tomorrow? Will they say that, because this amendment clothes the President of the United States with authority to protect 14,900 out of 19,000 banks, they believe the President might go too far? Will they say that it is more necessary to open up 5,000 big banks, accommodating the big financial centers, the big financial interests, which are not feeling the pinch and pang of hunger tonight because the last dollar they have is not tied up as is the case with depositors in many little banks? Will you say that because of that situation we should not let State banks be saved, even though in the wisdom of the President of the United States he can save them?

The little man who has a hundred dollars in a country bank—the big bankers do not take that kind of accounts; they are not profitable any more—the little man who has a thousand dollars, Mr. President, that is perhaps everything he has under God's living sun. The little banks of this country at the crossroads and in the county seats may have deposits of $2,000 or $3,000 or $4,000, and even down to as low as a hundred dollars, but those deposits of their customers represent everything that they have under the living

sun shining on God's earth. They represent every cent the depositors have with which to feed and clothe their families.

The customers of the big banks of this country are not hurt so much, because they are big concerns, though at this time they may be under some financial handicap, but when we close 14,900 banks it is not so much the banking institutions you are hurting; you are taking away from the little people of this country everything on God's earth they have with which they may plow the land or send the boy to school or buy something to eat tomorrow night. That is what we are doing when we save the big financial institutions of this country and condemn to death 14,900 State banks that have been guilty of no such operations as the Senator from Virginia would undertake to impute to them. If the Senator from Virginia wants to be so moral about this banking legislation, if he wants to penalize the little country banks because they have not acted in time, why does he not prescribe a rule of law that says that banks that have been guilty of practices that have put them outside the purview of reasonable law should not be covered by this bill? If you did that, you would close up every bank in Wall Street tomorrow morning. Oh, no, you are not going to do that; they are going to hoist the flag of the United States and the Star-Spangled Banner, so far as financial legislation will protect them in the machinations which they have been conducting, but you are going to close two thirds of the banks of the United States without rime or reason just because you are not willing to allow the President of the United States, under the broad powers that he is given, to save the State banks the same as he is saving the rest of them.

I copied something else the Senator from Virginia said:

The leaders of both parties have agreed to this.

I want to vote for the legislation just as much as do the leaders of both parties; I want to vote for it, I confess, as the Senator from Pennsylvania has confessed; while I do not know much about all that is in the bill, I would like just as much to vote for the legislation as would the leaders of the parties. Who are these party leaders? I am some leader myself, Mr. President, but I may not be very much of a one. [Laughter.] I am standing here today speaking for millions of people, whereas the Senator from Virginia is speaking for a handful of people.

If that is to be termed "party leadership," it is poor party leadership for you Republicans and it is poor party leadership for you Democrats to come here and condemn every little bank at the forks of the creek tomorrow morning to a perpetual and an eternal death in order that you may open up the banks in the big financial centers and such other ones as are able to avail themselves of this law, and in the same breath to say that in granting these arbitrary powers to the President of the United States you are not willing to trust him with power enough to save the banks of the States of the United States.

The Senator from Utah [Mr. KING] says that there are applications coming in right now to join the Federal Reserve System. I admit that, Mr. President. Certainly every one of the banks wants to join the Federal Reserve System tonight. That is just what my amendment undertakes to provide for. There is going to be many a one of them that will want to join the Federal Reserve System that is not going to be able to join it because it is not going to be able to get the money to subscribe to the capital stock. They are not going to be able to get enough money to make the proper deposits for legal reserve; and today we all know that there is just as much chance of those fellows getting in the Federal Reserve System as there is of their getting into this act under this legislation as proposed.

Why do you not let them in? Why are you going to keep them out? Why not let the President, the Comptroller of the Currency, and the Secretary of the Treasury—if you want to put those two men in there, I have no objection; he appoints both of them—why not permit them to take them all in, if the circumstances are such that the President of the United States thinks that in the great public interest and according to their record there could be a way made by which they can come into this System?

My friend from Virginia [Mr. GLASS] has said that the State banks are protected. What is the protection given to State banks under this legislation? They are allowed to borrow money from a member bank. Going to the grave for a savior! Why, they have had that authority all the time. The member banks are closed today, and we will do well enough to keep them open. They have had the authority to borrow from member banks. We all know that that resource is not worth anything at all. That is no resource to save a bank.

Then they have the further authority, that the Senator from Arkansas [Mr. ROBINSON] pointed out in his question to the Senator from Virginia, to borrow money from the Reconstruction Finance Corporation under certain circumstances. We all know that that is not going to avail them very much. That has been exhausted, practically, in its acceptable benefit already. So that if we are going to pass an act here that is intended to benefit the people, certainly we ought to allow the President, in the broad, sweeping power recommended by the Comptroller of the Currency and the Secretary of the Treasury, to include the State banks in this bill.

I have only one more reply to make.

The Senator from Virginia says that I am so unreasonable that I want the President of the United States to take care of 14,000 banks more than he is providing for him to take care of. Is it unreasonable for us to provide that the President of the United States shall have the right to protect the entire banking situation rather than just that of a favored and select class? What is there that is unreasonable about the matter simply because we want the farming communities and the laboring communities and the States and municipalities protected in their own banks? What is unreasonable about it? Is it not better to have the Government go as far as it can to protect them all?

Mr. President, I ask for the yeas and nays on this amendment.

Mr. GORE. Mr. President, I desire to offer a substitute for the amendment offered by the Senator from Louisiana.

I do not mean to delay the passage of the bill, nor do I intend to discuss either his amendment or this substitute. There are several things I should like to say.

I do not agree with the Senator that we can vest in the President power to cover State banks into the Federal Reserve System, much as I should like to see them within that fold.

I offer the first section of this joint resolution, which I have previously introduced, as a substitute for the amendment which the Senator from Louisiana has presented.

Mr. BRATTON. Let it be read, Mr. President.

The PRESIDENT pro tempore. The amendment in the nature of a substitute will be stated.

The LEGISLATIVE CLERK. The Senator from Oklahoma offers the following amendment in the nature of a substitute for the amendment offered by the Senator from Louisiana [Mr. LONG]:

That (a) this act shall apply to all banks which are members of the Federal Reserve System, which for the purposes of this act shall be designated as active member banks.

(b) This act shall apply to State banks and banking associations which are eligible under existing law to become members of the Federal Reserve System, subject to the conditions herein prescribed, which banks for the purposes of this act shall be designated as associate member banks.

(c) Any bank described in the preceding paragraph which is otherwise qualified may with the approval of the Comptroller of the Currency become an associate member bank for a period of 2 years unless sooner terminated by the Comptroller without subscribing to the capital stock of the Federal Reserve bank in the district in which it is located upon agreeing to comply with all applicable provisions of the Federal Reserve Act, as amended: *Provided*, That the Comptroller of the Currency, with the approval of the Secretary of the Treasury, may relieve such bank from compliance with the provisions of said act which are inapplicable or which are unnecessary for the purposes of this act.

Mr. GORE. Mr. President, I realize that the pending bill was prepared in great haste. The consideration which the committee devoted to the measure was necessarily limited. The consideration which it is to receive at the hands of the House and the Senate is necessarily limited. I do not mean to obstruct its speedy passage. I do, however, feel not a little concern as to the effect or reaction which the pending bill may have upon the State banks.

Whether for good or ill, we have a dual system of banking, made up of State and national banks. It is something like the "siamese twins," the death or the illness of either threatens the life or the health of the other.

The substitute which I have offered would permit State banks to become at least temporary members of the Federal Reserve System without being required to subscribe to the capital stock of the Federal Reserve banks. The tenure of such membership is limited to two years, unless sooner terminated by the Comptroller of the Currency. It seemed to me that the State banks might, under this amendment, get under the wing of the Federal Reserve System and enjoy a degree of protection which I fear they may not enjoy under the pending measure. It might serve as a storm cellar during this storm.

My own judgment is that the pending bill itself ought to be limited in duration to the period of the present session, and should terminate when it adjourns. That would make the passage of more matured legislation, and, as I conceive, more desirable legislation, a necessity.

If the time were limited, I should feel less objection to the granting of such unlimited, such plenary power. I realize that under the existing stress and strain this amendment will not be adopted today. Its passage would call for an additional perfecting amendment. I shall not detain the Senate, however.

Mr. FLETCHER. Mr. President, while we may feel sympathetic to some portions of the ideas advanced in this proposed substitute, I appeal to the Senate to let that rest as a subject for future legislation. We can take up later this question of membership and associate membership in the Federal Reserve System, and all that sort of thing; but we must attend now to this situation, which is emergent, and which I hope will be disposed of without any amendment whatever, in order that the bill may become law.

Mr. VANDENBERG. Mr. President, I feel it necessary to submit a brief observation in respect to this measure before I cast my vote upon it.

If it were not for the utterly critical situation in which we find ourselves, and if it were not for the fact that complete cooperation with the Executive seems to be an unavoidable necessity of the moment, whether we like the Executive's prospectus or not, I should hesitate a long, long time before I would sanction with my vote a perilous adventure of the nature here contemplated. I hope and pray that I am mistaken in these apprehensions.

Mr. President, it seems to me that what shall happen to the banking of the Nation under the blanket authority which is about to be voted depends entirely upon the hurried judgment of the Comptroller of the Currency as he may undertake to exercise his judgment during the hours of tonight and before tomorrow comes. With greatest respect for the Comptroller and the Treasury, I say it is tragic that the time is not allowed us in which to require that these judgments shall be exercised in the fashion Congress shall desire.

I should be unwilling to permit that type of exercise of power if it were not, I repeat, for the exigent situation in which we inextricably find ourselves; and even under this impulsion I am reluctant to proceed, because I cannot escape the feeling that the Comptroller is about to decide—and when he has decided, he has decided once and for all, in the present state of the public mind—that the Comptroller is about to decide tonight what banks in America are solvent and what banks in America are not solvent, and he is about to decide upon the basis of the utterly wrecked market values as they exist on Thursday of this dark week. Under such a rule many an otherwise solvent bank will be branded unjustly and without necessity. Its depositors thereupon are the victims.

I do not believe that this is the way to salvage a maximum proportion of the savings of the American people. I do not believe it is a choice of the lesser evil. On the contrary, I should infinitely prefer to write a formula under which every bank in the Nation, big or little, would divide its own assets into liquid and nonliquid assets, trustee its nonliquid assets against participation certificates distributed to its depositors, and open its liquid assets to the business of its depositors under a Federal insurance which would protect the depositor in respect to that section of the bank's assets, under a Federal insurance which would protect the new business, under a Federal insurance which would be self-sustaining by its own premium contributions. I should infinitely prefer to proceed under a system which, fashioned in that constructive mold, would look toward conservation rather than liquidation, and which would postpone the liquidation to a more orderly process and a happier moment in respect to the values in the market of the day. In such a fashion I should expect to serve the larger needs and advantages of the depositors in all our banks.

I am utterly out of sympathy with the theory upon which we are about to proceed. I think the bill will be a complete disappointment in many sectors of the Nation, and I am inclined to think that one of the sectors where the disappointment will arise will be in my own State of Michigan. I repeat that I hope I am mistaken, but I must express my candid views.

But I have no opportunity to proceed in the direction that I want to go. I have no chance, under summary circumstances such as exist here tonight, to proceed constructively in the fashion that I believe would best conserve the savings of the American people. I must vote either "yes" or "no" upon a formula that I never even saw until 2 hours ago. I must choose either to cooperate under a program whose authors conscientiously think that it has some advantage for many banks, or to decline any aid to any banks at all, and to leave the country with no relief at all.

Therefore, believing as I do that there are in the bill a few sections of distinct advantage, although disbelieving completely in the summary liquidation theory upon which it seems chiefly to be built, solely because this critical moment does require a forward march, I shall vote, reluctantly, "aye."

The new administration is fresh from a popular mandate. It is entitled to an unhampered chance to save the crisis of the approaching zero hour when the Presidential proclamation expires. It has written this answer to our needs. To tie its hands with a refusal of its recommendation would be simply to precipitate chaos worse confounded. Therefore it seems logical to give this formula its chance. But I expect to see new, subsequent needs for a broader and more constructive supplemental program, and I intend to urge that it be built as I have indicated.

Mr. TRAMMELL. Mr. President, while the pending bill does not meet my approval in toto, I am going to support the measure because the emergency makes some measure of relief imperative and immediately necessary. I feel that there are many splendid provisions embraced within the different sections of the bill that will be helpful, but fear it carries with it a spirit of more generosity to the big banks and the large bank centers than it does to the small banks. I believe that with the situation with State banks equally as acute as with the national banks, every possible aid that was legal should have been given to them also. It is exceedingly disappointing to me that in dealing with the great financial crisis in this country, and dealing with our financial system, which is composed of both National and State banks, there are not more specific provisions in the bill calculated to extend the hand of assistance to the State banks of the Nation, which constitute a large percent-

age, at least a very substantial portion, of the financial institutions of the country.

I realize there is a differentiation to be made between the authority and control over national banks and that over State banks, and I also appreciate that those who prepared the bill were working under that restriction. But, in my opinion, provisions could have been written into the bill which would have given the privilege to State banks to come in under the protective wing of the measure, and would most assuredly have gone farther in stabilizing and in settling the present financial condition, and have added to the probability of the pending measure's meeting the high expectations of those who prepared it, and to which a stricken people look with so much hope.

I am going to support the measure, and hope it will be a boon to our people. My regret is that the measure does not more fully cover the entire situation with a system of rejuvenation for all our banking and other ills. Some effort has been made in the bill to assist State banks, all of which effort is to be thankfully received. But I am impressed with the fact that attention should have been paid to providing a system and in drafting legislation which would result in a steadying of conditions in this country, which we all realize are very disastrous at the present time. I think we could have made the beneficent influence of this legislation more widespread by providing more assistance for the State banks than is provided in this bill.

Mr. LA FOLLETTE. Mr. President, I rise with a great deal of reluctance at this urgent hour in the consideration of the pending measure. I believe that no more important vote has been taken since I have been a Member of this body than the one which we are about to cast. In fact, I do not believe a more important vote, in so far as it will affect the future welfare of this country, has been cast since that eventful day on which was enacted the resolution declaring our entrance into the World War.

The closing of our banks and the suspension of the gold standard were, in my judgment, the inevitable culmination of the depression. In 3 years we allowed production in the United States to drop 50 percent and unemployment correspondingly to increase. We allowed credit to be contracted by over $15,000,000,000, or approximately one third. We allowed the Nation's income to fall from $85,000,000,000 in 1929 to $40,000,000,000 in 1932. In 1929 we had about 33 percent more money in the banks than in 1932.

During this period, notwithstanding the ruthless deflation, which was permitted to go on unchecked, and the corresponding and increasing rise in unemployment and decline in purchasing power, many political and financial leaders in the United States reassured us again and again that, nevertheless, and above all else, we enjoyed a sound banking structure and a sound currency. We now learn that bank deposits under the gold standard are no safer than the worker's job. We are faced by the greatest crisis of our history, and I want to remark that no orgy of war inflation in all the history of the world of a credit or currency nature has ever resulted in such a complete and unjustifiable collapse as the present one. We have as many people, we have as many needs, and as much capacity for production, as in 1929. But there is no money in the hands of the great mass of the people with which to supply those needs or buy the products of this great productive mechanism.

In this situation the President has presented us with an emergency banking bill which calls for extraordinary powers for the executive branch of the Government and extraordinary measures to meet the crisis. I acknowledge at once that these measures and these powers are absolutely necessary; but, in this fateful hour, it is essential that these measures be carefully conceived, with a view to meeting adequately the needs of the situation, and to fulfill the demands of social justice, taking the United States and its possessions as a unit.

Mr. President, I realize that I am merely citing these considerations for the record, for I understand that every Senator has determined how he is about to vote, but there are certain considerations which I venture to leave upon this record before the vote is taken.

The present banking crisis is not a separate problem in our economic depression. It is a part of the whole situation and a natural outcome of the course of events of the past 3½ years. This means that we cannot meet this crisis, in my humble judgment, merely by special measures aimed to relieve present difficulties. We have the experience of the National Credit Corporation and the Reconstruction Finance Corporation to guide us, with the things said by the sponsors of that legislation when it was pending on the floor of the Senate a few months ago. We were told that these institutions and their activities would relieve our financial difficulties. They have been signal and tragic failures. The lesson is that our financial problems cannot be solved merely by specific institutions and measures to correct credit and banking weaknesses or evils. The problem is the restoration of the purchasing power of the people of this country.

It is evident, of course, and I acknowledge it, that the first step in this problem is to restore the functioning of the banks, but it should not be supposed that extraordinary measures taken to reopen banks will assure their future operation in a satisfactory manner or contribute to recovery from the present depression. We must therefore make plans for a financial reorganization which will lay the basis of permanent recovery, as well as reopen the banks. In this undertaking we have to take account of the existing situation of the banks and the available resources of Government to deal with existing problems. The Government can do almost anything with the banks of the country in this situation except to leave them to themselves. We at last have reached a situation in which no one will deny that the Government and the Government alone can restore the financial activity of the Nation. Senators therefore have not for their immediate consideration the question whether the Government shall do something about the banking problem, but what it shall do. The decisions we will make tonight will determine whether or not the normal economic life of the country will be rapidly restored and along what lines wealth and income will be distributed among the people.

It seems to me, therefore, that we should consider exactly how this measure will operate. We should know its objectives. As any action of Government to restore the financial activities of the Nation must involve innumerable and vital problems of equity, let us give especial consideration to the situation of the banks now closed.

The banks of the country, if I read this bill rightly, are to be divided, between now and a few hours hence, into the sheep and the goats, and my fear is that the depositors and the stockholders of the banks of the United States will be subjected to the same classification. Some banks are in a stronger position than others.

During the 15 months ended December 31, 1932, the banks of New York belonging to the Federal Reserve System lost only $223,000,000 in time deposits, and gained $391,000,000 in demand deposits. During the same period they increased their investments by 752 millions and their holdings of Government securities by 773 millions. During the same period the member banks of the Federal Reserve System outside of New York lost 2,535 millions in demand deposits and 2,223 millions in time deposits, while their loans were contracted 4,016 millions. Their investments declined 674 millions. This period was one of increasing liquidity for the New York banks and decreasing liquidity for the out of New York banks. Notwithstanding their extreme liquidity, the New York banks could not keep open in the face of the crisis of last week. Nor is their liquidity due to the fact that in the period prior to 1929 they were conducting their business upon sound banking principles. Their liquidity is largely due to their strategic position in our financial structure.

I ask unanimous consent to have printed in the RECORD at this point a table showing the condition in 1931 and 1932 of the member banks of the Federal Reserve System.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Member banks of Federal Reserve System

[Millions of dollars]

Banks	Month	Demand deposits	Time deposits	Loans	Investments
New York	September 1931	5,546	1,163	5,222	3,032
Do	December 1932	5,937	940	3,537	3,784
Net change		+391	−223	−1,685	+752
Governments—September 1931		1,830			
December 1932		2,603			
Other Reserve cities	September 1931	5,805	5,552	8,455	4,561
Do	December 1932	5,424	4,517	6,164	4,366
Net change		−1,381	−1,035	−2,291	−195
Governments—September 1931		2,301			
December 1932		2,462			
Country banks	September 1931	4,758	6,259	7,198	4,589
Do	December 1932	3,604	5,071	5,473	4,111
Net change		−1,154	−1,188	−1,725	−478
Governments—September 1931		1,159			
December 1932		1,474			

SHRINKAGES OR GAINS BETWEEN END OF SEPTEMBER 1931 AND DECEMBER 1932

	New York	Outside New York
Demand deposits	+391	−2,535
Time deposits	−223	−2,223
Loans	−1,685	−4,016
Investments	+752	−673
Governments	+773	+476

Mr. LA FOLLETTE. Mr. President, the fact is that the present crisis finds the New York banks in a stronger position than the banks in the outlying districts of the country, by reason of a policy of continuous deflation pursued for the past 3 years. The pending bill apparently takes account of these fundamental differences between the strong and the weak banks. The bill provides for almost unlimited Government support of the strong banks, and Government "conservation" of the weak banks. It is this "conservation" to which we should give serious thought. The weak banks are to be taken charge of by the Comptroller of the Currency in cases where such banks are national banks. The Comptroller will appoint "conservators"—another term for receivers—for the weak banks. The conservators will have the powers and duties of receivers.

There is here, it seems to me, an evident violation of certain fundamental principles of equity and accepted theories of government. If the strong banks could reestablish operations without the aid of Government credit it would be in accord with the theory of our institutions to allow the weak banks to take their medicine. There is, however an inequality and inconsistency in giving unlimited Government aid and funds to the strong banks and thus enabling them to force on the weak banks reorganization more or less—and, I fear, more—on the terms of the stronger banks.

If the banks of the Nation cannot reopen without Federal aid of an unlimited amount, then it seems to me, in equity and in justice, only fair that the resources and liabilities of all of our banks should be merged respectively. It would then be possible for the Government to lend its aid to reconstruction on bases which are fair to all the people and to all sections of the country.

The reorganization of the banks along the lines indicated in the bill is open to the further objection of dangerous possibilities of abuse of power by the strong banks which are to be aided by the Government in the reorganization work. Reduced to simple language, I am apprehensive that the situation will be as follows: The strong banks, which with the aid of unlimited Government credit made available through a liberalization of the present rediscount facilities of the Reserve System, will have an unfair bargaining power over the weaker banks in the wholesale reorganization of the banking structure of the Nation inevitable under the genesis and theory upon which the legislation is predicated.

Under the bill a percentage of the banks will be able to reopen. They may at once receive from the Reserve banks, under section 401, Federal Reserve notes up to 100 percent of their holdings of Government bonds, regardless of the market price of such bonds, and against commercial paper which they hold in large quantities. Those banks will also profit from a large issue of currency which is soon to be made. On the other hand, the weaker banks of the country, mostly outside of New York City, will either have to close or accept the conditions of the "conservators" appointed by the Comptroller of the Currency.

I fear that the bill will bring about a reorganization of the banks of the country into group-banking units. The terms of such reorganizations must in the nature of things be dictated by the stronger financial interests, which will be able to bargain with the advantage of large liquid resources. The stronger banking interests will be enabled to buy the control of the impaired banks through the acquisition of preferred bank stock, an innovation in banking practice in the United States.

Such preferred stock will give the same voting rights as the common stock and will carry no liability on the part of stockholders for future losses.

It is moreover provided that the Reconstruction Finance Corporation may purchase in unlimited amounts preferred stock of the reorganized banks and subsequently sell such preferred stock in the open market. These powers will vest in the financial interests of New York a virtual dictatorship over the banking of the entire Nation. The financial power and rights so obtained will be obtained with the credit and resources of the United States Government. The losers will be prostrate communities and their stockholders and depositors who are deprived of the financial resources of New York and Washington.

The new preferred-stock issues of banks, a new and, I venture to assert, a dangerous feature in banking, bid fair to be the subject of speculation, manipulation, and abuse by insiders. Through these corporate instruments the control of banking in the interior can be concentrated in New York through the aid of the Federal Government, if I read the measure correctly.

There can be no proper objection, Mr. President, to the extensive powers proposed for the Executive in this emergency, nor can there be any objection to radical measures of assistance to our banks. Let me make it clear that I am not afraid to give power to the Executive in this emer-

gency. My objection is that there is not sufficient control in this measure. Once the liquid banks are permitted to open they are free agents, and, with the printing presses of the Bureau of Printing and Engraving behind them, they will be in a position to buy in the weaker banks at their own price. If I could have my way, I would insure control by the President of these banks during the emergency. The objection is to giving the financial interests of New York and other centers which have become liquid during the period of this deflation a possible stranglehold on the resources of the country, to selling the banks of the country at marked-down prices to interests which will be given money to buy when the rest of the country is penniless.

The measures outlined in the bill do not guarantee deposits or sound banking operation. The Government places its credit at the command of the strong and, I judge, hopes they will deal wisely and gently by the weak. These measures, I fear, will lead to a frittering away of public credit on operations akin to those of the Reconstruction Finance Corporation. Above all else we need our credit resources to provide for extraordinary measures, to bring about reemployment and a re-creation of purchasing power in the United States. We need to create additional purchasing power by State action. That purchasing power must be used to put men to work and not to enable financial interests in New York to acquire financial power and subsequently hoard money and to absorb the new issues of currency and credit as the banks have done during the entire period of this deflation.

I grant that the Government must reopen the banks, and it follows that the Government should retain control and thus assure that it has opened the banks for public service and not for the possible profits or advantage of the few. The Government must mobilize the resources of credit, but if the liability is to be 100 percent that of the Nation, then it should be properly safeguarded so that we might be reassured that 100 percent of the profits will flow to all the people of the country.

The PRESIDENT pro tempore. The question is on the substitute of the Senator from Oklahoma [Mr. GORE] for the amendment of the Senator from Louisiana [Mr. LONG].

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Louisiana.

Mr. LONG. I demand the yeas and nays.

The PRESIDENT pro tempore. Apparently the demand is not sufficiently seconded.

Mr. LONG. May I ask that those who favor the yeas and nays shall stand and be counted? I think there was a sufficient number to second the demand.

The PRESIDENT pro tempore. That can not be done except by unanimous consent. The rule requires that it shall be determined by Senators raising their hands. Is there objection to the request of the Senator from Louisiana? The Chair hears none. Those seconding the request for the yeas and nays will stand and be counted. [After counting.] Not a sufficient number having seconded the request, the yeas and nays are not ordered.

Mr. LONG. Then am I to understand the yeas and nays can not be had?

The PRESIDENT pro tempore. That is the ruling of the Chair. The question is on the amendment of the Senator from Louisiana.

Mr. DALE. Mr. President, assuming that the yeas and nays would be ordered, I had not intended to make any statement respecting the matter. But it is utterly impossible for me to allow this question, which I consider the gravest question with which we have had to deal since the night we voted for war, to be decided without making my position perfectly clear. I am not going to undertake to make a speech.

I am disappointed. It is not because this is a Democratic measure. It is not because it gives wide powers, because if it would do any good I would vote for powers so wide that they would be far beyond anything I can imagine myself voting for. I believe that this measure will not only fail to do any good, but it will be one of the most disastrous things we can possibly do. For that reason I want to make it perfectly clear that I shall vote against the measure.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Louisiana [Mr. LONG].

The amendment was rejected.

The PRESIDENT pro tempore. Are there any further amendments? There being no further amendments, the question is, Shall the bill be read a third time?

Mr. CONNALLY. Mr. President, I desire to detain the Senate for only a moment. I agree with Senators who have made observations with respect to the momentous character of this legislation. I realize that in time of peace we have perhaps never been called upon to vest such transcendent powers in the Executive as are provided for in this bill. But, Mr. President, I view this emergency as being such as is incapable of being met by the slow processes of ordinary parliamentary procedure. It is an emergency which can be adequately dealt with only by the strong arm of Executive power, and therefore I expect to vote for the bill, though it contains grants of powers which I never before thought I would approve in time of peace.

But let me observe that the responsibility for its execution is also going to rest upon the executive officers charged with its administration. It is important, Mr. President, to open the banks, but it is much more important to keep them open after they are once opened. I want to express regret that no member of the Committee on Banking and Currency has given the Senate any information as to the limitations that will be imposed or as to the methods that will be prescribed by the Treasury Department as to those banks which it is expected will open tomorrow. I want to warn those authorities that if the banks of the country on tomorrow are opened without limitation and without restriction, we shall be presented on the following day with conditions more critical than they are today. I express the hope that the administrative officers yonder in the Treasury, those who are advising them, will act with prudence, with vision, with foresight, because public opinion in America today is excited, it is irritated, it is stirred with reference to the banking situation as it has not been stirred in many years. It is in a state of flux, and if the authorities do not act with wisdom and with caution we may be plunged into a situation more dire than the one which is now presented.

I have appeals from bankers of my own State beseeching the Congress to see that the methods which may be pursued in reopening the banks shall take into consideration the condition and the state of the public mind. Men who were anxious a few days ago to get their deposits from banks and whose anxiety caused this situation, will be more anxious perhaps tomorrow to get those funds when the banks are reopened. It is more important to keep them open when they shall have once been opened than that we shall be in any haste about reopening them on the morrow.

As for myself, I would prefer to see the banks remain closed for another week, if necessary, in order that we might approach this subject with maturity and with deliberation rather than that in our haste we should throw their doors open only to have them slammed again in our faces.

I appeal to those who are in charge of the legislation, I appeal to those who have access to the ears of the Executive, I appeal to those who have an audience with the Treasury, and with the Comptroller, and with the Federal Reserve banks, and all of those charged with responsibility, that when the banks are reopened they be reopened only subject to such conditions and such limitations as will insure their remaining open.

Mr. President, because of the dire extremity with which we are faced, because of the threats to the finances of the whole country, I shall support the bill, though I do so with reluctance because of the far-flung powers which the legislative bodies of the Republic are giving to the Executive. I

do so upon my clear sense of duty, however, that the processes of ordinary parliamentary procedure, the deliberations which are required in the enactment of legislation, are so slow that we cannot at this time provide adequate long-time legislation to cover the situation. The only alternative is for the time being for temporary purposes to vest wide and transcendent discretion and power in the Executive, trusting in his patriotism and in his judgment and in the patriotism and honesty of those who advise with him that those powers shall be wisely, patriotically, and cautiously exercised.

Mr. TYDINGS. Mr. President, I am sorry to have to take just a minute, but I want the RECORD to show that I voted for the amendment offered by the Senator from Louisiana [Mr. LONG]. The legislature of my State unanimously last night adopted a resolution asking that I cast my vote in this fashion. We have approximately 200 State banks in Maryland, and grave consequences may ensue in reference to the effect of this legislation upon those banks. I am glad to say, however, that the Senator from Virginia [Mr. GLASS], who is an authority on banking matters—which I do not claim to be—has assured me that almost all the provisions of this bill, if not directly, will indirectly help and assist those State banks. I did, however, want the RECORD to show that I voted for the amendment, and I shall, without saying more, vote for the bill.

Mr. REYNOLDS. Mr. President, I should like to have the RECORD show that I likewise cast my vote for the amendment submitted by the Senator from the State of Louisiana [Mr. LONG].

The PRESIDENT pro tempore. The question is, Shall the bill be ordered to a third reading and read a third time?

The bill was ordered to a third reading and read the third time.

Mr. SHIPSTEAD. Mr. President, I should like to ask a question of the Senator who has charge of the bill. The bill evidently is aimed, in part, to reach those who hoard gold. I find nothing in the bill to indicate that it will reach those who have hoarded gold by taking it abroad and buying foreign exchange. I should like to know if there is any provision in the bill to enable the Secretary of the Treasury, when he compels people in the United States who have gold or gold certificates to turn them over to the Treasury, also to compel them to turn over their foreign exchange which they have bought within the last few months, shipping their gold and their capital and their resources out of the country for the purpose of hoarding in foreign countries?

Mr. FLETCHER. Mr. President, I can not see how any one can ship gold unless he can get possession of it somewhere, somehow. Of course, this applies to that very step. One must first get control of the gold before he can ship it.

Mr. GLASS. Mr. President, if the Senator will read section 2 of the bill he will see that the President is there authorized textually, "through any agency that he may designate, or otherwise, to investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise any transaction in foreign exchange." They will be the first people the Treasury officials will go after.

Mr. ROBINSON of Arkansas. Mr. President, the answers, in my judgment, are not responsive to the questions asked by the Senator from Minnesota. The Senator from Minnesota asked in effect whether the penal provisions of the bill relating to hoarding are retroactive. They are not, as I interpret the proposed statute, and I do not believe they could be made retroactive. The provision in section 2 is directed against future acts.

Mr. SHIPSTEAD. What about section 3, subsection (n), on page 3, which reads in part:

> (n) Whenever in the judgment of the Secretary of the Treasury such action is necessary to protect the currency system of the United States, the Secretary of the Treasury, in his discretion, may require any or all individuals, partnerships, associations, and corporations to pay and deliver to the Treasurer of the United States any or all gold coin, gold bullion, and gold certificates owned by such individuals, partnerships, associations, and corporations.

Why not foreign exchange?

Mr. ROBINSON of Arkansas. I know of no reason why foreign exchange should not have been included. I think it is comprehended, however, in section 2. Of course, the process of hoarding may be a continuing act, and may constitute an offense when the initial act took place some time ago; but with respect to the shipping of gold abroad, I do not see, if the act occurred over 3 months ago, how it could now be penalized.

Mr. SHIPSTEAD. I should like to ask the Senator from Arkansas what is the difference between buying foreign exchange during the last 6 weeks or taking currency out of a bank and putting it in a safety-deposit box?

Mr. ROBINSON of Arkansas. As I understand, under present conditions no effort has been made to penalize hoarding.

Mr. SHIPSTEAD. Heretofore.

Mr. ROBINSON of Arkansas. To penalize hoarding heretofore. Now the effort is to prevent it in the future and to uncover funds that are in hoarding.

Mr. SHIPSTEAD. Does not the Senator think that funds sent abroad or invested in foreign exchange should be uncovered?

Mr. ROBINSON of Arkansas. I think they can be uncovered under this provision, but I do not see how they may be reached if they are out of the jurisdiction of the court.

Mr. GOLDSBOROUGH. Mr. President, as this legislation will affect one hundred and sixty-odd banks in the State of Maryland, I desire to go on record as being in favor of the amendment submitted by the Senator from Louisiana [Mr. LONG], as modified by the amendments of the Senator from Georgia [Mr. GEORGE].

The PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

Mr. ROBINSON of Arkansas. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. MCNARY (when Mr. CAPPER's name was called). The senior Senator from Kansas [Mr. CAPPER] is necessarily absent from the Chamber on account of business connected with the Senate. If present, he would vote "yea."

Mr. NYE (when Mr. FRAZIER's name was called). My colleague [Mr. FRAZIER] is unavoidably absent from the Senate, being out of the city on official business of the Senate. I am not prepared to announce how he would vote if he were present.

Mr. FESS (when Mr. NORBECK's name was called). The Senator from South Dakota [Mr. NORBECK] is unavoidably absent from the Senate. He is paired with the Senator from Illinois [Mr. LEWIS]. I understand if the Senator from South Dakota were present he would vote "nay" and the Senator from Illinois, if present, would vote "yea."

The roll call was concluded.

Mr. BAILEY. Mr. President, my colleague [Mr. REYNOLDS] is necessarily absent. If present, he would desire to be recorded as voting "yea."

Mr. DAVIS (after having voted in the affirmative). I inquire if the junior Senator from Kentucky [Mr. LOGAN] has voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. DAVIS. I have a general pair with the junior Senator from Kentucky. I am informed that if present he would vote as I have voted, and therefore I will permit my vote to stand.

Mr. BLACK. I wish to announce the necessary absence of the Senator from Montana [Mr. WHEELER] in attendance upon the funeral of his late colleague.

I wish further to announce that the Senator from Illinois [Mr. DIETERICH] and the Senator from Kentucky [Mr. LOGAN] are unavoidably absent. I am not advised as to how these Senators would vote if present.

Mr. FESS. I wish to announce that the Senator from Nebraska [Mr. HOWELL] has a general pair with the Senator from Wyoming [Mr. KENDRICK].

I desire further to announce the necessary absence of the Senator from Vermont [Mr. AUSTIN], the Senator from West

Virginia [Mr. HATFIELD], the Senator from Rhode Island [Mr. METCALF], and the Senator from Minnesota [Mr. SCHALL]. I am not advised how these Senators would vote, if present.

The result was announced—yeas 73, nays 7, as follows:

YEAS—73

Adams	Copeland	Keyes	Russell
Ashurst	Couzens	King	Sheppard
Bachman	Davis	Lonergan	Smith
Bailey	Dickinson	Long	Steiwer
Bankhead	Dill	McAdoo	Stephens
Barbour	Duffy	McCarran	Thomas, Okla.
Barkley	Fess	McGill	Thomas, Utah
Black	Fletcher	McKellar	Townsend
Bone	George	McNary	Trammell
Bratton	Glass	Murphy	Tydings
Brown	Goldsborough	Neely	Vandenberg
Bulkley	Gore	Norris	Van Nuys
Bulow	Hale	Overton	Wagner
Byrd	Harrison	Patterson	Walcott
Byrnes	Hastings	Pittman	Walsh
Caraway	Hayden	Pope	White
Clark	Hebert	Reed	
Connally	Johnson	Robinson, Ark.	
Coolidge	Kean	Robinson, Ind.	

NAYS—7

Borah	Costigan	La Follette	Shipstead
Carey	Dale	Nye	

NOT VOTING—15

Austin	Frazier	Lewis	Reynolds
Capper	Hatfield	Logan	Schall
Cutting	Howell	Metcalf	Wheeler
Dieterich	Kendrick	Norbeck	

So the bill was passed.

Mr. ROBINSON of Arkansas. I ask unanimous consent that when the Senate completes its labors today it take a recess until 12 o'clock noon tomorrow.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. FLETCHER. Mr. President, may I ask the Senator from Arkansas to yield to me?

Mr. ROBINSON of Arkansas. I yield.

Mr. FLETCHER. I move that the bill (S. 1) to provide relief in the existing national emergency in banking, and for other purposes, be indefinitely postponed.

The PRESIDENT pro tempore. The Senator from Florida asks unanimous consent that Senate bill 1 be indefinitely postponed. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBINSON of Arkansas. Mr. President, in order that the Presiding Officer may have the opportunity of signing the bill, it is deemed necessary to take a recess. I do not expect any other business to be transacted, and I now request that the Senate be in recess for 20 minutes.

The PRESIDENT pro tempore. Unanimous consent is asked that the Senate be in recess for 20 minutes. Is there objection? The Chair hears none, and it is so ordered.

The Senate (at 7 o'clock and 30 minutes p.m.), took a recess until 7:50 o'clock, when it reassembled and the Vice President resumed the chair.

RESCINDING OF SENATE RESOLUTIONS AFFECTING DESIGNATED POSITIONS

Mr. HAYDEN submitted a resolution (S.Res. 13), which was ordered to lie on the table, as follows:

Resolved, That all resolutions authorizing payment from the contingent fund of the Senate to persons borne upon the resolution roll for services rendered in designated positions be, and are hereby, discontinued and abolished effective March 15, 1933.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 1491) to provide relief in the existing national emergency in banking, and for other purposes, and it was thereupon signed by the Vice President.

RECESS

Mr. ROBINSON of Arkansas. Mr. President, pursuant to the order heretofore entered, I move that the Senate take a recess until noon tomorrow.

The motion was agreed to; and the Senate (at 7 o'clock and 52 minutes p.m.) took a recess, under the order previously entered, until tomorrow, Friday, March 10, 1933, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 9, 1933

This day, in compliance with the proclamation of the President for the assembling of the first session of the Seventy-third Congress, the Members-elect of the House of Representatives assembled in their Hall, and at 12 o'clock noon were called to order by Hon. South Trimble, Clerk of the last House.

The CLERK. Representatives-elect, this being the day and hour proclaimed by the President of the United States for the convening of the Seventy-third Congress in extraordinary session, the Clerk of the House of Representatives of the Seventy-second Congress will now read the following proclamation:

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Whereas public interests require that the Congress of the United States should be convened in extra session at 12 o'clock noon, on the 9th day of March, 1933, to receive such communication as may be made by the Executive;

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, do hereby proclaim and declare that an extraordinary occasion requires the Congress of the United States to convene in extra session at the Capitol in the City of Washington on the 9th day of March, 1933, at 12 o'clock noon, of which all persons who shall at that time be entitled to act as Members thereof are hereby required to take notice.

In witness whereof I have hereunto set my hand and caused to be affixed the great seal of the United States.

Done at the city of Washington this 5th day of March, in the Year of our Lord nineteen hundred and thirty-three, and of the independence of the United States the one hundred and fifty-seventh.

FRANKLIN D. ROOSEVELT.

By the President:

[SEAL]

CORDELL HULL,
Secretary of State.

The Chaplain of the last House, the Reverend James Shera Montgomery, D.D., offered the following:

PRAYER

Almighty God, Thou hast been our dwelling place in all generations, before the mountains were brought forth or ever Thou hadst formed the earth and the world; even from everlasting Thou art God. Here, at the footstool of prayer, we would fortify the life of our souls as we face the sacred duties that await us. In these solemn hours mercifully direct our minds and hearts. With unyielding fidelity may we be absolutely true to the trust which a great people have imposed in us. Amid toil with its unsolved problems, may we approach them with the deepest seriousness. Show us that the very joy of existence is in renouncing ourselves that we may help others. O blessed Lord God, this day let us see the victor's star. Do Thou graciously abide with our Speaker, the Members, the officers, and the pages of this Congress; in all our ways may we acknowledge Thee. Heavenly Father, harken, read our hearts, for words fail as we pray for our President; O hear us as we bear him to the throne of grace; day by day dwell with him; may he have the unswerving loyalty and the cooperation of a true, loyal, united citizenship; thus may our Republic spring anew in the sunlight of God. O flood the arteries of our whole land with truth, knowledge, good will, and a devout patriotism. In love and mercy remember all our citizens and institutions, and let the benedictions of peace and plenty rest upon all our hearthstones. Through Jesus Christ our Lord. Amen.

CALL OF THE STATES

The CLERK. The Clerk will call the roll, alphabetically by States, of Representatives-elect of the Seventy-third Congress whose credentials have been filed according to law, to determine whether a quorum is present.

The Clerk proceeded to call the roll, and the following Members-elect answered to their names:

[Roll No. 1]

ALABAMA

McDuffie	Jeffers	Oliver	Almon
Hill	Allgood	Bankhead	Huddleston
Steagall			

ARKANSAS

Driver	Fuller	Glover	Parks
Miller	Ragon		

CALIFORNIA

Lea	Carter	Evans	Dockweiler
Englebright	Eltse	Hoeppel	Colden
Buck	McGrath	Kramer	Burke
Kahn	Church	Ford	Burnham
Welch	Stubbs	Traeger	

COLORADO

Cummings	Lewis	Martin	Taylor

CONNECTICUT

Kopplemann	Maloney	Goss	Bakewell
Higgins			

DELAWARE

Adams

FLORIDA

Peterson	Caldwell	Wilcox	Sears
Green			

GEORGIA

Parker	Owen	Vinson	Deen
Cox	Ramspeck	Tarver	Wood
Castellow			

IDAHO

	White	Coffin	

ILLINOIS

De Priest	Kocialkowski	Dirksen	Arnold
Moynihan	Britten	Gillespie	Parsons
Kelly	Simpson	Meeks	Keller
Beam	Reid	Dobbins	Nesbit
Sabath	Allen	Rainey	
O'Brien	Thompson	Major	
Schuetz	Adair	Schaefer	

INDIANA

Schulte	Farley	Greenwood	Gray
Durgan	Griswold	Boehne	Larrabee
Pettengill	Jenckes	Crowe	Ludlow

IOWA

Eicher	Biermann	Dowell	Gilchrist
Jacobsen	Thurston	Wearin	Gillette
Williford			

KANSAS

Lambertson	McGugin	Ayres	Hope
Guyer	Carpenter	McCarthy	

KENTUCKY

Vinson	Gregory	Spence	Brown
May	Cary	Carden	Hamilton
Chapman			

LOUISIANA

Fernandez	Montet	Wilson	DeRouen
Maloney	Sandlin	Kemp	Dear

MAINE

Beedy	Moran	Utterback	

MARYLAND

Goldsborough	Palmisano	Gambrill	Lewis
Cole	Kennedy		

MASSACHUSETTS

Treadway	Rogers	Luce	Martin
Granfield	Andrew	Tinkham	Gifford
Foss	Connery	Douglass	
Holmes	Healey	McCormack	

MICHIGAN

Sadowski	Cady	Woodruff	Weideman
Lehr	Wolcott	Brown	Dingell
Hooper	Hart	James	Lesinski
Foulkes	Musselwhite	McLeod	Dondero
Mapes			

MINNESOTA

Knutson	Arens	Shoemaker	Kvale
Chase	Lundeen	Johnson	Hoidale
Christiancon			

MISSISSIPPI

Rankin	Whittington	Collins	Ellzey
Doxey	Busby	Colmer	

MISSOURI

Shannon	Cannon	Duncan	Wood
Cochran	Williams	Ruffin	Lee
Lozier	Milligan	Dickinson	Romjue

MONTANA

Ayers

NEBRASKA

Morehead	Howard	Shallenberger	Carpenter
Burke			

NEVADA

Scrugham

NEW HAMPSHIRE

	Rogers	Tobey	

NEW JERSEY

Wolverton	Eaton	Kenney	Norton
Bacharach	McLean	Hartley	Auf der Heide
Sutphin	Perkins	Cavicchia	
Powers	Seger	Lehlbach	

NEW MEXICO

Chavez

NEW YORK

Bacon	Sullivan	Millard	Stalker
Brunner	Sirovich	Fish	Whitley
Lindsay	Boylan	Goodwin	Wadsworth
Cullen	O'Connor	Corning	Andrews
Black	Peyser	Parker	Beiter
Somers	Kennedy	Crowther	Mead
Delaney	Bloom	Snell	Reed
Carley	Lanzetta	Culkin	Fitzgibbons
Rudd	Gavagan	Sisson	Studley
Celler	Griffin	Clarke	
Prall	Oliver	Hancock	
Dickstein	Fitzpatrick	Taber	

NORTH CAROLINA

Warren	Pou	Clark	Bulwinkle
Kerr	Hancock	Lambeth	Weaver
Abernethy	Umstead	Doughton	

NORTH DAKOTA

	Sinclair	Lemke	

OHIO

Hollister	Marshall	Fiesinger	Cooper
Hess	Fletcher	Harter	Sweeney
Harlan	Duffey	Secrest	Crosser
Kloeb	Jenkins	Thom	Bolton
Kniffin	Underwood	West	Young
Polk	Lamneck	Imhoff	Truax

OKLAHOMA

Disney	McKeown	Johnson	Marland
Hastings	Swank	McClintic	Rogers

OREGON

Mott	Pierce	Martin	

PENNSYLVANIA

Ransley	Kinzer	Focht	Strong
Beck	Boland	Doutrich	Berlin
Waldron	Turpin	Cochran	Crosby
Edmonds	Brumm	Haines	Brooks
Connolly	Richardson	Kurtz	Kelly
Darrow	McFadden	Snyder	Muldowney
Wolfenden	Rich	Faddis	Dunn
Watson	Ditter	Swick	

RHODE ISLAND

	Condon	O'Connell	

SOUTH CAROLINA

McMillan	Taylor	Richards	Gasque
Fulmer	McSwain		

SOUTH DAKOTA

	Hildebrandt	Werner	

TENNESSEE

Reece	Mitchell	Turner	Cooper
Taylor	Byrns	Browning	Crump
McReynolds			

TEXAS

Patman	Johnson	Cross	Thomason
Dies	Briggs	Lanham	Blanton
Sanders	Eagle	McFarlane	Jones
Rayburn	Mansfield	Kleberg	Terrell
Sumners	Buchanan	Strong	Bailey

UTAH

	Murdock	Robinson	

VERMONT

Gibson

VIRGINIA

Bland	Drewry	Woodrum	Smith
Darden	Burch	Robertson	Flannagan

WASHINGTON

Zioncheck	Smith	Hill, Sam B.	Lloyd
Wallgren	Hill, Knute		

WEST VIRGINIA

Ramsay	Johnson	Kee	Smith
Randolph			

WISCONSIN

Blanchard	Withrow	Boileau	Frear
Cannon	O'Malley	Hughes	Peavey
Henney	Reilly		

WYOMING

Carter

The CLERK. The roll call discloses the presence of 419 Members. A quorum is present. The Clerk will state that credentials, regular in form, have been filed showing the election of ANTHONY J. DIMOND, as Delegate from the Territory of Alaska, and of LINCOLN L. MCCANDLESS, as Delegate from the Territory of Hawaii.

A Resident Commissioner to the United States from Puerto Rico is elected quadrennially. The Clerk has received from the Secretary of State of the United States a certificate of election signed by the Governor of Puerto Rico, showing the election of SANTIAGO IGLESIAS PANTIN, as such Resident Commissioner for the term of four years, beginning March 4, 1933.

The Clerk will present for information a statement showing changes that have occurred since the regular election of Representatives to the Seventy-third Congress, which will be printed in the RECORD and in the Journal if there be no objection. The Clerk hears no objection.

Texas, Eighth District, JOE HENRY EAGLE, elected January 28, 1933, to fill the vacancy caused by death of Daniel E. Garrett. Texas, Fifteenth District, John N. Garner, resigned March 3, 1933.

ELECTION OF SPEAKER

The next business in order is the election of a Speaker.

Nominations will now be received.

Mr. LEA of California. Mr. Clerk, for Speaker of the House of Representatives I nominate the Honorable HENRY T. RAINEY, of Illinois. [Applause.]

Mr. RAINEY is qualified for this exalted position; he is qualified by his long years of service here; he is qualified by a lifetime habit of industry; he is qualified in the confidence of his fellow Members. He is equipped with a calm judgment, a keen mind, and, better than all, he is prepared for this position by the qualities of his heart. Where there is wrongdoing and oppression his hand will be instinctively raised in protest and defense. Wherever there is poverty and distress his heart will go in practical sympathy.

Mr. RAINEY is presented as the choice of his Democratic colleagues. He is to assume this office as a result of his party's triumph. Any disposition to exult in a party victory is sobered by the solemn responsibilities of this hour.

The demand of our time is not for partisanship but for patriotism. Personal and party ambitions must be minimized or forgotten in the common service of our country. [Applause.]

This is no time for petty faultfinding, no time for trivial controversy, no time for self-glorification, vain or useless debate.

It is a time for high purpose, unhesitating courage, and positive action.

It is the prosaic duty of Congress to attempt to translate the hopes, the ideals, and the purposes of the people of America into the cold terms of the laws we enact. Here there is need for the best ability and the greatest devotion. Its duties may require working under midnight lamps in a service unrecognized and unacclaimed.

This is the Congress of the people of the United States. Having mingled with many of our Members in recent days, I could speak to the people of our country with some assurance. We can assure them that among the membership of this House, from the most humble to the greatest, regardless of party lines, there is a new hope, a new determination, a spirit of self-sacrifice, a new devotion. There is a determination that this Congress shall and will serve the Nation.

Countless millions of our people look to Washington today with hope. The millions of America turn here with prayers on their lips. God help us that we shall not disappoint them. [Applause.]

Mr. LUCE. Mr. Clerk, by the unanimous direction and authority of the Republican conference, representing the minority of the membership of the House of Representatives, I have the honor to place in nomination as Speaker of the House of Representatives of the Seventy-third Congress, the Honorable BERTRAND H. SNELL, a Representative from the State of New York. [Applause.]

Mr. LUNDEEN. Mr. Clerk, as directed by the Farmer-Labor conference, held March 9, 1933, I nominate for Speaker of the House of Representatives of the Seventy-third Congress, the Honorable PAUL JOHN KVALE, a Representative-elect from the State of Minnesota. [Applause.]

The CLERK. There being no other nominations, the Clerk appoints the gentlewoman from New Jersey [Mrs. NORTON], the gentleman from Texas [Mr. BAILEY], the gentleman from Ohio [Mr. HOLLISTER], the gentleman from California [Mr. ENGLEBRIGHT], and the gentleman from Minnesota [Mr. ARENS] to act as tellers. They will please take their places at the desk. The roll will now be called, and those responding will indicate by surname the nominee of their choice.

The tellers having taken their places, the House proceeded to vote viva voce for Speaker. The following is the vote in detail:

[Roll No. 2]

RAINEY—302

Abernethy	Dies	Kerr	Rankin
Adair	Dingell	Kleberg	Rayburn
Adams	Disney	Kloeb	Reilly
Allgood	Dobbins	Kniffin	Richards
Almon	Dockweiler	Kocialkowski	Richardson
Arnold	Doughton	Kopplemann	Robertson
Auf der Heide	Douglass	Kramer	Robinson
Ayers, Mont.	Doxey	Kvale	Rogers, N.H.
Ayres, Kans.	Drewry	Lambeth	Rogers, Okla.
Bailey	Driver	Lamneck	Romjue
Bankhead	Duffey	Lanham	Rudd
Beam	Duncan, Mo.	Lanzetta	Ruffin
Beiter	Dunn	Larrabee	Sabath
Berlin	Durgan, Ind.	Lea, Calif.	Sadowski
Biermann	Eagle	Lee, Mo.	Sandlin
Black	Eicher	Lehr	Schaefer
Bland	Ellzey, Miss.	Lesinski	Schuetz
Blanton	Faddis	Lewis, Colo.	Schulte
Bloom	Farley	Lewis, Md.	Scrugham
Boehne	Fernandez	Lindsay	Sears
Boland	Fiesinger	Lloyd	Secrest
Boylan	Fitzgibbons	Lozier	Shallenberger
Briggs	Fitzpatrick	Ludlow	Shannon
Brooks	Flannagan	McCarthy	Sirovich
Brown, Ky.	Fletcher	McClintic	Sisson
Brown, Mich.	Ford	McCormack	Smith, Va.
Browning	Foulkes	McDuffie	Smith, Wash.
Brunner	Fuller	McFarlane	Smith, W.Va.
Buchanan	Fulmer	McGrath	Snyder
Buck	Gambrill	McKeown	Somers, N.Y.
Bulwinkle	Gasque	McMillan	Spence
Burch	Gavagan	McReynolds	Steagall
Burke, Calif.	Gillespie	McSwain	Strong, Tex.
Burke, Nebr.	Gillette	Major	Stubbs
Busby	Glover	Maloney, Conn.	Studley
Byrns	Goldsborough	Maloney, La.	Sullivan
Cady	Granfield	Mansfield	Sumners, Tex.
Caldwell	Gray	Marland	Sutphin
Cannon, Mo.	Green	Martin, Colo.	Swank
Cannon, Wis.	Greenwood	Martin, Oreg.	Sweeney
Carden	Gregory	May	Tarver
Carley	Griffin	Mead	Taylor, Colo.
Carpenter, Kans.	Griswold	Meeks	Taylor, S.C.
Carpenter, Nebr.	Haines	Miller	Terrell
Cary	Hamilton	Milligan	Thom
Castellow	Hancock, N.C.	Mitchell	Thomason, Tex.
Celler	Harlan	Montet	Thompson, Ill.
Chapman	Hart	Moran	Truax
Chavez	Harter	Morehead	Turner
Church	Hastings	Murdock	Umstead
Clark, N.C.	Healey	Musselwhite	Underwood
Cochran, Mo.	Henney	Nesbit	Utterback
Coffin	Hildebrandt	Norton	Vinson, Ga.
Colden	Hill, Ala.	O'Brien	Vinson, Ky.
Cole	Hill, Knute	O'Connell	Wallgren
Collins, Miss.	Hill, Sam B.	O'Connor	Walter
Colmer	Hoeppel	O'Malley	Warren
Condon	Hoidale	Oliver, Ala.	Wearin
Connery	Howard	Oliver, N.Y.	Weaver
Cooper, Tenn.	Huddleston	Owen	Weideman
Corning	Hughes	Palmisano	Werner
Cox	Imhoff	Parker, Ga.	West
Crosby	Jacobsen	Parks	White
Cross	Jeffers	Parsons	Whittington
Crosser	Jenckes	Patman	Wilcox
Crowe	Johnson, Okla.	Peterson	Williford
Crump	Johnson, Tex.	Pettengill	Williams
Cullen	Johnson, W. Va.	Peyser	Wilson
Cummings	Jones	Pierce	Wood, Ga.
Darden	Kee	Polk	Wood, Mo.
Dear	Keller	Pou	Woodrum
Deen	Kelly, Ill.	Prall	Young
Delaney	Kemp	Ragon	Zioncheck
DeRouen	Kennedy, Md.	Ramsey	
Dickinson	Kennedy, N.Y.	Ramspeck	
Dickstein	Kenney	Randolph	

SNELL—110

Allen	Andrews, N.Y.	Bacon	Beck
Andrew, Mass.	Bacharach	Bakewell	Beedy

Blanchard	Eltse, Calif.	Knutson	Seger
Boileau	Englebright	Kurtz	Simpson
Bolton	Evans	Lambertson	Sinclair
Britten	Fish	Lehlbach	Stalker
Brumm	Focht	Luce	Strong, Pa.
Burnham	Foss	McFadden	Swick
Carter, Calif.	Frear	McGugin	Taber
Carter, Wyo.	Gibson	McLean	Taylor, Tenn.
Cavicchia	Gifford	McLeod	Thurston
Chase	Gilchrist	Mapes	Tinkham
Christianson	Goodwin	Marshall	Tobey
Clarke, N.Y.	Goss	Martin, Mass.	Traeger
Cochran, Pa.	Guyer	Merritt	Treadway
Connolly	Hancock, N.Y.	Millard	Turpin
Cooper, Ohio	Hartley	Mott	Wadsworth
Crowther	Hess	Moynihan	Waldron
Culkin	Higgins	Muldowney	Watson
Darrow	Hollister	Parker, N.Y.	Welch
De Priest	Holmes	Perkins	Whitley
Dirksen	Hooper	Powers	Withrow
Ditter	Hope	Ransley	Wolcott
Dondero	James	Reece	Wolfenden
Doutrich	Jenkins	Reed, N.Y.	Wolverton
Dowell	Kahn	Reid, Ill.	Woodruff
Eaton	Kelly, Pa.	Rich	
Edmonds	Kinzer	Rogers, Mass.	

KVALE—5

Arens	Lemke	Lundeen	Shoemaker
Johnson, Minn.			

ANSWERED "PRESENT"—1

Snell

The CLERK. The tellers agree in their tally. The total number of votes cast is 418, of which the Honorable HENRY T. RAINEY has received 302, the Honorable BERTRAND H. SNELL has received 110 votes, and the Honorable PAUL J. KVALE has received 5 votes. One member votes "present." Therefore, the Honorable HENRY T. RAINEY, a Representative-elect from the State of Illinois, having received a majority of all of the votes cast, a quorum being present and voting, is duly elected Speaker of the House of Representatives of the Seventy-third Congress. [Applause.]

The gentleman from New York [Mr. SNELL], the gentleman from Massachusetts [Mr. LUCE], the gentleman from Minnesota [Mr. KVALE], the gentleman from Tennessee [Mr. BYRNS], the gentleman from North Carolina [Mr. DOUGHTON], will please notify Mr. RAINEY of his election and conduct him to the chair.

PRESENTATION OF THE SPEAKER-ELECT

The committee appointed by the Chair escorted Mr. RAINEY to the chair.

Mr. SNELL. Members of the Seventy-third Congress, for some reason or other I was not taken by great surprise when the Clerk announced the result of this vote this morning. However, one of the best attributes in public life is to accept defeat gracefully. [Applause.] I do not expect to ask a recapitulation of the vote. [Laughter.] As far as I know, about the only perquisite a defeated candidate for Speaker has is the privilege of presenting to the House his successful rival. To me at this time this is really a double pleasure, for I shall introduce to the House not only a warm personal friend, with whom I worked for many years, but a man who, I firmly believe, is well qualified by education, ability, and long and distinguished service in this House to well and adequately perform the arduous duties of Speaker. It is often said that no man ever reaches high position—and this is one of the highest positions in any legislative body in the world—by mere accident or chance. It must be rather as a result of long, tedious, hard labor; faithful performance of duty.

Mr. RAINEY, you have well performed the tasks assigned you, you have proven your party loyalty, you have proven your right and title to leadership, and I congratulate you on having reached the goal of your ambition. [Applause.] I am quite sure that I speak the mind and will of your colleagues on both sides of the Hall, Republicans and Democrats alike, when I say that I believe you will perform the duty of this high office with justice and fairness toward all, and that we wish you every success in the performance of your new duties.

I now present to you the gavel, and to the Members of the Seventy-third Congress I am pleased to present your Speaker-elect, the Honorable HENRY T. RAINEY, of Illinois. [Prolonged applause.]

ADDRESS OF THE SPEAKER-ELECT

The SPEAKER-ELECT. Ladies and gentlemen of the Seventy-third Congress, I appreciate to the fullest degree, I assure you, the great honor which has been conferred upon me. There are few offices in the world which equal in responsibility, in importance, and in the dignity which goes with it, the office to which I have been elected. I desire, first of all, to thank the members of my own political party. I extend to them my most sincere and heartfelt thanks. To you members of the great minority party who voted, as you were compelled to do by the rules of party loyalty, for that cultured, scholarly gentleman, my personal friend, Honorable BERTRAND H. SNELL, of New York, I also express my thanks; also I thank the members of the Farmer-Labor Party who have voted as they were in party loyalty bound to do for my young friend, the Honorable PAUL J. KVALE, of Minnesota. You are all my personal friends.

I expect to preside over the deliberations of this body with fairness and impartiality, and at all times to maintain the rights and privileges of its Members, and to fully sustain the dignity of the House. While I realize to the fullest degree the great honor you have conferred upon me, any feeling of pride or elation I might have is subdued, I assure you, by a sense of the great responsibilities which rest not only upon me but upon every Member of this House.

I served in this body in a responsible position during the entire period of the World War. During that critical period the party to which I belong was in control of both branches of the Congress and of the executive. I recall with a feeling of satisfaction that on both sides of this Chamber the great war measures suggested by the administration were supported with practical unanimity, and we were able to win the war and to win it quickly on account of the war measures suggestions by the administration and supported by the Membership on both sides of this House.

Today we are engaged in another war, more serious even in its character and presenting greater dangers to the Republic. Today the Democratic Party is again in control, and again we are going to call on the entire Membership of the House to support relief measures which will again be suggested by a Democratic administration.

In the serious business which is ahead of us we are already assured that back of us are the people of the United States, exhibiting a patience and a fortitude in the midst of their difficulties unparalleled in the history of this or any other nation. No danger of communism presents itself to us. Fascism can never find a place here. We will find a way out of our present difficulties, and God grant we may find it quickly.

This great country of ours is only undergoing now a rebirth. The suffering we are enduring is, we confidently hope, merely the birth pains. From the troubles of the present we will emerge a greater, a happier, and a more prosperous nation. We must proceed now with the readjustments necessary in order to enable us to function in the new era which now dawns on us and on all the world.

Already the first constructive steps have been taken toward a complete economic recovery. We have been compelled to resort to a war-time measure of the Wilson administration which, fortunately for us, has never been repealed, a measure most drastic in character, but it is the first necessary step toward complete economic recovery which, let us hope, will come in the not distant future.

I am about to take the oath by which I am bound to support, in all my official acts, the Constitution of the United States, and by which I am bound to the true and faithful discharge of all the duties of this high office to the best of my ability. I am now ready to take the oath, and I ask the gentleman from North Carolina, with whom I have served in this House for 28 years of time, Mr. POU, to administer it. [Applause.]

Mr. POU then administered the oath of office to the Speaker.

SWEARING IN OF THE MEMBERS

The SPEAKER. In the first session of the Seventy-second Congress and also in the Seventy-first Congress, Speaker

Garner and Speaker Longworth established the precedent of swearing in the entire House at one time instead of swearing in the Members by States, as had before that time been the custom throughout most of the entire history of the country. The Chair will follow that precedent, and the Chair now asks each Member of the House and each Delegate to rise in his place and allow me to administer the oath of office.

Mr. SNELL. Mr. Speaker, before the oath is administered, I request that the gentleman from the Third District of Maine [Mr. UTTERBACK] be asked to step aside at present and not receive the oath. I do this on the ground that the gentleman from Maine [Mr. UTTERBACK] does not have the proper credentials from his sovereign State of Maine in due form in accordance with the law of the State.

The SPEAKER. The gentleman from Maine [Mr. UTTERBACK] will please stand aside.

Mr. CARTER of California. Mr. Speaker, I ask that the gentleman from Minnesota, Mr. FRANCIS H. SHOEMAKER, step aside at this time and not receive the oath.

The SPEAKER. Mr. SHOEMAKER will step aside at this time.

The Members-elect and Delegates arose and the Speaker administered the oath of office.

HON. JOHN G. UTTERBACK, MEMBER-ELECT, HOUSE OF REPRESENTATIVES

Mr. MORAN. Mr. Speaker, I offer a resolution, which I have sent to the desk, and ask for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 5

Resolved, That the Speaker is hereby authorized and directed to administer the oath of office to the gentleman from Maine, Mr. John G. Utterback.

Resolved, That Ralph O. Brewster shall be entitled to contest the seat of John G. Utterback under the provisions of chapter 7, title 2, United States Code, notwithstanding the expiration of the time fixed for bringing such contests, provided that notice of said contest shall be filed within 60 days after the adoption of this resolution.

Mr. BYRNS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BYRNS. We are proceeding now without having adopted rules. I wish to ask the Speaker with reference to the time that will be devoted to this particular resolution.

The SPEAKER. We are proceeding under general parliamentary law, and it has been held by prior Speakers that the practices of prior Congresses are part of general parliamentary law. The gentleman from Maine will be entitled to one hour.

Mr. BYRNS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BYRNS. Mr. Speaker, I have wondered if we could not dispose of this in less than an hour and if some agreement could not be reached to shorten the time. I do not want to cut off the gentleman from Maine or anybody else who wants to speak on the matter.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. MORAN. I yield.

Mr. SNELL. Mr. Speaker, I would like to have the gentleman yield to me to present a substitute resolution. My only desire is to dispose of the matter briefly. As far as I am concerned we can dispose of this whole matter in probably 15 or 20 minutes. I shall take only a very few minutes.

Mr. MORAN. I shall be pleased to yield to the gentleman.

Mr. BYRNS. Mr. Speaker, will the gentleman from Maine submit a unanimous-consent request to limit debate to 10 minutes on a side?

Mr. MORAN. Mr. Speaker, I ask unanimous consent that debate on this matter be limited to 20 minutes, the time to be equally divided and controlled by myself and the gentleman from New York.

Mr. SNELL. And the gentleman yields to me to present a substitute resolution.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. MORAN. Mr. Speaker, this election contest from the Third District of Maine is an extraordinary case and therefore warrants and requires unusual action.

I am endeavoring to present, chronologically and very briefly, the high lights of the case, doing so in as fair and impartial a manner as possible. Realizing that this House acts in a judicial capacity I am attempting to present simply facts.

On September 12 the election was held in Maine. On September 28 the executive council and the Governor of Maine, who constitute our canvassing board, met in the usual way to canvass and report the results. They reported, as I shall show in a moment, that Mr. Utterback was elected. For your information, Mr. Utterback was the Democratic candidate. I mention this not from the standpoint of partisanship but because it is the fact. Mr. Brewster was the Republican candidate. A recount was asked by Mr. Brewster. The Governor and council went over the votes they had and after counting them arrived at the conclusion that the votes showed a slightly increased majority for Mr. Utterback.

Under our rules the Governor and council constitute our canvassing board and have concurrent power.

Let me point out this picture: At that time we had a Republican Governor of Maine and a council of seven Republicans. Not a single Democrat served upon that election board. The council in reporting upon the matter divided in this manner: The Republican Governor believed a certificate should be issued to Mr. Utterback, a Democrat. Three of the seven Republican councilors believed, and so stated, that a certificate should be issued to Mr. Utterback, a Democrat. Four of the Republican councilors differed in that decision.

I now display and read without comment a certified copy of the minutes of the September 28 meeting of the canvassing board, certified by the secretary of state of the State of Maine, bearing the blue seal of the State of Maine, as follows:

Report No. 46

The standing committee on election returns, to which were referred the returns of votes given in on the second Monday of September, being the 12th day of said month, in the year of our Lord 1932, in the several cities, towns, and plantations of the several congressional districts in the State, for Representatives to the Seventy-third Congress of the United States, having carefully examined said returns,

Report—

That in the First Congressional District Carroll L. Beedy, of Portland, received 41,112 votes; and Joseph E. F. Connolly, of Portland, received 39,356 votes; and that Carroll L. Beedy, having received a plurality of the votes cast, appears to be elected.

That in the Second Congressional District John E. Nelson, of Augusta, received 40,703 votes; and Edward C. Moran, Jr., of Rockland, received 44,490 votes; and that Frederick P. Bonney, of Rangeley, received 678 votes; and that Edward C. Moran, Jr., having received a plurality of the votes cast, appears to be elected.

That in the Third Congressional District Ralph O. Brewster, of Dexter, received 34,226 votes; and John G. Utterback, of Bangor, received 34,520 votes; and Carl S. Godfrey, of Bangor, received 213 votes; and that John G. Utterback, having received a plurality of the votes cast, appears to be elected.

That is duly signed. I shall not read the rest of it. It was read and accepted by the council and by the Governor approved.

I now display a letter from the Governor of the State, which letter is available in the Clerk's office, whence I just received it, and from which I read the following excerpts:

The customary certification of election in the case of a Congressman from the Third District of the State of Maine has not been issued.

September 28, 1932, the votes from the district were tabulated by the Governor and executive council, giving a total of 34,520 for John G. Utterback, of Bangor; 34,226 for Ralph O. Brewster, of Dexter; and 213 for Carl S. Godfrey, of Bangor.

The statement of that tabulation, copy attached, is that Mr. Utterback was apparently elected.

It appears, therefore, that through a deadlock, for breaking which no means is provided, the Governor and council have arrived at no final decision in the recount proceedings; that is, under Maine law and procedure attempts have failed to alter the tabulation of September 28, 1932, in which Mr. Utterback was apparently elected, and consideration of the matter here is ended.

The unusual character of this case is that no certificate is issued to anyone. This being the case, I cannot believe the Membership of this House will, through its action or through its inaction, deprive the State of Maine of one-third of its representation. I cannot believe they will deprive the citizens of the Third Congressional District of Maine of any representation during the possibly long period, sometimes almost interminable, when a contest drags out.

We want the same situation that other States have. Other States have contests, but while they have their contests they have a sitting Member; the seat is occupied by somebody; their State has representation, whether it is Democratic or Republican, and the district has representation. We ask only for this, that someone be seated so that Maine, reduced in the Seventy-third Congress from four Members to three, shall not be reduced now to two over a possibly long period.

I point out particularly that by the wording of the resolution the rights of neither contestant are prejudiced. On the other hand, the resolution specifically states that the other party has a perfect right to bring in a contest in the manner provided in the other election cases that will come before this House.

All we ask for Maine is that she may have complete representation while this is going on; and I submit that the facts I have given you now are ample evidence why the person to be seated for this purpose should be Mr. Utterback, of Bangor.

Let me conclude with his statement: The people of Maine are watching what happens here to-day. They are helpless. There is nothing they can do. The people in my State are through with the proposition so far as the individual citizens are concerned. The legal matter will be taken up by another speaker. But legal technicalities should be subordinated to justice and common sense. We have the situation where these people are unable to help themselves and are dependent upon the action of this Congress as to whether Maine shall be completely represented in this Congress that has so many pressing and troublesome problems before it.

We merely ask for the correction of this situation, and I say the people are listening today to see what this House does. We merely ask for common justice so that we can participate completely with the other States in the trying and pressing problems before us today. [Applause.]

Mr. GRANFIELD. Will the gentleman yield for one question?

Mr. MORAN. I yield.

Mr. GRANFIELD. The gentleman stated that four members of the council refused to seat Mr. Utterback. Did they give any reason for their action?

Mr. MORAN. I think, perhaps, I had better reserve the balance of my time in order to answer the argument to follow.

Mr. SNELL. Mr. Speaker, I offer a substitute resolution.

The Clerk read as follows:

Resolved, That the papers in possession of the Clerk of the House in the case of the contested election from the Third District of Maine, be referred to the Committee on Elections No. 1, with instructions to report on the earliest day practicable who of the contesting parties is entitled to be sworn in as sitting Member of the House.

Mr. SNELL. Mr. Speaker, I am offering this resolution and have made the objection to Mr. Utterback being sworn in at this time simply to keep the records and the precedents of the House the same as they have been for a great number of years.

I do not intend at this time to enter into a discussion of the actual merits of the case, as to which one of these gentlemen was elected, but I do maintain that one of the first requisites for any Member of this House to receive the oath of office is a certificate in legal and due form from the sovereign State from which he comes. This the gentleman from Maine does not have at this time.

The gentleman who has just spoken does not claim that Mr. Utterback has a certificate in due form. The gentleman says he has credentials, but the gentleman himself is not here on such credentials. The gentleman and the other Member from Maine, excepting Mr. Utterback, are here on signed certificates from the Governor himself. This has always been the practice here in the House of Representatives, and I think you are establishing a very dangerous precedent if you are going on record as seating a man without the credentials that have always been demanded, and are according to the law of the State from which the Member comes.

Of course, one vote now means nothing, more or less, but if the House were closely divided and a presidential election were thrown into the House and a majority of 1 or 2 took up such a resolution and asked the Members to vote to seat a man without any evidence whatever, it might result in serious consequences, and it might be establishing a precedent that would come back to very seriously plague both sides of the House.

The gentleman has also said that we should not deny the Third District of Maine representation. There is no blame on the House at this time if the State of Maine and this district have not complied with the laws of their own State. This is not an error of the House of Representatives, this is an error of the State itself, and is no argument to be used in this case at this time. The question here is, Has this man the required certificate that entitles him to take oath of office?

I find this matter has been to the Supreme Court of Maine, and the supreme court has decided that it is a mandatory requisite for a candidate to have a certificate from the council and the Governor. Therefore Mr. Utterback has not complied with what has been previously required by this House or the laws of his own State, and therefore should not be sworn in at this time.

I appreciate very well that you have ample votes to vote down the substitute and to seat this gentleman, but in looking over the precedents I find that the various Clerks of the House in previous years—and you have to go back 50 years before you find anything approaching this situation—have always been very particular to see that the certificate which the clerk accepted before he put the name on the roll was in strict conformity with the law of the State itself.

Mr. SIROVICH. Will the gentleman yield?

Mr. SNELL. Not now.

This has not been complied with by the State of Maine or by the gentleman who desires to be sworn in at this time.

Mr. Speaker, I am just appealing to you in the name of the precedents that have always been followed in this House that the gentleman who is asking to be sworn in today has not complied with the law and regulations, and so far as I am able, I am opposed to his receiving the oath at this time. I think it is much better to refer the whole matter to the Elections Committee and then let them make the decision and report back to the House. If the Elections Committee is set up right away, there is no reason why they should not report within a very short time.

Mr. Speaker, I reserve the balance of my time.

Mr. MORAN. Does the gentleman want to use any more time?

Mr. SNELL. No.

Mr. MORAN. Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts [Mr. McCORMACK.]

Mr. McCORMACK. Mr. Speaker, I am very much surprised to hear my distinguished friend from New York [Mr. SNELL] use the language that he "appreciates very well that we have the votes to vote down the substitute." This is not a question of might; this is a question of justice and of right.

My friend from New York has referred to precedents. Let me briefly refer to a precedent, and let me call attention to the fact that what I am going to refer to now is a New York case which appears in volume 1 of Hinds' Precedents, paragraph 597, on page 776.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. The New York case that I have referred to is one where the Clerk enrolled a Member who had no regular certificate but who presented an official statement from the State authorities showing his election. In that case, the case of Williamson versus Sickles, a New York case, the oath was administered. There was a contest in that case. Another precedent appears in Hinds' Precedents, volume 1, section 553, page 710. That is the case of James H. McLean, of Missouri, determined in 1882. In that case the State authorities had declined to issue credentials to a person whose election was not in dispute, and the House, by its vote, declared that Mr. McLean was entitled to a seat in the House, and the oath was administered to him. The House satisfied itself of his election. The fundamental question is that the oath was administered without a credential when the House was satisfied that the man was elected. This was done without reference to an election committee or any special committee, although the State authorities had declined and refused to issue the credentials.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. SNELL. The gentleman says "when the election was not in dispute." The election in this case is in dispute.

Mr. McCORMACK. But the fundamental question involved in that case was that the House administered the oath without the credentials, when there was no doubt upon the part of the House that the man was elected. Everybody knows that Mr. Utterback was elected.

Mr. SNELL. Oh, no; they do not.

Mr. McCORMACK. It is common knowledge; it is not denied here.

Mr. SNELL. It is denied here, and I deny it emphatically.

Mr. McCORMACK. Mr. Speaker, it is not a matter of might, it is a matter of right and justice, and the oath should be administered to Mr. Utterback. [Applause.]

The SPEAKER. The question is on the substitute offered by the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 105, nays 296, not voting 17, as follows:

[Roll No. 3]

YEAS—105

Allen	Dirksen	Hope	Reid, Ill.
Andrew, Mass.	Ditter	James	Seger
Andrews, N.Y.	Dondero	Jenkins	Simpson
Bacharach	Doutrich	Kahn	Sinclair
Bacon	Dowell	Kelly, Pa.	Snell
Bakewell	Eaton	Kinzer	Stalker
Beck	Edmonds	Knutson	Strong, Pa.
Beedy	Eltse, Calif.	Lambertson	Swick
Blanchard	Englebright	Lehlbach	Taber
Boileau	Evans	Luce	Taylor, Tenn.
Bolton	Fish	McFadden	Tinkham
Britten	Focht	McGugin	Tobey
Brumm	Foss	McLean	Traeger
Burnham	Frear	McLeod	Treadway
Carter, Calif.	Gibson	Mapes	Turpin
Carter, Wyo.	Gifford	Marshall	Wadsworth
Cavicchia	Gilchrist	Martin, Mass.	Waldron
Chase	Goodwin	Merritt	Watson
Christianson	Goss	Millard	Welch
Clarke, N.Y.	Guyer	Mott	Whitley
Cochran, Pa.	Hancock, N.Y.	Moynihan	Withrow
Connolly	Hartley	Muldowney	Wolcott
Cooper, Ohio	Hess	Parker, N.Y.	Wolverton
Crowther	Higgins	Perkins	Woodruff
Culkin	Hollister	Powers	
Darrow	Holmes	Ransley	
De Priest	Hooper	Reed, N.Y.	

NAYS—296

Abernethy	Bankhead	Briggs	Busby
Adair	Beam	Brooks	Byrns
Adams	Beiter	Brown, Mich.	Cady
Allgood	Berlin	Browning	Caldwell
Almon	Biermann	Brunner	Cannon, Mo.
Arens	Black	Buchanan	Cannon, Wis.
Arnold	Bland	Buck	Carden
Auf der Heide	Blanton	Bulwinkle	Carley
Ayers, Mont.	Bloom	Burch	Carpenter, Kans.
Ayres, Kans.	Boehne	Burke, Calif.	Carpenter, Nebr.
Bailey	Boylan	Burke, Nebr.	Cary
Castellow	Glover	Lloyd	Romjue
Celler	Goldsborough	Lozier	Rudd
Chapman	Granfield	Ludlow	Ruffin
Chavez	Gray	McCarthy	Sabath
Church	Green	McClintic	Sadowski
Clark, N.C.	Greenwood	McCormack	Sanders
Cochran, Mo.	Gregory	McDuffie	Sandlin
Coffin	Griffin	McFarlane	Schaefer
Colden	Griswold	McGrath	Schuetz
Cole	Haines	McKeown	Schulte
Collins, Miss.	Hamilton	McMillan	Scrugham
Colmer	Hancock, N.C.	McReynolds	Sears
Condon	Harlan	McSwain	Secrest
Connery	Hart	Major	Shallenberger
Cooper, Tenn.	Harter	Maloney, Conn.	Shannon
Corning	Hastings	Maloney, La.	Sirovich
Cox	Healey	Mansfield	Sisson
Cross	Henney	Marland	Smith, Va.
Crosser	Hildebrandt	Martin, Colo.	Smith, Wash.
Crowe	Hill, Ala.	Martin, Oreg.	Smith, W.Va.
Crump	Hill, Knute	May	Snyder
Cullen	Hill, Sam B.	Mead	Somers, N.Y.
Cummings	Hoeppel	Meeks	Spence
Darden	Holdale	Miller	Steagall
Dear	Howard	Milligan	Strong, Tex.
Deen	Huddleston	Mitchell	Stubbs
Delaney	Hughes	Montet	Sullivan
DeRouen	Imhoff	Moran	Sumners, Tex.
Dickinson	Jacobsen	Morehead	Sutphin
Dickstein	Jeffers	Musselwhite	Swank
Dies	Jenckes	Nesbit	Sweeney
Dingell	Johnson, Minn.	Norton	Tarver
Dobbins	Johnson, Okla.	O'Brien	Taylor, Colo.
Dockweiler	Johnson, Tex.	O'Connell	Taylor, S.C.
Doughton	Johnson, W.Va.	O'Connor	Terrell
Douglass, Mass.	Jones	O'Malley	Thom
Doxey	Kee	Oliver, Ala.	Thomason, Tex.
Drewry	Keller	Oliver, N.Y.	Thompson, Ill.
Driver	Kelly, Ill.	Owen	Truax
Duffey	Kemp	Palmisano	Turner
Duncan, Mo.	Kennedy, Md.	Parker, Ga.	Umstead
Dunn	Kennedy, N.Y.	Parks	Underwood
Durgan, Ind.	Kenney	Parsons	Vinson, Ga.
Eagle	Kerr	Patman	Vinson, Ky.
Eicher	Kleberg	Peterson	Wallgren
Ellzey, Miss.	Kloeb	Pettengill	Walter
Faddis	Kniffin	Peyser	Warren
Farley	Kocialkowski	Pierce	Wearin
Fernandez	Kopplemann	Polk	Weaver
Fiesinger	Kramer	Pou	Weideman
Fitzgibbons	Kvale	Prall	Werner
Fitzpatrick	Lambeth	Ragon	West
Flannagan	Lamneck	Ramsay	White
Fletcher	Lanham	Ramspeck	Whittington
Ford	Lanzetta	Randolph	Wilcox
Foulkes	Larrabee	Rankin	Williford
Fuller	Lea, Calif.	Rayburn	Williams
Fulmer	Lee, Mo.	Reilly	Wilson
Gambrill	Lehr	Richardson	Wood, Ga.
Gasque	Lemke	Robertson	Wood, Mo.
Gavagan	Lesinski	Robinson	Woodrum
Gillespie	Lewis, Colo.	Rogers, N.H.	Young
Gillette	Lindsay	Rogers, Okla.	Zioncheck

NOT VOTING—17

Boland	Lewis, Md.	Rich	Utterback
Brown, Ky.	Lundeen	Richards	Wolfenden
Crosby	Murdock	Rogers, Mass.	
Disney	Peavey	Studley	
Kurtz	Reece	Thurston	

So the substitute was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question now is on the resolution offered by the gentleman from Maine.

The resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

Mr. UTTERBACK, Mr. KURTZ, Mrs. ROGERS of Massachusetts, Mr. RICH, and Mr. WOLFENDEN appeared at the bar of the House and took the oath of office.

REPRESENTATIVE-ELECT FRANCIS H. SHOEMAKER

Mr. CARTER of California. Mr. Speaker, I offer the following resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 6

Mr. CARTER of California offers the following resolution:

"Whereas it is charged that FRANCIS H. SHOEMAKER, a Representative-elect to the Seventy-third Congress from the State of Minnesota, is ineligible to a seat in the House of Representatives; and

"Whereas such charge is made through a Member of this House, on his responsibility as such Member and on the basis, as he asserts, of public records, statements, and papers evidencing such ineligibility: Therefore

"*Resolved*, That the question of prima facie right of FRANCIS H. SHOEMAKER to be sworn in as Representative from the State of Minnesota in the Seventy-third Congress, as well as of his final right to a seat therein as such Representative, be referred to the

Committee on Elections No. 1, when elected, and until such committee shall report upon and the House decide such questions and right the said FRANCIS H. SHOEMAKER shall not be sworn in or be permitted to occupy a seat in the House, and said committee shall have power to send for persons and papers and examine witnesses on oath in relation to the subject matter of this resolution.

Mr. CARTER of California. Mr. Speaker, I object to the swearing in of Representative-elect FRANCIS H. SHOEMAKER, from the State of Minnesota, and to his taking a seat in this body. I do so, Mr. Speaker, on my own responsibility as a Member of this House and because specific, serious, and apparently well-grounded charges of ineligibility are made against him. Certified copies of the indictment, order of probation, order revoking probation, and of the sentence of said FRANCIS H. SHOEMAKER in the United States District Court in and for the District of Minnesota, evidence the fact that the claimant was in 1930 convicted of a felony for which he was sentenced to serve and did serve a term in the United States penitentiary at Leavenworth, Kans.

The constitution of the State of Minnesota provides that—

No person who has been convicted of treason or felony, unless restored to civil rights—

shall be eligible to vote or eligible to hold any office. FRANCIS H. SHOEMAKER, the claimant to a seat in this House, is alleged not to have been pardoned nor restored to civil rights by the constituted authority of the State of Minnesota. If this be true, it raises a serious doubt of the eligibility of said SHOEMAKER to vote in or to become a candidate for Representative in Congress from the State of Minnesota, and therefore also raises serious doubt of the validity of his election and of his certificate of election.

In my judgment, if the grand jury and court records tell the truth, and if statements and other records, apparently well authenticated, which have been brought to my attention, be true concerning the claimant, FRANCIS H. SHOEMAKER, then he is ineligible to be a Member of this House of Representatives.

I ought also to say, in addition to what I have just said, that it is alleged as a matter of common knowledge and report that said SHOEMAKER brazenly and flauntingly refers proudly to his conviction and imprisonment as a badge of distinction.

Mr. Speaker, these charges upon which I offer and express no opinion impose a responsibility upon this House to investigate them, and I therefore submit the foregoing resolution.

Mr. BYRNS. Mr. Speaker, I move the previous question on the resolution.

Mr. KVALE. Mr. Speaker, will the gentleman withhold that for a minute or two?

Mr. BYRNS. How much time does the gentleman want?

Mr. KVALE. I want only five minutes.

Mr. BYRNS. I think the gentleman is entitled to that, and I yield five minutes to the gentleman from Minnesota [Mr. KVALE], but in doing so permit me to say this to the gentleman and to others who may want to speak. I am not actuated by any desire to cut anyone off, but we have a tremendous job upon our hands this afternoon, and the Senate is waiting upon us.

Mr. KVALE. Mr. Speaker, at this juncture there should appear some statement in behalf of my colleague from Minnesota [Mr. SHOEMAKER], who has been asked to step aside, while others took their oaths of office.

This was not foreseen; it came as a total surprise to all of the members of the Minnesota delegation with whom I have consulted, and I have spoken with all except one. None of us is prepared to plead for our colleague, who is not now entitled to recognition, according to best advice. None of us is prepared to argue the merits of the question; none of us is prepared to reply to the charges which have been laid before the House by the gentleman from California [Mr. CARTER].

The facts in the case are all well known to the people throughout the State of Minnesota, generally speaking. They occurred some time ago.

Recently, however, an attempt was made to bar Mr. SHOEMAKER from the privilege of exercising his right of ballot on November 8. It was not successful. Mr. SHOEMAKER was permitted to cast his vote at that time. He received the votes of about 317,000 people in the State of Minnesota, running as a Farmer-Labor candidate for Representative at large. He received a certificate of election from the Governor of his State. That certificate was filed with the Clerk of the House of Representatives. The Clerk scrutinized it, and, as the gentleman from New York [Mr. SNELL] just said in connection with a similar situation, in all likelihood went behind the certificate itself and certified him to the House as one he believed entitled to take the oath of office.

I have consulted the Parliamentarian and the Speaker with reference to the parliamentary situation, and I tried to discover, at the solicitation of others of my colleagues, if it would be possible for me to offer a substitute resolution declaring his right to be seated. I was advised it cannot be done except by unanimous consent. It seems inopportune; there is no time to argue the merits of the case. If this is going to a committee, in the interest of fairness and justice, I hope that such committee be speedily elected and we may secure quick action before the committee.

Mr. McCORMACK. There is a long line of precedents to the effect that where the qualifications of a Member are questioned, he has a prima facie right to be sworn in and then have the whole question of disqualification referred to the committee. [Applause.]

Mr. KVALE. A parliamentary inquiry, Mr. Speaker. In line with the statement of the gentleman from Massachusetts, is it permissible for me to offer a substitute resolution?

Mr. BYRNS. Mr. Speaker, if this is going to cause any debate, and there is evidence that it may, I want to propound a parliamentary inquiry, if it would be in order, for the matter to be deferred until tomorrow?

Mr. KVALE. That will be satisfactory to us, in view of the urgent legislation awaiting action.

Mr. WOODRUM. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. WOODRUM. If we vote down the resolution, the gentleman can take his seat, and that will be the end of it.

Mr. KVALE. I sincerely thank the gentleman. That is perhaps the best course to follow. Precedents, I am told, point to such a course. Let him be sworn and seated, then let there be proper inquiry. That is simple justice.

Mr. BYRNS. In view of the fact that a message from the President of the United States is now awaiting us, in view of the fact that a bill has been introduced which ought to be passed at once, in view of the fact that the Senate is now waiting for that bill, I ask unanimous consent that this resolution go over until tomorrow, to be disposed of immediately after the reading of the Journal.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

ELECTION OF OFFICERS

The SPEAKER. The next business before the House is the election of officers.

Mr. LEA of California. Mr. Speaker, I offer the following resolution.

The Clerk read as follows:

House Resolution 7

Resolved, That South Trimble, of the State of Kentucky, be, and he is hereby, chosen Clerk of the House of Representatives;

That Kenneth Romney, of the State of Montana, be, and he is hereby, chosen Sergeant at Arms of the House of Representatives;

That Joseph J. Sinnott, of the State of Virginia, be, and he is hereby, chosen Doorkeeper of the House of Representatives;

That Finis E. Scott, of the State of Tennessee, be, and he is hereby, chosen Postmaster of the House of Representatives; and

That Rev. James Shera Montgomery, D.D., of the District of Columbia, be, and he is hereby, chosen Chaplain of the House of Representatives.

Mr. LUCE. Mr. Speaker, as chairman of the Republican conference, I am directed to offer a substitute for the reso-

lution just offered by the gentleman from California, and upon that I ask for a separation of the resolution just read in order that the name of the Rev. James Shera Montgomery, as Chaplain, may be voted upon separately.

I send the following resolution to the Clerk's desk:

Resolved, That William Tyler Page, of the State of Maryland, be, and he is hereby, chosen Clerk of the House of Representatives;

That Joseph G. Rodgers, of the State of Pennsylvania, be, and he is hereby, chosen Sergeant at Arms of the House of Representatives;

That Bert W. Kennedy, of the State of Michigan, be, and he is hereby, chosen Doorkeeper of the House of Representatives;

That Frank W. Collier, of the State of Wisconsin, be, and he is hereby, chosen Postmaster of the House of Representatives.

The SPEAKER. The question is on the substitute resolution.

The question was taken, and the substitute resolution was rejected.

The SPEAKER. The question now is on the resolution offered by the gentleman from California.

The resolution was agreed to.

Mr. South Trimble, Mr. Kenneth Romney, Mr. Joseph J. Sinnott, Mr. Finis E. Scott, and the Rev. James Shera Montgomery, D.D., appeared at the bar at the House, and the oath of office was administered to them by the Speaker.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed the following resolution:

Senate Resolution 2

Resolved, That a committee consisting of two Senators be appointed to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that the Congress is ready to receive any communication he may be pleased to make.

The message also announced that pursuant to the foregoing resolution the Vice President had appointed Mr. ROBINSON of Arkansas and Mr. MCNARY members of the committee on the part of the Senate.

The message also announced that the Senate had passed the following resolutions:

Senate Resolution 3

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

Senate Resolution 4

Resolved, That the hour of daily meeting of the Senate be 12 o'clock meridian, unless otherwise ordered.

Senate Resolution 9

Resolved, That the House of Representatives be notified of the election of Hon. KEY PITTMAN, a Senator from the State of Nevada, as President pro tempore, and Edwin A. Halsey, of Virginia, as Secretary of the Senate.

The message also announced that the Senate had ordered that the Secretary notify the House of Representatives that the Senate is now organized for the trial of articles of impeachment against Harold Louderback, United States district judge of the northern district of California, and is ready to receive the managers on the part of the House at its bar.

The message also announced that the Senate, as a court of impeachment, had taken a recess until 4 o'clock p. m., this day.

MAJORITY FLOOR LEADER

Mr. LEA of California. Mr. Speaker, as chairman of the Democratic caucus, I desire to announce to the House that at a recent meeting of the caucus, Hon. JOSEPH W. BYRNS, of Tennessee, was selected majority floor leader for the Seventy-third Congress. [Applause.]

MINORITY FLOOR LEADER

Mr. LUCE. Mr. Speaker, as chairman of the Republican conference, I wish to announce that the conference has selected Hon. BERTRAND H. SNELL, of New York, as minority leader for the Seventy-third Congress. [Applause.]

NOTIFICATION OF SENATE OF ORGANIZATION OF THE HOUSE

Mr. DOUGHTON. Mr. Speaker, I move the adoption of a resolution which I have sent to the desk.

The Clerk read as follows:

House Resolution 8

Resolved, That a message be sent to the Senate to inform that body that a quorum of the House of Representatives has assembled; that HENRY T. RAINEY, a Representative from the State of Illinois, has been elected Speaker; that South Trimble, a citizen of the State of Kentucky, has been elected Clerk; and that the House is ready for business.

The resolution was agreed to.

COMMITTEE TO NOTIFY THE PRESIDENT OF THE UNITED STATES

Mr. BYRNS. Mr. Speaker, I offer a resolution, which I have sent to the desk.

The Clerk read as follows:

House Resolution 9

Resolved, That a committee of three be appointed by the Speaker, on the part of the House of Representatives, to join the committee appointed on the part of the Senate to wait on the President of the United States and notify him that a quorum of the two Houses has assembled and that Congress is ready to receive any communication he may be pleased to make.

The resolution was agreed to.

The SPEAKER. The Chair appoints the following committee:

The gentleman from Tennessee, Mr. BYRNS, the gentleman from Illinois, Mr. SABATH, and the gentleman from New York, Mr. SNELL.

NOTIFICATION OF PRESIDENT OF THE UNITED STATES OF ORGANIZATION OF THE HOUSE

Mr. BUCHANAN. Mr. Speaker, I offer a resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 10

Resolved, That the Clerk be instructed to inform the President of the United States that the House of Representatives has elected HENRY T. RAINEY, a Representative from the State of Illinois, Speaker, and South Trimble, a citizen of the State of Kentucky, Clerk, of the House of Representatives of the Seventy-third Congress.

The resolution was agreed to.

REPORT OF COMMITTEE TO NOTIFY THE PRESIDENT OF THE UNITED STATES OF ORGANIZATION OF THE HOUSE

Mr. BYRNS. Mr. Speaker, your committee, appointed on the part of the House to join a like committee on the part of the Senate to wait upon the President of the United States and inform him that a quorum of both Houses is assembled and that the Congress is ready to receive such communication as he may care to make, beg leave to report that we have performed that duty and that the President will communicate with Congress forthwith by a message in writing. [Applause.]

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

SWEARING IN OF A MEMBER

Hon. EDWARD L. STOKES, Member-elect from the State of Pennsylvania, appeared at the bar of the House and received the oath of office.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H.DOC. NO. 1)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee of the Whole House on the state of the Union, and ordered printed:

To the Senate and House of Representatives:

On March 3 banking operations in the United States ceased. To review at this time the causes of this failure of our banking system is unnecessary. Suffice it to say that the Government has been compelled to step in for the protection of depositors and the business of the Nation.

Our first task is to reopen all sound banks. This is an essential preliminary to subsequent legislation directed against speculation with the funds of depositors and other violations of positions of trust.

In order that the first objective—the opening of banks for the resumption of business—may be accomplished, I ask of the Congress the immediate enactment of legislation giving to the executive branch of the Government control over banks for the protection of depositors; authority forthwith to open such banks as have already been ascertained to be in sound condition, and other such banks, as rapidly as possible; and authority to reorganize and reopen such banks as may be found to require reorganization to put them on a sound basis.

I ask amendments to the Federal Reserve Act to provide for such additional currency, adequately secured, as it may become necessary to issue to meet all demands for currency and at the same time to achieve this end without increasing the unsecured indebtedness of the Government of the United States.

I cannot too strongly urge upon the Congress the clear necessity for immediate action. A continuation of the strangulation of banking facilities is unthinkable. The passage of the proposed legislation will end this condition and, I trust, within a short space of time will result in a resumption of business activities.

In addition, it is my belief that this legislation will not only lift immediately all unwarranted doubts and suspicions in regard to banks which are 100 percent sound but will also mark the beginning of a new relationship between the banks and the people of this country.

The Members of the new Congress will realize, I am confident, the grave responsibility which lies upon me and upon them.

In the short space of 5 days it is impossible for us to formulate completed measures to prevent the recurrence of the evils of the past. This does not and should not, however, justify any delay in accomplishing this first step.

At an early moment I shall request of the Congress two other measures which I regard as of immediate urgency. With action taken thereon we can proceed to the consideration of a rounded program of national restoration.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 9, 1933.*

NATIONAL BANKING SYSTEM

Mr. BYRNS. Mr. Speaker, I ask unanimous consent for the immediate consideration of H.R. 1491, and in its consideration that there shall be 40 minutes of debate, one half of such time to be controlled by the gentleman from Alabama [Mr. STEAGALL] and the other half by the gentleman from Pennsylvania [Mr. MCFADDEN]; that at the conclusion of the debate the previous question shall be considered as ordered on the bill to final passage.

Now, Mr. Speaker, may I make this statement, with the indulgence of the House, before this request is submitted: The President in his message has given the very best of reasons why this request should be agreed to. The Senate is now awaiting the action of the House upon this particular bill.

It is of the most extreme importance that this bill, introduced a few moments ago by the gentleman from Alabama, carrying out the recommendations of the President preparatory to opening the banks of the country on tomorrow shall be adopted and become a law today.

Unless this request is granted there is, of course, a possibility that this legislation may not become a law today, and no one in this House or elsewhere can know just what the effect will be tomorrow.

Mr. Speaker, the people of the United States have chosen the President as the leader not only of his party but as the leader of the Nation. To him they are looking for relief. He is their only hope. They have confidence in him and are looking to him alone to restore this country to normal prosperity, and I submit that we, as Members of Congress, owe it to the people of this country and owe it to him upon whom rests this great responsibility, to give him our support in this particular matter and at this particular hour.

I trust, therefore, that there will be no Member of this House on either side of the Chamber who will object to this unanimous-consent request.

If we were acting under the rules of the House and it were suspension day, the Speaker could recognize anyone to move to suspend the rules and pass this bill with a limitation of 40 minutes' debate. This request gives 40 minutes' debate on this bill. I trust, therefore, under the peculiar circumstances and under the serious situation which confronts the country, we will agree to take this bill up now, pass it, send it to the Senate so it may become a law this evening, and thus enable the President of the United States to open the banks tomorrow and give not only the banks but business interests and the people of this country relief.

Mr. SNELL. Mr. Speaker, reserving the right to object, I well appreciate the importance of what the gentleman from Tennessee has said. Of course it is entirely out of the ordinary to pass legislation in this House that, as far as I know, is not even in print at the time it is offered. I do not know that it is possible to distribute copies of the bill to the Members of the House, but that is not the question before us here at the present time. The house is burning down, and the President of the United States says this is the way to put out the fire. [Applause.] And to me at this time there is only one answer to this question, and that is to give the President what he demands and says is necessary to meet the situation.

I do not know that I am in favor of all the details carried in this bill, but whether I am or not, I am going to give the President of the United States today his way. He is the man responsible, and we must at this time follow his lead. I hope no one on this side of the aisle will object to the consideration of the request. [Applause.]

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

Mr. BYRNS. I yield.

Mr. BANKHEAD. As far as I am advised, the House has not yet adopted rules of procedure for this Congress. As I understand it, unless objection is raised the ordinary proceedings governing the House during the Seventy-second Congress will prevail in the consideration of this unanimous-consent request?

The SPEAKER. The gentleman is correct.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. I yield.

Mr. O'CONNOR. Just to clear up the parliamentary situation, as I understand the request of the gentleman from Tennessee, it involves the consideration of this bill in the House as though the rules of the Seventy-second Congress had been adopted, and, as it were, under suspension of the rules; and the bill will not be subject to amendment. Is this correct?

Mr. BYRNS. The bill will not be subject to amendment.

Mr. STEAGALL. That is the inquiry I wanted to make. I wanted it clearly understood.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

H.R. 1491

An act to provide relief in the existing national emergency in banking, and for other purposes

Be it enacted, etc., That the Congress hereby declares that a serious emergency exists and that it is imperatively necessary speedily to put into effect remedies of uniform national application.

TITLE I

SECTION 1. The actions, regulations, rules, licenses, orders, and proclamations heretofore or hereafter taken, promulgated, made, or issued by the President of the United States or the Secretary of the Treasury since March 4, 1933, pursuant to the authority conferred by subdivision (b) of section 5 of the act of October 6, 1917, as amended, are hereby approved and confirmed.

SEC. 2. Subdivision (b) of section 5 of the act of October 6, 1917 (40 Stat.L. 411), as amended, is hereby amended to read as follows:

"(b) During time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise, any transactions in foreign exchange, transfers of credit between or payments by banking institutions as defined by the President, and export, hoarding, melting, or earmarking of gold or silver coin or bullion or currency, by any person within the United States or any place subject to the jurisdiction thereof; and the President may require any person engaged in any transaction referred to in this subdivision to furnish, under oath, complete information relative thereto, including the production of any books of account, contracts, letters, or other papers in connection therewith in the custody or control of such person, either before or after such transaction is completed. Whoever willfully violates any of the provisions of this subdivision or of any license, order, rule or regulation issued thereunder, shall, upon conviction, be fined not more than $10,000, or, if a natural person, may be imprisoned for not more than 10 years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both. As used in this subdivision the term 'person' means an individual, partnership, association, or corporation."

SEC. 3. Section 11 of the Federal Reserve Act is amended by adding at the end thereof the following new subsection:

"(n) Whenever in the judgment of the Secretary of the Treasury such action is necessary to protect the currency system of the United States, the Secretary of the Treasury, in his discretion, may require any or all individuals, partnerships, associations, and corporations to pay and deliver to the Treasurer of the United States any or all gold coin, gold bullion, and gold certificates owned by such individuals, partnerships, associations, and corporations. Upon receipt of such gold coin, gold bullion, or gold certificates, the Secretary of the Treasury shall pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States. The Secretary of the Treasury shall pay all costs of the transportation of such gold bullion, gold certificates, coin, or currency, including the cost of insurance, protection, and such other incidental costs as may be reasonably necessary. Any individual, partnership, association, or corporation failing to comply with any requirement of the Secretary of the Treasury made under this subsection shall be subject to a penalty equal to twice the value of the gold or gold certificates in respect of which such failure occurred, and such penalty may be collected by the Secretary of the Treasury by suit or otherwise."

SEC. 4. In order to provide for the safer and more effective operation of the national banking system and the Federal Reserve System, to preserve for the people the full benefits of the currency provided for by the Congress through the national banking system and the Federal Reserve System, and to relieve interstate commerce of the burdens and obstructions resulting from the receipt on an unsound or unsafe basis of deposits subject to withdrawal by check, during such emergency period as the President of the United States by proclamation may prescribe, no member bank of the Federal Reserve System shall transact any banking business except to such extent and subject to such regulations, limitations, and restrictions as may be prescribed by the Secretary of the Treasury, with the approval of the President. Any individual, partnership, corporation, or association, or any director, officer, or employee thereof, violating any of the provisions of this section shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $10,000 or, if a natural person, may, in addition to such fine, be imprisoned for a term not exceeding 10 years. Each day that any such violation continues shall be deemed a separate offense.

TITLE II

SEC. 201. This title may be cited as the "Bank Conservation Act."

SEC. 202. As used in this title, the term "bank" means (1) any national banking association and (2) any bank or trust company located in the District of Columbia and operating under the supervision of the Comptroller of the Currency; and the term "State" means any State, Territory, or possession of the United States, and the Canal Zone.

SEC. 203. Whenever he shall deem it necessary in order to conserve the assets of any bank for the benefit of the depositors and other creditors thereof, the Comptroller of the Currency may appoint a conservator for such bank and require of him such bond and security as the Comptroller of the Currency deems proper. The conservator, under the direction of the Comptroller, shall take possession of the books, records, and assets of every description of such bank, and take such action as may be necessary to conserve the assets of such bank pending further disposition of its business as provided by law. Such conservator shall have all the rights, powers, and privileges now possessed by or hereafter given receivers of insolvent national banks, and shall be subject to the obligations and penalties, not inconsistent with the provisions of this title, to which receivers are now or may hereafter become subject. During the time that such conservator remains in possession of such bank, the rights of all parties with respect thereto shall, subject to the other provisions of this title, be the same as if a receiver had been appointed therefor. All expenses of any such conservatorship shall be paid out of the assets of such bank and shall be a lien thereon which shall be prior to any other lien provided by this act or otherwise. The conservator shall receive as salary an amount no greater than that paid to employees of the Federal Government for similar services.

SEC. 204. The Comptroller of the Currency shall cause to be made such examinations of the affairs of such bank as shall be necessary to inform him as to the financial condition of such bank, and the examiner shall make a report thereon to the Comptroller of the Currency at the earliest practicable date.

SEC. 205. If the Comptroller of the Currency becomes satisfied that it may safely be done and that it would be in the public interest, he may, in his discretion, terminate the conservatorship and permit such bank to resume the transaction of its business subject to such terms, conditions, restrictions, and limitations as he may prescribe.

SEC. 206. While such bank is in the hands of the conservator appointed by the Comptroller of the Currency, the Comptroller may require the conservator to set aside and make available for withdrawal by depositors and payment to other creditors, on a ratable basis, such amounts as in the opinion of the Comptroller may safely be used for this purpose; and the Comptroller may, in his discretion, permit the conservator to receive deposits, but deposits received while the bank is in the hands of the conservator shall not be subject to any limitation as to payment or withdrawal, and such deposits shall be segregated and shall not be used to liquidate any indebtedness of such bank existing at the time that a conservator was appointed for it, or any subsequent indebtedness incurred for the purpose of liquidating any indebtedness of such bank existing at the time such conservator was appointed. Such deposits received while the bank is in the hands of the conservator shall be kept on hand in cash, invested in the direct obligations of the United States, or deposited with a Federal Reserve bank. The Federal Reserve banks are hereby authorized to open and maintain separate deposit accounts for such purpose or for the purpose of receiving deposits from State officials in charge of State banks under similar circumstances.

SEC. 207. In any reorganization of any national banking association under a plan of a kind which, under existing law, requires the consent, as the case may be, (a) of depositors and other creditors, or (b) of stockholders, or (c) of both depositors and other creditors and stockholders, such reorganization shall become effective only (1) when the Comptroller of the Currency shall be satisfied that the plan of reorganization is fair and equitable as to all depositors, other creditors, and stockholders and is in the public interest and shall have approved the plan subject to such conditions, restrictions, and limitations as he may prescribe, and (2) when, after reasonable notice of such reorganization, as the case may require, (A) depositors and other creditors of such bank representing at least 75 per cent in amount of its total deposits and other liabilities as shown by the books of the national banking association, or (B) stockholders owning at least two-thirds of its outstanding capital stock as shown by the books of the national banking association, or (C) both depositors and other creditors representing at least 75 per cent in amount of the total deposits and other liabilities and stockholders owning at least two-thirds of its outstanding capital stock as shown by the books of the national banking association, shall have consented in writing to the plan of reorganization: *Provided, however,* That claims of depositors or other creditors which will be satisfied in full under the provisions of the plan of reorganization shall not be included among the total deposits and other liabilities of the national banking association in determining the 75 per cent thereof as above provided. When such reorganization becomes effective, all books, records, and assets of the national banking association shall be disposed of in accordance with the provisions of the plan and the affairs of the national banking association shall be conducted by its board of directors in the manner provided by the plan and under the conditions, restrictions, and limitations which may have been prescribed by the Comptroller of the Currency. In any reorganization which shall have been approved and shall have become effective as provided herein, all depositors and other creditors and stockholders of such national banking association, whether or not they shall have consented to such plan of reorganization, shall be fully and in all respects subject to and bound by its provisions, and claims of all depositors and other creditors shall be treated as if they had consented to such plan of reorganization.

SEC. 208. After 15 days after the affairs of a bank shall have been turned back to its board of directors by the conservator, either with or without a reorganization as provided in section 207 hereof, the provisions of section 206 of this title with respect to the segregation of deposits received while it is in the hands of the conservator and with respect to the use of such deposits to liquidate the indebtedness of such bank shall no longer be effective: *Provided,* That before the conservator shall turn back the affairs of the bank to its board of directors he shall cause to be published in a newspaper published in the city, town, or county in which such bank is located, and if no newspaper is published in such city, town, or county, in a newspaper to be selected by the Comptroller of the Currency published in the State in which the bank is located, a notice in form approved by the Comptroller, stating the date on which the affairs of the bank will be returned to its board of directors and that the said provisions of section 206 will not be effective after 15 days after such date; and on the date of the publication of such notice the conservator shall immediately send to every person who is a depositor in such bank under section 206 a copy of such notice by registered mail addressed to the last-known address of such person as shown by the records of the bank, and the conservator shall send similar notice in like manner to every person making deposit in such bank

under section 206 after the date of such newspaper publication and before the time when the affairs of the bank are returned to its directors.

SEC. 209. Conservators appointed pursuant to the provisions of this title shall be subject to the provisions of and to the penalties prescribed by section 5209 of the Revised Statutes (U. S. C., title 12, sec. 592), and sections 112, 113, 114, 115, 116, and 117 of the Criminal Code of the United States (U. S. C., title 18, secs. 202, 203, 204, 205, 206, and 207, in so far as applicable, are extended to apply to contracts, agreements, proceedings, dealings, claims, and controversies by or with any such conservator or the Comptroller of the Currency under the provisions of this title.

SEC. 210. Nothing in this title shall be construed to impair in any manner any powers of the President, the Secretary of the Treasury, the Comptroller of the Currency, or the Federal Reserve Board.

SEC. 211. The Comptroller of the Currency is hereby authorized and empowered, with the approval of the Secretary of the Treasury, to prescribe such rules and regulations as he may deem necessary in order to carry out the provisions of this title. Whoever violates any rule or regulation made pursuant to this section shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $5,000, or imprisoned not more than one year, or both.

TITLE III

SEC. 301. Notwithstanding any other provision of law, any national banking association may, with the approval of the Comptroller of the Currency and by vote of shareholders owning a majority of the stock of such association, upon not less than five days' notice, given by registered mail pursuant to action taken by its board of directors, issue preferred stock in such amount and with such par value as shall be approved by said comptroller, and make such amendments to its articles of association as may be necessary for this purpose; but, in the case of any newly organized national banking association which has not yet issued common stock, the requirement of notice to and vote of shareholders shall not apply. No issue of preferred stock shall be valid until the par value of all stock so issued shall be paid in.

SEC. 302. (a) The holders of such preferred stock shall be entitled to cumulative dividends at a rate not exceeding 6 per cent per annum, but shall not be held individually responsible as such holders for any debts, contracts, or engagements of such association, and shall not be liable for assessments to restore impairments in the capital of such association as now provided by law with reference to holders of common stock. Notwithstanding any other provision of law, the holders of such preferred stock shall have such voting rights, and such stock shall be subject to retirement in such manner and on such terms and conditions as may be provided in the articles of association with the approval of the Comptroller of the Currency.

(b) No dividends shall be declared or paid on common stock until the cumulative dividends on the preferred stock shall have been paid in full; and, if the association is placed in voluntary liquidation or a conservator or a receiver is appointed therefor, no payments shall be made to the holders of the common stock until the holders of the preferred stock shall have been paid in full the par value of such stock plus all accumulated dividends.

SEC. 303. The term "common stock" as used in this title means stock of national banking associations other than preferred stock issued under the provisions of this title. The term "capital" as used in provisions of law relating to the capital of national banking associations shall mean the amount of unimpaired common stock plus the amount of preferred stock outstanding and unimpaired; and the term "capital stock," as used in section 12 of the act of March 14, 1900, shall mean only the amount of common stock outstanding.

SEC. 304. If in the opinion of the Secretary of the Treasury any national banking association or any State bank or trust company is in need of funds for capital purposes either in connection with the organization or reorganization of such association, State bank or trust company or otherwise, he may, with the approval of the President, request the Reconstruction Finance Corporation to subscribe for preferred stock in such association, State bank, or trust company, or to make loans secured by such stock as collateral, and the Reconstruction Finance Corporation may comply with such request. The Reconstruction Finance Corporation may, with the approval of the Secretary of the Treasury, and under such rules and regulations as he may prescribe, sell in the open market or otherwise the whole or any part of the preferred stock of any national banking association, State bank, or trust company acquired by the corporation pursuant to this section. The amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions of this section.

TITLE IV

SEC. 401. The sixth paragraph of section 18 of the Federal Reserve Act is amended to read as follows:

"Upon the deposit with the Treasurer of the United States (a) of any direct obligations of the United States or (b) of any notes, drafts, bills of exchange, or bankers' acceptances acquired under the provisions of this act, any Federal Reserve bank making such deposit in the manner prescribed by the Secretary of the Treasury shall be entitled to receive from the Comptroller of the Currency circulating notes in blank, duly registered and countersigned. When such circulating notes are issued against the security of obligations of the United States the amount of such circulating notes shall be equal to the face value of the direct obligations of the United States so deposited as security; and, when issued against the security of notes, drafts, bills of exchange, and bankers' acceptances acquired under the provisions of this act, the amount thereof shall be equal to not more than 90 percent of the estimated value of such notes, drafts, bills of exchange, and bankers' acceptances so deposited as security. Such notes shall be the obligations of the Federal Reserve bank procuring the same, shall be in form prescribed by the Secretary of the Treasury, shall be receivable at par in all parts of the United States for the same purposes as are national-bank notes, and shall be redeemable in lawful money of the United States on presentation at the United States Treasury or at the bank of issue. The Secretary of the Treasury is authorized and empowered to prescribe regulations governing the issuance, redemption, replacement, retirement, and destruction of such circulating notes and the release and substitution of security therefor. Such circulating notes shall be subject to the same tax as is provided by law for the circulating notes of national banks secured by 2 percent bonds of the United States. No such circulating notes shall be issued under this paragraph after the President has declared by proclamation that the emergency recognized by the President by proclamation of March 6, 1933, has terminated, unless such circulating notes are secured by deposits of bonds of the United States bearing the circulation privilege. When required to do so by the Secretary of the Treasury, each Federal Reserve agent shall act as agent of the Treasurer of the United States or of the Comptroller of the Currency, or both, for the performance of any of the functions which the Treasurer or the Comptroller may be called upon to perform in carrying out the provisions of this paragraph. Appropriations available for distinctive paper and printing United States currency or national-bank currency are hereby made available for the production of the circulating notes of Federal Reserve banks herein provided; but the United States shall be reimbursed by the Federal Reserve bank to which such notes are issued for all expenses necessarily incurred in connection with the procuring of such notes and all other expenses incidental to their issue, redemption, replacement, retirement, and destruction."

SEC. 402. Section 10 (b) of the Federal Reserve Act, as amended, is further amended to read as follows:

"SEC. 10. (b) In exceptional and exigent circumstances, and when any member bank has no further eligible and acceptable assets available to enable it to obtain adequate credit accommodations through rediscounting at the Federal Reserve bank or any other method provided by this act other than that provided by section 10 (a), any Federal Reserve bank, under rules and regluations prescribed by the Federal Reserve Board may make advances to such member bank on its time or demand notes secured to the satisfaction of such Federal Reserve bank. Each such note shall bear interest at a rate not less than 1 per cent per annum higher than the highest discount rate in effect at such Federal Reserve bank on the date of such note. No advance shall be made under this section after March 3, 1934, or after the expiration of such additional period not exceeding one year as the President may prescribe."

SEC. 403. Section 13 of the Federal Reserve Act, as amended, is amended by adding at the end thereof the following new paragraph:

"Subject to such limitations, restrictions, and regulations as the Federal Reserve Board may prescribe, any Federal Reserve bank may make advances to any individual, partnership, or corporation on the promissory notes of such individual, partnership, or corporation secured by direct obligations of the United States. Such advances shall be made for periods not exceeding 90 days and shall bear interest at rates fixed from time to time by the Federal Reserve bank, subject to the review and determination of the Federal Reserve Board."

TITLE V

SEC. 501. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $2,000,000, which shall be available for expenditure, under the direction of the President and in his discretion, for any purpose in connection with the carrying out of this act.

SEC. 502. The right to alter, amend, or repeal this act is hereby expressly reserved. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

Mr. STEAGALL. Mr. Speaker, in view of the supreme emergency confronting the Congress and the country, it was thought that the House should act upon the legislation before us without the delay incident to the organization of the Committee on Banking and Currency to which the legislation would be referred for consideration under the usual procedure of the House.

Members of the House, including the distinguished leader and the beloved Speaker of the House, and Members of the Senate were called into conference last evening by the Chief Executive of the Nation and this bill was discussed by him and the request made that the measure be expedited in every possible manner. In response to this request and in re-

sponse to the demands of the hour, we have adopted this unusual method of consideration.

The first provision of the bill validates and maintains the authority exercised by the President of the United States in the proclamation relating to the banks of the Nation issued by the President on March 6, 1933.

Section 2 confers upon the President the powers bestowed under the act of October 6, 1917, regardless of whether or not the country is involved in war.

Section 3 gives authority to regulate transactions in gold and to exercise such powers as are required from time to time to conserve our supply of gold to prevent hoarding and to protect the currency of the United States.

Section 4 confers specific authority to control the banking operations of national banks and State banks that are members of the Federal Reserve System to the end that the public may have restored to them, at the earliest possible hour, such banking facilities as may be afforded by banks that are in position to transact banking activities without restriction.

The Comptroller of the Currency, with the approval of the Secretary of the Treasury, is given authority to appoint conservators to manage the affairs of national and member banks that are not, for the moment, in condition to resume complete operation. The conservator is empowered to do all the things essential to the preservation of the assets of an institution, to the protection of depositors and the public. But no power is given to proceed with final liquidation of the assets of a bank or to exercise completely the powers reposed in receivers of national banks.

State banks are not included in this provision of the bill. We thought it wise, after consideration of the measure, that State banks should not be embodied in legislation to the extent that we have provided for the control of national banks and member banks. The bill leaves State banks to the control of the State banking authorities, to work out their own problems in their own way, aided by some additional credit facilities established by this legislation and by further accommodations through the Reconstruction Finance Corporation.

The bill authorizes the Reconstruction Finance Corporation to subscribe for preferred stock in banks; and, after discussion and deliberation, it was decided—and the bill is so drawn—that State banks and trust companies shall share in the benefits of this provision the same as national banks and member banks of the Federal Reserve System.

So the Reconstruction Finance Corporation is not only authorized, as under existing law, to make loans upon the assets of State banks and National banks that are in distress, but the facilities of the Reconstruction Finance Corporation for accommodation have been enlarged to include loans upon the preferred stock which any bank, State or National, will be permitted to issue, or to subscribe for preferred stock, and assist State banks as well as national banks, in working out the problems with which they are confronted and to assist in reorganization.

I venture to say that this provision of the bill will prove of great advantage to the State banks of the country, over which we have no Federal control, and as to which we have not attempted to set up Federal control and regulation.

We have provided a simpler and broader authority for loans by Federal Reserve banks upon securities and collateral not eligible under the general authority of the Federal Reserve Act. This provision is extended for the period of 1 year, with power conferred upon the President to extend the operation for an additional year.

We have provided that any direct obligations of the United States or any notes, drafts, bills of exchange, or bankers' acceptances acquired by Federal Reserve banks may be deposited with the Treasurer of the United States or with the Federal Reserve agents, and upon these securities Federal Reserve bank notes may be issued. In case of the deposit of the obligations of the Government, the issue of Federal Reserve bank notes may be for the entire amount of such securities.

In the case of the deposit of notes, drafts, bills of exchange, and bankers' acceptances, Federal Reserve banks may issue Federal Reserve bank notes to the amount of 90 per cent of the value of such securities.

This provision affords a plan for constructive expansion of the currency of the country. [Applause.]

Mr. McREYNOLDS. To what amount?

Mr. STEAGALL. The amount will be limited by the demands and the exigency of the situation, and, of course, by the requirements of applying banks. [Applause.]

I will say to my friend on my right that there cannot be a greater expansion than the banks of the country demand for the protection of their depositors and for the support of trade and commerce in the United States. These depend on bank deposits and bank credit.

Mr. MAY. Will the gentleman yield?

Mr. STEAGALL. I will yield.

Mr. MAY. I understand that banks owning United States bonds can send them to the Federal Reserve bank and have 90 per cent of cash returned.

Mr. STEAGALL. An individual or any State bank may do it and to the amount of the face value of the bonds. That is where we have gone in liberalizing credit and expansion.

My friends, if you ask me if this is going to cure the situation in the United States, I do not say that it will cure all of our ills. If you ask me if this is what I would do in the existing emergency, I answer you that it is not all I would do. It is not all that is going to be done. [Applause.]

This is simply one step. We are building upon wreck and ruin. It has taken 50 years to develop the great financial system of the United States which is now prostrate and in ruins. We can not rebuild it in a day, we can not rebuild it in 3 days. We cannot rebuild it tomorrow or next week. We can only do it step by step.

> Heaven is not reached at a single bound;
> But we build the ladder by which we rise
> From the lowly earth to the vaulted skies
> And we mount to its summit round by round.

The step we take leads upward toward the light. We shall take this step today; we shall take another step tomorrow and then again another and another.

The people have summoned to their service a leader whose face is lifted toward the skies. [Applause.] We follow that leadership today, and we shall follow that leadership until we stand again in the glorious sunlight of prosperity and happiness in this Republic. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. McFADDEN. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. It is, of course, out of the question, Mr. Speaker, that any man can grasp the full meaning of that bill by listening to its reading, having had no intimation whatever beforehand of what it contains.

I, too, desire to help the administration meet this crisis. Whenever it may be necessary I will waive all opportunities of discussion.

Perhaps it was necessary in this instance to keep us on the minority side who have some acquaintance with this subject in the dark until the bill was produced. I will not intimate that there was intentional refraining from consultation with Members of this House who now for many years have lived with these questions and who ought to know something about them. The majority leaders have brought us a bill on which I myself am unable to advise my colleagues, except to say that this is a case where judgment must be waived, where argument must be silenced, where we should take matters without criticism lest we may do harm by delay. [Applause.]

Let me illustrate the embarrassments that come from lack of information. There is in this bill a provision for preferred stock of banks. Imagine my own situation, confronted by the fact that not 4 hours ago I put into the box there a bill with provision for that very purpose, not having the slightest idea that there had been discussion

of this matter. I do not want to be impatient, I do not want to seem even in the slightest disturbed, but I do think, and I say to my friends of the majority, that if they desire us to go along in these things, if they desire our sympathetic cooperation—we want to give it—let the desired results be accomplished by ways that will not arouse in the breast of any man the thought that he has not had a fair show, the feeling that he has not had opportunity to present his views, the feeling that he has had no chance to pass criticism, possibly helpful.

Let us forget what has happened in this instance, let us not allow it to remain in our minds against anyone. Doubtless the pressure of the situation made quick action imperative. I am not going to protest against it. I am going to ask my Republican friends to accept my own position and not begrudge any help to the President of the United States in this emergency. [Applause.]

There are in this bill some things that if they could have been discussed by the Banking and Currency Committee might have been reshaped, perhaps to the public advantage, but better have it go along as it is, without any attempt at change, without any repining, without any complaint. Let it go now, remembering that this House is to continue in session, at least off and on, for some time; and if it proves that errors have been made in the hasty drafting of the bill, we shall have the opportunity, by law, to make corrections—provided the opportunity is given to us, provided this procedure is not repeated except when absolutely necessary, provided the Committee on Banking and Currency is called together and given more opportunity than it had in the previous session to consider the great problems confronting the Nation, provided these problems are laid before the committee speedily, provided that we there may voice our matured views, express our friendly criticisms, and harmoniously work out together the results that shall be best for the country. [Applause.]

Mr. McFADDEN. Mr. Speaker, I regret that the membership of the House has had no opportunity to consider or even read this bill. The first opportunity I had to know what this legislation is was when it was read from the Clerk's desk. It is an important banking bill. It is a dictatorship over finance in the United States. It is complete control over the banking system in the United States. It seems to me that the casual reading which I have given to the bill indicates clearly that if banks are permitted to open tomorrow morning, only those banks which do open will be permitted to operate. Other banks that do not open tomorrow morning will be opened under a limited receivership or a receivership. It is a protection for the solvent banks of the United States first. Of course it may be that the banking system is in such shape that it is necessary to deal with it in this manner. I have been calling attention for some years past to the manner in which the Federal Reserve System has been conducted, and have predicted that it would lead to this kind of a situation. We have, step by step, been proceeding along the lines of centralization. Attempts in past meetings of this Congress have succeeded in enacting increasingly centralized banking plans. This gives supreme authority to those people who have wanted to control the finances of this Government, through a centralized system, to have such a system. I wish, and I hope for the new administration all success. No one wants the new administration, under the leadership of President Roosevelt, to succeed any more than I do. I shall go as far as any other man to see that success comes to it, but I say now to that leadership that the first thing that must be done is to audit the United States Treasury. [Applause.]

We want to know, the people of the United States want to know, the condition of the Public Treasury and the obligations that are outstanding. We want to know the amount of gold in the United States Treasury, and we want to know the amount of gold in the Federal Reserve System. We want to know the total amount of outstanding Government obligations. This is a time to draw a line, and may I say to you Democrats here that if you do not draw a line through the Treasury operations now and the Federal Reserve operations, you will be enmeshed in all the things that they have been doing, and they have been doing some things, as I have pointed out heretofore, or we would not be in the condition we are in today. I want to know, so far as I am concerned, that this bill represents the ideas of the new administration—the new deal. I shall help to carry it through if it is that. If, on the other hand, this bill has been proposed and written by the same influences that are responsible for this financial situation, I shall fight it and do everything that I can to defeat it. It seems to me there is authority here to continue the Federal Reserve operations under the same management, and it seems to me I can see much in this bill that can be abused and that may have been dictated by the same banking influences that are responsible for our present predicament. I hope that is not so, but I do want to impress upon this House and upon the administration the importance of going to the bottom of this situation. This situation demands a house cleaning. Confidence in this country will not be restored until the people of the country know the condition of the United States Treasury and the condition of the Federal Reserve banks.

It is difficult under the circumstances to discuss this bill. The first section of the bill, as I grasped it, is practically the war powers that were given back in 1917, with some slight amendments. The other gives supreme authority to the Secretary of the Treasury of the United States to impound all the gold in the United States in the hands of individuals, corporations, or companies for the purpose, I suppose, of bringing together that gold and making it available for the issuance of Federal Reserve notes.

The third section deals with how banks are to be handled under this authority, how bank assets are to be frozen, and deals with the question of limited receiverships and receiverships. The last section of the bill provides for the issuance of a new money. I am a little at a loss, in the hurried way I have had to read the bill, to understand just how this new money is to be handled. I refer to section 401, which reads:

> Upon deposit with the Treasurer of the United States of all contract obligations of the United States, or any notes—

And so forth.

Under the Federal Reserve Act obligations that are deposited as the security and gold for reserve notes are placed in the hands of the Federal Reserve agent. I would like to ask the chairman of the committee if this is a plan to change the holding of the security back of Federal Reserve notes to the Treasury of the United States rather than the Federal Reserve agent.

Mr. STEAGALL. This provision is for the issuance of Federal Reserve bank notes; not for Federal Reserve notes; and the security back of it is the obligations, notes, drafts, bills of exchange, bank acceptances, outlined in the section to which the gentleman has referred.

Mr. McFADDEN. Then the new circulation is to be Federal Reserve bank notes and not Federal Reserve notes? Is that true?

Mr. STEAGALL. Insofar as the provisions of this section are concerned, yes.

Mr. McFADDEN. I would like to ask the gentleman right in that connection, is there any gold reserve to be held as security back of these new Federal Reserve bank notes?

Mr. STEAGALL. The law provides 5 percent back of Federal Reserve bank notes, just as is maintained in case of national-bank notes. There have been issued a small amount of these notes; I cannot recall the exact figures. The gentleman is probably more familiar with it than I am. There is only a little of that currency outstanding. This contemplates a substantial addition to it. It is a liberalization of currency issue, to take care of banks in their efforts to respond to the demands of business and liability to their depositors.

Mr. McFADDEN. The current press reports indicate there will be issued under this authority some $2,000,000 or more of new currency, and made available to the banks. Is that correct?

Mr. STEAGALL. To be frank with the gentleman, I should not like to be bound in my answer by estimates outlined in newspaper reports. The issue might greatly exceed the amount suggested.

Mr. McFADDEN. Will the gentleman say how much it is possible to be issued or is contemplated to be issued?

Mr. STEAGALL. No one knows. It is not an arbitrary expansion. The purpose is to provide an elastic expansion to meet the exigencies and development of banking and business conditions.

Mr. McFADDEN. I think it is fairly clear from the colloquy that has just taken place that the increased Federal Reserve circulation is to be in the form of Federal Reserve bank notes and not the present Federal Reserve notes that are in circulation to the extent of approximately $4,000,000,000, which are secured by 60 percent of eligible paper or Government bonds and 40 percent of gold. This is a new issue which is authorized under the Federal Reserve Act, which has not to any great extent been resorted to heretofore.

Mr. BRITTEN. Will the gentleman yield for a question?

Mr. McFADDEN. I will.

Mr. BRITTEN. From my observation of the bill as it was read to the House, it would appear that the amount of bank notes that might be issued by the Federal Reserve System is not limited. That will depend entirely upon the amount of collateral that is presented from time to time for exchange for bank notes. Is that not correct?

Mr. McFADDEN. Yes. I think that is correct.

Mr. BRITTEN. So that it might run to $20,000,000,000?

Mr. McFADDEN. In the discretion of the President and the Secretary of the Treasury. These notes are to be secured by assets that are approved, that are turned over by financial institutions to the Treasury of the United States. [Applause.]

Mr. STEAGALL. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland [Mr. GOLDSBOROUGH].

Mr. GOLDSBOROUGH. Mr. Speaker, in time of storm there can only be one pilot. In my judgment, the House of Representatives realize that the pilot in this case must be the President of the United States, and they will steer their course by him. [Applause.]

Mr. Speaker, in my deliberate judgment, under the leadership of the President of the United States, there will shortly be brought from the Committee on Banking and Currency carefully considered legislation insuring the depositors in all banks [applause] and carefully considered legislation which will reflate and stabilize the currency of this country. [Applause.] Mr. Speaker, those two measures, if enacted into law, will speedily give the people of this country such prosperity as we have never had before in all of its history. [Applause on the Democratic side.]

Mr. STEAGALL. Mr. Speaker, I yield the remainder of my time to the gentleman from Mississippi [Mr. BUSBY].

Mr. BUSBY. Mr. Speaker, in order for business to carry on, it is necessary to have a medium of exchange. In this country our medium of exchange is based on currency and on bank credits. For several months some of us have seen the bank-credit situation breaking down and going out of use. The condition in which we find ourselves today is absolutely no surprise to me, and it is no surprise to some of the other gentlemen who have studied the question. The house had to fall upon us to get some of the gentlemen who are responsible for our condition to understand our predicament.

I have hoped, and others have hoped, for a restoration of the currency and of the mediums of exchange in this country—to no avail. We have come to the point where we are willing to endorse in a formal way an Executive fiat on this question; and I want to follow on, because I want the people of this country to have currency and mediums of exchange with which to do business. [Applause.]

Mr. STEAGALL. Mr. Speaker, I move the previous question on the passage of the bill.

The SPEAKER. Under the unanimous-consent agreement the previous question is considered as ordered.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. STEAGALL, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS—H.R. 21

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to extend their own remarks upon this bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CURRENCY EXPANSION—PRESIDENT'S MOVE DRAMATIC AND INSPIRING

Mr. RANKIN. Mr. Speaker, for 3 years I have been pleading for a controlled expansion of the currency to raise commodity prices and restore the purchasing power of the American people. Other Members of the House and Senate have joined me in the fight, but up to this day our efforts have been in vain.

Those influences and individuals most responsible for the direful conditions through which we are now passing have resisted us at every point. We have been ridiculed and abused by the very money changers whose misconduct produced this terrible panic, with all its misery, its poverty, its hunger, its human suffering and human distress. "Whatsoever man soweth, that shall he also reap." The very ones who sowed the seeds of this panic are now reaping the fruits of their own misconduct as they see their monetary Tower of Babel crash amid a confusion of tongues.

We are in the bottom of the pit. Every direction is uphill. The gentleman from Illinois [Mr. BRITTEN] intimated a while ago that this bill might result in unlimited expansion or inflation. My answer to that statement is that conditions cannot be made worse, from an economic standpoint, than they are today.

Besides, this bill does not provide for an unlimited expansion. It provides for a controlled expansion. Every dollar of this new money will be worth 100 cents; and if issued in a sufficient amount, the result will be an immediate advance in the prices of wheat, cotton, corn, land, and other commodities.

It is the beginning of a new day—a turning point in the economic affairs of the American people, if not of the entire world. This bill will be followed by one providing permanent legislation on this subject; and if we will incorporate in that permanent legislation the provision laid down in the bill which I have been advocating and which I have reintroduced today—to expand the currency until the general commodity-price index as worked out by the United States Department of Labor reaches 100, and then providing for a retrenchment in case the commodity index rises above 103, and also for reexpansion in case the commodity index sinks below 97—if these provisions are written into the permanent legislation, this expansion will raise the commodity prices back to what they were in 1926, stabilize them there, and prevent those violent fluctuations in prices that have always proved disastrous to the farmers, the home owners, the small investors, and the masses of our people generally.

The American people are looking today to our new President to lead us out of the economic chaos in which we find ourselves. This is the most dramatic and inspiring move ever taken by a President of the United States in times of peace. If it is followed up by permanent legislation that will give us a controlled expansion of the currency, and an assurance of the safety of bank deposits, our country will immediately awake, as it were, from its nightmare of agony and leap forward into a glorious era of happiness and prosperity.

H.R. 21, A BILL TO REDUCE THE GOLD CONTENT OF THE GOLD DOLLAR

Mr. McGUGIN. Mr. Speaker, I have introduced H.R. 21. I wish to make a brief statement pertaining to this bill. In doing so I shall use the statement I gave to the press

when I filed this bill with the bill clerk, Tuesday, March 7, 1933.

There is not any question but that sooner or later the gold dollar is going to be revalued with a reduction of the gold content. The only question involved is whether we are going to reduce the gold content in an orderly way or a disorderly way. The orderly way to do it is honestly, fearlessly, and frankly to reduce the content a given amount. The disorderly way is to break loose and start printing currency without any regard for the gold reserve.

The bill which I am introducing in the House and which, I understand, Senator CONNALLY will introduce in the Senate, provides for an outright reduction of one third in the gold content of the dollar. This is following the orderly course.

We now have approximately $4,000,000,000 of gold in the Treasury and Federal Reserve, based upon gold dollars of 23.22 grains of gold each. With this reduction of one third in the gold content, we shall have approximately $6,000,000,000 of gold in the Treasury and Federal Reserve. This additional $2,000,000,000 in gold will permit an additional issuance of from two to five billion dollars in currency. Based upon the established ratio of $1 of currency for 40 cents' worth of gold, these additional $2,000,000,000 obtained by reducing the gold content one third will permit additional currency in the amount of $5,000,000,000.

If we start out printing currency without regard for the gold reserve, then in the end, when we find that excessive inflation destroys the country and the people, we shall try to get back to the gold standard. Then we shall find that we have so much currency outstanding that we cannot tie it to our limited supply of gold except by reducing the content of the gold dollar in proportion to the increased amount of currency. That may mean that we shall have to decrease the gold content 50 percent, maybe 75 percent, and maybe 90 percent. It will all depend upon how far we carry the inflation during the period that our currency is not tied to gold. It may be that we shall do as Germany did by going so far that there is no possibility of tying all of our outstanding currency to gold, and we shall be obliged to repudiate and cancel some of our currency.

Now we are going to have some inflation or more currency. It does not make any difference whether every Member of Congress, the President, and everyone in the United States is opposed to any inflation, we can not stop the inevitable. The Government has for 3 years been spending more money than it has taken in by taxation. It has been meeting this deficit by borrowing money from the banks. That day is over. The banks are closed. Now the problem is, How is the Government going to get the banks open and keep them open, and not how are the banks going to provide credit for the Government?

The interest rate of the Government on short-term loans increased from one eighth of 1 percent last December to 4.26 percent last week. This means that the interest rate of the Government has increased thirty-four times, or 3,400 percent during a period of 3 months. Whenever institutions or individuals find their interest rates increasing at such a proportion in such a short length of time, one of two things is certain: either their credit is gone or their source of credit is gone. In plain English, the credit of the United States has either been absorbed or else its source of credit is gone. Anyone knows that this Government cannot now collect enough taxes to meet its present expenses. Whenever governments reach the position where they can neither collect enough taxes to meet their expenses nor borrow enough to meet their expenses, there is only one thing left for them, and that is to print money. Such is the position of the United States; and, whether we like it or not, there is going to be some inflation in order to meet the obligations of the Government. The question is, Are we going to have inflation tied to gold or not? This bill will permit inflation tied to gold, and that will mean some control. There is nothing new about this bill. It is the Burtness bill which has been before Congress for 4 or 5 years. A people satisfied with a false security and led by a financial leadership steeped in selfishness and blind to shadows casting present events would have none of it. The Burtness bill, passed a year or more ago, would have saved us from much of our present trouble.

The welfare of the Government needs this or some other similar legislation. In addition to our governmental financial troubles, the debts, private and public, in this country cannot be paid on the basis of gold dollars of 23.22 grains.

THE BANKING EMERGENCY RELIEF ACT

Mr. SMITH of Washington. Mr. Speaker, ladies and gentlemen of the House, I shall vote for this measure, although I should like to have had an opportunity to study and consider its provisions. It has not been possible to do this owing to the fact that the bill has merely been read to us by the Clerk this afternoon on the opening day of this special session, without our being furnished copies thereof, and the bill not being subject to amendment and only 40 minutes allowed for debate. This is a most extraordinary situation.

However, we are advised by President Roosevelt in his message which has just been read that the immediate passage of this legislation is absolutely necessary in order to reopen the banks in the Nation and provide them with additional and adequate currency. We are further informed by our distinguished majority leader [Mr. BYRNS] that the Senate is now awaiting the action of the House on this particular bill, and that in order to reopen the banks of the country on tomorrow it must be enacted into law today. I shall, therefore, vote for the bill, Mr. Speaker, because of these assurances of our great President and our able leaders in this body.

However, if time and opportunity had been afforded to do so, I believe that this legislation should have been amended or rewritten to include the State banks scattered throughout the land, which in many communities constitute the sole banking facilities enjoyed by the people.

I hope that the additional currency which may be issued by the national banks under this act will render available the credit and funds so sorely needed by the business and industrial interests of our country, in order that there may be a resumption of operations and employment for the people. If the new currency is not placed in circulation, this legislation, my colleagues, will fail of its purpose, which should be to aid the people rather than the banks.

Mr. Speaker, we must have a Federal guaranty of bank deposits law, so that the savings of our citizens and the money of our merchants and business men in all the communities of our land will be safe and secure. Not until such a Federal statute is passed and in force will complete confidence in our banking system be restored, nor the funds of the American people placed on deposit in the banks and enable the bankers to make loans to finance the transactions of business and industry in this country.

HOW THE GOVERNMENT CAN SAVE AT LEAST $700,000,000 ANNUALLY—AND MAKE BANKS SAFE

Mr. PATMAN. Mr. Speaker, Thursday, March 9, Congress was convened in extraordinary session; it is the first session of the Seventy-third Congress. The President submitted a bill which was intended to assist in the opening of all the banks in the Nation. Although it was contrary to many of the principles that I have advocated for many years, it contained provisions I do not approve and failed to go far enough in other ways, I yielded and voted for the bill; it was an emergency measure and should have been passed immediately. The proposal embodied one feature that I have advocated for a long time, and that was the issuance of additional circulating medium. The banks of the Nation have inflated credit out of proportion to the amount of actual money. The result is the banks have become indebted to their depositors to the extent of $45,000,000,000 and have in their vaults less than $1,000,000,000 to pay it with. The new law will cause the printing presses at the Bureau of Engraving and Printing here in Washington to print more money and furnish it to the banks. One day this week this Bureau

printed and delivered more than $30,000,000, running both day and night. Similar sums are now being printed and delivered daily.

EXPANSION OF CURRENCY NECESSARY

If the Republican Party had released itself from the clutches of Wall Street and expanded the currency immediately after the stock-market crash in 1929 or within a year after the crash, our people would have been saved from this awful money panic. Our President will doubtless ask amendments to this new law when conditions are more normal and when it is better understood. Under the new law the money is issued to the banks in return for Government obligations, bills of exchange, drafts, notes, trade acceptances, and banker's acceptances. The money will be worth 100 cents on the dollar, because it is backed by the credit of the Nation. It will represent a mortgage on all the homes and other property of all the people in the Nation.

NO GOLD COVERAGE

The money so issued will not have one penny of gold coverage behind it, because it is really not needed. We do not need gold to back our internal currency. We only need gold to settle our balances with foreign countries. Our people do not actually use gold as a medium of exchange; paper money is just as good and is much easier to handle. However, if gold is desired as a backing for paper money, we have a sufficient amount to permit the issuance of $5,000,000,000 more money and still have a gold reserve of 40 percent. When England paid us approximately $100,000,000 in gold last December the Treasury should have taken that gold and issued $250,000,000 in paper money, using the gold as a sufficient coverage of 40 percent, and the money should have been put into circulation by paying it to Government employees or other governmental debts. Instead, the gold was delivered to the private banks and the Government given credit for the amount. The banks used a part of it as a base to issue considerable money, which they loaned to their customers, and the remainder, which was the most of it, was sold back to England by the bankers.

DRIVE AGAINST GOLD HOARDERS

The gold that is given up by the people in the present crisis should be delivered to the Government. It should be used to issue additional money upon which the people will not have to pay interest while it is in circulation.

PRESENT SATISFACTION

Those of us who have worked for 3 years trying to get the currency expanded have the consolation of knowing that our plan has been adopted. I do not believe that the expansion is being made in a manner that will permit the most good. However, the same kind of money is being issued that we have advocated should be issued. It is sound money, although not as well secured as the money we proposed to issue.

DISTRIBUTION OF NEW MONEY

Since our leaders have endorsed the plan to issue more money, consideration should be given to plans for its distribution that will best promote the general welfare.

It could be paid to Federal employees. It could be used to retire a part of the national debt and save a considerable sum in interest each year. At the present time our entire national debt of $20,000,000,000 could be retired with new money without placing too much money in circulation and the Government saved more than $700,000,000 annually.

SAVE $700,000,000 ANNUALLY

Instead of the banks being permitted to loan $45,000,000,000 with a reserve of from one to three billion dollars to back it up, they should be denied that privilege and a much greater money reserve required of them. Then, instead of the banks having so little money to pay their depositors, they could have 40 or 50 cents in actual money to back up every dollar in deposits. We would then have safe banking, and the Government would not owe a penny of national debt. Further, our Government would be saved the $700,000,000 that is now being paid annually as interest on the national debt. That would help balance the Budget; it would take tax-exempt securities out of the way and cause more income taxes to be paid to the Government and less taxdodging by the big rich.

OPPOSITION TO CONCENTRATION OF MONEY AND CREDIT CONTROL IN THE HANDS OF A FEW GREAT INTERNATIONAL BANKING CONCERNS

Mr. LUNDEEN. Mr. Speaker, today the Chief Executive sent to this House of Representatives a banking bill for immediate enactment. The author of this bill seems to be unknown. No one has told us who drafted the bill. There appears to be a printed copy at the Speaker's desk, but no printed copies are available for the House Members. The bill has been driven through the House with cyclonic speed after 40 minutes' debate, 20 minutes for the minority and 20 minutes for the majority.

I have demanded a roll call, but have been unable to get the attention of the Chair. Others have done the same, notably Congressman SINCLAIR, of North Dakota, and Congressman BILL LEMKE, of North Dakota, as well as some of our other Farmer-Labor Members. Fifteen men were standing, demanding a roll call, but that number is not sufficient; we therefore have the spectacle of the great House of Representatives of the United States of America passing, after a 40-minute debate, a bill its Members never read and never saw, a bill whose author is unknown. The great majority of the Members have been unable to get a minute's time to discuss this bill; we have been refused a roll call; and we have been refused recognition by the Chair. I do not mean to say that the Speaker of the House of Representatives intended to ignore us, but everything was in such a turmoil and there was so much excitement that we simply were not recognized.

I want to put myself on record against a procedure of this kind and against the use of such methods in passing legislation affecting millions of lives and billions of dollars. It seems to me that under this bill thousands of small banks will be crushed and wiped out of existence, and that money and credit control will be still further concentrated in the hands of those who now hold the power.

It is safe to say that in normal times, after careful study of a printed copy and after careful debate and consideration, this bill would never have passed this House or any other House. Its passage could be accomplished only by rapid procedure, hurried and hectic debate, and a general rush for voting without roll call.

I believe in the House of Representatives. I believe in the power that was given us by the people. I believe that Congress is the greatest and most powerful body in America, and I believe that the people have vested in Congress their ultimate and final power in every great, vital question, and the Constitution bears me out in that.

I am suspicious of this railroading of bills through our House of Representatives, and I refuse to vote for a measure unseen and unknown.

I want the RECORD to show that I was, and am, against this bill and this method of procedure; and I believe no good will come out of it for America. We must not abdicate our power to exercise judgment. We must not allow ourselves to be swept off our feet by hysteria, and we must not let the power of the Executive paralyze our legislative action. If we do, it would be better for us to resign and go home—and save the people the salary they are paying us.

I look forward to that day when we shall read the bill we are considering, and see the author of the bill stand before the House and explain it; and then, after calm deliberation and sober judgment—after full and free debate—I hope to see sane and sensible legislation passed which will lift America out of this panic and disaster into which we were plunged by the World War.

RULES OF THE HOUSE

Mr. POU. Mr. Speaker, I offer a resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 11

Resolved, That the rules of the Seventy-second Congress be, and they are hereby, adopted as the rules of the Seventy-third Congress.

Mr. POU. Mr. Speaker, in order to do business the House must have rules. I merely say that later on the Committee on Rules will consider several changes in the rules of the House, of which both sides will have ample notice.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

DAILY HOUR OF MEETING

Mr. BANKHEAD. Mr. Speaker, I offer a resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 12

Resolved, That until otherwise ordered, the daily hour of meeting of the House of Representatives shall be 12 o'clock meridian.

The resolution was agreed to.

SWEARING IN OF MEMBERS

Mr. ELMER E. STUDLEY, a Representative at large from the State of New York; Mr. BEN CRAVENS, of Arkansas; and Mr. JAMES R. CLAIBORNE, of Missouri, appeared at the bar of the House and took the oath of office.

Mr. BEAM. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

HON. ANTON J. CERMAK

Mr. BEAM. Mr. Speaker, on February 15, 1933, the world was astonished and amazed at the brazen and dastardly attempt to assassinate the President-elect of the United States, Franklin D. Roosevelt. Happily and fortunately, as if by providential intervention, his life was spared, so that his great talents and ability to serve his countrymen would not be denied the people of the United States at this crucial period of our national existence. There was, however, Mr. Speaker, as a result of that lamentable occurrence, a great toll taken which has fallen heavily upon the city of Chicago and the great State of Illinois.

Every American citizen throughout the length and breadth of the land feels the death of Mayor Cermak, of Chicago, as keenly and deeply as if they had sustained a personal loss. His courage and fortitude under such trying circumstances, the patriotic utterance he gave while mortally wounded, "I'm glad it's me instead of you," won for him the sympathetic affection, the admiration, the esteem, and applause of the entire world.

Every citizen of the United States accepts the challenge of lawlessness, of hate, and of disrespect for law and order which was hurled at organized society and constituted government by this cold-blooded assassination; and from the bier of Chicago's martyred mayor will arise in the hearts and breasts of our citizens a renewed and determined effort to crush, to annihilate, and destroy the criminal and vicious elements in our midst, which for so many years have bid defiance to constituted authority, have heaped ignominy and shame upon the fair name of America, and have traduced and stigmatized the noblest and best traditions of our Nation. [Applause.]

I have the honor and the distinction of representing the congressional district in which the late Mayor Cermak resided and where he rose to political prestige and influence. It is probably the most cosmopolitan district in the country, embracing within its confines practically every nationalistic group in this great commonweal we call America.

Mr. Speaker, the life of the late Mayor Cermak unveils a story and portrays a picture which could serve as an inspiration and incentive to every red-blooded boy in our land, and demonstrates what heights a man of humble birth and origin can attain in the broad crucible of American opportunity.

Born in a foreign land and coming to America as an infant, at the age of 11 years he was compelled to earn his livelihood in the coal mines of Illinois. Coming to Chicago in early youth, his ability for public service was recognized by his people, and he was elected to the General Assembly of the State of Illinois. He later served his ward in the City Council of Chicago. He was elected as chief bailiff of the municipal courts of Chicago. He was reelected for three terms as president of the Board of County Commissioners of Cook County, and then as mayor of the great city of Chicago. Such a record of public service has seldom been equaled or excelled in the annals of American politics.

The late Mayor Cermak was a man of great executive ability, an authority on municipal government, one who believed in the great brotherhood of mankind. He had the courage of his convictions and performed his duty in the light of intellect and according to the dictates of his conscience. He was an uncompromising fighter for the poor, the humble, the downtrodden, and the oppressed; and by his untimely death, my fellow colleagues, the city of Chicago and the State of Illinois have lost a great and able executive, and America has laid to rest one of her noblest sons and outstanding citizens of the present generation. [Applause.]

PRINTING AND BINDING

Mr. LAMBETH. Mr. Speaker, I offer the following resolution and move its adoption.

The Clerk read as follows:

House Resolution 13

Resolved, That the standing committees of the House of Representatives and the floor leaders are hereby authorized to have such printing and binding done as may be actually necessary for the transaction of their official business during the Seventy-third Congress.

The resolution was agreed to.

WAYS AND MEANS COMMITTEE

Mr. BYRNS. Mr. Speaker, I move the adoption of the resolution which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 14

Resolved, That the following Members be, and they are hereby, elected members of the standing Committee of the House on Ways and Means, to wit:

Robert L. Doughton, of North Carolina, chairman; Heartsill Ragon, of Arkansas; Samuel B. Hill, of Washington; Thomas H. Cullen, of New York; Christopher D. Sullivan, of New York; Morgan G. Sanders, of Texas; John W. McCormack, of Massachusetts; Clement C. Dickinson, of Missouri; David J. Lewis, of Maryland; Fred M. Vinson, of Kentucky; Jere Cooper, of Tennessee; Ashton C. Shallenberger, of Nebraska; Charles West, of Ohio; John W. Boehne, jr., of Indiana; and James V. McClintic, of Oklahoma.

The resolution was agreed to.

ANNOUNCEMENT

Mr. SNELL. Mr. Speaker, before we recess I wish to announce that I had called a meeting of the Republican members of the Committee on Committees for this evening. The committee will not meet this evening, and I shall notify the members in the morning of the first meeting of the committee.

Mr. BLAND. Mr. Speaker, I desire to announce that my colleague the gentleman from Virginia [Mr. MONTAGUE] could not be present today on account of illness, being confined in the hospital, and for this reason did not qualify today.

RECESS

Mr. BYRNS. Mr. Speaker, it will be necessary for the House to remain in session until the Senate has taken some action upon the bill which has just been passed by the House.

Therefore, I move that the House stand in recess subject to the call of the Speaker, with the understanding that notice of the reconvening of the House will be given 15 minutes in advance by the ringing of the bells.

I may also say that it is extremely important that we have a quorum here tonight. I do not anticipate any necessity for a quorum, but no one can tell just what may be done, and I, therefore, hope that the Members will remain within hearing of the bells so they can attend the session upon the reconvening of the House.

The SPEAKER. The question is on the motion of the gentleman from Tennessee.

The motion was agreed to.

Accordingly (at 4 o'clock and 16 minutes p.m.) the House stood in recess to meet at the call of the Chair.

AFTER THE RECESS

The recess having expired (at 7 o'clock and 43 minutes p.m.), the House was called to order by the Speaker.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 1491. An act to provide relief in the existing national emergency in banking, and for other purposes.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1491. An act to provide relief in the existing national emergency in banking, and for other purposes.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 45 minutes p.m.) the House adjourned until tomorrow, Friday, March 10, 1933, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1. Under clause 2 of rule XXIV, a letter from the Secretary of War, transmitting a report from the Chief of Engineers, pursuant to section 1 of the River and Harbor Act of January 21, 1927, on Pigeon River, Minn., together with accompanying papers and illustrations, was taken from the Speaker's table and referred to the Committee on Rivers and Harbors.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PATMAN: A bill (H.R. 1) to provide for controlled expansion of the currency and the immediate payment to veterans of the face value of their adjusted-service certificates; to the Committee on Ways and Means.

By Mr. MEAD: A bill (H.R. 2) to restore the 2-cent rate of postage on first-class mail matter; to the Committee on the Post Office and Post Roads.

By Mr. KELLY of Pennsylvania: A bill (H.R. 3) to amend the Air Mail Act of February 2, 1925, as amended by the acts of June 3, 1926, May 17, 1928, and April 29, 1930, further to encourage commercial aviation; to the Committee on the Post Office and Post Roads.

By Mr. PARSONS: A bill (H.R. 4) to provide further for the national security and defense, insure domestic tranquillity, and promote the general welfare by limiting the production, conserving the supply, and controlling and facilitating the distribution of agricultural products, and for other purposes; to the Committee on Agriculture.

By Mr. BACHARACH: A bill (H.R. 5) for the protection and control of anadromous and shore fishes and other aquatic forms of any State or Territory, and authorizing the Department of Commerce to define the seasons and regulate the manner and conditions under which they may be taken or destroyed; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H.R. 6) to increase the amount of certain loans made by the Reconstruction Finance Corporation to institutions holding mortgages on homes; to the Committee on Banking and Currency.

Also, a bill (H.R. 7) to supplement and amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary" (act of March 3, 1911, ch. 231) and known as the Judicial Code, and to limit the jurisdiction of district and circuit courts in certain cases; to the Committee on the Judiciary.

By Mr. BACON: A bill (H.R. 8) relating to the record of registry of certain aliens; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 9) to provide for the regulation of common carriers by motor vehicle in the same manner as common carriers by railroad; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 10) to require contractors and subcontractors engaged on public works of the United States to give certain preferences in the employment of labor; to the Committee on Labor.

By Mr. BOLAND: A bill (H.R. 11) authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.; to the Committee on the Library.

Also, a bill (H.R. 12) to authorize the erection of a United States Veterans' Administration hospital in Lackawanna County, Pa.; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 13) imposing an excise tax on motor busses and motor trucks operating over public highways of the United States of America as common carriers engaged in interstate commerce, providing for the assessment and collection thereof, and providing penalties for the violation of this act; to the Committee on Ways and Means.

By Mr. CANNON of Missouri: A bill (H.R. 14) to require the discoloration of poisons which resemble commonly used foodstuffs; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 15) to prohibit the importation and interstate transportation of films or pictorial representation of certain crimes, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CARTER of Wyoming: A bill (H.R. 16) to investigate and determine the feasibility of the construction of an irrigation dam on the Bear River, Wyo.; to the Committee on Irrigation and Reclamation.

Also, a bill (H.R. 17) to provide for the application of net revenues from the operation of the Shoshone power plant, Wyoming; to the Committee on Irrigation and Reclamation.

Also, a bill (H.R. 18) to provide for the storage for diversion of the waters of the North Platte River and construction of the Saratoga reclamation project; to the Committee on Irrigation and Reclamation.

Also, a bill (H.R. 19) to provide for the commemoration of the Battle of Wagon Box, in the State of Wyoming; to the Committee on Military Affairs.

By Mr. McGUGIN: A bill (H.R. 20) to stabilize the buying power of money; to the Committee on Banking and Currency.

Also, a bill (H.R. 21) to raise the commodity price level to the debt-incurrence stage and to stabilize it thereafter; to the Committee on Banking and Currency.

By Mr. CARTER of Wyoming: A bill (H.R. 22) extending the time for making final proof on homesteads; to the Committee on the Public Lands.

Also, a bill (H.R. 23) amending section 1 of the act entitled "An act to provide for stock-raising homesteads, and for other purposes," approved December 29, 1916 (ch. 9, par. 1, 39 Stat. 862), and as amended February 28, 1931 (ch. 328, 46 Stat. 1454); to the Committee on the Public Lands.

Also, a bill (H.R. 24) to amend section 771 (act of July 17, 1916, ch. 245, par. 12, 39 Stat. 370; act of March 4, 1923, ch. 252, title III, par. 307, 42 Stat. 1476), United States Code, title 12, Banks and banking; to the Committee on Banking and Currency.

Also, a bill (H.R. 25) to provide that advances under the Reconstruction Finance Corporation act may be made with lien on crops as adequate security; to the Committee on Banking and Currency.

Also, a bill (H.R. 26) relating to labeling petroleum and petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. CONNOLLY: A bill (H.R. 27) to authorize the Secretary of War to sell to the highest bidder the port of

Newark Army base, giving preference to purchase to the city of Newark; to the Committee on Military Affairs.

By Mr. CORNING: A bill (H.R. 28) to provide for the construction of a vessel for the Coast Guard designed for ice breaking and assistance work; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 29) authorizing the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CARTER of Wyoming: A bill (H.R. 30) to provide for the commemoration of the Battle of Dull Knife in the State of Wyoming; to the Committee on Military Affairs.

Also, a bill (H.R. 31) to authorize the issuance of unrestricted patents to certain public lands; to the Committee on the Public Lands.

By Mr. EVANS: A bill (H.R. 32) authorizing the Secretary of the Navy to appoint a board of three naval officers to investigate sites for the establishment of a Pacific coast branch of the United States Naval Academy; to the Committee on Naval Affairs.

Also, a bill (H.R. 33) to amend an act approved August 13, 1894, entitled "An act for the protection of persons furnishing materials and labor for the construction of public works"; to the Committee on the Judiciary.

Also, a bill (H.R. 34) to increase the pensions of persons who have lost the sight of both eyes in line of duty while in the military or naval service of the United States; to the Committee on Pensions.

By Mr. FITZPATRICK: A bill (H.R. 35) transferring trials of Federal officers, agents, or employees of the United States Government from Federal to State jurisdiction; to the Committee on the Judiciary.

Also, a bill (H.R. 36) for the trial of Federal or State officers, agents, or employees in the Federal courts for violation of the provisions of the fourth amendment to the Constitution of the United States; to the Committee on the Judiciary.

Also, a bill (H.R. 37) to amend an act of Congress approved March 4, 1927, as amended by the act of May 23, 1928; to the Committee on Military Affairs.

By Mr. GIFFORD: A bill (H.R. 38) providing for an examination and survey of the harbor at Cuttyhunk, Mass.; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 39) providing for an examination and survey of the shore at Gay Head, Mass.; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 40) providing for an examination and survey of Rock Harbor, Mass.; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 41) providing for an examination and survey of the shore at Manomet Point, Plymouth Harbor, Mass.; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 42) for a Coast Guard station at the eastern entrance to Cape Cod Canal, Mass.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 43) to provide for changing the time of the meeting of Congress, the beginning of the terms of Members of Congress, the time when the electoral votes shall be counted, and to provide for certain contingencies in filling the office of President, and for other purposes; to the Committee on Election of President, Vice President, and Representatives in Congress.

Also, a bill (H.R. 44) to liberalize the retirement law for members of the former Life Saving Service; to the Committee on Interstate and Foreign Commerce.

By Mr. GUYER: A bill (H.R. 45) for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the war with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899; to the Committee on War Claims.

Also, a bill (H.R. 46) granting the consent of Congress to compacts or agreements between the States of Kansas and Missouri for the acquisition, maintenance, and operation of a toll bridge across the Missouri River near Kansas City, Kans., for the construction and maintenance of connections with established highways, for the incorporation of such bridge in the highway systems of said States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 47) to require the employment of American citizens on observation cars, club cars, and sleeping cars used by railroads in interstate commerce; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 48) to extend the time for completing the construction of a bridge across the Missouri River at or near Kansas City, Kans.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 49) to authorize the Reconstruction Finance Corporation to make loans to private colleges, universities, and institutions of higher learning, and for other purposes; to the Committee on Banking and Currency.

By Mr. HART: A bill (H.R. 50) to extend the benefits of the tariff to surplus agricultural products; to the Committee on Agriculture.

By Mr. MARTIN of Oregon: A bill (H.R. 51) to provide for the acquisition of certain timberlands and the sale thereof to the State of Oregon for recreational and scenic purposes; to the Committee on the Public Lands.

Also, a bill (H.R. 52) to provide for the construction of works for the development of the Columbia River and minor tributaries, and for other purposes; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 53) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards; to the Committee on the Judiciary.

Also, a bill (H.R. 54) to amend section 217, as amended, of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved January 11, 1929; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 55) to authorize the Secretary of the Navy to make a long-term contract for a supply of water to the United States Naval Station at Guantanamo Bay, Cuba; to the Committee on Naval Affairs.

Also, a bill (H.R. 56) to create a bureau of welfare of the blind in the Department of Labor to provide for the issuing of licenses to blind persons to operate stands in Federal buildings, and for other purposes; to the Committee on Labor.

Also, a bill (H.R. 57) to amend the first paragraph of section 5 of the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1930, and acts in amendment thereof; to the Committee on the Civil Service.

Also, a bill (H.R. 58) to facilitate the use and occupancy of national-forest lands for purposes of residence, recreation, education, industry, and commerce; to the Committee on Agriculture.

Also, a bill (H.R. 59) providing for the reconditioning of the old Federal post office and Federal courthouse building in the city of Portland, Oreg.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 60) to amend the act entitled "An act to give war-time rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States," approved June 21, 1930, so as to give class B officers of the Army the benefits of such act; to the Committee on Military Affairs.

Also, a bill (H.R. 61) to amend the retirement laws affecting certain grades of Army officers; to the Committee on Military Affairs.

Also, a bill (H.R. 62) relating to the cancelation of star-route mail contracts; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 63) to extend the provisions of the Forest Exchange Act to lands adjacent to the national for-

ests in the State of Oregon; to the Committee on the Public Lands.

By Mr. McSWAIN: A bill (H.R. 64) providing for the purchase of a suitable site and the erection of a public building at Inman, S.C.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 65) providing for the purchase of a suitable site and the erection of a public building at Jonesville, S.C.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 66) providing for the purchase of a suitable site and the erection of a public building at Fountain Inn, S.C.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 67) providing for the purchase of a suitable site and the erection of a public building at Woodruff, S.C.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 68) providing for the purchase of a suitable site and the erection of a public building at Greer, S.C.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 69) to empower judges to grant a limited moratorium in foreclosure proceedings; to the Committee on the Judiciary.

Also, a bill (H.R. 70) to provide for the issuance of United States bonds in order to expand the volume of Federal Reserve notes, to provide for the purchasing and coining of silver, to provide for the protection of the gold reserves of the United States, and to relieve the existing national emergency; to the Committee on Ways and Means.

Also, a bill (H.R. 71) to authorize naval and Marine Corps service of Army officers to be included in computing dates of retirement; to the Committee on Military Affairs.

Also, a bill (H.R. 72) to promote agricultural progress; to the Committee on Agriculture.

Also, a bill (H.R. 73) to aid the several States in constructing post roads; to the Committee on Roads.

Also, a bill (H.R. 74) to provide for the commemoration of the Battle of Blackstock; to the Committee on Military Affairs.

Also, a bill (H.R. 75) to provide for the commemoration of the Battle of Musgrove's Mill; to the Committee on Military Affairs.

Also, a bill (H.R. 76) to require the Secretary of War to mark the places where military organizations trained for the World War; to the Committee on Military Affairs.

By Mr. MILLARD: A bill (H.R. 77) to amend the law relating to the naturalization of children of naturalized citizens; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 78) to provide for the use of nonscattering safety glass in motor vehicles owned by the United States or the District of Columbia; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 79) to prevent desecration of the flag and insignia of the United States and to provide punishment therefor; to the Committee on the Judiciary.

By Mr. MILLIGAN: A bill (H.R. 80) authorizing loans by the Reconstruction Finance Corporation to aid in refinancing obligations of drainage districts, levee districts, irrigation districts, and similar districts, and for other purposes; to the Committee on Banking and Currency.

Also, a bill (H.R. 81) to regulate the construction of bridges over navigable waters and to revise the laws pertaining thereto, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SINCLAIR: A bill (H.R. 82) to provide for the conducting of livestock breeding, growing, and feeding experiments in connection with the Dickinson field station at Dickinson, N.Dak.; to the Committee on Agriculture.

Also, a bill (H.R. 83) authorizing the Secretary of the Interior to erect a monument as a memorial to the return from Canada, and surrender to the Government of the United States, of the Sioux Indian chiefs, Sitting Bull, Gall, Rain in the Face, and Crow King, with their several bands of followers, in 1881; to the Committee on Indian Affairs.

Also, a bill (H.R. 84) restoring to tribal status and allotment certain lands on Standing Rock Indian Reservation in the States of South Dakota and North Dakota; to the Committee on Indian Affairs.

Also, a bill (H.R. 85) to extend Federal aid to certain school districts in the State of North Dakota upon condition that the public-school buildings benefited shall be available to Indian children of Fort Berthold Indian Reservation; to the Committee on Indian Affairs.

Also, a bill (H.R. 86) to amend the United States Grain Standards Act; to the Committee on Agriculture.

Also, a bill (H.R. 87) to establish an honest money system where the medium of exchange will give equal benefits to every American citizen and wherein the lawful money of the Government shall be used for the benefit of all the people, to reduce the rate of interest on loans, to encourage agriculture and the ownership of homes, and for other purposes; to the Committee on Banking and Currency.

Also, a bill (H.R. 88) to authorize the Secretary of Agriculture to adjust debts owing the United States for seed, feed, and crop-production loans; to the Committee on Agriculture.

Also, a bill (H.R. 89) to increase the tariff duties on flaxseed and the oils produced therefrom; to the Committee on Ways and Means.

Also, a bill (H.R. 90) to establish the Roosevelt National Park in North Dakota; to the Committee on the Public Lands.

Also, a bill (H.R. 91) to promote and encourage agriculture by divesting grains of their interstate character in certain cases; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 92) referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement; to the Committee on Indian Affairs.

By Mr. SNELL: A bill (H.R. 93) to authorize the Secretary of War to sell to the Plattsburgh National Bank & Trust Co. a tract of land comprising part of the Plattsburg Barracks Military Reservation, N.Y.; to the Committee on Military Affairs.

By Mr. SUTPHIN: A bill (H.R. 94) to prohibit the deposit of refuse in navigable waters when navigation is endangered or waters are made injurious to health or sea food by such deposit, and for other purposes; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 95) providing for the retirement of enlisted men of the Navy and Marine Corps who become physically incapacitated for active duty as an incident of their service; to the Committee on Naval Affairs.

Also, a bill (H.R. 96) authorizing and directing the Secretary of the Treasury to enter into a contract or contracts for the erection and completion of a plant suitable for the investigations of the Bureau of Mines in New Brunswick, N.J.; to the Committee on Mines and Mining.

Also, a bill (H.R. 97) to provide Federal aid for the construction of groins and bulkheads for coast protection; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 98) to amend the act entitled "An act for the relief of soldiers who were discharged from the Army during the World War because of misrepresentation of age," approved March 2, 1929; to the Committee on Military Affairs.

By Mr. WATSON: A bill (H.R. 99) to authorize the Reconstruction Finance Corporation to make loans to aid in financing projects for the construction of sewerage systems or sewage-disposal works; to the Committee on Banking and Currency.

Also, a bill (H.R. 100) to prohibit the sending of unsolicited merchandise through the mails; to the Committee on the Post Office and Post Roads.

By Mr. WOLVERTON: A bill (H.R. 101) to amend the World War Veterans' Act, 1924, as amended; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 102) to authorize the donation of obsolete Army rifles and accessories to organizations of war veterans, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H.R. 103) to amend the World War Veterans' Act, 1924, as amended; to the Committee on World War Veterans' Legislation.

By Mr. ANDREW of Massachusetts: A bill (H.R. 104) for the treatment and transportation of shipwrecked American fishermen stranded abroad; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. BLAND: A bill (H.R. 105) providing for loans or advances by the Reconstruction Finance Corporation, through its regional credit corporations, to farm mortgagors to enable them to lower the rate of interest on their farm-mortgage loans and to secure the postponement of the foreclosure of farm mortgages for a period of 2 years, and for other purposes; to the Committee on Banking and Currency.

Also, a bill (H.R. 106) to provide for the construction of a bridge over the Rappahannock River as a memorial to President Madison; to the Committee on Interstate and Foreign Commerce.

By Mr. BLANTON: A bill (H.R. 107) to repeal the tax on bank checks; to the Committee on Ways and Means.

Also, a bill (H.R. 108) to restore the 2-cent rate of postage on first-class mail matter; to the Committee on Ways and Means.

Also, a bill (H.R. 109) to provide for the suspension of immigration of aliens into the United States; to the Committee on Immigration and Naturalization.

By Mr. BOYLAN: A bill (H.R. 110) authorizing the Secretary of the Treasury to make an examination of certain claims of the State of Missouri; to the Committee on War Claims.

By Mr. BRITTEN: A bill (H.R. 111) for the repeal of the drastic so-called "Jones five and ten law"; to the Committee on the Judiciary.

By Mr. BUCKBEE: A bill (H.R. 112) to raise revenue, protect American labor, and assist the American farmer by providing for the use in motor fuels of alcohol manufactured from agricultural products grown upon the farm in the United States; to the Committee on Ways and Means.

By Mr. CARLEY: A bill (H.R. 113) relating to contracts for the erection or alteration of public buildings; to the Committee on Public Buildings and Grounds.

By Mr. CROSS: A bill (H.R. 114) to restore confidence by raising commodity prices through expanding the currency by using silver to broaden the metallic monetary base while preserving the gold standard; to the Committee on Coinage, Weights, and Measures.

By Mr. EVANS: A bill (H.R. 115) to prevent the use of vessels for transporting out of United States ports persons or cargo to vessels anchored, stationed, or standing 3 or more miles offshore for illegal purposes; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. GIBSON: A bill (H.R. 116) to amend the Civil Service Retirement Act to provide that per diem employees of the District of Columbia shall not be deprived of retirement credit for certain past service, by failure to deposit any percentage of their compensation for such service; to the Committee on the Civil Service.

Also, a bill (H.R. 117) to regulate the importation of milk and cream and milk and cream products into the United States for the purpose of promoting the dairy industry of the United States and protecting the public health; to the Committee on Agriculture.

Also, a bill (H.R. 118) to amend section 7 of an act entitled "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, and for other purposes; to the Committee on the District of Columbia.

Also, a bill (H.R. 119) to establish a woman's bureau in the Metropolitan Police Department of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

Also, a bill (H.R. 120) amending the Civil Service Retirement Act; to the Committee on the Civil Service.

Also, a bill (H.R. 121) to amend section 7 of an act entitled "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, and for other purposes; to the Committee on the District of Columbia

By Mr. GOSS: A bill (H.R. 122) to regulate the use and sale of wood alcohol; to the Committee on the Judiciary.

Also, a bill (H.R. 123) to provide for placing certain educational orders to familiarize private manufacturing establishments with the production of certain ordnance, and to provide for manufacture of certain ordnance by Government-owned arsenals; to the Committee on Military Affairs.

Also, a bill (H.R. 124) to require contractors on public-building projects to name their subcontractors, material men, and supply men, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. GRISWOLD: A bill (H.R. 125) authorizing employees of the Veterans' Administration to accept or reject quarters furnished by the Veterans' Administration; to the Committee on World War Veterans' Legislation.

By Mr. HARLAN: A bill (H.R. 126) authorizing employees of the Veterans' Administration to accept or reject quarters furnished by the Veterans' Administration; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 127) to remove limitations on the amount of property held by benevolent, charitable, and other nonprofit corporations incorporated in the District of Columbia by private act of Congress; to the Committee on the District of Columbia.

Also, a bill (H.R. 128) to provide additional compensation to World War veterans for the loss of use of an eye in active service in line of duty in the World War; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 129) to provide for the settlement of claims against the United States on account of property damage or loss, personal injury, or death; to the Committee on Claims.

Also, a bill (H.R. 130) to amend the act approved May 15, 1928, entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes"; to the Committee on Flood Control.

Also, a bill (H.R. 131) to provide that certain veterans not honorably discharged shall be admitted to Veterans' Administration homes; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 132) to amend the World War Veterans' Act, 1924, as amended; to the Committee on World War Veterans' Legislation.

By Mr. JENKINS: A bill (H.R. 133) further restricting immigration into the United States; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 134) to change preferences within the quotas; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 135) to repeal the first proviso of section 24 of the Immigration Act of February 5, 1917; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 136) to make uniform the method of appointing immigration officials in charge of districts, ports, or stations; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 137) to insure payment of bank deposits in national banks and member banks of the Federal Reserve System; to the Committee on Banking and Currency.

By Mr. MAY: A bill (H.R. 138) to provide for an additional district judge for the eastern and western districts of Kentucky, and to amend section 83 of the Judicial Code, as amended; to the Committee on the Judiciary.

Also, a bill (H.R. 139) to authorize the leasing of the Muscle Shoals property upon certain terms and conditions, to provide for the national defense, and for the regulation of interstate commerce, and for other purposes; to the Committee on Military Affairs.

By Mr. McSWAIN: A bill (H.R. 140) to amend the Federal Reserve Act; to the Committee on Banking and Currency.

By Mr. McKEOWN: A bill (H.R. 141) to provide that no interest shall be charged veterans on loans made on adjusted-service certificates, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 142) to amend the act of February 8, 1875, entitled "An act levying a tax of 10 percent per annum on every person, firm, association, other than national bank associations, and every corporation, State bank, or State banking association, on the amount of their own notes used for circulation and paid out by them"; to the Committee on Ways and Means.

Also, a bill (H.R. 143) to authorize the purchase by the Government of American-produced silver, to provide for the issuance of silver certificates in payment therefor, to provide for the coinage of such silver, and for other purposes; to the Committee on Coinage, Weights, and Measures.

Also, a bill (H.R. 144) amending section 200, World War Veterans' Act, 1924; to the Committee on World War Veterans' Legislation.

By Mr. McSWAIN: A bill (H.R. 145) to amend the Federal Reserve Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. O'CONNOR: A bill (H.R. 146) to amend the act of June 18, 1929, entitled "An act to provide for the fifteenth and subsequent decennial censuses, and to provide for apportionment of Representatives in Congress"; to the Committee on the Census.

Also, a bill (H.R. 147) to incorporate the Big Brother and Big Sister Federation, and for other purposes; to the Committee on the District of Columbia.

By Mr. PETTENGILL: A bill (H.R. 148) to provide for the issuance of stamped money certificates, and for other purposes; to the Committee on Banking and Currency.

By Mr. SPENCE: A bill (H.R. 149) to regulate the rate of premium on bonds of officers and employees in the motor-vehicle service of the Post Office Department; to the Committee on the Post Office and Post Roads.

By Mr. WELCH: A bill (H.R. 150) to provide for the protection of fish by requiring reports on the location of canneries in Alaska and prohibiting certain salmon unlawfully caught from being brought into the United States, and for other purposes; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H.R. 151) to provide that the prevailing rate of wages shall be paid to laborers and mechanics employed in the construction of Federal-aid highways, and for other purposes; to the Committee on Roads.

Also, a bill (H.R. 152) to amend subsection (d) of section 11 of the Merchant Marine Act of June 5, 1920, as amended by section 301 of the Merchant Marine Act of May 22, 1928; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H.R. 153) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of the United States; to the Committee on Ways and Means.

By Mr. WIGGLESWORTH: A bill (H.R. 154) for the protection of laborers and mechanics on public buildings or public works of the United States; to the Committee on Labor.

By Mr. CARTER of California: A bill (H.R. 1490) to provide for plant and cereal patents; to the Committee on Patents.

By Mr. STEAGALL: A bill (H.R. 1491) to provide relief in the existing national emergency in banking, and for other purposes; to the Committee on the Whole House on the state of the Union.

By Mr. CULLEN: A bill (H.R. 1492) to provide revenue by the taxation of certain nonintoxicating liquors, and for other purposes; to the Committee on Ways and Means.

By Mr. BUSBY: A bill (H.R. 1493) to reduce the amount of gold in the dollar from 25.8 grains nine-tenths fine to 16.5 grains of gold nine-tenths fine, so as to bring the purchasing power of the dollar into a proper relation to commodity prices; to the Committee on Banking and Currency.

By Mr. BLAND: A bill (H.R. 1494) to amend section 8 of the act of June 19, 1886, as amended by section 2 of the act of February 17, 1898 (U.S.C., title 46, sec. 289); to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H.R. 1495) to amend section 1 (a) of the act of March 2, 1929, entitled "An act to establish load lines for American vessels, and for other purposes"; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H.R. 1496) to amend section 14 of the Shipping Act, 1916, as amended by section 20 of the Merchant Marine Act, 1920; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H.R. 1497) to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purposes of service and protection on American vessels; to the Committee on Immigration and Naturalization.

By Mr. DE PRIEST: A bill (H.R. 1498) to provide a civil government for the Virgin Islands of the United States; to the Committee on Insular Affairs.

By Mr. ENGLEBRIGHT: A bill (H.R. 1499) to authorize the erection of a United States veterans' hospital in the inland region of the State of California; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 1500) authorizing appropriations for the construction and maintenance of improvements necessary for protection of the national forests from fire, and for other purposes; to the Committee on Agriculture.

Also, a bill (H.R. 1501) to aid in the establishment of State parks; to the Committee on the Public Lands.

Also, a bill (H.R. 1502) to amend the act entitled "An act to create the California Debris Commission and regulate hydraulic mining in the State of California," approved March 1, 1893, as amended; to the Committee on Mines and Mining.

Also, a bill (H.R. 1503) to amend the act entitled "An act to create the California Debris Commission and regulate hydraulic mining in the State of California," approved March 1, 1893, as amended; to the Committee on Mines and Mining.

Also, a bill (H.R. 1504) to enable the Secretary of Agriculture to control emergency insect infestations on the national forests; to the Committee on Agriculture.

Also, a bill (H.R. 1505) for the inclusion of certain lands in the Lassen National Forest, Calif., and for other purposes; to the Committee on the Public Lands.

Also, a bill (H.R. 1506) to add certain lands to the Modoc National Forest, in the State of California; to the Committee on the Public Lands.

Also, a bill (H.R. 1507) to add certain lands to the Modoc National Forest, in the State of California; to the Committee on the Public Lands.

Also, a bill (H.R. 1508) to extend the provisions of the Forest Exchange Act, approved March 20, 1922, to certain lands adjacent to the Modoc National Forest, in the State of California; to the Committee on the Public Lands.

Also, a bill (H.R. 1509) to provide for the destruction and eradication of predatory animals in the State of California; to the Committee on Agriculture.

Also, a bill (H.R. 1510) to amend an act entitled "An act making an appropriation for the survey of public lands lying within the limits of land grants, to provide for the forfeiture to the United States of unsurveyed land grants to railroads, and for other purposes," approved June 25, 1910; to the Committee on the Public Lands.

Also, a bill (H.R. 1511) making the 9th day of September of each year a holiday for Federal employees in the State of California; to the Committee on Expenditures in Executive Departments.

Also, a bill (H.R. 1512) to authorize the issuance of patent for lands containing gold-bearing gravels, at depth, which are overlaid by volcanic lava; to the Committee on the Public Lands.

Also, a bill (H.R. 1513) to authorize the Secretary of the Interior to construct a bridge across Lost River on the Tule

Lake division of the Klamath project, Oregon-California; to the Committee on Irrigation and Reclamation.

By Mr. FULMER: A bill (H.R. 1514) to provide for the refinancing of farm-mortgage indebtedness over a period of 50 years at 4 percent interest, with first annual payment commencing 3 years after the date of mortgage; to the Committee on Banking and Currency.

Also, a bill (H.R. 1515) authorizing the Reconstruction Finance Corporation to make loans to aid in refunding or refinancing obligations of drainage, irrigation, and levee districts; to the Committee on Banking and Currency.

Also, a bill (H.R. 1516) to repeal the tax on bank checks; to the Committee on Ways and Means.

Also, a bill (H.R. 1517) to provide for the use of net weights in interstate and foreign commerce transactions in cotton, to provide for the standardization of bale covering for cotton, and for other purposes; to the Committee on Agriculture.

Also, a bill (H.R. 1518) to amend the Tariff Act of 1922; to the Committee on Ways and Means.

Also, a bill (H.R. 1519) to transfer the administration of the affairs of Federal intermediate-credit banks to the Department of Agriculture; to the Committee on Banking and Currency.

Also, a bill (H.R. 1520) authorizing and directing the Secretary of Agriculture to establish and maintain a tobacco experiment and demonstration station in Sumter County, S.C.; to the Committee on Agriculture.

Also, a bill (H.R. 1521) to prohibit the sending of unsolicited merchandise through the mails; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 1522) to regulate interstate shipments of cotton, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 1523) to provide for research work in connection with the utilization of agricultural products other than forest products, and for other purposes; to the Committee on Agriculture.

Also, a bill (H.R. 1524) to provide for cooperation with the several States in the care, treatment, education, vocational guidance and placement, and physical rehabilitation of crippled children, and for other purposes; to the Committee on Education.

Also, a bill (H.R. 1525) to divert lands unsuited for profitable agriculture to productive forestry uses; to the Committee on Agriculture.

By Mr. GRIFFIN: A bill (H.R. 1526) to provide for the honorary designation of St. Ann's Churchyard, in the city of New York, as a national shrine, and for the erection of a monument or statue thereon to the memory of Gouverneur Morris; to the Committee on the Library.

Also, a bill (H.R. 1527) providing for medals of honor and awards to Government employees for distinguished service in science or for voluntary risk of life and health beyond the ordinary risks of duty; to the Committee on the Library.

Also, a bill (H.R. 1528) to provide that religious views or philosophical opinions against war shall not debar aliens otherwise qualified from citizenship; to the Committee on Immigration and Naturalization.

By Mr. HOLLISTER: A bill (H.R. 1529) to provide revenue, to protect the currency of the United States against hoarding, and for other purposes; to the Committee on Ways and Means.

By Mr. JOHNSON of Texas: A bill (H.R. 1530) granting relief to American civilian employees of the Navy stationed in the Philippine Islands; to the Committee on Naval Affairs.

Also, a bill (H.R. 1531) to amend the Tariff Act of 1930 to authorize export-debenture certificates on agricultural products; to the Committee on Ways and Means.

Also, a bill (H.R. 1532) to amend the Revenue Act of 1932 by repealing section 751, imposing a tax on checks; to the Committee on Ways and Means.

Also, a bill (H.R. 1533) to restore the 2-cent rate of postage on first-class mail matter; to the Committee on Ways and Means.

By Mrs. KAHN: A bill (H.R. 1534) to amend section 57 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended and supplemented, with respect to proof and allowance of claims by trustees for bondholders; to the Committee on the Judiciary.

Also, a bill (H.R. 1535) to authorize the erection of a United States Veterans' Administration hospital in the State of California to be used for the housing, care, and treatment of disabled women veterans only; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 1536) to authorize the construction and use of underground pneumatic-tube service; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 1537) granting travel pay and other allowances to certain soldiers of the Spanish-American War and the Philippine insurrection who were discharged in the Philippines; to the Committee on War Claims.

Also, a bill (H.R. 1538) providing retirement for persons who hold licenses as navigators or engineers who have reached the age of 64 years and who have served 25 or more years in the Army Transport Service; to the Committee on Military Affairs.

Also, a bill (H.R. 1539) to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States; to the Committee on Military Affairs.

Also, a bill (H.R. 1540) for the relief of officers of the Army, Navy, and Marine Corps retired for wounds in battle; to the Committee on Military Affairs.

Also, a bill (H.R. 1541) to readjust the pay of certain warrant officers and retired enlisted men; to the Committee on Military Affairs.

By Mr. KELLY of Pennsylvania: A bill (H.R. 1542) to provide for the stabilization of industry during the existing national economic emergency; to the Committee on the Judiciary.

Also, a bill (H.R. 1543) to authorize the construction of buildings for certain post offices, and for other purposes; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 1544) to provide sick leave for employees of mail-equipment shops; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 1545) to provide for the transportation and distribution of mails on motor-vehicle routes; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 1546) to amend section 207 of the act approved February 28, 1925, as amended, to promote parcel-post service; to the Committee on the Post Office and Post Roads.

By Mr. KURTZ: A bill (H.R. 1547) to repeal section 1001 (a) of the Revenue Act of 1932, which increased the rate of postage on certain mail matter of the first class; to the Committee on Ways and Means.

By Mr. LANHAM: A bill (H.R. 1548) to provide that in certain cases loans to veterans upon adjusted-service certificates shall be considered partial payments, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 1549) to authorize a special rate of postage on periodicals when sent by public libraries; to the Committee on the Post Office and Post Roads.

By Mr. LUDLOW: A bill (H.R. 1550) to amend the act of May 1, 1926, for minor children of Spanish War veterans; to the Committee on Pensions.

Also, a bill (H.R. 1551) to authorize the erection of a 150-bed addition to the United States Veterans' Administration hospital at Indianapolis, Ind.; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 1552) to restore the 2-cent postage rate on first-class mail; to the Committee on Ways and Means.

Also, a bill (H.R. 1553) to create a Federal industrial commission to aid in the stabilization of employment in industry, agriculture, and commerce, and for other purposes; to the Committee on the Judiciary.

Also, a bill (H.R. 1554) to amend the act of March 3, 1927, for minor children of Indian-war veterans; to the Committee on Pensions.

Also, a bill (H.R. 1555) to amend the act of May 1, 1920, for minor children of Civil War veterans; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1556) to authorize Members of Congress to procure Government publications of the Superintendent of Documents for free public distribution, and for other purposes; to the Committee on Printing.

Also, a bill (H.R. 1557) to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, and acts in amendment thereof, approved July 3, 1926, and May 29, 1930; to the Committee on the Civil Service.

Also, a bill (H.R. 1558) to amend section 27 of the Radio Act of 1927 (44 Stat. 1172); to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H.R. 1559) to amend the Radio Act of 1927, as amended, to require persons using radio sets capable of receiving police broadcasts in vehicles to secure permits for such use; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. SABATH: A bill (H.R. 1560) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes; to the Committee on Ways and Means.

By Mr. TAYLOR of Tennessee: A bill (H.R. 1561) granting a pension to widows and dependent children of World War veterans; to the Committee on Pensions.

Also, a bill (H.R. 1562) to insure payment of bank deposits in national banks and other member banks of the Federal Reserve System; to the Committee on Banking and Currency.

Also, a bill (H.R. 1563) providing for loans or advances by the Reconstruction Finance Corporation for the purpose of securing the postponement of the foreclosure of certain mortgages for a period of 2 years, and for other purposes; to the Committee on Banking and Currency.

By Mr. WILCOX: A bill (H.R. 1564) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. CARTER of California: Resolution (H.Res. 6) requesting that the question of prima facie right of Francis H. Shoemaker be referred to the Committee on Elections No. 1; to the Committee on Elections No. 1.

By Mr. CANNON of Missouri: Joint resolution (H.J.Res. 3) to amend the Revenue Act of 1932 by repealing section 751 imposing a tax on checks, drafts, and orders for the payment of money; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of Indiana memorializing Congress for farm and industrial relief; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of Indiana memorializing Congress concerning a Federal income tax; to the Committee on Ways and Means.

Memorial of the Legislature of the State of Indiana memorializing Congress to enact Senate bill 2487, introduced in the Seventy-second Congress; to the Committee on Coinage, Weights, and Measures.

Memorial of the Legislature of the State of North Dakota memorializing Congress to take over the exercise of the functions usually performed by the banking system; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of Colorado memorializing Congress to enact Senate bill 1197 of the Seventy-second Congress; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of New Mexico memorializing Congress to make early enactment of Senate bills 5417 and 5471 of the Seventy-second Congress; to the Committee on Irrigation and Reclamation.

Memorial of the Legislature of the State of Washington memorializing Congress to elect the Honorable MARION A. ZIONCHECK a member of the Naval Affairs Committee; to the Committee on Naval Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREW of Massachusetts: A bill (H.R. 155) granting a pension to Jennie M. Spaulding; to the Committee on Invalid Pensions.

Also, a bill (H.R. 156) for the relief of Frank O. Glover; to the Committee on Military Affairs.

Also, a bill (H.R. 157) for preliminary examination and survey of Plum Island and Parker Rivers, Mass.; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 158) for the relief of William H. Fleming; to the Committee on Military Affairs.

Also, a bill (H.R. 159) for the relief of William H. Carter; to the Committee on Military Affairs.

Also, a bill (H.R. 160) for the relief of Joanna A. Sheehan; to the Committee on Claims.

Also, a bill (H.R. 161) granting a pension to Annie Beals; to the Committee on Invalid Pensions.

Also, a bill (H.R. 162) granting a pension to Susie Fiedler; to the Committee on Pensions.

Also, a bill (H.R. 163) granting an increase of pension to Mary Elizabeth Eaton; to the Committee on Invalid Pensions.

By Mr. AYRES of Kansas: A bill (H.R. 164) granting a pension to Russell G. Cromwell; to the Committee on Pensions.

Also, a bill (H.R. 165) granting a pension to Sarah Ann Thomas; to the Committee on Invalid Pensions.

Also, a bill (H.R. 166) granting a pension to Azelle V. Crawford; to the Committee on Invalid Pensions.

Also, a bill (H.R. 167) granting an increase of pension to Mary C. Snyder; to the Committee on Invalid Pensions.

Also, a bill (H.R. 168) granting an increase of pension to Miriam A. Williams; to the Committee on Invalid Pensions.

Also, a bill (H.R. 169) granting an increase of pension to Eliza Robinson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 170) granting an increase of pension to Sarah P. Scott; to the Committee on Invalid Pensions.

Also, a bill (H.R. 171) granting an increase of pension to Florence I. Huss; to the Committee on Invalid Pensions.

Also, a bill (H.R. 172) granting an increase of pension to Susan I. Queen; to the Committee on Invalid Pensions.

Also, a bill (H.R. 173) granting an increase of pension to Mathilda Danielson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 174) granting a pension to Martha Ella Downing; to the Committee on Invalid Pensions.

Also, a bill (H.R. 175) granting an increase of pension to Marcha Ann Corkill; to the Committee on Invalid Pensions.

Also, a bill (H.R. 176) granting a pension to Hulda S. Dick; to the Committee on Invalid Pensions.

Also, a bill (H.R. 177) for the relief of Lottie Bryant Steel; to the Committee on Claims.

Also, a bill (H.R. 178) for the relief of John I. Saunders; to the Committee on Claims.

Also, a bill (H.R. 179) for the relief of Amos F. Westerfield; to the Committee on Military Affairs.

Also, a bill (H.R. 180) for the relief of Zachara T. Edwards; to the Committee on Military Affairs.

By Mr. BACHARACH: A bill (H.R. 181) granting an increase of pension to Jennie Wood; to the Committee on Invalid Pensions.

Also, a bill (H.R. 182) granting an increase of pension to Mary J. Goodwin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 183) granting an increase of pension to Rachel P. Thomas; to the Committee on Invalid Pensions.

Also, a bill (H.R. 184) granting an increase of pension to Maria Stackhouse; to the Committee on Invalid Pensions.

Also, a bill (H.R. 185) granting an increase of pension to Amanda L. Dare; to the Committee on Invalid Pensions.

Also, a bill (H.R. 186) granting an increase of pension to Sarah Ayres; to the Committee on Invalid Pensions.

Also, a bill (H.R. 187) granting a pension to Della Dabbs; to the Committee on Pensions.

Also, a bill (H.R. 188) granting a pension to Mary A. M. Lafferty; to the Committee on Pensions.

Also, a bill (H.R. 189) for the relief of the Delaware Bay Shipbuilding Co.; to the Committee on Claims.

Also, a bill (H.R. 190) for the relief of Elizabeth T. Cloud; to the Committee on Claims.

Also, a bill (H.R. 191) for the relief of William K. Lovett; to the Committee on Claims.

Also, a bill (H.R. 192) granting an increase of pension to Cora C. Cheever; to the Committee on Pensions.

Also, a bill (H.R. 193) granting an increase of pension to Leonie E. Fisher; to the Committee on Pensions.

Also, a bill (H.R. 194) to refund to Caroline M. Eagan income tax erroneously and illegally collected; to the Committee on Claims.

Also, a bill (H.R. 195) for the relief of Rolando B. Moffett; to the Committee on Military Affairs.

Also, a bill (H.R. 196) for a survey and examination of West Creek, N.J.; to the Committee on Rivers and Harbors.

By Mr. BACON: A bill (H.R. 197) for the relief of W. A. Harriman; to the Committee on Claims.

Also, a bill (H.R. 198) authorizing the Secretary of the Treasury to pay certain claims the result of a fire in the Government ordnance plant at Baldwin, N.Y.; to the Committee on Claims.

Also, a bill (H.R. 199) for the relief of David Myerle, as executor of the last will and testament of Phineas Burgess, deceased; to the Committee on Claims.

Also, a bill (H.R. 200) for the relief of Jacob Durrenberger; to the Committee on Claims.

Also, a bill (H.R. 201) for the relief of Ann Engle; to the Committee on Claims.

Also, a bill (H.R. 202) for the relief of Matthew Grady; to the Committee on Military Affairs.

Also, a bill (H.R. 203) for the relief of Nathaniel Monsell, deceased; to the Committee on Military Affairs.

Also, a bill (H.R. 204) for the relief of the children of William Wheeler Hubbell and his wife, Elizabeth Catherine Hubbell, both deceased; to the Committee on Claims.

Also, a bill (H.R. 205) for the relief of Frank Fournier; to the Committee on Naval Affairs.

Also, a bill (H.R. 206) for the relief of Pierre E. Teets; to the Committee on Claims.

Also, a bill (H.R. 207) for the relief of Homer C. Chapin; to the Committee on Claims.

Also, a bill (H.R. 208) for the relief of Francis Joseph Meade; to the Committee on Naval Affairs.

Also, a bill (H.R. 209) for the relief of William T. Murphy; to the Committee on Military Affairs.

Also, a bill (H.R. 210) for the relief of Anne B. Slocum; to the Committee on Claims.

Also, a bill (H.R. 211) for the relief of John A. Rapelye; to the Committee on Claims.

Also, a bill (H.R. 212) to exempt from taxation certain property of the National Society of Colonial Dames of America, District of Columbia; to the Committee on the District of Columbia.

By Mr. BEITER: A bill (H.R. 213) to correct the military record of John H. Burd; to the Committee on Naval Affairs.

Also, a bill (H.R. 214) for the relief of Walter A. Wettengel; to the Committee on Military Affairs.

By Mr. BLAND: A bill (H.R. 215) for the relief of the heirs of Thomas G. Wright; to the Committee on War Claims.

Also, a bill (H.R. 216) for the relief of the Union Shipping & Trading Co., Ltd.; to the Committee on War Claims.

Also, a bill (H.R. 217) for the relief of A. F. Amory; to the Committee on the Judiciary.

Also, a bill (H.R. 218) authorizing preliminary examination and survey of the waters of Hampton Roads, Va., and its branches, tributaries, and adjacent waters for the purpose of disposal of dredged material; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 219) to provide for an examination and survey of the waters and channels between the Chesapeake Bay and Chincoteague Bay in the State of Virginia lying between the mainland and the islands along the coast with a view to providing an inland waterway from the Chesapeake Bay to Chincoteague Bay; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 220) to provide for a preliminary examination and survey of the channel in Jacksons Creek, Middlesex County, Va., and the channel connecting with the channel in the Piankatank River; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 221) to confer jurisdiction upon the Court of Claims to hear and determine the claim of the legal representatives of Henry H. Sibley, deceased; to the Committee on War Claims.

Also, a bill (H.R. 222) for preliminary examination and survey of Occupacia Creek, Essex County, Va., and channel connecting the same with the Rappahannock River; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 223) to provide for a survey of Winter Harbor, Mathews County, Va., with a view to its improvement for sanitary reasons; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 224) to authorize and direct the appointment of Levin Milton Price as a first lieutenant, United States Army; to the Committee on Military Affairs.

Also, a bill (H.R. 225) to provide for an examination and survey of the channel of Little Wicomico River, Northumberland County, Va., and of the channel connecting the said river with Chesapeake Bay; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 226) granting an increase of pension to Fannie C. Beal; to the Committee on Invalid Pensions.

Also, a bill (H.R. 227) for the relief of John Fox; to the Committee on Military Affairs.

Also, a bill (H.R. 228) for the relief of Robbie Coates; to the Committee on Claims.

Also, a bill (H.R. 229) for the relief of Elizabeth Buxton Hospital; to the Committee on Claims.

Also, a bill (H.R. 230) for the relief of the Virginia Engineering Co., Inc.; to the Committee on Claims.

Also, a bill (H.R. 231) for the relief of James E. Haynes; to the Committee on Claims.

Also, a bill (H.R. 232) for the relief of Anna Marie Sanford; to the Committee on Claims.

Also, a bill (H.R. 233) for the relief of Florence Hudgins Lindsay and Elizabeth Lindsay; to the Committee on Claims.

Also, a bill (H.R. 234) granting a pension to Addie L. Shugars; to the Committee on Invalid Pensions.

Also, a bill (H.R. 235) granting a pension to Julius Hampton, Jr.; to the Committee on Invalid Pensions.

Also, a bill (H.R. 236) granting a pension to Annie Wright; to the Committee on Invalid Pensions.

Also, a bill (H.R. 237) granting a pension to Laura E. Myers; to the Committee on Invalid Pensions.

Also, a bill (H.R. 238) granting a pension to William Turner; to the Committee on Pensions.

Also, a bill (H.R. 239) granting a pension to Daniel Pierce; to the Committee on Pensions.

Also, a bill (H.R. 240) granting a pension to Grace A. Coates; to the Committee on Pensions.

Also, a bill (H.R. 241) granting a pension to Lindsay Powers; to the Committee on Pensions.

By Mr. BLANTON: A bill (H.R. 242) for the relief of Walter G. Harrell; to the Committee on Military Affairs.

Also, a bill (H.R. 243) for the relief of James R. Deeds; to the Committee on Military Affairs.

Also, a bill (H.R. 244) granting a pension to N. C. Brown; to the Committee on Pensions.

Also, a bill (H.R. 245) granting a pension to Harvey T. McPeeters; to the Committee on Pensions.

Also, a bill (H.R. 246) for the relief of Mollie J. Hill; to the Committee on Pensions.

Also, a bill (H.R. 247) granting a pension to G. C. Musgrove; to the Committee on Pensions.

Also, a bill (H.R. 248) granting a pension to M. J. Lamb; to the Committee on Pensions.

By Mr. BOLAND: A bill (H.R. 249) for the relief of James Gessler; to the Committee on Military Affairs.

Also, a bill (H.R. 250) for the relief of Dennis Tighe; to the Committee on Naval Affairs.

Also, a bill (H.R. 251) granting a pension to Martha M. Wright; to the Committee on Invalid Pensions.

Also, a bill (H.R. 252) for the relief of Richard Matthew Hallinan; to the Committee on Pensions.

Also, a bill (H.R. 253) for the relief of Joseph Marko; to the Committee on Pensions.

By Mr. BOYLAN: A bill (H.R. 254) granting a pension to Josephine Ensign; to the Committee on Pensions.

Also, a bill (H.R. 255) granting a pension to Robert W. Tipping; to the Committee on Pensions.

Also, a bill (H.R. 256) granting an increase of pension to Agnes L. MacIntyre; to the Committee on Pensions.

Also, a bill (H.R. 257) to authorize full settlement for professional services rendered to an officer of the United States Army; to the Committee on Military Affairs.

Also, a bill (H.R. 258) for the relief of Arthur Francis Cooney; to the Committee on Military Affairs.

Also, a bill (H.R. 259) for the relief of Joseph P. Kinlen; to the Committee on Military Affairs.

Also, a bill (H.R. 260) for the relief of Thomas Gaffney; to the Committee on Military Affairs.

Also, a bill (H.R. 261) for the relief of John J. Ronan; to the Committee on Military Affairs.

Also, a bill (H.R. 262) for the relief of Anna Caporaso; to the Committee on Claims.

Also, a bill (H.R. 263) for the relief of Frank J. Farrish; to the Committee on Claims.

Also, a bill (H.R. 264) for the relief of Marguerite Ciscoe; to the Committee on Claims.

Also, a bill (H.R. 265) for the relief of Benjamin Stern, and Melville A. Stern and Benjamin Stern, as executors under the last will and testament of Louis Stern, deceased, and Arthur H. Hahlo, as executor under the last will and testament of Isaac Stern, deceased, all of New York City, N.Y., for compensation and in settlement of their damages and loss sustained by virtue of a lease, in writing, dated September 12, 1919, between the said parties and the United States of America, by Daniel C. Roper, Commissioner of Internal Revenue; to the Committee on Claims.

Also, a bill (H.R. 266) for the relief of Joseph H. Travers; to the Committee on Naval Affairs.

Also, a bill (H.R. 267) for the relief of Jarade Hudson Archer; to the Committee on Naval Affairs.

Also, a bill (H.R. 268) for the relief of August Walter; to the Committee on Naval Affairs.

Also, a bill (H.R. 269) for the relief of Martin Joseph Walsh; to the Committee on Naval Affairs.

By Mr. BRITTEN: A bill (H.R. 270) for the relief of William Earl Perry; to the Committee on Military Affairs.

Also, a bill (H.R. 271) for the relief of Fred A. Lewis; to the Committee on Military Affairs.

Also, a bill (H.R. 272) for the relief of Charles W. Eaton; to the Committee on Naval Affairs.

Also, a bill (H.R. 273) for the relief of Ray G. McCready; to the Committee on Naval Affairs.

Also, a bill (H.R. 274) for the relief of Michael Anderson; to the Committee on Military Affairs.

Also, a bill (H.R. 275) for the relief of Carl Stador; to the Committee on Claims.

Also, a bill (H.R. 276) to authorize the placing of a bronze tablet bearing a replica of the congressional medal of honor upon the grave of the late Brig. Gen. Robert H. Dunlap, United States Marine Corps, in the Arlington National Cemetery, Va.; to the Committee on Naval Affairs.

By Mr. CANNON of Missouri: A bill (H.R. 277) granting an increase of pension to Sarah J. Waggoner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 278) granting a pension to Hattie B. Roberts; to the Committee on Invalid Pensions.

Also, a bill (H.R. 279) granting an increase of pension to Mary E. Gilliland; to the Committee on Invalid Pensions.

Also, a bill (H.R. 280) granting a pension to Louisa E. Gardner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 281) granting an increase of pension to Lavinia E. Douglas; to the Committee on Invalid Pensions.

Also, a bill (H.R. 282) granting a pension to Laura J. Haynes; to the Committee on Invalid Pensions.

By Mr. CARLEY: A bill (H.R. 283) for the relief of Joseph Gabriel; to the Committee on Military Affairs.

Also, a bill (H.R. 284) for the relief of Lawrence Fiori; to the Committee on Military Affairs.

Also, a bill (H.R. 285) for the relief of Fred C. Van Duyne; to the Committee on Claims.

Also, a bill (H.R. 286) for the relief of Walter Hughes; to the Committee on Naval Affairs.

Also, a bill (H.R. 287) granting a pension to Charles Thorsen; to the Committee on Pensions.

Also, a bill (H.R. 288) for the relief of Samuel Auster, deceased; to the Committee on Naval Affairs.

Also, a bill (H.R. 289) for the relief of Robert Bennett; to the Committee on Naval Affairs.

Also, a bill (H.R. 290) for the relief of William A. Reithel; to the Committee on Claims.

Also, a bill (H.R. 291) for the relief of Albert A. Ayuso; to the Committee on Claims.

By Mr. CARTER of California: A bill (H.R. 292) to correct the military record of John S. Cannell, deceased; to the Committee on Military Affairs.

Also, a bill (H.R. 294) for the retirement of Alfred Sorensen; to the Committee on Military Affairs.

Also, a bill (H.R. 295) authorizing the appointment of Alexander L. Ford as a warrant officer, United States Army; to the Committee on Military Affairs.

Also, a bill (H.R. 296) granting an increase of pension to John W. Redington; to the Committee on Pensions.

Also, a bill (H.R. 297) granting an increase of pension to Sarah M. Brown; to the Committee on Invalid Pensions.

Also, a bill (H.R. 298) granting a pension to Edward Myers; to the Committee on Pensions.

Also, a bill (H.R. 299) granting a pension to Grace Walcott Fleming; to the Committee on Pensions.

Also, a bill (H.R. 300) granting a pension to Ulysses Samuel Main; to the Committee on Pensions.

Also, a bill (H.R. 301) granting a pension to Marion W. Cavenaugh; to the Committee on Pensions.

Also, a bill (H.R. 302) granting a pension to Della Rankin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 303) for the relief of Wallace M. Jordan; to the Committee on Claims.

Also, a bill (H.R. 304) for the relief of Charles Burger, warrant officer, retired; to the Committee on Military Affairs.

Also, a bill (H.R. 305) for the relief of Ernest B. Butte; to the Committee on Military Affairs.

Also, a bill (H.R. 306) for the relief of Ethyl Grazer Smalley; to the Committee on Claims.

Also, a bill (H.R. 307) for the relief of Edward Garlin; to the Committee on Military Affairs.

Also, a bill (H.R. 308) for the relief of Arthur Richter; to the Committee on Claims.

Also, a bill (H.R. 309) for the relief of Felix Medler; to the Committee on Military Affairs.

Also, a bill (H.R. 310) for the relief of Arthur C. Pinson and Pearl Pinson; to the Committee on Claims.

Also, a bill (H.R. 311) for the relief of Ida F. Waterman; to the Committee on Military Affairs.

Also, a bill (H.R. 312) for the relief of Robert Whitley Miller; to the Committee on Military Affairs.

Also, a bill (H.R. 313) for the relief of Frank R. Carpenter, alias Frank R. Carvin; to the Committee on Military Affairs.

Also, a bill (H.R. 314) for the relief of Joshua L. Bach; to the Committee on Claims.

Also, a bill (H.R. 315) for the relief of Benjamin F. Jones; to the Committee on Military Affairs.

Also, a bill (H.R. 316) for the relief of Joseph H. Price; to the Committee on Military Affairs.

Also, a bill (H.R. 317) for the relief of Charles W. Langridge; to the Committee on Claims.

Also, a bill (H.R. 318) for the relief of William D. Barbee; to the Committee on War Claims.

Also, a bill (H.R. 319) for the relief of Melvin Lonzo Smith; to the Committee on War Claims.

Also, a bill (H.R. 320) for the relief of Hugh Callahan; to the Committee on Military Affairs.

Also, a bill (H.R. 321) for the relief of Bertha Ross; to the Committee on Claims.

Also, a bill (H.R. 322) for the relief of Eleanor K. Webber; to the Committee on Claims.

Also, a bill (H.R. 323) for the relief of Harvey M. Hunter; to the Committee on Claims.

Also, a bill (H.R. 324) for the relief of Charles D. Barnes; to the Committee on Military Affairs.

Also, a bill (H.R. 325) for the relief of Douglas B. Espy; to the Committee on Claims.

By Mr. CARTER of Wyoming: A bill (H.R. 326) for the relief of Con Murphy; to the Committee on Claims.

Also, a bill (H.R. 327) for the relief of C. H. Reimerth; to the Committee on Claims.

Also, a bill (H.R. 328) for the relief of E. W. Gillespie; to the Committee on Claims.

Also, a bill (H.R. 329) for the relief of George W. Parkins; to the Committee on Claims.

Also, a bill (H.R. 330) granting an increase of pension to Jessie Taylor; to the Committee on Invalid Pensions.

Also, a bill (H.R. 331) granting a pension to Hector J. Robitaille; to the Committee on Pensions.

Also, a bill (H.R. 332) granting a pension to Robert W. Jones; to the Committee on Pensions.

Also, a bill (H.R. 333) granting an increase of pension to Mrs. C. F. Eagan; to the Committee on Pensions.

Also, a bill (H.R. 334) for the relief of James Fitz; to the Committee on Claims.

Also, a bill (H.R. 335) for the relief of the First National Bank of Thermopolis, Wyo.; to the Committee on Claims.

Also, a bill (H.R. 336) for the relief of W. E. Kilgore; to the Committee on Claims.

Also, a bill (H.R. 337) for the relief of the Cook brothers; to the Committee on Claims.

Also, a bill (H.R. 338) for the relief of the La Barge Roundup Association; to the Committee on Claims.

Also, a bill (H.R. 339) for the relief of Frank Zabkar, whose name appears in the Army records as Frank Hope; to the Committee on Military Affairs.

Also, a bill (H.R. 340) for the relief of Green River, Wyo.; to the Committee on Claims.

Also, a bill (H.R. 341) for the relief of Leonard T. Skelcher; to the Committee on Claims.

Also, a bill (H.R. 342) for the relief of Charles L. Wymore; to the Committee on Military Affairs.

Also, a bill (H.R. 343) granting a pension to Andrew J. Oliver; to the Committee on Pensions.

Also, a bill (H.R. 344) to authorize the award of a decoration for distinguished service to Harry H. Horton; to the Committee on Military Affairs.

Also, a bill (H.R. 345) for the relief of the town of Douglas, Wyo.; to the Committee on Claims.

Also, a bill (H.R. 346) for the relief of Rock Springs, Wyo.; to the Committee on Claims.

Also, a bill (H.R. 347) relating to the induction of Thomas M. McKinney, who applied and was accepted for induction and assigned to an educational institution for special and technical training under the act approved August 31, 1918; to the Committee on Military Affairs.

Also, a bill (H.R. 348) relating to the induction of Richard J. Jackson, who applied and was accepted for induction and assigned to an educational institution for special and technical training under the act approved August 31, 1918; to the Committee on Military Affairs.

Also, a bill (H.R. 349) validating application for entry upon public lands; to the Committee on the Public Lands.

By Mr. COFFIN: A bill (H.R. 350) for the relief of C. M. Williamson, Mrs. Tura Liljenquist, administratrix of C. E. Liljenquist, deceased, Lottie Redman, and H. N. Smith; to the Committee on Claims.

By Mr. CONNOLLY: A bill (H.R. 351) granting a pension to Ellen Hart; to the Committee on Pensions.

Also, a bill (H.R. 352) granting a pension to Winifred Mulherrin; to the Committee on Pensions.

Also, a bill (H.R. 353) granting a pension to Anna Muller; to the Committee on Pensions.

Also, a bill (H.R. 354) granting a pension to Anna D. Volz; to the Committee on Pensions.

Also, a bill (H.R. 355) granting an increase of pension to Martha Benner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 356) to correct the naval record of George Herman Francis Wilhelm; to the Committee on Naval Affairs.

Also, a bill (H.R. 357) for the relief of Alexander H. Vivian; to the Committee on Military Affairs.

Also, a bill (H.R. 358) granting an increase of pension to Catherine Sweeney; to the Committee on Invalid Pensions.

Also, a bill (H.R. 359) for the relief of August Steiner; to the Committee on Military Affairs.

Also, a bill (H.R. 360) granting an increase of pension to Jennie Smith; to the Committee on Pensions.

Also, a bill (H.R. 361) for the relief of James Robinson; to the Committee on Naval Affairs.

Also, a bill (H.R. 362) granting a pension to Harry A. P. Neel; to the Committee on Pensions.

Also, a bill (H.R. 363) for the relief of James Moffitt; to the Committee on Military Affairs.

Also, a bill (H.R. 364) for the relief of Andrew William McFadden; to the Committee on Naval Affairs.

Also, a bill (H.R. 365) for the relief of Manus Kane; to the Committee on Military Affairs.

Also, a bill (H.R. 366) for the relief of Elmer R. Joy; to the Committee on Military Affairs.

Also, a bill (H.R. 367) for the relief of Gottfried J. Maier; to the Committee on War Claims.

Also, a bill (H.R. 368) for the relief of James Holl; to the Committee on Naval Affairs.

Also, a bill (H.R. 369) for the relief of George Harman; to the Committee on Naval Affairs.

Also, a bill (H.R. 370) for the relief of Edward J. Gorman; to the Committee on Naval Affairs.

Also, a bill (H.R. 371) for the relief of Peter Guilday; to the Committee on Military Affairs.

Also, a bill (H.R. 372) for the relief of Daniel Webster Freeman; to the Committee on Naval Affairs.

Also, a bill (H.R. 373) granting a pension to Mary Elliott; to the Committee on Invalid Pensions.

Also, a bill (H.R. 374) for the relief of Morris Dietrich; to the Committee on Claims.

Also, a bill (H.R. 375) awarding the distinguished-service cross to Harry Coventry; to the Committee on Military Affairs.

Also, a bill (H.R. 376) for the relief of William Louis Cook; to the Committee on Naval Affairs.

Also, a bill (H.R. 377) for the relief of Banks College; to the Committee on Claims.

Also, a bill (H.R. 378) for the relief of Stanford Anderson; to the Committee on Naval Affairs.

Also, a bill (H.R. 379) for the relief of Amos Gaul; to the Committee on Military Affairs.

Also, a bill (H.R. 380) granting a pension to Barbara Matthews; to the Committee on Invalid Pensions.

By Mr. CORNING: A bill (H.R. 381) for the relief of Thomas Ryan, otherwise known as William Kelly; to the Committee on Military Affairs.

Also, a bill (H.R. 382) for the relief of Charles Harvey Holt; to the Committee on Naval Affairs.

Also, a bill (H.R. 383) granting an increase of pension to Mary G. Watt; to the Committee on Invalid Pensions.

Also, a bill (H.R. 384) granting an increase of pension to Catherine Long; to the Committee on Invalid Pensions.

Also, a bill (H.R. 385) granting an increase of pension to Ada Bennett; to the Committee on Invalid Pensions.

Also, a bill (H.R. 386) granting an increase of pension to Melissa Fitch; to the Committee on Invalid Pensions.

Also, a bill (H.R. 387) donating bronze trophy guns to the Cohoes Historical Society, Cohoes, N.Y.; to the Committee on Military Affairs.

Also, a bill (H.R. 388) for the relief of James Birney, Sr., otherwise known as James Brady; to the Committee on Military Affairs.

Also, a bill (H.R. 389) for the relief of William P. Brady; to the Committee on Military Affairs.

Also, a bill (H.R. 390) granting a pension to Agnes B. Flynn; to the Committee on Pensions.

Also, a bill (H.R. 391) for the relief of Edward Beebe, otherwise known as John Doyle; to the Committee on Military Affairs.

By Mr. CROWTHER: A bill (H.R. 392) for the relief of Richard Evans & Sons Co.; to the Committee on Claims.

Also, a bill (H.R. 393) for the relief of Dent, Allcroft & Co., A. J. Baker Co., Inc., and Horwitz & Arbib, Inc.; to the Committee on Claims.

Also, a bill (H.R. 394) for the relief of Lee M. Allen; to the Committee on Military Affairs.

Also, a bill (H.R. 395) for the relief of Peter Umberto Canale; to the Committee on Naval Affairs.

Also, a bill (H.R. 396) granting an increase of pension to Fannie Flansburg; to the Committee on Invalid Pensions.

Also, a bill (H.R. 397) granting an increase of pension to Nancy Hyson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 398) granting a pension to Maude Harriman Sanford; to the Committee on Pensions.

Also, a bill (H.R. 399) granting a pension to Rosella Millimen; to the Committee on Invalid Pensions.

Also, a bill (H.R. 400) granting an increase of pension to Julia Mehlman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 401) granting an increase of pension to Emil Voris; to the Committee on Pensions.

Also, a bill (H.R. 402) granting an increase of pension to Annie Oathout; to the Committee on Invalid Pensions.

Also, a bill (H.R. 403) granting a pension to Anna T. Walsh; to the Committee on Pensions.

Also, a bill (H.R. 404) granting a pension to Elizabeth Johnson; to the Committee on Pensions.

Also, a bill (H.R. 405) for the relief of Cathrine E. Morris; to the Committee on Claims.

Also, a bill (H.R. 406) for the relief of LeRoy C. Sherman; to the Committee on Claims.

Also, a bill (H.R. 407) for the relief of Arthur Reid; to the Committee on Military Affairs.

Also, a bill (H.R. 408) for the relief of William J. Nowinski; to the Committee on Naval Affairs.

Also, a bill (H.R. 409) for the relief of John T. Pierson; to the Committee on Military Affairs.

By Mr. DELANEY: A bill (H.R. 410) granting a pension to Mildred M. Tracy; to the Committee on Pensions.

Also, a bill (H.R. 411) granting a pension to Annie J. Gonsalez; to the Committee on Pensions.

Also, a bill (H.R. 412) for the relief of the Mizrach Wine Co.; to the Committee on Claims.

Also, a bill (H.R. 413) for the relief of Mrs. Hugh J. Finn; to the Committee on Naval Affairs.

Also, a bill (H.R. 414) for the relief of Anne B. Slocum; to the Committee on Claims.

By Mr. DOUTRICH: A bill (H.R. 415) granting an increase of pension to Sophia Rademaker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 416) granting an increase of pension to Elizabeth Campbell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 417) granting an increase of pension to Catherine E. Ising; to the Committee on Invalid Pensions.

Also, a bill (H.R. 418) granting a pension to Clara Stevens; to the Committee on Pensions.

Also, a bill (H.R. 419) granting an increase of pension to Sophia Martin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 420) granting a pension to Catherine Gunderman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 421) granting a pension to Cora I. Spangler; to the Committee on Invalid Pensions.

Also, a bill (H.R. 422) granting a pension to Lottie L. Stoner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 423) granting a pension to Mary J. Glace; to the Committee on Pensions.

By Mr. ENGLEBRIGHT: A bill (H.R. 424) granting a pension to Caddie Knight; to the Committee on Pensions.

Also, a bill (H.R. 425) granting a pension to Julie Allen; to the Committee on Invalid Pensions.

Also, a bill (H.R. 426) granting a pension to Charles H. P. Tugwood; to the Committee on Pensions.

Also, a bill (H.R. 427) granting a pension to Julia Edmonds; to the Committee on Invalid Pensions.

Also, a bill (H.R. 428) granting an increase of pension to Sadie F. Hamaker; to the Committee on Pensions.

Also, a bill (H.R. 429) granting an increase of pension to Tolbert Smith; to the Committee on Pensions.

Also, a bill (H.R. 430) for the relief of Lew E. Wickes; to the Committee on Claims.

Also, a bill (H.R. 431) for the relief of R. S. Brown; to the Committee on Claims.

Also, a bill (H.R. 432) for the relief of Milton S. Merrill; to the Committee on Claims.

Also, a bill (H.R. 433) for the relief of Andrew M. Dunlop; to the Committee on Claims.

Also, a bill (H.R. 434) for the relief of Bernard McShane; to the Committee on Claims.

Also, a bill (H.R. 435) for the relief of J. A. Perry; to the Committee on Claims.

Also, a bill (H.R. 436) for the relief of William Estes; to the Committee on Military Affairs.

Also, a bill (H.R. 437) for the relief of Charles Davis; to the Committee on Military Affairs.

By Mr. EVANS: A bill (H.R. 438) granting a pension to Mary A. McCullough; to the Committee on Invalid Pensions.

Also, a bill (H.R. 439) for the relief of Capt. Walter Carl Merkel; to the Committee on Military Affairs.

Also, a bill (H.R. 440) granting a pension to Mary A. Nichols; to the Committee on Invalid Pensions.

Also, a bill (H.R. 441) granting a pension to Anna B. Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 442) granting a pension to Eliza Stanley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 443) granting a pension to Flora B. Thomas; to the Committee on Invalid Pensions.

Also, a bill (H.R. 444) to relinquish the title of the United States to certain lands in the county of Los Angeles, State of California; to the Committee on the Public Lands.

Also, a bill (H.R. 445) granting a pension to Lunette Mayers; to the Committee on Invalid Pensions.

Also, a bill (H.R. 446) granting an increase of pension to Armenia Magann; to the Committee on Invalid Pensions.

Also, a bill (H.R. 447) for the relief of John P. Larimore; to the Committee on Naval Affairs.

Also, a bill (H.R. 448) granting a pension to Sarah Ella Huston; to the Committee on Invalid Pensions.

Also, a bill (H.R. 449) granting an increase of pension to Josephine Hale; to the Committee on Invalid Pensions.

Also, a bill (H.R. 450) granting a pension to Harriet J. Hart; to the Committee on Invalid Pensions.

Also, a bill (H.R. 451) granting a pension to Rosalie Edwards; to the Committee on Invalid Pensions.

Also, a bill (H.R. 452) for the relief of Laura B. Crampton; to the Committee on Claims.

Also, a bill (H.R. 453) for the relief of Lawrence D. Collins; to the Committee on Military Affairs.

Also, a bill (H.R. 454) for the relief of Henry I. Colburn; to the Committee on Military Affairs.

Also, a bill (H.R. 455) for the relief of the California Security Loan Corporation, of Pasadena, Calif.; to the Committee on Claims.

Also, a bill (H.R. 456) granting an increase of pension to Fannie H. Burton; to the Committee on Invalid Pensions.

Also, a bill (H.R. 457) granting a pension to Clara E. Bryan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 458) for the relief of the Brookhill Corporation; to the Committee on Claims.

Also, a bill (H.R. 459) granting an increase of pension to Roxana M. Woodcock; to the Committee on Invalid Pensions.

Also, a bill (H.R. 460) granting a pension to Eleanor A. Warren; to the Committee on Invalid Pensions.

Also, a bill (H.R. 461) granting a pension to Mahala Walter; to the Committee on Invalid Pensions.

Also, a bill (H.R. 462) granting a pension to Pauline Forger; to the Committee on Pensions.

Also, a bill (H.R. 463) granting a pension to Emma F. French; to the Committee on Pensions.

Also, a bill (H.R. 464) granting a pension to Nettie E. Dennison; to the Committee on Pensions.

Also, a bill (H.R. 465) granting a pension to Almira W. Gunther; to the Committee on Pensions.

Also, a bill (H.R. 466) granting a pension to Leroy Cartright Lowden; to the Committee on Pensions.

Also, a bill (H.R. 467) granting a pension to Lucius D. Mellor; to the Committee on Pensions.

Also, a bill (H.R. 468) granting a pension to Emma A. Probasco; to the Committee on Pensions.

Also, a bill (H.R. 469) for the relief of Lucy Murphy; to the Committee on Claims.

Also, a bill (H.R. 470) for the relief of the city of Glendale, Calif.; to the Committee on Claims.

Also, a bill (H.R. 471) for the relief of Physicians and Surgeons Hospital, Ltd.; to the Committee on Claims.

Also, a bill (H.R. 472) for the relief of Phyllis Pratt and Harold Louis Pratt, a minor; to the Committee on Claims.

By Mr. FITZPATRICK: A bill (H.R. 473) for the relief of Irene Brand Alper; to the Committee on Claims.

Also, a bill (H.R. 474) for the relief of Isadore Parnes; to the Committee on Military Affairs.

Also, a bill (H.R. 475) for the relief of William C. Green; to the Committee on Naval Affairs.

Also, a bill (H.R. 476) granting a pension to Alice J. Monahan; to the Committee on Pensions.

Also, a bill (H.R. 477) granting an increase of pension to Cora A. Long; to the Committee on Invalid Pensions.

Also, a bill (H.R. 478) granting a pension to Ernestine W. Voss; to the Committee on Pensions.

Also, a bill (H.R. 479) granting a pension to Elizabeth Murray; to the Committee on Pensions.

Also, a bill (H.R. 480) for the relief of William Robert Gibson; to the Committee on Naval Affairs.

Also, a bill (H.R. 481) for the relief of Caroline M. Hyde; to the Committee on Claims.

Also, a bill (H.R. 482) for the relief of Pauline Fornabaio; to the Committee on Claims.

Also, a bill (H.R. 483) for the relief of Lenora Simons; to the Committee on Claims.

Also, a bill (H.R. 484) for the relief of Bernard Rothstein; to the Committee on Naval Affairs.

Also, a bill (H.R. 485) granting an increase of pension to Clara W. Barrett; to the Committee on Invalid Pensions.

Also, a bill (H.R. 486) for the relief of Patrick Charles O'Hara; to the Committee on Naval Affairs.

Also, a bill (H.R. 487) for the relief of Thomas G. Carlin; to the Committee on Military Affairs.

Also, a bill (H.R. 488) for the relief of Melville Johnson Parkhurst; to the Committee on Naval Affairs.

Also, a bill (H.R. 489) granting a pension to Harry Miller; to the Committee on Pensions.

Also, a bill (H.R. 490) for the relief of Fred Ernest Gross; to the Committee on Naval Affairs.

Also, a bill (H.R. 491) for the relief of Arthur I. Neville; to the Committee on Military Affairs.

By Mr. GIBSON: A bill (H.R. 492) for the relief of Yvonne Hale; to the Committee on Claims.

Also, a bill (H.R. 493) for the relief of Elizabeth Reynolds; to the Committee on Military Affairs.

Also, a bill (H.R. 494) for the relief of Charles Murphy; to the Committee on Military Affairs.

Also, a bill (H.R. 495) for the relief of Ira L. Reeves; to the Committee on Military Affairs.

Also, a bill (H.R. 496) for the relief of Wallace Shippee; to the Committee on Claims.

Also, a bill (H.R. 497) granting an increase of pension to Emily E. Preston; to the Committee on Pensions.

Also, a bill (H.R. 498) granting an increase of pension to Aldora Grant; to the Committee on Invalid Pensions.

Also, a bill (H.R. 499) granting a pension to Lemira A. Graves; to the Committee on Invalid Pensions.

Also, a bill (H.R. 500) granting a pension to William H. Danver; to the Committee on Invalid Pensions.

Also, a bill (H.R. 501) granting an increase of pension to Harriet I. Dartt; to the Committee on Invalid Pensions.

Also, a bill (H.R. 502) authorizing the Commissioners of the District of Columbia to grant a permit for the construction of an oil and gasoline pipe line; to the Committee on the District of Columbia.

By Mr. GIFFORD: A bill (H.R. 503) to authorize the donation of certain land to the town of Bourne, Mass.; to the Committee on Military Affairs.

Also, a bill (H.R. 504) providing for the relief of Charles A. Gettys; to the Committee on Naval Affairs.

Also, a bill (H.R. 505) for the relief of William J. Carter; to the Committee on Naval Affairs.

Also, a bill (H.R. 506) for the relief of Elden F. Tripp; to the Committee on Naval Affairs.

Also, a bill (H.R. 507) for the relief of John Thomas Simpkin; to the Committee on Naval Affairs.

Also, a bill (H.R. 508) granting an increase of pension to George I. Luce; to the Committee on Pensions.

Also, a bill (H.R. 509) granting a pension to Mary Banks Fuller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 510) granting a pension to Margaret White; to the Committee on Pensions.

Also, a bill (H.R. 511) granting an increase of pension to James S. Morton; to the Committee on Pensions.

Also, a bill (H.R. 512) granting an increase of pension to Michel Robitaille; to the Committee on Pensions.

Also, a bill (H.R. 513) granting an increase of pension to Bridget E. Williams; to the Committee on Pensions.

Also, a bill (H.R. 514) for the relief of the estate of Milton L. Baxter; to the Committee on Claims.

Also, a bill (H.R. 515) granting an increase of pension to John Stoll; to the Committee on Pensions.

Also, a bill (H.R. 516) for the relief of Mertis L. Foster; to the Committee on Claims.

Also, a bill (H.R. 517) for the relief of Nathan A. Buck; to the Committee on Claims.

Also, a bill (H.R. 518) for the relief of T. Perry Higgins; to the Committee on Claims.

Also, a bill (H.R. 519) for the relief of the estate of Marcellino M. Gilmette; to the Committee on Claims.

Also, a bill (H.R. 520) for the relief of Ward A. Jefferson; to the Committee on Claims.

Also, a bill (H.R. 521) for the relief of Alfred M. Hilton; to the Committee on Claims.

Also, a bill (H.R. 522) for the relief of Nellie F. Sherman; to the Committee on Claims.

Also, a bill (H.R. 523) for the relief of John Kelley; to the Committee on Claims.

Also, a bill (H.R. 524) for the relief of George F. Almond; to the Committee on Military Affairs.

Also, a bill (H.R. 525) for the relief of Harry B. Walmsley; to the Committee on Military Affairs.

Also, a bill (H.R. 526) for the relief of Arthur K. Finney; to the Committee on Claims.

By Mr. GOSS: A bill (H.R. 527) granting a pension to Helen H. Taft; to the Committee on Pensions.

Also, a bill (H.R. 528) for the relief of Floyd W. Phillips; to the Committee on Military Affairs.

Also, a bill (H.R. 529) for the relief of Morris Spirt; to the Committee on Claims.

Also, a bill (H.R. 530) for the relief of Charles A. Muccino; to the Committee on Naval Affairs.

Also, a bill (H.R. 531) for the relief of Nicholas Parello; to the Committee on Military Affairs.

Also, a bill (H.R. 532) granting Stanley Harrison the privilege of filing application for benefits under the Emergency Officers' Retirement Act; to the Committee on Naval Affairs.

Also, a bill (H.R. 533) for the relief of John Moriarty; to the Committee on Claims.

Also, a bill (H.R. 534) for the relief of A. J. Hanlon; to the Committee on Claims.

Also, a bill (H.R. 535) for the relief of Charles B. Harrison; to the Committee on Naval Affairs.

Also, a bill (H.R. 536) for the relief of Joseph A. Dupree; to the Committee on Military Affairs.

Also, a bill (H.R. 537) for the relief of Hugh Flaherty; to the Committee on Naval Affairs.

Also, a bill (H.R. 538) for the relief of Peter Criscuolo; to the Committee on Military Affairs.

Also, a bill (H.R. 539) for the relief of Helen M. Crowley; to the Committee on Claims.

By Mr. GREENWOOD: A bill (H.R. 540) granting an increase of pension to Louisa L. Kendall; to the Committee on Invalid Pensions.

Also, a bill (H.R. 541) for the relief of John P. Leonard; to the Committee on Military Affairs.

Also, a bill (H.R. 542) granting a pension to Ruth Kern; to the Committee on Pensions.

Also, a bill (H.R. 543) granting a pension to Lome I. Sherwood; to the Committee on Pensions.

Also, a bill (H.R. 544) granting a pension to Albert Sanders; to the Committee on Invalid Pensions.

Also, a bill (H.R. 545) granting a pension to Luther Hudson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 546) granting a pension to Anna Fletcher; to the Committee on Invalid Pensions.

Also, a bill (H.R. 547) granting a pension to Hattie McIntosh; to the Committee on Invalid Pensions.

Also, a bill (H.R. 548) granting an increase of pension to Elizabeth J. Cunningham; to the Committee on Invalid Pensions.

Also, a bill (H.R. 549) granting an increase of pension to Clementine Young; to the Committee on Invalid Pensions.

Also, a bill (H.R. 550) granting an increase of pension to Lucy E. Blevins; to the Committee on Invalid Pensions.

Also, a bill (H.R. 551) granting an increase of pension to James B. Long; to the Committee on Invalid Pensions.

Also, a bill (H.R. 552) granting an increase of pension to Clara Carnahan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 553) granting an increase of pension to Mary J. Gwinn; to the Committee on Invalid Pensions.

Also, a bill (H.R. 554) granting an increase of pension to Judy Stuffle; to the Committee on Invalid Pensions.

Also, a bill (H.R. 555) granting an increase of pension to Mary E. Whitlock; to the Committee on Invalid Pensions.

Also, a bill (H.R. 556) granting an increase of pension to Laura A. Stuffle; to the Committee on Invalid Pensions.

Also, a bill (H.R. 557) granting an increase of pension to Nancy E. Bucher; to the Committee on Invalid Pensions.

Also, a bill (H.R. 558) granting an increase of pension to Belle Armel; to the Committee on Invalid Pensions.

Also, a bill (H.R. 559) granting an increase of pension to Catherine Myers; to the Committee on Invalid Pensions.

Also, a bill (H.R. 560) granting an increase of pension to Emeline Kinneman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 561) granting an increase of pension to Joanna E. Vickers; to the Committee on Invalid Pensions.

Also, a bill (H.R. 562) granting an increase of pension to Lucy A. Vandiver; to the Committee on Invalid Pensions.

Also, a bill (H.R. 563) granting an increase of pension to Mary E. Cole; to the Committee on Invalid Pensions.

Also, a bill (H.R. 564) granting an increase of pension to Mary C. Hunter; to the Committee on Invalid Pensions.

Also, a bill (H.R. 565) granting an increase of pension to Mary Gibson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 566) granting an increase of pension to Elizabeth M. Harrah; to the Committee on Invalid Pensions.

Also, a bill (H.R. 567) granting an increase of pension to Mary A. Swing; to the Committee on Invalid Pensions.

By Mr. GRIFFIN: A bill (H.R. 568) to provide for the appointment of Maurice D. Loewenthal as a warrant officer, United States Army; to the Committee on Military Affairs.

Also, a bill (H.R. 569) for the relief of the estate of Bridget McGrane; to the Committee on Claims.

Also, a bill (H.R. 570) for the relief of George Price; to the Committee on Claims.

Also, a bill (H.R. 571) for the relief of Joseph McMullen; to the Committee on Naval Affairs.

Also, a bill (H.R. 572) for the relief of Gustav A. Ringelman; to the Committee on Naval Affairs.

Also, a bill (H.R. 573) granting a pension to Ida Sivin; to the Committee on Pensions.

Also, a bill (H.R. 574) for the relief of Samuel David Singer; to the Committee on Naval Affairs.

Also, a bill (H.R. 575) for the relief of Michael F. Schroppel; to the Committee on Military Affairs.

Also, a bill (H.R. 576) granting a pension to Elizabeth Agnes Axson; to the Committee on Pensions.

Also, a bill (H.R. 577) for the relief of Matthew H. Moore; to the Committee on Military Affairs.

Also, a bill (H.R. 578) for the relief of Sidney Silverman; to the Committee on Military Affairs.

Also, a bill (H.R. 579) for the relief of Patrick Collins; to the Committee on Military Affairs.

Also, a bill (H.R. 580) for the relief of Aaron Cohen; to the Committee on Military Affairs.

By Mr. GRISWOLD: A bill (H.R. 581) granting an increase of pension to Sophia Long; to the Committee on Invalid Pensions.

Also, a bill (H.R. 582) granting an increase of pension to Mary E. Brineman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 583) granting an increase of pension to Elizabeth R. Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 584) granting a pension to Sarah E. Henry; to the Committee on Pensions.

Also, a bill (H.R. 585) granting a pension to Margaret E. Stephens; to the Committee on Invalid Pensions.

Also, a bill (H.R. 586) granting a pension to Nancy A. McCormick; to the Committee on Invalid Pensions.

Also, a bill (H.R. 587) granting a pension to Sarah E. Goine; to the Committee on Invalid Pensions.

Also, a bill (H.R. 588) for the relief of Charles C. Schilling; to the Committee on Military Affairs.

Also, a bill (H.R. 589) for the relief of Raymond Barrett; to the Committee on Military Affairs.

By Mr. GUYER: A bill (H.R. 590) granting an increase of pension to Hannah S. Robertson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 591) granting an increase of pension to Catherine J. Paul; to the Committee on Invalid Pensions.

Also, a bill (H.R. 592) granting an increase of pension to Henrietta B. Banks; to the Committee on Invalid Pensions.

Also, a bill (H.R. 593) granting an increase of pension to Mary L. Parker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 594) granting an increase of pension to Clarissa J. Goldsberry; to the Committee on Invalid Pensions.

Also, a bill (H.R. 595) granting an increase of pension to Cynthia Jones; to the Committee on Invalid Pensions.

Also, a bill (H.R. 596) granting an increase of pension to Averill A. Jury; to the Committee on Invalid Pensions.

Also, a bill (H.R. 597) granting an increase of pension to Sierra Garrison; to the Committee on Invalid Pensions.

Also, a bill (H.R. 598) granting an increase of pension to Mary J. McAlearney; to the Committee on Invalid Pensions.

Also, a bill (H.R. 599) granting an increase of pension to Victoria Gould; to the Committee on Invalid Pensions.

Also, a bill (H.R. 600) granting an increase of pension to Frances Edna Morrow; to the Committee on Invalid Pensions.

Also, a bill (H.R. 601) granting an increase of pension to Hannah Byers; to the Committee on Invalid Pensions.

Also, a bill (H.R. 602) granting an increase of pension to Nancy J. Limes; to the Committee on Invalid Pensions.

Also, a bill (H.R. 603) granting an increase of pension to Mary E. Cowan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 604) granting a pension to Willanna Green; to the Committee on Invalid Pensions.

Also, a bill (H.R. 605) granting a pension to Tenie Ross; to the Committee on Invalid Pensions.

Also, a bill (H.R. 606) granting a pension to Almira West; to the Committee on Invalid Pensions.

Also, a bill (H.R. 607) granting a pension to Elmer B. Williams; to the Committee on Invalid Pensions.

Also, a bill (H.R. 608) granting a pension to Mary J. Davis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 609) granting a pension to Milton McNabb; to the Committee on Invalid Pensions.

Also, a bill (H.R. 610) granting a pension to Isadorah Wilson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 611) granting a pension to Mary E. Adams; to the Committee on Invalid Pensions.

Also, a bill (H.R. 612) granting a pension to Laura E. Rowell; to the Committee on Invalid Pensions.

By Mr. HARLAN: A bill (H.R. 613) granting a pension to Louis Goldstein; to the Committee on Pensions.

Also, a bill (H.R. 614) for the relief of Robert Green; to the Committee on Naval Affairs.

Also, a bill (H.R. 615) granting a pension to Frank J. Perin; to the Committee on Pensions.

Also, a bill (H.R. 616) granting a pension to John Allen; to the Committee on Pensions.

Also, a bill (H.R. 617) granting a pension to Michael R. Patchan; to the Committee on Pensions.

Also, a bill (H.R. 618) granting a pension to Frank McKnight; to the Committee on Pensions.

Also, a bill (H.R. 619) granting a pension to John B. Dean; to the Committee on Pensions.

Also, a bill (H.R. 620) granting a pension to Arthur L. Atkins; to the Committee on Pensions.

Also, a bill (H.R. 621) granting a pension to Walter M. Davis; to the Committee on Pensions.

Also, a bill (H.R. 622) granting a pension to Marion T. Winters; to the Committee on Pensions.

Also, a bill (H.R. 623) granting a pension to Joseph Johnson; to the Committee on Pensions.

Also, a bill (H.R. 624) granting a pension to Charles Odell; to the Committee on Pensions.

Also, a bill (H.R. 625) granting a pension to Wheeler E. Adams; to the Committee on Pensions.

Also, a bill (H.R. 626) granting a pension to Joseph Erlacher; to the Committee on Pensions.

Also, a bill (H.R. 627) granting a pension to James L. Mackley; to the Committee on Pensions.

Also, a bill (H.R. 628) granting a pension to James F. Deal; to the Committee on Pensions.

Also, a bill (H.R. 629) granting a pension to Harry A. Nye; to the Committee on Pensions.

Also, a bill (H.R. 630) granting a pension to Henry Lewis; to the Committee on Pensions.

Also, a bill (H.R. 631) granting a pension to Mary A. Stuck; to the Committee on Pensions.

Also, a bill (H.R. 632) granting a pension to Hattie E. Young; to the Committee on Pensions.

Also, a bill (H.R. 633) granting a pension to Grace J. Turner; to the Committee on Pensions.

Also, a bill (H.R. 634) granting a pension to Nancy McCurdy; to the Committee on Pensions.

Also, a bill (H.R. 635) granting a pension to Joseph L. Kirk; to the Committee on Pensions.

Also, a bill (H.R. 636) granting a pension to Lafayette Bronson; to the Committee on Pensions.

Also, a bill (H.R. 637) granting a pension to Andrew Johnson; to the Committee on Pensions.

Also, a bill (H.R. 638) granting a pension to Roy L. Glover; to the Committee on Pensions.

Also, a bill (H.R. 639) granting a pension to James O. Freeman; to the Committee on Pensions.

Also, a bill (H.R. 640) granting a pension to Robert S. Kim; to the Committee on Pensions.

Also, a bill (H.R. 641) granting an increase of pension to Melissa J. Paddock; to the Committee on Pensions.

Also, a bill (H.R. 642) granting an increase of pension to Sallie King; to the Committee on Invalid Pensions.

Also, a bill (H.R. 643) granting an increase of pension to Susan A. Bennett; to the Committee on Invalid Pensions.

Also, a bill (H.R. 644) granting an increase of pension to Martha E. Emrick; to the Committee on Invalid Pensions.

Also, a bill (H.R. 645) granting an increase of pension to Lavina E. Toby; to the Committee on Invalid Pensions.

Also, a bill (H.R. 646) granting an increase of pension to Mary E. Lantz; to the Committee on Invalid Pensions.

Also, a bill (H.R. 647) granting an increase of pension to Caroline Humbaugh; to the Committee on Invalid Pensions.

Also, a bill (H.R. 648) granting an increase of pension to Marion M. Jones; to the Committee on Invalid Pensions.

Also, a bill (H.R. 649) granting an increase of pension to Susan E. Raser; to the Committee on Invalid Pensions.

Also, a bill (H.R. 650) granting an increase of pension to Catharine H. Oxley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 651) for the relief of Garrett M. Martin; to the Committee on Military Affairs.

Also, a bill (H.R. 652) for the relief of June Harvie; to the Committee on Military Affairs.

Also, a bill (H.R. 653) for the relief of Noah M. Banks; to the Committee on Military Affairs.

Also, a bill (H.R. 654) for the relief of William W. Troy; to the Committee on Military Affairs.

Also, a bill (H.R. 655) for the relief of James J. Haley; to the Committee on Military Affairs.

Also, a bill (H.R. 656) for the relief of Edward A. Burkett; to the Committee on Military Affairs.

Also, a bill (H.R. 657) for the relief of John F. Hatfield; to the Committee on Military Affairs.

Also, a bill (H.R. 658) for the relief of John H. Conner; to the Committee on Military Affairs.

Also, a bill (H.R. 659) for the relief of George Dietrich; to the Committee on Military Affairs.

Also, a bill (H.R. 660) for the relief of Charles A. Thorne; to the Committee on Military Affairs.

Also, a bill (H.R. 661) granting a pension to Jennie Schonacker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 662) granting a pension to Reuben Franklin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 663) granting a pension to Eliza Dawson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 664) granting a pension to Amanda Riddell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 665) granting a pension to Millie Hudson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 666) for the relief of Charles W. Dworack; to the Committee on Claims.

Also, a bill (H.R. 667) for the relief of Eloise O'Loughlin; to the Committee on Claims.

Also, a bill (H.R. 668) for the relief of Walter C. Arnold; to the Committee on Naval Affairs.

Also, a bill (H.R. 669) for the relief of Thomas T. Gessler; to the Committee on Naval Affairs.

Also, a bill (H.R. 670) granting an increase of pension to Frank V. Griffith; to the Committee on Pensions.

Also, a bill (H.R. 671) granting an increase of pension to Marion Thacker; to the Committee on Pensions.

Also, a bill (H.R. 672) granting an increase of pension to Moses Goldstein; to the Committee on Pensions.

Also, a bill (H.R. 673) granting an increase of pension to Hillary J. Howard; to the Committee on Pensions.

Also, a bill (H.R. 674) granting an increase of pension to Jackson G. Johnson; to the Committee on Pensions.

Also, a bill (H.R. 675) to authorize the award of a decoration for distinguished service to Edward T. Banks; to the Committee on Military Affairs.

By Mr. HART: A bill (H.R. 676) granting a pension to Carl Kobis; to the Committee on Pensions.

Also, a bill (H.R. 677) granting an increase of pension to Delia Felton; to the Committee on Invalid Pensions.

Also, a bill (H.R. 678) granting an increase of pension to Rosa McGowan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 679) granting an increase of pension to Sophronia Austin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 680) granting an increase of pension to Sarah F. Carpenter; to the Committee on Invalid Pensions.

Also, a bill (H.R. 681) granting an increase of pension to Hattie A. Talcott; to the Committee on Invalid Pensions.

Also, a bill (H.R. 682) for the relief of Floyd L. Walter; to the Committee on Claims.

Also, a bill (H.R. 683) for the relief of Leonard, Crosset & Riley, Inc.; to the Committee on Claims.

Also, a bill (H.R. 684) for the relief of Frank P. Church; to the Committee on Claims.

Also, a bill (H.R. 685) granting a pension to James E. Dennison; to the Committee on Invalid Pensions.

Also, a bill (H.R. 686) granting a pension to William Nelson Palmer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 687) granting a pension to Belle Musgrove; to the Committee on Invalid Pensions.

Also, a bill (H.R. 688) granting a pension to Orvilla Finton; to the Committee on Invalid Pensions.

Also, a bill (H.R. 689) for the relief of Floyd L. Green; to the Committee on Military Affairs.

Also, a bill (H.R. 690) for the relief of Hobert B. Alcorn; to the Committee on Military Affairs.

Also, a bill (H.R. 691) granting a pension to Ray C. Strudgeon; to the Committee on Pensions.

Also, a bill (H.R. 692) granting a pension to Edward Krause; to the Committee on Pensions.

By Mr. HESS: A bill (H.R. 693) granting a pension to Florence Tebbenhoff; to the Committee on Pensions.

Also, a bill (H.R. 694) granting a pension to Irene Wilkins; to the Committee on Pensions.

Also, a bill (H.R. 695) granting a pension to John Westerkamp; to the Committee on Invalid Pensions.

Also, a bill (H.R. 696) granting a pension to Fred Bert Stegeman; to the Committee on Pensions.

Also, a bill (H.R. 697) granting an increase of pension to Margaret C. Eagle; to the Committee on Invalid Pensions.

Also, a bill (H.R. 698) granting a person to Abaline Merrill; to the Committee on Invalid Pensions.

Also, a bill (H.R. 699) granting an increase of pension to Maggie Burke; to the Committee on Invalid Pensions.

Also, a bill (H.R. 700) granting a pension to Clara M. Britt; to the Committee on Invalid Pensions.

Also, a bill (H.R. 701) granting a pension to Ida L. Budd; to the Committee on Invalid Pensions.

Also, a bill (H.R. 702) granting a pension to Emma Burdge; to the Committee on Invalid Pensions.

Also, a bill (H.R. 703) for the relief of Joseph Lawrence Rusche; to the Committee on Naval Affairs.

Also, a bill (H.R. 704) for the relief of John N. Brooks; to the Committee on Claims.

Also, a bill (H.R. 705) granting a pension to W. Arthur Hackman; to the Committee on Pensions.

Also, a bill (H.R. 706) granting a pension to Matilda Arleth; to the Committee on Pensions.

Also, a bill (H.R. 707) granting a pension to Lena K. Moran; to the Committee on Pensions.

Also, a bill (H.R. 708) for the relief of the heirs of the late Hugh McGlincey; to the Committee on Claims.

Also, a bill (H.R. 709) granting an increase of pension to Rebecca L. Beach; to the Committee on Invalid Pensions.

Also, a bill (H.R. 710) granting an increase of pension to Martha J. Crets; to the Committee on Invalid Pensions.

Also, a bill (H.R. 711) granting an increase of pension to Mary Diker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 712) granting an increase of pension to Rebecca L. Beach; to the Committee on Invalid Pensions.

Also, a bill (H.R. 713) granting a pension to Mary Yeager; to the Committee on Pensions.

By Mr. HOEPPEL: A bill (H.R. 714) to convey certain land in the county of Los Angeles, State of California; to the Committee on the Public Lands.

Also, a bill (H.R. 715) to award the distinguished-service cross to former holders of the certificate of merit, and for other purposes; to the Committee on Military Affairs.

By Mr. HOPE: A bill (H.R. 716) for the relief of Thomas Spence; to the Committee on Military Affairs.

Also, a bill (H.R. 717) for the relief of John Alexander Harmon; to the Committee on Military Affairs.

Also, a bill (H.R. 718) for the relief of Sylvester P. Hill; to the Committee on Military Affairs.

Also, a bill (H.R. 719) for the relief of Willard B. Hall; to the Committee on Claims.

Also, a bill (H.R. 720) for the relief of Victor B. Tate; to the Committee on Claims.

Also, a bill (H.R. 721) granting an increase of pension to Susanah S. Dellinger; to the Committee on Invalid Pensions.

Also, a bill (H.R. 722) granting an increase of pension to Martha A. Edwards; to the Committee on Invalid Pensions.

Also, a bill (H.R. 723) granting an increase of pension to Sarah Jane Wiegel; to the Committee on Invalid Pensions.

Also, a bill (H.R. 724) granting an increase of pension to Ellen L. W. Jones; to the Committee on Invalid Pensions.

Also, a bill (H.R. 725) granting an increase of pension to George Webb, Jr.; to the Committee on Pensions.

Also, a bill (H.R. 726) granting an increase of pension to Ella M. Tansey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 727) for the relief of Arthur A. Rohe; to the Committee on Naval Affairs.

Also, a bill (H.R. 728) granting an increase of pension to Willis E. Van Vranken; to the Committee on Pensions.

Also, a bill (H.R. 729) granting a pension to Agnes Baker Currey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 730) granting a pension to Stella Coffield; to the Committee on Invalid Pensions.

Also, a bill (H.R. 731) granting a pension to Peter Cuddy; to the Committee on Invalid Pensions.

Also, a bill (H.R. 732) granting a pension to Rosa M. Green; to the Committee on Invalid Pensions.

Also, a bill (H.R. 733) granting a pension to Lizzie E. Brown; to the Committee on Invalid Pensions.

Also, a bill (H.R. 734) granting a pension to William A. Symington; to the Committee on Pensions.

Also, a bill (H.R. 735) granting a pension to Alvesta Otto; to the Committee on Invalid Pensions.

Also, a bill (H.R. 736) granting a pension to Addaline Collins; to the Committee on Pensions.

Also, a bill (H.R. 737) granting a pension to Olieda Irene Hansen; to the Committee on Pensions.

Also, a bill (H.R. 738) granting an increase of pension to Rose R. Corner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 739) granting an increase of pension to Helen Burchett; to the Committee on Invalid Pensions.

By Mr. JENKINS: A bill (H.R. 740) for the relief of Wade Dean; to the Committee on Claims.

Also, a bill (H.R. 741) granting a pension to William Patterson; to the Committee on Pensions.

Also, a bill (H.R. 742) for the relief of Fanny Reuter Shafer; to the Committee on Claims.

Also, a bill (H.R. 743) granting a pension to William Long; to the Committee on Pensions.

Also, a bill (H.R. 744) granting a pension to Ida Alice Bricker Lewis; to the Committee on Pensions.

Also, a bill (H.R. 745) granting a pension to Thomas A. O'Leary; to the Committee on Pensions.

Also, a bill (H.R. 746) granting a pension to Merrill T. Bryant; to the Committee on Pensions.

Also, a bill (H.R. 747) granting a pension to Alexander Lane; to the Committee on Pensions.

Also, a bill (H.R. 748) granting a pension to Wilson Branch Cook; to the Committee on Pensions.

Also, a bill (H.R. 749) granting a pension to Lewis Congrove; to the Committee on Invalid Pensions.

Also, a bill (H.R. 750) granting a pension to Samuel Warner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 751) granting a pension to Michael Thomas Tippie; to the Committee on Invalid Pensions.

Also, a bill (H.R. 752) granting a pension to Jennie Jackson Tewksbury; to the Committee on Invalid Pensions.

Also, a bill (H.R. 753) granting a pension to Mary Virginia Salisbury; to the Committee on Invalid Pensions.

Also, a bill (H.R. 754) granting a pension to Sarah Shoemaker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 755) granting a pension to Sarah S. Shumate; to the Committee on Invalid Pensions.

Also, a bill (H.R. 756) granting a pension to Dora Zeigler; to the Committee on Invalid Pensions.

Also, a bill (H.R. 757) granting a pension to Clara B. Wilson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 758) granting a pension to Dora B. Webb; to the Committee on Invalid Pensions.

Also, a bill (H.R. 759) granting a pension to Clarisa Burnett; to the Committee on Invalid Pensions.

Also, a bill (H.R. 760) granting a pension to Nola S. Butcher; to the Committee on Invalid Pensions.

Also, a bill (H.R. 761) granting a pension to Ella Carl; to the Committee on Invalid Pensions.

Also, a bill (H.R. 762) granting a pension to Everett Horton; to the Committee on Invalid Pensions.

Also, a bill (H.R. 763) granting a pension to Jennie Hopkins; to the Committee on Invalid Pensions.

Also, a bill (H.R. 764) granting a pension to Leslie D. Hood; to the Committee on Invalid Pensions.

Also, a bill (H.R. 765) granting a pension to Harriett A. Litten; to the Committee on Invalid Pensions.

Also, a bill (H.R. 766) granting a pension to Anna Lesser; to the Committee on Invalid Pensions.

Also, a bill (H.R. 767) granting a pension to Priscilla Phillips; to the Committee on Invalid Pensions.

Also, a bill (H.R. 768) for the relief of William E. Bosworth; to the Committee on Claims.

Also, a bill (H.R. 769) granting an increase of pension to Dorinda Phillips; to the Committee on Invalid Pensions.

Also, a bill (H.R. 770) granting an increase of pension to Elizabeth Russell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 771) granting an increase of pension to Caroline Rupe; to the Committee on Invalid Pensions.

Also, a bill (H.R. 772) granting an increase of pension to Julina Crabtree; to the Committee on Invalid Pensions.

Also, a bill (H.R. 773) granting an increase of pension to Martha E. Cottrill; to the Committee on Invalid Pensions.

Also, a bill (H.R. 774) granting an increase of pension to Rebecca G. Stanley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 775) granting an increase of pension to Mary M. Folden; to the Committee on Invalid Pensions.

Also, a bill (H.R. 776) granting an increase of pension to Addie C. Fenwick; to the Committee on Invalid Pensions.

Also, a bill (H.R. 777) granting an increase of pension to California Farmer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 778) granting an increase of pension to Maggie Ervin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 779) granting an increase of pension to Mary L. Martin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 780) granting an increase of pension to Laura E. McIntyre; to the Committee on Invalid Pensions.

Also, a bill (H.R. 781) granting an increase of pension to Mary Ann McClellan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 782) granting an increase of pension to Caroline Lowery; to the Committee on Invalid Pensions.

Also, a bill (H.R. 783) granting an increase of pension to Catherine Ribel; to the Committee on Invalid Pensions.

Also, a bill (H.R. 784) granting an increase of pension to Mary E. Pickens; to the Committee on Invalid Pensions.

Also, a bill (H.R. 785) granting an increase of pension to Elizabeth R. Stewart; to the Committee on Invalid Pensions.

Also, a bill (H.R. 786) granting an increase of pension to Nancy South; to the Committee on Invalid Pensions.

Also, a bill (H.R. 787) granting an increase of pension to Rachel Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 788) granting an increase of pension to Henrietta H. Eator; to the Committee on Invalid Pensions.

Also, a bill (H.R. 789) granting an increase of pension to Louisa F. Corn; to the Committee on Invalid Pensions.

Also, a bill (H.R. 790) granting an increase of pension to Jane Cooper; to the Committee on Invalid Pensions.

Also, a bill (H.R. 791) granting an increase of pension to Mary Conaway; to the Committee on Invalid Pensions.

Also, a bill (H.R. 792) granting an increase of pension to Sarah J. Collins; to the Committee on Invalid Pensions.

Also, a bill (H.R. 793) granting an increase of pension to Mary Entsminger; to the Committee on Invalid Pensions.

Also, a bill (H.R. 794) granting an increase of pension to Melissa Endicott; to the Committee on Invalid Pensions.

Also, a bill (H.R. 795) granting an increase of pension to Nancy J. Edler; to the Committee on Invalid Pensions.

Also, a bill (H.R. 796) granting an increase of pension to Jennie S. Duncan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 797) granting an increase of pension to Sarah A. Fox; to the Committee on Invalid Pensions.

Also, a bill (H.R. 798) granting an increase of pension to Jane Defoe; to the Committee on Invalid Pensions.

Also, a bill (H.R. 799) granting an increase of pension to Charlotte Fultz; to the Committee on Invalid Pensions.

Also, a bill (H.R. 800) granting an increase of pension to Maria S. Carsey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 801) granting an increase of pension to Adabelle Brown; to the Committee on Invalid Pensions.

Also, a bill (H.R. 802) granting an increase of pension to Elizabeth Board; to the Committee on Invalid Pensions.

Also, a bill (H.R. 803) granting an increase of pension to Eva Barlow; to the Committee on Invalid Pensions.

Also, a bill (H.R. 804) granting an increase of pension to Mary C. Arthur; to the Committee on Invalid Pensions.

Also, a bill (H.R. 805) granting an increase of pension to Margaret E. Chambers; to the Committee on Invalid Pensions.

Also, a bill (H.R. 806) granting an increase of pension to Mary E. DeWitt; to the Committee on Invalid Pensions.

Also, a bill (H.R. 807) granting an increase of pension to Miram Colby; to the Committee on Invalid Pensions.

Also, a bill (H.R. 808) granting an increase of pension to Sarah A. Daugherty; to the Committee on Invalid Pensions.

Also, a bill (H.R. 809) granting an increase of pension to Caroline Webb; to the Committee on Invalid Pensions.

Also, a bill (H.R. 810) granting an increase of pension to Amy F. Brown; to the Committee on Invalid Pensions.

Also, a bill (H.R. 811) granting an increase of pension to Mary E. Derry; to the Committee on Invalid Pensions.

Also, a bill (H.R. 812) granting an increase of pension to Mary E. Gramm; to the Committee on Invalid Pensions.

Also, a bill (H.R. 813) granting an increase of pension to Phebe A. Fife; to the Committee on Invalid Pensions.

Also, a bill (H.R. 814) granting an increase of pension to Emma J. Jones; to the Committee on Invalid Pensions.

Also, a bill (H.R. 815) granting an increase of pension to Eliza Laird; to the Committee on Invalid Pensions.

Also, a bill (H.R. 816) granting an increase of pension to Missouri F. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 817) granting an increase of pension to Lucinda A. Hulbert; to the Committee on Invalid Pensions.

Also, a bill (H.R. 818) granting an increase of pension to Sarah A. Howell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 819) granting an increase of pension to Hattie Morris; to the Committee on Invalid Pensions.

Also, a bill (H.R. 820) granting an increase of pension to Kate Matthews; to the Committee on Invalid Pensions.

By Mr. LAMBETH: A bill (H.R. 821) for reimbursement of expenditures made by Lt. Felix L. Johnson, United States Navy, for transportation of his dependents incident to his transfer from Naval Academy to Asiatic station in 1928; to the Committee on Claims.

Also, a bill (H.R. 822) for the relief of Charles C. Bennett; to the Committee on Claims.

Also, a bill (H.R. 823) granting a pension to Lella Deal; to the Committee on Pensions.

By Mr. LAMNECK: A bill (H.R. 824) granting an increase of pension to Martha E. Hall; to the Committee on Invalid Pensions.

Also, a bill (H.R. 825) granting an increase of pension to Tabitha Reynolds; to the Committee on Invalid Pensions.

Also, a bill (H.R. 826) granting an increase of pension to Mary A. Pocock; to the Committee on Invalid Pensions.

Also, a bill (H.R. 827) granting an increase of pension to Frances E. Foster; to the Committee on Invalid Pensions.

Also, a bill (H.R. 828) granting an increase of pension to Adelia Barnes; to the Committee on Invalid Pensions.

Also, a bill (H.R. 829) granting an increase of pension to Matilda Kennedy; to the Committee on Invalid Pensions.

Also, a bill (H.R. 830) granting an increase of pension to Elizabeth M. Rittenhouse; to the Committee on Invalid Pensions.

Also, a bill (H.R. 831) granting an increase of pension to Mary A. Canfield; to the Committee on Invalid Pensions.

Also, a bill (H.R. 832) granting an increase of pension to Sarah Jane Plummer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 833) granting an increase of pension to Decimay Ely; to the Committee on Invalid Pensions.

Also, a bill (H.R. 834) granting an increase of pension to Caroline Yost; to the Committee on Invalid Pensions.

Also, a bill (H.R. 835) granting an increase of pension to Mary Elizabeth Gibbons; to the Committee on Invalid Pensions.

Also, a bill (H.R. 836) granting an increase of pension to Fannie Bastle; to the Committee on Invalid Pensions.

Also, a bill (H.R. 837) granting an increase of pension to Columbia Hankins; to the Committee on Invalid Pensions.

Also, a bill (H.R. 838) granting an increase of pension to Mary Jones; to the Committee on Invalid Pensions.

Also, a bill (H.R. 839) granting an increase of pension to Emma Martin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 840) granting an increase of pension to Rachel L. Engle; to the Committee on Invalid Pensions.

Also, a bill (H.R. 841) granting an increase of pension to Martha R. Bebb; to the Committee on Invalid Pensions.

Also, a bill (H.R. 842) granting an increase of pension to Adaline Sniff; to the Committee on Invalid Pensions.

Also, a bill (H.R. 843) granting an increase of pension to Mary Prugh; to the Committee on Invalid Pensions.

Also, a bill (H.R. 844) granting an increase of pension to Sarah J. Moody; to the Committee on Invalid Pensions.

Also, a bill (H.R. 845) granting an increase of pension to Mary Schutte; to the Committee on Invalid Pensions.

Also, a bill (H.R. 846) granting an increase of pension to Matilda P. Dawson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 847) granting an increase of pension to Emmeline B. Gilpin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 848) granting an increase of pension to Eleonore Kopp; to the Committee on Invalid Pensions.

Also, a bill (H.R. 849) granting an increase of pension to Mary A. Layne; to the Committee on Invalid Pensions.

Also, a bill (H.R. 850) granting an increase of pension to Caroline Collier; to the Committee on Invalid Pensions.

Also, a bill (H.R. 851) granting an increase of pension to Alice M. Stites; to the Committee on Invalid Pensions.

Also, a bill (H.R. 852) granting an increase of pension to Elizabeth E. Franks; to the Committee on Invalid Pensions.

Also, a bill (H.R. 853) granting an increase of pension to Annie I. McCoy; to the Committee on Invalid Pensions.

Also, a bill (H.R. 854) granting an increase of pension to L. Belle Bailey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 855) granting an increase of pension to Julia E. Powell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 856) granting an increase of pension to Sarah J. Blair; to the Committee on Invalid Pensions.

Also, a bill (H.R. 857) granting an increase of pension to Martha Jane Houck; to the Committee on Invalid Pensions.

Also, a bill (H.R. 858) granting an increase of pension to Ida S. Fasnaugh; to the Committee on Invalid Pensions.

Also, a bill (H.R. 859) granting an increase of pension to Sarah C. Lines; to the Committee on Invalid Pensions.

Also, a bill (H.R. 860) granting an increase of pension to Miami Leeper; to the Committee on Invalid Pensions.

Also, a bill (H.R. 861) granting an increase of pension to Ella V. Clark; to the Committee on Invalid Pensions.

Also, a bill (H.R. 862) granting an increase of pension to Susan Buckingham; to the Committee on Invalid Pensions.

Also, a bill (H.R. 863) granting an increase of pension to Elizabeth Cooley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 864) granting an increase of pension to Caroline Engelhart; to the Committee on Invalid Pensions.

Also, a bill (H.R. 865) granting an increase of pension to Kate Rogers; to the Committee on Invalid Pensions.

Also, a bill (H.R. 866) granting an increase of pension to Mary C. Reichard; to the Committee on Invalid Pensions.

Also, a bill (H.R. 867) granting an increase of pension to Anna Hafey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 868) granting an increase of pension to Julia A. Love; to the Committee on Invalid Pensions.

Also, a bill (H.R. 869) granting an increase of pension to Jane A. Taylor; to the Committee on Invalid Pensions.

Also, a bill (H.R. 870) for the relief of Joseph Maier; to the Committee on Claims.

Also, a bill (H.R. 871) for the relief of Fred C. Blenkner; to the Committee on Claims.

Also, a bill (H.R. 872) for the relief of Florence Overly; to the Committee on Claims.

Also, a bill (H.R. 873) for the relief of Dorothy Marie O'Higgins; to the Committee on Claims.

Also, a bill (H.R. 874) for the relief of Ribble Johnson; to the Committee on Claims.

Also, a bill (H.R. 875) for the relief of George W. Allison; to the Committee on Claims.

Also, a bill (H.R. 876) for the relief of Stella Williams; to the Committee on Claims.

Also, a bill (H.R. 877) for the relief of William J. Lucks; to the Committee on Claims.

Also, a bill (H.R. 878) for the relief of Kathryn Thurston; to the Committee on Claims.

Also, a bill (H.R. 879) for the relief of John H. Mehrle; to the Committee on Claims.

Also, a bill (H.R. 880) for the relief of Daisy M. Avery; to the Committee on Claims.

Also, a bill (H.R. 881) for the relief of Primo Tiburzio; to the Committee on Claims.

Also, a bill (H.R. 882) for the relief of warrant officers, United States Army; to the Committee on Military Affairs.

Also, a bill (H.R. 883) for the relief of Roy Beck; to the Committee on Military Affairs.

Also, a bill (H.R. 884) for the relief of James W. Currie; to the Committee on Military Affairs.

Also, a bill (H.R. 885) for the relief of Albert G. Dawson; to the Committee on Military Affairs.

Also, a bill (H.R. 886) for the relief of Max M. Meyers; to the Committee on Military Affairs.

Also, a bill (H.R. 887) for the relief of Harry R. Walters; to the Committee on Military Affairs.

Also, a bill (H.R. 888) for the relief of Newton C. Stalnaker; to the Committee on Military Affairs.

Also, a bill (H.R. 889) for the relief of Frank Ferst; to the Committee on Military Affairs.

Also, a bill (H.R. 890) for the relief of Henry M. Burns; to the Committee on Military Affairs.

Also, a bill (H.R. 891) for the relief of Albert N. Eichenlaub, alias Albert N. Oakleaf; to the Committee on Military Affairs.

Also, a bill (H.R. 892) for the relief of Thomas Stokes; to the Committee on Military Affairs.

Also, a bill (H.R. 893) for the relief of Lawrence Fisher; to the Committee on Military Affairs.

Also, a bill (H.R. 894) granting a pension Ralph E. Henson; to the Committee on Pensions.

Also, a bill (H.R. 895) granting a pension to Fred F. Counts; to the Committee on Pensions.

Also, a bill (H.R. 896) granting a pension to John Andrew McDonald; to the Committee on Pensions.

Also, a bill (H.R. 897) granting a pension to Elizabeth Heintz; to the Committee on Pensions.

Also, a bill (H.R. 898) granting a pension to Mary J. Duling; to the Committee on Pensions.

Also, a bill (H.R. 899) granting a pension to Alice Coe; to the Committee on Pensions.

Also, a bill (H.R. 900) granting a pension to Mattie Dolby; to the Committee on Pensions.

Also, a bill (H.R. 901) granting a pension to Emmett Timmons; to the Committee on Pensions.

Also, a bill (H.R. 902) granting an increase of pension to Anna W. McDonald; to the Committee on Invalid Pensions.

Also, a bill (H.R. 903) granting an increase of pension to Eliza J. Bowers; to the Committee on Invalid Pensions.

Also, a bill (H.R. 904) granting a pension to Alfrettia Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 905) granting a pension to Della Leach; to the Committee on Invalid Pensions.

Also, a bill (H.R. 906) granting a pension to Mary Eskew; to the Committee on Invalid Pensions.

Also, a bill (H.R. 907) granting an increase of pension to Charles Fuhr; to the Committee on Pensions.

Also, a bill (H.R. 908) for the relief of Wilfred Richards; to the Committee on Naval Affairs.

Also, a bill (H.R. 909) for the relief of Elbert L. Grove; to the Committee on Naval Affairs.

Also, a bill (H.R. 910) for the relief of Walter Sam Young; to the Committee on Naval Affairs.

Also, a bill (H.R. 911) for the relief of Frank Raymond West; to the Committee on Naval Affairs.

Also, a bill (H.R. 912) awarding the distinguished-service cross to Joseph Tibe; to the Committee on Military Affairs.

Also, a bill (H.R. 913) to authorize the appointment of Ralph H. Bogle, Jr., as a second lieutenant, United States Army; to the Committee on Military Affairs.

Also, a bill (H.R. 914) to equalize the basis for longevity pay and retirement of warrant officers, United States Army; to the Committee on Military Affairs.

Also, a bill (H.R. 915) extending the benefits of the emergency officers' retirement act to Lem C. Brown; to the Committee on Military Affairs.

By Mr. LANHAM: A bill (H.R. 916) for the relief of C. A. Dickson; to the Committee on Claims.

Also, a bill (H.R. 917) for the relief of Virgil Buzard; to the Committee on Military Affairs.

Also, a bill (H.R. 918) for the relief of Edward N. Jerry; to the Committee on Military Affairs.

Also, a bill (H.R. 919) for the relief of William P. Flynn; to the Committee on Military Affairs.

Also, a bill (H.R. 920) for the relief of John DuBois; to the Committee on Military Affairs.

Also, a bill (H.R. 921) for the relief of Harry W. Boyd; to the Committee on Military Affairs.

Also, a bill (H.R. 922) granting a pension to Robert C. Wood; to the Committee on Pensions.

By Mr. LEWIS of Maryland: A bill (H.R. 923) granting an increase of pension to Barbara Wiley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 924) for the relief of Orville E. Clark; to the Committee on Military Affairs.

Also, a bill (H.R. 925) granting an increase of pension to Mary A. Taylor; to the Committee on Invalid Pensions.

Also, a bill (H.R. 926) granting an increase of pension to Elizabeth A. Richenberg; to the Committee on Invalid Pensions.

Also, a bill (H.R. 927) granting an increase of pension to Mary E. Summers; to the Committee on Invalid Pensions.

Also, a bill (H.R. 928) granting an increase of pension to Anna R. Mongan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 929) granting an increase of pension to Sarah M. Flowers; to the Committee on Invalid Pensions.

Also, a bill (H.R. 930) granting an increase of pension to Margaret A. Hannon; to the Committee on Invalid Pensions.

Also, a bill (H.R. 931) granting an increase of pension to Annie E. Santman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 932) granting an increase of pension to Tracy Huffman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 933) granting a pension to Georgana Layman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 934) granting a pension to Walter Clice; to the Committee on Invalid Pensions.

Also, a bill (H.R. 935) granting a pension to Elizabeth Jane Barnhart; to the Committee on Invalid Pensions.

Also, a bill (H.R. 936) granting a pension to Mazie Layman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 937) granting a pension to Sarah E. Stephens; to the Committee on Invalid Pensions.

Also, a bill (H.R. 938) granting a pension to Almira Yost; to the Committee on Invalid Pensions.

Also, a bill (H.R. 939) for the relief of James T. Webster and Mary A. Webster; to the Committee on Claims.

Also, a bill (H.R. 940) for the relief of Mary E. Roney; to the Committee on Claims.

By Mr. McFADDEN: A bill (H.R. 941) granting a pension to Angeline Davis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 942) granting a pension to Harriet B. Gilmore; to the Committee on Invalid Pensions.

Also, a bill (H.R. 943) granting a pension to Charles E. June; to the Committee on Invalid Pensions.

Also, a bill (H.R. 944) granting a pension to Matie Patrey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 945) granting a pension to Margaret A. Richardson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 946) granting a pension to Christina M. Rockwell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 947) granting a pension to Emile Gardner Van Luvender; to the Committee on Invalid Pensions.

Also, a bill (H.R. 948) granting a pension to Edgar R. Wheeler; to the Committee on Invalid Pensions.

Also, a bill (H.R. 949) granting a pension to Mary Turk Wilmot; to the Committee on Invalid Pensions.

Also, a bill (H.R. 950) granting a pension to Leon P. Chesley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 951) granting a pension to Fred C. Vanderpool; to the Committee on Pensions.

Also, a bill (H.R. 952) granting a pension to Anastasia Watts; to the Committee on Pensions.

Also, a bill (H.R. 953) granting an increase of pension to Mary H. Aldrich; to the Committee on Invalid Pensions.

Also, a bill (H.R. 954) granting an increase of pension to Jennie M. Kinnen Banner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 955) granting an increase of pension to Wildras Boothe; to the Committee on Invalid Pensions.

Also, a bill (H.R. 956) granting an increase of pension to Antoynette Brown; to the Committee on Invalid Pensions.

Also, a bill (H.R. 957) granting an increase of pension to Martha J. Capwell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 958) granting an increase of pension to Helen J. Card; to the Committee on Invalid Pensions.

Also, a bill (H.R. 959) granting an increase of pension to Adelia Chilson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 960) granting an increase of pension to Emma Corbin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 961) granting an increase of pension to Sarah E. Fox; to the Committee on Invalid Pensions.

Also, a bill (H.R. 962) granting an increase of pension to Lettie M. Fleming; to the Committee on Invalid Pensions.

Also, a bill (H.R. 963) granting an increase of pension to Eva Louise Eberlin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 964) granting an increase of pension to Electa O. Hancock; to the Committee on Invalid Pensions.

Also, a bill (H.R. 965) granting an increase of pension to Ellen Kintner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 966) granting an increase of pension to Elizabeth Miller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 967) granting an increase of pension to Louisa A. Miller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 968) granting an increase of pension to Alice J. Schrader; to the Committee on Invalid Pensions.

Also, a bill (H.R. 969) granting an increase of pension to Rachel A. Scott; to the Committee on Invalid Pensions.

Also, a bill (H.R. 970) granting an increase of pension to Carrie Sturdevant; to the Committee on Invalid Pensions.

Also, a bill (H.R. 971) for the relief of Francis B. McCloskey; to the Committee on Military Affairs.

Also, a bill (H.R. 972) for the relief of Oliver G. Johnson; to the Committee on Military Affairs.

Also, a bill (H.R. 973) for the relief of Angelo J. Gillotti; to the Committee on Military Affairs.

Also, a bill (H.R. 974) for the relief of Genevieve S. McKibbin; to the Committee on Claims.

Also, a bill (H.R. 975) to correct the military record of Lemuel Horton; to the Committee on Military Affairs.

Also, a bill (H.R. 976) to correct the military record of Edward M. Pierce; to the Committee on Military Affairs.

Also, a bill (H.R. 977) for the relief of Helen G. Mercur; to the Committee on Claims.

By Mr. McKEOWN: A bill (H.R. 978) for the relief of James N. Meadors; to the Committee on Military Affairs.

Also, a bill (H.R. 979) for the relief of Herbert A. Wells; to the Committee on Military Affairs.

Also, a bill (H.R. 980) to enroll Rosetta McCarter on the final roll of citizens of the Chickasaw Tribe of Indians by blood; to the Committee on Indian Affairs.

Also, a bill (H.R. 981) for the relief of George W. Baker; to the Committee on Military Affairs.

Also, a bill (H.R. 982) granting an increase of pension to Mary McCoy; to the Committee on Invalid Pensions.

Also, a bill (H.R. 983) granting an increase of pension to Sue Rains; to the Committee on Invalid Pensions.

Also, a bill (H.R. 984) for the relief of Rosa Spybuck Perry; to the Committee on Claims.

Also, a bill (H.R. 985) for the relief of George F. Boatright; to the Committee on Military Affairs.

Also, a bill (H.R. 986) for the relief of William F. Bourland; to the Committee on Indian Affairs.

Also, a bill (H.R. 987) for the relief of Sard S. Reed; to the Committee on Claims.

Also, a bill (H.R. 988) granting a pension to Winnie Huffman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 989) granting a pension to Emma Jane McCamey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 990) granting a pension to Larkin P. Wright; to the Committee on Pensions.

Also, a bill (H.R. 991) granting a pension to Bettie Baker; to the Committee on Pensions.

Also, a bill (H.R. 992) for the relief of Beryl M. McHam; to the Committee on Military Affairs.

Also, a bill (H.R. 993) for the relief of Clarence P. Adams; to the Committee on Military Affairs.

Also, a bill (H.R. 994) for the relief of Spencer Talkington; to the Committee on Military Affairs.

Also, a bill (H.R. 995) for the relief of Benjamin F. Hazlett; to the Committee on Military Affairs.

Also, a bill (H.R. 996) for the relief of A. W. Holland; to the Committee on Claims.

Also, a bill (H.R. 997) for the relief of A. L. Castleman; to the Committee on Claims.

Also, a bill (H.R. 998) for the relief of Manuel Merritt; to the Committee on Claims.

Also, a bill (H.R. 999) for the relief of John E. T. Clark; to the Committee on Claims.

Also, a bill (H.R. 1000) for the relief of Beryl Elliott; to the Committee on Claims.

Also, a bill (H.R. 1001) for the relief of the Federal National Bank of Shawnee, Okla.; to the Committee on Claims.

Also, a bill (H.R. 1002) for the relief of Skelton Mack McCray; to the Committee on Claims.

Also, a bill (H.R. 1003) granting a pension to the four minor children of Charles H. Wolfe; to the Committee on Pensions.

Also, a bill (H.R. 1004) to amend Private Act No. 548, Seventieth Congress, approved March 2, 1929; to the Committee on Military Affairs.

By Mr. McSWAIN: A bill (H.R. 1005) for the relief of James E. Daniel; to the Committee on Claims.

Also, a bill (H.R. 1006) granting a pension to Bertha Falk Garrett; to the Committee on Pensions.

Also, a bill (H.R. 1007) granting a pension to Ila J. Bishop; to the Committee on Pensions.

Also, a bill (H.R. 1008) granting a pension to Lottie G. Allen; to the Committee on Pensions.

Also, a bill (H.R. 1009) to provide for the appointment of First Sgt. Joseph E. Hollis, retired, to the grade of master sergeant, unassigned, Regular Army, and immediate retirement; to the Committee on Military Affairs.

Also, a bill (H.R. 1010) granting a pension to Willie C. Thurmond; to the Committee on Pensions.

Also, a bill (H.R. 1011) for the relief of William Marion Wilcox; to the Committee on Naval Affairs.

Also, a bill (H.R. 1012) granting a pension to Troy J. Stepp; to the Committee on Pensions.

Also, a bill (H.R. 1013) for the relief of Joseph H. Coleman; to the Committee on War Claims.

Also, a bill (H.R. 1014) for the relief of J. Furman Richardson; to the Committee on Claims.

Also, a bill (H.R. 1015) for the relief of Frank D. Whitfield; to the Committee on Military Affairs.

Also, a bill (H.R. 1016) for the relief of Frank L. Norris; to the Committee on Military Affairs.

Also, a bill (H.R. 1017) for the relief of Jesse T. Greene; to the Committee on Military Affairs.

Also, a bill (H.R. 1018) for the relief of Claude Cyril Langley; to the Committee on Military Affairs.

Also, a bill (H.R. 1019) granting a pension to Clarence T. Lee; to the Committee on Pensions.

Also, a bill (H.R. 1020) granting a pension to Cornelius J. Phillips; to the Committee on Pensions.

Also, a bill (H.R. 1021) for the relief of the heirs of Mrs. F. L. Stone; to the Committee on War Claims.

Also, a bill (H.R. 1022) granting a pension to David Wilbern Strickland; to the Committee on Pensions.

Also, a bill (H.R. 1023) granting a pension to Marvin Yeargin; to the Committee on Pensions.

Also, a bill (H.R. 1024) for the relief of Greenville News Co.; to the Committee on Claims.

Also, a bill (H.R. 1025) to confer the right of hospitalization upon Warren Norris Jernegan; to the Committee on Military Affairs.

Also, a bill (H.R. 1026) granting an increase of pension to Emily F. Ailshie; to the Committee on Invalid Pensions.

By Mr. MARTIN of Oregon: A bill (H.R. 1027) for the relief of Squire Hensley; to the Committee on Military Affairs.

Also, a bill (H.R. 1028) for the relief of George R. Sharp; to the Committee on Military Affairs.

Also, a bill (H.R. 1029) granting an increase of pension to Laura B. Patton; to the Committee on Pensions.

Also, a bill (H.R. 1030) granting an increase of pension to Louise E. S. Clark; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1031) granting an increase of pension to Addie E. Ormsby; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1032) for the relief of Owen Ewart Smith; to the Committee on Naval Affairs.

Also, a bill (H.R. 1033) for the relief of William Reese; to the Committee on Military Affairs.

Also, a bill (H.R. 1034) for the relief of Amos Bryant; to the Committee on Military Affairs.

Also, a bill (H.R. 1035) for the relief of George C. Harcourt; to the Committee on Military Affairs.

Also, a bill (H.R. 1036) for the relief of Jacob S. Silverman; to the Committee on Military Affairs.

Also, a bill (H.R. 1037) for the relief of Earl Emerson Rentfrow; to the Committee on Military Affairs.

Also, a bill (H.R. 1038) granting an increase of pension to Florence A. Hamlin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1039) for the relief of James E. Bandy; to the Committee on Military Affairs.

Also, a bill (H.R. 1040) for the relief of Alonzo M. Boyden; to the Committee on Military Affairs.

Also, a bill (H.R. 1041) for the relief of Nettie Hively; to the Committee on the Public Lands.

Also, a bill (H.R. 1042) for the relief of Philip McEntee; to the Committee on Military Affairs.

Also, a bill (H.R. 1043) for the relief of Arthur G. Means; to the Committee on Claims.

Also, a bill (H.R. 1044) granting a pension to William H. Graham; to the Committee on Pensions.

Also, a bill (H.R. 1045) granting an increase of pension to June MacMillan Ordway; to the Committee on Pensions.

Also, a bill (H.R. 1046) for the relief of Arthur C. Callan; to the Committee on War Claims.

Also, a bill (H.R. 1047) granting a pension to Samuel F. Gill; to the Committee on Pensions.

Also, a bill (H.R. 1048) granting a pension to John W. Bragg; to the Committee on Pensions.

Also, a bill (H.R. 1049) for the relief of Walter Malone; to the Committee on Military Affairs.

Also, a bill (H.R. 1050) granting a pension to Eleanora Emma Bliss; to the Committee on Pensions.

Also, a bill (H.R. 1051) granting an increase of pension to Addie Bryan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1052) granting an increase of pension to Lucy Lee Thomas; to the Committee on Pensions.

Also, a bill (H.R. 1053) granting a pension to Ella Ann Alexander; to the Committee on Pensions.

Also, a bill (H.R. 1054) granting an increase of pension to Effee Eltinge; to the Committee on Pensions.

Also, a bill (H.R. 1055) granting an increase of pension to Emma S. Young; to the Committee on Pensions.

Also, a bill (H.R. 1056) granting an increase of pension to Adelaide Weeks; to the Committee on Pensions.

Also, a bill (H.R. 1057) granting an increase of pension to Charles George Sullivan; to the Committee on Pensions.

Also, a bill (H.R. 1058) for the relief of Jacob Geres; to the Committee on Military Affairs.

Also, a bill (H.R. 1059) for the relief of Joseph George O'Neil; to the Committee on Naval Affairs.

Also, a bill (H.R. 1060) for the relief of Charles Y. Wilson; to the Committee on Military Affairs.

Also, a bill (H.R. 1061) for the relief of William Wannebo; to the Committee on Military Affairs.

Also, a bill (H.R. 1062) for the relief of John Andrew Ramsdell, Jr.; to the Committee on Naval Affairs.

Also, a bill (H.R. 1063) for the relief of Leila McKay; to the Committee on Claims.

Also, a bill (H.R. 1064) for the relief of Allan W. Hartmann; to the Committee on Military Affairs.

Also, a bill (H.R. 1065) for the relief of Capt. Lloyd S. Spooner, United States Army; to the Committee on Claims.

Also, a bill (H.R. 1066) for the relief of Theodor Knudson; to the Committee on Claims.

By Mr. MAY: A bill (H.R. 1067) for the relief of Elijah Fuller; to the Committee on Military Affairs.

Also, a bill (H.R. 1068) for the relief of W. D. Blair; to the Committee on Claims.

Also, a bill (H.R. 1069) for the relief of W. G. Tackett; to the Committee on Claims.

Also, a bill (H.R. 1070) to provide for the refund and repayment to A. L. Martin, former postmaster at Drift, Floyd County, Ky., of funds heretofore twice paid by him to the Government; to the Committee on Claims.

Also, a bill (H.R. 1071) granting an increase of pension to Sarah E. May; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1072) granting an increase of pension to William Sally; to the Committee on Pensions.

Also, a bill (H.R. 1073) granting an increase of pension to John S. Cisco; to the Committee on Pensions.

Also, a bill (H.R. 1074) granting an increase of pension to Shiloh Sally; to the Committee on Pensions.

Also, a bill (H.R. 1075) granting a pension to Silas Fields; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1076) granting a pension to John Haners; to the Committee on Pensions.

Also, a bill (H.R. 1077) granting a pension to Leonard Stanley; to the Committee on Pensions.

Also, a bill (H.R. 1078) granting a pension to Billie Allen; to the Committee on Pensions.

Also, a bill (H.R. 1079) granting a pension to Silas E. Shepherd; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1080) granting a pension to Andrew J. Shepherd; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1081) granting a pension to Troy Hill; to the Committee on Pensions.

Also, a bill (H.R. 1082) granting a pension to Navar Combs; to the Committee on Pensions.

Also, a bill (H.R. 1083) granting a pension to Buck Combs; to the Committee on Pensions.

Also, a bill (H.R. 1084) granting a pension to Col. L. Stacy; to the Committee on Pensions.

Also, a bill (H.R. 1085) granting a pension to Elbert Newberry; to the Committee on Pensions.

Also, a bill (H.R. 1086) granting a pension to Remine Combs; to the Committee on Pensions.

Also, a bill (H.R. 1087) granting a pension to Jason B. Craft; to the Committee on Pensions.

Also, a bill (H.R. 1088) granting a pension to George Brewer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1089) granting a pension to Granville Pearl Cornett; to the Committee on Pensions.

Also, a bill (H.R. 1090) granting a pension to Melissa Powers; to the Committee on Pensions.

Also, a bill (H.R. 1091) granting a pension to Benjamen F. Kelly; to the Committee on Pensions.

Also, a bill (H.R. 1092) granting a pension to James I. Barnett; to the Committee on Pensions.

Also, a bill (H.R. 1093) granting a pension to Stephen Hays; to the Committee on Pensions.

Also, a bill (H.R. 1094) granting a pension to Lucinda McDaniel; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1095) granting a pension to Theodore Fields; to the Committee on Pensions.

Also, a bill (H.R. 1096) granting a pension to John Stacy; to the Committee on Pensions.

Also, a bill (H.R. 1097) granting a pension to Bascom Prater; to the Committee on Pensions.

Also, a bill (H.R. 1098) granting a pension to William R. Hunter; to the Committee on Pensions.

Also, a bill (H.R. 1099) granting a pension to Leck Williams; to the Committee on Pensions.

Also, a bill (H.R. 1100) granting a pension to George W. Kinney; to the Committee on Pensions.

Also, a bill (H.R. 1101) granting a pension to Elijah Bolin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1102) for the relief of Chick Patrick; to the Committee on War Claims.

Also, a bill (H.R. 1103) granting a pension to Hobart Estep; to the Committee on Pensions.

Also, a bill (H.R. 1104) granting a pension to Chester Cornett; to the Committee on Pensions.

Also, a bill (H.R. 1105) granting a pension to Samuel S. Miller; to the Committee on Pensions.

Also, a bill (H.R. 1106) granting a pension to Paris May; to the Committee on Pensions.

Also, a bill (H.R. 1107) granting a pension to Elijah Bolin; to the Committee on Pensions.

Also, a bill (H.R. 1108) granting a pension to John Brown; to the Committee on Pensions.

Also, a bill (H.R. 1109) granting a pension to Emily Jane Poe; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1110) granting a pension to Margaret Moore; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1111) granting a pension to George W. Brown; to the Committee on Pensions.

Also, a bill (H.R. 1112) granting a pension to Polly Stewart; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1113) granting a pension to William Patrick; to the Committee on Pensions.

Also, a bill (H.R. 1114) granting a pension to Emaline Gambrel; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1115) granting a pension to Walter B. Ward; to the Committee on Pensions.

Also, a bill (H.R. 1116) granting a pension to Dennis S. Smith; to the Committee on Pensions.

Also, a bill (H.R. 1117) granting a pension to Green Morris; to the Committee on Pensions.

Also, a bill (H.R. 1118) granting a pension to Sarah Smith; to a Committee on Invalid Pensions.

By Mr. MILLARD: A bill (H.R. 1119) for the relief of Hyman E. Shulman; to the Committee on Claims.

Also, a bill (H.R. 1120) granting an increase of pension to Elizabeth H. Camp; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1121) granting an increase of pension to Miranda C. Thompson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1122) for the relief of Uldric Thompson, Jr.; to the Committee on Military Affairs.

Also, a bill (H.R. 1123) for the relief of Arthur Van Gestel, alias Arthur Goodsell; to the Committee on Military Affairs.

Also, a bill (H.R. 1124) for the relief of Zinsser & Co.; to the Committee on Military Affairs.

By Mr. MILLER: A bill (H.R. 1125) for the relief of Hosea M. Jones; to the Committee on Military Affairs.

Also, a bill (H.R. 1126) for the relief of Ira N. Saffell; to the Committee on Military Affairs.

Also, a bill (H.R. 1127) for the relief of O. H. Chrisp; to the Committee on Claims.

Also, a bill (H.R. 1128) for the reinstatement of Leonard L. Wilson in the United States Navy; to the Committee on Naval Affairs.

Also, a bill (H.R. 1129) granting a pension to Martha Hacker Burkhousen; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1130) granting a pension to Sarah B. King; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1131) granting a pension to Gracie Marie Kent; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1132) granting a pension to Euell, Eldon, Lucille, Louise, Mary Sue, and Hurmon Joe Pollett; to the Committee on Pensions.

Also, a bill (H.R. 1133) for the relief of Silas B. Lawrence; to the Committee on Claims.

By Mr. MILLIGAN: A bill (H.R. 1134) granting a pension to Kate Andrews; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1135) granting an increase of pension to Eliza Mulvania; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1136) granting a pension to Mary E. Brewer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1137) granting pension to Sarah C. Burnett; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1138) granting an increase of pension to Nancy A. Smalley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1139) granting a pension to Susan Harder; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1140) granting a pension to Edna A. Cole; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1141) granting a pension to Mariah E. Groom; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1142) granting a pension to Levina E. Starks; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1143) granting a pension to Louisa Wainscott; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1144) granting a pension to Mary F. Williams; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1145) granting a pension to Mary C. McKarin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1146) to authorize the appointment of Garrett Bruce Shomber as a first lieutenant of Cavalry, Regular Army; to the Committee on Military Affairs.

Also, a bill (H.R. 1147) for the relief of Joy Sturgis; to the Committee on War Claims.

Also, a bill (H.R. 1148) granting an increase of pension to Anna Mapel; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1149) granting an increase of pension to Margaret L. Ross; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1150) granting an increase of pension to Sarah A. Cunningham; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1151) granting an increase of pension to Delilah Taylor; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1152) granting a pension to Daniel F. Glenn; to the Committee on Invalid Pensions.

By Mr. O'CONNOR: A bill (H.R. 1153) to renew and extend certain letters patent; to the Committee on Patents.

Also, a bill (H.R. 1154) for the relief of Patrick McKernan; to the Committee on Naval Affairs.

Also, a bill (H.R. 1155) for the relief of John Z. Lowe, former collector of internal revenue for the second district of New York; to the Committee on Claims.

Also, a bill (H.R. 1156) for the relief of James G. Hardy & Co.; to the Committee on Claims.

By Mr. PALMISANO: A bill (H.R. 1157) granting an increase of pension to Alice M. Le Compte; to the Committee on Pensions.

Also, a bill (H.R. 1158) for the relief of Annie I. Hissey; to the Committee on Claims.

Also, a bill (H.R. 1159) granting a pension to Annie M. Oliver; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1160) granting a pension to Sabina M. Ettlinger; to the Committee on Pensions.

Also, a bill (H.R. 1161) granting a pension to Sarah J. Tuttle; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1162) granting a pension to Lucy Pierce to the Committee on Invalid Pensions.

By Mr. PARKER of New York: A bill (H.R. 1163) granting a pension to Mary Keegan; to the Committee on Invalid Pensions.

By Mr. PARSONS: A bill (H.R. 1164) granting a retirement annuity to William Barrett; to the Committee on the Civil Service.

Also, a bill (H.R. 1165) granting an increase of pension to Virginia F. Proudfit; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1166) granting a pension to Hannah D. Warren; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1167) granting a pension to Flossie M. Ramsey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1168) granting an increase of pension to Amanda J. Lane; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1169) granting an increase of pension to Robert T. Bland; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1170) granting a pension to Lydia M. Sisk; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1171) granting a pension to Chester D. Green; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1172) granting an increase of pension to Cuma Young; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1173) granting an increase of pension to Hannah R. Byrne; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1174) granting a pension to Clara K. Brandon; to the Committee on Pensions.

Also, a bill (H.R. 1175) granting a pension to Susan Brown; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1176) granting a pension to Herschel E. Lawrence; to the Committee on Pensions.

Also, a bill (H.R. 1177) granting a pension to Albert C. Bonnell; to the Committee on Pensions.

Also, a bill (H.R. 1178) granting a pension to Ray Beal; to the Committee on Pensions.

Also, a bill (H.R. 1179) granting a pension to George R. Moyers; to the Committee on Pensions.

Also, a bill (H.R. 1180) granting a pension to Mary A. Brown; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1181) granting a pension to Lillie Cox; to the Committee on Pensions.

Also, a bill (H.R. 1182) granting an increase of pension to Sarah B. Cratsinger; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1183) granting an increase of pension to Susan B. Hill; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1184) granting an increase of pension to Nancy C. Austin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1185) granting an increase of pension to Nancy Fopay; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1186) granting an increase of pension to Mary E. Freeman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1187) granting an increase of pension to Martha Stine; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1188) granting a pension to Ernest Henry Benz; to the Committee on Pensions.

Also, a bill (H.R. 1189) granting a pension to John W. Aldredge; to the Committee on Pensions.

Also, a bill (H.R. 1190) granting an increase of pension to Maria O. Fowler; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1191) granting an increase of pension to Margaret J. Maiden; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1192) granting a pension to Jessie Carter; to the Committee on Pensions.

Also, a bill (H.R. 1193) granting a pension to Grover C. Etheridge; to the Committee on Pensions.

Also, a bill (H.R. 1194) granting a pension to Lewis Saunders; to the Committee on Pensions.

Also, a bill (H.R. 1195) granting a pension to Sarah Arbuckle; to the Committee on Pensions.

Also, a bill (H.R. 1196) for the relief of Henry Raley; to the Committee on Claims.

Also, a bill (H.R. 1197) for the relief of Glenna F. Kelley; to the Committee on Claims.

Also, a bill (H.R. 1198) for the relief of the heirs of the estate of T. J. Pritchett, deceased; to the Committee on War Claims.

By Mr. PETTENGILL: A bill (H.R. 1199) granting a pension to Carl W. Bartlett; to the Committee on Pensions.

Also, a bill (H.R. 1200) granting a pension to Mike B. Kowalski; to the Committee on Pensions.

Also, a bill (H.R. 1201) for the relief of Peter S. Kaminski; to the Committee on Military Affairs.

Also, a bill (H.R. 1202) for the relief of Roy G. Garner; to the Committee on Military Affairs.

Also, a bill (H.R. 1203) for the relief of Harry Fred Franz; to the Committee on Naval Affairs.

Also, a bill (H.R. 1204) to place on the congressional roll of honor the names of the participants of the Balangiga massacre; to the Committee on Military Affairs.

By Mr. POWERS: A bill (H.R. 1205) granting an increase of pension to Sarah E. Hoffner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1206) granting an increase of pension to Jennie M. Jenness; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1207) for the relief of Robert Turner; to the Committee on Claims.

Also, a bill (H.R. 1208) for the relief of Frederick W. Peter; to the Committee on Claims.

Also, a bill (H.R. 1209) for the relief of Nellie Reay; to the Committee on Claims.

Also, a bill (H.R. 1210) for the relief of Mrs. Agnes M. Allsop; to the Committee on Claims.

By Mr. SINCLAIR: A bill (H.R. 1211) for the relief of R. Gilbertsen; to the Committee on Claims.

Also, a bill (H.R. 1212) for the relief of Marie Toenberg; to the Committee on Claims.

Also, a bill (H.R. 1213) for the relief of the Morgan Decorating Co.; to the Committee on Claims.

By Mr. SPENCE: A bill (H.R. 1214) granting a pension to Kate F. Phares; to the Committee on Pensions.

Also, a bill (H.R. 1215) granting a pension to James R. Daniel; to the Committee on Pensions.

Also, a bill (H.R. 1216) granting a pension to Belle Rhodes Taylor; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1217) granting a pension to Margaret Jane Asberry; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1218) granting a pension to Theresa C. Brink; to the Committee on Pensions.

Also, a bill (H.R. 1219) granting an increase of pension to Catherine J. Cummings; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1220) granting an increase of pension to Margaret A. Moore; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1221) granting a pension to E. R. Henderson; to the Committee on Pensions.

Also, a bill (H.R. 1222) for the relief of Mary Grome; to the Committee on Military Affairs.

Also, a bill (H.R. 1223) for the relief of Fred Barnett; to the Committee on Military Affairs.

Also, a bill (H.R. 1224) for the relief of William McCormack; to the Committee on Military Affairs.

Also, a bill (H.R. 1225) authorizing the President of the United States to appoint Sgt. Samuel Woodfill a captain in the United States Army and then place him on the retired list; to the Committee on Military Affairs.

By Mr. SNELL: A bill (H.R. 1226) granting a pension to Sarah E. Sutton; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1227) granting an increase of pension to Mary Tredo; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1228) granting an increase of pension to Laura M. Shipman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1229) granting an increase of pension to Abigail Stone; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1230) granting a pension to Clementine N. Riderick; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1231) granting a pension to Emma B. Rowe; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1232) granting an increase of pension to Ellen Morrell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1233) granting an increase of pension to Rose Ann Richards; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1234) granting an increase of pension to Ida M. Lent; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1235) granting an increase of pension to Sarah Ann McNiece; to the Committee on Pensions.

Also, a bill (H.R. 1236) granting a pension to Ellen D. Keck; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1237) granting an increase of pension to Mariah C. Kent; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1238) granting an increase of pension to Hattie G. Dyer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1239) granting an increase of pension to Agnes C. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1240) granting an increase of pension to Sarah A. Bulluck; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1241) granting an increase of pension to Alzina DeGroff; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1242) granting a pension to Jennie S. Bogardus; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1243) granting an increase of pension to Sarah E. Bradley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1244) granting an increase of pension to Ruth Irene Barney; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1245) granting an increase of pension to Margaret V. Besa; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1246) for the relief of Elizabeth Taylor; to the Committee on Military Affairs.

Also, a bill (H.R. 1247) for the relief of Alex Terlizzi; to the Committee on Claims.

Also, a bill (H.R. 1248) granting insurance to Lydia C. Spry; to the Committee on Claims.

Also, a bill (H.R. 1249) for the relief of Melissa Switzer; to the Committee on Military Affairs.

Also, a bill (H.R. 1250) for the relief of Louis Shybilska; to the Committee on Naval Affairs.

Also, a bill (H.R. 1251) for the relief of Jane B. Smith and Dora D. Smith; to the Committee on Claims.

Also, a bill (H.R. 1252) for the relief of Elizabeth Lizette; to the Committee on Military Affairs.

Also, a bill (H.R. 1253) for the relief of John Martin; to the Committee on Military Affairs.

Also, a bill (H.R. 1254) for the relief of H. Forsell; to the Committee on Claims.

By Mr. STRONG of Pennsylvania: A bill (H.R. 1255) granting a pension to Lawrence M. Guthrie; to the Committee on Pensions.

Also, a bill (H.R. 1256) granting a pension to James E. Heacox; to the Committee on Pensions.

Also, a bill (H.R. 1257) granting a pension to Adda Leslie; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1258) granting a pension to Mary C. Lytle; to the Committee on Pensions.

Also, a bill (H.R. 1259) granting a pension to Phoebe D. Miller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1260) granting a pension to Nellie J. Muhn; to the Committee on Pensions.

Also, a bill (H.R. 1261) granting a pension to Joseph Allen McGee; to the Committee on Pensions.

Also, a bill (H.R. 1262) granting a pension to Susan J. Raab; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1263) granting a pension to Inez Shannon; to the Committee on Pensions.

Also, a bill (H.R. 1264) granting an increase of pension to Susana Barbor; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1265) granting an increase of pension to Mary M. Davis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1266) granting an increase of pension to Lydia Diehl; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1267) granting an increase of pension to Julia Ann Ford; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1268) granting an increase of pension to Malinda Kane; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1269) granting an increase of pension to Susan Hanna; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1270) granting an increase of pension to Sarah J. King; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1271) granting an increase of pension to Nancy Kinter; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1272) granting an increase of pension to Mary E. McIntosh; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1273) granting an increase of pension to Mary M. McDowell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1274) granting an increase of pension to Sarah J. Nicholson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1275) granting an increase of pension to Susannah Patterson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1276) granting an increase of pension to Mary E. Peters; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1277) granting an increase of pension to Susan Potter; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1278) granting an increase of pension to Lovina Reprogle; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1279) granting an increase of pension to Anna M. Thompson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1280) granting an increase of pension to Hannah M. Shank; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1281) granting an increase of pension to Sophia J. Wadding; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1282) granting an increase of pension to Hattie V. Wilson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1283) granting an increase of pension to Annie E. Livingston; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1284) for the relief of Alena Barger; to the Committee on Claims.

Also, a bill (H.R. 1285) for the relief of Regina Hogan; to the Committee on Military Affairs.

Also, a bill (H.R. 1286) for the relief of Joseph Kochinich; to the Committee on Military Affairs.

Also, a bill (H.R. 1287) granting a pension to Girty A. Adamson; to the Committee on Pensions.

Also, a bill (H.R. 1288) granting a pension to Samuel A. Evans; to the Committee on Pensions.

Also, a bill (H.R. 1289) granting a pension to Thomas N. Burris; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1290) granting a pension to Benson A. Weston; to the Committee on Invalid Pensions.

By Mr. STUBBS: A bill (H.R. 1291) for the relief of W. H. Greene; to the Committee on Claims.

By Mr. SUTPHIN: A bill (H.R. 1292) to confer certain benefits on commissioned officers and enlisted men of the Army and Navy, Marine Corps, Coast Guard, Geodetic Survey, or Public Health Service of the United States who are placed on the retired list for physical disability as result of an airplane accident; to the Committee on Military Affairs.

Also, a bill (H.R. 1293) to authorize the settlement, allowance, and payment of claim of Walter Bell; to the Committee on Claims.

Also, a bill (H.R. 1294) for the improvement of Shrewsbury River, N.J.; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 1295) providing for the examination and survey of the Keyport (N.J.) Harbor; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 1296) authorizing preliminary examination and survey of Way Cake Creek, N.J.; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 1297) providing for the examination and survey of the channel in Shrewsbury River, N.J.; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 1298) for the relief of the city of Perth Amboy, N.J.; to the Committee on Claims.

Also, a bill (H.R. 1299) for the improvement of New York and New Jersey Channels; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 1300) to correct the status of transferred members of the Fleet Naval Reserve and Fleet Marine Corps Reserve who served in higher enlisted ratings during the World War; to the Committee on Naval Affairs.

Also, a bill (H.R. 1301) for the relief of M. Aileen Offerman; to the Committee on Claims.

Also, a bill (H.R. 1302) for the relief of James Luker, Sr.; to the Committee on Claims.

Also, a bill (H.R. 1303) for the relief of Nicholas Mecca; to the Committee on Military Affairs.

Also, a bill (H.R. 1304) for the relief of the dependents of Vincent A. Clayton; to the Committee on Claims.

Also, a bill (H.R. 1305) granting a pension to Carl J. Carlson; to the Committee on Pensions.

Also, a bill (H.R. 1306) for the relief of Clarence A. Wimley; to the Committee on Claims.

Also, a bill (H.R. 1307) granting a pension to Stewart H. Voorhees; to the Committee on Pensions.

Also, a bill (H.R. 1308) for the relief of John Parker Clark, Sr.; to the Committee on Claims.

Also, a bill (H.R. 1309) authorizing preliminary examination and survey of Cedar Run Creek, N.J.; to the Committee on Rivers and Harbors.

By Mr. SWICK: A bill (H.R. 1310) granting an increase of pension to Charlotte B. McWilliams; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1311) granting an increase of pension to Amanda Estep; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1312) granting an increase of pension to Salena Hendrickson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1313) granting an increase of pension to Margret Douds; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1314) granting an increase of pension to Barbara Harley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1315) granting an increase of pension to Mary A. Graham; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1316) granting an increase of pension to Rebecca Lewis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1317) granting an increase of pension to Florence E. Moody; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1318) granting an increase of pension to Samantha M. Simpson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1319) granting an increase of pension to Keziah H. Miller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1320) granting an increase of pension to Teresa Millward; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1321) granting an increase of pension to Hannah M. Wilson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1322) granting an increase of pension to Minerva Griffiths; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1323) granting an increase of pension to Matilda Tarno; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1324) granting an increase of pension to Mary M. Ralston; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1325) granting an increase of pension to Anna M. Stockburger; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1326) granting an increase of pension to Amanda Douglass; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1327) granting an increase of pension to Mary Rollman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1328) granting an increase of pension to Nancy J. Critchlow; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1329) granting an increase of pension to Catherine Schaffner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1330) granting an increase of pension to Rose A. Robinson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1331) granting an increase of pension to Esther J. Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1332) granting an increase of pension to Ada L. Vance; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1333) granting an increase of pension to Melissa J. Boggs; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1334) granting an increase of pension to Samantha R. Freed; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1335) granting an increase of pension to Laura L. McCready; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1336) granting an increase of pension to Emaline Reichenbach; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1337) granting an increase of pension to Sarah M. Armstrong; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1338) granting an increase of pension to Clara Crawford; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1339) granting an increase of pension to Mary A. Purvis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1340) granting an increase of pension to Kate Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1341) granting an increase of pension to Elizabeth C. Hutchison; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1342) granting an increase of pension to Ada M. Chandler; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1343) granting an increase of pension to Lizzie Shelar; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1344) granting an increase of pension to Elizabeth Miller; to the Committee on Invalid Pensions.

By Mr. SUTPHIN: A bill (H.R. 1345) for the relief of John Parker Clark, Jr.; to the Committee on Claims.

Also, a bill (H.R. 1346) granting an increase of pension to Katherine Garrison; to the Committee on Invalid Pensions.

By Mr. SWICK: A bill (H.R. 1347) granting an increase of pension to Ellen J. Dodds; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1348) granting an increase of pension to Mary McFann; to the Committee on Invalid Pensions.

By Mr. THOMASON of Texas: A bill (H.R. 1349) granting a pension to Maude Campbell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1350) granting a pension to Hattie House; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1351) granting a pension to Rosa Wilson; to the Committee on Invalid Pensions.

By Mr. THURSTON: A bill (H.R. 1352) to allow the distinguished-service cross for service in the World War to be awarded to Lt. Col. Claude M. Stanley; to the Committee on Military Affairs.

Also, a bill (H.R. 1353) for the relief of E. G. Banta, successor to the firm of Banta & Banta; to the Committee on Claims.

Also, a bill (H.R. 1354) for the relief of C. V. Mason; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1355) to allow the distinguished-service cross for service in the World War to be awarded to Lt. Col. Claude M. Stanley; to the Committee on Military Affairs.

Also, a bill (H.R. 1356) granting an increase of pension to Sarah E. Carmichael; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1357) for the relief of E. G. Banta, successor to the firm of Banta & Banta; to the Committee on Claims.

Also, a bill (H.R. 1358) granting an increase of pension to Clarence W. Failor; to the Committee on Pensions.

Also, a bill (H.R. 1359) granting an increase of pension to William D. Wheaton; to the Committee on Pensions.

Also, a bill (H.R. 1360) granting an increase of pension to Dora Nosler; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1361) granting an increase of pension to Jane Battin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1362) for the relief of Edna B. Wylie; to the Committee on Claims.

Also, a bill (H.R. 1363) granting a pension to Ella Orr; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1364) granting an increase of pension to Anna Harrison; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1365) granting an increase of pension to Lillie A. Athey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1366) granting an increase of pension to Sarah J. Pitman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1367) granting an increase of pension to Melinda R. Probasco; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1368) granting a pension to H. Emma Streepy; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1369) granting a pension to Nora Dunlavy; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1370) for the relief of John M. Garrett; to the Committee on Claims.

Also, a bill (H.R. 1371) granting a pension to Ira J. Davis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1372) granting an increase of pension to Mary A. Robison; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1373) granting an increase of pension to Sarah A. Teague; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1374) granting an increase of pension to Elizabeth A. Crum; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1375) granting an increase of pension to Sarah J. Wishart; to the Commiteee on Invalid Pensions.

Also, a bill (H.R. 1376) granting a pension to Sarah E. Stewart; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1377) granting an increase of pension to Mary C. Abrams; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1378) granting an increase of pension to Cordelia Hiatt; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1379) granting a pension to Mary Herod; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1380) granting an increase of pension to Harriet Reynolds; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1381) granting an increase of pension to Lucinda E. Hollopeter; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1382) granting an increase of pension to Clara Herr; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1383) granting an increase of pension to Mary E. Cole; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1384) granting an increase of pension to Eva P. Black; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1385) granting an increase of pension to Mary M. Adams; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1386) granting an increase of pension to Phoebe A. Jennings; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1387) granting an increase of pension to Sarah M. McCullough; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1388) granting an increase of pension to Mary A. Neidigh; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1389) granting a pension to Maude Delay; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1390) granting an increase of pension to Frances C. Gaskill; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1391) granting a pension to Susan Melugin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1392) granting an increase of pension to Julia A. Browning; to the Committee on Invalid Pensions.

By Mr. WATSON: A bill (H.R. 1393) granting an increase of pension to Adelaide Manington; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1394) granting an increase of pension to Mary A. Shelly; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1395) for the relief of John E. Martin; to the Committee on Claims.

Also, a bill (H.R. 1396) for the relief of Herman C. Mentzel; to the Committee on Claims.

Also, a bill (H.R. 1397) granting a pension to Mary Baldwin Kennedy; to the Committee on Pensions.

Also, a bill (H.R. 1398) for the relief of Lewis E. Green; to the Committee on Claims.

Also, a bill (H.R. 1399) for the relief of John E. Martin; to the Committee on Claims.

By Mr. WELCH: A bill (H.R. 1400) conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad; to the Committee on Claims.

Also, a bill (H.R. 1401) to grant to the State of California a retrocession of jurisdiction over certain rights of way granted to the State of California over certain roads about to be constructed in the Presidio of San Francisco Military Reservation and Fort Baker Military Reservation; to the Committee on Military Affairs.

Also, a bill (H.R. 1402) for the relief of James E. Dethlefsen; to the Committee on Claims.

Also, a bill (H.R. 1403) for the relief of David I. Brown; to the Committee on Military Affairs.

Also, a bill (H.R. 1404) for the relief of John C. McCann; to the Committee on Naval Affairs.

Also, a bill (H.R. 1405) for the relief of Yosemite Lumber Co.; to the Committee on Claims.

Also, a bill (H.R. 1406) granting a pension to Joseph J. Carroll; to the Committee on Pensions.

Also, a bill (H.R. 1407) granting a pension to Julius Hansen; to the Committee on Pensions.

By Mr. WEST: A bill (H.R. 1408) granting an increase of pension to Ellen L. Andrews; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1409) granting a pension to William Bills; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1410) granting an increase of pension to Addieline Cook; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1411) granting an increase of pension to Francena Brokaw; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1412) granting an increase of pension to Mariah Dry; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1413) for the relief of Leonard L. Dilger; to the Committee on Military Affairs.

Also, a bill (H.R. 1414) granting an increase of pension to Lena Leota Evans; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1415) granting an increase of pension to Ray C. Eckels; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1416) granting an increase of pension to Jane S. Hickman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1417) granting an increase of pension to Almyra O. Humphrey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1418) for the relief of W. C. Garber; to the Committee on Claims.

Also, a bill (H.R. 1419) granting an increase of pension to Mary E. Harris; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1420) granting an increase of pension to Sophia Jane Fuller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1421) granting an increase of pension to Callie R. Graf; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1422) granting a pension to Angus G. Irvine; to the Committee on Pensions.

Also, a bill (H.R. 1423) granting a pension to Earl Funk; to the Committee on Pensions.

Also, a bill (H.R. 1424) granting an increase of pension to Margaret V. Myers; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1425) granting an increase of pension to Elizabeth Patterson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1426) granting an increase of pension to Louisa Jane Ashbrook; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1427) granting an increase of pension to Sophia Arnold; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1428) granting an increase of pension to Emma J. Barker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1429) granting an increase of pension to Margaret E. Wright; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1430) granting an increase of pension to Viola S. Whitten; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1431) granting an increase of pension to Ida M. Stough; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1432) granting an increase of pension to Francis Sipe; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1433) granting an increase of pension to Ruth A. Schooley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1434) granting an increase of pension to Kate L. Scarbrough; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1435) granting an increase of pension to Margaret R. Sapp; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1436) granting an increase of pension to Jennie Raley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1437) granting an increase of pension to Margaret E. Pryce; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1438) granting an increase of pension to Sarah E. Pruner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1439) granting an increase of pension to Ella Price; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1440) granting an increase of pension to Jennie Kinney; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1441) granting an increase of pension to Eleanor W. Metzler; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1442) for the relief of Bert W. Pharis; to the Committee on Military Affairs.

Also, a bill (H.R. 1443) for the relief of Willard E. Ball; to the Committee on Military Affairs.

Also, a bill (H.R. 1444) granting a pension to Mattie C. King; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1445) granting a pension to Susan R. Baughman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1446) granting a pension to Clara Nye Fischer; to the Committee on Pensions.

Also, a bill (H.R. 1447) for the relief of Charles Schilliger; to the Committee on Military Affairs.

Also, a bill (H.R. 1448) granting an increase of pension to Mary E. Porter; to the Committee on Invalid Pensions.

By Mr. WHITTINGTON: A bill (H.R. 1449) for the relief of Robert D. Hutchinson; to the Committee on Military Affairs.

Also, a bill (H.R. 1450) granting a pension to Lizzie Jones; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1451) granting a pension to Cornelia M. Campbell; to the Committee on Invalid Pensions.

By Mr. WIGGLESWORTH: A bill (H.R. 1452) granting a pension to Dora B. Mann; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1453) granting a pension to Sarah M. H. Nickerson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1454) granting a pension to Arlotta M. Perkins; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1455) granting a pension to Mary Spear; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1456) granting a pension to Bertha L. Wade; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1457) granting an increase of pension to Jennie F. Seavey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1458) granting an increase of pension to Lizzie A. Whitten; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1459) for the relief of Walter B. Smith; to the Committee on Expenditures in the Executive Departments.

By Mr. WOLVERTON: A bill (H.R. 1460) granting an increase of pension to Anna J. Flick; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1461) granting an increase of pension to Mary Etta Chew; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1462) granting an increase of pension to Catharine Ann Page; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1463) for the relief of James Smith; to the Committee on Military Affairs.

Also, a bill (H.R. 1464) granting an increase of pension to Kate Schnetzler; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1465) granting an increase of pension to Mary A. Pendergrast; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1466) for the relief of Archibald Gibson; to the Committee on Naval Affairs.

Also, a bill (H.R. 1467) granting an increase of pension to Mary Jane Cooper; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1468) for the relief of John Norman Westcott; to the Committee on Naval Affairs.

Also, a bill (H.R. 1469) for the relief of Robert L. Sheppy; to the Committee on Military Affairs.

Also, a bill (H.R. 1470) for the relief of Samuel C. Simpkins; to the Committee on Military Affairs.

Also, a bill (H.R. 1471) for the relief of William R. Brashear; to the Committee on Military Affairs.

Also, a bill (H.R. 1472) for the relief of Ord Rogers; to the Committee on Military Affairs.

Also, a bill (H.R. 1473) granting an increase of pension to Margaret C. Lee; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1474) granting an increase of pension to Martha Weiser; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1475) granting an increase of pension to Carrie A. Eagin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1476) granting an increase of pension to Elizabeth Fadeley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1477) granting an increase of pension to Lydia R. DuBois; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1478) granting an increase of pension to Rachel D. Day; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1479) granting an increase of pension to Mary Anna Brown; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1480) granting an increase of pension to Mary L. Kelter; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1481) for the relief of Timothy J. Devine; to the Committee on Military Affairs.

Also, a bill (H.R. 1482) for the relief of James Taylor; to the Committee on Military Affairs.

Also, a bill (H.R. 1483) for the relief of Christy Gnazzo; to the Committee on Military Affairs.

Also, a bill (H.R. 1484) for the relief of Charles C. Flippen; to the Committee on Military Affairs.

Also, a bill (H.R. 1485) for the relief of Elmer Leibfried; to the Committee on Naval Affairs.

Also, a bill (H.R. 1486) for the relief of Willard F. Holteen; to the Committee on Claims.

Also, a bill (H.R. 1487) granting an increase of pension to Mary Connelly; to the Committee on Pensions.

Also, a bill (H.R. 1488) for the relief of the First Camden National Bank & Trust Co., of Camden, N.J.; to the Committee on Claims.

Also, a bill (H.R. 1489) for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey; to the Committee on Claims.

SENATE

FRIDAY, MARCH 10, 1933

(Legislative day of Thursday, Mar. 9, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Hebert	Pope
Ashurst	Coolidge	Johnson	Reed
Austin	Copeland	Kean	Reynolds
Bachman	Costigan	Keyes	Robinson, Ark.
Bailey	Couzens	King	Robinson, Ind.
Bankhead	Dale	Logan	Russell
Barbour	Davis	Lonergan	Sheppard
Barkley	Dickinson	Long	Smith
Black	Dill	McAdoo	Steiwer
Bone	Duffy	McCarran	Stephens
Borah	Fess	McGill	Thomas, Okla.
Bratton	Fletcher	McKellar	Thomas, Utah
Brown	George	McNary	Townsend
Bulow	Glass	Murphy	Trammell
Byrd	Goldsborough	Neely	Tydings
Byrnes	Gore	Norris	Vandenberg
Capper	Hale	Nye	Van Nuys
Caraway	Harrison	Overton	Wagner
Carey	Hastings	Patterson	Walsh
Clark	Hayden	Pittman	White

Mr. FESS. I desire to announce the absence of my colleague the junior Senator from Ohio [Mr. BULKLEY] on account of a wedding in his family.

Mr. BLACK. I desire to announce that the Senators from Illinois [Mr. LEWIS and Mr. DIETERICH] are absent from the Senate attending the funeral of the late Mayor Cermak, of Chicago.

I also wish to announce that the Senator from Wyoming [Mr. KENDRICK] and the Senator from Montana [Mr. WHEELER] are necessarily absent, attending the funeral of the late Senator Walsh of Montana.

Mr. HEBERT. I desire to announce the necessary absence of the Senator from New Mexico [Mr. CUTTING], the Senator from North Dakota [Mr. FRAZIER], the Senator from West Virginia [Mr. HATFIELD], the Senator from Rhode Island [Mr. METCALF], the junior Senator from Minnesota [Mr. SCHALL], the Senator from Connecticut [Mr. WALCOTT], the Senator from South Dakota [Mr. NORBECK], and the senior Senator from Minnesota [Mr. SHIPSTEAD].

I also wish to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is detained on official business.

Mr. NORRIS. I wish to announce that my colleague the junior Senator from Nebraska [Mr. HOWELL] is detained from the Senate by illness. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty Senators having answered to their names, a quorum is present. The Senate will receive a message from the President of the United States.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

CONDOLENCES ON DEATH OF SENATOR WALSH OF MONTANA

The VICE PRESIDENT laid before the Senate a letter from the Secretary of State, transmitting copy of a note of March 2, 1933, from the Austrian Minister in Washington expressing Mr. Prochnik's sympathy on the occasion of the death of Hon. Thomas J. Walsh, late a Senator from the State of Montana, which, with accompanying note, was ordered to lie on the table.

The VICE PRESIDENT also laid before the Senate a concurrent resolution of the Legislature of the State of South Carolina, expressing regret upon the death of Hon. Thomas J. Walsh, late a Senator from the State of Montana, which was ordered to lie on the table and to be printed in the RECORD, as follows:

A concurrent resolution expressing regret upon the death of Hon. Thomas J. Walsh

Whereas we have just received the sad information of the death of Hon. Thomas J. Walsh; and

Whereas his native State and the entire Nation deeply feel the loss of such an able public servant, whose record of service to his State and Nation is unsurpassed, and as a recognition of such service had been recently selected as the next United States Attorney General: Therefore be it

Resolved by the house of representatives (the senate concurring), That we deeply and sincerely regret his untimely end, and feel that his passing is a distinct loss to our Nation; be it further

Resolved, That a copy of this resolution be sent to the President of the United States, to the President of the United States Senate, and to the members of his bereaved family.

IN THE HOUSE OF REPRESENTATIVES,
Columbia, S.C., March 8, 1933.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the South Carolina House of Representatives and concurred in by the South Carolina Senate.

[SEAL] J. WILSON GIBBES,
Clerk of the House.

EMPLOYEES OF FEDERAL FARM BOARD AND GRAIN AND COTTON STABILIZATION CORPORATIONS (S.DOC. NO. 2)

The VICE PRESIDENT laid before the Senate a letter from the secretary of the Federal Farm Board, submitting, in response to Senate Resolution 358 (agreed to February 14, 1933), a statement showing the number of employees of the Federal Farm Board at the end of each fiscal year since its establishment and on February 1, 1933, and the aggregate salaries paid to employees in the fiscal year ended June 30, 1932, and estimated to be paid them in the current fiscal year; also a statement showing the total number of employees in the Grain Stabilization Corporation on December 31, 1931, and February 1, 1933, and the aggregate salaries paid in 1932, and a list of positions and the names of employees receiving more than $2,000 a year on February 15, 1933; also certain information concerning the Cotton Stabilization Corporation, which, with the accompanying papers, was referred to the Committee on Banking and Currency and ordered to be printed.

THE BANKING SITUATION

The VICE PRESIDENT laid before the Senate a telegram from the secretary of state of North Dakota, embodying a joint resolution of the legislature of that State, which was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

BISMARCK, N.DAK., *March 7, 1933.*

The VICE PRESIDENT OF THE UNITED STATES,
Washington, D.C.:

A joint resolution (introduced by Senator Fine)

A joint resolution of the Senate and House of Representatives of the State of North Dakota

Whereas the banking system of the United States through total inadequacy and inefficiency to exercise its legitimate functions and to serve the needs of the Government and to meet the existing demands has broken down and all usual means for the distribution of currency and the transaction of ordinary business of banking have failed: Be it, therefore,

Resolved, That in this most deplorable emergency in the affairs of government thus occasioned, we, the Senate and House of Representatives of the State of North Dakota, do petition and memorialize the Congress of the United States that it, by constitutional action as warranted by the present emergency, take over the exercise of the functions usually performed by the banking system of the United States, and immediately, by proper legislation, provide for and exercise these functions in such manner as to protect the rights and serve the interests of the people of the United States; be it further

Resolved, That a copy of this resolution be wired to the President of the United States, the Vice President of the United States, and the Speaker of the House of Representatives.

Passed March 3, 1933.

OLE H. OLSON,
President of the Senate.
SIDNEY A. PAPKE,
Secretary of the Senate.

Wired by direction of twenty-third legislative assembly.

ROBERT BYRNE,
Secretary of State.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Agriculture and Forestry:

STATE OF WISCONSIN.

Joint resolution relating to agricultural relief

Whereas the Democratic national platform includes the following definite pledges for agricultural relief:

"We favor the restoration of agriculture, the Nation's basic industry; better financing of farm mortgages through recognized farm-bank agencies at low rates of interest on an amortization plan, giving preference to credits for the redemption of farms and homes sold under foreclosure.

"Extension and development of farm-cooperative movement and effective control of crop surpluses so that our farmers may have the full benefit of the domestic market.

"The enactment of every constitutional measure that will aid the farmers to receive for their basic farm commodities prices in excess of cost"; and

Whereas the fulfillment of these pledges is a vital necessity at this time and the expectation of the many millions of voters who, by an overwhelming majority, elected the incoming national administration and the great majority of the Members of the incoming Congress: Therefore be it

Resolved by the assembly (the senate concurring), That the Legislature of Wisconsin hereby respectfully memorializes President-elect Franklin D. Roosevelt and the incoming Congress of the United States to promptly enact legislation to carry out the pledges which were made in the Democratic national platform to the farmers of this country; be it further

Resolved, That Governor Schmedeman be requested to bring this matter to the attention of the President-elect at the conference of the governors of the several States which has been called to convene in Washington on March 6, 1933, and that he do everything possible to urge upon the leaders in Congress the necessity of prompt action in this vital matter; be it further

Resolved, That properly attested copies of this resolution be sent to both Houses of the incoming Congress of the United States and to each Wisconsin Member thereof.

O. S. LOOMIS,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.
C. T. YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Arizona, which was referred to the Committee on Appropriations:

STATE OF ARIZONA,
OFFICE OF THE SECRETARY.

UNITED STATES OF AMERICA,
State of Arizona, ss:

I, James H. Kerby, secretary of state, do hereby certify that the within is a true, correct, and complete copy of House Joint Memorial 6, regular session, Eleventh Legislature, State of Arizona, all of which is shown by the original engrossed copy on file in this department.

In witness whereof I have hereunto set my hand and affixed the great seal of the State of Arizona. Done at Phoenix, the capital, this 24th day of February A.D. 1933.

[SEAL] JAMES H. KERBY,
Secretary of State.

House Joint Memorial 6

To the Senate and House of Representatives of the United States of America in Congress assembled:

Your memorialist, the Legislature of the State of Arizona, in regular session assembled, respectfully represents:

Under recommendations of the Economy League Federal aid to veterans, widows, and orphans in the State of Arizona would be reduced annually approximately $5,459,922.40, or 80 percent of the total expenditure for such purpose in this State, which was $6,824,903 in 1932. The result would be to increase local and State taxes fully 20 percent, and, in addition, to place a heavy burden on local and State charity organizations.

The burden of hospital care and compensation as now borne by the Federal Government is a just and proper obligation of the Federal Government in behalf of which these ex-service men served in a great emergency, and this burden should not be shifted to the shoulders of the property owners who pay local and State taxes.

Inasmuch as the veterans affected are mostly either bed-ridden or unable to follow continuously a substantially gainful occupation, it would be practically compulsory for the counties of the State to provide them with proper hospitalization and the necessities of life.

Furthermore, the Economy League recommends that all veteran activities be conducted at one office in Washington, which, if carried out, would eliminate the branch of the Veterans' Administration in Phoenix, thereby depriving worthy veterans of the

prompt, essential, and beneficial care and relief now given them by that office.

Wherefore your memorialist, the Legislature of the State of Arizona, respectfully urges that the Congress of the United States oppose any legislation urged by the National Economy League or otherwise to reduce Federal aid for ex-service men of any war in which the United States has been engaged.

Passed the senate February 17, 1933.

Passed the house February 16, 1933.

Approved this 23d day of February, 1933.

Received in the office of secretary of state February 23, 1933.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Oregon, which was referred to the Committee on Banking and Currency:

STATE OF OREGON,
OFFICE OF THE SECRETARY OF STATE.

I, Hal E. Hoss, secretary of state of the State of Oregon and custodian of the seal of said State, do hereby certify that I have carefully compared the annexed copy of Senate Joint Memorial No. 8 with the original thereof filed in the office of the secretary of state February 28, 1933, and that the same is a full, true, and correct transcript therefrom and of the whole thereof, together with all indorsements thereon.

In testimony whereof I have hereunto set my hand and affixed hereto the seal of the State of Oregon. Done at the capitol at Salem, Oreg., this 28th day of February A.D. 1933.

[SEAL] HAL E. HOSS,
Secretary of State.

Senate Joint Memorial 8

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

Your memorialists, the Thirty-seventh Legislative Assembly of the State of Oregon, in regular session assembled, respectfully represent and petition as follows:

Whereas there is urgent need for providing employment of the unemployed; and

Whereas the financial condition of those engaged in industry is such that their activities are curtailed by lack of funds; and

Whereas credit is an essential to the proper functioning of industry; and

Whereas the sources from which industry in the past has usually borrowed funds are now in a large part closed to it; and

Whereas suitable aid to industry will stimulate employment and will afford relief to self-respecting workmen without the taint of charity; and

Whereas the Reconstruction Finance Corporation is not empowered, under the law, to advance funds therefor; and

Whereas the State of Oregon is desirous of having funds made available for said purpose: Now, therefore, be it

Resolved by the Senate of the State of Oregon (the House of representatives jointly concurring therein), That we, your memorialists, in the name of and for the people of the State of Oregon, do most earnestly and respectfully petition and urge that legislation be enacted which will make available a portion of the funds of the Reconstruction Finance Corporation for the use and benefit of the industrial interests of all States and for providing work for those now unemployed; be it further

Resolved, That the secretary of state of the State of Oregon transmit a copy of this memorial to the President of the Senate and to the Speaker of the House of Representatives of the United States of America and to each Member of the Oregon delegation in Congress.

Endorsed: Senate Joint Memorial No. 8. Introduced by Senators Goss, Spaulding, Duncan, Corbett, and Bynon.

JNO. P. HUNT, *Chief Clerk.*

Adopted by senate February 15, 1933.

FRED E. KIDDLE, *President.*

Concurred in by house February 24, 1933.

E. W. SNELL, *Speaker.*

Filed February 28, 1933.

HAL E. HOSS, *Secretary of State.*

The VICE PRESIDENT also laid before the Senate the following joint memorial from the Legislature of the State of Wyoming, which was referred to the Committee on Irrigation and Reclamation:

THE STATE OF WYOMING,
OFFICE OF THE SECRETARY OF STATE.

UNITED STATES OF AMERICA,
State of Wyoming, ss:

I, A. M. Clark, secretary of state of the State of Wyoming, do hereby certify that the annexed is a full, true, and correct copy of original Senate Joint Memorial No. 4, as passed by the Twenty-second Legislature of the State of Wyoming, and approved February 21, 1933, at 4:41 p.m.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State of Wyoming. Done at Cheyenne, the capital, this 2d day of March A.D. 1933.

[SEAL] A. M. CLARK,
Secretary of State.
By C. J. ROGERS,
Deputy.

Senate joint memorial memorializing Congress of the United States to consider favorably and to pass Senate bills 5417 and 5471

The Legislature of the State of Wyoming in this joint memorial respectfully represents that—

Whereas there have been introduced into the United States Senate for passage Senate bills 5417 and 5471, which are complementary, one to the other, the first providing for a suspension in payment of charges due from the Federal reclamation-project settlers to the United States and in the amount of which charges and for like period of time the principal source of income to the reclamation fund is likewise delayed; and the second providing for a loan to the reclamation fund to replace the income thereto thus suspended; and

Whereas such suspension of construction charges has become necessary on account of the extreme low prices affecting all agricultural communities; and

Whereas there has already been authorized by the Congress of the United States the construction of irrigation projects under the provisions of the reclamation act; and

Whereas said Federal projects are now only partially completed and incapable of substantial self-liquidation of their present costs until the same are completed; and

Whereas the settlers upon numerous privately projected irrigation districts of the State are on the verge of being forced out of their homes—to swell the throng of urban unemployed—because of an inadequate water supply due to lack of storage, and depreciation of distribution facilities, and a supplemental water supply can be made most readily available by the Federal Reclamation Bureau; and

Whereas delays in completion of projects already begun and the commencement of those projects contemplated to rehabilitate worthy enterprises will result in serious loss to the United States and to the State of Wyoming in—

(a) Direct increase of unemployment to the extent of several thousand men, with incidental increase in unemployment in those industries which supply such projects, incalculable;

(b) Depreciation of works already constructed in such incomplete projects, and of idle money therein invested; and

(c) The crushing blow to those under said projects (with their dependent communities) having inadequate water supply and having staked all in faith upon the Federal Government's completing that which it has undertaken and in commencing needed construction to supplement the water supply of those worthy private projects; and failure to enact said bills, or similar legislation, will result in the discharge of thousands of men now employed and the consequent loss in purchasing power for consumption of both farm and industrial products and add to the depression prevailing in all markets; and

Whereas effective relief to the State of Wyoming and its citizens, the timely completion of said projects, and the enactment of the bills herein designated into laws are propositions of inseparable relation; and

Whereas relief delayed is tantamount to relief denied: Therefore be it

Resolved by the Senate of the Twenty-second Legislature of the State of Wyoming (the house of representatives concurring), That the Congress of the United States, in furtherance of subsisting national policies of reconstruction and reclamation, make early enactment of United States Senate bills 5417 and 5741 into laws; and be it further

Resolved, That the secretary of state of the State of Wyoming be, and he is hereby directed forthwith to transmit a copy of this memorial to each, the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and to the Wyoming delegation in Congress, with a request that they expeditiously promote the enactment into law of United States Senate bills 5417 and 5471.

ROY H. CAMERON,
President of the Senate.
WM. M. JACK,
Speaker of the House.

Approved 4:41 p.m., February 21, 1933.

LESLIE A. MILLER, *Governor.*

The VICE PRESIDENT also laid before the Senate a memorial of the Senate of the State of New Mexico, memorializing the Senate of the United States to take such action as is within its power to bring about the recognition of the Soviet Government of Russia, which was referred to the Committee on Foreign Relations.

(See memorial printed in full when presented today by Mr. BRATTON.)

The VICE PRESIDENT also laid before the Senate resolutions adopted by the Council of the Borough of Brackenridge, Pa., favoring the passage of legislation establishing a standard of integrity and sound economy of municipal bond issues and giving to municipalities which meet such standard the same rights enjoyed by national banks to receive national currency on the pledge of their bonds, which were referred to the Committee on Banking and Currency.

He also laid before the Senate the petition of George Joseph Heintz and sundry other citizens of Erie, Pa., praying for the passage of legislation to revaluate the gold ounce,

which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution of Sacco-Vanzetti Branch, International Labor Defense, protesting against the passage of legislation providing for the exclusion and expulsion of alien communists, which was referred to the Committee on Immigration.

Mr. KEAN presented a resolution adopted by the Board of Commissioners of the City of Camden, N.J., favoring the prompt passage of measures for the guaranty of bank deposits by the Government, which was referred to the Committee on Banking and Currency.

Mr. BAILEY presented the following joint resolution of the Legislature of the State of North Carolina, which was referred to the Committee on Finance:

A joint resolution requesting Congress to refrain from a further invasion of sources of taxation heretofore enjoyed by the States, and that the Congress balance its Budget without further increase in the tax levies

Whereas during the past decade the expenses of all units of local, State, and National Governments have increased to such huge and unprecedented sums, as to become burdensome to our people; since no people can contribute more than a reasonable proportion of its income in the aggregate to the support of government, no matter by whom levied, nor differing as to whether such taxes be direct or indirect, privilege or excise; and

Whereas all local units of our State government are largely decreasing their tax levies under pressure of the distressing conditions and by way of partial answer to the wailing cries of our people that taxes be reduced and that government become less burdensome; and

Whereas our State government has been compelled to relieve the landowners and farmers of a proportion of the tax levies for the support of public education, as provided for under the constitution, thereby necessitating the tapping of any new sources of revenue that could be found and which appear to have been exhausted, making it necessary to make drastic reductions in the expenses of our State government; and

Whereas in balancing our budget it is becoming necessary to eliminate all bureaus not absolutely vital to the functions of our government; and

Whereas, in a further effort to balance our budget, drastic and far-reaching reductions are being made in the vital functions of our government, to such an extent as to seriously threaten the ability of our State to carry on its program of education, public welfare, construction and maintenance of highways, and other necessary functions reserved to it under the Constitution; and

Whereas the Congress, during the past year, in an effort to balance its Budget, under its privilege to levy excise taxes, found it necessary to levy such taxes as 1 cent per gallon on gasoline, 4 cents per gallon on lubricating oils, 3 percent consumers' tax on privately produced electricity; and

Whereas the levying of such taxes is reflected in the decreased consumption of such commodities, in that our people are becoming tax conscious, and our sources of revenue are being depleted, which excise-tax levies, if retained, added to, and increased, will ultimately result in the complete absorption of the revenue from sources now enjoyed by the States, resulting in the inability of the States to function: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Congress of the United States be, and it is hereby requested, to refrain, insofar as possible, from a further invasion of the sources of revenue now enjoyed by the States.

SEC. 2. That it remove, as soon as it may find it possible to do so, the present excise tax on gasoline, lubricating oils, consumers' tax on electricity, and other similar taxes inserted in its revenue bill of 1932.

SEC. 3. That the Congress balance its Budget, insofar as possible, by further economies in government and without additional excise-tax levies.

SEC. 4. That a certified copy of this resolution be forwarded by Governor Ehringhaus to the Congress of the United States and to each of the Members thereof from North Carolina.

SEC. 5. That this resolution be in full force and effect from and after its ratification.

In the general assembly, read three times and ratified, this 20th day of February 1933.

A. H. GRAHAM,
President of the Senate.
R. L. HARRIS,
Speaker of the House of Representatives.

Compared and found correct.

EFIRD,
For Committee.

STATE OF NORTH CAROLINA,
DEPARTMENT OF STATE.

I, Stacey W. Wade, secretary of state of the State of North Carolina, do hereby certify the foregoing and attached (three sheets) to be a true copy from the records of this office.

In witness whereof I have hereunto set my hand and affixed my official seal.

Done in office at Raleigh this 23d day of February A.D. 1933.

[SEAL] STACEY W. WADE,
Secretary of State.

Mr. BRATTON presented the following memorial of the Senate of the State of New Mexico, which was referred to the Committee on Foreign Relations:

Senate Memorial No. 1 (introduced by Senator Taylor E. Julien and Senator Juan A. A. Sedillo)

A memorial requesting the Senate of the United States to take appropriate action for the recognition of the United Soviet States of Russia

The World War ended more than 14 years ago. During the final year of the World War the people of Russia overthrew the monarchical form of government and, after going through a period of struggle and strife, succeeded in establishing a representative form of government. This government has been in existence for more than 10 years.

Throughout this period the business interests of the United States have continuously dealt with the business interests and with the Government of the United Soviet of Russia, but without the usual protection and guaranties incident to foreign commerce and trade, due to the fact that the United States has never officially recognized the existing Government of the United Soviet States of Russia.

Your memorialists, the members of the Senate of the Eleventh Legislature of the State of New Mexico, are of the opinion that this condition is not conducive to the development either of trade or friendly relations between the United States of America and the United Soviet States of Russia; and

The members of the Senate of the Eleventh Legislature of the State of New Mexico most earnestly request that the Senate of the United States take such action as is within the power of the Senate of the United States to bring about the recognition of the United Soviet States of Russia by the United States of America; and be it

Resolved, That the chief clerk of the Senate of the Eleventh Legislature of the State of New Mexico be, and he hereby is, directed to transmit copies of the foregoing memorial to the Presiding Officer of the United States Senate and the Honorable BRONSON M. CUTTING and the Honorable SAM G. BRATTON, United States Senators from the State of New Mexico.

Mr. BRATTON also presented the following joint memorial of the Legislature of the State of New Mexico, which was referred to the Committee on Irrigation and Reclamation:

Senate Joint Memorial 7 (introduced by Senators A. C. Torres, J. W. Tackett, Lee Brown Atwood, and Louise H. Coe)

A memorial memorializing the Congress of the United States to enact legislation for the relief of settlers and property owners who sustained property losses caused by a devastating flood, occurring in September 1929 in the middle Rio Grande Valley between the village of San Acacio and the town of San Marcial, in Socorro County, N.Mex.

Whereas the settlers and property owners in the middle Rio Grande Valley, between and including the village of San Acacio and the town of San Marcial, in the county of Socorro, State of New Mexico, suffered property losses in excess of $4,000,000, caused by a devastating flood of the Rio Grande in September 1929; and

Whereas it has been ascertained that the dam across the Rio Grande, constructed and operated by the United States to impound the waters in the Elephant Butte Reservoir, contributed largely to the destruction of property of settlers and other property owners during said flood; and

Whereas the said Rio Grande is an international stream between the United States and Mexico and the United States, prior to said flood, should have made proper provisions for the control of the flood waters of said river to prevent destruction by floods; and

Whereas it is the belief of the Eleventh Legislature of the State of New Mexico that the settlers and property owners are entitled to compensation from the United States for damages to their property caused by said flood: Now, therefore, be it

Resolved, That the Eleventh Legislature of the State of New Mexico does hereby request the Congress of the United States to enact appropriate legislation providing for compensation to settlers and property owners for property lost or damaged by the devastating flood in the Rio Grande Valley between and including the village of San Acacio and the town of San Marcial, in the State of New Mexico, occurring in September 1929; and be it further

Resolved, That the chief clerk of the Senate of the Eleventh Legislature of the State of New Mexico be, and he hereby is, directed to transmit copies of the foregoing memorial to our State Senators and Representatives in Congress.

Mr. BRATTON also presented the following joint resolution of the Legislature of the State of New Mexico, which

was referred to the Committee on Post Offices and Post Roads:

House Joint Resolution 24 (introduced by Isidro Montoya, A. A. Gonzales, Roman Gallegos, Benito Valdez, Coe Howard, Pedro S. Contreras, and J. T. Fernandez)

Be it resolved by the Legislature of the State of New Mexico:

Whereas it is announced and is now of record in the courts in this State that the State Highway Commission of the State of New Mexico and the Bureau of Public Roads of the United States have determined that upon a realignment of Highway No. 85 at and near the village of Wagon Mound, county of Mora, State of New Mexico, which new realignment will not pass through the said village of Wagon Mound, county of Mora, State of New Mexico, and will pass to the west thereof; and

Whereas realignment of said Highway No. 85 so that it does not pass through the said village of Wagon Mound will cause a great depreciation in the value of property in said village of Wagon Mound, which said depreciation will be very large; and

Whereas the taxpayers residing in the village of Wagon Mound, county of Mora, State of New Mexico, pay the larger percentage of the taxes paid by landowners and commercial interests in the county of Mora, State of New Mexico; and

Whereas the practical obstacles to locating the said Highway No. 85 through the village of Wagon Mound are not very great and the expense of locating the said highway through the said village of Wagon Mound will not be greatly in excess of locating on the route which has been designated west of the said village of Wagon Mound: Be, and it is hereby,

Resolved, That the members of the Eleventh Legislature of the State of New Mexico now in session in the city of Santa Fe, State of New Mexico, do and they hereby respectfully represent to the Honorable the President of the United States, to the Honorable SAM G. BRATTON, Senator from New Mexico; to the Honorable BRONSON M. CUTTING, Senator from New Mexico; and to Honorable DENNIS CHAVEZ, Congressman from New Mexico, that it will be a major calamity to the village of Wagon Mound, county of Mora, State of New Mexico, that Highway No. 85 be routed as it has been designated, west of the said village of Wagon Mound, and not through the village of Wagon Mound, and that the Bureau of Public Roads of the United States should join with the State Highway Commission of the State of New Mexico and with the Board of County Commissioners of the County of Mora, State of New Mexico, in immediately taking such steps as will lead to the said Highway No. 85 being constructed through the village of Wagon Mound.

ALVAN WHITE,
Speaker of the House of Representatives.

Attest:

GEO. W. ARMIJO,
Chief Clerk of the House of Representatives.

A. W. HOCKENHULL,
President of the Senate.

Attest:

F. E. MCCULLOCH,
Chief Clerk of the Senate.

Approved by me this 4th day of March 1933.

ARTHUR SELIGMAN,
Governor of New Mexico.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. STEPHENS:

A bill (S. 4) to restore the 2-cent postage rate on first-class mail matter; to the Committee on Finance.

By Mr. BARKLEY:

A bill (S. 5) providing for loans or advances by the Reconstruction Finance Corporation for the purpose of securing the postponement of the foreclosure of certain mortgages for a period of 2 years, and for other purposes; to the Committee on Banking and Currency.

By Mr. BORAH:

A bill (S. 6) to repeal an act entitled "An act to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes", approved July 22, 1932; to the Committee on Banking and Currency.

A bill (S. 7) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska; to the Committee on Mines and Mining.

A bill (S. 8) to add certain lands to the Boise National Forest; to the Committee on Public Lands and Surveys.

By Mr. NYE:

A bill (S. 9) authorizing the Reconstruction Finance Corporation to make loans to cooperative creamery associations; and

A bill (S. 10) providing for certain loans by the Reconstruction Finance Corporation to producers of wheat and cotton, and for other purposes; to the Committee on Banking and Currency.

A bill (S. 11) for the relief of the Lehigh Briquetting Co.; to the Committee on Claims.

A bill (S. 12) to aid in the reduction of taxes on farm lands and to promote elementary education in rural areas of the United States, and to cooperate with the States in the promotion of these objectives; to the Committee on Education and Labor.

A bill (S. 13) to amend section 617 of the Revenue Act of 1932 with respect to the tax on gasoline; to the Committee on Finance.

A bill (S. 14) to amend the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914;

A bill (S. 15) to amend the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914;

A bill (S. 16) to establish a Federal Trade Court, and for other purposes; and

A bill (S. 17) to regulate election expenditures; to the Committee on the Judiciary.

A bill (S. 18) to allow credit to homestead settlers and entrymen for certain military service;

A bill (S. 19) to provide for the restoration, through exchange, of certain timberlands to the Yosemite National Park, Calif., and for other purposes; and

A bill (S. 20) to provide for the transfer of certain school lands in North Dakota to the International Peace Garden, Inc.; to the Committee on Public Lands and Surveys.

By Mr. VANDENBERG:

A bill (S. 21) to create a Federal time-deposit insurance fund, to provide for the payment of time deposits in certain banks, and for other purposes; to the Committee on Banking and Currency.

A bill (S. 22) granting a pension to Ella F. Lane;

A bill (S. 23) granting a pension to Emma A. McDuffie;

A bill (S. 24) granting an increase of pension to Nancy L. Corwin;

A bill (S. 25) granting an increase of pension to Sarah A. Gilliland; and

A bill (S. 26) granting an increase of pension to Mary J. Welch; to the Committee on Pensions.

By Mr. PATTERSON:

A bill (S. 27) granting a pension to Maggie L. Adams;

A bill (S. 28) granting a pension to Ida Adamson;

A bill (S. 29) granting a pension to Frederick Boller;

A bill (S. 30) granting a pension to Lucy Brown;

A bill (S. 31) granting a pension to Mary L. Chrisope;

A bill (S. 32) granting a pension to Edna A. Cole;

A bill (S. 33) granting a pension to Sarah K. Copeland;

A bill (S. 34) granting a pension to Martha Day;

A bill (S. 35) granting a pension to Minnie Dean;

A bill (S. 36) granting a pension to Olive Hancock Entrekin;

A bill (S. 37) granting a pension to Lura C. Fields;

A bill (S. 38) granting a pension to Susie Fike;

A bill (S. 39) granting a pension to Eliza Ford;

A bill (S. 40) granting a pension to Stillman Garrett;

A bill (S. 41) granting an increase of pension to Caroline Hall;

A bill (S. 42) granting an increase of pension to Rinda Hammock;

A bill (S. 43) granting a pension to Belle Hockensmith;

A bill (S. 44) granting a pension to David Huffman;

A bill (S. 45) granting a pension to Pearl Laber;

A bill (S. 46) granting a pension to Mary A. Lane;

A bill (S. 47) granting an increase of pension to Nancy A. Mathis;

A bill (S. 48) granting a pension to George H. Miller;

A bill (S. 49) granting a pension to Mary E. Mitchell;

A bill (S. 50) granting a pension to Polly Ann Newton;

A bill (S. 51) granting a pension to Sarah J. Parker;
A bill (S. 52) granting a pension to Alice Paver;
A bill (S. 53) granting an increase of pension to Freely M. Seward;
A bill (S. 54) granting an increase of pension to Sarah J. Shepard;
A bill (S. 55) granting an increase of pension to Minerva E. Shoemaker;
A bill (S. 56) granting an increase of pension to Susan A. Taylor;
A bill (S. 57) granting a pension to Ellen Theurer; and
A bill (S. 58) granting a pension to Nancy Ann Williamson; to the Committee on Pensions.

By Mr. CAREY:

A bill (S. 59) for the leasing of agricultural lands by the Secretary of Agriculture for the purpose of reducing overproduction of certain agricultural commodities; to the Committee on Agriculture and Forestry.

By Mr. HEBERT:

A bill (S. 60) for the relief of Richard J. Rooney;
A bill (S. 61) for the relief of Apostolis B. Cascambas; and
A bill (S. 62) for the relief of George Lancellotta; to the Committee on Claims.
A bill (S. 63) for the relief of Charles E. Wilson; to the Committee on Military Affairs.
A bill (S. 64) granting a pension to Edward Francis Bailey;
A bill (S. 65) granting a pension to James Francis Feeley; and
A bill (S. 66) granting a pension to Amasa P. Taber; to the Committee on Pensions.

By Mr. CLARK:

A bill (S. 67) to amend the act of January 22, 1932 (Public Law No. 2, 72d Cong.), creating the Reconstruction Finance Corporation; to the Committee on Banking and Currency.
A bill (S. 68) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes; to the Committee on Finance.

By Mr. BANKHEAD:

A bill (S. 69) to provide for the redistribution of the overbalance of population in industrial centers by aiding in the purchase of subsistence farms, and for other purposes; to the Committee on Agriculture and Forestry.

Mr. THOMAS of Oklahoma. Mr. President, at the request of Senator WHEELER, of Montana, I ask leave to introduce a bill in his name and for him.

The VICE PRESIDENT. The bill will be received and appropriately referred.

By Mr. THOMAS of Oklahoma (for Mr. WHEELER):

A bill (S. 70) to establish a bimetallic system of currency, employing gold and silver, to fix the relative value of gold and silver, to provide for the free coinage of silver as well as gold, and for other purposes; to the Committee on Finance.

By Mr. THOMAS of Oklahoma:

A bill (S. 71) for the relief of Zoe A. Tilghman; to the Committee on Claims.
A bill (S. 72) to provide for controlled expansion of the currency and the immediate payment to veterans of the face value of their adjusted-service certificates; to the Committee on Finance.
A bill (S. 73) to authorize the Comptroller General to allow claim of district numbered 13, Choctaw County, Okla., for payment of tuition for Indian pupils; and
A bill (S. 74) to authorize payment of expenses of formulating claims of the Kiowa, Comanche, and Apache Indians of Oklahoma against the United States, and for other purposes; to the Committee on Indian Affairs.

By Mr. McADOO:

A bill (S. 75) to indemnify depositors in "member banks", as defined by the Federal Reserve Act, and in such other banks as shall comply with requirements prescribed by the Federal Reserve Board, against loss in the event of the failure or suspension of business of such banks; to the Committee on Banking and Currency.

By Mr. DILL:

A bill (S. 76) to provide for checking accounts in Postal Savings banks, and for other purposes; to the Committee on Post Offices and Post Roads.
A bill (S. 77) to provide a preliminary examination of the Snoqualmie, Skykomish, and Snohomish Rivers and their tributaries in the State of Washington, with a view to the control of their floods; to the Committee on Commerce.
A bill (S. 78) for the relief of F. A. Hoffman;
A bill (S. 79) for the relief of Johnson Bros., Inc.;
A bill (S. 80) for the relief of William M. Wiser;
A bill (S. 81) for the relief of Molly Stark Williams;
A bill (S. 82) for the relief of Naomi L. Thompson;
A bill (S. 83) for the relief of H. M. Thatcher;
A bill (S. 84) for the relief of the Spokane & Eastern Trust Co., of Spokane, Wash.;
A bill (S. 85) for the relief of Paul J. Sisk;
A bill (S. 86) for the relief of A. L. Ostrander;
A bill (S. 87) for the relief of Lucille McClure;
A bill (S. 88) for the relief of Fred Ferch;
A bill (S. 89) for the relief of Ragnor Dahl;
A bill (S. 90) for the relief of Mick C. Cooper; and
A bill (S. 91) for the relief of James C. Langley and Elena R. Langley; to the Committee on Claims.
A bill (S. 92) authorizing the payment to Peter C. McCartin of allotments made to his children under the Veterans' Act of 1924; to the Committee on Finance.
A bill (S. 93) for the relief of James J. Walker;
A bill (S. 94) for the relief of Henry Frye;
A bill (S. 95) for the relief of Herman Wulff;
A bill (S. 96) for the relief of Thomas O'Connor;
A bill (S. 97) for the relief of Joseph E. Goddard;
A bill (S. 98) for the relief of William W. Giles, deceased;
A bill (S. 99) for the relief of Francis Gerrity;
A bill (S. 100) for the relief of Walter Gray;
A bill (S. 101) for the relief of Robert Gray Fry;
A bill (S. 102) for the relief of Harry Fallon;
A bill (S. 103) for the relief of John M. Elliott;
A bill (S. 104) for the relief of Robert B. Early;
A bill (S. 105) for the relief of Dennis F. Collins;
A bill (S. 106) for the relief of Presly Holliday, quartermaster sergeant, Quartermaster Corps, on the retired list, and for other purposes;
A bill (S. 107) for the relief of Theophilus Steele;
A bill (S. 108) authorizing the appointment and retirement as a brigadier general, United States Army, of W. R. Abercrombie;
A bill (S. 109) for the relief of William K. Beldin;
A bill (S. 110) for the relief of Thomas M. Buist;
A bill (S. 111) for the relief of William L. Charlton; and
A bill (S. 112) authorizing the appointment and retirement as a major, United States Army, of Harold L. Coffin; to the Committee on Military Affairs.
A bill (S. 113) for the relief of Hans Dahl; to the Committee on Naval Affairs.
A bill (S. 114) granting a pension to Richard J. Queener;
A bill (S. 115) granting a pension to Jay Dee Hoffman;
A bill (S. 116) granting a pension to Hamilton Miller;
A bill (S. 117) granting a pension to Rose Bingman;
A bill (S. 118) granting a pension to Margaret Keefe;
A bill (S. 119) granting a pension to William A. Hone;
A bill (S. 120) granting a pension to Theresa Elizabeth Mapes;
A bill (S. 121) granting an increase of pension to Kate E. Snow;
A bill (S. 122) granting a pension to Nellie J. Wood;
A bill (S. 123) granting a pension to John W. Ferwerda;
A bill (S. 124) granting a pension to Oliver L. Wolford;
A bill (S. 125) granting a pension to James William Vaughn;
A bill (S. 126) granting a pension to Walter J. Taylor;
A bill (S. 127) granting a pension to Lee A. Smith;
A bill (S. 128) granting a pension to Arminda C. Shook;
A bill (S. 129) granting a pension to Andrew J. Shaw;
A bill (S. 130) granting a pension to J. C. Ruark;

A bill (S. 131) granting an increase of pension to Lillie Randall;

A bill (S. 132) granting a pension to Clinton Pickrel;

A bill (S. 133) granting an increase of pension to Helen A. O'Haver;

A bill (S. 134) granting an increase of pension to Max Lilienthal;

A bill (S. 135) granting a pension to Thomas Lamb;

A bill (S. 136) granting a pension to Charles T. Kineth;

A bill (S. 137) granting an increase of pension to John O. Jones;

A bill (S. 138) granting a pension to Nellie Haag;

A bill (S. 139) granting a pension to Minnie H. Goddard;

A bill (S. 140) granting a pension to Ellen Giard;

A bill (S. 141) granting an increase of pension to Mary Ella Flores;

A bill (S. 142) granting a pension to Ardelle Melco;

A bill (S. 143) granting a pension to Stephen S. Floe; and

A bill (S. 144) granting a pension to Margaret E. Brown; to the Committee on Pensions.

(Senate bills 145, 146, and 147, introduced by Mr. PITTMAN, were referred to the Committee on Banking and Currency and appear under a separate heading.)

(Senate bill 148, introduced by Mr. MCGILL; Senate bill 149, introduced by Mr. SHEPPARD; Senate bill 150, introduced by Mr. KING; Senate bill 151, introduced by Mr. ROBINSON of Arkansas (for Mr. WHEELER); Senate bills 152 and 153, introduced by Mr. JOHNSON; Senate bill 154, introduced by Mr. FLETCHER; Senate bill 155, introduced by Mr. BARKLEY; and Senate bill 156, introduced by Mr. MCNARY, were passed. These bills appear under separate headings.)

By Mr. ASHURST:

A bill (S. 157) to amend an act approved March 4, 1929 (45 Stat. 1548), entitled "An act to supplement the last three paragraphs of section 5 of the act of March 4, 1915 (38 Stat. 1161), as amended by the act of March 21, 1918 (40 Stat. 458)"; to the Committee on Public Lands and Surveys.

By Mr. BLACK:

A bill (S. 158) to prevent interstate commerce in certain commodities and articles produced or manufactured in industrial activities in which persons are employed more than 5 days per week or 6 hours per day; to the Committee on the Judiciary.

By Mr. BYRNES:

A bill (S. 159) to provide for the creation of a Federal land and loan corporation, for the refinancing of farm-mortgage indebtedness in the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. DAVIS:

A bill (S. 160) providing import duties on coal and coke imported into the United States from foreign countries; to the Committee on Finance.

By Mr. KEYES:

A bill (S. 161) to create an establishment to be known as the "National Archives", and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. MCNARY (by request):

A bill (S. 162) to provide for the use in motor fuels of alcohol manufactured from agricultural products grown in the United States; to the Committee on Agriculture and Forestry.

By Mr. REED:

A bill (S. 163) for the relief of Capt. Guy M. Kinman; to the Committee on Claims.

By Mr. KEAN:

A bill (S. 164) for the relief of Joseph Gould; to the Committee on Naval Affairs.

A bill (S. 165) to correct the military record of Albert Anderson; and

A bill (S. 166) for the relief of Robert J. Foster; to the Committee on Military Affairs.

A bill (S. 167) granting a pension to Florence L. Bright;

A bill (S. 168) granting a pension to Amanda Loper; and

A bill (S. 169) granting a pension to Joanna Douglass; to the Committee on Pensions.

A bill (S. 170) for the relief of Patrick Henry Walsh;

A bill (S. 171) for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey;

A bill (S. 172) for the relief of the First Camden National Bank & Trust Co., of Camden, N.J.;

A bill (S. 173) for the relief of Martin-Walsh, Inc.;

A bill (S. 174) for the relief of Elizabeth T. Cloud;

A bill (S. 175) for the relief of Lauritis Sorensen;

A bill (S. 176) for the relief of Harry Harsin;

A bill (S. 177) for the relief of Woodhouse Chain Works;

A bill (S. 178) for the relief of the Morristown Trust Co., of Morristown, N.J.; and

A bill (S. 179) for the relief of the Paterson Savings Institution, of Paterson, N.J.; to the Committee on Claims.

By Mr. SMITH:

A bill (S. 180) to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture; to the Committee on Agriculture and Forestry.

By Mr. NEELY:

A bill (S. 181) for the relief of James Evans Monroe; to the Committee on Claims.

A bill (S. 182) granting a pension to Archie Flynn;

A bill (S. 183) granting an increase of pension to Sarah E. Pratt;

A bill (S. 184) granting a pension to Roy Wilcox;

A bill (S. 185) granting a pension to Joseph J. McNeal;

A bill (S. 186) granting an increase of pension to William C. Milliner;

A bill (S. 187) granting a pension to Cale Stinnett;

A bill (S. 188) granting an increase of pension to Blanche Welker;

A bill (S. 189) granting a pension to Anna Marie Flautt;

A bill (S. 190) granting a pension to Hattie Jane Koon; and

A bill (S. 191) granting a pension to Charles Rufus Koon; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 192) for the prevention of obstructions and burdens upon interstate commerce in butter and eggs by regulating transactions relating to future sales on commodity exchanges; to the Committee on Agriculture and Forestry.

A bill (S. 193) to amend section 586c of the act entitled "An act to amend subchapter 1 of chapter 18 of the Code of Laws for the District of Columbia relating to degree-conferring institutions", approved March 2, 1929;

A bill (S. 194) to change the name of B Street SW., in the District of Columbia; and

A bill (S. 195) respecting contracts of industrial life insurance in the District of Columbia; to the Committee on the District of Columbia.

A bill (S. 196) granting a pension to Sarah Hagar Lewis;

A bill (S. 197) granting a pension to Mary A. Beck;

A bill (S. 198) granting a pension to Mary E. Bordwell;

A bill (S. 199) granting an increase of pension to Lena Bradshaw;

A bill (S. 200) granting a pension to Earl Cline;

A bill (S. 201) granting an increase of pension to Mattie F. Colebaugh;

A bill (S. 202) granting an increase of pension to Elizabeth B. Craig;

A bill (S. 203) granting an increase of pension to John C. Denbo;

A bill (S. 204) granting a pension to Hulda Dodds;

A bill (S. 205) granting a pension to Eliza Ellis;

A bill (S. 206) granting a pension to William Edward Fugatt;

A bill (S. 207) granting a pension to George G. Gribben;

A bill (S. 208) granting a pension to Everett Goodwin;

A bill (S. 209) granting an increase of pension to Sarah J. Henderson;

A bill (S. 210) granting a pension to Amos Long;

A bill (S. 211) granting a pension to Allison J. Little;

A bill (S. 212) granting an increase of pension to Minnie Mahler;

A bill (S. 213) granting an increase of pension to Mary A. McNeil;

A bill (S. 214) granting an increase of pension to Jane A. McNelly;

A bill (S. 215) granting a pension to Drusilla Mikesell;

A bill (S. 216) granting an increase of pension to Martha J. Morgan;

A bill (S. 217) granting an increase of pension to Hannah Morrison;

A bill (S. 218) granting a pension to Massie E. Osborn;

A bill (S. 219) granting an increase of pension to Mary L. Parker;

A bill (S. 220) granting an increase of pension to Mary A. Phillippi;

A bill (S. 221) granting an increase of pension to Sarah J. Pitts;

A bill (S. 222) granting a pension to Charles O. Puckett;

A bill (S. 223) granting an increase of pension to Maria Roseberry;

A bill (S. 224) granting a pension to Nancy Jane Ruffin;

A bill (S. 225) granting a pension to Hannah A. Smith;

A bill (S. 226) granting an increase of pension to Alice M. Strine;

A bill (S. 227) granting an increase of pension to Ellen M. Thomas;

A bill (S. 228) granting an increase of pension to Nancy J. Walker;

A bill (S. 229) granting a pension to Frank L. Wilkinson;

A bill (S. 230) granting an increase of pension to Terressa Willoughby; and

A bill (S. 231) granting an increase of pension to Drusilla Wright; to the Committee on Pensions.

A bill (S. 232) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Elmer E. Miller; to the Committee on Claims.

By Mr. ROBINSON of Arkansas:

A bill (S. 233) to maintain the credit of the United States Government; to the Committee on Finance.

By Mr. ASHURST:

A joint resolution (S.J.Res. 6) proposing an amendment to the Constitution of the United States; and

A joint resolution (S.J.Res. 7) proposing an amendment to the Constitution of the United States relative to taxes on certain incomes; to the Committee on the Judiciary.

By Mr. CAREY and Mr. STEIWER:

A joint resolution (S.J.Res. 8) authorizing the fixing of grazing fees on lands within national forests; to the Committee on Agriculture and Forestry.

By Mr. CAPPER:

A joint resolution (S.J.Res. 9) proposing an amendment to the Constitution of the United States providing for national representation for the people of the District of Columbia; and

A joint resolution (S.J.Res. 10) proposing to amend the Constitution of the United States to exclude aliens in counting the whole number of persons in each State for apportionment of Representatives among the several States; to the Committee on the Judiciary.

By Mr. HEBERT:

A joint resolution (S.J.Res. 11) authorizing and requesting the President to extend an invitation to foreign governments to be represented by delegates at the Sixth World's Poultry Congress, to be held in the United States in 1936, and to participate in the educational and live-bird exhibits of the Congress; and

A joint resolution (S.J.Res. 12) authorizing an appropriation to enable the United States to send an educational exhibit and for the expenses of official delegates to the Fifth World's Poultry Congress to be held at Rome, Italy, September 6 to 15, 1933; to the Committee on Agriculture and Forestry.

By Mr. NYE:

A joint resolution (S.J.Res. 13) authorizing the Attorney General, with the concurrence of the Secretary of the Navy, to release claims of the United States upon certain assets of the Pan American Petroleum Co. and the Richfield Oil Co. of California and others in connection with collections upon a certain judgment in favor of the United States against the Pan American Petroleum Co. heretofore duly entered; to the Committee on Public Lands and Surveys.

NATIONAL USE OF SILVER

Mr. PITTMAN introduced the following bills, which were severally read twice by their titles and referred to the Committee on Banking and Currency:

A bill (S. 145) to authorize payment of foreign debts in silver under certain limitations;

A bill (S. 146) to authorize the purchase by the Government of silver produced in the United States, to provide for the issuance of silver certificates in payment therefor, to provide for the coinage of such silver, and for other purposes; and

A bill (S. 147) to authorize the purchase by the Government of $250,000,000 worth of silver, to provide for the issuance of silver certificates in payment therefor, to provide for the coinage of such silver, and for other purposes.

Mr. PITTMAN. Mr. President, in connection with the bills relating to the use of silver introduced by me, I ask unanimous consent to have printed in the RECORD and referred to the Committee on Banking and Currency, a statement entitled "China's Foreign Trade and the Silver Market", and also three other statements or addresses made by me in relation to commodity and silver prices, remonetization, and stabilization of silver without disturbing the gold standard, and payment in silver of the next British-debt installment.

There being no objection, the articles were referred to the Committee on Banking and Currency and ordered to be printed in the RECORD as follows:

CHINA'S FOREIGN TRADE AND THE SILVER MARKET

The currency of China is based on a silver standard. So far as the internal trade and business of China is concerned, a fluctuation in the price of silver in terms of gold for the currencies of foreign countries not on a silver standard has a negligible effect; but when it comes to purchases by China abroad violent fluctuations in the price of silver have a marked effect, and the recent drastic decline in the price of silver from around 65 cents an ounce in 1926 to 27 cents an ounce at the present time has a profound effect. Its effect is not only injurious to present trade with China but is even more alarming when viewed from a long-term trend.

I wish briefly to point out these effects: First, from the point of view of prophecies made of the inevitable effect of the drastic decline in silver which has occurred by those best qualified to judge of the probable effect; second, by presenting to you the actual results which have occurred from this decline in the price of silver; and, third, to outline the beneficial effects which will result from a rise in the price of silver to its normal ratio with the currencies of the other countries of the world.

The Secretary of State for Foreign Affairs and President of the Board of Trade of Great Britain appointed on March 18, 1930, the British Economic Mission to the Far East to inquire into the present condition of British trade with China and Japan, and to report what action should be taken to develop and increase that trade. Mr. Ernest Thompson was appointed as chairman of the mission. The mission left London in September, 1930, and returned to London in April of 1931; and during this time they made an exhaustive investigation of the trade situation in both Japan and China, at a cost to the British Government of some * * * thousand pounds. Their report, in dealing with the silver question, makes the following statements:

"At page 111, section 232:

"'The silver question: There exists in China today one outstanding problem which faces all nations desirous of selling their goods in the China market. The deplorably low silver values and the consequently much reduced buying of the vast populace are factors contributing to restrict the increase of imports into China from foreign countries. Finding it increasingly difficult to buy (for payment in gold) goods from abroad, China will be driven to discover ways and means of producing her own requirements. Should she continue to remain on a greatly depreciated silver basis for some years it is obvious that she will of necessity not only quickly enlarge her industrial capacity and manufacture goods now made in foreign countries but will be able to export many of such goods to markets abroad now being served by Great Britain.' * * *

"And at page 127, section 302:

"'The continued depreciation of the value of silver has enormously reduced the purchasing power of China, and if it continues, will hasten the growth of industries in China, the manufactures of which will compete with imported products from Great Britain. Reduction in the value of silver also increases the difficulties of China in meeting interest on foreign loans and so compels her to raise further revenue by increasing import duties. If

the depreciation of silver were to affect the foreign loan service, much damage would be inflicted on British interests.

"303: 'In our opinion, every means should be sought of bringing about the stabilization of silver and so of restoring to China her full purchasing power. Only by international agreement can this result be attained, and we feel that Great Britain should take a leading part in endeavoring to secure such agreement.'"

On September 22, 1931, the China Association of Great Britain, under the chairmanship of Sir Robert Horne, formerly Chancellor of the Exchequer, adopted the following resolution:

"That this meeting states its conviction that the raising of the price of silver and its restoration to a place in the world's monetary system offers the quickest and most effective remedy to the present disastrous fall in prices, and expresses the hope that the governments principally concerned will at the earliest possible moment confer with this object in view."

Sir Hugo Cunliffe-Owen made the following statement in the Financial Times of London on September 23, 1931:

"What, then, are the causes of our economic and financial troubles? Put very briefly, they are the appreciation of gold in gold-standard countries and the depreciation of silver in silver-standard countries. * * *

"Not only has the fall in silver impaired the power of the East to buy our goods but it has enabled—indeed, forced—them to sell their manufactured products, in competition with our own, at prices so low as to oust our goods from important neutral markets. Self-interest alone, leaving aside altogether any question of equity or humanitarianism, demands that the West should realize its responsibility and that the more powerful gold-standard countries should regard it as their inescapable duty to insure at least the maintenance of a minimum price for silver. Action along this line would directly assist in restoring prosperity, not only to silver-using countries like China and India but also to silver-producing countries like Mexico, whose capacity for buying others' products has been ruinously depleted. The immediate result would be a marked revival in the trade of the gold-standard world."

The Right Honorable L. S. Avery, M.P., in the London Financial Times, stated:

"It is, I believe, no exaggeration to say that unless the price of silver is restored there is no chance of the solution of the Indian political crisis or of the establishment of an efficient government in China."

In 1926 Mr. Montagu Norman, governor, and Sir Charles Addis, a member of the court, of the Bank of England, and certainly among the greatest authorities in the world today on currency questions, gave the following joint evidence:

"I think that one has to bear in mind the interaction between gold and silver prices. There is a reaction upon gold when an extreme fall or rise takes place in the value of silver, which is none the less serious because it is indirect and not very apparent on the surface. The consequential changes in the price generally and in trade conditions which would be produced, the disturbance to the world's peace and confidence, the interference with the long-established social habits of the people of India in the use of silver, the shock to the reliance of a great country like China upon silver as a medium of currency and a common store of value could not fail to have important effects upon the gold prices of countries in Europe and, indeed, in America."

Sir Robert Horne, in an article published in the London Financial Times, referring to the above statement, says:

"All the troubles which these two distinguished bankers predicted have occurred. The result of the change in India to a gold-bullion standard, coupled with the resolution to sell on the market a vast portion of the store of rupees which the Indian Government possesses, has artificially depressed the price of silver to a greater degree than that of other commodities; has injuriously affected the purchasing power of nearly a thousand millions of the world's population in India and China, and has reacted upon the gold prices of staple articles of production. * * * If by some action on the part of governments the price of silver could be restored to some moderate level, it would seem reasonable to suppose that, in addition to the incentive which would be given to purchases by India and China, a beneficial result would be attained in connection with the general level of gold prices."

Now, let us analyze briefly what has happened to the import trade of China since the occurrence of the drastic decline in the price of silver, and to its industrial development. In 1928, 30.5 percent of the exports of the United States to China consisted of crude materials, 10.1 percent consisted of foodstuffs, 12.1 percent consisted of semimanufactured goods, 47.8 percent consisted of finished manufactured goods. In 1931, 49 percent of the imports consisted of crude materials, 13.9 percent consisted of foodstuffs, 10.7 percent of semimanufactured goods, and 26.4 percent of finished manufactured goods. The purchases of China from the United States of raw materials actually increased, while the purchases of finished manufactured goods were cut approximately in half.

This situation is still more strikingly shown by the report of China's import trade with the principal countries of the world. The decline of total imports from 1928 to 1931 was 45 percent. The decline in raw products and foodstuffs, however, was only 12 percent, while the decline in semimanufactured and manufactured articles was 55 percent. The significance of these figures is shown by an analysis by economic classes of the export trade of the United States to the whole of Europe. In 1928, 37.9 percent of the exports from the United States to Europe consisted of crude materials, 18 percent of foodstuffs, 14.8 percent of semimanufactured goods, and 29.2 percent of finished manufactures. In 1931, 25.5 percent of our exports were crude materials, 20.2 percent were foodstuffs, 13.4 percent were semimanufactured goods, and 40.9 percent were finished manufactured goods.

In other words, the percentage of our total sales to China consisting of crude materials has increased during this period, and the principal decline has been in manufactured goods, while the contrary is true of our trade with Europe, where the percentage of crude materials has declined, and the percentage of manufactured goods has increased. This can perhaps best be shown by examining a 3-cornered transaction. For many years Great Britain has had a large business in the sale of cotton piece goods to China, and the United States has had a large business in the sale of raw cotton to England, and a much smaller business in the sale of raw cotton to China. Let us examine what has happened to this 3-cornered trade. In 1928 Great Britain sold 153,399,100 square yards of cotton piece goods to China. In 1931 she sold 41,553,400 square yards, less than one third of her sales in 1928. In 1928 England bought 1,997,000 bales of cotton from the United States, and in 1931 she bought 899,000 bales of cotton from the United States, a drop of more than 50 percent. In 1898 China purchased 170,000 bales of cotton from the United States, and in 1931 she purchased 880,000 bales of cotton from the United States.

What is the significance of these figures? The reports of our trade commissioners to China are full of it. Throughout these reports are constant references to the declining imports, especially of manufactured goods by China, and a marked increase in the industrial development in China. The reason is simple. The purchasing power of a silver dollar in China has remained constant, increasing, if anything, so far as China is concerned, while, on the other hand, the purchasing power in terms of foreign merchandise has declined, decreasing to 40 percent of its 1926 level. The result is inevitable. China is buying where she can buy most cheaply, and that is at home; and to supply her requirements, she has gone into industrial development which is already seriously crippling our sales to China and which, if continued for a substantial length of time, will not only provide all of her requirements but constitute the most destructive competition for the rest of the world that the world has ever known. Our labor costs to meet this competition will be forced to the level of labor costs in China.

This situation has been aggravated by the fact that, as her foreign indebtedness is in gold and her normal income is in silver, the Government has been forced to place its import duties on a gold basis to provide sufficient revenue for loan service, thus increasing the barrier and raising the cost of foreign goods in China.

I quote the following extracts from reports of the Department of Commerce. On January 1, 1932, the China Monthly Trade Report says:

"China's industries enjoyed greater prosperity generally than in numerous years past. Increased import tariffs put into effect early in the year and low silver exchange, coupled with comparatively peaceful conditions, were the principal favorable factors. * * *"

Again, Mr. J. J. Ehrhardt, Chinese Trade Commissioner of the Department of Commerce, reporting in 1932, says:

"Increased import tariffs and low silver exchange have had an enormous effect on recent industrial expansion. * * *

"While the expansion of native industry has had the effect of decreasing the value of many manufactured imports, it has, at the same time, increased considerably the demand for many raw products. American exporters of manufactured articles have found it necessary to establish branch factories in the port cities in order to hold the market. These in most cases are only for the partial manufacture and assembly of goods, but undoubtedly will eventually expand to the extent of manufacturing almost entirely within the country. While America has participated only to a small extent in branch factories in China, other nationalities, especially Japan, have come in in considerably greater volume. Japanese and British establishments now predominate. Commodities now being manufactured in port cities of China include such items as batteries and flashlights; electrical equipment, such as telephones, transformers, electrical fittings, and appliances; radio equipment; textile machinery; steel sash; and recently railway cars."

The American Consulate General at Shanghai on October 4, 1932, reported as follows:

"Spindles, in 1915, 1,008,986; in 1932, about 4,900,000. Looms in 1915 amounted to 4,564, and in 1932 to 44,000. Cotton mills in China in 1913 numbered 31, and in 1932, 127. In 1925 there were 719,000,000 pounds of cotton yarn and 120,000,000 yards of cotton cloth produced, which by 1932 had risen to 960,000,000 pounds of cotton yarn and 810,000,000 yards of cloth."

Not only this, but the same report shows that China is proceeding to supply its own raw materials, as no less than 6,000,000 acres have been planted to cotton in 1932.

I could extend these extracts indefinitely, but they would only be additional proof of the uncontrovertible fact that the drastic drop in the price of silver has not only had the immediate effect of a great loss in current trade with China but, what is even a more disastrous tendency to the western world, of enormously expanding industrial development of the country, which, if continued, will make China not only self-sustaining but the most devastating competitor that we have ever known in the neutral markets of the world.

I have shown in previous speeches which I have made before this body that the normal supply and demand for silver is remarkably inelastic. Over 79 percent of the world's production of silver is a byproduct of other metals and tends to decrease with a declining price in other metals. This is shown by the fact that in 1929 the world produced 260,000,000 ounces of silver, and in 1932 only 160,000,000 ounces. In other words, declining prices tend to reduce the production of silver and thus stabilize its price.

The present decline of silver is primarily due to the dumping on the world's markets of immense amounts of demonetized silver from European countries and India, and the existence of a large supply of unsold silver in India which is hanging over the market. Probably the greatest expert on silver in the world today recently stated to me that in his opinion if it had not been for these abnormal supplies of silver the price would not have fallen below 50 cents an ounce.

A rise in the price of silver decreases the cost of foreign merchandise in China as compared to local merchandise, and must inevitably stimulate purchases from abroad with a resulting beneficial effect on the general level of prices. A rising price of silver increases the local costs in China, and must inevitably result in checking artificial industrial development in that country. A rising price of silver strengthens the position of the Chinese Government in lessening the burden of their foreign-debt service and creating the possibility of foreign loans. All of these results are highly desirable from our point of view and must inevitably have a tendency to improve the world price level.

COMMODITY PRICES AND SILVER PRICES

Speech by Hon. KEY PITTMAN, of Nevada, at the Thirty-fifth Annual Convention of the American Mining Congress, at the Mayflower Hotel, Washington, D.C., December 15, 1932. (Printed in the CONGRESSIONAL RECORD of December 15, 1932)

I intend, as briefly as I may, to discuss informally with you the silver problem as it affects international trade and commerce and particularly our export trade. The enormous loss to our mining industry in this country, the recession in mining operations, the resultant unemployment and suffering, are too well known to you of the Mining Congress to require discussion.

The world problem today is the commodity-price problem. The prosperity of industry, trade, and commerce depends upon the ability of people to purchase not alone the bare necessities of life but those things that make for comfort, enlightenment, high standards of living, and happiness. This purchasing power ultimately goes back to the price of commodities. The normal purchasing power that existed in most countries prior to 1930 has depreciated to its disastrous present level through the destructive depreciation in the price of commodities.

The agricultural problem—and the prosperity of agriculture is admitted to be the base of all prosperity—is the problem of raising commodity prices to a point where there will be a profit to the industry. Today many of our chief agricultural products must be sold below the cost of production. The effect upon the purchasing power of such producers is obvious. At least one third of our people are directly dependent for their purchasing power upon profits derived from the products of agriculture. When these people are unable to purchase the products of the manufacturer, the manufacturer is compelled to reduce his output, and as he reduces his output he discharges labor. Labor, as a group, is admittedly second in importance as a purchaser in our domestic market. As labor is compelled to join the ranks of the unemployed, it also joins the ranks of nonpurchasers and thus continues the process of the necessary reduction in plant operations. This is a vicious and unending circle which cannot and never will be terminated until the purchasing power of those engaged in agriculture have the price of their products raised to a level that will show a profit to the industry. The value of lands is dependent upon the profits that may be derived from them, and that in turn is dependent upon the profits that may be obtained from the commodities raised thereon. The value of manufacturing plants is determined by their earning capacity, and no plant operating on 15 or 20 per cent of its normal capacity can show a profit.

So when commodity prices are below the cost of a profit level, then property values decrease. As property values decrease, the power of governments to obtain money from taxation decreases, whether such taxes be levied against physical property or incomes. So the Budget problem is inevitably and eternally involved in the price of commodities. Our real problem can never be solved until the prices of commodities are raised, not only above the cost of production but to a level that will show a profit. When plant operations are reduced through loss of purchasers, carloadings fall off, and nothing can restore such loss save the restoration of the purchasing power of the people within our country. So again I repeat that all of our problems, both governmental and individual, are involved in the problem of commodity prices.

There is no overproduction as measured by the normal demands of our people for consumption. Production is less than it was prior to 1930, and yet our population has increased and the desires of our people for those things that they consumed prior to 1930 are unchanged. Surplus products in practically every country of the world have beaten down domestic prices. These surplus products, restrained from their natural foreign markets, have been thrown back on domestic markets, with a natural inevitable destruction of domestic prices.

This cessation or stagnation of foreign trade may be due to several causes, but undoubtedly it is chiefly due to two major causes. Tariff walls erected by 41 governments of the world in the last few years for the purpose of protecting their own markets against importation from foreign countries have undoubtedly been a major cause in the stagnation of trade.

The depreciation in the currencies of most of the countries of the world, as measured by the gold standard, has had the same effect as a tariff wall, and in most cases has multiplied the effect of tariff-duty walls. Even Great Britain's currency since she went off the gold-standard basis has depreciated over 30 per cent. The currency of other countries has depreciated very much more. Great Britain today in purchasing our products must buy our gold exchange with her depreciated currency and then pay our gold-standard price for our products. She can buy much more of the same products in countries where currency has depreciated as much as has hers or to a greater extent.

It seems to me inevitable that we will be isolated from world trade unless we lower the value as related to gold of our own currency, or the other countries of the world formerly on the gold standard have their currencies restored to their normal value with relation to gold. We do not desire, if it may be prevented, to lower the standard of value of our currency. It would have a disrupting effect upon our economic system and upon many of our financial obligations and indebtedness.

The difficulty of other governments returning to the gold standard is obvious. What aid our Government may give them is not clear. The United States and France have nearly three fourths of the monetary gold of the world. The problem of the redistribution of this gold, in the immediate future at least, appears almost insurmountable, and yet those governments that have gone off the gold standard can not return to the gold standard until the normal distribution of gold throughout the world has been restored. Let us for the time being, therefore, dismiss this problem.

There is another money-exchange problem that is destroying our export trade. I refer to the problem involved in the tremendous depreciation of the price of silver and its consequent effect upon the exchange value of the silver money of silver-money-using countries with our gold-standard money. Over half of the people of the world have no money save silver money. They have never used any other kind of money. To them it is money, good money, that maintains its par value within their own countries.

Take China as an illustration. The silver dollar, a dollar containing about the same amount of silver as our standard silver dollar, is the unit of money value in China. The fluctuation in the price of silver does not affect its purchasing power materially, if at all, within China. But when China seeks to purchase products of our country she is compelled to pay our price for our products and in our gold-standard money. What is the result? We only value the Chinese money at the price of the silver in the dollar, measured by the world price of silver, which, as you know, is uniform throughout the world. The Chinese silver dollar contains about seventy-eight one-hundredths of an ounce. The world price of silver to-day is around 25 cents an ounce. So the value of the silver in the Chinese silver dollar, in exchange for our currency, is worth only about 20 cents. In other words, the Chinese importer has to pay nearly 5 of his dollars for 1 of our dollars with which to purchase our products. He cannot afford to do it, with the result that he is only purchasing in the United States those things that are actually necessary in China and which China does not produce and cannot purchase elsewhere cheaper.

This is not the worst of it. Gold is flowing into China to purchase cheap silver money with which to cultivate products which they once purchased in the United States and to build factories to manufacture those things which they once bought from us.

This same condition applies as to every country where the ultimate purchaser must pay for our products in silver. We must raise the price of silver so as to raise the exchange value of silver money if we are to restore our exports to such countries and maintain our trade there. The question is, How may we do it? Silver has depreciated in value since 1928 from around 59 cents an ounce to its present low price of around 25 cents an ounce. Let us consider the chief cause in the depreciation of the price of silver. It was not due to overproduction, because the production of silver during that time has decreased from 260,970,029 ounces throughout the world in 1929 to approximately 130,000,000 ounces throughout the world during the first 10 months of 1932.

While it has not been due to overproduction, it has been due to oversupply and a threat of unlimited oversupply. First, Great Britain, France, and Belgium after the war started debasing their silver coins and throwing the residue of silver on the markets of the world. This caused an oversupply measured by the normal demand for silver.

Then, in 1928, the British Government for India commenced to melt up its silver rupee coins that were in the treasury and to dispose of the metal as bullion on the world market. The treasurer for India was authorized to melt up any quantity of silver coins and to sell them in any quantities at any

time and at any price. The sale of this silver commenced in 1928 and has continued. It has not only created a tremendous oversupply, with all of its bear effects, but the maintenance of the policy, the threat that accompanies it, and the vast supply of silver still available for such purposes have almost destroyed confidence as to any stable value in the price of silver. This must be stopped or offset. It may be stopped by an international agreement that governments will abandon—or at least suspend for a sufficient period of time—the practice and policy of melting up silver coins and disposing of the metal on the world market. If the Government for India refuses to enter into such a treaty, then other governments may place an embargo upon the importation of silver from India.

Our Government may adopt an act which I have introduced to purchase silver produced in the United States at the world market price of silver and with silver certificates of the denominations of $1, $5, and $10. This is not a new practice. It would cost our Government nothing. It would only expand our currency issue at the present time seven or eight million dollars annually in the form of these silver certificates, but it would take off of the market of the world the silver produced in the United States, which to a certain extent would offset the dumping from India of silver derived from the melting up of silver coins. If the Governments of Canada, Mexico, and Australia should pursue the same policy, then silver would be restored to its parity with gold as its exists with regard to our own silver coins in the United States.

The United States Government might accept, in full or partial payment, from Great Britain and other countries, silver at an agreed price, possibly slightly above its world market price, in payment of the international obligations due the United States. This silver could be placed in the Treasury of the United States, part of it coined into silver dollars against which silver certificates would be issued, redeemable as are our present silver certificates, with the silver dollars, if the holders of the silver certificates so desired. At the present market price of silver there would be surplus bullion for every dollar's worth purchased sufficient to coin three or more additional dollars to insure that the silver certificate issued would not depreciate below its par value. We have approximately $500,000,000 of such silver certificates now in circulation. They are circulating at par. No one questions their soundness. The Government of India owes the British Government, so it is reported, about $85,000,000. The Government of India desires to get rid of so much of its silver, so we are informed. India could pay its debt to Great Britain and Great Britain could utilize this silver to pay its debt to the United States without in any way impairing its gold reserve. This would exhaust the alleged excessive surplus of India and would induce India to enter into an agreement to abandon the practice and policy of melting up silver coins and disposing of the metal on the market of the world. This would insure, for many years, at least, the restoration of the law of supply and demand based upon normal mine supply, which has been uniform through the ages, and the normal demand, which has been equally uniform. If there were any fear in the minds of those who shiver when the name of silver is mentioned that there would be an oversupply for the United States, then our Government could place a limit upon the quantity of silver that it would accept for such purposes.

Of course, you and I know that the production of silver is as uniform as the production of gold, and that from the beginning of statistics covering hundreds of years there have only been 14½ ounces of silver produced to each ounce of gold. You know, as I know, that the only large available supply of silver in the world consists of five hundred million and odd standard silver dollars lying in the Treasury of the United States, against which silver certificates have been issued and are in circulation. You know that when the British Government for India in 1918 required 200,000,000 ounces of silver to redeem its silver rupee notes that the only place they could find a surplus supply of silver available was in the Treasury of the United States in the form of these same standard silver dollars, and we had to take them out and make them available to the British Government for India as a matter of war emergency.

Even the issuance of silver certificates against the large quantity of silver which might be taken into our Treasury, through the plan I have last suggested, would not place in circulation in proportion to our gold reserves as much silver currency as was in circulation in 1900 with relation to our gold reserves.

Through international agreement silver reserves might be gradually established in the treasuries of various countries, not in lieu of gold reserves upon which to base the gold standard, but as a support and relief to such gold standard. In my opinion, the easiest and the most direct relief to the economic situation throughout the world can be brought about through a larger use of silver money.

It would be absolutely unnecessary to attempt to fix the price. I am opposed to all price-fixing schemes. I know of no case in which they have worked. I only seek to restore the law of supply and demand. Once stabilize the supply to the normal mine supply, and the normal use and the exchange value of silver money would be substantially stabilized. Certainly the fluctuation in the exchange value of such silver money would not be sufficient to interfere with credit transactions based upon the future value of silver money.

REMONETIZATION AND STABILIZING OF SILVER WITHOUT DISTURBING GOLD STANDARD

Statement by Hon. KEY PITTMAN, United States Senator from Nevada, before the Committee on Coinage, Weights, and Measures of the House of Representatives on February 2, 1933. (Printed in the CONGRESSIONAL RECORD of February 3, 1933)

Mr. Chairman, I have the honor and pleasure to be before your committee upon your invitation to discuss legislation touching the world silver problem.

The traditions, habits, and conceptions of peoples developed throughout the ages cannot be changed—except possibly through long periods of evolution—by legislation. The money and the currencies based thereon of all civilized nations is now, and, since money has been used has been, gold and silver. Gold and silver were first used as an aid to and instrumentality in barter and trade. The ancient farmer discovered that a piece of silver of a certain size offered him in payment for a cow would be accepted in exchange for a horse. So the farmer accepted the piece of silver.

Laws did not make money of gold and silver. They were money before monetary laws were ever enacted. Laws were but declaratory for and served to fix the metal contents of coins for convenience in trade and the payment of debts. Gold and silver, whether in the form of bullion or coin, are and for ages have been accepted in exchange for goods throughout the world. There are sound reasons why such metals were accepted as mediums of exchange. These metals were found substantially everywhere, yet in all places they were scarce. Their production, while slow, was continuous and uniform. The ratio of the production of such metals was not only uniform but substantially certain. Since the beginning of time, as far as information can be obtained, there has not been produced throughout the world on the average more than 15 ounces of silver to 1 ounce of gold. During 1932 there were less than 13 ounces of silver produced to 1 ounce of gold throughout the world. This uniformity of production and ratio facilitated the use of both metals in trade and in the exchange of such metals. There was a natural ratio between such metals based upon equal demand and relative supply. Laws did not make gold and silver money, but laws decrease the demand for silver through restricting its use as money. This, of course, decreases its relative value. What I seek is first to remove or neutralize these restrictions so as to restore the normal law of supply and demand.

In the last 15 years the price of silver has fluctuated from $1.39 an ounce to 25 cents an ounce. The question naturally is asked, Why restore silver money to its fullest use and former exchange value with gold and prevent such wide fluctuations? The reasons that actuate me are these, namely:

1. Gold or silver is the measure of value of the currencies of all civilized governments, whether those metals be in possession or in expectancy.

2. There are only about 12½ billion dollars' worth of monetary gold known to be in existence. It is estimated that there is three times this amount of currency outstanding resting on and redeemable by this gold base. This is exclusive of the bonds, notes, contracts, and all other obligations payable in gold, which amount to many times this figure. It is generally admitted that the monetary stock of gold is now, or will in the reasonably near future, be insufficient as a base for the world's monetary requirements. This burden upon gold is accentuated by lack of confidence in ability to redeem gold currencies and obligations and the knowledge of the maldistribution of gold, and the requirements of the payment of international war debts in gold, and incidentally hoarding of gold by governments and individuals.

3. There are only approximately 11,000,000,000 ounces of silver available in the world for monetary purposes. Of this conservative estimate of 11,000,000,000 ounces probably 7,000,000,000 are permanently locked up in the hoards of India and China. If all this silver were used as a base for silver currencies and as a supplement for currencies based upon gold, whether used in international trade or exclusively for domestic purposes, it could not possibly increase the basic money of the world over $12,000,000,000 even if the parity of such basic silver money were restored to a parity with gold based upon the relative production of gold and silver.

4. It is now, and for ages has been, the measure of values and the wealth reserve of over half of the people of the world.

5. The depreciation in the value of silver has pro tanto depreciated the value of the money of silver-using countries in the exchange of their money for gold-standard moneys for the purchase of products in gold-standard countries.

6. This depreciation with regard to the money of silver-using countries has had the same effect upon our trade and commerce as with countries formerly on the gold standard that have gone off the gold standard and now have a depreciated currency as measured by gold.

7. We understand this effect upon our foreign trade with countries formerly on the gold-standard basis. The same condition now exists, and has existed since 1928, relative to our trade with countries whose ultimate purchasers pay for our products in silver.

8. Depreciated currencies—and I mean depreciated currencies in international trade, because it is only there that it is measured by the gold standard—have raised a wall against our exports and proportionately reduced our tariff protection against such countries of depreciated currency to substantially the amount of depreciation.

9. We are becoming isolated from world trade. Our surpluses are thrown on the domestic market, creating oversupply and a constant depreciation of commodity prices. This result is destructive not only of our foreign and domestic market but the maintenance of stable governments in silver-money-using countries. It forces their people to an industrialization destructive of our market for manufactured products in such countries. In substantiation of this statement, I call attention to the records of our Department of Commerce and reports of our officials.

10. The depreciation of the capacity of silver-money-using peoples to purchase our goods, produced and sold on the higher gold standard, has almost extinguished some of our greatest potential markets.

11. We are forced to the alternative of lowering our money measure of values or of raising the money measure of values of our foreign customers.

12. The destruction of the monetary value of silver in international trade will tend to force all countries ultimately upon the gold standard, and thus place a greater strain upon gold as the monetary base.

I have outlined—hastily, I must admit—some of the reasons that impel me to seek the remonetization or at least the restoration and stabilization of the value of silver. This determination is not new on my part. I have been working to this end 2 or 3 years. The action of the United States Senate convinces me that it agrees with such necessity whether it agrees with the means suggested or not.

In February 1931 the United States Senate adopted unanimously a resolution introduced by me requesting the President to call an international conference for the purpose of the removal of restrictions to a higher use of silver as money. The Chief Executive did not call such a conference.

I sought, then, to accomplish something by the action of our own Government. I introduced in the Senate a bill, the substance of which is now under consideration by your committee, in the form of a bill introduced in the House by Congressman McKEOWN, of Oklahoma, and referred to your committee, directing the Treasury Department to accept tenders of silver produced in the United States and to pay therefor in silver certificates to be used by our Government at the market price of silver, such price to be determined by the Treasury Department as of the date of tender. From the silver so purchased a standard silver dollar is to be coined, to be held in the Treasury for the redemption of each dollar silver certificate issued for the purchase of such silver.

There would, of course, be a surplus of bullion remaining in the Treasury. At the present market price the Treasury Department would purchase nearly 4 ounces of silver for a $1 silver certificate. As it only requires about seventy-eight one-hundredths of an ounce of silver to manufacture a silver dollar, there would remain a surplus of approximately 3.22 ounces of such silver in the Treasury in addition to such standard silver dollar so purchased by the dollar certificate. This surplus silver is to remain in the Treasury as additional security against any depreciation in the value of the silver certificate. This additional security, in my opinion, is unnecessary, but it satisfies the fear of those who are constantly uneasy with regard to the depreciation of our currencies. There are now in circulation in the United States nearly $500,000,000 in dollar certificates issued under similar laws, and these certificates have not during this century suffered any threat of depreciation.

I must confess that this act will not result in any material expansion in our currency. Such is not the intent of the act. The purpose of the act is to have our Government do something that seems necessary that individuals cannot do. The act will result in the reduction of the world's supply of silver on the market of the world for a period of 5 years. There is an oversupply of silver on the market. This word "oversupply" must be distinguished from "overproduction." There is no overproduction of silver. When I say production I mean mine production. When I say supply I mean silver thrown on the market of the world derived from all sources, including the debasing and melting up of silver coins in various countries.

For instance, in 1929 the world production of silver was 261,511,985 ounces. In 1931 it was 192,709,971 ounces. For 1932, based on estimates, it was approximately 160,000,000 ounces. But the total supply in 1929 was 328,511,985 ounces and in 1931 it was 255,266,700 ounces. The supply over production was derived from the melting up of silver coins in India and the selling of the metal on the markets of the world. This oversupply, coming from an unnatural source, had the natural effect of beating down the price of silver.

There was an even greater effect than in selling this silver, and that was the authority of the secretary of the treasury for India to sell any quantity of such silver at any time and at any price, while at the same time he had a supply on hand of such silver equal to the world's production for approximately 2 years. In other words, in 1928, when India started to sell silver from melted coins, it had approximately 400,000,000 ounces of silver in such form in its treasury. Today, after selling approximately 140,000,000 ounces of such silver, it has around 400,000,000 ounces of silver still available in the treasury for such sale. This is due to accretions in the treasury from general circulation. According to reports from India, such sales are continuing, notwithstanding the abnormally low price of silver. There is no indication that such sales will cease.

It is futile to discuss here the causes that have and now actuate the British Government for India in the initiation and continuance of such policy. The fact is it has been destructive to the exchange value of the silver moneys of such silver-using countries as China, and has destroyed the export trade to all those countries from countries on the gold standard, such as the United States.

The question was and is, What can we do about it? The British industrialists have protested against the policy. It is protested against by the president of the Imperial Bank of India and by the Indian people. These protests have been of no avail.

Sir George Shuster, the treasurer for India, who seems to have arbitrary powers in the matter, has demanded that silver producers reduce their production. He is still as ignorant of the facts with regard to the production and consumption of silver as he was when he inaugurated the destructive Indian policy. He did not know then—and apparently he does not know now—that 70 percent of the silver production of the world is a byproduct in the production of other metals, such as gold, copper, lead, and zinc, and that so long as there is a market for such metals they will be produced, and, of course, silver will be produced as a byproduct. He did not know—and he probably does not know now—that the maximum production of silver in the world for all time was only 260,000,000 ounces in a year. He does not know that there was only a normal increase in the consumption of silver, which was accurately measured by the normal increase in production. He does not remember that when during the war a crisis arose by reason of the inability of the British Government for India to obtain silver for the redemption of their silver rupee notes that the only available surplus of silver in the world that could be found were the standard silver dollars in the Treasury of the United States, and that we had to take those silver dollars out of the Treasury and supply them to meet such demand. Such ignorance is not subject to criticism, for it is general, nor are my statements intended as a criticism.

A majority of our economists and financiers hold to the myth that silver can be supplied without limit. They know nothing of the statistics of the production and consumption of silver throughout the ages.

I beg you to pardon me, Mr. Chairman, for diverting from my subject. Sir George Shuster has demanded that the producers of silver reduce their production. This cannot be accomplished, for the reasons I have stated.

Our Government, however, can take off the market the annual production of the United States for the period of 5 years, as provided in my bill. This will, to a certain extent, comply with the arbitrary demands of Sir George Shuster, and will, to a certain extent, neutralize the oversupply that he insists must be thrown on the market of the world.

Let me explain this: Sir George Shuster desires to sell silver derived from such melted coins—from thirty to fifty million ounces of silver a year. The United States produced in 1932 only 24,000,000 ounces. The most it has ever produced is 61,000,000 ounces. That was during the great peak production of copper, lead, and zinc in this country. The withdrawal of silver from the market of the world through the process of my bill will neutralize, to a certain extent, the oversupply derived from the melting up of Indian coins. If the Governments of Canada and Mexico should follow a similar procedure, then all of the sale from India would be neutralized and the law of supply and demand, based upon mine production and normal purchases, could be maintained and silver would return to the normal price of around 60 cents an ounce.

Now let me cite to you some of the objections made to this bill of mine by the Secretary of the Treasury, Mr. Ogden Mills.

In the first place, he contends that if I seek expansion of currency, my plan will not result in any material expansion. He is right in that, because it would only take about $6,000,000 in silver certificates to purchase all the silver produced in the United States for 1932.

He doubts whether it would aid the mining industry. It is true that the producer of silver would get no more money for his silver from the Treasury than he would obtain anywhere else in the world, because the market price of silver is the same throughout the world, being fixed by four brokers in London every morning. The miner, however, would be helped by being able to sell to the Government and thus reduce the oversupply of the world, caused by the action of the British Government for India; and, of course, the neutralization of the silver supply would tend to restore silver to its normal price of between 60 and 65 cents an ounce. In that manner the silver producer would be benefited. That, however, is a small part of the benefits to be derived from the act. What I seek is to restore the purchasing power of the depreciated currencies of China and other silver-using countries, as all of us seek to restore the normal value of the depreciated currencies of those countries who have gone off the gold standard. This will help in the purchase of the world's surplus production, thus lifting it off the world's domestic markets and thereby increasing commodity and property prices, which, in my opinion, is the essential thing to the return of universal prosperity.

The Secretary of the Treasury, in his correspondence with me, contends that silver is only a commodity and that there is no more reason why the Government should buy silver than it should buy any other commodity. He forgets that silver is not as much a commodity as gold. He forgets that four fifths of the silver now being produced, and that ever has been produced, has been used for monetary purposes, while only half of the gold ever produced has been used for monetary purposes. He forgets that over half the people of the world use silver as money in their own countries, and that they can not use it as money in exchange for our money, with which to buy our products, because

we value gold so high and silver so low. He suggests that the time might come when there would be an overbalancing of silver currencies as against currencies based on gold.

No one expects there will be much increase in the silver production of the United States in the next few years. It is now 24,000,000 ounces annually. Its maximum was 60,000,000 ounces. The purchases only exist for 5 years. If the average during that period was 45,000,000 ounces per annum, it would only mean 225,000,000 ounces. At the present price of silver it would be less than $60,000,000 in silver-certificate issues. Even with this issue added to our present issue of silver in silver certificates, the proportion of silver issues as against gold issues in our country would be far less than they were in 1913.

The question is, Why do I support this bill, which has negligible power for currency expansion, against other silver bills which have greater power of currency expansion?

The first reason is that I am directly interested in obtaining a market for the surplus production of our country through the restoration of our export trade.

The second reason is that there may be other methods of expansion within our present monetary system, and the third reason is that my bill is the only bill of the many introduced in the United States Senate that has received a favorable report from any committee.

I realize that there are two principles involved in legislation. One of them is to take nothing less than what you think is right, and the other is to compromise upon the best you can obtain if it constitutes an advance. My bill, in my opinion—and I am only using my judgment as a legislator—is the most that can be obtained through congressional legislation in the near future, and certainly we are faced with an emergency that requires expeditious action. Other advances may be made in the future, but I doubt if any further advance can be made at the present. I have voted against more far-reaching silver measures because I knew that the advocacy of such measures was futile—yes; even more than futile. It would confuse the minds of legislators and arouse the suspicion of an intent to attack our present gold-standard monetary system.

I have no intention of undermining, weakening, or destroying our present gold-standard monetary system. I do not think that it is at all necessary to the remonetization, the restoration to parity with gold, and the stabilization of silver prices. Gold today measures the international value of every currency in the world, whether it be the pound sterling or the Chinese dollar. I am speaking of the value of money in the purchase of goods in other countries. The Chinese dollar has a par value in China and in purchasing goods in the United States it has only a value of 20 cents. Gold is accepted throughout the world today as the measure of the value of money in international trade. It has existed for 60 years at least. It would be difficult to change it by legislation. Nothing would be accomplished by changing it through legislation.

What we seek is to have other measures of value conform to the gold measure. That is what we have done and are now doing in the United States. We have more silver in circulation in the United States and silver currency than any other country of the world outside of China and India. One-twelfth of our currency is silver currency. Our dollar is worth $1.29 an ounce in gold. The same-sized silver dollar in China is worth 20 cents in our gold. There is only approximately 20 cents' worth of silver in our silver dollar, measured by the market price of silver, and yet 10 of our standard silver dollars readily exchange for $10 in gold, which makes the price of the silver in the silver dollar $1.29 an ounce. If every great commercial country in the world had the same system, there would be no question about the parity of silver with gold, and that would be on the natural parity of 16 to 1. In that event, the Chinese would not have to pay $3,000 for an automobile through the process of exchanging their money for gold, but would exchange their silver dollar for a dollar of our gold, and would only have to pay $600 for an automobile.

I came here at your invitation to discuss the reasons for my bill. I beg your pardon for having diverged onto the general silver problem. I am not here to oppose any other bill that has been introduced. I seek only that which may possibly become law without delay.

I am satisfied that purchasing power must be increased, not only in our own country but throughout the world, before prosperity can possibly return. I do not believe that purchasing power can be increased until a larger quantity of sound money can be made available for those who must purchase money with goods and property. I do not claim that the expansion of available money through the restoration of the purchasing power of silver is a panacea for all our ills. I am convinced, however, after a long study of the situation, that such restoration would instantly increase purchases in our country, reduce our surplus of production, and thus increase our purchasing power, increase the capacity of our manufacturing institutions and the employment of our labor. I cannot content myself with the policy now indulged in by some of our statesmen that the only remedy is liquidation, liquidation, further and further liquidation.

I have no confidence in the theory that the depression has flattened out. I admit that it has been retarded. This frequently happens just before death. I admit that our airplane of finance spiraled too rapidly up into the stratosphere. We all know that it has been in a tail-spin, rapidly and dangerously approaching earth. The pilot may have gained some control, he may have flattened it out to some extent, but we know that the earth is close and that a crash will bring destruction and conflagration. It may be flattened out, but what obstacles are ahead of us in the fog we do not know. Isn't it time to pull back on the controls and elevate our financial plane so that it may assuredly and safely rise above all obstructions?

I ask leave to file with your committee as a part of my remarks the report of the Banking and Currency Committee of the United States Senate in which it approved my Silver Purchase Act, which in identical form is now under consideration by your committee as introduced by Congressman MCKEOWN, of Oklahoma.

PAYMENT IN SILVER OF NEXT BRITISH DEBT INSTALLMENT

Speech by Senator KEY PITTMAN, of Nevada, in the Senate of the United States, Monday, February 13, 1933

Mr. PITTMAN. Mr. President, I propose by a bill which I shall introduce today to make it possible for Great Britain to pay in silver its interest installment amounting to $74,950,000 due the United States June 15, 1933.

The bill authorizes the President to accept from Great Britain silver not to exceed $100,000,000 in value at the market price of silver at the time of acceptance as a payment upon the British war debt.

The Government of India owes Great Britain approximately $85,000,000. It has been reported with some authority that the Government of India is desirous of paying this debt to Great Britain with silver. The acceptance by the United States of $74,950,000 worth of silver at the world-market price of silver of approximately 25 cents an ounce, which is probably lower than it ever will be again, would not only be profitable to the United States but advantageous both to the United States and Great Britain.

Under such a settlement the United States would receive 299,800,000 ounces of silver at the present market price of around 25 cents an ounce. Under the provisions of the bill our Government out of such silver would coin 74,950,000 standard silver dollars. It would deposit such standard silver dollars in the Treasury, and issue and circulate against them $74,950,000 in silver certificates similar to those now in circulation in the United States.

As it requires only seventy-eight one-hundredths of an ounce of silver in the coinage of standard silver dollars, there would remain therefore in the Treasury, in addition to such 74,950,000 standard silver dollars, 241,339,000 ounces of silver to be held in the Treasury as additional security for the maintenance of a parity of the silver certificates so issued.

The issuance of $74,950,000 in silver certificates would not overbalance our silver currency as against our gold currency in circulation. In fact, even with this addition, our silver currency in circulation in the United States would be proportionately less to gold than it was in 1913. There has not been in this century any threat of depreciation of our silver currency, although during all that time, except for the years 1920–23 when silver currency was temporarily reduced by sales to India, there has been in circulation in the United States silver currency in the form of silver certificates, standard silver dollars, and subsidiary coinage in amounts varying from $648,000,000 in 1900 to $850,000,000 in 1930. The only addition to our silver currency during the present century has come through subsidiary coinage.

The currency so issued would be in no sense fiat money, as there would be supporting it a sufficient amount of silver to insure at all times the intrinsic value of the silver certificates issued, while at the same time it would meet to a certain extent the growing demand in this country for an expansion of currency circulation available for our domestic trade.

The consummation of the plan proposed in the bill would relieve Great Britain from a further burden upon her gold reserves in the payment of her interest installment on June 15 and at the same time relieve her credit situation pending results of intergovernmental conversations and the coming international economic conference.

It would also enable the Government of India to carry out its fixed policy of disposing of three or four hundred million ounces of its Government silver without further pursuing the practice of dumping such alleged oversupply of Indian silver upon the markets of the world, which has been and is now so destructive of the exchange value in international trade of silver currencies throughout the world. There is little doubt, from the statement made by the Government of India, that with the disposal of such an amount of silver the practice put in effect by the Government of India, based upon the policy of 1926 of melting up Indian silver coins and selling the silver derived therefrom on the markets of the world, would be abandoned.

The bill requires, as a condition of the acceptance of such silver by the United States, that the Governments of Great Britain and India shall agree not to debase or melt up silver coins for a period of 5 years. As India is now practically the only country pursuing the policy of debasing and melting up silver coins, the abandonment of such policy by India would restore the price of silver, as the market would then be based on normal mine production and normal demand.

The return to normal mine supply and normal demand would undoubtedly restore the price of silver to between 60 and 70 cents an ounce, where it remained stable for many years, and thus raise and stabilize the exchange value of silver money in international trade.

May I at this point, for the benefit of some of our citizens who are not familiar with the definition of the terms, state what I

mean by the "exchange value of money or currencies in international trade"? The exchange value of all currencies in international trade is measured by the amount of gold for which such currencies may be exchanged. Our country, for instance, is on the gold standard. Our dollar may be exchanged for so many grains of gold. When the currency of another government can not be exchanged for as much gold as called for under the terms of issue we term that currency "depreciated", although it may circulate at its nominal or par value in the country of issue.

Returning to the question of the value of the silver proposed to be accepted: It is true that the demand for silver has to a certain extent decreased, owing to the debasement and melting up of silver coins, and also to the stagnation of international trade. Yet, on the other hand, the stagnation in trade, particularly in respect to copper, lead, and zinc, has decreased mine production of silver throughout the world from 261,511,985 ounces in 1929 to 160,000,000 ounces in 1932. The reason for this is readily understood when we are informed that 70 percent of the silver produced in the world is a byproduct of the mining of such metals. This natural fact provides an automatic control of the mine production of silver.

While there are probably 12,000,000,000 ounces of silver in existence, it was estimated by Mr. Francis H. Brownell, chairman of the board of directors of the American Smelting & Refining Co., at a recent hearing before the Committee on Coinage, Weights, and Measures of the House of Representatives, that a substantial rise in the price of silver would not bring into the markets in excess of 350,000,000 ounces of silver. The reasons for this estimate were very definitely given by Mr. Brownell, whose company has been buying and selling silver in all parts of the world for over 30 years.

While there are probably 12,000,000,000 ounces of silver in existence, it must be remembered that most of this silver has been hoarded by the people of China and India throughout the ages. They do not acquire and hold it for the purpose of speculation. They give their labor and products for it, and they hold it as long as possible as the most valuable of all things and as the measure and reservoir of their wealth. The people of these countries have always purchased, and are even now purchasing, two thirds of all the silver produced. While the Government for India was selling silver, the people of India were buying it. The rise and fall of the price of silver has had little effect upon this habit of the people of India and China. For instance, in 1920, when silver was selling in the world's markets at $1.38 an ounce, which is above the parity price of silver with gold in our own country, and in fact in all countries, the people of China and India were not selling silver, but were buying more than their customary quantities.

Our bankers and business men, and in fact our citizens generally, have commenced to understand the destructive effect upon our trade and commerce of the depreciation of the exchange value of the currencies of those countries that have gone off the gold standard. They do not seem to realize, however, that the silver currencies of China and of other countries, embracing over half of the people of the world, have depreciated 56 per cent since 1928. They do not seem to realize that this depreciation in the exchange value of such silver currencies is due to the depreciation of the price of silver.

In 1928 China could exchange two of her silver dollars for one of our dollars with which to purchase our products. To-day she must exchange 5 of her silver dollars for 1 of our gold dollars with which to buy our products. In December, 1928, the low price of silver was 57.5 cents an ounce. At the present time it is around 25 cents an ounce.

The effect on our exports to China since 1928 is definitely disclosed in the report of the Department of Commerce issued February 11 of this year. The report says:

"Compared with 1929, total imports showed a slump of 75 per cent and exports 60 per cent, while they were 34 and 43 per cent, respectively, below the average imports and exports for the years 1915 and 1919, inclusive."

The report further says:

"This decline shows the effects of prevailing economic conditions at home and abroad, of fluctuating exchange rates, and the reduced purchasing power of the masses in most oriental countries."

The statement "reduced purchasing power of the masses in most oriental countries" means, of course, purchasing power abroad—that is, purchasing power in countries of a higher money standard, such as ours, because the purchasing power of the masses of the orientals in their own countries has remained practically unchanged. In other words, a Chinaman receives the same amount of money for a day's labor or for his products today as he received in 1929. He buys as much in his own country with his money today as he could buy in 1929. It is only when he buys in foreign countries where the value of his money is measured by gold that his purchasing power has decreased.

We have suffered since 1928 from the depreciation of the silver currencies of China and other silver-using countries. We have suffered only since September, 1931, from the depreciation of currencies of other governments that were formerly on the gold standard. We will probably find it quite difficult to discover means to aid in the restoration of the depreciated currencies of those governments that went off the gold standard; but it is obvious to me that it will be quite simple for our Government successfully to aid in the restoration of the depreciated currencies of China and other silver-using countries.

The restoration of the exchange value of such currencies will restore our normal trade with those countries and greatly accelerate its increase. I need cite but one illustration in support of this assertion. It will be remembered that in November of 1931 silver suddenly rose in price from 26 cents an ounce to 36 cents an ounce in response to a general belief that our Government intended to take steps to restore the price of silver. As no action was taken by our Government, the price of silver immediately fell. Here is what the Department of Commerce says with regard to that incident. I quote from page 29 of the China Monthly Trade Report for December, 1931, issued by our Department of Commerce, as follows:

"The rapid rise in the price of silver during the earlier part of November brought the price in American raw cotton in local currency to still lower levels than it was previously and resulted in large sales of the American staple. Arrivals during the month are estimated to be larger than any previous month, and importers state that December arrivals will be still greater. Many Chinese mills are reported to have purchased or contracted stocks sufficient to last them for many months in the future. In certain instances it is believed that stocks sufficient for 2 years' operation have been contracted."

What the statement says with regard to "bringing to lower levels" does not mean that the price of cotton actually fell to lower levels, but that it was lower to the Chinese by reason of the increase in the exchange value of their currency.

It will also be observed that the Chinese, anticipating a rising market, laid in supplies of our product to meet their needs for many months. This, to my mind, and in the opinion of experts with whom I have conferred, leads to the conclusion that any action by our Government tending toward the restoration of the exchange value of silver currencies will start immediately large purchases in our country by peoples using silver currencies.

I call attention to the fact that this bill, like the bill heretofore introduced by me for the purchase of American silver at the market price of silver with silver certificates, approved by the Banking and Currency Committee and now pending in the Senate, will in no way disturb our gold-standard system, while accomplishing the restoration of the exchange value of the money of our customers in silver-using countries.

Mr. President, I ask unanimous consent at this point to introduce the bill which I have described and ask that it may be printed in the RECORD as a part of my remarks and referred to the Committee on Banking and Currency.

The VICE PRESIDENT. Without objection, that order will be made.

The bill (S. 5636) to authorize payment of foreign debts in silver under certain limitations, was read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

"*Be it enacted, etc.*, That the President of the United States is authorized to accept silver in amounts not to exceed in value in United States currency $100,000,000 in payment of the whole or any part of any amount of principal or interest due from Great Britain or her dominions or dependencies on account of any indebtedness to our Government, such silver to be accepted at the market price in the United States as determined by the United States Treasury Department as of the date when the President shall notify such foreign government of such acceptance: *Provided*—

"(a) That such market price shall not at the time of such acceptance exceed the price of 45 cents an ounce, and (b) that such foreign government so making such tender shall, before the acceptance thereof by the President as herein authorized, agree and bind itself in a manner satisfactory to the President not to debase or melt up its own silver coins or permit the debasement or melting up of such silver coins except for the purpose of recoinage by such government or its dominions or dependencies for their circulation, during a period of five years from and after the acceptance by the President of such silver.

"(c) That the authority of the President to accept silver as herein authorized shall be limited to a period of not to exceed five years from the passage of this act.

"SEC. 2. The silver bullion purchased under the provisions of this act shall be subject to the requirements of existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained, and the amount of the charges or deductions, if any, to be made; but such silver bullion shall not be counted as part of the silver bullion authorized or required to be purchased and coined under the provisions of existing law.

"SEC. 3. The silver accepted and received under the provisions of this act shall be deposited in the Treasury of the United States, to be held, used, and disposed of as in this act provided.

"SEC. 4. The President shall cause silver certificates to be issued in denominations of $1, to the total number of dollars for which such silver was accepted in payment of debts. Such silver certificates shall be used by the Treasurer of the United States in payment of any obligations of the United States.

"SEC. 5. The silver so accepted under this act shall be coined into standard silver dollars and subsidiary coins sufficient, in the opinion of the Secretary of the Treasury, to meet any demands for redemption of such silver certificates issued under the provisions of this act, and such coin shall be retained in the Treasury for the payment of such certificates on demand. The silver so obtained and deposited under this act, except so much thereof as is coined under the provisions of this act, shall be held in the

Treasury for the sole purpose of aiding in maintaining the parity of such certificates as provided in existing law. Any such certificates or reissued certificates, when presented at the Treasury, shall be redeemed in standard silver dollars, or in subsidiary silver coin, at the option of the holder of the certificates: *Provided*, That in the redemption of such silver certificates issued under this act, not to exceed one third of the coin required for such redemption may in the judgment of the Secretary of the Treasury be made in subsidiary coins, the balance to be made in standard silver dollars.

"SEC. 6. When any silver certificates issued under the provisions of this act are redeemed or received into the Treasury from any source whatsoever, and belong to the United States, they shall not be retired, canceled, or destroyed, but shall be reissued and paid out again and kept in circulation; but nothing herein shall prevent the cancelation and destruction of mutilated certificates and the issue of other certificates of like denomination in their stead as provided by law.

"SEC. 7. The Secretary of the Treasury is authorized to make rules and regulations for carrying out the provisions of this act."

THE LONG PLAN

Mr. LONG. Mr. President, on yesterday there were introduced in the House of Representatives two bills which I undertook to prepare. They were introduced by Representative MONTET, of Louisiana. One is a bill for the levying of a capital tax and the second is a bill to scale up the inheritance taxes to certain limitations. I ask that the bills may be printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The bills are as follows:

House Joint Resolution 43

Joint resolution to provide revenue for the promotion of the common welfare and the national defense, and for other purposes

Whereas there exists in the United States a condition of emergency growing out of the World War and its resultant load of bonded indebtedness on foreign nations, and the inability or refusal of certain nations to meet their obligations; and

Whereas there exists in the world today a general condition of economic upheaval and political unrest; and

Whereas all other available means for raising revenue have failed to provide for the common defense and general welfare of the United States: Therefore be it

Resolved, etc., That in order to provide for the common defense, to finance the prosecution of war, to support the Army, and to maintain the Navy—

(a) There shall be levied, collected, and paid for the calendar year 1933 and each calendar year thereafter a capital tax, computed as provided in subsection (c) of this section, upon the net capital of every individual, resident or nonresident.

(b) The tax provided for in this section shall apply to net capital as computed in accordance with the provisions of section 2 of this resolution; but in the case of a nonresident individual not a citizen of the United States, shall apply only to the net capital computed on capital located within the United States.

(c) The tax referred to in subsection (a) of this section shall be as follows:

There shall be levied, collected, and paid for each taxable year upon the net capital of every individual a capital tax as follows:

Upon a net capital of $1,000,000 there shall be no capital tax; upon a net capital in excess of $1,000,000 and not in excess of $2,000,000, 1 percent of such excess.

$10,000 upon a net capital of $2,000,000; and upon a net capital in excess of $2,000,000 and not in excess of $3,000,000, 2 percent in addition of such excess.

$30,000 upon a net capital of $3,000,000; and upon a net capital in excess of $3,000,000 and not in excess of $4,000,000, 3 percent in addition of such excess.

$60,000 upon a net capital of $4,000,000; and upon a net capital in excess of $4,000,000 and not in excess of $5,000,000, 4 percent in addition of such excess.

$100,000 upon a net capital of $5,000,000; and upon a net capital in excess of $5,000,000 and not in excess of $6,000,000, 5 percent in addition of such excess.

$150,000 upon a net capital of $6,000,000; and upon a net capital in excess of $6,000,000 and not in excess of $7,000,000, 6 percent in addition of such excess.

$210,000 upon a net capital of $7,000,000; and upon a net capital in excess of $7,000,000 and not in excess of $8,000,000, 7 percent in addition of such excess.

$280,000 upon a net capital of $8,000,000; and upon a net capital in excess of $8,000,000 and not in excess of $9,000,000, 8 percent in addition of such excess.

$360,000 upon a net capital of $9,000,000; and upon a net capital in excess of $9,000,000 and not in excess of $10,000,000, 9 percent in addition of such excess.

$450,000 upon a net capital of $10,000,000; and upon a net capital in excess of $10,000,000 and not in excess of $20,000,000, 10 percent in addition of such excess.

$1,450,000 upon a net capital of $20,000,000; and upon a net capital in excess of $20,000,000 and not in excess of $30,000,000, 20 percent in addition of such excess.

$3,450,000 upon a net capital of $30,000,000; and upon a net capital in excess of $30,000,000 and not in excess of $40,000,000, 30 percent in addition of such excess.

$6,450,000 upon a net capital of $40,000,000; and upon a net capital in excess of $40,000,000 and not in excess of $50,000,000, 40 percent in addition of such excess.

$10,450,000 upon a net capital of $50,000,000; and upon a net capital in excess of $50,000,000 and not in excess of $60,000,000, 50 percent in addition of such excess.

$15,450,000 upon a net capital of $60,000,000; and upon a net capital in excess of $60,000,000 and not in excess of $70,000,000, 60 percent in addition of such excess.

$21,450,000 upon a net capital of $70,000,000; and upon a net capital in excess of $70,000,000 and not in excess of $80,000,000, 70 percent in addition of such excess.

$28,450,000 upon a net capital of $80,000,000; and upon a net capital in excess of $80,000,000 and not in excess of $90,000,000, 80 percent in addition of such excess.

$36,450,000 upon a net capital of $90,000,000; and upon a net capital in excess of $90,000,000 and not in excess of $100,000,000, 90 percent in addition of such excess.

$45,450,000 upon a net capital of $100,000,000; and upon a net capital in excess of $100,000,000, 100 percent in addition of such excess.

SEC. 2. The term "net capital" as used in this resolution means the total value of all property—whether real or personal, tangible or intangible—owned by the individual at the close of the calendar year, less the amount of any indebtedness outstanding on such date.

SEC. 3. (a) Any individual having a net capital for the calendar year of $1,000,000, or over, shall make a return under oath in duplicate. Such return shall set forth (1) a detailed report of all items of property owned by the person making the return at the close of the calendar year and a statement of their value; (2) the items of indebtedness claimed and allowable as deductions; and (3) such further information as may be required by regulations made pursuant to law.

(b) The return shall be filed on or before the 15th day of March following the close of the calendar year with the collector for the district in which is located the legal residence or principal place of business of the person making the return, or if he has no legal residence or principal place of business in the United States, then with the collector at Baltimore, Md.

(c) Any person required under the foregoing provisions of this resolution to pay any tax, or required by law or regulations made under authority thereof to make a return, keep any records, or supply any information for the purposes of the computation, assessment, or collection of any tax imposed by such provisions, who willfully fails to pay such tax, make such return, keep such records, or supply such information, at the time or times required by law or regulations, or any person who attempts by any device whatsoever to avoid liability for any tax imposed by this resolution while retaining control of his property, shall, in addition to other penalties provided by law, be guilty of a felony and, upon conviction thereof, be fined not more than $10,000 and imprisoned for not more than two years.

SEC. 4. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is hereby authorized to make and publish such rules and regulations as may be necessary to carry out the provisions of this act.

SEC. 5. Section 502 of the revenue act of 1932 is amended by striking out the last paragraph thereof and inserting in lieu thereof the following new paragraphs:

"$2,312,125 upon net gifts of $10,000,000; and upon net gifts in excess of $10,000,000 and not in excess of $20,000,000, 37½ percent in addition of such excess.

"$6,062,125 upon net gifts of $20,000,000; and upon net gifts in excess of $20,000,000 and not in excess of $30,000,000, 40 percent in addition of such excess.

"$10,062,125 upon net gifts of $30,000,000; and upon net gifts in excess of $30,000,000 and not in excess of $40,000,000, 45 percent in addition of such excess.

"$14,562,125 upon net gifts of $40,000,000; and upon net gifts in excess of $40,000,000 and not in excess of $50,000,000, 50 percent in addition of such excess.

"$19,562,125 upon net gifts of $50,000,000; and upon net gifts in excess of $50,000,000 and not in excess of $60,000,000, 55 percent in addition of such excess.

"$25,062,125 upon net gifts of $60,000,000; and upon net gifts in excess of $60,000,000 and not in excess of $70,000,000, 60 percent in addition of such excess.

"$31,062,125 upon net gifts of $70,000,000; and upon net gifts in excess of $70,000,000 and not in excess of $80,000,000, 70 percent in addition of such excess.

"$38,062,125 upon net gifts of $80,000,000; and upon net gifts in excess of $80,000,000 and not in excess of $90,000,000, 80 percent in addition of such excess.

"$46,062,125 upon net gifts of $90,000,000; and upon net gifts in excess of $90,000,000 and not in excess of $100,000,000, 90 percent in addition of such excess.

"$55,062,125 upon net gifts of $100,000,000; and upon net gifts in excess of $100,000,000, 100 percent in addition of such excess."

SEC. 6. This resolution shall take effect as of January 1, 1933.

H.R. 1694

A bill to amend the revenue act of 1932 with a view to decentralizing wealth in the United States

That subsection (a) of section 12 of the revenue act of 1932 is amended by striking out the last five paragraphs thereof and inserting in lieu thereof the following new paragraphs:

"$120,960 upon net incomes of $300,000; and upon net incomes in excess of $300,000 and not in excess of $400,000, 55 percent in addition of such excess.

"$175,960 upon net incomes of $400,000; and upon net incomes in excess of $400,000 and not in excess of $500,000, 60 percent in addition of such excess.

"$235,960 upon net incomes of $500,000; and upon net incomes in excess of $500,000 and not in excess of $600,000, 65 percent in addition of such excess.

"$300,960 upon net incomes of $600,000; and upon net incomes in excess of $600,000 and not in excess of $700,000, 70 percent in addition of such excess.

"$370,960 upon net incomes of $700,000; and upon net incomes in excess of $700,000 and not in excess of $800,000, 75 percent in addition of such excess.

"$445,960 upon net incomes of $800,000; and upon net incomes in excess of $800,000 and not in excess of $900,000, 80 percent in addition of such excess.

"$525,960 upon net incomes of $900,000; and upon net incomes in excess of $900,000 and not in excess of $1,000,000, 90 percent in addition of such excess.

"$615,960 upon net incomes of $1,000,000; and upon net incomes in excess of $1,000,000, 100 percent in addition of such excess."

SEC. 2. Subsection (b) of section 401 of such act is amended by striking out the last paragraph thereof and inserting in lieu thereof the following new paragraphs:

"$3,116,000 upon net estates of $10,000,000; and upon net estates in excess of $10,000,000 and not in excess of $12,500,000, 45 percent in addition of such excess.

"$4,241,000 upon net estates of $12,500,000; and upon net estates in excess of $12,500,000 and not in excess of $15,000,000, 50 percent in addition of such excess.

"$5,491,000 upon net estates of $15,000,000; and upon net estates in excess of $15,000,000 and not in excess of $17,500,000, 55 percent in addition of such excess.

"$6,866,000 upon net estates of $17,500,000; and upon net estates in excess of $17,500,000 and not in excess of $20,000,00, 60 percent in addition of such excess.

"$8,366,000 upon net estates of $20,000,000; and upon net estates in excess of $20,000,000 and not in excess of $22,500,000, 65 percent in addition of such excess.

"$9,991,000 upon net estates of $22,500,000; and upon net estates in excess of $22,500,000 and not in excess of $25,000,000, 70 percent in addition of such excess.

"$11,741,000 upon net estates of $25,000,000; and upon net estates in excess of $25,000,000 and not in excess of $27,500,000, 75 percent in addition of such excess.

"$13,616,000 upon net estates of $27,500,000; and upon net estates in excess of $27,500,000 and not in excess of $30,000,000, 80 percent in addition of such excess.

"$15,616,000 upon net estates of $30,000,000; and upon net estates in excess of $30,000,000 and not in excess of $32,500,000, 85 percent in addition of such excess.

"$17,741,000 upon net estates of $32,500,000; and upon net estates in excess of $32,500,000 and not in excess of $35,000,000, 90 percent in addition of such excess.

"$19,991,000 upon net estates of $35,000,000; and upon net estates in excess of $35,000,000, 95 percent in addition of such excess."

In addition there shall be levied, collected, and paid upon the transfer to any beneficiary of the decedent a tax equal to 100 percent of the value of his beneficial interest in excess of $5,000,000, less any State death taxes imposed in respect of such interest, such tax to be paid by the executor of the decedent and to be subject to all applicable provisions of law relating to other taxes imposed by this section.

EXPENSES OF IMPEACHMENT TRIAL

Mr. ASHURST. Mr. President, on yesterday I introduced Senate Joint Resolution No. 5, proposing to appropriate the sum of $5,000 to pay the expenses of the impeachment trial. I find that precedent is quite strong, and I respect it, that possibly such a resolution, while permissible under the Constitution, usually is introduced in the House. I have consulted with members of the committee, and they advise me that I should introduce a Senate resolution to appropriate the same sum of money from the miscellaneous items of the contingent fund of the Senate. Taking their advice, I withdraw Senate Joint Resolution 5 and ask permission to introduce a Senate resolution, which I ask may be read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

There being no objection, the resolution (S.Res. 14) was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That not to exceed $5,000 is authorized to be expended from the appropriation for miscellaneous items, contingent expenses of the Senate, for the fiscal year 1932, to defray the expenses of the Senate in the impeachment trial of Harold Louderback.

RECOGNITION OF THE SOVIET GOVERNMENT OF RUSSIA

Mr. BORAH submitted the following resolution (S.Res. 15), which was referred to the Committee on Foreign Relations:

Resolved, That the Senate of the United States favors the recognition of the present Soviet Government of Russia.

OBSERVANCE OF MOTHER'S DAY

Mr. COPELAND submitted the following resolution (S.Res. 16), which was referred to the Committee on Education and Labor:

Whereas by House Joint Resolution No. 263, approved and signed by President Wilson May 8, 1914, the second Sunday in May of each year has been designated as Mother's Day for the expression of our love and reverence for the mothers of our country; and

Whereas there are throughout our land today an unprecedentedly large number of mothers and dependent children who, because of unemployment or loss of their breadearners, are lacking many of the necessities of life: Therefore be it

Resolved, That the President of the United States is hereby authorized and requested to issue a proclamation calling upon our citizens to express, on Mother's Day this year, our love and reverence for motherhood—

(a) By the customary display of the United States flag on all Government buildings, homes, and other suitable places;

(b) By the usual tokens and messages of affection to our mothers; and

(c) By making contributions, in honor of our mothers, through our churches or other fraternal and welfare agencies, for the relief and welfare of such mothers and children as may be in need of the necessities of life.

THE PRESIDENT'S MESSAGE—REDUCTION OF EXPENDITURES (H.DOC. NO. 2)

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, which will be read.

The Chief Clerk read the message, as follows:

To the Senate and House of Representatives:

The Nation is deeply gratified by the immediate response given yesterday by the Congress to the necessity for drastic action to restore and improve our banking system. A like necessity exists with respect to the finances of the Government itself, which requires equally courageous, frank, and prompt action.

For 3 long years the Federal Government has been on the road toward bankruptcy.

For the fiscal year 1931 the deficit was $462,000,000.

For the fiscal year 1932 it was $2,472,000,000.

For the fiscal year 1933 it will probably exceed $1,200,000,000.

For the fiscal year 1934, based on the appropriation bills passed by the last Congress and the estimated revenues, the deficit will probably exceed $1,000,000,000 unless immediate action is taken.

Thus we shall have piled up an accumulated deficit of $5,000,000,000.

With the utmost seriousness I point out to the Congress the profound effect of this fact upon our national economy. It has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed. Our Government's house is not in order and for many reasons no effective action has been taken to restore it to order.

Upon the unimpaired credit of the United States Government rest the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It, therefore, becomes our first concern to make secure the foundation. National recovery depends upon it.

Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger.

It is too late for a leisurely approach to this problem. We must not wait to act several months hence. The emergency is accentuated by the necessity of meeting great refunding operations this spring.

We must move with a direct and resolute purpose now. The Members of the Congress and I are pledged to immediate economy.

I am, therefore, assuming that you and I are in complete agreement as to the urgent necessity, and my constitutional duty is to advise you as to the methods for obtaining drastic retrenchment at this time.

I am not speaking to you in general terms. I am pointing out a definite road.

The last Congress enacted legislation relating to the reorganization and elimination of executive agencies, but the economies thus to be effected are small when viewed in the light of the great deficit for the next fiscal year. They will not meet the pressing needs of our credit situation. Provision for additional saving is essential, and therefore I am asking the Congress today for new legislation laying down broad principles for the granting of pensions and other veteran benefits and giving to the Executive the authority to prescribe the administrative details. We are unanimous in upholding the duty of the Government to care for those who suffer in its defense and for their widows and orphans. The application, however, of this great principle to large numbers of people involves complications—so great that it is almost impossible to draw legislation with sufficient flexibility to provide substantial justice in varying situations. The proposed legislation states the principles and, limited by them, permits the Executive to draw the lines of differentiation necessary to justice.

In accord with the same purpose of substantial justice, I request also the enactment of legislation relating to the salaries of civil and military employees of the Government. This would repeal the existing furlough plan, substituting therefor a general principle and authorizing the Executive to make application of this principle. The proper legislative function is to fix the amount of expenditure, the means by which it is to be raised, and the general principles under which the expenditures are to be made. The details of expenditure, particularly in view of the great present emergency, can be more wisely and equitably administered through the Executive. The flexibility of the measures which I am proposing is not only practical but proceeds along the road of constitutional government.

Such economies which can be made will, it is true, affect some of our citizens, but the failure to make them will affect all of our citizens. The very stability of our Government itself is concerned and when that is concerned the benefits of some must be subordinated to the needs of all.

When a great danger threatens our basic security it is my duty to advise the Congress of the way to preserve it. In so doing I must be fair not only to the few but to the many. It is in this spirit that I appeal to you. If the Congress chooses to vest me with this responsibility it will be exercised in a spirit of justice to all, of sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States.

I ask that this legislation go into effect at once without even waiting for the beginning of the next fiscal year. I give you assurance that if this is done there is reasonable prospect that within a year the income of the Government will be sufficient to cover the expenditures of the Government.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 10, 1933.*

The VICE PRESIDENT. The message of the President will be printed and lie on the table.

BILLS WHICH FAILED OF PRESIDENTIAL SIGNATURE

Mr. ROBINSON of Arkansas. Mr. President, I ask the attention of Senators to a matter pertaining to some details respecting bills which were passed but which failed to reach the President in time for his signature on the 4th of March.

On Friday, March 3, the Senate received from the House of Representatives nine Senate bills which had been passed by that body with amendments, the numbers and titles of the said bills being as follows:

S. 1067. An act for the relief of Agnes M. Angle;

S. 1978. An act for the relief of Daisy Anderson;

S. 2862. An act for the relief of W. H. Hendrickson;

S. 2941. An act for the relief of the Holy Family Hospital, St. Ignatius, Mont.;

S. 3443. An act to authorize the Secretary of War to grant a right of way to the Alameda Belt Line across the Benton Field Military Reservation, Alameda, Calif.;

S. 3592. An act confirming the claim of Francis R. Sanchez, and for other purposes;

S. 4909. An act for the relief of A. Y. Martin;

S. 5382. An act providing for an exchange of lands between the Colonial Realty Co. and the United States, and for other purposes; and

S. 5537. An act to convey certain land in the county of Los Angeles, State of California.

The amendments of the House to the said bills were laid before the Senate and in each case concurred in. The House was notified of this action, and the bills were promptly enrolled by the Secretary of the Senate and delivered to the Committee on Enrolled Bills of the House of Representatives at 1:10 p.m. Friday for the signature of the Speaker of the House. For some reason the bills were not received by the Senate for the signature of the Vice President until about 3 minutes before 12 o'clock on Saturday, the 4th instant, just before the hour of final adjournment, and therefore could not be presented to the President in time for action thereon.

These bills are ready for reintroduction in the Senate in the exact form in which they were passed by the two Houses and signed by the presiding officers of the two bodies.

I therefore ask unanimous consent that these bills may be introduced and that they be considered and acted upon by the Senate at this time. I present the bills in the names of the Senators who introduced them originally.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas?

Mr. ROBINSON of Indiana. Mr. President, I merely wish to ask a question. Does the list of bills mentioned by the Senator from Arkansas include all those which were duly passed and signed by the presiding officers of the two bodies but failed to be signed by the President?

Mr. ROBINSON of Arkansas. Yes; the list includes all the bills that failed because of the lack of time to be signed by the President.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and the bills referred to by him will be considered as having been introduced by the Senators whose names are indicated following the number of each bill, and will be acted upon in order.

AGNES M. ANGLE

The bill (S. 148) (introduced by Mr. MCGILL) for the relief of Agnes M. Angle was read twice, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized to consider and determine, in the same manner and to the same extent as if application for the benefit of the employees' compensation act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Agnes M. Angle on account of disability due to tuberculosis if contracted at Wichita, Kans., while employed in the service of the United States as a stenographer in the office of the United States Veterans' Bureau in 1921: *Provided*, That no benefit shall accrue prior to the enactment of this act.

DAISY ANDERSON

The bill (S. 149) (introduced by Mr. SHEPPARD) for the relief of Daisy Anderson was read twice, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized to consider and deter-

mine, in the same manner and to the same extent as if application for the benefits of the employees' compensation act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Daisy Anderson on account of disability due to tuberculosis, if contracted while employed in the service of the United States as a nurse in the United States Marine hospitals: *Provided*, That no benefit shall accrue prior to the enactment of this act.

W. H. HENDRICKSON

The bill (S. 150) (introduced by Mr. KING) for the relief of W. H. Hendrickson was read twice, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. H. Hendrickson, of Salt Lake City, Utah, the sum of $175 in full satisfaction of his claim against the United States arising out of the sale of a Ford truck to him by the prohibition administrator on June 7, 1930, at Salt Lake City, Utah.

HOLY FAMILY HOSPITAL, ST. IGNATIUS, MONT.

The bill (S. 151) (introduced by Mr. ROBINSON of Arkansas for Mr. WHEELER) for the relief of the Holy Family Hospital, St. Ignatius, Mont., was read twice, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to the Holy Family Hospital, St. Ignatius, Mont., out of any money in the Treasury not otherwise appropriated, the sum of $8,825.66, in full satisfaction of all claims against the United States for compensation for the care by such hospital of persons admitted thereto under authority of the Flathead Indian Agency, State of Montana, prior to and including November 30, 1931: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

RIGHT OF WAY TO ALAMEDA BELT LINE

The bill (S. 152) (introduced by Mr. JOHNSON) to authorize the Secretary of War to grant a right of way to the Alameda Belt Line across the Benton Field Military Reservation, Alameda, Calif., was read twice, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and empowered to grant to the Alameda Belt Line, a corporation organized and existing under the laws of the State of California, its successors and assigns, a permanent right of way, in such location and under such terms and conditions as may be approved by the Secretary of War, over and across the Benton Field Military Reservation, Alameda, Calif., for railroad purposes, with full power to locate, construct, and operate railroad tracks, together with necessary spurs and sidings and other railroad appurtenances, appendages, and adjuncts: *Provided*, That the land shall not be used for other than railroad purposes, and when the property shall cease to be so used it shall revert to the United States: *Provided further*, That the right to compel the removal of said railroad tracks and appurtenances is hereby reserved in the Secretary of War, whenever he may determine the interests of the Government require, and which said removal is to be without expense to the Government, as a condition of this grant.

LAND IN LOS ANGELES COUNTY, CALIF.

The bill (S. 153) (introduced by Mr. JOHNSON) to convey certain land in the county of Los Angeles, State of California, was read twice, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas on or about the 22d day of August, 1921, the county of Los Angeles, State of California, conveyed to the United States of America the hereinafter-described tract of land for the use of the War or Navy Departments; and

Whereas the county of Los Angeles, in the State of California, purchased said property for the purpose of making said conveyance at a total sum of $148,655, of which amount the United States of America contributed $55,655 and the county of Los Angeles contributed the sum of $93,000; and

Whereas the United States of America has ceased to use said property, or any part thereof, for military, or naval, or other purposes, and the same is now and for some time has been idle: Therefore

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to convey to the county of Los Angeles the hereinafter-described land, exclusive of such structures thereon which may be designated by the Secretary of War for retention by the War Department with a view to their eventual removal from the premises, to be used for public-park, playground, and recreation purposes only, on condition that should the land not be used for that purpose it shall revert to the United States: *Provided, however*, That the county of Los Angeles, State of California, pay to the United States of America the sum of $55,655, the amount originally paid by the Government on the purchase price of said property, which property is particularly described as follows:

All those certain lots, pieces, or parcels of land, together with all buildings thereon, situate, lying, and being in the city of Arcadia, county of Los Angeles, and State of California, and particularly described as follows, to wit: Lot 4 of tract numbered 949 as delineated upon the map of said tract recorded in book 17 of maps, at page 13, records of Los Angeles County, and lots 3, 4, 5, and 6 of tract numbered 2409 as delineated upon the map of said tract, recorded in book 23 of maps, at page 23, records of Los Angeles County. The land intended to be conveyed by this deed is bounded on the north by Falling Leaf Avenue, on the east of Santa Anita Avenue, on the south by Huntington Drive, and by land now owned by Clara Baldwin Stocker, and on the west by the rights of way of Pacific Electric Railroad Co. and Southern Pacific Railroad Co., and being all of the land claimed or owned by the grantor within the exterior bounds of Arcadia Balloon Field.

SEC. 2. That the amount received from the county of Los Angeles, State of California, for the land above described shall be deposited in the Treasury of the United States as miscellaneous receipts.

The preamble was agreed to.

FRANCIS R. SANCHEZ

The bill (S. 154) (introduced by Mr. FLETCHER) confirming the claim of Francis R. Sanchez, and for other purposes, was read twice, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the claim of Francis R. Sanchez for lands described as sections 33 and 34, township 6 south, range 18 east, and as section 5, township 7 south, range 18 east, Tallahassee meridian, Florida, embracing 4,000 acres as shown on plats of survey approved May 27, 1841, contained in report no. 2 as claim no. 25, of the commissioners of the district of east Florida (American State Papers, Duff Green edition, vol. 3, p. 643), communicated to Congress by the Treasury Department, May 20, 1824, be, and the same is hereby, approved and confirmed to the equitable owners of the equitable title thereto and to their respective heirs and assigns forever: *Provided*, That this act shall amount only to a relinquishment of any title that the United States has, or is supposed to have, in and to any of said lands, and shall not be construed to abridge, impair, injure, prejudice, divert, or affect in any manner whatsoever any valid right, title, or interest of any person or body corporate whatever heretofore acquired based on a patent issued by the United States.

A. Y. MARTIN

The bill (S. 155) (introduced by Mr. BARKLEY) for the relief of A. Y. Martin was read twice, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed to settle and certify for payment to A. Y. Martin, out of any money in the Treasury not otherwise appropriated, the sum of $980, as in full for services rendered as a de facto United States Commissioner at Paducah, Ky., from December 8, 1930, to August 5, 1931.

COLONIAL REALTY CO.—EXCHANGE OF LANDS

The bill (S. 156) (introduced by Mr. MCNARY) providing for an exchange of lands between the Colonial Realty Co. and the United States, and for other purposes, was read twice, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That upon execution and delivery by the Colonial Realty Co. of a deed conveying to the United States, title in fee, free of incumbrance, to approximately 1,420 acres of seeped and unproductive lands, as determined by the Secretary of the Interior, in sections 20, 21, 22, 25, 27, 28, 31, 32, 33, and 34, township 39 south, and section 3 of township 40 south, range 9 east, Willamette meridian, Oregon, Klamath project, or to such portion thereof as said company may elect so to convey, the said Secretary is hereby authorized and directed to issue a patent to the Colonial Realty Co., conveying to said company title to approximately an equivalent amount of public lands on the Tule Lake division of the Klamath project in Oregon-California to be selected and designated by said company from available lands in that division: *Provided*, That in order to avoid the expense of

additional surveys, and since many of the tracts to be conveyed to the United States are designated as lots by public-land surveys and for this reason the subdivisions contain areas both less than and in excess of legal subdivision, the areas conveyed to the Government and the areas patented by the Government need be only approximately of the same acreage: *Provided further*, That should any legal subdivision of the lands herein described consist of more than 50 percent of unproductive land the whole subdivision may, at the option of said company, be conveyed to the United States, with the right of exchange of an equivalent area as herein authorized.

SEC. 2. The water-right charges payable by said company or its successor on the Tule Lake lands patented pursuant to this act shall be the same as those fixed for similar lands in that district and shall be subject to payment in the same manner.

PROTECTION OF STATE BANKS

Mr. LONG. Mr. President, I have heard much said around the Senate this morning to the effect that Senators have begun to realize that the law which we passed yesterday should have included some provision for the protection of State banks. If that kind of an idea has now sufficiently percolated, it seems to me that we ought to provide a means, perhaps by the adoption of a resolution, to protect State banks. I am informed by the President pro tempore of the Senate that we could by resolution correct that situation. So I wish to bring it to the attention of the Senate. I do not know how many Senators have had changes of heart, and I do not know whether or not it is the administrative purpose to take the action I have indicated; but so many Senators have spoken to me this morning and expressed themselves as feeling that we should of necessity correct this situation, and having noticed something to that effect in the public press, I was hoping that when we adjourn or recess today, in cooperation with the House, Senators may bear the subject in mind, if possible, so that we may make such an amendment if it be considered necessary by enough Members of the Senate who now want to support it.

ORDER OF PROCEDURE

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate take a recess until 12 o'clock noon tomorrow.

Mr. McNARY. Mr. President, just a moment.

Mr. ROBINSON of Arkansas. I yield to the Senator from Oregon.

Mr. McNARY. I inquire of the Senator from Arkansas what business will be before the Senate tomorrow?

Mr. ROBINSON of Arkansas. I understand it is contemplated that the Chief Executive will send to the Senate another message in writing tomorrow.

Mr. McNARY. Has the Senator from Arkansas introduced any bill today?

Mr. ROBINSON of Arkansas. I have not as yet done so. I will ask unanimous consent, Mr. President, out of order, if I find it desirable and necessary, to introduce a bill relating to the President's message of this morning at any hour during the present calendar day and ask that it may be printed and referred to the Committee on Finance.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas?

Mr. McNARY. Mr. President, just a moment. If that consent shall be given, the Senator will introduce the bill probably during the day and have it referred to the Finance Committee?

Mr. ROBINSON of Arkansas. Yes; if the drafting of the measure shall have been completed.

Mr. McNARY. And the committee will consider it at its own convenience some time later?

Mr. ROBINSON of Arkansas. Yes.

Mr. ROBINSON of Indiana. Mr. President, I should like to ask the Senator from Arkansas if he expects to have immediate action on any bill he shall introduce along the lines of the President's message?

Mr. ROBINSON of Arkansas. My purpose is to have such bill go to the Committee on Finance for consideration by that committee.

Mr. ROBINSON of Indiana. But not like the bill which was passed yesterday after merely 3 or 4 hours' consideration? I want to find out if it is to go over until next week.

Mr. ROBINSON of Arkansas. I expect the bill to be considered to the extent that the committee finds it necessary to consider it, and I will say to the Senator from Indiana that I do not understand that there is any such emergency respecting this bill as we all believed to be the case with the bill that we passed yesterday.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas? The Chair hears none.

(The bill subsequently introduced by Mr. ROBINSON of Arkansas, numbered S. 233, and referred to the Committee on Finance, appears under the heading "Bills and Joint Resolutions Introduced.")

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 12 o'clock and 31 minutes p.m.) the Senate took a recess until tomorrow, Saturday, March 11, 1933, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 10, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Most merciful Heavenly Father, once more in the dispensation of Thy providence we are met, and we turn to Thee with our grateful hearts. Thou dost shield us in the day of temptation, Thou dost succor us in the hour of trial, and Thou wilt go with us all the way. O renew our wills, blend them with Thine, and dispel the shades of error. Fill our souls with high visions, convictions, and ambitions; be a compelling force in our intellects, our consciences, and in our affections. Blessed Lord God, pierce the clouds and let Thy rainbow span Thy throne. O touch and kindle every faculty of our beings as with simple diligence, quiet perseverance, and unyielding determination we approach our tasks. With an unfaltering trust in Thee may we move forward. Amen.

The Journal of the proceedings of yesterday was read and approved.

BANKING CONDITIONS IN PUERTO RICO

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to print in the RECORD cablegrams I received from Puerto Rico regarding the banking condition there.

The SPEAKER. Is there objection?

There was no objection.

The cablegrams are as follows:

WAR DEPARTMENT,
BUREAU OF INSULAR AFFAIRS,
Washington, March 7, 1933.

This attached message for you is contained in a radiogram received by this Bureau from the Governor of Puerto Rico dated March 6, 1933.

CHIEF, BUREAU OF INSULAR AFFAIRS.

[Message]

For Hon. SANTIAGO IGLESIAS,
House Office Building, Washington, D.C.:

I have today radioed General Parker, as follows: "In any legislation granting extraordinary powers to the President or to the Secretary of the Treasury in connection with banks, please ask to have included the same powers over all banks in Puerto Rico, not just national banks. There is only one national bank operating here. There are 2 Canadian banks and 3 local banks of importance."

CABLE FROM THE LEGISLATURE OF PUERTO RICO

SAN JUAN, P.R., *March 6, 1933.*

Hon. SANTIAGO IGLESIAS,
Commissioner Resident in Washington,
Washington, D.C.:

Banking moratorium has injured in such a way banks' interests of island that it is indispensable Congress gives the same protection to them that will give to all national banks. Peculiar situ-

ation local banks in unequal competition with foreign banks demands special legislation conferring powers to Puerto Rican Legislature to adopt whatever measures be convenient in accordance with needs of the island and the laws which Congress may enact to overcome this crisis. We beg immediate action for reason seriousness problem. All the economic activities of this island have stopped.

R. MARTINEZ NADAL,
President of Senate.
MIGUEL A. GARCIA MENDEZ,
Speaker House of Representatives.

SAN JUAN, P.R., *March 9, 1933.*

Hon. SANTIAGO IGLESIAS,
Resident Commissioner from Puerto Rico,
House Office Building, Washington, D.C.:

The Senate of Puerto Rico has decided to request that you exercise all efforts to the effect that the Federal banking emergency legislation which may be approved by the Congress of the United States be extended to Puerto Rico, but that our legislature be empowered to adapt same in case it deems necessary to our local needs.

RAFAEL MARTINEZ NADAL,
President of the Senate of Puerto Rico.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

RESIGNATION OF A MEMBER

The SPEAKER laid before the House the following communications:

MARCH 9, 1933.

Hon. HENRY T. RAINEY,
Speaker of the House of Representatives,
House of Representatives, Washington, D.C.

MY DEAR MR. SPEAKER: There is herewith transmitted letter received by this office from Hon. L. W. DOUGLAS, a Representative elect from the State of Arizona.

Yours very truly,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

MARCH 3, 1933.

Hon. SOUTH TRIMBLE,
Clerk House of Representatives, Seventy-third Congress,
Washington, D.C.

DEAR MR. TRIMBLE: It is with deep regret that I submit my resignation as a Member of the Seventy-third Congress, to take effect at noon on March 4, 1933.

Very respectfully yours,

L. W. DOUGLAS.

SWEARING IN OF A MEMBER

Representative-elect RICHARD B. WIGGLESWORTH appeared at the bar of the House and took the oath of office.

ECONOMIES IN GOVERNMENT SERVICE (H.DOC. NO. 2)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee of the Whole House on the state of the Union, and ordered printed:

To the Senate and House of Representatives:

The Nation is deeply gratified by the immediate response given yesterday by the Congress to the necessity for drastic action to restore and improve our banking system. A like necessity exists with respect to the finances of the Government itself which requires equally courageous, frank, and prompt action.

For 3 long years the Federal Government has been on the road toward bankruptcy.

For the fiscal year 1931 the deficit was $462,000,000.

For the fiscal year 1932 it was $2,472,000,000.

For the fiscal year 1933 it will probably exceed $1,200,000,000.

For the fiscal year 1934, based on the appropriation bills passed by the last Congress and the estimated revenues, the deficit will probably exceed $1,000,000,000 unless immediate action is taken.

Thus we shall have piled up an accumulated deficit of $5,000,000,000.

With the utmost seriousness I point out to the Congress the profound effect of this fact upon our national economy. It has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed. Our Government's house is not in order, and for many reasons no effective action has been taken to restore it to order.

Upon the unimpaired credit of the United States Government rest the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It therefore becomes our first concern to make secure the foundation. National recovery depends upon it.

Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger.

It is too late for a leisurely approach to this problem. We must not wait to act several months hence. The emergency is accentuated by the necessity of meeting great refunding operations this spring.

We must move with a direct and resolute purpose now. The Members of the Congress and I are pledged to immediate economy.

I am therefore assuming that you and I are in complete agreement as to the urgent necessity, and my constitutional duty is to advise you as to the methods for obtaining drastic retrenchment at this time.

I am not speaking to you in general terms. I am pointing out a definite road.

The last Congress enacted legislation relating to the reorganization and elimination of executive agencies, but the economies thus to be effected are small when viewed in the light of the great deficit for the next fiscal year. They will not meet the pressing needs of our credit situation. Provision for additional saving is essential, and therefore I am asking the Congress today for new legislation laying down broad principles for the granting of pensions and other veteran benefits, and giving to the Executive the authority to prescribe the administrative details. We are unanimous in upholding the duty of the Government to care for those who suffer in its defense and for their widows and orphans. The application, however, of this great principle to large numbers of people involves complications so great that it is almost impossible to draw legislation with sufficient flexibility to provide substantial justice in varying situations. The proposed legislation states the principles and, limited by them, permits the Executive to draw the lines of differentiation necessary to justice.

In accord with the same purpose of substantial justice I request also the enactment of legislation relating to the salaries of civil and military employees of the Government. This would repeal the existing furlough plan, substituting therefor a general principle and authorizing the Executive to make application of this principle. The proper legislative function is to fix the amount of expenditure, the means by which it is to be raised, and the general principles under which the expenditures are to be made. The details of expenditure, particularly in view of the great present emergency, can be more wisely and equitably administered through the Executive. The flexibility of the measures which I am proposing is not only practical but proceeds along the road of constitutional government.

Such economies which can be made will, it is true, affect some of our citizens; but the failure to make them will affect all of our citizens. The very stability of our Government itself is concerned, and when that is concerned the benefits of some must be subordinated to the needs of all.

When a great danger threatens our basic security it is my duty to advise the Congress of the way to preserve it. In so doing I must be fair not only to the few but to the many. It is in this spirit that I appeal to you. If the Congress chooses to vest me with this responsibility, it will be exercised in a spirit of justice to all, of sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States.

I ask that this legislation go into effect at once without even waiting for the beginning of the next fiscal year. I give you assurance that if this is done there is reasonable prospect that within a year the income of the Government will be sufficient to cover the expenditures of the Government.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 10, 1933.*

Mr. BYRNS. Mr. Speaker, I move the adoption of the resolution which I send to the desk.

The Clerk read as follows:

House Resolution 28

Resolved, That the Speaker of the House of Representatives be, and he is hereby, authorized to appoint a select committee of five Members of the House of Representatives, to be known as the Economy Committee, for the purpose of considering and reporting upon the subject matter contained in the message of the President of the United States of March 10, 1933. The said committee is hereby empowered to sit and act during the session or recess of Congress or of either House thereof. Said Economy Committee is hereby authorized to report to the House at any time, by bill or otherwise, its recommendations upon any matters covered by this resolution; and any bills so reported shall be placed upon the calendar and have a privileged status.

Mr. BYRNS. Mr. Speaker, I offer the resolution for the reason that we have no standing committees at the present time, and it is necessary, of course, that any bill upon this subject be referred to a committee. So that we may have quick action without going through the long process of waiting until the formation or naming of our standing committees, it seemed to some of us that this is the best way to bring that about. This provides for a special committee to be appointed for the special purpose of considering the message and reporting to the House a bill or bills which, in the judgment of the committee, will meet the situation.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. RANKIN. Does this legislation contemplated include veterans of all wars?

Mr. BYRNS. That has to be measured, of course, by the four corners of the President's message. What this committee may do will be limited, of course, to the recommendations of the message, because the committee will be appointed to consider the message and for no other purpose.

Mr. RANKIN. If this legislation applies only to World War veterans, I submit that it ought to be referred to the World War Veterans' Committee. Of course, we have no jurisdiction of legislation touching pensions or compensation of Spanish-American War veterans or Civil War veterans and their widows and orphans. If it is going to include World War veterans alone, it ought to be referred to the World War Veterans' Committee, a standing committee of the House, which could be organized very easily.

Mr. BYRNS. As I understand it, the message itself is very broad and applies to all wars. The message not only relates to veterans of all wars but also relates to the salaries of employees of the Government. It is a double-barreled message, if I may use the term. Therefore I do not think the message would come within the jurisdiction of the gentleman's committee, or any other standing committee that is to be appointed, unless it be the committee of the gentleman from Missouri [Mr. COCHRAN], the Committee on Expenditures in the Executive Departments.

Mr. RANKIN. The gentleman from Tennessee is the leader of the majority of this Congress. I want to know when this legislation comes back whether or not it will be considered under the general rules of the House, so that we may debate the question and offer such amendments as the Membership may deem necessary.

Mr. BYRNS. I confess I am unable to advise the gentleman at this time. I take it that that will be left, in a certain sense, to the discretion of the committee which will be appointed. After all, a majority of the House will have a right to control the method by which this bill will be considered, because a majority can always do as it pleases. I assume the House can exercise its authority when that matter comes up.

Mr. RANKIN. I am just as anxious as the gentleman from Tennessee [Mr. BYRNS], or any other man in this House, to assist the President in carrying out his program, but there have been a great many attacks on the disabled veterans of the World War, in the press and elsewhere, which, in my opinion, are unjust. They should not be made the "goats" of this depression [applause], and I, for one, am not willing for them to be made such. I am not going to object—I could not object effectively if I wanted to—to the creation of this committee. I think, however, it ought to be at least a committee of 15 or 21. They should go into this subject and hold hearings. They should go into it as carefully as if the legislation were referred to one of the regular committees of the House. This is a very deep subject. After having served on the Veterans' Committee for 8 years, I can say frankly that I do not believe there are five men in this House who can learn all about this veterans' legislation within the time I understand it is expected this measure will be brought to the floor of the House.

Mr. WOODRUM. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. WOODRUM. I wish to suggest to our distinguished leader that the subject of the President's message is an administration policy. With all deference to our good friends on the other side of the aisle who so splendidly cooperated with us yesterday, undoubtedly the question presented today in this message involves a broad, deep question of policy, which, after all, the American people are looking to President Roosevelt and the Democratic leadership of this House to handle. [Applause.]

I want to respectfully suggest to our leader that after the adoption of his resolution providing for the appointment of this committee, he then take this whole matter of the President's message into our family caucus, and let us very frankly and freely consider it and discuss it, and when we come out of there, come out with a single mind and a single voice to back up the administration in whatever appears to be the proper thing to do. [Applause.]

Mr. BYRNS. I may say to the gentleman from Virginia [Mr. WOODRUM] that I had already discussed the matter of a caucus with several gentlemen. I had no opportunity to talk with more than three or four, and it was in my mind, if it appeared agreeable to the Membership upon this side, to ask that a caucus might be held on tomorrow immediately after the adjournment of the House, for the purpose of considering any bill that might be reported, provided the committee had acted by that time.

Mr. WOODRUM. If the gentleman will permit, does the gentleman not think that probably some difficulties might be obviated and some help achieved by a discussion of this matter in caucus before any committee formulates a bill, and give the Members of this House an opportunity to express themselves, and our leadership an opportunity to gage the temper of the House?

Mr. BYRNS. That is entirely possible. I not only have no objection to a caucus but I favor one, because I have always believed in party conferences.

Mr. WOODRUM. Why not do it this afternoon?

Mr. BRITTEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BRITTEN. Is it possible for the gentlemen on the other side of the aisle to aline themselves into a caucus now?

The SPEAKER. That is not a parliamentary inquiry.

Mr. BYRNS. To allay any fears which the gentleman from Mississippi [Mr. RANKIN] may have with reference to how broad this message is, I wish to say that since the gentleman first submitted his inquiry I have examined more minutely the message of the President. I do not think there is any question about the fact that his message covers veterans of all wars.

Mr. RANKIN. Does the gentleman's resolution provide for this committee's holding hearings?

Mr. BYRNS. Oh, that is up to the committee. It provides for an investigation and report.

Mr. RANKIN. The gentleman from Tennessee is willing, then, for us to have a caucus and discuss this matter in caucus before we finally pass on this legislation?

Mr. BYRNS. More than that, I am very anxious that you shall have one.

Mr. RANKIN. I agree with the gentleman on that.

Mr. BLANTON. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. BLANTON. I want to ask the gentleman whether or not the jurisdiction of this committee is confined to legislation that is sent it by the President?

Mr. BYRNS. In this message?

Mr. BLANTON. Yes. Is this committee to have any initiative of its own to present legislation other than that which is framed and sent to it by the President?

Mr. BYRNS. No; because we have standing committees to handle all other matters.

Mr. BLANTON. Its jurisdiction, then, is limited to specific measures sent it by the President of the United States.

Mr. BYRNS. Precisely.

Mr. BLANTON. I am in favor of such a committee. In this crucial hour the President of the United States is our Commander in Chief, and the people of our Nation are looking to him to guide us, and during this crisis it is the duty of every loyal American to obey his orders. Without such a committee it would be impossible for the President to launch and put into effect his economic policies. Our national Budget must be balanced. It must be kept balanced. Neither the House nor Senate can balance it. We have tried to do it and failed. I confidently believe in the ability and courage of our President to put us back on a sound financial basis. When the crisis is a thing of the past, then we can resume all powers which we are now temporarily transferring to the President.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. I yield.

Mr. O'CONNOR. If I understand the gentleman rightly, I hope he is not making any commitment to hold a caucus before the committee has its legislation.

Mr. BYRNS. No; I did not.

Mr. O'CONNOR. I believe that would be a futile thing.

Mr. BYRNS. I did not make any commitment of that kind, but I did say that I was anxious that a caucus should be held, because I am anxious that everybody who is eligible for that caucus shall have an opportunity to be heard on the subject and to express himself.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. For a question.

Mr. CONNERY. I agree with what the gentleman from Mississippi [Mr. RANKIN] has said, that a lot of trouble would be obviated if we could have a caucus before bringing in a bill.

Mr. BYRNS. That may be.

Mr. WITHROW. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. I yield for a brief question, but I yield for a question only, I may say to the gentleman, and not for a speech. We have some other important matters to consider.

Mr. WITHROW. Prior to holding this caucus I should just like to remind the gentleman of this fact——

Mr. BYRNS. The caucus is not part of this discussion.

Mr. WITHROW. No; and I am not going to be in that caucus.

Mr. BYRNS. I am not going to answer any question in regard to the caucus, I may say to the gentleman, because that has nothing to do with this particular discussion. The question here is the best method of getting a bill before this House for its consideration. So, I hope the gentleman will not spring any partisan or political questions into this discussion.

Mr. WITHROW. That is not it.

Mr. BLACK. Mr. Speaker, I demand the regular order.

Mr. BYRNS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

On motion of Mr. BYRNS, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. RANDOLPH] be allowed to address the House for two minutes.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

ANTON J. CERMAK

Mr. RANDOLPH. Mr. Speaker, yesterday I listened with great interest to the gentleman from Illinois [Mr. BEAM] as he spoke of the splendid and heroic life of Mayor Cermak, who was assassinated in Florida.

I am introducing today a bill which would create a memorial postage stamp in honor of Anton J. Cermak to be sold beginning on the first day of the world's fair in Chicago, June 1; and I have attached to it a statement which I wish to be made a part of my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The matter referred to follows:

STATEMENT ACCOMPANYING THE INTRODUCTION OF A BILL PROVIDING FOR THE ISSUING OF A MEMORIAL POSTAGE STAMP IN HONOR OF THE LATE MAYOR OF CHICAGO, ANTON J. CERMAK

(1) That whereas the late Anton J. Cermak, mayor of the city of Chicago, State of Illinois, died from bullet wounds inflicted by an assassin; and

(2) Whereas in the death of the said Anton J. Cermak the people of the United States lost a fellow citizen of splendid courage and ability and a man with the highest ideals of public service; and that

(3) Whereas in meeting his death he preserved the life of Franklin Delano Roosevelt, President of the United States, at an hour when the whole country is in dire need of the great ability and leadership of the President of the United States; and that

(4) Whereas he was a friend who gave his life for another and a citizen who made the supreme sacrifice for the welfare of his country, and is therefore entitled to the praise and honor of the people of the United States; and that

(5) Whereas if the said Anton J. Cermak had lived until the 1st day of June 1933, he would have been mayor of Chicago during the world fair to be held in that city beginning on the said 1st day of June 1933:

Now, therefore, this statement is offered in support of the issuance of a memorial postage stamp in honor of the said Anton J. Cermak, to be issued and sold beginning at the opening of the world fair to be held in Chicago on the 1st day of June 1933.

A bill creating a memorial postage stamp in honor of Anton J. Cermak

SECTION 1. That the Post Office Department of the Government of the United States be, and hereby is, authorized to create, establish, and issue a certain postage stamp, of a denomination to be determined by the said Post Office Department, in honor of the late Anton Cermak, of Chicago, Ill.

SEC. 2. That said postage stamp be designated and known as the "Cermak Memorial Stamp."

SEC. 3. That the said "Cermak Memorial Stamp" be issued and sold beginning on the first day of the world fair to be held in Chicago, Ill., beginning on June 1, 1933.

REPRESENTATIVE-ELECT FRANCIS H. SHOEMAKER

The SPEAKER. The pending business is the seating of Mr. FRANCIS H. SHOEMAKER, of Minnesota. Without objection, the Clerk will again report the resolution offered by the gentleman from California [Mr. CARTER].

The Clerk read as follows:

Mr. CARTER of California offers the following resolution:

"Whereas it is charged that FRANCIS H. SHOEMAKER, a Representative elect to the Seventy-third Congress from the State of Minnesota, is ineligible to a seat in the House of Representatives; and

"Whereas such charge is made through a Member of this House, on his responsibility as such Member and on the basis, as he asserts, of public records, statements, and papers evidencing such ineligibility: Therefore

"*Resolved*, That the question of prima facie right of FRANCIS H. SHOEMAKER to be sworn in as Representative from the State of Minnesota in the Seventy-third Congress, as well as of his final right to a seat therein as such Representative, be referred to the Committee on Elections No. 1, when elected, and until such committee shall report upon and the House decide such questions and right the said FRANCIS H. SHOEMAKER shall not be sworn in or be permitted to occupy a seat in the House, and said committee shall have power to send for persons and papers and examine witnesses on oath in relation to the subject matter of this resolution."

Mr. KVALE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KVALE. Yesterday the majority leader moved the previous question on the resolution. I wonder if it would not be possible for him to withdraw that motion and at this stage give recognition to offer a substitute resolution?

Mr. BYRNS. I withdrew the motion yesterday, I thought. That was my intention.

Mr. KVALE. Will the gentleman give recognition for the purpose of offering a substitute resolution?

Mr. BYRNS. Mr. Speaker, I simply took the floor yesterday to move the previous question. If the gentleman from Minnesota wishes to offer a substitute resolution—and since now we have a little time, I think these gentlemen are entitled to a little time to express themselves—I have no objection to the discussion if it can be arranged within reasonable limits.

Mr. SNELL. Mr. Speaker, the gentleman from California presented this resolution, and it seems to me he should have the floor.

Mr. WOODRUM. Mr. Speaker, I present a point of order, not with the idea of preventing the gentleman from Tennessee from having the floor but merely for the purpose of clearing the record.

Mr. BYRNS. I may say to the gentleman from Virginia that I have not claimed the floor.

Mr. WOODRUM. The gentleman from California presented the resolution. This entitled him to an hour's time. The gentleman from California concluded his remarks, took his seat, and the gentleman from Minnesota opposed the resolution and had recognition in his own right.

The SPEAKER. The gentleman from Tennessee is recognized.

Mr. BYRNS. Mr. Speaker, regardless of who has the floor, I think we can arrange for some time for the discussion of this matter.

Mr. BLANTON. Mr. Speaker, I make the point of order that before we proceed further it should be determined definitely who has the floor, and I make the further point of order that the gentleman from Tennessee [Mr. BYRNS] has the floor, the gentleman from California [Mr. CARTER] having relinquished it before his hour was up, and the gentleman from Tennessee having demanded the floor and having on yesterday been recognized by the Speaker.

The SPEAKER. The gentleman is absolutely correct. The gentleman from Tennessee has the floor.

Mr. BYRNS. Mr. Speaker, I do not care for any considerable time myself. I want to ask the gentlemen if they can not get along with the balance of the hour if the time is equally divided and controlled between them, or can we not agree upon 30 minutes to the side?

Mr. CARTER of California. Mr. Speaker, I would agree to 35 minutes on a side and would endeavor to close sooner than that.

Mr. KVALE. Mr. Speaker, that is agreeable to me.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that debate upon these resolutions be limited to 1 hour and 10 minutes, 30 minutes of the time to be controlled by the gentleman from California and 35 minutes by the gentleman from Minnesota, if that is agreeable, and 5 minutes by myself; and at the end of the time the previous question shall be considered as ordered.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that debate on the resolutions be limited to 1 hour and 10 minutes, 30 minutes to be controlled by the gentleman from California, 35 minutes by the gentleman from Minnesota, and 5 minutes by the gentleman from Tennessee; and at the end of that time the previous question shall be considered as ordered. Is there objection?

Mr. WHITTINGTON. Mr. Speaker, reserving the right to object, does this include the resolution presented by the gentleman from California and the substitute resolution to be presented by the gentleman from Minnesota?

Mr. BYRNS. Both of them; yes.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the substitute resolution.

The Clerk read as follows:

Substitute resolution offered by Mr. KVALE:

"*Resolved*, That the Speaker is hereby authorized and directed to administer the oath of office to the gentleman from Minnesota, Mr. FRANCIS H. SHOEMAKER;

"*Resolved*, That the question of the final right of FRANCIS H. SHOEMAKER to a seat in the Seventy-third Congress be referred to the Committee on Elections No. 2, when elected, and said committee shall have the power to send for persons and papers and examine witnesses on oath in relation to the subject matter of this resolution."

Mr. KVALE. Mr. Speaker, I yield 10 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Speaker, the question before the House is whether Mr. F. H. SHOEMAKER is entitled to a seat in this House or whether he is disqualified.

I make the statement without fear of contradiction that he is not disqualified but is qualified to sit here as a Member of this House under the Constitution of the United States of America and under the rules and regulations of this House.

In the first place, the qualifications for a Congressman are the following:

No person shall be a Representative who shall not have attained to the age of 25 years, had been 7 years a citizen of the United States, and who shall not, when elected, be an inhabitant of that State in which he shall be chosen.

This is the qualification required by the Constitution of the United States. Again—

Each House shall be the judge of the elections, returns, and qualifications of its own Members, and a majority of each [House] shall constitute a quorum to do business.

The question that has been raised in respect to the seating of Mr. SHOEMAKER is that he was convicted of a felony and sent to the penitentiary at Leavenworth.

I submit to the Members of this House that he was never disqualified, that his citizenship was never taken away, and that his citizenship cannot be taken away under the statute under which he was convicted; which conviction was on the charge of sending defamatory literature through the mails. That is the charge that was brought against him.

So that the Members of the House may understand what I am talking about, I will briefly discuss the facts upon which Mr. SHOEMAKER was convicted.

In the first place, there was a Mr. R. W. Putnam, the president of a banking and trust company, and it seems that the trust company got some funds of an estate that it held in trust for the members of a family. After the death of the father, and after the youngest member of the family had reached the age of 21 and the estate was to be divided, this trust company paid off the members of the family of this deceased father with bonds of a bank and mortgage company which were worthless. Through Mr. SHOEMAKER's interest in the case there was a lawsuit brought and the trust company had to pay back the money that it had wrongfully used when it paid off the heirs with these worthless bonds. [Applause.]

There is the animosity in the case. There is the motive in the case. Not only did the court make them pay back the money, but it made them pay 6 per cent interest for the use of the money during the time that the heirs had been given these worthless bonds.

Naturally there was bad blood between Mr. SHOEMAKER and Mr. Putnam, and later on Mr. SHOEMAKER became a candidate for Congress and the heat of the political situation grew more extreme.

Then Mr. Putnam sent a letter to Mr. SHOEMAKER, addressed "F. H. SHOEMAKER, editor Organized Farmer, any place in the world but Red Wing, Minn."

That was the provocation. What did Mr. SHOEMAKER do? He addressed an envelope to Mr. Putnam and put on it, "R. W. Putnam, robber of widows and orphans, Red Wing, Minn." I ask in all seriousness the Members of this House whether he was not the protector of orphans and widows, and that is the language for the use of which he was con-

victed. He was convicted under section 212, Criminal Code, which reads:

Mailing libelous and indecent matter on wrappers or envelopes: All matter otherwise mailable by law, upon the envelope or outside cover or wrapper of which, or any postal card upon which, any delineations, epithets, terms, or language of an indecent, lewd, lascivious, obscene, libelous, scurrilous, defamatory, or threatening character, or calculated by the terms or manner or style of display and obviously intended to reflect injuriously upon the character or conduct of another, may be written or printed or otherwise impressed or apparent, are hereby declared nonmailable matter, and shall not be conveyed in the mails nor delivered from any post office nor by any letter carrier, and shall be withdrawn from the mails under such regulations as the Postmaster General shall prescribe. Whoever shall knowingly deposit or cause to be deposited for mailing or delivery anything declared by this section to be nonmailable matter, or shall knowingly take the same or cause the same to be taken from the mails for the purpose of circulating or disposing of or aiding in the circulation or disposition of the same, shall be fined not more than $5,000 or imprisoned not more than five years, or both.

There is nothing in the section that disqualifies anyone convicted under its provisions from holding a public office or in any manner deprives him of his citizenship.

It is true that Congress has seen fit to enact laws depriving officers of trust of the United States from holding office, but the statute under which Mr. SHOEMAKER was convicted, or rather under which he pleaded guilty, is not one of them. Section 199, Criminal Code of the United States Code, compact edition, provides that where a Member of Congress accepts a bribe he shall, among other punishment, also forfeit his office or place and thereafter be forever disqualified from holding any office of honor, trust, or profit under the Government of the United States.

There are a few other laws where a man in the employ of the Government forfeits his right to hold his office and is disqualified. But, my friends, that is not the question in this case, for SHOEMAKER never lost his citizenship.

Mr. MAY. Mr. Speaker, will the gentleman yield for a question?

Mr. LEMKE. Yes.

Mr. MAY. I dislike very much to interrupt the speech of the gentleman, but I am interested in knowing just two things. If this gentleman was convicted of a felony under section 212 of the Criminal Code, do the laws of the State of Minnesota provide that a man so convicted of a felony shall be divested of his citizenship until he is restored by Executive action?

Mr. LEMKE. Under the language of the constitution of Minnesota it is provided that the legislature may in certain crimes deprive a man of his citizenship, but the Legislature of Minnesota has not done so, and has not acted in such matters, so far as I have been able to learn in the short time given me, with the exception that it provides that persons convicted of certain crimes cannot serve on juries.

Mr. KVALE. Mr. Speaker, will the gentleman yield so that I may answer the gentleman from Kentucky?

Mr. LEMKE. Yes.

Mr. KVALE. Mr. Speaker, I received a telegram this morning from the secretary to the Governor of the State of Minnesota which will probably answer completely the gentleman's question. The telegram states that objection was made by the secretary of state to the filing of F. H. SHOEMAKER for the office of Member of Congress in the last election, and that the attorney general ruled that the secretary of state should accept such filing. It further states that as a result Mr. SHOEMAKER was nominated and elected and received a certificate of election from the proper officials of that State.

Mr. MAY. Just one other question. Does the gentleman believe that it will be necessary to have a pardon for a conviction of a felony from the President of the United States in order to restore this gentleman to his citizenship, or does the gentleman think that he is now in the exercise of his full right as a citizen of the United States such as to bring him within the constitutional qualifications?

Mr. LEMKE. My answer is that he was never deprived of his citizenship and could not be legally under the law, and that he has not been deprived under the laws of this Nation nor of the State of Minnesota, nor by the sentence of the court. He never was deprived of his citizenship in the State of Minnesota. Under certain conditions he could be deprived, but remember, he was never tried in the courts of Minnesota and never could have been convicted on a charge of criminal libel, because what he said was the truth. Under the statutes of the United States, however, he could not be excused for telling the truth.

Mr. MAY. Does not the gentleman think that we cannot go behind the judgment of the court and that a conviction of a felony under section 212 of the Criminal Code automatically bars him of his right of citizenship until it is restored by Executive action?

Mr. LEMKE. I do not agree with the gentleman.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. LEMKE. Yes.

The SPEAKER. The time of the gentleman from North Dakota has expired.

Mr. KVALE. Mr. Speaker, I yield the gentleman from North Dakota five additional minutes.

Mr. BANKHEAD. I have received some information—I do not know whether it is veracious or not—that this gentleman did not have a trial upon the merits of the charge, but that he pleaded guilty with some sort of an understanding with reference to a suspension of sentence. Can the gentleman give us any information on that subject?

Mr. LEMKE. He pleaded guilty under the erroneous advice of his attorney, that if he would plead guilty there was a gentleman's agreement that he would be convicted of a misdemeanor only. Under those conditions he pleaded guilty and was sentenced to 1 year and 1 day and was put on probation for 5 years. He then came back and refused to accept the probation of 5 years, saying that he would sooner serve 1 year and 1 day under that condition, because he felt that he was not guilty of any crime, and he was not.

Mr. BANKHEAD. Then, as a matter of fact, there was a breach of faith upon the part of somebody as to what should be the severity of the sentence when the plea of guilty was entered. Is that true?

Mr. LEMKE. That is my understanding, and he supposed he was pleading guilty to a misdemeanor. Then they jammed this in against him and gave him 1 year and 1 day and put him on probation without any request for it, and the judge voluntarily made the statement, and I think you will find it in the record, that he did not consider him a criminal.

Mr. KERR. Mr. Speaker, will the gentleman yield?

Mr. LEMKE. Yes.

Mr. KERR. I understand that he served a year and a day in the penitentiary?

Mr. LEMKE. Not all of it. He was paroled.

Mr. KERR. How long did he serve in prison?

Mr. LEMKE. I am not familiar with that fact.

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. LEMKE. Yes.

Mr. BULWINKLE. He was paroled upon what condition? I ask the gentleman if he did not state to the pardoning board here in Washington, when he asked for his parole, that he would go to Russia if he was paroled?

Mr. LEMKE. That is news to me. I know nothing about it. I am not very much concerned with hearsay.

Mr. HUDDLESTON. Mr. Speaker, will the gentleman yield?

Mr. LEMKE. Yes.

Mr. HUDDLESTON. When was this conviction?

Mr. LEMKE. In 1931.

Mr. HUDDLESTON. Was it generally known to the people of Minnesota when they elected him to Congress?

Mr. LEMKE. It was generally known. I campaigned for him, and that was brought up in the campaign. Notwithstanding that, he was elected by 317,000 votes, and the secretary of state of the State of Minnesota, who is hostile to him, signed his certificate of election, together with the Governor of Minnesota. I think that disposes at least of the question of his being sworn in and making him a Member of this Congress.

Mr. HUDDLESTON. If the people of Minnesota sent him to represent them in Congress, what right have we to turn him down?

Mr. LEMKE. I say, none. Mr. Speaker, I yield back the remainder of my time.

Mr. CARTER of California. Mr. Speaker, I yield myself 5 minutes.

The gentleman from North Dakota [Mr. LEMKE] just said that under the Constitution of the State of Minnesota this gentleman was entitled to vote and hold office. However, he did not quote to you from the Constitution of the State of Minnesota as I propose to do and then let you draw your own conclusions. Under article 7 of the Constitution of the State of Minnesota, referring to an article headed "Elective Franchise"—and I shall not read the entire article, but only that portion bearing on this case—it says:

> No person who has been convicted of treason or any felony, unless restored to civil rights, shall have the right to vote.

I do not see how the gentleman from North Dakota can reconcile that provision with his statement made here.

Mr. O'CONNOR. Will the gentleman yield?

Mr. CARTER of California. I yield.

Mr. O'CONNOR. Does not the gentleman know that those provisions in the State constitution pertain to what are felonies under the State laws; that some crimes might be felonies under Federal laws which are not felonies under a State law; that the constitution of the State has nothing to do with the qualifications of the Membership of this House? [Applause.]

Mr. CARTER of California. The constitution here states "any felony."

Now, I wish to say to the Membership of the House that my interest in this matter is not one whit more than the interest of each and every individual here. I do not know the gentleman from Minnesota who is seeking to take the oath here. Some of the facts of this case were called to my attention, and I thought that in justice to the Membership of the House they should be laid before the House for whatever action the House might desire to take. In the first place, I do not know and I cannot contradict the statements made by the gentleman from North Dakota with reference to the details of this case, but I do know that I hold here a certified copy of an indictment made against FRANCIS H. SHOEMAKER by a Federal grand jury. I do know that he went into court and at first pleaded "not guilty"; and later changed his plea to "guilty", and was given a sentence of a fine of $500 and a term of 1 year and 1 day in the penitentiary at Leavenworth. Reading from the certified copy of the judgment:

> Execution of sentence herein stayed for 5 years, and defendant placed on probation during that time to Federal Probation Officer McKinnon, who is appointed probation officer for that purpose, and who shall direct the payment of said fine at such times and in such manner as he may see fit.

Mr. TARVER. Will the gentleman yield?

Mr. CARTER of California. I am sorry, but I do not have time.

Mr. TARVER. Will the gentleman read not the sentence of the court, but what the man was charged with?

Mr. CARTER of California. This was dated December 22, 1930.

The SPEAKER. The time of the gentleman from California [Mr. CARTER] has expired.

Mr. CARTER of California. Mr. Speaker, I yield myself 5 additional minutes.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. CARTER of California. In just a moment. I want to complete this statement.

On the 29th day of December 1930, according to the certified copy I have here, probation was revoked, and the defendant was sent to Leavenworth Prison.

Mr. O'CONNOR. What was he charged with?

Mr. TARVER. Will the gentleman tell us what the man was charged with?

Mr. CARTER of California. He was charged with sending scurrilous, libelous, and defamatory matter through the mails.

Mr. TARVER. Are the words set out in the indictment? Is not the defamatory matter set out in the indictment?

Mr. CARTER of California. I am reading the words used. He was charged with sending scurrilous, libelous, and defamatory matter through the mails of the United States.

Mr. TARVER. Read the words.

Mr. CARTER of California. The words themselves are not set out in this certified copy that I have, but I understand they were the words quoted by the gentleman from North Dakota.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. CARTER of California. I yield.

Mr. OLIVER of Alabama. The gentleman read from the Constitution of the State of Minnesota. May I ask whether the offense for which he was indicted in the Federal court would have been a felony under the laws of Minnesota?

Mr. CARTER of California. I do not know; but the constitution says "any felony." The Constitution of Minnesota says "any felony." It does not say "a felony committed in the State of Minnesota."

Now, my time is brief and I decline to yield further.

Mr. McCORMACK. Will the gentleman yield?

Mr. WHITTINGTON. Will the gentleman yield for a brief question?

Mr. CARTER of California. I yield to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Is the ground of the gentleman's objection that the Member-elect was not a qualified elector of the Commonwealth of Minnesota?

Mr. CARTER of California. No. That is one ground, but that is not the important ground.

Mr. WHITTINGTON. I just wanted to call the gentleman's attention to the fact that this House has repeatedly decided, and the great weight of authority is to the effect, that a man does not have to be a qualified elector of any State to be eligible to membership in this body.

Mr. PARKS. May I ask the gentleman a question?

Mr. CARTER of California. I decline to yield further at this time.

I wish to say in response to the question propounded by the gentleman from Georgia, who asked whether or not the people of Minnesota were aware of the facts at the time of election, that I refer him to the case of B. H. Roberts, who had all of the constitutional qualifications, who was elected from the State of Utah, and who, according to the committee which was appointed to investigate his case, had been found guilty of a crime in that State, and that it was well known to the electorate of that State at the time this man was elected.

Here is the situation: Do you desire to maintain the integrity of this House, or are you going to admit every person that has those three necessary constitutional qualifications that were referred to a few moments ago for admission to this House?

Mr. TARVER. Mr. Speaker, will the gentleman yield?

Mr. CARTER of California. No. I cannot yield at this time.

The precedents of this House have taken that, being the judge of the returns and qualifications of Members, we have the right to say whether a man shall come here and take his seat, even though he has those constitutional qualifications.

The SPEAKER. The time of the gentleman from California has again expired.

Mr. KELLER. Will not the gentleman read this indictment?

Mr. CARTER of California. I will put it in the RECORD. Mr. Speaker, I reserve the balance of my time.

Mr. KVALE. Mr. Speaker, I yield to the gentleman from New York [Mr. O'CONNOR] such time as he desires.

Mr. O'CONNOR. Mr. Speaker, I have given some study and thought to this case for the past 2 days. The gentleman who is attacked is the editor of a newspaper and he

showed me a copy of the newspaper which he published during the campaign. He made certain attacks upon the Republican candidate for President of the United States, full-page attacks; and as I was sitting here I wondered whether or not that furnished any motive for the gentleman from California to come into the well of this House, because it is significant—it may be only a coincidence—that he comes from the same State that now is the residence of the defeated candidate for President of the United States.

This case is a whole lot of much ado about nothing. The provisions of the Minnesota Constitution have no applicability here. Time and again the courts of the State of New York have held that what is a felony in that State may be different from what is a felony under Federal law. Time and again I have acted as counsel in cases where that question arose. For instance, it often arises as to whether or not a man is a fourth offender under New York laws, and thus to be sentenced to life imprisonment, whether or not he has been four times convicted of a felony. He may have been convicted of a felony three times in the State of New York and on another occasion of a crime which the Federal Government called a felony, but if that crime would not be a felony under the laws of the State of New York if committed in that jurisdiction, our courts have repeatedly held he is not a fourth offender. Such is the crux of this case here today.

Mr. PARKS. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. PARKS. If a man is indicted for sending defamatory matter through the mails, under the law he cannot plead the truth of his charge, but if he were indicted under the libel law of the State of Minnesota, he could plead the truth of the charges.

Mr. O'CONNOR. Exactly; and I do not believe that the gentleman went very far in calling a certain banker a "robber", because I have recently heard bankers called worse than robbers by people in very high places.

Mr. OLIVER of New York. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. OLIVER of New York. In the gentleman's opinion, was this banker a robber or not?

Mr. O'CONNOR. I do not know. Why, Mr. Speaker, this is obviously a political fuss in Minnesota. Even nations pay no attention to such "crimes." Nations will not recognize extradition proceedings for such political crimes. This was just an instance where people make unusual statements in the heat of a political controversy.

This gentleman from Minnesota, the editor of a newspaper, ran for Congress 2 years before with this banker opposing his election.

Do you appreciate the significance of the allusion made here to-day of his alleged promise to go to Russia? He, an American citizen, was to be sent to Russia so that he could no longer conduct his newspaper in the political campaigns of Minnesota to the discomfiture of a certain banker.

I understand that the attorney general of Minnesota, the highest legal authority there, ruled that he had never lost his citizenship. The only cases I know of where a man loses his citizenship, from a Federal standpoint, are for treason, desertion, or conviction of a felony while holding public office, and this man held no public office at the time of his conviction.

Having heard about this case some weeks ago, I was hoping the question would not be raised on the floor of this House.

I sometimes believe I am one of the few remaining States' rights Democrats. If any Democrat in this House would vote to unseat this man after 317,000 people of his State sent him here to represent them in Congress, let him take his name forever off the roll of the Democratic Party. [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. CARTER of California. Mr. Speaker, I yield 10 minutes to the gentleman from North Carolina [Mr. BULWINKLE].

Mr. BULWINKLE. The case that is before the bar of the House today is not one to refuse to seat a man in the House of Representatives, but it is not to administer the oath to him until a day certain, until a trial can be had, until he can present witnesses and an opportunity is had to go into the truth or falsity of the charges made against him. Let me give you, quickly, the facts in this case.

In the early part of 1930, in February, defamatory written language was upon an envelope by the Member-elect. The gentleman was later on a candidate for Congress. He was defeated. The trial did not come on until the latter part of December 1930. He came before the judge, first pleading not guilty to the charge, then changing his plea to guilty. The judge then sentenced him to a year and a day in the Federal penitentiary and also fined him, but put him under probation for 5 years. Within 1 week's time, while he was under the order of the court, he turned around and deliberately denounced the judge for his conduct, denounced the judge for having placed the sentence on him. The judge then withdrew the probation order and SHOEMAKER served a year and a day in the Federal penitentiary. These are the facts.

If I were to inject prejudice into this argument, as the gentleman from North Dakota did, I possibly could go back into other facts which were not brought up here on the floor of the House and which have no part in the consideration of this case today. But I do not, at this time, intend to do that. The man was accused of a felony; he pleaded guilty to a felony, the violation of a statute of the United States which carried with it a punishment of 5 years in the penitentiary and a fine of $5,000. And now, forsooth, not only that but he comes here and charges the lawyer with being no good and having caused him to make that plea.

Mr. KVALE. Mr. Speaker, will the gentleman yield?

Mr. BULWINKLE. I yield.

Mr. KVALE. I have just been advised by the Member-elect that he pleaded guilty because it was on the very eve of Christmas and there had been a death in his family and he thought he was entering into a compromise.

Mr. BULWINKLE. All right; we have before us here today two facts to consider as to his plea; one is a "no-count" lawyer and the other is this statement made by the gentleman from Minnesota.

What have been the precedents of the House in similar cases? for the precedents must guide us here today. Remember, that the resolution introduced by the gentleman from California does nothing more nor less than to have a hearing and put this off to a day certain in the future when all can be heard and the matter decided upon.

There was a South Carolina case, Mr. Speaker, some years ago, in the Forty-first Congress, the case of B. F. Whittemore. Mr. Whittemore had been a Member of this House. He sold his West Point appointment. Then the House moved to expel him, but before the matter was considered he resigned. He then went back home and was reelected to the Congress, never having been tried, mind you, for bribery; and the only thing that was against him was the charge of bribery and his resignation from the House of Representatives. But he came back to the House, and the House then set the hearing of the matter for a day certain, first referring the case to a committee, the resolution being in the same terms as the resolution of the gentleman from California.

Mr. COX. Will the gentleman yield?

Mr. BULWINKLE. I shall be delighted to yield.

Mr. COX. Can the gentleman see no distinction between the act of accepting a bribe and calling a man a robber? Does not the acceptance of a bribe involve moral turpitude?

Mr. BULWINKLE. I see no distinction between crime anywhere, whether it is a man who would rob a man's character or whether it is a man who would make statements about a bank and cause a run upon it as he did. Moral turpitude also is involved in the defamation of a man's character, and I can see no difference in crime whatever name it may be called. [Applause.]

Mr. DOUGLASS. Will the gentleman yield for a question there?

Mr. BULWINKLE. Yes.

Mr. DOUGLASS. Suppose the charges made by this candidate were substantially true, what then?

Mr. BULWINKLE. But he pleaded guilty to the falsity of these charges.

Mr. OLIVER of New York. Oh, no.

Mr. DOUGLASS. That was because he did not have the right to plead they were true in the United States courts. But outside of the court, suppose the charges were substantially true, would the gentleman still insist upon his position?

Mr. BULWINKLE. If he had been convicted in a court of competent jurisdiction, he would be guilty of crime.

Mr. OLIVER of New York. If he had written this matter inside of the envelope, he would have been subject in his own State either to a suit for libel or to an indictment for libel, but he wrote this on the outside of the envelope and that is the whole charge here. It is mala prohibita and nothing else.

Mr. BULWINKLE. Not only this, but the same publicity comes with this gentleman to this House, because, forsooth, when he sent his life history and his biography to be printed in the Congressional Directory for the Seventy-third Congress, boasting of the fact that he had been in the penitentiary, he said, "I go from the penitentiary to Congress, not like a great majority of Congressmen who go from Congress to the penitentiary." [Laughter.]

Still proud of the fact and still boasting of the fact that he is entitled to a seat in this House because he has been to the penitentiary.

Mr. MAY. Will the gentleman yield for a question?

Mr. BULWINKLE. I yield to the gentleman.

Mr. MAY. From my recollection of a study of Blackstone's Commentaries, he divides crime into two classes—felonies and misdemeanors. He then distinguishes between the two by saying that misdemeanors are such offenses or infractions of the law as are punishable by fine or imprisonment or both and that felonies are such infractions of the law as are punishable by confinement in the penitentiary. Does the gentleman believe, without passing in any way upon the merits of the gentleman from Minnesota as a citizen, coming to the House of Representatives with judgment of conviction of a felony behind him, the House of Representatives ought to go on record as seating him without an investigation of the truth or falsity of the statements about the effect of his trial?

Mr. BULWINKLE. The oath should not be administered until an investigation is made of the facts in the case.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BULWINKLE. Yes.

Mr. O'CONNOR. Will the gentleman tell us what harm is done if we administer the oath and the committee then hears the case? If the man is ineligible he will not be continued in Congress. He has his certificate of election here, and what harm would be done by proceeding in this way?

Mr. BULWINKLE. He should stand aside. And I am calling on you to follow precedents just as the House followed the precedent in the Whittemore case and just as the House followed precedents in the Berger case.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. KVALE. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. McKEOWN].

Mr. McKEOWN. Mr. Speaker and gentlemen of the House, the gentleman from California [Mr. CARTER] is entirely within his rights when he rises in his place and asks that the candidate from Minnesota be not allowed to take the oath.

But I think the gentleman from California has done the gentleman from Minnesota a splendid service, because he has cleared up in the minds of the Members of Congress what it was that this man was convicted of in Minnesota, and it turns out that he was not convicted of cow stealing or horse stealing. He was convicted under a statute of the United States of an offense, not wrong in itself, but wrong because the law says it is wrong. That is all there was to this indictment and conviction.

Now I want to call your attention to another fact, that some of the district attorneys in the United States have been busy throwing themselves into matters that did not concern them, and we know the ease with which indictments can be obtained.

The right of free speech is involved in this proposition. [Applause.] Why, my friends, they talk about the Constitution. One of the highest privileges is the privilege of a man to take the oath as a Member in this House. The gentleman was kind enough yesterday to withhold the question on account of the emergency. This man could have held the House until it determined the question, but they yielded and stood aside because of the necessity to pass legislation immediately. Now they would stop him today because he is said to have written something about a banker, calling him a crook. [Laughter and applause.]

The Constitution says that there are three qualifications for a Member of the House. Neither the State Legislature of Minnesota nor the Congress of the United States can change these qualifications. They are written into the Constitution by the great fathers of the Republic, and they cannot be changed by law.

The gentleman refers to the Roberts case, from Utah. Yes; they stood Roberts aside, and they also tried to expel Mr. Smoot from the United States Senate, one of the illustrious Senators in after years.

I want to say if there is a man in this House who feels himself so perfect that he never violated any law or any statute let him object and be the first one to vote to throw this man out. [Applause.]

Here is a letter from the Governor of Minnesota, in which he says he sends the certificate to this man and extends his congratulations on his election. That letter is signed by the Governor of Minnesota.

Mr. SANDLIN. Will the gentleman yield?

Mr. McKEOWN. I yield.

Mr. SANDLIN. Does the gentleman know whether this man is a qualified voter in Minnesota?

Mr. McKEOWN. I say he is qualified, but it is not necessary under the Constitution for him to be qualified, because there was one who served from the gentleman's own State in the Senate of the United States who was not a citizen of the United States.

Mr. KVALE. If the gentleman will pardon me, let me say that this man is a qualified voter by the decision of the attorney general of Minnesota.

Mr. McKEOWN. I want to direct your attention to another precedent. You cannot try a man and throw him out of this House on a matter of mere whim. The Constitution says you are to consider three things. You can consider his election, you can consider the returns and his qualifications, but you cannot try him for something that happened before he was elected to this House. [Applause.]

Mr. CARTER of California. Mr. Speaker, I yield three minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, we are expressing no reflection upon nor unkind feelings toward the gentleman from Minnesota, Mr. SHOEMAKER, in asking that he wait until his case can be investigated.

Americans do have the right of free speech, but we are all responsible for the improper use of it. Newspapers have the right of free speech, but when they improperly exercise it they are held responsible in the courts.

I have met the gentleman from Minnesota, Mr. SHOEMAKER, personally, and my feelings toward him are the kindliest. It may be that the indictment against him was unjust, that his plea of guilty was improvident, and that the sentence of the court was unmerited; but all these are questions which must be determined upon the facts of his case, and a proper adjudication of same in this House at this time is impossible.

The gentleman from Minnesota comes here with a prima facie case of disqualification against him. He comes with an uncontroverted record of having served a sentence in the

penitentiary, based upon his own plea of guilty, which carries with it the forfeiture of the right of citizenship. Surely, under such circumstances, the House of Representatives of the people of the United States is not asking too much when it requests that before he take the oath of office his case be referred to the proper Elections Committee for proper investigation and report. We are not doing the gentleman any injustice in doing that. We can see to it that he gets justice through one of our committees, and I think it behooves the House of Representatives to act with deliberation in such a case as this.

When the gentleman from Wisconsin, Mr. Berger, came here, not with a final conviction against him, but with a conviction that was then on appeal before the highest courts, the House of Representatives asked him to stand aside, and he did stand aside, until that matter was investigated; and later on, when that sentence was set aside, he was allowed to take his seat here in this House and did serve here for quite a length of time.

I think in all fairness and in all justice to the gentleman from Minnesota this matter should be properly investigated. In all fairness to the standing of this House, which owes something to the people whom we represent, the case should go to a committee and be fairly investigated. If he is guilty of no moral turpitude, let that fact be developed, and then will be time enough for him to take the oath. [Applause.]

Mr. KVALE. Mr. Speaker, I yield five minutes to the gentleman from Alabama [Mr. OLIVER].

Mr. OLIVER of Alabama. Mr. Speaker, I feel there are one or two fundamentals as to which there can be no differences of opinion which should be stated at this time. One of them is that there is no limitation whatever, either constitutional or statutory, on the powers of this Congress to determine the qualifications of an American citizen for membership in this body, who presents a certificate of election, in proper form, from the officials duly authorized to give the same. When this House comes to consider the qualifications of a Member, it should take into account all facts submitted in connection with any charges that may be preferred against him, and render a fair, just, and prompt decision thereon, where there is no dispute, as in this case, as to what the facts are.

The resolution offered by the gentleman from California [Mr. CARTER] is predicated on the idea that under the Constitution of the State of Minnesota the Member-elect in question is and was disqualified from voting in the State of Minnesota because, perchance, he had been convicted of a technical violation of a Federal statute involving no moral turpitude, and which was not a felony under the laws of Minnesota. I affirm, without fear of anyone's citing a decision of any court to contradict it, that when you come to construe a statute or constitutional provision of the State of Minnesota, such as the gentleman from California has read, you must follow the cardinal rule of interpretation—namely what was the intention, the purpose, the effect of such statute or constitutional provision.

No one will find any authority holding that under the provision which the gentleman from California [Mr. CARTER] read from the Constitution of Minnesota, it was ever intended or will ever be held by the courts of Minnesota, that the violation of a statute of another State or of the Federal Government which does not constitute a felony in Minnesota deprives an elector in Minnesota of his right to vote. [Applause.] It would be interesting, if I had the time, to catalog the numerous offenses in some of the States which by statute are made felonies, and which acts in other States are not felonies, nor even in many States punishable as misdemeanors. It never was intended by any constitutional provision, such as has been read from the Constitution of Minnesota, that every statutory offense in any State of the Union which may be a felony in such State should disqualify an elector in the State of Minnesota from either holding office or exercising his right to vote where such offense is not a felony in Minnesota. In that connection I call attention to the fact that under the law of Minnesota, as I am informed, the act charged against the Member-elect is not a felony. He could, in Minnesota, have pleaded the truth of the charge, in full justification of the technical offense for which he was convicted in the Federal court. [Applause.]

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. CARTER of California. Mr. Speaker, I yield three minutes to the gentleman from Kentucky [Mr. MAY].

Mr. BYRNS. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Speaker, ladies and gentlemen of the House, I have hesitated since this resolution was offered to express myself upon the subject before the House. I did so very largely because of my high regard and unusual friendship for my splendid colleague on my committee, the gentleman from Minnesota [Mr. KVALE]. I think this question of more importance to the House of Representatives than a mere consideration of any partisan or personal question. With malice toward none and charity for all I shall address myself for a few minutes to the proposition of the propriety of this House, which, according to my friend from Alabama [Mr. OLIVER], possesses unlimited power in determining the qualification and election of its Members, without a full hearing and investigation seating a man who pleaded guilty and has been convicted and sentenced to serve confinement in a penitentiary on a charge of felony. It will not do the gentleman from Minnesota any injustice to investigate his case. It has been the custom of the Congress for many years to investigate these matters, and this matter ought to be referred to a committee of the House. That committee ought to have hearings and determine the question of whether or not the man has been dealt with unjustly. I have no prejudice against him and would not do him an injustice for my right arm, but I feel that in justice to himself he should demand and covet a full hearing.

Mr. LEE of Missouri. Mr. Speaker, I want to interrogate the gentleman.

Mr. MAY. Mr. Speaker, I yield to the gentleman.

Mr. LEE of Missouri. I understand the gentleman is from Kentucky.

Mr. MAY. I am.

Mr. LEE of Missouri. And I understand that two men from that State served here, who had been charged with murdering Governor Goebel, that they served in this House from the gentleman's own State, while here is a man who was convicted for printing the truth about a banker who was robbing widows and orphans, and yet the gentleman is on his feet here trying to deprive the sovereign people of the State of Minnesota from having a Representative in this House. [Applause.]

Mr. MAY. I am proud of the fact that I am from the State of Kentucky and had I been a Member of this House at the time those men came here, I would have done just as I am doing now. I would have opposed seating them with all of my ability. This is not a question of whether some banker robbed widows and orphans, but it is a question of whether we will ask the gentleman from Minnesota who seeks recognition by this House and who has pleaded guilty, been convicted and sentenced to, and did serve a sentence in a Federal penitentiary and has never been pardoned, to step aside until his case can be investigated and the proof heard. If the gentleman from Missouri [Mr. LEE] desires to take the position that there should be no distinction made between a self-confessed, convicted, and unpardoned felon who boasts "that he has not been sent from Congress to the penitentiary but from the penitentiary to Congress", and other Members, who come with clear records, then I cheerfully concede to my friend from Missouri the high privilege of taking a seat on the floor of this House beside the gentleman from Minnesota and enjoy all the consolation he can get from it. I would deprive the people of Minnesota of no right I would claim for the people of my State or the people of the State of Missouri; and since the gentleman is from Missouri, I wish to answer the gentleman further.

Mr. LEE of Missouri. Yes, sir. I am from Missouri. [Laughter.]

Mr. MAY. Yes, sir; and I am able to show the gentleman. I want to answer the gentleman further by saying to him that my predecessor in office from Kentucky was convicted in a Federal court in Kentucky for a felony, and this House refused to recognize him after that and would not allow him to occupy the seat to which he had been elected.

Mr. LEE of Missouri. Well, they elected his wife in his place. What is the difference?

Mr. MAY. Yes; and I defeated her. The question I am raising here is, Will the House of Representatives erect a moral standard by which its Membership shall be known throughout this country, by establishing the fact that a man shall have the qualifications of morals and a clear record, or are they, without consideration, without a hearing, unquestioned, going to seat a man who admits he has been convicted and served a term in the penitentiary and boasts of the fact that he comes here from the penitentiary, and make that a prerequisite to a seat in this House? Nay, verily, I, for one, protest.

Mr. COX. Will the gentleman yield?

Mr. MAY. I yield.

Mr. COX. If the committee is the creature of the House, and if all the facts that may be furnished the committee are before the House, then in the interest of economy of time might not the House well make a decision which it would ultimately be called upon to make?

Mr. MAY. The gentleman from Georgia has for many years been a notable and distinguished jurist and for a number of years presided as a trial judge. He has had experience, and he knows, as all of us know, that an investigation in 1 hour's time in this House by partisan statements upon both sides is not a satisfactory investigation. [Applause.] I dare say that in all his long and distinguished service upon the bench there was never an instance where an issue was made when he ever decided the case or submitted one to a jury until all the evidence on both sides had been heard. We have a clear-cut judicial question at issue.

The SPEAKER. The time of the gentleman from Kentucky [Mr. MAY] has expired.

Mr. BYRNS. Mr. Speaker, I yield the balance of my time, three minutes, to the gentleman from Kentucky.

Mr. MAY. Mr. Speaker, I take the position that any man who seeks a seat in this House, any man who claims the right to sit upon the floor in this, the greatest and highest law-making body, with the exception of one, upon the face of the earth, ought not be afraid of an investigation, and he ought to say to the Membership, "Send it to a committee and let me vindicate myself." [Applause.]

I have been a lawyer for more than 30 years, and I have never seen a man plead guilty to a felony where the court did not sentence him; but yet they come to us today and say, "Here is a man boasting of the fact that he comes from the penitentiary to Congress," and they want us to say we are going to approve of that kind of action and seat him in this House; and the gentleman from New York [Mr. O'CONNOR] says we are not good Democrats unless we do it.

Mr. O'CONNOR. Will the gentleman yield?

Mr. MAY. As for me, Mr. O'CONNOR, I say that a man is a good Democrat who wants a Member to have a clean record when he takes his seat in the House of Representatives. [Applause.]

Mr. KELLER. Will the gentlem

Mr. MAY. I yield.

Mr. KELLER. Can the gentleman state the charge in the indictment itself? It would not take but a minute to read it, and it will answer all the questions we have asked. The indictment is here, and the gentleman from California [Mr. CARTER] made a mistake when he said the words were not in the indictment, when I asked him to read it. Read the indictment and we will get the whole story.

Mr. O'CONNOR. Will the gentleman yield?

Mr. MAY. I cannot yield to everybody, Mr. Speaker.

Mr. O'CONNOR. Having mentioned my name, will the gentleman yield to me?

Mr. MAY. Yes. I will yield to the gentleman from New York.

Mr. O'CONNOR. Does not the gentleman know that history records the boast of many men having served terms in penitentiaries when they thought they were fighting for a principle? [Applause.]

Mr. MAY. Yes. I am willing to admit that; but I say in answer to that that there is no historic record of any other man in America that ever came to the House of Representatives with the boast upon his lips that he was coming from a prison cell in a penitentiary until today. [Applause.]

Mr. SABATH. Will the gentleman yield?

Mr. MAY. I am sorry. I do not have time to yield further.

I say that when old John Bunyon suffered imprisonment in a prison as a crusader for principle, he was suffering for a principle; and if John Bunyon were here today, he would say to the House of Representatives: "Maintain the moral standard of this great body. Investigate this matter. Give this man a trial. Let a verdict be rendered by the House after a full hearing of all the testimony, and then he will have been either vindicated or convicted and excluded on a full hearing with a fair trial." [Applause.] The Apostle Paul was in prison, but it was for his faith and not for a crime. Not on a plea of guilty.

The SPEAKER. The time of the gentleman from Kentucky [Mr. MAY] has again expired.

Mr. KVALE. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. OLIVER].

Mr. OLIVER of New York. Mr. Speaker, let us give this man a fair deal now. [Applause.] He never got a fair deal before. A great big banker went to a little political district attorney and got an indictment of this man, and this man had a poor lawyer and pleaded guilty before a fat-head judge. [Applause.] Now, let me tell you that judge should never have sent that boy away to jail. That was a dirty deal, and let us reverse it right here in the House. In the heat of that political campaign that man wrote what in his heart was the truth, and I think from the record here it was the truth. He told a banker, "You are a robber", and the dear judge, with the Christmas spirit in his heart, generous with another man's time, sent him to jail for a year and a day. It was an outrage, an act of tyranny, an act of despotism.

That man ought to have been allowed to go back home, and all the officers of the law ought to have understood the circumstances of the case and let that man go out free before the people for whom he was battling. [Applause.] This House ought to reverse that court and give this man his seat in the House. [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. KVALE. Mr. Speaker, I want to bring this discussion and controversy back to certain fundamental issues that I believe are involved here.

I realize that the gentleman from California has instituted this action in good faith and in the usual good conscience that he has always demonstrated in all his services in this Chamber, and I have no fault to find with him for following the line of duty as he sees it, but I am thinking now of the 317,000 people in the State of Minnesota who knew the facts in question from a general point of view.

I am thinking of his excellency the Governor of the State of Minnesota, who gave this Member-elect his certificate.

I am thinking of the secretary of state, who signed the certificate after he had previously instituted an action to keep Mr. SHOEMAKER's name from the ballot.

I am thinking of the attorney general of the State, who passed favorably upon his right to have his name placed on the ballot.

Finally, I am thinking of the right of Members of the House of Representatives sent down here to sit in this law-making body to take the oath of office and then afterwards, if need be, have their qualifications inquired into by proper authority.

Let us seat this Member-elect, and then let us do, if you so desire, as has been proposed—let the matter be heard before a proper committee of this Chamber.

I appeal to the Membership of this House in the interest of fairness and justice to the people of the State of Minnesota. [Applause.]

[Here the gavel fell.]

Mr. CARTER of California. Mr. Speaker, a few moments ago I was asked whether the words were in the indictment. I looked hurriedly and said no. I find, however, that they are, and the words are these, as stated by the gentleman from North Dakota: "Robber of widows and orphans" and "in care of the temple of greed and chicanery."

Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Speaker, the precise point upon which the House is to vote has been almost wholly lost from sight.

This man is, anyhow, to have a trial, a fair trial. The question now is only whether he shall be sworn in at once or after consideration of the case by a committee and acceptance of its report if it finds he is duly qualified to sit in the House.

The point involved concerns the rules and precedents of the House. Again and again Speakers and leaders of the House have had occasion to say that the precedents of the House are part of the rules of the House. It is of vital importance that at the opening of this session the House shall commit itself to loyalty to its rules and its precedents. [Applause.] They are the weapons of the strong; they are the shield and buckler of the weak. Without them we cannot function for the public good. It was ignorance and disregard of parliamentary law that led to the excesses of the National Assembly in the French Revolution. Upon parliamentary procedure rests the Republic.

On the very first day I sat in this House, in May of 1919, came up the case of Victor Berger, of Wisconsin. He was charged with being disqualified. The House had him step aside and did not permit him to take the oath. The precedent then brought to attention was that of the Roberts case, where the same procedure had been followed. The House stood by the precedent.

We must not thoughtlessly, carelessly, hastily overturn the rulings of the House in the past.

We should follow that particular precedent not alone because it was a precedent but also because it insures justice.

You have just seen here an example of how legislative justice by a mass works and what happens anywhere in the world whenever a body of this size attempts to pass upon the merits of any judicial question. You have seen the debate center not upon the question before the House but on the question of guilt or innocence. You have seen Member after Member argue that this man ought to be admitted and Member after Member argue that he ought not to be admitted. A judicial question ought to be decided by judicial processes, by those processes that the House has established as the orderly, safe, prudent, just, right way to handle these matters. So I ask you to stand by the precedents of the House.

[Here the gavel fell.]

The SPEAKER. All time has expired.

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that the substitute resolution may be reported again for the information of the House.

The SPEAKER. Without objection, the Clerk will read the substitute resolution.

There was no objection.

The Clerk again read the substitute resolution.

Mr. BLANTON. Mr. Speaker, before we vote on the substitute I ask that the Clerk report the original resolution.

The SPEAKER. Without objection, the Clerk will read the original resolution.

There was no objection.

The Clerk again read the original resolution.

The SPEAKER. Under the unanimous-consent agreement, the previous question is ordered.

The question is on agreeing to the substitute resolution.

The question was taken; and the Chair being in doubt, the House divided and there were—ayes 230, noes 75.

So the substitute resolution was agreed to.

The SPEAKER. The question now recurs on the resolution as amended by the substitute.

Mr. KVALE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KVALE. Mr. Speaker, at what stage would it be in order to move to strike the preamble from the original resolution?

The SPEAKER. Immediately after the vote on the resolution.

The resolution, as amended, was agreed to.

By unanimous consent, the preamble was stricken from the resolution, and a motion to reconsider laid on the table.

Hon. FRANCIS H. SHOEMAKER, of the State of Minnesota, appeared at the bar of the House and received the oath of office.

PERMISSION TO ADDRESS THE HOUSE

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to proceed for one half minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. BOYLAN. Mr. Speaker, I am speaking on behalf of the dean of the New York delegation [Mr. CULLEN], who is necessarily engaged with his duties on the Ways and Means Committee.

It is pleasing to us, I know, to learn that the general public appreciates the work that we have already accomplished here; and in recognition of this fact the Lieutenant Governor of the State of New York, Hon. M. William Bray, has sent these beautiful flowers here to be presented to the Speaker of the House and to the Members of the Seventy-third Congress for the splendid services they have so promptly performed for our beloved country. [Applause.] I thank you.

The SPEAKER. The Chair desires to make a statement. During the incumbency of the present occupant of the chair, the Chair is going to do all he can to expedite business and to fully preserve the dignity of the House. Entering now upon a strenuous session, a session of worries for all the Members, whenever it is possible to furnish this House, consistent with the discharge of public business, a moment of pleasure and recreation, the Chair is going to do it.

The Chair now recognizes the gentleman from Connecticut.

Mr. KOPPLEMANN. Mr. Speaker, for some years a citizen of this country has been knocking at the doors of Washington, appealing for a chance to get here. Once a week 30,000,000 of American people he has been singing his way to Washington. He has arrived. He is here today, my friend, Eddie Cantor, now in the gallery. [Applause.]

Mr. BYRNS. Mr. Speaker, I presume practically all the business of today is disposed of.

I ask unanimous consent that the gentleman from New York [Mr. SIROVICH] may address the House for 30 minutes.

Mr. SNELL. Mr. Speaker, reserving the right to object, is there any other business on the program this afternoon?

The SPEAKER. Nothing except the appointment of the special committee which the Chair will now announce.

Mr. SNELL. I have no objection to the request.

THE ECONOMY COMMITTEE

The SPEAKER. The Chair lays before the House the following appointments, which is the only matter of business that is coming up this afternoon.

The Clerk read as follows:

Pursuant to the provisions of House Resolution 28, the Chair appoints as members of the Economy Committee Mr. MCDUFFIE, Mr. MILLIGAN, Mr. WOODRUM, Mr. TABER, and Mr. MCGUGIN.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. BYRNS]?

There was no objection.

POLITICAL PARTIES

Mr. SIROVICH. Mr. Speaker, ladies and gentlemen of the House, that eminent British philosopher, scholar, sage, and economist, John Stuart Mill, once aptly stated that in any enlightened community there must of necessity be two political parties, one representing the forces of stability and order and the other the ideals of progress and reform.

In England the historic division has been along the lines of conservatism and liberalism. There at the present time we have nominally three parties. When we analyze the aims and ambitions of these parties and subject them to a searching analysis, we find that in reality they represent merely two divisions of opinion—the conservatists standing for stability and order, while the liberals and laborites are merely divided in their views concerning progress and reform.

Throughout the ages, through ancient, medieval, and modern times, we find every government of the world subjected to the influence of two contending political parties.

In the days of the Savior there were five political groups: The Sadducees, who represented the conservative element of their time and who owned and controlled all the material wealth and resources of their day; and the Pharisees, the Zealots, the Scribes, and Elders, who represented the liberal groups, battling not only for stability and order but for progress and reform.

When the Semitic Government crumbled into the ashes of time, we find Greece contending with two political groups, the Hoi Aristoi representing the autocratic element and the Hoi Polloi, the symbol of the common people.

When Rome was mistress of the world and her countless legions marched all over the then civilized world, her political parties were represented by the Patricians, who represented the hereditary aristocracy, and the Plebeians, who symbolized the faith and ideals of the common mass.

The thousand years following the fall of Rome were relatively barren in their political significance, since they represented centuries of darkness, of ignorance, and unspeakable misery and poverty, when the petty barons fastened their ironclad rule upon small areas and the voices of humanity were wholly inarticulate.

For the thousand years, when knighthood was in flower, the barons, the lords, and dukes represented the landed aristocracy. The common people were the feudalistic slaves who served their overlords. They had economic security, but were denied liberty and freedom of expression.

During the reign of King George III the Tories represented the philosophy of absolute monarchy, while the Whigs battled for the privileges and prerogatives of liberalism.

When our Government was founded, Alexander Hamilton was the symbol of the conservative reactionary element of his day and fought for stability and order, while Thomas Jefferson, the author of the immortal Declaration of Independence, consecrated himself upon the altar of liberalism, battling loyally and courageously for the philosophy of human progress and social reform.

In the European countries political parties have been split into various minor subdivisions known as blocs, each bloc representing merely a different shade of the principle of conservatism or liberalism. Even within the ranks of the Socialist Party in Europe, a party which has presented the first definite economic program for government in the history of modern worlds, the same division along lines of conservatism and liberalism is to be found.

The right wing of the Socialist Party, as represented by the controlling Socialist interests of France and Germany, represent the conserving theory, the theory that the gains made by socialism should merely be conserved, and that no further attack upon constitutional government should be made.

The left wing, embodying the principles of the controlling and dominating party in Soviet Russia, insist on a demolition of present-day constitutional government and a complete and radical change in our economic structure.

In Italy a novel departure has been attempted from constitutional government. The controlling party, the Fascisti, has adhered to the theory of the destruction of all other parties, yea, the destruction of democracy itself. It has stood for the annihilation of parliamentary government by setting up a superstructure of middle-class dictatorship. In my humble opinion, this movement represents merely an economic trend in Italy to preserve the assets of the country. When the rehabilitation of the economic life of Italy has been fully established, I am convinced that that country will unquestionably return to parliamentary constitutional government. [Applause.]

Since the days of Jefferson and Hamilton, the economic changes that have come over the world have been almost catastrophic in their nature. At the close of the eighteenth century the railroad was but a mere dream. Sailboats paddled their leisurely way for 3 months across the Atlantic Ocean.

When the nineteenth century had closed, an industrial civilization had been ushered into being that beggars description in the thoroughness of the changes it brought about. Railroads, factories, steamships, electricity, phonograph, telephone, and telegraph had all come into being and so thoroughly changed the character of economic society that mere political changes, such as the establishment of a republican government in America and the downfall of autocracy in France, seemed as mere ripples on the earth's surface.

These new economic and industrial changes marked the end of the agrarian feudal system and brought to life the factory system with all the accompanying benefits and evils as well.

This industrial revolution promoted the rise of great cities with congested slums, housing problems, living problems, and also brought into being a conflict between those who employed human beings to work for them and those who were so employed.

This conflict has been described as a struggle between capital and labor. It is a struggle of one class to take advantage of enormous changes wrought by the genius of man and a struggle of another and larger class to prevent the abuses and impositions.

This condition of affairs has brought its accompanying evils. To remedy these evils the two major parties of our country have taken their stand. The forces of conservatism, which have refused assistance to those who are suffering from the tragic evils of the present frightful and deplorable economic system, are the Republican Party; while the forces of liberalism, which stand for progress and reform and insist that these evils must be frankly and candidly recognized and ameliorated, are the Democratic Party. [Applause.]

The greatest philosopher of democracy during the twentieth century was Woodrow Wilson. In the history of the world he will stand out as a shining light for having taken a definite position with the progressive forces of the Nation. By a rapid series of reforms like the introduction of the Federal Reserve System, the Adamson 8-hour law, which guaranteed 8 hours a day to those employed on the railroads, through the vast number of workingmen's compensation and social insurance laws, child-welfare legislation, and widows' pensions adopted in various States, Woodrow Wilson fought for progressive ideals.

Under the inspiration of President Woodrow Wilson's leadership the Democratic Party of Jefferson, Jackson, and Cleveland has become definitely committed to the policy of liberalism, progress, and reform. The Democratic Party to succeed must play the part which the principles of its great leaders and the doctrines of its early founders have cast for it. [Applause.]

The Democratic Party must again frankly adhere to a platform of social reform. It must dedicate itself to a betterment of housing and living conditions. It must once again stand forth as the steadfast defender of the great mass of labor against the monopolistic interests of our country. It must solve the problem of unemployment. It must create a new financial structure in the place of its present decrepit banking system that will stand the test of time. [Applause.]

For the past 12 years the ultraconservative Republican Party, fighting for what they termed "stability and order", was in control of the destinies of our Republic. Because of their administration, the country has been ruined financially, economically, and socially. They floundered in a mire of financial and economic uncertainty. They had no plan, program, or treatment that could restore our Republic to its former state of prosperity. Their ship of state was buffeted by economic typhoons and social-political storms on the ocean of unemployment that have almost wrecked and destroyed it. [Applause.]

The American people have repudiated the present Republican economic system. They have rebelled against the old social order. They seek a new program of action. They demand the performance of reconstruction and reform, wherein the few will not reap the benefits of production and distribution at the expense of the many. Economic security must accompany liberty of action and freedom of expression. Labor must not be exploited through starvation wages. It must be protected from stock watering by financiers and be protected against the manipulation of their deposits by banking racketeers. [Applause.]

The old order is passing. Financial institutions hallowed by age, custom, tradition, and sentiment seem to have vanished overnight. New ideals, principles, and institutions are being called into immediate action and for consideration. The pitiful and tragic 12,000,000 unemployed and their dependents numbering almost 40,000,000—one third of the population of our Republic—whose condition ranges from bare subsistence to absolute want, are crying aloud for immediate aid. Why? Because from October, 1929, to December, 1932, the American Federation of Labor estimates the loss of wages, through unemployment, to be $48,280,000,000. The loss in the gross income of farmers is estimated by the Department of Agriculture for 1930, 1931, and 1932 as $14,354,000,000. The loss of other incomes through industry, commerce, trade, and investments, from figures issued by the Department of Commerce and other reliable sources of the Nation, is calculated as being $96,000,000,000. The total loss, therefore, in incomes in industry, agriculture, and trade of all sorts from October, 1929, to December, 1932, amounts to $158,634,000,000, which is six times the total money cost of the World War to the United States from the declaration of war to official peace. The deficit in the Treasury of the United States during the 4 years of President Hoover's incumbency is over $5,000,000,000.

Mr. ALLGOOD. Will the gentleman yield?

Mr. SIROVICH. In just a moment. As the gentleman will observe, I am not using any notes, data, or memoranda to refresh my memory. If I yield to my distinguished friend from Alabama, it will break the sequence of my thought. I, therefore, most humbly and deferentially request him to desist from interrogating me now. As soon as I conclude my speech, I shall be pleased to answer any question that any Member may be desirous of propounding to me.

Mr. Speaker, ladies and gentlemen of the House, the turnover in business in general, according to reports in the Survey of Current Business issued by the Division of Economic Research of the Bureau of Foreign and Domestic Commerce of the Department of Commerce, based on statistics issued by the Division of Research and Statistics of the Federal Reserve Board, as indicated by payments by check, in principal cities only, not including transactions for cash in and outside of cities, dropped from $933,000,000,000 in 1929 to $662,000,000,000 in 1930, to $481,000,000,000 in 1931, to $322,365,000,000 in 1932—a decrease in business transactions of many kinds, thus evidenced, of $1,330,000,000,000 in 3 years!

The moratorium on foreign debts extended to stabilize international economic conditions, the Reconstruction Finance Corporation, and various other agencies established by the Federal administration during the past 3 years have failed to produce the promised result. The entire effect of all such projects during that time seems only to have benefited banks, railroads, public utilities, and other large corporate interests without increasing the means or hopes for persons engaged in agriculture, industry, commerce, trade, and general business activities to obtain the needed funds or security with which to operate to recover from the continued depression, or to furnish needed work to the unemployed.

Private, corporate, city, State, and Federal relief measures are becoming obnoxious and offensive to men and women who want work and not charity, and onerous to those who contribute directly or indirectly to such relief measures. The people demand an opportunity for honorable work to enable them to provide for the support of themselves and their dependents, instead of alleged relief masquerading under the guise of charity. [Applause.]

Since a national emergency exists, more epochal and of greater potential and actual danger to the people of the United States and the institutions of the United States than has ever before occurred in the history of our Republic, what should be our constructive program of action to immediately take care of these urgent and emergent requirements?

First. Revise the Hawley-Smoot tariff bill. Establish reciprocal relations of all the nations of the world for the mutual benefit of all concerned.

Second. Place agriculture on a parity with industry by passing a bill similar to the McNary-Haugen bill containing the principle of debenture or equalization fee. This will bring justice to 40,000,000 farmers, the victims of a high protective tariff that compelled them to purchase their goods in the restricted markets of our country and to sell their products in the competitive markets of the world. [Applause.]

Third. Pending the repeal of the eighteenth amendment, immediately modify the Volstead Act for the sale of beer to increase the taxable revenue of our Republic. [Applause.]

Fourth. Establish a 5-day week and a 6-hour day.

Fifth. Guarantee bank deposits through a national bank insurance fund. This will protect the savings of every American citizen and bring the hoarded money from its hiding places into circulation in business, in commerce, in agriculture, and industry where it belongs. [Applause.]

Sixth. Recognize Soviet Russia and open American capital and labor to the vast Russian markets to feed and clothe 160,000,000 Russians. This would immediately employ 2,000,000 American workingmen. It would give American money on long-term credits to Russia directly instead of giving it indirectly through Germany. [Applause.]

Seventh. Establish unemployment insurance and old-age pensions in every State of the Union. Derelicts and driftwood of economic strife must not float like flotsam and jetsam upon the ocean of unemployment. Unemployment insurance and old-age pensions are neither new nor radical ideas. The archconservative, the Iron Chancellor of Germany, Bismarck, instituted them in Germany away back in 1883 to break up the great forces of socialism that were prevalent in Germany at that time.

The liberals, Asquith and Lloyd George, put them into operation and realization in England in 1909. The militant and aggressive socialists, Briand and Clemenceau, perfected them in France in 1910.

Since that time 30 nations of continental Europe have placed them upon the statute books of their countries. Why should America, the most advanced and civilized country of the entire world, be so far behind in the onward march and progress of civilization? [Applause.]

Eighth. Institute employment agencies throughout the United States to cooperate with every State agency existing throughout our Republic so that labor may easily be shifted from one part of our country to another in times of economic depression and find positions where their services could be utilized.

Ninth. Universal disarmament would save billions of dollars for all nations of the world. This money could be utilized for culture, education, social justice, and humanizing interests that would ennoble mankind. The only effective way, therefore, to bring about peace in Europe is to

impress upon the citizens of that continental section to bring about complete disarmament. [Applause.]

Tenth. Two million children, all under 16 years of age, are today working in mills, mines, looms, and factories, taking the place of men and women throughout the length and breadth of our country. The delicate bodies and innocent minds of these children belong to the temple of the schoolhouse, there to be developed, through the light of education, so that they may have sound minds in healthy bodies. By all means abolish child labor wherever it is found, and give these humble children their opportunity in the schoolhouse where they belong. [Applause.]

If these heroic measures do not restore prosperity, then an immediate economic blood transfusion upon our body politic is absolutely essential.

Then, in the name of humanity, the President of the United States should be authorized, empowered, and directed by the Congress of the United States to declare that a state of national emergency exists, in peace the same as in war, and shall have the power to conscript whatever man power and resources our country may possess in order to safeguard the interests of the people of our country. [Applause.]

Mr. Speaker, ladies and gentlemen of the House, every emergency and crisis in the history of the world has produced its leader. In this critical period America is fortunate in having summoned to lead us from the land of promise to the land of performance her illustrious son, Franklin Delano Roosevelt. [Applause.]

I now yield to the gentleman from Alabama.

Mr. ALLGOOD. I agree with the gentleman in his outline, especially in regard to unemployment insurance, but the gentleman speaks about the boys who were taken as cannon fodder. Do we not need some insurance against future wars?

Mr. SIROVICH. My dear sir, if Congress had the courage not to abdicate its powers to anyone, but exercised its coexecutive authority and asserting its legislative independstitutional rights as a legislative body, uninfluenced by ence, we should never have loaned $11,000,000,000 to Europe, which is arming itself to the teeth, getting ready to bring on another great war, in which God knows how many millions of men will have to be offered upon the altar of war. We believe as Americans in universal disarmament, that will bring about the brotherhood of man and fatherhood of God through universal peace. [Applause.]

Mr. ALLGOOD. What does the gentleman think about a constitutional amendment to the effect that Congress will not give its power of credit for the fighting of offensive warfare hereafter?

Mr. SIROVICH. If I understand the temper of the Seventy-third Congress, I am convinced that it realizes that success does not consist in making a mistake as we did before, but it consists in not making the same mistake over and over again. America should never wage an offensive war against any nation of the world. It should battle only in defense of its honor when attacked.

Mr. ALLGOOD. If the old European powers had had to pay for the war as they fought it, it would not have lasted 4 years.

Mr. SIROVICH. I agree with the gentleman.

Mr. ALLGOOD. And if we had a constitutional amendment to that effect and if the other nations of the world would take up that idea, so that future wars could not be fought on credit, so that future generations would not have to suffer for what was taking place at the time, then we would stop war.

Mr. SIROVICH. My dear sir, when I traveled through Europe last year, I found in almost every nation of the world that they had overburdened their people with taxation. They are using from 70 to 80 cents of every dollar that they gather in taxation in preparation for a new war and in payment of the obligations of the old wars. If they would use those 70 or 80 cents to develop themselves intellectually, socially, physically, and morally, they would be doing far more to promote the interests of the world for peace, for harmony, for concord and good will.

Mr. SHOEMAKER. Will the gentleman please contrast that with the progress being made in Vienna, Austria?

Mr. SIROVICH. In 1815, after the Napoleonic wars, in the city of Vienna, an infamous treaty was adopted at a conference presided over by Prince Metternich, the adroit Prime Minister of Austria. In that conference were representatives of Russia, Prussia, Austria, and England, who shortly thereafter retired. This group constituted the league of nations of their day. It was called the "Holy Alliance." The purpose of this alliance was to make the world safe for monarchy. Liberalism and progressivism, wherever they were found, were to be crushed and annihilated. Reactionaryism, autocracy, and conservatism sat in the saddle. Progress, liberalism, and reform, under the name of democracy, were driven into subterranean channels in order to survive.

Why did monarchy hate liberalism and try so desperately to suppress and destroy it? Because prior to the French Revolution liberalism gave birth to an intellectual, economic, political, and industrial revolution. The intellectual revolution began with Voltaire, who pilloried and excoriated the church as the custodian of hidebound tradition; Montesquieu, who preached the gospel of parliamentary constitutional government for France the same as was found in England; Rousseau, who in his treatise on the social contract enunciated the political concept that governments derived their just powers from the consent of the governed—that kings do not rule by the divine right of God, but through the sovereign right of the people. These writings of these men on existing conditions reflected the social and economic status of the people of Europe. The French peasants were in misery. The financial condition of France was desperate. Thousands were unemployed. Families were starving. Taxes were imposed upon those least able to bear them, just as in our Republic. That was the spark that caused the conflagration that soon thereafter not only engulfed France but encompassed the entire civilized world as well.

Prince Metternich and his associates, while sitting around the conference table in Vienna in 1815, ascribed the French Revolution to the growth of liberalism in western Europe. In order to prevent monarchy from ever again being challenged by democracy they determined not only to check liberalism in science, art, literature, philosophy, and statesmanship but even endeavored to bring back to Bourbon Spain its lost colonies in South and Central America. The Holy Alliance formed in Vienna sounded the death knell of democracy not wisely but too well. When its influence had waned there had grown in the place of the liberalism of Voltaire the socialism of Karl Marx. In place of the freedom of Montesquieu the anarchy of Bakhunin and Proudhon, and instead of the laissez faire doctrine of Bentham and Mill the communistic anarchy and "mutual aid" of Prince Kropotkin.

About the time of Woodrow Wilson we behold, almost a century after the treaty of Vienna, monarchy again trying to destroy democracy. Woodrow Wilson, the greatest philosopher of democracy that this Nation has ever produced since the days of Thomas Jefferson, recognized this fact and, to preserve democracy, carried the Monroe doctrine over to Europe. The conscience of America, public opinion, and its physical and material resources followed him. Our President declared that "the world must be made safe for democracy." When the World War was concluded monarchy succumbed. Democracy triumphed. The Hohenzollerns of Germany were eliminated. The Hapsburgs of Austria were destroyed. The Romanoffs of Russia collapsed. Just as Napoleon was banished to St. Helena, so the Kaiser was exiled to Doorn. In the ashes of these autocratic governments there rose triumphantly the Republics of Russia, Germany, Austria, Hungary, Poland, and Czechoslovakia.

Just as the Holy Alliance was formed in 1815 to protect the rights of monarchy, so was the League of Nations formed

in 1919 to protect the rights of democracy. Just as the treaty of Vienna in 1815 changed the geographical complexion of Europe, so the new Treaty of Versailles in 1919 changed the geographical complexions of Europe and the entire world. Just as the treaty of Vienna was infamous and unfit and caused 100 years of conflict, so will this Treaty of Versailles go down in history as an iniquitous treaty that will bring havoc and injustice to millions of men and women throughout Europe. [Applause.]

Today we find France and her allies, or satellites, such as Czechoslovakia, Rumania, Poland, Yugoslavia, and Belgium forming a ring and having as their economic slaves, Germany, Austria, and Hungary, thus breeding not only revolution but war. The only thing in the future that the American people can do, in my humble opinion, is to follow the advice of George Washington when he said that America should have no entangling alliances with any European country. [Applause.]

Mr. ALLGOOD. Mr. Speaker, will the gentleman yield further?

Mr. SIROVICH. I yield.

Mr. ALLGOOD. If they had to pay as they fought, they could not fight long. That is the point I wished to bring out.

Mr. SIROVICH. My distinguished friend should remember that the great Napoleonic wars in which all of Europe was involved 117 years ago have not all been paid for to this day. They have not paid the debts that were incurred in that war. How in God's name is it to be expected that the debts we have incurred will be paid before another 100 years have gone by?

Mr. ALLGOOD. They are a mortgage on the future.

Mr. SIROVICH. They are a mortgage upon future generations. Future generations are the innocent victims of our patriotism that runs rampant when we do not deliberate and meditate or think before acting.

Mr. GLOVER. Mr. Speaker, will the gentleman yield?

Mr. SIROVICH. I yield to my distinguished friend from Arkansas.

Mr. GLOVER. Does the gentleman not believe as a further prevention that we ought to pass a bill in this Congress authorizing the drafting of the wealth of the country the same as the drafting of man power? If that were done, would it not be almost a preventative against another war?

Mr. SIROVICH. My distinguished friend has asked me a most thoughtful question. So far as I am concerned, I have always put human rights before property rights. If we conscripted property the same as we did the bodies of the men we sent to France, men who had no opportunity to object to give their last drop of devotion upon the altar of our Republic, there never would be another war. [Applause.]

Mr. MANSFIELD. Mr. Speaker, will the gentleman yield?

Mr. SIROVICH. I yield to my friend from Texas.

Mr. MANSFIELD. Would it not require an amendment of the Constitution to authorize the conscription of property?

Mr. SIROVICH. My dear sir, we ought to have many amendments to the Constitution. One way in which the Constitution requires amendment is the inclusion of a provision that should prohibit our Government, States, and cities issuing tax-exempt securities in which people can put their money, and get interest on that money, which does not go for the support of the Government. [Applause.] If we could impose a tax on the $22,500,000,000 of tax-exempt securities now held by people all over the country, it would help balance the Budget, which we want to balance as patriotic Members of Congress. So what is the use? If we need amendments, we are going to adopt them. We are about to change an amendment that, when I first came on the floor of the House, I never believed would be changed during my lifetime; that is, the repeal of the eighteenth amendment.

I see my good colleague, Brother Schafer, sitting there. When we entered the Seventieth Congress we had 56 wets in the House. Many times have I stood in the well of the House to show hundreds of Members of Congress what was happening when alcohol was denatured with virulent poisons that were put into it, which caused the untimely death of thousands of innocent men, women, and children, a provision that should never have been placed upon the statute books of the Republic. [Applause.]

Now, Mr. Speaker, ladies and gentlemen of the House, let me take this opportunity to thank you for the cordial and unusual attention and kindness you have given me as I made these cursory remarks for which I alone am responsible. Speaking for myself, I sincerely hope that God Almighty will bless our President, Franklin Delano Roosevelt, with good health and strength during his incumbency as President of the United States, to help him realize the prayers of the American people for the return of a feeling of good will and prosperity. For our beloved Speaker, HENRY T. RAINEY, and our gracious and respected majority leader, JOSEPH BYRNS, I bespeak God's richest blessings upon both of them. For the Membership of the Seventy-third Congress, I hope God will bless you all and grant you happiness in your heart and contentment in your mind in performing your duty to our Republic as patriotic Americans. [Applause.]

GUARANTY OF BANK DEPOSITS IN GERMANY

Mr. COLLINS of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks on the guaranty of bank deposits in Germany.

The SPEAKER pro tempore (Mr. DICKSTEIN). Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLLINS of Mississippi. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following:

PRESIDENTIAL DECREE IN GERMANY CONCERNING THE DARMSTÄDTER NATIONAL BANK, JULY 13, 1931

[Reichsgesetzblatt, July 13, 1931]

On the basis of article 48, section 2 of the constitution, there is ordered:

1. The government of the Reich is authorized to assume guaranties in consideration of the Darmstädter & National Bank, a limited liability company, the liquidity of which is threatened by the money crisis.

2. The government may order, in case of the assumption of a guaranty, that attachments, distraints, and temporary orders against the property of the bank may not be made and that bankruptcy may not be declared on the property of the bank. The government may make the same arrangements for the property of a personally liable partner of the bank, if it is considered necessary in the interest of the creditors of the bank. The effect of this provision is that the personally liable partner is subject to the same limitations which are set for the bank in this decree and the regulations for its execution.

3. The government is authorized to issue directions for the management and representation of the bank, the fulfillment of the obligations of the bank, the service relations and legal-property claims of the personally liable partners, employees, and members of the board of directors toward the bank, as well as the necessary legal orders and administrative directions for the execution of this decree; it may threaten a prison sentence up to 3 years and a fine, or one of these penalties, for violations against the orders issued by it.

4. Measures which are taken in accordance with this decree, or the regulations for its execution, form no basis for compensation.

5. This order is effective July 13, 1931.

GERMANY—REORGANIZATION OF BANKS—PRESIDENTIAL ELECTION

(From our correspondent)

BERLIN, *February 23, 1932.*

The Reichstag was summoned for February 23, and the Government had given itself and the banks until the 22d to complete their reorganized balance sheets, so that the program of reorganization should be complete when the Reichstag met. The negotiations have been conducted during the last few weeks with the greatest industry and discretion, and their result is a complete rationalization of the balance-sheet position of the big banks. It also involves, however, a further penetration by the State into the sphere of banking.

The scheme, which was made public yesterday, leaves only one large private bank, the Deutsche Bank and Diskontogesellschaft, and even that bank is to hand over temporarily about 50,000,000 shares to the Golddiskontbank, which means, in effect, to the Reichsbank. The Darmstädter Bank is to disappear, absorbed by the Dresdner Bank without leaving so much as a trace of its name. The most surprising arrangement is the transfer of an overwhelming majority of the shares of the Commerz-und-Privatbank to the Golddiskontbank. This brings the Commerz-und-

Privatbank, which itself is taking over the Barmer Bankverein, under the control of the Reichsbank. Finally, the Allgemeine Deutsche Credit-Anstalt of Leipzig, which amalgamated some months ago with the Saxon State Bank, is now to be provided with fresh funds by the Reich.

So gigantic a process of rationalization both in form and in method is utterly without precedent. Whether it was necessary and desirable to undertake it at this moment and in this form is open to doubt. It depends whether no further heavy losses on the top of those which have already been sustained are still to be feared, or whether an economic recovery might be anticipated within measurable distance of time, which would have made possible a less drastic reorganization with less intervention by the State. The Government and the Reichsbank did not take this view. The Reichsbank has offered much more substantial assistance than it did last summer, and that in itself is a very sound proceeding. The crisis has brought the Reichsbank very large profits, which must have amounted to between one hundred and fifty and two hundred millions in the past year, and it is improbable that these profits will be very much less during the next 5 years. The Reich has a claim on the major part of these profits, partly in the form of a tax on excess note circulation and partly in the form of a percentage share in the profits. The obvious course is for the Reichsbank to make these emergency profits available for the restoration of economic activity. That could, of course, have been done by different means from those which are being adopted; the Reichsbank might have taken over the shares of all the big banks. As it does not wish to do this itself, it is increasing the capital of the Golddiskontbank from RM.200,000,000 to RM.400,000,000, thereby enabling it to acquire the shares.

Details of the reconstruction of the individual banks are as follows:

DEUTSCHE BANK UND DISKONTOGESELLSCHAFT

A loss of RM.275,000,000 is written off, following a writing-off of 125 millions out of hidden reserves in the 2 preceding years. The bank believes that this will cover not only the losses already sustained, but also all the risks which can be anticipated. Of these 275 millions, 240 millions are to come from "debtors" and 35 millions out of investments and participations. The bank is covering these reductions in the book value of its assets entirely out of its own resources, without outside help; 145⅘ millions are taken from reserves, 23⅘ millions from the 1931 profits, and 108 millions are derived from reduction of capital. Of the original capital of 286 millions, 35 millions were already in the bank's own possession at the end of 1930, and in 1931 a further 70 millions were acquired. Only 180 millions, therefore, are still held by the public. These are reduced to 72 millions by being written down to 40 percent of their par value, and the reserves are at the same time written down from 160 millions to 18 millions. New shares to the value of RM.72,000,000 are being issued at 115, and 22 millions of these were taken up in 2 days by friends and customers of the bank. The rest are being taken over for the time being by the Golddiskontbank, but they are to be sold as soon as possible. This will leave the D. D. Bank with a share capital of 134 millions and reserves of 25⅘ millions.

THE DANATBANK-DRESDNER BANK

Only an amalgamated balance sheet is published, and the fusion is retrospective as from January 1, 1931. The two banks together have undergone losses of about 430 millions, of which about 200 millions were those of the Danatbank. The Reich has taken over 100 millions of the losses, and 321⅘ millions are being written off out of the profits of the preceding year. These 321⅘ millions are being covered as follows: The Danatbank formerly had 60 millions share capital and 60 millions open reserve. Of the shares, 35 millions were held by the bank itself and were to be handed over to industry; the reserves have been entirely lost. The remaining 25 millions of capital are being written down to 7½ millions, and the reduced share will be exchanged for Dresdner Bank shares in the proportion of 1 to 1. Of the original 100 millions capital of the Dresdner Bank, 34 millions were in the possession of the bank and have been canceled, and the rest, like those of the Danatbank, have been written down in the proportion of 10 to 3. As, however, some of these shares are held by the Reich, which has relinquished them without compensation, only 12½ millions of the total ordinary share capital are left. Further the Dresdner Bank had issued 300 millions preference shares to the Reich last June, and these are being written down to 200 millions, so that the total capital will amount to 220 millions with open reserves of 30 millions, also subsidized by the Reich. In addition, the bank is receiving from the Reich 60 millions in the form of credits and a guaranty fund.

THE COMMERZ-UND-PRIVATBANK

The total losses were 107 millions. The bank formerly had 40½ millions open reserves, which were used to cover part of the losses, and 75 millions share capital. Of this, 37⅘ million shares were held by the bank, and these are being sold at par to the Reich. The shares are to be written down in the proportion of 10 to 3, which shows a book profit of 52⅘ millions. The Golddiskontbank is taking 45 million new shares at 115, and 12½ million new shares are being issued in exchange for the capital of the Barmer Bankverein, which is absorbed by the "Compri." The capital of the Commerzbank will thus amount to 80 millions, and there will also be 30 millions open reserves provided by the Reich.

THE ALLGEMEINE DEUTSCHE CREDIT-ANSTALT (ADCA)

The losses were 25 millions, covered by 11 millions open reserve, a book profit of 12 millions on reduction of capital and profits of 2 millions. The capital of the bank was formerly 40 millions, but 22 millions have been recently held by the bank itself. These are to be canceled and the rest of the capital reduced, in the proportion of 3 to 1, to 6 millions. The capital is then to be increased to 19 millions, and the new shares taken over by the Golddiskontbank. The Reich is to provide 6 millions reserve.

The following table shows the capitalization of the German banks after reorganization:

[Million marks]

	D.-D. Bank	Dresdner	Commerz	Adca
Share capital held by—				
Public	94	22	23.8	6
Reich	0	150	11.2	
Golddiskontbank	50	48	45	13
Creditors:				
Total	2,993	2,744	1,047	229
Foreign	686	770	280	(1)

[1] Not known.

The new Dresdner Bank will thus have the largest capital, but the D.-D. Bank still leads in respect of deposits. The Commerzbank follows very long after. Thanks to the help of the Reich, its position is particularly liquid. Two large Berlin banks, which have no branches, succeeded in writing off last year's losses, without canceling any of their capital or open reserves, and are not included in the table. These are the Reichscreditgesellschaft, which is owned by the Reich, and the purely private Berliner Handelsgesellschaft. Both banks are distributing a 4 per cent dividend for 1931 and have maintained their capital intact.

On July 13 last the Reich undertook a guaranty for all the obligations of the Danatbank. This guaranty is terminated, so far as domestic creditors are concerned, by the completion of the fusion. The new Dresdner Bank is sufficiently strong to command the confidence of its creditors without a formal Government guaranty, but any domestic creditors who consider their interests to be damaged by its termination are at liberty to withdraw their deposits at any time. As this cannot be applied to foreign creditors, owing to the standstill agreement, the Reich guaranty still holds good for the time being as far as they are concerned. Foreign credits amount to RM.380,000,000, and negotiations are to be opened later for the withdrawal of the Government guaranty in respect to them. The reorganization which the German banks have just completed is an achievement which commands respect. Germany has been the first country in the world to purge her banking system of the effects of the crisis and set it in order. Every single asset of the banks has been carefully examined, every loss has been written off, and every imaginable contingency provided for by reserves. The sense of responsibility which has led the German banks to undertake this rationalization in the midst of the crisis must strengthen their credit, and the eradication of their losses must increase their activity. Even if doubts arise as a matter of principle in respect to this extensive encroachment of the state in the sphere of banking, these impulses to an unfavorable judgment are eclipsed by the vastness of the reorganization itself. The effectiveness of the German banks has been restored.

The radicals of the right will not be able to conduct a united campaign against President von Hindenburg. Herr Hitler is standing for the national-socialists and Herr Düsterberg for the German nationalists. This has further diminished the prospects of the right, for they have shown how little cohesion there is in their ranks, and this impression will not be erased even if there should be a second ballot, at which the "Harzburg front" was restored. The candidature of Düsterberg is just as pointless as that of the communist, Thälmann. The election will be a duel between Hindenburg and Hitler, between the conservative-minded leader of the German people, who is endeavoring to construct a bridge between the past and the present and who is now finding support from all parties, from conservatives to the social-democrats, for the protection of the constitution and for a policy of security, and the active counter-revolutionary who seeks to take advantage of a time of confusion and distress to establish a fascist dictatorship in Germany. That is how this struggle will appear to the German people. It will appeal to men's imaginations more than any previous election, and will call for a more important verdict. The national-socialists have shown, by the candidature of their leader, that they appreciate the vital importance to themselves of victory. If they are beaten, the prestige of their earlier victories will be destroyed and the illusion that they are advancing from victory to victory will be shattered. Dr. Brüning and the parties which support him have secured a great tactical success in forcing the national-socialists to a decisive trial of strength in circumstances which are peculiarly unfavorable for them.

NONHOARDABLE SELF-LIQUIDATING MONEY

Mr. PETTENGILL. Mr. Speaker, last Friday I secured unanimous consent to extend my remarks, but on account

of the long delay in the Public Printing Office in getting out the last copy of the CONGRESSIONAL RECORD, I ask to have it transferred to today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. PETTENGILL. Mr. Speaker, in his recent book, Booms and Depressions, Prof. Irving Fisher, of Yale, describes the plan here outlined as "the most efficient method of controlling hoarding and probably the speediest way out of the depression."

In collaboration with Professor Fisher, and aided by valuable suggestions from other distinguished economists, the junior Senator from Alabama, Hon. JOHN H. BANKHEAD, and I have introduced in the Senate and House identical bills "To provide for the issuance of stamped money certificates, and for other purposes." A copy of the bill is appended.

The substance of this bill was first offered by Senator BANKHEAD as an amendment to the Costigan-La Follette relief bill, and was ably described by him in an address to the Senate on February 17, to which your attention is invited. (See CONGRESSIONAL RECORD of that date, pp. 4327 to 4333.)

This bill is not offered as a substitute to other necessary measures, but as supplementary to them for emergency action to assist in stopping the vicious downward spiral of values and in starting it upward by bringing idle buying power into a stagnant market. It is novel; but certainly in the present crisis, caused in large part by hoarded currency and frozen deposits, no one should shrink from bringing forward for discussion any method which seems to offer possibilities for remedial action. Its authors have no pride of opinion with respect to it, and will welcome constructive criticism from anyone who may believe, as we do, that it may contain the germ of a sound idea.

Referring to section numbers of appended bill, I set forth its purposes and mechanism as briefly as possible.

ITS MECHANISM

The United States is to issue up to $1,000,000,000 in amount of "stamped money certificates" of $1 denomination. Every Wednesday for 52 consecutive weeks a 2-cent postage stamp is to be placed by the holder on the back of the certificate. When fully stamped, the certificate is to be redeemed by the Treasury in other lawful money of the United States. This makes the issue fully self-liquidating, within 1 year, with a margin of some $40,000,000 to spare in a billion dollar issue (52 stamps at 2 cents each equals $1.04, which times 1,000,000,000 equals $1,040,000,000). Although the tentative draft does not so provide, consideration might be given to the repeal of the present deflationary tax on bank checks in exchange for this extra $40,000,000.

Section 5 provides that the certificate shall be legal tender for all purposes if at the date of transfer the required number of stamps due to be affixed on and prior to date of such transfer are in fact attached.

Section 7 declares it to be against the public policy of the United States to provide in any contract, subsequently executed, that such certificates shall not be received in discharge of such contract. With this, and the legal-tender quality of the certificate, it is anticipated that the currency will circulate freely.

REFLATIONARY EFFECT

Without taking part at this time in the present debate about "inflation," it is admitted by everyone that perhaps the most fundamental thing to be accomplished is to cause a recovery of values. Various expedients have been used to accomplish that objective—open market operations, change in discount rates, the Reconstruction Finance Corporation, the Glass-Steagall bill, the Glass-Borah national bank note amendment to the home loan bank bills, all sorts of domestic moratoriums, and the distressed-debtors bill. The reservoirs of credit have been filled, but they remain stagnant. Meantime values continue downward. The commodity-price index of the Bureau of Labor Statistics has just touched a new low. The decline of commodity values has affected all other values, both on the farms and in the city. It is causing foreclosures and tax sales to spread like a prairie fire.

It is manifest that all expedients thus far used have not stopped the decline, and disaster knocks at the door of all.

On a falling market no one will buy except from hand to mouth. Therefore, available credit is not used. Merchants and manufacturers cannot safely borrow against an avalanche of melting values. Nor can banks safely loan. As Professor Fisher says:

> Business does not wish to borrow until it is sure of buyers. In a depression the buyers wait for business to inspire confidence, and business cannot inspire confidence until it gets back on a normal borrowing basis. If only buying could be started first, business borrowing would follow.

It is submitted that this bill attacks the problem at its foundation. It brings buyers into the market. It encourages the payment of debt. It penalizes buyers for not using available purchasing power.

The bill is essentially a tax on hoarding. Everyone into whose hands one of these certificates comes will get rid of it as quickly as possible, will try to pass it on before the following Wednesday, as he will be taxed 2 per cent if he does not.

It is apparent that an issue of $1,000,000,000 would circulate at least once a week, thereby doing $52,000,000,000 of money work in a year. It is likely, however, that it will circulate much more often than once a week, perhaps from 3 to 5 times, thus doing from $156,000,000,000 to $260,000,000,000 worth of money work in 12 months' time.

The possibilities in stopping the further decline of values, and starting them upward, by introducing this enormous and compulsory buying power into a stagnant market are worthy of very serious consideration. It might be all that is necessary to "prime the pump." As soon as these buyers come into the market place, confidence should return and values immediately start to rise. If that should be the result, then other money, now hoarded by the hundreds of millions of dollars, would also come into the market. People would say, "Now is the time to buy." They would feel that if they did not their dollars will buy less a few weeks later. With these new certificates and the hoarded money coming into the market merchants and manufacturers could again borrow with confidence and the banks could loan with confidence. This would melt the frozen reservoirs of bank credit and let them again flow in the channels of trade. As soon as that happens the "stamped money certificates" would then be taken out of circulation as provided in section 12. Or if recovery should then halt, new issues of this nonhoardable currency could be poured into the market places.

It is possible that this relatively simple mechanism would be all that is necessary to start values upward. In the early days of railroading it is said that when the locomotive stopped with the driving shaft at the "dead center" of the wheel that the fireman would get out with a crowbar and lift the wheel an inch or two and thus start the train with a crowbar.

REFLATION WITH A BRAKE

Section 12 of the bill provides that if and when the wholesale commodity price level of the Bureau of Labor Statistics reaches a certain level the nonhoardable currency is to be retired from circulation. The "brake" might be stated in the alternative as suggested to me by a distinguished economist from Wisconsin, (1) restoration of the price level as set forth in section 12, or (2) full employment of labor, or (3) international agreement on a uniform gold standard, discretion being given to the President or the Federal Reserve Board to apply the "brake" when either, or a combination of these standards, is arrived at. In fact, he suggests that more than $1,000,000,000 be authorized to be issued with provisions for reissue until recovery has been reached in conformity with the standards adopted. I agree with this. There is no use going into this half-heartedly. The plan is to start buying, start values upward, and reemploy idle men. We should pour enough of this nonhoardable currency into the market places until that objective is attained.

NO SCARE FROM INFLATION

The proposal increases the volume of circulating medium, but, more important, it increases its velocity, which students of the money question recognize to be as important, if not more important than volume. An increase in the volume of money if it, too, goes into hoarding or drives other money into hoarding, might not affect the price level. At the same time, due to the fact that the issue is absolutely self-liquidating, providing funds for its own redemption in 12 months—through the sale of the required postage stamps—and due further to the "brakes" to be provided against a rising price level, the confidence of the public should not be disturbed by reason of the increased volume and velocity of the proposed issue. It is submitted that this is a middle-of-the-road measure that both the friends and foes of "inflation" could agree on.

NO STRAIN ON GOLD RESERVES

As the issue is not redeemable in gold or other lawful money of the United States until the Government has collected $1.04—through the sale of fifty-two 2-cent stamps—for each $1 issued, it is manifest that the proposal does not place any strain on existing gold reserves. For that reason, it should not have any disturbing effect on the ability of the Government to sell its bonds. In fact, if it causes prices to move upward, farmers, merchants, and manufacturers would begin to liquidate their commodities at a profit, begin to make money, resume the payment of income taxes, and improve rather than harm the credit of the Nation and its ability to balance the Budget. It is manifest also that as goods are bought replacement goods must be provided, and thus labor be reemployed.

GRESHAM'S LAW

Would it drive "good money" into hiding? It is submitted that the exact opposite would occur. This for the reason that this issue is full legal tender, is self-liquidating, would be redeemable in gold when fully stamped, and would buy as much and no more and no less than any other dollar. It is of course true that if I had $2, one a Federal Reserve or Treasury note and the other one of the "stamped" dollars, and had a debt of $1 to pay, I would pay it with the latter in order that it would not be in my hands on the Wednesday following, when another 2-cent stamp is due to be affixed. But having passed it on, I would then use the Federal Reserve or Treasury note in the next transaction; and if the expectations of the sponsor of this proposal should be realized in a rising price level, all dollars of lawful money now in hoarding would begin to circulate and not go into hiding, under the Gresham formula.

The proposal really comes down to this: The Government would lend $1,000,000,000—or any other amount—of its credit and money power—its legal tender—to the people of the Nation for a period of 1 year, to be paid back in installments of 2 cents a week for 52 weeks. It is therefore no strain on the Federal Treasury.

METHOD OF PUTTING IN CIRCULATION

Sections 13, 14, and 15 of the tentative draft provide that the money shall be apportioned to the States to be used in the payment of State or municipal public works now or hereafter in process of construction. This would in itself immediately employ labor and provide jobs. It would permit the States and municipalities to continue and expand necessary public works without cost to them, as they would give no note to the Federal Government for the money used. It would, therefore, release other of their tax moneys for other uses, and impose no tax burden on their citizens except as they would buy from week to week the necessary postage stamps to keep the certificates a legal tender for the payment of debts and the purchase of goods.

Other ways of putting it in circulation may be suggested—unemployment relief through the Reconstruction Finance Corporation, or in the payment in part of the wages of Federal, State, or municipal employees, or disbursement to veterans.

IS IT SUBJECT TO OBJECTION AS A SALES TAX?

At first blush the proposal might seem to be a species of sales tax. On analysis, however, this objection disappears to almost the vanishing point. To begin with, it could not even indirectly operate as a tax on sales except on Wednesdays, and then only 2 cents on the dollar. But all other sales between Wednesdays would be free from any burden whatever. Week-end buying, for example, would be entirely free. If, therefore, the certificates were to circulate four times a week, the 2-cent tax would average only one-half of 1 percent on total transactions performed by these certificates weekly. But, still more important, all other transactions made with other mediums of exchange—bank checks, Treasury notes, silver certificates, and so forth—would be free from any tax burden whatever. On the total volume of business done in the course of a week the 2-cent burden on transactions covered by these certificates would be an almost infinitesimal fraction of 1 percent on total volume. It does not seem possible therefore that merchants would or could mark up their commodities to cover the 2-cent tax that they would have to pay on Wednesdays on account of receiving these certificates on Tuesdays before they have an opportunity to pass them on to another holder.

WOULD MERCHANTS ACCEPT THEM IN CASH TRANSACTIONS?

For all debts owing merchants they would be obliged to accept them the same as any other creditor for the reason that the certificates are legal tender. There is, of course, no way to make a merchant accept them for cash transactions, if he refuses to do so. A merchant can refuse to accept gold if he chooses to in cash transactions. But in these days when merchants are going to the wall for want of customers it does not seem likely that they are going to close their doors to any buyer who walks into their stores with cash in his hands. To begin with, all transactions with these certificates between Wednesdays impose no burden on the merchant, as has been pointed out. A stamped certificate which he receives on Thursday, for example, he will pass on without tax before the following Wednesday in pay rolls, in payment of rent, or for merchandise to his jobber, and so forth. Of course, all credit transactions of the merchants would be payable by these certificates, as they would then be legal tender for a debt. In many cash transactions the stamped certificate would represent only a fraction of the total cash involved, the rest being paid in existing currency. In the present starvation of retail trade it is more likely than not that merchants would advertise that the certificates would be accepted by them in all cash transactions as well as in the payment of book accounts.

PROTECTION TO BANKS

In the payment of debts owing banks they would be subject to tax like other creditors. But section 10 provides that with respect to deposits by customers banks are not required to accept these certificates unless the depositor pays a service charge of 2 cents. This would prevent the dumping of the certificates in banks on Tuesdays by their depositors. Deposits would be made in other forms of money. The certificates would remain in the channels of trade, which is what the proposal intends. And, as stated before, the surplus of $40,000,000 on a billion-dollar issue which the Government receives by collecting $1.04 on every dollar might warrant including in the bill the repeal of the existing tax on bank checks—thus further freeing banking transactions and the return of deposit money to banking institutions.

PATRIOTIC APPEAL

Section 4 provides that the Secretary of the Treasury is to advertise the issue by posters in post offices and public buildings, as well as by advertising in newspapers and magazines. We are at war. We can build up a war psychology. When we recall how effective was the campaign in 1917–18 for the sale of war-savings stamps, confidence can be placed in the effectiveness of a patriotic appeal at this time with respect to this issue. "This dollar fed a hungry man"; "This dollar gave an American a job," "'Stamp' out the depression," and so forth, are samples of the appeal that could be made.

OTHER DETAILS

It is considered important that for the convenience of a hundred million people in daily transactions, the regular

2-cent postage stamps be used, rather than a special small-size stamp. Postage stamps are in use everywhere. Any other kind of stamp would subject the public to tremendous inconvenience. This, of course, would require a larger certificate than currency now in use, but it should be pointed out that 18 postage stamps can be affixed on the back of the small-size currency now in use. A certificate therefore of the same length as the currency now in use but folded once, like a voucher check, would accommodate the 52 stamps. Also, for the convenience of the public, it is suggested that the entire issue be in one denomination, preferably $1, so only one denomination of postage stamps need to be used and kept on hand.

IN CONCLUSION

It is submitted, finally, that this proposal conforms to the "adequate but sound currency" formula used by the President-elect in his inaugural address. Currency now in use is sound but it is not adequate either in volume or velocity to equalize hoarding and frozen deposits. A copy of the bill is appended. Suggestions and criticisms are invited.

A bill to provide for the issuance of stamped money certificates, and for other purposes

Be it enacted, etc., That the Secretary of the Treasury shall cause to be engraved and printed currency of the United States in the form of stamped money certificates. Said certificates shall be in the denomination of $1 each and the issue shall be limited to $1,000,000,000. Said certificates shall be of a suitable size to provide space on the backs thereof for affixing 52 postage stamps. The backs of said certificates shall be prepared in such manner as to indicate clearly the proper place for affixing each stamp contemplated herein to the end that on the second Wednesday after the issuance of said certificates from the Treasury the first stamp shall be affixed, and thereafter on each Wednesday until a total of 52 stamps shall be affixed; and said certificates in the spaces designated for affixing said stamps shall set forth the day of the month and year when each such stamp shall be affixed, as, for example:

"On April 5, 1933, affix 2-cent stamp here."

The face of said certificates shall set forth substantially the following:

"This certificate is legal tender for $1 for payment of all debts and dues, public and private, customs, duties, and taxes: *Provided*, That on the date of its transfer there shall be affixed 2-cent postage stamps for all dates prior to such date of transfer, as set forth in the schedule on the back hereof. When fifty-two 2-cent postage stamps shall have been affixed this certificate shall be redeemable at any post office for $1 lawful money of the United States."

SEC. 2. The Secretary of the Treasury is authorized in his discretion to issue the certificates directed to be issued hereunder in monthly or semimonthly installments, all of like tenor and effect, except that the schedule for the affixing of the stamps on the back of said certificate shall bear dates for the affixing of stamps appropriate to the date of the issue of each such installment of certificates.

SEC. 3. When such certificates appropriately stamped in full shall be presented to the Secretary of the Treasury for redemption he shall certify to the Postmaster General from time to time the amount of certificates so presented for redemption, and the Postmaster General shall thereupon pay to the Secretary of the Treasury out of the funds arising from the sale of stamps the sum of $1 for each such certificate so redeemed, whereupon said certificates shall be destroyed.

SEC. 4. Prior to the issuance of the first installment of certificates hereunder the Secretary of the Treasury is directed by posters to be hung in post offices and other public places and by advertising in newspapers and magazines to advise the public of the contemplated issue of these certificates, with appropriate directions to the public with reference to the affixing of stamps, the legal-tender quality of the certificates, their redemption feature, and all such similar information. There is hereby appropriated for the use of the Secretary of the Treasury to defray the cost of such advertising the sum of $100,000.

SEC. 5. When such certificates shall have been issued by the Secretary of the Treasury the person holding the same, on and after 12.01 o'clock a. m. of the first Wednesday set forth in the schedule on the back of said certificates shall affix in the space therein provided a 2-cent postage stamp of the United States. Prior to such time said certificates in the hands of all holders shall be legal tender for the payment of all debts for the sum of $1. After affixing the first stamp said certificate shall be legal tender as aforesaid for the payment of all debts until the following Wednesday, when another 2-cent postage stamp of the United States shall be affixed by the person holding the same prior to 12.01 o'clock a. m. of such Wednesday, and thereafter for 50 consecutive additional Wednesdays like postage stamps shall be affixed by the holders. At all times when there shall be affixed all such postage stamps as are required to be affixed on the back of such certificates prior to the date of transfer, such certificates shall be legal tender as aforesaid for the sum of $1. When fifty-two 2-cent stamps shall have been affixed on the back thereof the holder may present the same to any post office in the United States for redemption, and the same shall be redeemed by such post office in any present lawful money of the United States. All post offices in the United States are hereby charged with the duty of making such redemption and of forwarding such certificates for cancelation to the Secretary of the Treasury.

SEC. 6. With respect to such certificates as shall become unfit through use for further circulation, the Secretary of the Treasury and the Postmaster General are authorized and directed to provide for the exchange of such worn-out certificates for new certificates and to make all regulations required for that purpose.

SEC. 7. It is declared to be against the public policy of the United States to provide in any contract executed subsequent to the date of this act that the certificates to be issued under this act, or any like issue, shall not be received in the discharge of such contract, and all such provisions in such contracts are hereby declared null and void.

SEC. 8. Said certificates, when accepted by the Government, shall be promptly reissued by any department or agency of the Government receiving the same.

SEC. 9. In transactions of less than $1 such certificates are not legal tender unless stamped by the person tendering the same for one additional week after tender.

SEC. 10. Banks of deposit receiving such certificates as deposits may charge 2 cents for each certificate so deposited as a service charge.

SEC. 11. The Secretary of the Treasury and the Postmaster General are authorized to promulgate regulations for carrying out the provisions of this act.

SEC. 12. If and when the wholesale commodity price level of all commodities included by the Bureau of Labor Statistics in computing index numbers of wholesale prices shall equal 80 percent of the average index number for the year 1926, then, anything to the contrary herein notwithstanding, the Secretary of the Treasury is directed to discontinue the issuance of certificates hereunder, and such certificates as are then outstanding shall be retired as the same are presented for redemption or replacement of worn-out certificates.

SEC. 13. The entire amount available under this act shall be apportioned among the States on the basis of population according to the Fifteenth Decennial Census. The amount apportioned to the States shall be delivered to the governor of the State applying for the apportionment made to his State upon application being made therefor by the governor to the Secretary of the Treasury. The amount apportioned to a State shall be administered within the State under rules and regulations adopted by the governor thereof and through such agencies as he may establish. The amount apportioned to a State may be, by the governor thereof, apportioned to the counties and/or to the municipalities of said State in such way as may be decided by the governor.

SEC. 14. If the governor of any State does not within 3 months after the passage of this act make application to the Secretary of the Treasury for the amount apportioned to his State, then said amount shall be reapportioned to the States making application therefor, said apportionment being made on the basis of population according to the Fifteenth Decennial Census.

SEC. 15. The stamped money herein made available shall be used in the first instance in payment for services and/or materials and supplies rendered or furnished in any construction, improvement, or other work of a public nature.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. AYRES, indefinitely, on account of death in his daughter's family.

To Mr. MONTAGUE, indefinitely, on account of illness.

ROLL CALL NO. 3

Mr. STUDLEY. Mr. Speaker, I ask unanimous consent to correct the RECORD. On page 34, roll call no. 3, I am recorded as not voting. I was present and voted "nay."

The SPEAKER pro tempore. The Chair may inform the gentleman that he did not take the oath of office until after the roll call.

Mr. STUDLEY. The Chair is right.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on March 9, 1933, present to the President, for his approval, a bill of the House of the following title:

H.R. 1491. An act to provide relief in the existing national emergency in banking, and for other purposes.

ADJOURNMENT

Mr. FULLER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 35 minutes p.m.) the House adjourned until tomorrow, March 11, 1933, at 12 o'clock noon.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKBEE: A bill (H.R. 1565) to repeal section 7 of the postal act approved May 29, 1928; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 1566) to repeal section 7 of the postal act approved May 29, 1928; to the Committee on the Post Office and Post Roads.

By Mr. COCHRAN of Pennsylvania: A bill (H.R. 1567) amending section 1 of the act of March 3, 1893 (27 Stat.L. 751), providing for the method of selling real estate under an order or decree of any United States court; to the Committee on the Judiciary.

Also, a bill (H.R. 1568) to provide for increasing import taxes on crude petroleum and certain derivatives of petroleum; to the Committee on Ways and Means.

By Mr. COLDEN: A bill (H.R. 1569) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

By Mr. DARROW: A bill (H.R. 1570) to prohibit publicity of names of individual borrowers in the reports of the Reconstruction Finance Corporation, and for other purposes; to the Committee on Ways and Means.

By Mr. DOBBINS: A bill (H.R. 1571) to provide for the use in motor fuels of alcohol manufactured from agricultural products grown in the United States; to the Committee on Ways and Means.

Also, a bill (H.R. 1572) to amend an act entitled "Revenue Act of 1932"; to the Committee on Ways and Means.

By Mr. FERNANDEZ: A bill (H.R. 1573) granting relief to persons who served in the Military Telegraph Corps of the Army during the Civil War; to the Committee on Military Affairs.

Also, a bill (H.R. 1574) to establish a national military park to commemorate the campaign and Battle of Chalmette in the State of Louisiana; to the Committee on Military Affairs.

Also, a bill (H.R. 1575) to authorize removal of wreck of ex-U.S.S. *Cincinnati;* to the Committee on Rivers and Harbors.

Also, a bill (H.R. 1576) providing a nautical school at the port of New Orleans, La.; to the Committee on Naval Affairs.

By Mr. FIESINGER: A bill (H.R. 1577) to preserve and protect the gold standard through establishment of an auxiliary monetary reserve of silver and the issuance of silver certificates payable in their gold value equivalent and under such regulations as will provide protection to gold from being cornered and protection from inflation in gold values during periods of excessive demands; to the Committee on Coinage, Weights, and Measures.

By Mr. FOCHT: A bill (H.R. 1578) to provide Federal aid for aged persons of the District of Columbia who have attained the age of 65 years. The amount of aid to which any such person shall be entitled shall be fixed with due regard to the conditions in each case; but in no case shall it be an amount which when added to the net income of the applicant from all other sources, including income from property as computed under the terms of this act, shall exceed a total of $1 per day; to the Committee on the District of Columbia.

By Mr. FULMER: A bill (H.R. 1579) to establish and maintain a pecan experiment station at or near the city of Orangeburg, S.C.; to the Committee on Agriculture.

Also, a bill (H.R. 1580) to amend an act entitled "An act to divide the eastern district of South Carolina into four divisions and the western district into five divisions", by adding a new division to the eastern district and providing for terms of said court to be held at Orangeburg, S.C.; to the Committee on the Judiciary.

Also, a bill (H.R. 1581) to provide for the conducting of livestock breeding, growing, and feeding experiments in connection with the Sand Hill station at or near Columbia, Richland County, S.C.; to the Committee on Agriculture.

By Mr. GAMBRILL: A bill (H.R. 1582) authorizing an appropriation for the erection of a memorial to the officers and men of the United States Navy who lost their lives as the result of a boiler explosion that totally destroyed the U.S.S. *Tulip* near St. Inigoes Bay, Md., on November 11, 1864, and for other purposes; to the Committee on the Library.

By Mr. GASQUE: A bill (H.R. 1583) to permit an increase in the length of leaves of absence with pay for members of the Metropolitan Police, the United States park police, and fire department of the District of Columbia; to the Committee on the District of Columbia.

Also, a bill (H.R. 1584) to authorize the Secretary of the Treasury to acquire, by condemnation or otherwise, such additional land in the city of Florence, S.C., as may be necessary for the extension and remodeling of the Federal courthouse and post-office building of said city, to cause said building to be extended and remodeled, and authorizing an appropriation therefor; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 1585) to provide for the election of the Board of Education of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

Also, a bill (H.R. 1586) to provide for dividing the State of South Carolina into three judicial districts; for the appointment of a district judge, district attorney, and marshal for the eastern district of South Carolina; for the holding of the terms of courts in said districts, and for other purposes; to the Committee on the Judiciary.

Also, a bill (H.R. 1587) granting uniform pensions to widows and children and dependent parents of certain persons who served the United States in time of war, and for other purposes; to the Committee on Pensions.

Also, a bill (H.R. 1588) granting increase of pensions under the general law to soldiers, sailors, marines, members of the Coast Guard for disability incurred in service in line of duty, and to widows, minor children, dependent mothers and fathers of such soldiers, sailors, marines, and members of the Coast Guard, when it has been shown that death was due to service or the result of a disability or disease contracted in the service in line of duty, and for other purposes; to the Committee on Pensions.

Also, a bill (H.R. 1589) granting uniform pensions to widows and children of certain persons who served the United States in time of war, and for other purposes; to the Committee on Pensions.

Also, a bill (H.R. 1590) to amend section 19 of the World War Veterans' Act, 1924, as amended; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 1591) to amend section 19 of the World War Veterans' Act, 1924, as amended; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 1592) granting the consent of Congress to the State of South Carolina to construct, maintain, and operate a bridge across the Waccamaw River; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 1593) providing for the appointment of an additional district judge for South Carolina; to the Committee on the Judiciary.

Also, a bill (H.R. 1594) granting pensions to certain soldiers, sailors, and marines of the World War, to certain widows, minor children, and helpless children of such soldiers, sailors, and marines, and for other purposes; to the Committee on Pensions.

Also, a bill (H.R. 1595) to amend an act entitled "An act granting pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes", approved March 3, 1927; to the Committee on Pensions.

Also, a bill (H.R. 1596) to extend the times for commencing and completing the construction of a bridge across the Peedee River and a bridge across the Waccamaw River, both at or near Georgetown, S.C.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 1597) for the erection of a public building at Mullins, S.C., and appropriating money therefor; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 1598) for erection of monument to Gen. Marquis de Lafayette; to the Committee on the Library.

Also, a bill (H.R. 1599) for the erection of a public building at Kingstree, S.C., and appropriating money therefor; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 1600) for the erection of a public building at Conway, S.C., and appropriating money therefor; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 1601) for the better organization of the line of the Army, Navy, Marine Corps, and Coast Guard Service of the United States; to the Committee on Military Affairs.

By Mr. GOLDSBOROUGH: A bill (H.R. 1602) to amend the Perishable Commodities Act, 1930, so as to suppress unfair and fraudulent practices in the marketing of floricultural products in interstate and foreign commerce; to the Committee on Agriculture.

Also, a bill (H.R. 1603) for restoring and maintaining the purchasing power of the dollar; to the Committee on Banking and Currency.

Also, a bill (H.R. 1604) to restrict chain and branch banking, to amend the National Bank Act and the Federal Reserve Act, and for other purposes; to the Committee on Banking and Currency.

Also, a bill (H.R. 1605) to stabilize the purchasing power of money; to the Committee on Banking and Currency.

By Mr. HANCOCK of North Carolina: A bill (H.R. 1606) to enable borrowers under the Federal Farm Loan Act to secure the release of their mortgages by the transfer of land-bank bonds to the registrars; to the Committee on Banking and Currency.

By Mr. HARTLEY: A bill (H.R. 1607) to prevent professional prize fighting and to authorize amateur boxing in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

Also, a bill (H.R. 1608) to regulate the shipment in interstate commerce, the manufacture, sale, importation, exportation, and use (except for lawful purposes) of explosives, brass knuckles, stilettos, machine guns, tear gas, tear bombs, and other weapons and instrumentalities used in the perpetration of crimes of violence; to the Committee on Interstate and Foreign Commerce.

By Mr. HILL of Alabama: A bill (H.R. 1609) to provide for the national defense, agricultural conservation, fertilizer production, navigation, flood control, power distribution, reforestation, industrial development, and unemployment relief by operating the Government properties at and near Muscle Shoals in the State of Alabama and by developing the Tennessee River, its tributaries and watershed, and for other purposes; to the Committee on Military Affairs.

By Mr. HOEPPEL: A bill (H.R. 1610) to amend the act entitled "An act to establish postal savings depositories", approved June 25, 1910, as amended, to provide an additional circulating medium, to restore confidence and eliminate hoarding, to guarantee deposits without cost to the depositor, and to reduce interest expenditures on the public debt, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. JEFFERS: A bill (H.R. 1611) to make it a crime to advocate or promote the overthrow or the destruction of the Government of the United States by force or violence, and for other purposes; to the Committee on the Judiciary.

Also, a bill (H.R. 1612) to give veterans of war service in Spanish War and World War preference in the Government and District of Columbia civil service; to the Committee on the Civil Service.

Also, a bill (H.R. 1613) to amend the act of May 29, 1930, for the retirement of employees in the classified civil service; to the Committee on the Civil Service.

Also, a bill (H.R. 1614) to amend the World War Veterans' Act, 1924, as amended, by providing allowances for widows and children and dependent parents of veterans of the World War; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 1615) to provide sick leave for certain civilian employees of the United States Government; to the Committee on the Civil Service.

Also, a bill (H.R. 1616) to restrict general immigration into the United States; to the Committee on Immigration and Naturalization.

By Mr. KLEBERG: A bill (H.R. 1617) to provide for the appointment of an additional district judge for the southern district of Texas; to the Committee on the Judiciary.

By Mr. KELLER: A bill (H.R. 1618) providing for an emergency circulation fund, and for other purposes; to the Committee on Banking and Currency.

Also, a bill (H.R. 1619) to amend the act approved December 23, 1913, known as the Federal Reserve Act, to stabilize the average wholesale price of commodities at the average level of the year 1926, thereby to correct the price decline suffered since September 1928, to promote economic justice, to steady industry, agriculture, commerce, and employment, and for other purposes; to the Committee on Banking and Currency.

Also, a bill (H.R. 1620) to accelerate public construction, to provide employment, to create the administration of public works, to provide for the more effective coordination and correlation of the public-works activities of the Government, to provide means for raising revenue therefor, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 1621) to accelerate public construction during the present emergency, to provide employment, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 1622) to amend the Federal Corrupt Practices Act, 1925, to provide minimum penalties of fine and imprisonment for violations thereof, and for other purposes; to the Committee on Election of President, Vice President, and Representatives in Congress.

Also, a bill (H.R. 1623) to provide old-age security; to the Committee on Labor.

Also, a bill (H.R. 1624) to regulate the value of money, and for other purposes; to the Committee on Banking and Currency.

By Mr. KELLY of Pennsylvania: A bill (H.R. 1625) to classify certain positions in the Railway Mail Service, and for other purposes; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 1626) granting equipment allowance to third-class postmasters; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 1627) to regulate interstate and foreign commerce in bituminous coal; provide for consolidations, mergers, and cooperative marketing; require the licensing of corporations producing and shipping coal in interstate commerce; and to create a bituminous-coal commission, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 1628) to grant authority to the Postmaster General to enter into contracts for the transportation of mails by airships to foreign countries and insular and territorial possessions of the United States for periods of not more than 10 years, and to pay for such service at fixed rates per pound, and for other purposes; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 1629) to promote home ownership, and for other purposes; to the Committee on Banking and Currency.

Also, a bill (H.R. 1630) to provide for the purchase or construction of buildings for post-office stations, branches, and garages, and for other purposes; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 1631) to establish the University of the United States; to the Committee on Education.

By Mr. KERR: A bill (H.R. 1632) to prohibit the exportation of tobacco seed and plants, except for experimental purposes; to the Committee on Agriculture.

By Mr. LANHAM: A bill (H.R. 1633) to provide for placing the Forest Service building site and improvements thereon at Ogden, Utah, under the jurisdiction of the De-

partment of Agriculture; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 1634) authorizing the transfer of certain lands near Vallejo, Calif., from the United States Housing Corporation to the Navy Department for naval purposes; to the Committee on Public Buildings and Grounds.

By Mr. LUCE: A bill (H.R. 1635) to create a commission to study the hospitalizing of war veterans; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 1636) to create a Commission for the Erection of a National World War Memorial; to the Committee on the Library.

Also, a bill (H.R. 1637) to prevent discriminations against American ships and ports, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 1638) to create a National Park Trust Fund Board, and for other purposes; to the Committee on the Public Lands.

By Mr. McKEOWN: A bill (H.R. 1639) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 1640) to authorize the Secretary of the Interior to pay $500 for expenses of Sac and Fox business committee; to the Committee on Indian Affairs.

Also, a bill (H.R. 1641) to provide for the redemption of adjusted-service certificates issued to veterans of the World War, and for other purposes; to the Committee on Ways and Means.

By Mr. McLEOD: A bill (H.R. 1642) providing for an appropriation toward the alteration and repair of the buildings of Eastern Dispensary and Casualty Hospital; to the Committee on the District of Columbia.

Also, a bill (H.R. 1643) to divest certain classes of firearms and ammunition of their character as subjects of interstate or foreign commerce; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 1644) to amend section 4 of the immigration act of 1924; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 1645) to provide for an additional district judge for the eastern district of Michigan; to the Committee on the Judiciary.

Also, a bill (H.R. 1646) to promote safety on the streets and highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia, to prescribe penalties for the violation of the provisions of this act, and for other purposes; to the Committee on the District of Columbia.

Also, a bill (H.R. 1647) to prohibit and punish certain seditious acts against the Government of the United States and to prohibit the use of the mails for the purpose of promoting such acts; to the Committee on the Judiciary.

Also, a bill (H.R. 1648) for the relief of the widows of certain members of the police and fire departments of the District of Columbia who were killed or died from injuries received in the line of duty, and for other purposes; to the Committee on the District of Columbia.

Also, a bill (H.R. 1649) to authorize the Reconstruction Finance Corporation to make loans to States, municipalities, and political subdivisions of States for the construction, improvement, or maintenance of public streets and highways; to the Committee on Banking and Currency.

Also, a bill (H.R. 1650) to restore the rights of certain World War veterans to renew their 5-year level premium term Government insurance policies; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 1651) to restore the 2-cent postage rate on first-class mail; to the Committee on Ways and Means.

Also, a bill (H.R. 1652) to make unlawful transportation in interstate or foreign commerce of a stolen airplane or other aircraft by amendment of the National Motor Vehicle Theft Act; to the Committee on the Judiciary.

Also, a bill (H.R. 1653) to designate the city of Detroit, Mich., as a port of entry for antiques; to the Committee on Ways and Means.

Also, a bill (H.R. 1654) to make illegal and provide penalties for transporting kidnaped persons in interstate or foreign commerce and schemes to use the mails in kidnaping cases; to the Committee on the Judiciary.

Also, a bill (H.R. 1655) to provide for the construction of public buildings or additions thereto by local contractors; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 1656) to provide for the employment of local architects, landscape architects, and engineers in the construction of public buildings; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 1657) to reimburse officers, nurses, and civilian employees of the United States Public Health Service and inmates of the United States Public Health Service Hospital at Corpus Christi, Tex., for losses sustained as the result of a storm which occurred in Texas on September 14, 1919; to the Committee on Claims.

Also, a bill (H.R. 1658) to amend the Reconstruction Finance Corporation Act, as amended by the Emergency Relief and Construction Act of 1932, by adding thereto a new section providing for direct loans to banks, trust companies, insurance companies, and building and loan associations, for the specific purpose of preventing foreclosures on homes and farms; to the Committee on Banking and Currency.

Also, a bill (H.R. 1659) to regulate the interstate shipment of firearms; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 1660) declaring November 11 a legal public holiday, to be known as Armistice Day; to the Committee on the Judiciary.

Also, a bill (H.R. 1661) to amend sections 1 and 2, title 5, of the United States Code; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 1662) to provide for the furnishing of food to children attending schools in the District of Columbia; to the Committee on the District of Columbia.

Also, a bill (H.R. 1663) to provide a tax on the sale on margin of corporate securities; to the Committee on Ways and Means.

Also, a bill (H.R. 1664) to protect depositors of banks and banks by preventing undue publicity in connection with loans by the Reconstruction Finance Corporation; to the Committee on Ways and Means.

Also, a bill (H.R. 1665) to amend title 5 of the United States Code by adding thereto, immediately after chapter 15, a new chapter creating the Department of Aeronautics; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 1666) to save the United States Government the sum of approximately $150,000,000 annually in interest charges by the issuance of low interest rate tax-exempt bonds to retire the $6,286,099,450 4¼ percent Liberty bonds callable October 15, 1933; to the Committee on Ways and Means.

Also, a bill (H.R. 1667) to authorize the Reconstruction Finance Corporation to make loans to aid in financing projects for the construction of garbage and refuse plants and sewerage systems or sewage-disposal works; to the Committee on Banking and Currency.

Also, a bill (H.R. 1668) to authorize loans by the Reconstruction Finance Corporation to States, municipalities, and other political subdivisions of States, for the specific purpose of providing food for undernourished school children in the United States; to the Committee on Banking and Currency.

Also, a bill (H.R. 1669) to amend the Revenue Act of 1932 by repeal of the manufacturers' excise taxes and substituting in lieu thereof a general manufacturers' sales excise tax; to the Committee on Ways and Means.

Also, a bill (H.R. 1670) to amend the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States," as amended; to the Committee on the Judiciary.

Also, a bill (H.R. 1671) to amend sections 3 and 9 of the act of July 15, 1932, entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes"; to the Committee on the District of Columbia.

By Mr. McSWAIN: A bill (H.R. 1672) to provide for the common defense, to aid interstate commerce by navigation, to promote flood control, to promote the general welfare by creating the Tennessee Valley development authority, and to operate the Muscle Shoals properties; to the Committee on Military Affairs.

By Mr. MEAD: A bill (H.R. 1673) to provide a shorter work week for postal employees, and for other purposes; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 1674) to recognize seniority of service in promotions and assignments of clerks in first- and second-class post offices; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 1675) to amend the act relating to the liability of common carriers by railroad to their employees in certain cases; to the Committee on the Judiciary.

Also, a bill (H.R. 1676) to provide for expansion of Government-owned motor-vehicle service in the Postal Service; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 1677) to provide for the creation of the Saratoga National Monument in the State of New York, and for other purposes; to the Committee on the Public Lands.

Also, a bill (H.R. 1678) to authorize the delivery of surplus forfeited vessels of the Treasury Department to the Boy Scouts of America for use in sea scout training; to the Committee on the Judiciary.

Also, a bill (H.R. 1679) to amend section 4 of the United States Grain Standards Act of 1916 as relating to the use of the official grain standards of the United States on grain moved in interstate commerce from shipping points to destination points without official grade determination; to the Committee on Agriculture.

Also, a bill (H.R. 1680) to amend the National Prohibition Act so as to provide for increasing the permissible alcoholic content of beer, ale, or porter to 3 percent by weight; to the Committee on the Judiciary.

Also, a bill (H.R. 1681) to restore former basis of compensation and allowances of postmasters and other employees of offices of the first, second, and third classes, and commissions of postmasters of the fourth class, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 1682) relative to assumption of risks of employment; to the Committee on the Judiciary.

By Mr. MITCHELL: A bill (H.R. 1683) to reduce the compensation of Senators, Representatives, Delegates, and Resident Commissioners to $5,000 per annum; to the Committee on Expenditures in the Executive Departments.

Also, a bill (H.R. 1684) restricting the appointment of employees by Members of Congress of the United States in certain cases; to the Committee on Accounts.

Also, a bill (H.R. 1685) providing for the purchase of a suitable site and the erection of a Federal court building at Winchester, Tenn.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 1686) to authorize the erection of a Veterans' Administration hospital in middle Tennessee and to authorize the appropriation therefor; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 1687) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates without interest deductions; to the Committee on Ways and Means.

Also, a bill (H.R. 1688) to provide for terms of the United States District Court for the Nashville Division of the Middle District of Tennessee, to be held at Murfreesboro, Tenn.; to the Committee on the Judiciary.

Also, a bill (H.R. 1689) providing for the purchase of a suitable site and the erection of a public building at Livingston, Tenn.; to the Committee on Public Buildings and Grounds.

By Mr. MONTET: A bill (H.R. 1690) to provide for a preliminary examination and survey for the enlargement of the navigation canal leading from White Lake to Pecan Island, all in Vermilion Parish, La.; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 1691) for the protection of the agricultural communities along Bayou Vermilion, in the State of Louisiana, against injury to or destruction of crops by reason of the increased salinity of the waters of said bayou resulting from the construction of the Intracoastal Canal; to the Committee on Irrigation and Reclamation.

Also, a bill (H.R. 1692) to authorize the Attorney General and the Secretary of the Treasury to turn over to State agencies, for use in the enforcement of laws for the protection of migratory birds, forfeited vessels acquired by the Department of Justice and Treasury Department and no longer needed for official use; to the Committee on the Judiciary.

Also, a bill (H.R. 1693) to provide for the appointment of an additional district judge for the eastern district of Louisiana; to the Committee on the Judiciary.

Also, a bill (H.R. 1694) to amend the Revenue Act of 1932 with a view to decentralizing wealth in the United States; to the Committee on Ways and Means.

Also, a bill (H.R. 1695) to provide for the commemoration of the Poste des Attakapas, in the State of Louisiana; to the Committee on Military Affairs.

By Mr. O'CONNOR: A bill (H.R. 1696) to provide revenue by the taxation of certain nonintoxicating liquors, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 1697) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 1698) to equalize taxation, prevent evasion, and provide revenue, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 1699) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 1700) to amend section 604 of the Revenue Act of 1932 relating to the tax on furs; to the Committee on Ways and Means.

By Mr. PALMISANO: A bill (H.R. 1701) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes; to the Committee on Ways and Means.

By Mr. POLK: A bill (H.R. 1702) to amend section 4 of the Legislative, Executive, and Judicial Appropriation Act, passed and approved March 4, 1925, relating to the compensation of Members and Delegates in Congress; to the Committee on Expenditures in the Executive Departments.

By Mr. RANKIN: A bill (H.R. 1703) to regulate the value of money, to stabilize its purchasing power by the controlled expansion and contraction of the currency, and for other purposes; to the Committee on Banking and Currency.

By Mr. RUDD: A bill (H.R. 1704) granting hospital treatment to postal employees suffering from tuberculosis, nervous diseases, or kindred occupational ailments in Government-owned hospitals; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 1705) to amend an act entitled "An act to limit the immigration of aliens into the United States, and for other purposes"; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 1706) granting annual and sick leave to postal employees; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 1707) to provide study periods for post-office clerks, terminal and transfer clerks; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 1708) granting leave of absence to postal employees on account of death in family; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 1709) to amend the World War Veterans' Act granting compensation to certain widows, minor children, and helpless children of such soldiers and sailors of the World War, and for other purposes; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 1710) to purchase a site for the erection of a post-office building in the section of the borough of Queens, city of New York, N.Y., known and designated as Richmond Hill; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 1711) to purchase a site for the erection of a post-office building in the section of the borough of Queens, city of New York, N.Y., known and designated as Woodhaven; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 1712) to authorize the construction and use of underground pneumatic-tube service; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 1713) to purchase a site for the erection of a post-office building in the section of the borough of Queens, city of New York, N.Y., known and designated as South Ozone Park; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 1714) for postal employees' longevity; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 1715) granting holidays to postal employees in States where holidays are a State law; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 1716) to provide for the applicability to certain classes of persons of the provisions of articles 3 and 4 of the War Risk Insurance Act, as amended, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. SABATH: A bill (H.R. 1717) to provide for making loans to needy individuals, ex-service men, farmers, home owners, and business men, and for other purposes; to the Committee on Ways and Means.

By Mr. CELLER: A bill (H.R. 1718) relating to the prescribing of medicinal liquors; to the Committee on the Judiciary.

By Mr. CROWTHER: A bill (H.R. 1719) to prevent loss of revenue, to provide employment for American labor, and to protect the industries and agriculture of the United States against the effects of depreciation in foreign currencies; to the Committee on Ways and Means.

By Mr. TAYLOR of Tennessee: A bill (H.R. 1720) making appropriation for the Great Smoky Mountains National Park; to the Committee on Roads.

By Mr. SIROVICH: A bill (H.R. 1721) to amend section 3 of the act of May 28, 1928, relating to salary rates of certain civil-service positions; to the Committee on the Civil Service.

By Mr. TARVER: A bill (H.R. 1722) to subject shipments of pistols in interstate commerce to the police powers of the several States and Territories upon arrival therein; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 1723) to make it a crime to advocate or promote the overthrow of the Government of the United States by force and violence, and for other purposes; to the Committee on the Judiciary.

Also, a bill (H.R. 1724) providing for the settlement of claims of officers and enlisted men for extra pay provided by act of January 12, 1899; to the Committee on Claims.

Also, a bill (H.R. 1725) to provide for the extension of Federal aid in highway construction to rural free-delivery routes and star-mail routes which do not constitute portions of Federal or State highway systems designated under existing laws to receive Federal aid as primary (or interstate) or secondary (or intercounty) routes, and providing for the expenditure of such sums of money as may be appropriated hereunder; to the Committee on Roads.

Also, a bill (H.R. 1726) to provide for the paving of the Government road, known as the Stephens Gap Road, commencing in the city of Chickamauga, Ga., and extending to Stephens Gap, constituting an approach road to Chickamauga and Chattanooga National Military Park; to the Committee on Military Affairs.

Also, a bill (H.R. 1727) to provide for the paving of the Government road, known as the Glass Mill Road, commencing in the city of Chickamauga, Ga., and extending to Scotts Mill, constituting an approach road to Chickamauga and Chattanooga National Military Park; to the Committee on Military Affairs.

Also, a bill (H.R. 1728) to provide for the commemoration of the Battles of Dalton, Cassville, New Hope Church, Resaca, and Ringgold, in the State of Georgia, and for the erection of markers along the route followed by armies in Georgia during the War between the States; to the Committee on Military Affairs.

Also, a bill (H.R. 1729) to create a national memorial military park at and in the vicinity of Kennesaw Mountain in the State of Georgia, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H.R. 1730) to amend the World War Veterans' Act of 1924, section 202, as amended; to the Committee on World War Veterans' Legislation.

By Mr. THOMASON of Texas: A bill (H.R. 1731) to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. TURPIN: A bill (H.R. 1732) providing import duties on coal and coke imported into the United States from foreign countries; to the Committee on Ways and Means.

By Mr. WILSON: A bill (H.R. 1733) to provide for the commemoration of Fort Miro, in the State of Louisiana; to the Committee on Military Affairs.

Also, a bill (H.R. 1734) to provide for the commemoration of Fort Beauregard, in the State of Louisiana; to the Committee on Military Affairs.

By Mr. BLAND: A bill (H.R. 1735) to amend the Radio Act of 1927, approved February 23, 1927, as amended (U.S.C., supp. VI, title 47, ch. 4), and for other purposes; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. BLANTON: A bill (H.R. 1736) to abolish police trial boards in the District of Columbia, to establish a Discipline Board for the investigation of the conduct of officers and members of the Metropolitan Police force, and to provide for their suspension and removal, to amend and repeal certain laws relating thereto, and for other purposes; to the Committee on the District of Columbia.

By Mr. BUCKBEE: A bill (H.R. 1737) to amend the act approved June 25, 1910, entitled "An act to establish postal-savings depositories for depositing savings at interest with the security of the Government for repayment thereof, and for other purposes"; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 1738) to increase the balance to the credit of any one person in a postal savings depository from $2,500 to $5,000; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 1739) authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.; to the Committee on the Library.

By Mr. CARTER of California: A bill (H.R. 1740) to amend subsection (d) of section 11 of the Merchant Marine Act of June 5, 1920, as amended by section 301 of the Merchant Marine Act of May 22, 1928; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H.R. 1741) to authorize the erection of a 250-bed addition to the United States Veterans' Administration hospital at Livermore, Calif.; to the Committee on World War Veterans' Legislation.

By Mr. CROWTHER: A bill (H.R. 1742) to prevent loss of revenue, to provide employment for American labor, and to protect the industries and agriculture of the United States against the effects of depreciation in foreign currencies; to the Committee on Ways and Means.

By Mr. DISNEY: A bill (H.R. 1743) to reduce the amount of gold in the dollar from 25.8 grains nine-tenths fine to 16.5 grains of gold nine-tenths fine so as to bring the purchasing power of the dollar into a proper relation to commodity prices; to the Committee on Banking and Currency.

By Mr. GILLESPIE: A bill (H.R. 1744) to provide for the use in motor fuels of alcohol manufactured from agricultural products grown in the United States; to the Committee on Ways and Means.

By Mr. JAMES: A bill (H.R. 1745) to authorize the acquisition for military purposes of certain lands in Puerto Rico; to the Committee on Military Affairs.

Also, a bill (H.R. 1746) to repeal the act entitled "An act to give war-time rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States", and for other purposes; to the Committee on Military Affairs.

Also, a bill (H.R. 1747) to authorize appropriations for construction at Fort Bliss, Tex., and for other purposes; to the Committee on Military Affairs.

Also, a bill (H.R. 1748) to authorize appropriations for construction at Fort Sam Houston, Tex., and for other purposes; to the Committee on Military Affairs

Also, a bill (H.R. 1749) to authorize appropriations for construction at Fort Hamilton, N.Y., and for other purposes; to the Committee on Military Affairs.

Also, a bill (H.R. 1750) to authorize appropriations for construction at Fort Snelling, Minn., and for other purposes; to the Committee on Military Affairs.

Also, a bill (H.R. 1751) to repeal the act of May 24, 1928; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 1752) to provide for maintaining the corps of cadets at the United States Military Academy at its authorized strength, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H.R. 1753) to create the Reserve Division of the War Department, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H.R. 1754) to increase the efficiency of the Air Corps; to the Committee on Military Affairs.

Also, a bill (H.R. 1755) to amend section 1466 of the Revised Statutes relating to relative rank between officers of the Navy and Army; to the Committee on Military Affairs.

Also, a bill (H.R. 1756) to amend the National Defense Act of June 3, 1916, as amended; to the Committee on Military Affairs.

Also, a bill (H.R. 1757) to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H.R. 1758) to amend the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes", approved June 3, 1916, as amended, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H.R. 1759) to increase the efficiency of the Medical Department of the Regular Army; to the Committee on Military Affairs.

Also, a bill (H.R. 1760) to amend the Tariff Act of 1930, entitled "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes", to provide a tariff on copper; to the Committee on Ways and Means.

Also, a bill (H.R. 1761) to provide for the appraisal and sale of certain public land in Michigan; to the Committee on the Public Lands.

By Mr. LUCE: A bill (H.R. 1762) to provide for the safer and more effective use of the assets of Federal Reserve banks and of national banking associations, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes; to the Committee on Banking and Currency.

By Mr. MALONEY of Louisiana: A bill (H.R. 1763) providing for a site and public building for a post office at Gretna, parish of Jefferson, La.; to the Committee on Public Buildings and Grounds.

By Mr. PALMISANO: A bill (H.R. 1764) authorizing the issue of scrip certificates and stamps, and providing for the relief of needy and distressed unemployed persons, and for other purposes; to the Committee on Banking and Currency.

By Mr. TAYLOR of Tennessee: A bill (H.R. 1765) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes", approved July 11, 1916, as amended, and for other purposes; to the Committee on Roads.

By Mr. GAMBRILL: A bill (H.R. 1766) to provide medical services after retirement on annuity to former employees of the United States disabled by injuries sustained in the performance of their duties; to the Committee on the Judiciary.

By Mr. BURNHAM: A bill (H.R. 1767) to authorize the acceptance of certain lands in the city of San Diego, Calif., by the United States and the transfer by the Secretary of the Navy of certain other lands to said city of San Diego; to the Committee on Naval Affairs.

By Mr. LUDLOW: Joint resolution (H.J.Res. 1) proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. ANDREW of Massachusetts: Joint resolution (H.J.Res. 2) providing for the preparation for publication and publication of the important official records and maps relating to the participation of the military forces of the United States in the World War, and authorizing appropriations therefor; to the Committee on Military Affairs.

By Mr. BLANTON: Joint resolution (H.J.Res. 4) authorizing and directing the President to use and employ the Army, Navy, and the Marine Corps, the militia of the several States, and the resources of the Government in suppressing all smuggling into the United States of intoxicating liquors, narcotics, and aliens, and to suppress the insubordinate rebellion now being waged by those in authority in several States and large cities of the United States against the fundamental laws of the Republic, to the end that the President may obey the Constitution of the United States by faithfully executing the laws; to the Committee on the Judiciary.

Also, joint resolution (H.J.Res. 5) prohibiting officials of the United States from issuing permits to any diplomatic representative, secretary of embassy or legation, counselor of embassy or legation, military attaché, naval attaché, commercial attaché, consul, agent, commissioner, or special envoy of any foreign country accredited to and residing in the United States that would authorize any of them, or any member of their official family, to import into, transport within, possess, or dispense in the United States any intoxicating liquors for beverage purposes in violation of the eighteenth amendment to the Constitution of the United States and enforcement laws thereof; to the Committee on Foreign Affairs.

Also, joint resolution (H.J.Res. 6) constituting it cause for impeachment and removal from office, and dishonorable discharge from the service, and discharge from Government employment, respectively, for any executive officer, member of the judiciary, Senator, Representative in Congress, officer or enlisted man in the Army, Navy, Marine Corps, and Coast Guard, or any employee of the Government of the United States, to purchase intoxicating liquors from a "bootlegger" (as that term is commonly understood) or to manufacture, sell, or transport intoxicating liquors within, or to import the same into, the United States for beverage purposes, or to conspire with any person to violate the eighteenth amendment to the Constitution of the United States and laws passed in enforcement thereof; to the Committee on the Judiciary.

Also, joint resolution (H.J.Res. 7) to repeal the classification act of 1923, and amendments thereto, and provide that the rates of compensation for positions in the United States Government and in the municipal government of the District of Columbia shall be the rates in force prior to the enactment of such act; to fix the maximum of any statutory salary at $7,500 per annum, and to repeal Public, No. 506, Seventieth Congress; to the Committee on Expenditures in the Executive Departments.

By Mr. BOYLAN: Joint resolution (H.J.Res. 8) to appoint a commission to make a study of proposed change in the printing of the CONGRESSIONAL RECORD; to the Committee on Rules.

By Mr. FITZPATRICK: Joint resolution (H.J.Res. 9) to limit the reductions in compensation applicable to certain employees whose compensation for any month is less than the monthly rate of compensation to which the economy act applies; to the Committee on Expenditures in the Executive Departments.

Also, joint resolution (H.J.Res. 10) requesting the President to proclaim October 12 as Columbus Day for the observance of the anniversary of the discovery of America; to the Committee on the Judiciary.

By Mr. GIBSON: Joint resolution (H.J.Res. 11) to provide a special clerk and liaison officer; to the Committee on the Civil Service.

Also, joint resolution (H.J.Res. 12) proposing an amendment to the Constitution of the United States requiring submission of constitutional amendments to the direct vote of the people; to the Committee on the Judiciary.

Also, joint resolution (H.J.Res. 13) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. GRIFFIN: Joint resolution (H.J.Res. 14) to provide a special additional income tax of 1 cent on each dollar of gross income for the calendar years 1933, 1934, and 1935; to the Committee on Ways and Means.

Also, joint resolution (H.J.Res. 15) proposing an amendment to the Constitution of the United States requiring submission of constitutional amendments to the direct vote of the people; to the Committee on the Judiciary.

By Mr. KLEBERG: Joint resolution (H.J.Res. 16) authorizing the President under certain conditions to invite the participation of other nations in the Texas centennial celebration, providing for the admission of their exhibits, and for other purposes; to the Committee on Ways and Means.

By Mr. HARTLEY: Joint resolution (H.J.Res. 17) recognizing the medal awarded by the American Red Cross to its female overseas personnel as the official commemorative medal, and granting similar medals to the male forces; to the Committee on Foreign Affairs.

By Mr. LAMNECK: Joint resolution (H.J.Res. 18) providing for payment of compensation for services to members of local draft boards who served also as clerks of their respective boards; to the Committee on Military Affairs.

By Mr. LUCE: Joint resolution (H.J.Res. 19) to make available to Congress the services and data of the Interstate Legislative Reference Bureau; to the Committee on the Library.

Also, joint resolution (H.J.Res. 20) to make available to the Congress the services and data of the Interstate Legislative Reference Bureau; to the Committee on the Library.

By Mr. McKEOWN: Joint resolution (H.J.Res. 21) to make loans to foreign credit exchanges or companies engaged in insuring accounts of American exporters; to the Committee on Banking and Currency.

By Mr. FULMER: Joint resolution (H.J.Res. 22) authorizing the distribution of 800,000 bales of Government-owned cotton to the American National Red Cross and other organizations for the relief of distress; to the Committee on Agriculture.

By Mr. McSWAIN: Joint resolution (H.J.Res. 23) to promote the general welfare, to regulate commerce among the several States, and to create fiscal agencies for the Federal Government by authorizing a national emergency board and by defining its powers; to the Committee on Ways and Means.

Also, joint resolution (H.J.Res. 24) authorizing the President to appoint a nonpartisan board of 25 members to study and report conclusions upon ways, means, and methods to rehabilitate business conditions; to the Committee on Interstate and Foreign Commerce.

Also, joint resolution (H.J.Res. 25) proposing an amendment to the Constitution of the United States to prevent profiteering during war; to the Committee on the Judiciary.

Also, joint resolution (H.J.Res. 26) relating to evidence in condemnation proceedings in the District of Columbia; to the Committee on the District of Columbia.

By Mr. MARTIN of Oregon: Joint resolution (H.J.Res. 27) authorizing a further modification of the adopted project for the Columbia and lower Willamette Rivers between Portland, Oreg., and the sea; to the Committee on Rivers and Harbors.

Also, joint resolution (H.J.Res. 28) authorizing the erection of a memorial building to commemorate the winning of the Oregon country for the United States; to the Committee on Public Buildings and Grounds.

Also, joint resolution (H.J.Res. 29) authorizing an annual appropriation for the expense of establishing and maintaining United States passport bureaus at Portland, Oreg., and Los Angeles, Calif.; to the Committee on Foreign Affairs.

Also, joint resolution (H.J.Res. 30) to effectuate a compromise and settlement of rental leases on Sand Island in the Columbia River in Oregon; to the Committee on Military Affairs.

By Mr. MEAD: Joint resolution (H.J.Res. 31) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's memorial day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

Also, joint resolution (H.J.Res. 32) to provide for the preparation, printing, and distribution of pamphlets containing the history of Brig. Gen. Casimir Pulaski, Revolutionary War hero, on occasion of the one hundred and fiftieth anniversary of the death of Brig. Gen. Casimir Pulaski on October 11, 1929, with certain biographical sketches and explanatory matter; to the Committee on Printing.

By Mr. PETTENGILL: Joint resolution (H.J.Res. 33) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

By Mr. LINDSAY: Joint resolution (H.J.Res. 34) empowering the President to proclaim October 12 a legal public holiday to be known as Columbus Day; to the Committee on the Judiciary.

By Mr. SINCLAIR: Joint resolution (H.J.Res. 35) authorizing the President to call an international conference of representatives of agricultural and farmers' organizations; to the Committee on Foreign Affairs.

By Mr. TARVER: Joint resolution (H.J.Res. 36) proposing to amend the Constitution of the United States to exclude aliens in counting the whole number of persons in each State for apportionment of Representatives among the several States; to the Committee on the Judiciary.

Also, joint resolution (H.J.Res. 37) directing and authorizing the Postmaster General to have prepared and issued a postage stamp commemorating the services of the late Thomas E. Watson in the origination of the Rural Free Delivery Service; to the Committee on the Post Office and Post Roads.

By Mr. TAYLOR of Tennessee: Joint resolution (H.J.Res. 38) to provide for the national defense by the creation of a corporation for the operation of the Government properties at and near Muscle Shoals, in the State of Alabama; to authorize the letting of the Muscle Shoals properties under certain conditions; and for other purposes; to the Committee on Military Affairs.

By Mr. McLEOD: Joint resolution (H.J.Res. 39) to amend section 3 of the joint resolution entitled "Joint resolution for the purpose of promoting efficiency, for the utilization of the resources and industries of the United States, etc.," approved February 8, 1918; to the Committee on Patents.

By Mr. PETTENGILL: Joint resolution (H.J.Res. 40) directing the President of the United States to proclaim October 11 of 1933 General Pulaski's memorial day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. WATSON: Joint resolution (H.J.Res. 41) to create a commission to cooperate with the States of Pennsylvania and New Jersey in preparing plans for the construction of the Washington Crossing Memorial Bridge across the Delaware River; to the Committee on Rules.

By Mr. WOLVERTON: Joint resolution (H.J.Res. 42) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

By Mr. MONTET: Joint resolution (H.J.Res. 43) to provide revenue for the promotion of the common welfare and the national defense, and for other purposes; to the Committee on Ways and Means.

By Mr. BUCKBEE: Joint resolution (H.J.Res. 44) providing for the sale of postage stamps at places other than the post office or its branches, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. MONTET: Joint resolution (H.J.Res. 45) proposing an amendment to the Constitution of the United States to permit the taxation of capital without apportionment among the States; to the Committee on the Judiciary.

By Mr. BUCKBEE: Joint resolution (H.J.Res. 46) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's memorial day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. KELLY of Pennsylvania: Joint resolution (H.J.Res. 47) proposing a method of amending the Constitution of the United States by establishing constitutional majority rule; to the Committee on the Judiciary.

By Mr. LUDLOW: Joint resolution (H.J.Res. 48) directing the President to proclaim October 11 of each year General Pulaski's memorial day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. MITCHELL: Joint resolution (H.J.Res. 49) to establish an investigating committee, defining its duties, and for other purposes; to the Committee on Rules.

By Mr. KELLER: Joint resolution (H.J.Res. 50) to remove age limit as a qualification for employment; to the Committee on the Civil Service.

By Mr. CARTER of California: Joint resolution (H.J.Res. 51) to create the Transcontinental Highway Commission, and for other purposes; to the Committee on Roads.

By Mr. McKEOWN: Joint resolution (H.J.Res. 52) to amend Public Law No. 420 of the Seventy-second Congress, approved March 3, 1933, being an act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. SIROVICH: Joint resolution (H.J.Res. 53) declaring a national emergency to exist, and providing economic means for its solution; to the Committee on Ways and Means.

By Mr. HANCOCK of North Carolina: Joint resolution (H.J.Res. 54) to provide a 2-year suspension period on certain debts; to the Committee on the Judiciary.

By Mr. SNYDER: Joint resolution (H.J.Res. 55) proposing an amendment to the Constitution of the United States relative to taxes on certain incomes; to the Committee on the Judiciary.

By Mr. McLEOD: Joint resolution (H.J.Res. 56) requesting the President of the United States to call a conference of the governors of the several States and the mayors of the various cities for the purpose of discussing ways and means of declaring a moratorium on sales of homes and farms by States and municipalities because of tax delinquency; to the Committee on the Judiciary.

Also, joint resolution (H.J.Res. 57) authorizing appointment of a commission to study the causes and remedy of business cycles and unemployment; to the Committee on the Judiciary.

By Mr. FULMER: Joint resolution (H.J.Res. 58) proposing a reduction in interest rates on Government loans by the Reconstruction Finance Corporation, or any of its agencies; to the Committee on Banking and Currency.

By Mr. FULMER: Concurrent resolution (H.Con.Res. 1) to provide for a study of radiobroadcasting in the United States and other countries to obtain information to be used as a basis for legislation, and for other purposes; to the Committee on Rules.

By Mr. LUCE: Concurrent resolution (H.Con.Res. 2) relating to Statuary Hall; to the Committee on the Library.

By Mr. SINCLAIR: Concurrent resolution (H.Con.Res. 3) to appoint a joint commission to investigate the subject of crop insurance; to the Committee on Rules.

By Mr. TINKHAM: Resolution (H.Res. 1) providing for the investigations of the political activities of all organizations, foundations, endowments, and associations which attempt to influence political opinion and political action with reference to the foreign policy of the United States; to the Committee on Rules.

By Mr. GASQUE: Resolution (H.Res. 2) to pay Fred R. Miller for extra and expert services to the Committee on Pensions; to the Committee on Accounts.

By Mr. HART: Resolution (H.Res. 3) investigating farm lobbyists; to the Committee on Rules.

By Mr. KELLER: Resolution (H.Res. 4) for an investigation of the causes of the prevailing industrial depression and into measures to relieve the same and prevent a recurrence thereof; to the Committee on Rules.

Also, resolution (H.Res. 15) directing the Attorney General to investigate certain testimony and evidence and to determine if such evidence discloses or indicates any violations of the criminal statutes; to the Committee on the Judiciary.

Also, resolution (H.Res. 16) directing the Secretary of the Treasury to investigate the common practice to avoid and evade the payment of income taxes by certain citizens and corporations of the United States; to the Committee on Ways and Means.

Also, resolution (H.Res. 17) directing the Secretary of the Treasury to examine certain testimony and evidence in regard to violations of the revenue statutes of the United States; to the Committee on Ways and Means.

By Mr. FULMER: Resolution (H.Res. 18) providing for the printing of 2,000 copies of the Soil Survey for certain counties in South Carolina; to the Committee on Printing.

By Mr. McFADDEN: Resolution (H.Res. 19) authorizing the appointment of a committee to investigate the earnings and expenditures of the National Broadcasting Co. and the Columbia Broadcasting System; to the Committee on Rules.

Also, resolution (H.Res. 20) to provide for an investigation with respect to certain activities of the Federal Reserve Board, Federal Reserve banks, and member banks of the Federal Reserve System; to the Committee on Rules.

By Mr. McLEOD: Resolution (H.Res. 22) electing a standing committee on aeronautics; to the Committee on Rules.

Also, resolution (H.Res. 23) requesting the President to pardon certain persons confined in Federal penal institutions; to the Committee on the Judiciary.

By Mr. CELLER: Resolution (H.Res. 24) requesting the Department of State to call on the German Government to cease denying the fundamental and inalienable rights of those who may be resident in Germany; to the Committee on Foreign Affairs.

By Mr. McSWAIN: Resolution (H.Res. 25) directing the Clerk of the House to have blank forms of appointment prepared for the use of Members of the House; to the Committee on Accounts.

By Mr. MEAD: Resolution (H.Res. 26) to safeguard rights of air mail pilots to collective representation; to the Committee on the Post Office and Post Roads.

By Mr. WOLVERTON: Resolution (H.Res. 27) providing for the payment of one year's salary to the widow of Frank Hazel Barto; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H.R. 1768) for the relief of James Cantlin, alias James Cantlion, deceased; to the Committee on Military Affairs.

Also, a bill (H.R. 1769) for the relief of Jeannette S. Jewell; to the Committee on Foreign Affairs.

Also, a bill (H.R. 1770) for the relief of Laura B. Hayes; to the Committee on Claims.

Also, a bill (H.R. 1771) for the relief of Charles W. Nobis, Robert Bruce Irwin, Ralph Irwin, Vern Shelly, Charles W. Chapman, C. H. Jobe, Helen S. Cooper, Lizzie Jameson, Frank and Irene Jameson; to the Committee on Claims.

Also, a bill (H.R. 1772) granting a pension to Sadie M. Meik; to the Committee on Pensions.

Also, a bill (H.R. 1773) granting a pension to Hillis T. Brown; to the Committee on Pensions.

Also, a bill (H.R. 1774) granting a pension to Ethel S. Ferguson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1775) granting a pension to Lizzie May Schaber; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1776) granting an increase of pension to Anna Flint; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1777) granting an increase of pension to Minnie G. Barnes; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1778) granting an increase of pension to Elizabeth Stimlee; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1779) granting an increase of pension to Martha C. Howe; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1780) granting an increase of pension to Anna Shannessay; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1781) granting an increase of pension to Elizabeth Snyder; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1782) granting an increase of pension to Maria A. Houston; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1783) granting an increase of pension to Catherine Norton; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1784) granting an increase of pension to Louisa S. Robinson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1785) granting an increase of pension to Hattie A. Newcomer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1786) granting an increase of pension to Mary A. Wohlford; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1787) granting an increase of pension to Olive E. Tompkins; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1788) granting an increase of pension to Elizabeth J. Howe; to the Committee on Invalid Pensions.

By Mr. AYRES of Kansas: A bill (H.R. 1789) granting a pension to Mary E. Pratt; to the Committee on Pensions.

Also, a bill (H.R. 1790) granting a pension to John D. Nite; to the Committee on Pensions.

By Mr. BAKEWELL: A bill (H.R. 1791) for the relief of Ferry Wilson; to the Committee on Claims.

Also, a bill (H.R. 1792) for the relief of Michael Petrucelli; to the Committee on Claims.

Also, a bill (H.R. 1793) for the relief of Horace M. Case; to the Committee on Naval Affairs.

Also, a bill (H.R. 1794) for the relief of Bertha A. Bishop; to the Committee on Claims.

By Mr. BEEDY: A bill (H.R. 1795) granting a pension to Mary Dunleavy; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1796) granting a pension to Clarence L. Hopkins; to the Committee on Pensions.

Also, a bill (H.R. 1797) granting a pension to Blanche Bradbury Littlefield; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1798) granting a pension to Belle B. Jordan; to the Committee on Pensions.

Also, a bill (H.R. 1799) granting a pension to Loie Marion Cournoyer; to the Committee on Pensions.

Also, a bill (H.R. 1800) granting a pension to Ada May Fuller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1801) granting an increase of pension to Cora W. Merryman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1802) for the relief of Henry Stanley Wood; to the Committee on Claims.

Also, a bill (H.R. 1803) for the relief of Charles R. Daggett; to the Committee on Military Affairs.

Also, a bill (H.R. 1804) for the relief of Isabell Bolster, widow of Charles K. Bolster; to the Committee on Military Affairs.

By Mr. BRUMM: A bill (H.R. 1805) granting a pension to William F. Yeager; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1806) granting a pension to George W. Snyder, Jr.; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1807) granting a pension to Caroline W. Patterson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1808) for the relief of Harvey A. Wildermuth, alias William H. Berkey; to the Committee on Military Affairs.

By Mr. BUCKBEE: A bill (H.R. 1809) authorizing the Secretary of War to award a Congressional Medal of Honor to John E. Andrew; to the Committee on Military Affairs.

Also, a bill (H.R. 1810) for the relief of Milton T. Cornish; to the Committee on Claims.

Also, a bill (H.R. 1811) for the relief of the heirs of Garrett Walsh, Sr.; to the Committee on Claims.

Also, a bill (H.R. 1812) for the relief of Jennie Shellcross; to the Committee on Claims.

Also, a bill (H.R. 1813) for the relief of James Madison; to the Committee on Naval Affairs.

Also, a bill (H.R. 1814) for the relief of George W. Churchill; to the Committee on Military Affairs.

Also, a bill (H.R. 1815) granting an increase of pension to Adda Austin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1816) granting an increase of pension to Mary A. Corwin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1817) granting an increase of pension to Earnest J. Wolter; to the Committee on Pensions.

Also, a bill (H.R. 1818) granting an increase of pension to Mary E. Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1819) granting an increase of pension to Emily S. Maxwell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1820) granting an increase of pension to Francis Clyde Long; to the Committee on Pensions.

Also, a bill (H.R. 1821) granting an increase of pension to Kate Lamb; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1822) granting an increase of pension to Agnes B. Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1823) granting an increase of pension to Anna Milholland; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1824) granting an increase of pension to Mary A. West; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1825) granting an increase of pension to Charity West; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1826) granting an increase of pension to Philura R. Brown; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1827) granting an increase of pension to Celesta G. Rock; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1828) granting an increase of pension to Marguerite Eustis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1829) granting a pension to Nora O. Smith; to the Committee on Pensions.

Also, a bill (H.R. 1830) granting a pension to Beula E. Nicholson; to the Committee on Pensions.

Also, a bill (H.R. 1831) granting a pension to Clara S. Hopple; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1832) granting a pension to Eva Case; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1833) granting a pension to Ellen Price; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1834) granting a pension to Nellie L. Adams; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1835) granting a pension to Anna Bailey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1836) for the relief of James Prien; to the Committee on Military Affairs.

Also, a bill (H.R. 1837) for the relief of Charles Samuelson; to the Committee on War Claims.

Also, a bill (H.R. 1838) for the relief of John August Johnson; to the Committee on War Claims.

Also, a bill (H.R. 1839) for the relief of Michael H. Lorden; to the Committee on War Claims.

Also, a bill (H.R. 1840) for the relief of Ross P. Beckstrom Co.; to the Committee on War Claims.

By Mr. BURNHAM: A bill (H.R. 1841) granting a pension to Harriet A. Ward; to the Committee on Invalid Pensions.

By Mr. CARLEY: A bill (H.R. 1842) for the relief of Amos D. Carver, S. E. Turner, Clifford N. Carver, Scott Blanchard, P. B. Blanchard, James B. Parse, A. N. Blanchard, and W. A. Blanchard; to the Committee on Claims.

By Mr. CARTER of California: A bill (H.R. 1843) admitting Theodore Fieldbrave and his wife, Alice Mabel Fieldbrave, to the character and privileges of citizens of the United States; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 1844) readmitting B. S. Mattu, sometimes known as Bishen Singh Mattu, to the character and privileges of a citizen of the United States; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 1845) to place Sprague B. Wyman on the retired list of the United States Army as a captain; to the Committee on Military Affairs.

Also, a bill (H.R. 1846) extending the benefits of the Emergency Officers' Retirement Act to Harry C. Boyden; to the Committee on War Claims.

Also, a bill (H.R. 1847) to authorize the appointment of James H. Larney a warrant officer, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H.R. 1848) for the relief of Evelyn Jotter; to the Committee on Claims.

Also, a bill (H.R. 1849) granting an increase of pension to Mary Caroline Fay; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1850) conveying by quitclaim deed to the city of Oakland, Calif., a certain strip of land for street purposes; to the Committee on Public Buildings and Grounds.

By Mr. CARTWRIGHT: A bill (H.R. 1851) granting an increase of pension to Mary E. Lee; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1852) granting an increase of pension to Johannah Sweet; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1853) granting a pension to Georgia L. Spelce; to the Committee on Pensions.

Also, a bill (H.R. 1854) granting a pension to Neeley Keller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1855) granting a pension to Elizabeth Frances Baker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1856) granting a pension to Sarah A. Morris; to the Committee on Pensions.

Also, a bill (H.R. 1857) for the relief of Phoebe Tedder; to the Committee on Military Affairs.

Also, a bill (H.R. 1858) for the relief of G. D. Duncan; to the Committee on Claims.

Also, a bill (H.R. 1859) for the relief of Albert D. Castleberry; to the Committee on Military Affairs.

By Mr. CAVICCHIA: A bill (H.R. 1860) granting an increase of pension to Ella Hatfield; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1861) granting an increase of pension to Mary Agnes Drumgoold; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1862) for the relief of Thomas A. McGurk; to the Committee on Military Affairs.

Also, a bill (H.R. 1863) for the relief of David Levy; to the Committee on Naval Affairs.

Also, a bill (H.R. 1864) to extend the benefits of the United States Employees' Compensation Act to Eugene G. Lee; to the Committee on Claims.

By Mr. CHAPMAN: A bill (H.R. 1865) extending the provisions of an act entitled "An act to amend the act entitled 'An act for the retirement of employees in the classified civil service, and for other purposes', approved May 22, 1920, and acts in amendment thereof", to Joseph M. Tanner; to the Committee on the Civil Service.

Also, a bill (H.R. 1866) for the relief of Nannie Minish Massie; to the Committee on Claims.

Also, a bill (H.R. 1867) for the relief of Homer N. Horine; to the Committee on Military Affairs.

Also, a bill (H.R. 1868) for the relief of Charles Wells; to the Committee on Military Affairs.

Also, a bill (H.R. 1869) for the relief of John Larison; to the Committee on Military Affairs.

Also, a bill (H.R. 1870) for the relief of Corinne Blackburn Gale; to the Committee on Claims.

Also, a bill (H.R. 1871) for the relief of R. L. Lakes; to the Committee on Claims.

Also, a bill (H.R. 1872) granting an increase of pension to Ellar Bales; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1873) granting an increase of pension to Terese B. Hall; to the Committee on Pensions.

Also, a bill (H.R. 1874) granting an increase of pension to Nathan D. Jordan; to the Committee on Pensions.

Also, a bill (H.R. 1875) granting an increase of pension to Mary Reynolds; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1876) granting an increase of pension to Mary Newton; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1877) granting an increase of pension to George Ann Washington; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1878) granting a pension to Robert L. Holbrook; to the Committee on Pensions.

Also, a bill (H.R. 1879) granting an increase of pension to Pearl Plummer; to the Committee on Pensions.

Also, a bill (H.R. 1880) granting a pension to Elizabeth Vogler; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1881) granting a pension to Mary E. Peterson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1882) granting a pension to Alma Kash; to the Committee on Pensions.

Also, a bill (H.R. 1883) granting a pension to Bishop Creech; to the Committee on Pensions.

Also, a bill (H.R. 1884) granting a pension to Nannie Floyd; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1885) granting a pension to Richard O'Hearn; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1886) granting a pension to Zack H. Wilson; to the Committee on Pensions.

Also, a bill (H.R. 1887) granting a pension to Robert W. Creech; to the Committee on Pensions.

Also, a bill (H.R. 1888) granting a pension to Lyda M. Harbold; to the Committee on Pensions.

Also, a bill (H.R. 1889) granting a pension to Mariah Matilda Johnson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1890) granting a pension to Maggie Berry; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1891) granting a pension to Wade Golden; to the Committee on Pensions.

Also, a bill (H.R. 1892) for the relief of Joshua Standeffer; to the Committee on Military Affairs.

Also, a bill (H.R. 1893) for the relief of Irvin Pendleton; to the Committee on Claims.

Also, a bill (H.R. 1894) for the relief of the legal representatives of James H. Holaday; to the Committee on War Claims.

Also, a bill (H.R. 1895) for the relief of James Warren; to the Committee on Military Affairs.

Also, a bill (H.R. 1896) for the relief of J. H. Trigg; to the Committee on Claims.

Also, a bill (H.R. 1897) for the relief of Henry T. Paton; to the Committee on Claims.

By Mr. CLARKE of New York: A bill (H.R. 1898) granting a pension to Anna V. Peck; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1899) granting a pension to Lillie Brinkerhoff; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1900) granting a pension to Hortense Van Horne; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1901) granting a pension to Annie L. C. Murray; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1902) granting a pension to Chester A. Lewis; to the Committee on Invalid Pensions.

By Mr. COCHRAN of Pennsylvania: A bill (H.R. 1903) granting an increase of pension to Johanna Burns; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1904) granting an increase of pension to Catherine Sollinger; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1905) granting an increase of pension to Martha J. Edeburn; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1906) granting an increase of pension to Clarence R. Zerbe; to the Committee on Pensions.

Also, a bill (H.R. 1907) granting an increase of pension to Terressa P. Hunter; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1908) granting an increase of pension to Mary E. Alverson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1909) granting an increase of pension to Lodema Wilson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1910) granting an increase of pension to Harold W. Kenny; to the Committee on Pensions.

Also, a bill (H.R. 1911) granting an increase of pension to Elizabeth W. Barringer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1912) granting an increase of pension to Nellie R. Pearce; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1913) granting an increase of pension to Sarah Platt; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1914) granting an increase of pension to Mary A. Lindy; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1915) granting an increase of pension to Emma Strudevant; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1916) granting an increase of pension to Martha J. Miller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1917) granting an increase of pension to Rozillah Walters; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1918) granting an increase of pension to Mary A. Widel; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1919) granting a pension to Dora Lewis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1920) granting a pension to Ellen Sexton; to the Committee on Pensions.

Also, a bill (H.R. 1921) granting a pension to Grace Amanda Black; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1922) granting a pension to Cordelia Stiles; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1923) granting a pension to Bertha Branning; to the Committee on Pensions.

Also, a bill (H.R. 1924) granting a pension to Mary M. Diehl; to the Committee on Pensions.

By Mr. COFFIN: A bill (H.R. 1925) for the relief of C. M. Williamson, Tura Liljenquist, administratrix of C. E. Liljenquist, deceased, Lottie Redman, and H. N. Smith; to the Committee on Claims.

By Mr. COLE: A bill (H.R. 1926) for the relief of George F. Jones; to the Committee on Claims.

Also, a bill (H.R. 1927) granting a pension to Lloyd H. Lennon; to the Committee on Pensions.

Also, a bill (H.R. 1928) granting a pension to Annie Cantwell; to the Committee on Pensions.

Also, a bill (H.R. 1929) granting a pension to Laura C. Hobbs; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1930) for the relief of Thomas C. Belt; to the Committee on Military Affairs.

Also, a bill (H.R. 1931) for the relief of Edward Albert Vanik; to the Committee on Claims.

Also, a bill (H.R. 1932) for the relief of Carl F. Meinecke; to the Committee on Military Affairs.

Also, a bill (H.R. 1933) for the relief of Philip F. Hambsch; to the Committee on Claims.

Also, a bill (H.R. 1934) for the relief of Capt. Jacob M. Pearce, of the United States Marine Corps; to the Committee on Naval Affairs.

Also, a bill (H.R. 1935) for the relief of Norman C. Brady; to the Committee on Claims.

By Mr. DITTER: A bill (H.R. 1936) to place Frank Schoble, Jr., on the retired list of the United States Army as a captain; to the Committee on Military Affairs.

Also, a bill (H.R. 1937) granting an increase of pension to Katherine M. De Witt; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1938) for the relief of Anna L. Auchenbach; to the Committee on Claims.

Also, a bill (H.R. 1939) for the relief of William L. Jenkins; to the Committee on Claims.

By Mr. DOBBINS: A bill (H.R. 1940) for the relief of Edward N. McCarty; to the Committee on Claims.

By Mr. ENGLEBRIGHT: A bill (H.R. 1941) to confer jurisdiction upon the United States District Court for the Northern District of California to determine the claim of Madelena Carattini; to the Committee on the Judiciary.

By Mr. FERNANDEZ: A bill (H.R. 1942) for the relief of Clayton M. Thomas; to the Committee on Military Affairs.

Also, a bill (H.R. 1943) for the relief of A. H. Powell; to the Committee on Claims.

Also, a bill (H.R. 1944) for the relief of Mrs. T. E. Perin Buel; to the Committee on Claims.

Also, a bill (H.R. 1945) for the relief of Thomas J. Bennett; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1946) for the relief of William H. Hildebrand; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1947) for the relief of Thomas Berchel Burke; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1948) to provide for the erection of a suitable memorial to the memory of James B. Eads at New Orleans, La.; to the Committee on Military Affairs.

Also, a bill (H.R. 1949) granting an honorable discharge to James F. Strode; to the Committee on Military Affairs.

Also, a bill (H.R. 1950) granting an honorable discharge to Joseph L. Galle; to the Committee on Military Affairs.

Also, a bill (H.R. 1951) granting an increase of pension to Claudia V. Hester; to the Committee on Invalid Pensions.

By Mr. FIESINGER: A bill (H.R. 1952) granting an increase of pension to Emma B. Call; to the Committee on Pensions.

Also, a bill (H.R. 1953) for the construction of a waterway connecting the Ohio River with Lake Erie, between Sandusky and Portsmouth, via the Scioto and Sandusky Rivers, Ohio; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 1954) granting an increase of pension to Lucretia C. Bailey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1955) granting an increase of pension to Peter McKittrick; to the Committee on Pensions.

Also, a bill (H.R. 1956) granting an increase of pension to Delilah De Mars; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1957) granting an increase of pension to Elizabeth P. Carman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1958) granting an increase of pension to Susan Low; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1959) granting an increase of pension to Gertrude Crouse Kaup; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1960) granting an increase of pension to Kate O'Connor; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1961) granting an increase of pension to Louisa Morgan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1962) granting an increase of pension to Edith Stickels; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1963) granting an increase of pension to Thelera Robenalt; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1964) granting a pension to John Bettridge; to the Committee on Pensions.

Also, a bill (H.R. 1965) granting an increase of pension to Pheba Thompson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1966) granting a pension to Charles Lyons; to the Committee on Pensions.

Also, a bill (H.R. 1967) granting a pension to Grace Hagan; to the Committee on Pensions.

Also, a bill (H.R. 1968) granting a pension to Mary Miller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1969) granting a pension to Arthur Rothgeb; to the Committee on Pensions.

Also, a bill (H.R. 1970) granting a pension to Laura Slotterbeck; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1971) granting a pension to Grover Peoples; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1972) for the relief of Myrtle Campbell; to the Committee on Claims.

Also, a bill (H.R. 1973) granting a pension to Fannie Stults; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1974) for the relief of Harold Hughes; to the Committee on Claims.

Also, a bill (H.R. 1975) for the relief of the estate of Frank P. Gibson; to the Committee on Claims.

Also, a bill (H.R. 1976) for the relief of Nancy Finnigan, widow of John Finnigan, alias John Cooney; to the Committee on Military Affairs.

Also, a bill (H.R. 1977) for the relief of R. A. Hunsinger; to the Committee on Claims.

Also, a bill (H.R. 1978) for the relief of Jennie Perin, widow of Christian B. Scott; to the Committee on Military Affairs.

Also, a bill (H.R. 1979) for the relief of Eva A. Kramer; to the Committee on Military Affairs.

By Mr. FISH: A bill (H.R. 1980) for the relief of Louise Odenwalder Regan; to the Committee on Military Affairs.

Also, a bill (H.R. 1981) for the relief of Nicholas Vuolo; to the Committee on Military Affairs.

Also, a bill (H.R. 1982) for the relief of Albert Lawson Terwilliger; to the Committee on Military Affairs.

Also, a bill (H.R. 1983) granting a pension to Moses C. Rogers; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1984) granting an increase of pension to Emma Staples; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1985) granting an increase of pension to Agnes E. Silvernail; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1986) granting an increase of pension to Adelaide L. Rapelye; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1987) granting an increase of pension to Jennie Van Rensselaer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1988) for the relief of A. R. Free; to the Committee on Claims.

Also, a bill (H.R. 1989) for the relief of Edward W. Dornberger; to the Committee on Claims.

Also, a bill (H.R. 1990) granting an increase of pension to Annie E. Robinson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1991) granting an increase of pension to Mary B. Ray; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1992) for the relief of Nicholas Amoroso; to the Committee on Claims.

Also, a bill (H.R. 1993) for the relief of Charles A. Lewis; to the Committee on Claims.

Also, a bill (H.R. 1994) granting an increase of pension to Lizzie Odell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1995) granting an increase of pension to Ellen V. Gillson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1996) for the relief of Samuel Keller; to the Committee on Claims.

Also, a bill (H.R. 1997) for the relief of Frank Gedney; to the Committee on Claims.

Also, a bill (H.R. 1998) granting an increase of pension to Anna N. Osterhout; to the Committee on Invalid Pensions.

Also, a bill (H.R. 1999) granting an increase of pension to Cornelia J. Osborn; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2000) granting an increase of pension to Minerva C. Bedford; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2001) granting an increase of pension to Matilda A. Barnes; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2002) granting an increase of pension to Emma Buchanan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2003) granting an increase of pension to Margaret E. Benjamin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2004) granting an increase of pension to Clara A. DeKay; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2005) granting an increase of pension to Viola V. Buckley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2006) to provide for the advancement on the retired list of the Army of Frederick J. J. Bryde; to the Committee on Military Affairs.

Also, a bill (H.R. 2007) for the relief of Charles Wellesley Berrington; to the Committee on Naval Affairs.

Also, a bill (H.R. 2008) for the relief of William Henry Mantz; to the Committee on Naval Affairs.

Also a bill (H.R. 2009) authorizing the President to order Ellis S. Hopewell before a retiring board for a hearing of this case and upon the findings of such board to determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his discharge; to the Committee on Military Affairs.

Also, a bill (H.R. 2010) for the relief of Harrison S. Holmes; to the Committee on Naval Affairs.

Also, a bill (H.R. 2011) authorizing the President to order Clive A. Wray before a retiring board for a hearing of his case, and upon the findings of such board to determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his discharge; to the Committee on Military Affairs.

Also, a bill (H.R. 2012) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to James M. Winter; to the Committee on Claims.

Also, a bill (H.R. 2013) granting a pension to Anna E. Cahill; to the Committee on Pensions.

Also, a bill (H.R. 2014) granting a pension to Anna McNamara; to the Committee on Pensions.

By Mr. FULMER: A bill (H.R. 2015) to provide for the commemoration of the Battle of Eutaw Springs, in the State of South Carolina; to the Committee on Military Affairs.

Also, a bill (H.R. 2016) granting an increase of pension to Ida C. Watson; to the Committee on Pensions.

Also, a bill (H.R. 2017) granting a pension to Ella Elizabeth Ayers; to the Committee on Pensions.

Also, a bill (H.R. 2018) to provide for the establishment of light buoys along the channel in Lake Murry and adjacent waters in the State of South Carolina; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 2019) to provide for the commemoration of the Battle of Cloud's Creek, in the State of South Carolina; to the Committee on Military Affairs.

Also, a bill (H.R. 2020) for the relief of David W. Shuler; to the Committee on Military Affairs.

Also, a bill (H.R. 2021) to place Jesse C. Harmon on the retired list of the United States Marine Corps; to the Committee on Naval Affairs.

Also, a bill (H.R. 2022) for the relief of Olin J. Salley; to the Committee on Claims.

Also, a bill (H.R. 2023) for the relief of Leonard Theodore Boice; to the Committee on Military Affairs.

Also, a bill (H.R. 2024) for the relief of Dr. P. V. Mikell; to the Committee on Claims.

Also, a bill (H.R. 2025) for the relief of Rowesville Oil Co.; to the Committee on Claims.

Also, a bill (H.R. 2026) for the relief of George Jeffcoat; to the Committee on Claims.

Also, a bill (H.R. 2027) for the relief of Capt. Alexander C. Doyle; to the Committee on Military Affairs.

Also, a bill (H.R. 2028) for the relief of the Ladies' Ursuline Community of Columbia, at Columbia, S.C.; to the Committee on War Claims.

Also, a bill (H.R. 2029) for the relief of Constance B. Shuler; to the Committee on Military Affairs.

Also, a bill (H.R. 2030) for the relief of John H. LaFitte; to the Committee on Military Affairs.

Also, a bill (H.R. 2031) for the relief of the Washington Street Methodist Episcopal Church South, of Columbia, S.C.; to the Committee on War Claims.

Also, a bill (H.R. 2032) for the relief of Richard A. Chavis; to the Committee on Military Affairs.

Also, a bill (H.R. 2033) for the relief of George Fletcher Brown; to the Committee on Military Affairs.

Also, a bill (H.R. 2034) for the relief of the trustees of St. Stephen's Church, of the Evangelical Lutheran Synod of South Carolina, of Lexington, S.C.; to the Committee on War Claims.

By Mr. GAMBRILL: A bill (H.R. 2035) for the relief of Jennie Bruce Gallahan; to the Committee on the District of Columbia.

Also, a bill (H.R. 2036) for the relief of Lottie Naylor; to the Committee on Claims.

Also, a bill (H.R. 2037) granting a pension to Mary V. Gesner; to the Committee on Pensions.

Also, a bill (H.R. 2038) for the relief of Jeanie G. Lyles; to the Committee on Claims.

Also, a bill (H.R. 2039) for the relief of Maclane Cawood; to the Committee on Claims.

Also, a bill (H.R. 2040) for the relief of P. Jean des Garennes; to the Committee on Naval Affairs.

Also, a bill (H.R. 2041) for the relief of Irwin D. Coyle; to the Committee on Naval Affairs.

Also, a bill (H.R. 2042) for the relief of the Sanford & Brooks Co.; to the Committee on Claims.

Also, a bill (H.R. 2043) granting a pension to Joseph C. Neihiemer; to the Committee on Pensions.

Also, a bill (H.R. 2044) for the relief of the Fidelity & Deposit Co. of Maryland; to the Committee on Claims.

By Mr. GASQUE: A bill (H.R. 2045) granting a pension to Lillian T. Skinner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2046) granting a pension to Edgar R. Joyner; to the Committee on Pensions.

Also, a bill (H.R. 2047) granting a pension to Jerusha C. Howell; to the Committee on Pensions.

Also, a bill (H.R. 2048) granting a pension to Josephine Hammond; to the Committee on Pensions.

Also, a bill (H.R. 2049) granting a pension to Joseph C. Morse; to the Committee on Pensions.

Also, a bill (H.R. 2050) granting a pension to Samuel W. Mabrey; to the Committee on Pensions.

Also, a bill (H.R. 2051) granting an increase of pension to Grace Graves Herring; to the Committee on Pensions.

Also, a bill (H.R. 2052) granting an increase of pension to Helen K. Snowden; to the Committee on Pensions.

Also, a bill (H.R. 2053) for the relief of W. A. Frink; to the Committee on Claims.

Also, a bill (H.R. 2054) for the relief of John S. Cathcart; to the Committee on Claims.

By Mr. GIFFORD: A bill (H.R. 2055) for the relief of Elsie M. Sears; to the Committee on Claims.

Also, a bill (H.R. 2056) for the relief of Joseph Phaneuf; to the Committee on Military Affairs.

Also, a bill (H.R. 2057) to legalize an intake pipe in Warren Cove, at Plymouth, Mass.; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 2058) granting the use of certain lands in the city of New Bedford, Mass., for a public park or other purposes; to the Committee on Military Affairs.

Also, a bill (H.R. 2059) granting a pension to William W. Holmes; to the Committee on Pensions.

By Mr. GOLDSBOROUGH: A bill (H.R. 2060) to provide for the examination and survey of the channel in the Southeast Branch of Fox Creek, a tributary of Honga River, Dorchester County, Md.; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 2061) to provide for the examination and survey of Little Island Creek, a tributary of the Greater Choptank River, Talbot County, Md.; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 2062) to provide for the examination and survey of a channel at the mouth of McCreadys Creek, Elliott, Md.; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 2063) to provide for examination and survey of channel connecting Plain Dealing Creek, a tributary of the Tred Avon River, and Oak Creek, a tributary of Miles River, Talbot County, Md.; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 2064) to provide for the examination and survey of the channel in Little Creek, a tributary of Eastern Bay, in Queen Annes County, Md.; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 2065) to provide for the examination and survey of the harbor at Rock Hall, Kent County, Md.; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 2066) granting a pension to Elizabeth A. Blades; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2067) granting a pension to Willie E. Watson; to the Committee on Pensions.

Also, a bill (H.R. 2068) granting a pension to Margaret R. Truitt; to the Committee on Pensions.

Also, a bill (H.R. 2069) granting a pension to Mary B. Sherwood; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2070) for the relief of Helen E. Trainor; to the Committee on Military Affairs.

Also, a bill (H.R. 2071) for the relief of the Charlestown Sand & Stone Co., of Elkton, Md.; to the Committee on War Claims.

Also, a bill (H.R. 2072) granting a pension to Elizabeth B. Kemp; to the Committee on Pensions.

Also, a bill (H.R. 2073) granting a pension to Alice M. Brown; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2074) for the relief of Harvey Collins; to the Committee on Naval Affairs.

Also, a bill (H.R. 2075) for the relief of Winfred G. Scott; to the Committee on Claims.

Also, a bill (H.R. 2076) for the relief of Cecil Lodge, No. 125, Ancient Free and Accepted Masons; to the Committee on Claims.

Also, a bill (H.R. 2077) for the relief of Mallery Toy; to the Committee on Claims.

Also, a bill (H.R. 2078) for the relief of George E. Titter; to the Committee on Claims.

Also, a bill (H.R. 2079) for the relief of Zedic N. Draper; to the Committee on Military Affairs.

By Mr. GREENWOOD: A bill (H.R. 2080) granting a pension to Laura Belle Winters; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2081) granting a pension to Charles W. Ringer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2082) granting a pension to Homer J. Walton; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2083) granting a pension to Nelle L. Axe; to the Committee on Pensions.

Also, a bill (H.R. 2084) granting an increase of pension to Mary J. Haywood; to the Committee on Invalid Pensions.

By Mr. GREGORY: A bill (H.R. 2085) authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Woman's Club, of the city of Paducah, Ky., the silver service in use on the U.S.S. *Paducah;* to the Committee on Naval Affairs.

Also, a bill (H.R. 2086) granting a pension to Ethel Drew; to the Committee on Pensions.

Also, a bill (H.R. 2087) granting a pension to Mary Jones; to the Committee on Invalid Pensions.

By Mr. GRIFFIN: A bill (H.R. 2088) for the relief of John J. Coyne; to the Committee on Military Affairs.

By Mr. HAMILTON: A bill (H.R. 2089) for the relief of James Clay Colson; to the Committee on Claims.

Also, a bill (H.R. 2090) granting an increase of pension to Charles Eversole; to the Committee on Pensions.

Also, a bill (H.R. 2091) granting an increase of pension to John Baker; to the Committee on Pensions.

Also, a bill (H.R. 2092) granting an increase of pension to John D. Jones; to the Committee on Pensions.

Also, a bill (H.R. 2093) granting an increase of pension to Jane Jones; to the Committee on Pensions.

Also, a bill (H.R. 2094) granting an increase of pension to William Napier; to the Committee on Pensions.

Also, a bill (H.R. 2095) granting an increase of pension to William C. Knuckles; to the Committee on Pensions.

Also, a bill (H.R. 2096) granting an increase of pension to David Turner; to the Committee on Pensions.

Also, a bill (H.R. 2097) granting an increase of pension to George Roberts; to the Committee on Pensions.

Also, a bill (H.R. 2098) granting an increase of pension to Artie York; to the Committee on Pensions.

Also, a bill (H.R. 2099) granting an increase of pension to Lawrence Waldroup; to the Committee on Pensions.

Also, a bill (H.R. 2100) granting an increase of pension to Grant Combs; to the Committee on Pensions.

Also, a bill (H.R. 2101) granting an increase of pension to William H. Wooton; to the Committee on Pensions.

Also, a bill (H.R. 2102) granting an increase of pension to Alex Goins; to the Committee on Pensions.

Also, a bill (H.R. 2103) granting an increase of pension to Roscoe Eversole; to the Committee on Pensions.

Also, a bill (H.R. 2104) granting an increase of pension to Lewis Owens; to the Committee on Pensions.

Also, a bill (H.R. 2105) granting an increase of pension to Richard E. Hibbard; to the Committee on Pensions.

Also, a bill (H.R. 2106) granting an increase of pension to Elijah Spurlock; to the Committee on Pensions.

Also a bill (H.R. 2107) granting an increase of pension to Martha Swain; to the Committee on Pensions.

Also, a bill (H.R. 2108) granting a pension to Henry Davenport; to the Committee on Pensions.

Also, a bill (H.R. 2109) granting a pension to Jesse Arthur; to the Committee on Pensions.

Also, a bill (H.R. 2110) granting a pension to William F. Davis; to the Committee on Pensions.

Also, a bill (H.R. 2111) granting a pension to Albert Davis; to the Committee on Pensions.

Also, a bill (H.R. 2112) granting a pension to John B. Ellis; to the Committee on Pensions.

Also, a bill (H.R. 2113) granting a pension to William J. Disney; to the Committee on Pensions.

Also, a bill (H.R. 2114) granting a pension to Robert O. Higginbotham; to the Committee on Pensions.

Also, a bill (H.R. 2115) granting a pension to Henry Engle; to the Committee on Pensions.

Also, a bill (H.R. 2116) granting a pension to Julia Hubbard; to the Committee on Pensions.

Also, a bill (H.R. 2117) granting a pension to Garfield Hignite; to the Committee on Pensions.

Also, a bill (H.R. 2118) granting a pension to Peter T. Keeney; to the Committee on Pensions.

Also, a bill (H.R. 2119) granting a pension to Mary Ingram; to the Committee on Pensions.

Also, a bill (H.R. 2120) granting a pension to Sarah J. Marcum; to the Committee on Pensions.

Also, a bill (H.R. 2121) granting a pension to Charles E. King; to the Committee on Pensions.

Also, a bill (H.R. 2122) granting a pension to Bertie F. Radford; to the Committee on Pensions.

Also, a bill (H.R. 2123) granting a pension to Robert McDaniel; to the Committee on Pensions.

Also, a bill (H.R. 2124) granting a pension to Pearl Sames; to the Committee on Pensions.

Also, a bill (H.R. 2125) granting a pension to Eliza S. Rhodes; to the Committee on Pensions.

Also, a bill (H.R. 2126) granting a pension to Benjamin F. Tye; to the Committee on Pensions.

Also, a bill (H.R. 2127) granting a pension to Amy Sumner; to the Committee on Pensions.

Also, a bill (H.R. 2128) granting a pension to Philip Aaron; to the Committee on Pensions.

Also, a bill (H.R. 2129) granting a pension to William O. Whitaker; to the Committee on Pensions.

Also, a bill (H.R. 2130) granting a pension to Millard Barrett; to the Committee on Pensions.

Also, a bill (H.R. 2131) granting a pension to Ella Abney; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2132) granting a pension to Neoma Brooks; to the Committee on Pensions.

Also, a bill (H.R. 2133) granting a pension to Nannie M. Brock; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2134) granting a pension to James G. Carr; to the Committee on Pensions.

Also, a bill (H.R. 2135) granting a pension to Frank Broyles; to the Committee on Pensions.

Also, a bill (H.R. 2136) granting a pension to Esther Gambrell; to the Committee on Pensions.

Also, a bill (H.R. 2137) granting a pension to Henry Combs; to the Committee on Pensions.

Also, a bill (H.R. 2138) granting a pension to Myrtle Griffin; to the Committee on Pensions.

Also, a bill (H.R. 2139) granting a pension to Lester C. Gay; to the Committee on Pensions.

Also, a bill (H.R. 2140) granting a pension to Richard B. Hammer; to the Committee on Pensions.

Also, a bill (H.R. 2141) granting a pension to William F. Hall; to the Committee on Pensions.

Also, a bill (H.R. 2142) granting a pension to Ovid L. Page; to the Committee on Pensions.

Also, a bill (H.R. 2143) granting a pension to Fred Hensley; to the Committee on Pensions.

Also, a bill (H.R. 2144) granting a pension to Laura B. Poore; to the Committee on Pensions.

Also, a bill (H.R. 2145) granting a pension to James E. Petrey; to the Committee on Pensions.

Also, a bill (H.R. 2146) granting a pension to Rutha Shepherd; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2147) granting a pension to Walter J. Shadoan; to the Committee on Pensions.

Also, a bill (H.R. 2148) granting a pension to David W. Snyder; to the Committee on Pensions.

Also, a bill (H.R. 2149) granting a pension to Katherine Slusher; to the Committee on Pensions.

Also, a bill (H.R. 2150) granting a pension to Lizzie Baker; to the Committee on Pensions.

Also, a bill (H.R. 2151) granting a pension to Armina E. Smith; to the Committee on Pensions.

By Mr. HANCOCK of New York: A bill (H.R. 2152) for the relief of Benjamin Solari; to the Committee on Military Affairs.

Also, a bill (H.R. 2153) for the relief of Elizabeth Millicent Trammell; to the Committee on Foreign Affairs.

Also, a bill (H.R. 2154) granting an increase of pension to Nettie Brown; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2155) granting an increase of pension to Emma Hanley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2156) granting an increase of pension to Malinda Staring; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2157) granting an increase of pension to Matilda A. Button; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2158) granting an increase of pension to Elizabeth Miller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2159) granting an increase of pension to Sarah Seward; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2160) granting an increase of pension to Augusta Grove; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2161) granting an increase of pension to Amy J. Kirkpatrick; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2162) granting an increase of pension to Bridget Haley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2163) granting an increase of pension to Catherine B. McCarthy; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2164) granting a pension to Emma Lillis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2165) granting a pension to Jean M. Lockwood; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2166) granting a pension to Minnie Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2167) granting a pension to Catherine J. Hoyer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2168) granting a pension to Joseph John Stevens; to the Committee on Pensions.

Also, a bill (H.R. 2169) for the relief of Edward V. Bryant; to the Committee on Claims.

Also, a bill (H.R. 2170) to provide for the appointment as a warrant officer of the Regular Army of Sidney B. Williams; to the Committee on Military Affairs.

Also, a bill (H.R. 2171) for the relief of John C. Allen; to the Committee on Military Affairs.

Also, a bill (H.R. 2172) for the relief of George B. Marx; to the Committee on War Claims.

Also, a bill (H.R. 2173) for the relief of Lily M. Miller; to the Committee on Foreign Affairs.

Also, a bill (H.R. 2174) for the relief of Charles D. Shay; to the Committee on Claims.

Also, a bill (H.R. 2175) granting an increase of pension to Jennie V. Myers; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2176) for the relief of Victor Oscar Gokey; to the Committee on Naval Affairs.

Also, a bill (H.R. 2177) granting an increase of pension to Hattie J. Doolittle; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2178) granting an increase of pension to Caroline Appelt; to the Committee on Invalid Pensions.

By Mr. HARLAN: A bill (H.R. 2179) granting a pension to Alice Cook; to the Committee on Pensions.

By Mr. HARTLEY: A bill (H.R. 2180) for the relief of George T. Eayres; to the Committee on Military Affairs.

Also, a bill (H.R. 2181) for the relief of John N. Caffrey; to the Committee on Naval Affairs.

Also, a bill (H.R. 2182) for the relief of the Western Electric Co., Inc.; to the Committee on Claims.

Also, a bill (H.R. 2183) for the relief of Western Electric Co., Inc.; to the Committee on Claims.

Also, a bill (H.R. 2184) granting a pension to Anna Marie Eggers; to the Committee on Pensions.

Also, a bill (H.R. 2185) for the relief of Wallace Munn; to the Committee on Naval Affairs.

Also, a bill (H.R. 2186) for the relief of William Dafter; to the Committee on Claims.

Also, a bill (H.R. 2187) granting an increase of pension to Josephine Bell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2188) for the relief of Newark Concrete Pipe Co.; to the Committee on Claims.

Also, a bill (H.R. 2189) for the relief of Peerless Tube Co.; to the Committee on Claims.

Also, a bill (H.R. 2190) granting an increase of pension to Eliza J. Abbott; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2191) for the relief of Anthony Potaski; to the Committee on Naval Affairs.

Also, a bill (H.R. 2192) for the relief of William Andrew Major; to the Committee on Naval Affairs.

Also, a bill (H.R. 2193) for the relief of Leo McDermott; to the Committee on Naval Affairs.

By Mr. HIGGINS: A bill (H.R. 2194) for the relief of Noank Shipyard, Inc.; to the Committee on Claims.

Also, a bill (H.R. 2195) for the relief of Percy H. Loomis; to the Committee on Military Affairs.

Also, a bill (H.R. 2196) for the relief of Anthony F. Wondrasek; to the Committee on Military Affairs.

Also, a bill (H.R. 2197) for the relief of Thomas F. Gibbons; to the Committee on Military Affairs.

Also, a bill (H.R. 2198) for the relief of Henry Twogood; to the Committee on Military Affairs.

Also, a bill (H.R. 2199) granting an increase of pension to Martha M. Tryon; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2200) granting a pension to Alfarata Phillips; to the Committee on Invalid Pensions.

By Mr. HOLLISTER: A bill (H.R. 2201) granting Briggs Cunningham Jones the privilege of filing application for benefits under the Emergency Officers' Retirement Act; to the Committee on Naval Affairs.

Also, a bill (H.R. 2202) authorizing the President to order William H. Hoblitzell before a retiring board for a hearing of his case and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his discharge; to the Committee on Military Affairs.

Also, a bill (H.R. 2203) for the relief of Enoch Graf; to the Committee on Claims.

Also, a bill (H.R. 2204) for the relief of H. C. Nutting Co.; to the Committee on Claims.

Also, a bill (H.R. 2205) granting a pension to Kate Harnass; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2206) granting a pension to Mary E. Hilles; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2207) granting a pension to Paul D. Bogle; to the Committee on Pensions.

Also, a bill (H.R. 2208) granting a pension to William F. Stevens; to the Committee on Pensions.

Also, a bill (H.R. 2209) granting a pension to Anna Wehner; to the Committee on Pensions.

Also, a bill (H.R. 2210) granting a pension to Ada Ray Johnson; to the Committee on Pensions.

Also, a bill (H.R. 2211) granting a pension to Myrtle De Witte; to the Committee on Pensions.

Also, a bill (H.R. 2212) granting a pension to Richard N. Lykins; to the Committee on Pensions.

Also, a bill (H.R. 2213) granting a pension to Josephine Ballmann; to the Committee on Pensions.

Also, a bill (H.R. 2214) granting an increase of pension to Margaret Marshall; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2215) granting an increase of pension to Anna E. Kaney; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2216) granting an increase of pension to Sarah A. Burd; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2217) granting an increase of pension to Lulu H. Powers; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2218) granting an increase of pension to Rebecca D. Stewart; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2219) granting an increase of pension to Anna M. Parish; to the Committee on Invalid Pensions.

By Mr. HOLMES: A bill (H.R. 2220) granting an increase of pension to Ella F. Bartlett; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2221) granting an increase of pension to Mary A. Healy; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2222) granting an increase of pension to Julia Dolan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2223) granting an increase of pension to Kate Snow; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2224) granting an increase of pension to Mary E. Parker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2225) granting an increase of pension to Henrietta L. Whitney; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2226) for the relief of John A. Casey; to the Committee on Military Affairs.

Also, a bill (H.R. 2227) for the relief of James L. MacDonald; to the Committee on Military Affairs.

Also, a bill (H.R. 2228) granting a pension to Elmer G. Mouso; to the Committee on Pensions.

By Mr. HOOPER: A bill (H.R. 2229) granting a pension to Sarah E. Fortner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2230) granting a pension to Sylvia Campbell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2231) granting a pension to Lena P. Riddick; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2232) granting a pension to Clara Fruin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2233) granting an increase of pension to Belinda D. Overmeyer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2234) granting an increase of pension to Lydia Woodey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2235) granting an increase of pension to Antha A. King; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2236) granting a pension to Maude Holmes; to the Committee on Invalid Pensions.

By Mr. JAMES: A bill (H.R. 2237) to authorize the Secretary of War to exchange certain tracts of real estate; to the Committee on Military Affairs.

Also, a bill (H.R. 2238) to provide for the appointment of a military storekeeper; to the Committee on Military Affairs.

Also, a bill (H.R. 2239) prescribing a rate of retired pay for an Army officer of outstanding service; to the Committee on Military Affairs.

Also, a bill (H.R. 2240) for the relief of Louis Vauthier and Francis Dohs; to the Committee on Military Affairs.

Also, a bill (H.R. 2241) granting a pension to Sarah R. Cole; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2242) granting an increase of pension to Catherine A. Ryan; to the Committee on Pensions.

Also, a bill (H.R. 2243) granting a pension to Hannah C. McCarthy; to the Committee on Pensions.

Also, a bill (H.R. 2244) granting a pension to Julia G. Scott; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2245) to award the Distinguished Service Cross to former holders of the certificate of merit, and for other purposes; to the Committee on Military Affairs.

By Mr. JEFFERS: A bill (H.R. 2246) for the relief of St. Paul's Episcopal Church, Selma, Ala.; to the Committee on War Claims.

Also, a bill (H.R. 2247) granting an increase of pension to Bertha H. McArthur; to the Committee on Pensions.

By Mr. JENKINS: A bill (H.R. 2248) granting a pension to John Henry; to the Committee on Pensions.

By Mr. JOHNSON of Oklahoma: A bill (H.R. 2249) to authorize payment of expenses of formulating claims of the Kiowa, Comanche, and Apache Indians of Oklahoma against the United States, and for other purposes; to the Committee on Indian Affairs.

By Mr. JOHNSON of Texas: A bill (H.R. 2250) granting a pension to Mary Quirk; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2251) to authorize Martin C. Shallenberger, major, United States Army, to accept certain decoration from the French Government; to the Committee on Foreign Affairs.

By Mrs. KAHN: A bill (H.R. 2252) for the relief of Thaddeus C. Knight; to the Committee on Military Affairs.

Also, a bill (H.R. 2253) authorizing the President to appoint Capt. DeWitt Blamer, United States Navy, retired, a rear admiral on the retired list of the Navy; to the Committee on Naval Affairs.

Also, a bill (H.R. 2254) granting a pension to Lena Bidderman; to the Committee on Pensions.

Also, a bill (H.R. 2255) granting a pension to David Jacobi; to the Committee on Pensions.

Also, a bill (H.R. 2256) granting a pension to Elmer R. Getchell; to the Committee on Pensions.

Also, a bill (H.R. 2257) granting a pension to Iria T. Peck; to the Committee on Pensions.

Also, a bill (H.R. 2258) granting a pension to Rosa Jacobi; to the Committee on Pensions.

Also, a bill (H.R. 2259) granting a pension to Frank E. Marks; to the Committee on Pensions.

Also, a bill (H.R. 2260) to renew and extend certain letters patent to Rosa Schoenholz; to the Committee on Patents.

Also, a bill (H.R. 2261) granting a pension to Harriet I. Van Camp; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2262) to authorize the appointment of John J. Dean, Medical Corps, as warrant officer, United States Army; to the Committee on Military Affairs.

Also, a bill (H.R. 2263) for the relief of Anna S. Carrigan; to the Committee on Foreign Affairs.

Also, a bill (H.R. 2264) providing for the appointment of Julia Johnson as a warrant officer, Quartermaster Corps, United States Army; to the Committee on Military Affairs.

Also, a bill (H.R. 2265) providing for the appointment of Roderick R. Strong as a warrant officer, United States Army; to the Committee on Military Affairs.

Also, a bill (H.R. 2266) providing for the advancement on the retired list of the Army of Hunter Liggett, major general, United States Army, retired; to the Committee on Military Affairs.

Also, a bill (H.R. 2267) authorizing the appointment of John Rowland as a warrant officer, United States Army; to the Committee on Military Affairs.

Also, a bill (H.R. 2268) for the relief of William Kelley; to the Committee on Military Affairs.

Also, a bill (H.R. 2269) providing for the advancement of Michael Holub on the retired list of the Army; to the Committee on Military Affairs.

Also, a bill (H.R. 2270) for the relief of Dave Price; to the Committee on Military Affairs.

Also, a bill (H.R. 2271) for the relief of George A. Dobbs; to the Committee on Military Affairs.

Also, a bill (H.R. 2272) for the relief of Iria T. Peck; to the Committee on Military Affairs.

Also, a bill (H.R. 2273) for the relief of Joseph L. Davis; to the Committee on Military Affairs.

Also, a bill (H.R. 2274) for the relief of Thomas Mahoney; to the Committee on Naval Affairs.

Also, a bill (H.R. 2275) for the relief of Abram L. Gerson (Abe A. Gerson); to the Committee on Military Affairs.

Also, a bill (H.R. 2276) for the relief of Patrick Collum; to the Committee on Naval Affairs.

Also, a bill (H.R. 2277) for the relief of Patrick Joseph Pierson; to the Committee on Naval Affairs.

Also, a bill (H.R. 2278) for the relief of Edward Tumelty; to the Committee on Naval Affairs.

Also, a bill (H.R. 2279) for the relief of William M. Barrett; to the Committee on Naval Affairs.

Also, a bill (H.R. 2280) for the relief of Patrick O'Brien; to the Committee on Naval Affairs.

Also, a bill (H.R. 2281) for the relief of Louis Henry Brown; to the Committee on Naval Affairs.

Also, a bill (H.R. 2282) for the relief of Emil Anderson; to the Committee on Naval Affairs.

Also, a bill (H.R. 2283) for the relief of Patrick O'Brien; to the Committee on Naval Affairs.

Also, a bill (H.R. 2284) for the relief of Fred Floyd Ferguson; to the Committee on Naval Affairs.

Also, a bill (H.R. 2285) for the relief of Claud Granville Goings; to the Committee on Naval Affairs.

Also, a bill (H.R. 2286) for the relief of U. R. Webb; to the Committee on Claims.

Also, a bill (H.R. 2287) for the relief of Warren Burke; to the Committee on Naval Affairs.

Also, a bill (H.R. 2288) for the relief of the legal representatives of Owen Thorne, deceased; to the Committee on Claims.

Also, a bill (H.R. 2289) for the relief of Nels D. Anderson; to the Committee on Claims.

Also, a bill (H.R. 2290) for the relief of Lilly Bundgard and Gloria Bundgard; to the Committee on Claims.

Also, a bill (H.R. 2291) for the relief of Peter F. Ramm; to the Committee on Claims.

Also, a bill (H.R. 2292) for the relief of Adelaide A. Whiteman and her husband, William F. Whiteman; to the Committee on Claims.

Also, a bill (H.R. 2293) for the relief of Arthur H. Christern; to the Committee on Claims.

Also, a bill (H.R. 2294) granting a special pension to officers and enlisted men who received the medal granted to those who participated in the Battle of Manila Bay, May 1, 1898; to the Committee on Pensions.

Also, a bill (H.R. 2295) for the relief of the Jewish Committee for Personal Service; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 2296) for the relief of W. P. Fuller & Co.; to the Committee on Claims.

Also, a bill (H.R. 2297) for the relief of the McGilvray-Raymond Granite Co.; to the Committee on Claims.

Also, a bill (H.R. 2298) for the relief of Anthony W. Glynn; to the Committee on Claims.

Also, a bill (H.R. 2299) for the relief of Jessie Callihan; to the Committee on Claims.

Also, a bill (H.R. 2300) for the relief of Jacob Meyers; to the Committee on Claims.

Also, a bill (H.R. 2301) for the relief of the Jewish Committee for Personal Service; to the Committee on Claims.

Also, a bill (H.R. 2302) for the relief of Rosalie Rose; to the Committee on Claims.

By Mr. KELLER: A bill (H.R. 2303) granting an increase of pension to Martha S. Noel; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2304) for the relief of Minnie and Ellen Barber; to the Committee on Claims.

Also, a bill (H.R. 2305) for the relief of George Washington Smith; to the Committee on Military Affairs.

Also, a bill (H.R. 2306) granting a pension to Thomas E. Wiggins; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2307) for the relief of Joe R. Hudgens; to the Committee on Military Affairs.

Also, a bill (H.R. 2308) for the relief of Thomas L. Harris; to the Committee on Military Affairs.

Also, a bill (H.R. 2309) for the relief of Mark Duke; to the Committee on Military Affairs.

Also, a bill (H.R. 2310) for the relief of Arthur Smith; to the Committee on Military Affairs.

Also, a bill (H.R. 2311) for the relief of Frank Lemme; to the Committee on Military Affairs.

Also, a bill (H.R. 2312) for the relief of Jess T. Zappa; to the Committee on Military Affairs.

Also, a bill (H.R. 2313) granting a pension to Ira W. Murphy; to the Committee on Pensions.

Also, a bill (H.R. 2314) granting a pension to Charley Corbishley; to the Committee on Pensions.

Also, a bill (H.R. 2315) granting a pension to Isaac Waggener; to the Committee on Pensions.

Also, a bill (H.R. 2316) granting a pension to Michael Brophy; to the Committee on Pensions.

By Mr. KLEBERG: A bill (H.R. 2317) granting a pension to Ruby May Aubert; to the Committee on Pensions.

Also, a bill (H.R. 2318) granting a pension to John S. Macpherson; to the Committee on Pensions.

Also, a bill (H.R. 2319) for the relief of William G. Schmid; to the Committee on Claims.

Also, a bill (H.R. 2320) for the relief of R. H. Keene; to the Committee on Claims.

Also, a bill (H.R. 2321) for the relief of Capt. J. O. Faria; to the Committee on Claims.

Also, a bill (H.R. 2322) for the relief of C. K. Morris; to the Committee on Claims.

Also, a bill (H.R. 2323) for the relief of Adolph Morales; to the Committee on Claims.

Also, a bill (H.R. 2324) for the relief of Marcos Rodriguez; to the Committee on Claims.

Also, a bill (H.R. 2325) for the relief of Albert T. DeBaum, Jr.; to the Committee on Military Affairs.

Also, a bill (H.R. 2326) for the relief of Emma R. H. Taggart; to the Committee on Foreign Affairs.

Also, a bill (H.R. 2327) for the relief of Blewett M. Goode; to the Committee on Military Affairs.

Also, a bill (H.R. 2328) granting a pension to Margaret Phillips; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2329) for the relief of Russell O'Neill; to the Committee on Naval Affairs.

Also, a bill (H.R. 2330) for the relief of Frederick Edward Evers; to the Committee on Naval Affairs.

Also, a bill (H.R. 2331) for the relief of D. E. Sweinhart; to the Committee on Claims.

Also, a bill (H.R. 2332) for the relief of Daisy Anderson; to the Committee on Claims.

Also, a bill (H.R. 2333) granting an increase of pension to Esther V. Dick; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2334) granting a pension to George T. Smith; to the Committee on Pensions.

Also, a bill (H.R. 2335) for the relief of David A. Trousdale; to the Committee on Claims.

Also, a bill (H.R. 2336) for the relief of W. F. Lueders; to the Committee on Claims.

Also, a bill (H.R. 2337) for the relief of Harry L. Haberkorn; to the Committee on Claims.

Also, a bill (H.R. 2338) for the relief of Augusta Burkett; to the Committee on Claims.

Also, a bill (H.R. 2339) for the relief of Karim Joseph Mery; to the Committee on Claims.

Also, a bill (H.R. 2340) for the relief of Russell & Tucker and certain other citizens of the States of Texas, Oklahoma, and Kansas; to the Committee on Claims.

Also, a bill (H.R. 2341) for the relief of M. J. Lobert; to the Committee on Claims.

Also, a bill (H.R. 2342) for the relief of Chambliss L. Tidwell; to the Committee on Claims.

By Mr. KNIFFIN: A bill (H.R. 2343) granting an increase of pension to Charlotte Perry; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2344) granting an increase of pension to Abbie Davison; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2345) granting an increase of pension to Margaret I. Reider; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2346) granting an increase of pension to Frances A. Kuder; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2347) granting an increase of pension to Catherine J. Cupp; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2348) granting an increase of pension to Ella A. Stevens; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2349) granting an increase of pension to Harriet Deamer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2350) granting an increase of pension to Melinda Mowers; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2351) granting an increase of pension to Mary L. Pease; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2352) granting an increase of pension to Ruma McLaughlin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2353) granting an increase of pension to Mary Buhrer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2354) granting an increase of pension to Eunice Palmer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2355) granting a pension to Emma Adcock; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2356) granting a pension to George W. Coleman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2357) granting an increase of pension to Martha M. Ely; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2358) granting an increase of pension to Catherine Brown; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2359) granting an increase of pension to Sarah M. Pennel; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2360) granting a pension to Charles E. Morris; to the Committee on Pensions.

Also, a bill (H.R. 2361) granting an increase of pension to Helen Ebright; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2362) granting an increase of pension to Mary Buhrer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2363) granting a pension to Josephine Hardesty; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2364) granting a pension to Clara Sill; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2365) granting a pension to Myrtle R. Oldfield; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2366) granting a pension to Jeanne E. Reynolds; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2367) granting a pension to Theresa Budai; to the Committee on Pensions.

Also, a bill (H.R. 2368) granting a pension to Clara A. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2369) for the relief of Dee Erick Treat; to the Committee on Foreign Affairs.

By Mr. KURTZ: A bill (H.R. 2370) granting an increase of pension to Alice Paul; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2371) granting an increase of pension to Mariah Mock; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2372) granting an increase of pension to Barbara Weber; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2373) granting an increase of pension to Martha M. Poffenberger; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2374) granting an increase of pension to Christena Gibson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2375) granting an increase of pension to Mary McKee; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2376) granting an increase of pension to Mary M. Keefer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2377) granting an increase of pension to Emma J. Kinsel; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2378) granting a pension to M. Blanche Gable; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2379) granting a pension to William L. Shaffer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2380) granting an increase of pension to Peninnah Boose; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2381) granting an increase of pension to Mary C. Spanogle; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2382) granting an increase of pension to Virginia Humphrey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2383) granting an increase of pension to Elizabeth Koontz; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2384) granting a pension to Mary Singleton; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2385) granting a pension to Lana Miller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2386) granting an increase of pension to Mary E. Blymyer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2387) granting an increase of pension to Barbara Martin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2388) granting an increase of pension to Annie Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2389) granting an increase of pension to Mary E. Askey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2390) granting an increase of pension to Sarah C. Nicewonger; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2391) granting an increase of pension to Catharine L. Kelly; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2392) granting an increase of pension to Miranda C. Imler; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2393) granting an increase of pension to Nancy H. Waldsmith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2394) granting an increase of pension to Susannah Ditterline; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2395) granting an increase of pension to Isabella Arbogast; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2396) granting an increase of pension to Isabella Cramer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2397) granting an increase of pension to Mary C. McCartney; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2398) granting an increase of pension to Lillie D. Hartley and a pension to Edna B. Hartley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2399) granting an increase of pension to Agnes D. Bloom; to the Committee on Invalid Pensions.

By Mr. LAMBERTSON: A bill (H.R. 2400) to equalize promotions of retired officers of the Army; to the Committee on Military Affairs.

Also, a bill (H.R. 2401) granting an increase of pension to Nancy McAllister; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2402) granting an increase of pension to Catherine E. Elliott; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2403) granting a pension to Mollie Clinkinbeard; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2404) granting a pension to Merton M. Pennington; to the Committee on Pensions.

Also, a bill (H.R. 2405) granting a pension to Amanda M. Case; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2406) granting a pension to Daniel Vanderslice; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2407) for the relief of John J. Delaney; to the Committee on Military Affairs.

Also, a bill (H.R. 2408) for the relief of Stanton & Jones; to the Committee on War Claims.

Also, a bill (H.R. 2409) for the relief of Edward Wilson; to the Committee on Military Affairs.

Also, a bill (H.R. 2410) for the relief of William M. Sherman; to the Committee on Military Affairs.

Also, a bill (H.R. 2411) granting an increase of pension to Viola R. Crouch; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2412) granting an increase of pension to Mary E. Reeder; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2413) for the relief of Mary Bogner; to the Committee on Claims.

Also, a bill (H.R. 2414) for the relief of Emerson C. Salisbury; to the Committee on Claims.

Also, a bill (H.R. 2415) for the relief of Charles W. Peppers; to the Committee on Claims.

Also, a bill (H.R. 2416) for the relief of Mrs. George Logan and her minor children, Lewis and Barbara Logan; to the Committee on Claims.

Also, a bill (H.R. 2417) for the relief of Madeline Hunt; to the Committee on Claims.

Also, a bill (H.R. 2418) for the relief of certain claimants at Leavenworth, Kans., occasioned through damage to property inflicted by escaping prisoners; to the Committee on Claims.

Also, a bill (H.R. 2419) for the relief of W. B. Ford; to the Committee on Claims.

Also, a bill (H.R. 2420) granting a pension to Velma Johnson; to the Committee on Pensions.

Also, a bill (H.R. 2421) granting an increase of pension to Mary McK. Ferby; to the Committee on Pensions.

By Mr. LAMNECK: A bill (H.R. 2422) for the relief of Ollie L. Brixner; to the Committee on Military Affairs.

Also, a bill (H.R. 2423) for the relief of Elmer Getrue; to the Committee on Claims.

Also, a bill (H.R. 2424) for the relief of Matt E. Saylor; to the Committee on Claims.

Also, a bill (H.R. 2425) granting an increase of pension to Elizabeth Denham; to the Committee on Invalid Pensions.

By Mr. LINDSAY: A bill (H.R. 2426) for the relief of Lt. Francis H. A. McKeon; to the Committee on War Claims.

By Mr. LUCE: A bill (H.R. 2427) to allow the Distinguished Service Cross for service in the World War to be awarded to Otis B. Merrithew; to the Committee on Military Affairs.

By Mr. LUDLOW: A bill (H.R. 2428) granting an increase of pension to Eliza A. Washington; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2429) granting a pension to Stanley B. Astry; to the Committee on Pensions.

Also, a bill (H.R. 2430) granting a pension to Anna E. Neiman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2431) for the relief of certain newspapers for advertising services rendered the Public Health Service of the Treasury Department; to the Committee on Claims.

Also, a bill (H.R. 2432) for the relief of Homer J. Williamson; to the Committee on Claims.

Also, a bill (H.R. 2433) for the relief of Anna H. Jones; to the Committee on Claims.

Also, a bill (H.R. 2434) for the relief of Meta DeRene McLoskey; to the Committee on War Claims.

Also, a bill (H.R. 2435) for the relief of Claribel Moore; to the Committee on Claims.

Also, a bill (H.R. 2436) for the relief of Chester A. Green; to the Committee on Military Affairs.

Also, a bill (H.R. 2437) for the relief of Margaret Dunn; to the Committee on Claims.

Also, a bill (H.R. 2438) for the relief of Ruby F. Voiles; to the Committee on Claims.

Also, a bill (H.R. 2439) for the relief of William G. Burress; to the Committee on Military Affairs.

Also, a bill (H.R. 2440) for the relief of H. A. Wilson, W. B. Conner, and Charles E. Hilliard; to the Committee on Claims.

Also, a bill (H.R. 2441) for the relief of George R. Brown; to the Committee on Claims.

Also, a bill (H.R. 2442) granting a pension to Pearl Thomas; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2443) granting a pension to Julia Christison; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2444) granting a pension to James Henry Miller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2445) granting a pension to Jane Mitchell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2446) granting a pension to Hattie E. Shobe; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2447) granting a pension to Rachel McClain; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2448) granting an increase of pension to Martha E. McLellen; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2449) granting an increase of pension to Melissa C. Moss; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2450) granting an increase of pension to Nellie B. Hughett; to the Committee on Pensions.

Also, a bill (H.R. 2451) granting an increase of pension to Catherine D. Manning; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2452) granting an increase of pension to Sally J. Hendrix; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2453) granting an increase of pension to Sophia Huber; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2454) granting an increase of pension to Mary E. Ramsay; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2455) granting an increase of pension to Minnie Crum; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2456) granting an increase of pension to Laura A. Stahlnacker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2457) granting an increase of pension to Josephine Layton; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2458) granting an increase of pension to Iantha Bohall; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2459) granting an increase of pension to John O. Allen; to the Committee on Pensions.

Also, a bill (H.R. 2460) granting an increase of pension to Eulise Hubbard; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2461) granting an increase of pension to Fred E. Ricketts; to the Committee on Pensions.

Also, a bill (H.R. 2462) granting an increase of pension to Florence S. McGinnis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2463) granting an increase of pension to Hannah Simms; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2464) granting an increase of pension to Augusta M. Stratford; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2465) granting an increase of pension to Sarah E. Spangler; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2466) granting an increase of pension to Mary Ellen Oliver; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2467) granting an increase of pension to Clara L. Waggoner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2468) to refund the duty on a carillon of 63 bells imported for the Scottish Rite Temple, Indianapolis, Ind.; to the Committee on Claims.

Also, a bill (H.R. 2469) to correct the military record of Lake B. Morrison; to the Committee on Military Affairs.

Also, a bill (H.R. 2470) authorizing the Secretary of War to award a Distinguished Service Medal to Joseph A. Minturn; to the Committee on Military Affairs.

Also, a bill (H.R. 2471) to authorize retirement promotion of officers of the Army, Navy, Marine Corps, and Coast Guard in recognition of service in World War, Spanish-American War, Philippine insurrection, and Boxer rebellion; to the Committee on Military Affairs.

Also, a bill (H.R. 2472) granting a pension to Chloe E. Blankenship; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2473) granting a pension to Flora Bailey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2474) granting a pension to Mary S. Carter; to the Committee on Pensions.

Also, a bill (H.R. 2475) granting a pension to Emma E. Smith; to the Committee on Pensions.

Also, a bill (H.R. 2476) granting a pension to Charles H. Mattingly; to the Committee on Pensions.

Also, a bill (H.R. 2477) granting a pension to Joseph F. Murphy; to the Committee on Pensions.

Also, a bill (H.R. 2478) granting a pension to Callie J. Feaster; to the Committee on Pensions.

Also, a bill (H.R. 2479) granting a pension to Carrie J. Dahn; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2480) granting a pension to Sarah E. Jackson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2481) granting a pension to Annie Lewis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2482) granting a pension to Louis C. McKnight; to the Committee on Pensions.

Also, a bill (H.R. 2483) granting a pension to Belle Armel; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2484) granting a pension to Louise Patterson; to the Committee on Pensions.

Also, a bill (H.R. 2485) granting a pension to Harry Slavin; to the Committee on Pensions.

Also, a bill (H.R. 2486) granting a pension to George E. Ryan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2487) granting a pension to Ella Abner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2488) granting a pension to Albert Lemons; to the Committee on Pensions.

Also, a bill (H.R. 2489) granting a pension to Lawrence O. Darnell; to the Committee on Pensions.

By Mr. LUCE: A bill (H.R. 2490) for the relief of Adelaide Richardson; to the Committee on Foreign Affairs.

Also, a bill (H.R. 2491) for the relief of Arthur William Buckley; to the Committee on Naval Affairs.

Also, a bill (H.R. 2492) for the relief of Henry Carl Wikstrom; to the Committee on Naval Affairs.

Also, a bill (H.R. 2493) for the relief of Casimir Kaczorowski; to the Committee on Naval Affairs.

Also, a bill (H.R. 2494) granting a pension to Nellie G. Quinn; to the Committee on Pensions.

Also, a bill (H.R. 2495) to refund to Harold R. Keller income tax erroneously and illegally collected; to the Committee on Claims.

Also, a bill (H.R. 2496) for the relief of William Patrick White; to the Committee on Naval Affairs.

Also, a bill (H.R. 2497) for the relief of Charles Joseph Whalen; to the Committee on Naval Affairs.

Also, a bill (H.R. 2498) for the relief of Thomas Christopher Quirk; to the Committee on Naval Affairs.

By Mr. McLEOD: A bill (H.R. 2499) to provide for the appointment from civil life of Gerard Farmer to the grade of master sergeant, unassigned, United States Army, and immediate retirement from the service; to the Committee on Military Affairs.

Also, a bill (H.R. 2500) granting an increase of pension to Mary V. Calderwood; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2501) granting an increase of pension to Grace E. Grinsted; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2502) granting a pension to Matilda Winckler; to the Committee on Pensions.

Also, a bill (H.R. 2503) granting a pension to Walter B. Stevens; to the Committee on Pensions.

Also, a bill (H.R. 2504) granting a pension to Leon Lavigne; to the Committee on Pensions.

Also, a bill (H.R. 2505) granting a pension to Ruth A. Martin; to the Committee on Pensions.

Also, a bill (H.R. 2506) for the relief of Vincent J. Toole; to the Committee on Military Affairs.

Also, a bill (H.R. 2507) for the relief of Louis J. Rivard; to the Committee on Military Affairs.

Also, a bill (H.R. 2508) for the relief of William H. Shelby; to the Committee on Military Affairs.

Also, a bill (H.R. 2509) for the relief of John Newman; to the Committee on Military Affairs.

Also, a bill (H.R. 2510) for the relief of George Hamlin; to the Committee on Military Affairs.

Also, a bill (H.R. 2511) granting an increase of pension to Philip Eichhorn; to the Committee on Pensions.

Also, a bill (H.R. 2512) for the relief of John Moore; to the Committee on Claims.

Also, a bill (H.R. 2513) for the relief of Crawford R. Nelson; to the Committee on Claims.

Also, a bill (H.R. 2514) for the relief of Edmund Wydick and Peter Skladzien; to the Committee on Claims.

Also, a bill (H.R. 2515) for the relief of Krikor Haroutunian; to the Committee on Claims.

Also, a bill (H.R. 2516) for the relief of Purse Bros.; to the Committee on Claims.

Also, a bill (H.R. 2517) for the relief of Edward Ray Sloan; to the Committee on Claims.

Also, a bill (H.R. 2518) for the relief of Blanch Broomfield; to the Committee on Claims.

Also, a bill (H.R. 2519) for the relief of Elmer Fritsch, Jr.; to the Committee on Naval Affairs.

Also, a bill (H.R. 2520) for the relief of Michael S. Spillane; to the Committee on Naval Affairs.

Also, a bill (H.R. 2521) to provide for payment of interest on certain war-risk insurance claims; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 2522) to provide for the appointment of Army field clerks and field clerks, Quartermaster Corps, as warrant officers, United States Army; to the Committee on Military Affairs.

Also, a bill (H.R. 2523) for the relief of James Leslie Passmore; to the Committee on War Claims.

Also, a bill (H.R. 2524) to provide for a survey and estimate of cost of construction of an all-American ship channel in the Detroit River from its mouth at Lake Erie to the head of Grosse Isle in said river; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 2525) providing for the examination and survey of the old channel of the River Rouge; to the Committee on Rivers and Harbors.

By Mr. MALONEY of Louisiana: A bill (H.R. 2526) granting a pension to Delia Porter; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2527) providing for the examination and survey of Bayou Rigaud; to the Committee on Rivers and Harbors.

By Mr. MEAD: A bill (H.R. 2528) granting a Medal of Honor to Frank J. Barcsykowski; to the Committee on Naval Affairs.

Also, a bill (H.R. 2529) granting a pension to Margaret Proctor; to the Committee on Pensions.

Also, a bill (H.R. 2530) granting an increase of pension to Susan A. Pitts; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2531) granting an increase of pension to Margaret E. Dubes; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2532) granting an increase of pension to Martha J. Wilcox; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2533) granting an increase of pension to Ida H. Rupert; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2534) granting an increase of pension to Florence K. Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2535) for the relief of Burton Bowen; to the Committee on Naval Affairs.

Also, a bill (H.R. 2536) for the relief of Raymond C. Bogart; to the Committee on Naval Affairs.

Also, a bill (H.R. 2537) for the relief of Nick Gruich; to the Committee on Claims.

Also, a bill (H.R. 2538) for the relief of Edward Henry Condon; to the Committee on Naval Affairs.

Also, a bill (H.R. 2539) for the relief of Frank Drodowsky, otherwise known as Frank Weber; to the Committee on Military Affairs.

Also, a bill (H.R. 2540) for the relief of Henry C. Zeller and Edward G. Zeller with respect to the time within which suit may be brought against the United States for the recovery of any income tax paid to the United States for the fiscal year beginning October 1, 1916, and ending September 30, 1917, in excess of the amount of tax lawfully due for such period; to the Committee on Claims.

Also, a bill (H.R. 2541) for the relief of Robert B. James; to the Committee on Claims.

Also, a bill (H.R. 2542) for the relief of Edward Raymond Naiderek; to the Committee on Naval Affairs.

Also, a bill (H.R. 2543) for the relief of William Harnick; to the Committee on Naval Affairs.

Also, a bill (H.R. 2544) for the relief of Ladislaus Stepniak; to the Committee on Military Affairs.

Also, a bill (H.R. 2545) for the relief of Barney Cyganek; to the Committee on Naval Affairs.

Also, a bill (H.R. 2546) for the relief of Alfred A. Wittek; to the Committee on Naval Affairs.

Also, a bill (H.R. 2547) for the relief of Paul Francis Appleby; to the Committee on Naval Affairs.

Also, a bill (H.R. 2548) for the relief of Lt. Emmet P. Forrestel; to the Committee on Naval Affairs.

Also, a bill (H.R. 2549) for the relief of William Eaky Lewis; to the Committee on Naval Affairs.

Also, a bill (H.R. 2550) for the relief of Allen F. Maclean; to the Committee on Military Affairs.

Also, a bill of (H.R. 2551) for the relief of Charles H. Kinzie; to the Committee on Military Affairs.

Also, a bill (H.R. 2552) for the relief of Peter S. Klaskala; to the Committee on Naval Affairs.

Also, a bill (H.R. 2553) for the relief of Joseph M. Haska; to the Committee on Naval Affairs.

Also, a bill (H.R. 2554) for the relief of Samuel F. Freiert; to the Committee on Military Affairs.

Also, a bill (H.R. 2555) for the relief of Frank Mackowiak; to the Committee on Military Affairs.

Also, a bill (H.R. 2556) for the relief of John L. Hoffman; to the Committee on Claims.

Also, a bill (H.R. 2557) for the relief of John Heinzenberger; to the Committee on Military Affairs.

Also, a bill (H.R. 2558) for the relief of G. Elias & Bro., Inc.; to the Committee on Claims.

Also, a bill (H.R. 2559) for the relief of Harold C. Marshall; to the Committee on Claims.

Also, a bill (H.R. 2560) for the relief of Joseph Leroy Everett; to the Committee on Naval Affairs.

Also, a bill (H.R. 2561) for the relief of G. Elias & Bro., Inc.; to the Committee on Claims.

By Mr. MONTET: A bill (H.R. 2562) for the relief of Edward Himel; to the Committee on Claims.

Also, a bill (H.R. 2563) for the relief of Rene D. Trahan; to the Committee on Claims.

Also, a bill (H.R. 2564) for the relief of Edward Lopez; to the Committee on Claims.

Also, a bill (H.R. 2565) granting a pension to Mary Pierre; to the Committee on Pensions.

By Mr. MILLER: A bill (H.R. 2566) granting a pension to Mary Jane Holman; to the Committee on Pensions.

By Mr. MILLIGAN: A bill (H.R. 2567) granting a pension to James G. Hankins; to the Committee on Invalid Pensions.

By Mr. PARKER of Georgia: A bill (H.R. 2568) granting an increase of pension to Lucy D. Maddox; to the Committee on Pensions.

Also, a bill (H.R. 2569) for the relief of Caroline V. King, growing out of the death of her minor son, Carl Calder King; to the Committee on Claims.

Also, a bill (H.R. 2570) for the relief of Edward C. Compton; to the Committee on Banking and Currency.

Also, a bill (H.R. 2571) for the relief of George Tatum; to the Committee on Military Affairs.

Also, a bill (H.R. 2572) granting a pension to Frederick Joseph Trott; to the Committee on Pensions.

Also, a bill (H.R. 2573) granting a pension to Vonnie D. Bright; to the Committee on Pensions.

Also, a bill (H.R. 2574) granting a pension to Brady H. Watts; to the Committee on Pensions.

Also, a bill (H.R. 2575) granting a pension to Gordon Morgan; to the Committee on Pensions.

Also, a bill (H.R. 2576) for the relief of the executive committee of the New Sunday Association, successors to the property and ecclesiastical rights of the Sunbury Church

and Association of Liberty County, Ga.; to the Committee on War Claims.

Also, a bill (H.R. 2577) to convey by a quitclaim deed from the United States of America to the county of McIntosh in the First Congressional District of the State of Georgia a certain island known as Black Beard; to the Committee on Public Lands.

Also, a bill (H.R. 2578) authorizing the President of the United States to present in the name of Congress a Distinguished Service Medal to Thomas H. Laird; to the Committee on Military Affairs.

Also, a bill (H.R. 2579) granting retirement annuity or pension to John B. Fitzgerald; to the Committee on Pensions.

By Mr. PARKER of New York: A bill (H.R. 2580) granting a pension to Louise Stockwell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2581) granting a pension to James C. Riley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2582) granting an increase of pension to Jane Pelletier; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2583) granting an increase of pension to Julia Baker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2584) granting an increase of pension to Amelia Carpenter; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2585) granting an increase of pension to Mary A. Sullivan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2586) granting an increase of pension to Alice Ward; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2587) granting an increase of pension to Kate M. Farrell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2588) granting an increase of pension to Rose J. Towner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2589) granting an increase of pension to Mary C. Hoyt; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2590) granting an increase of pension to Julia C. Woodard; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2591) granting an increase of pension to Victoria Culver; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2592) granting an increase of pension to Mary A. W. Barr; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2593) granting an increase of pension to Nellie Jennings; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2594) granting an increase of pension to Sarah A. Coonradt; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2595) granting an increase of pension to Mary Maley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2596) granting an increase of pension to Ella S. T. Witbeck; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2597) granting an increase of pension to Susan A. Jordan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2598) granting an increase of pension to Addie L. Wright; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2599) granting an increase of pension to Julia E. Willard; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2600) granting an increase of pension to Sarah Simpson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2601) granting an increase of pension to Louise E. Van Norden; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2602) granting an increase of pension to Julia A. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2603) granting an increase of pension to Barbara M. Hepinstall; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2604) granting an increase of pension to Josephine W. McCulloch; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2605) granting an increase of pension to Lovina Whitney; to the Committee on Invalid Pensions.

By Mr. POLK: A bill (H.R. 2606) for the relief of Jane H. Dickey; to the Committee on Military Affairs.

Also, a bill (H.R. 2607) granting an increase of pension to Emma Boys; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2608) granting an increase of pension to Mary Clemons; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2609) granting an increase of pension to Mary C. Gilkison; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2610) granting an increase of pension to Caroline Hazlebeck; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2611) granting an increase of pension to Charlotte Livengood; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2612) granting an increase of pension to Magdalena Meyer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2613) granting an increase of pension to Rebecca L. Richards; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2614) granting an increase of pension to Emma S. Richards; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2615) granting an increase of pension to Mary J. Roush; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2616) granting an increase of pension to Ruth P. Shivers; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2617) granting an increase of pension to Eliza J. Robbins; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2618) granting an increase of pension to Eva H. Holter; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2619) granting an increase of pension to Gus Brunner; to the Committee on Pensions.

Also, a bill (H.R. 2620) granting a pension to Levi Copas; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2621) granting a pension to Elizabeth J. Coburn; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2622) granting a pension to Samuel Evans; to the Committee on Pensions.

Also, a bill (H.R. 2623) granting a pension to Alverda J. Elmore; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2624) granting a pension to Bertha T. Hastings; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2625) granting a pension to Joseph M. Harr; to the Committee on Pensions.

Also, a bill (H.R. 2626) granting a pension to Henrietta Kessinger; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2627) granting a pension to Cecil Mason; to the Committee on Pensions.

Also, a bill (H.R. 2628) granting a pension to Flora A. Monroe; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2629) granting a pension to Ivy Pitzer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2630) granting a pension to Pearl Wittenmyer; to the Committee on Pensions.

Also, a bill (H.R. 2631) granting a pension to Hester A. Bradford; to the Committee on Invalid Pensions.

By Mr. ROGERS of New Hampshire: A bill (H.R. 2632) for the relief of Wilson G. Bingham; to the Committee on Military Affairs.

By Mr. RUDD: A bill (H.R. 2633) for the relief of Arthur J. L. Hock; to the Committee on Naval Affairs.

Also, a bill (H.R. 2634) for the relief of George Henry Purnhagen, deceased; to the Committee on Naval Affairs.

Also, a bill (H.R. 2635) for the relief of Emil John Geiser; to the Committee on Naval Affairs.

Also, a bill (H.R. 2636) for the relief of Adolph Schnepf; to the Committee on Naval Affairs.

Also, a bill (H.R. 2637) for the relief of George French; to the Committee on Naval Affairs.

Also, a bill (H.R. 2638) for the relief of George Migliorino; to the Committee on Naval Affairs.

Also, a bill (H.R. 2639) for the relief of Charles J. Eisenhauer; to the Committee on Claims.

Also, a bill (H.R. 2640) for the relief of Thomas F. Kenney; to the Committee on Claims.

Also, a bill (H.R. 2641) for the relief of Joseph A. McCarthy; to the Committee on Claims.

Also, a bill (H.R. 2642) for the relief of Stephen Schmeiser, Sr.; to the Committee on Claims.

Also, a bill (H.R. 2643) for the relief of Thomas J. Healy; to the Committee on Military Affairs.

Also, a bill (H.R. 2644) for the relief of Sophie de Sota; to the Committee on Foreign Affairs.

Also, a bill (H.R. 2645) granting an increase of pension to Minnie Betz; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2646) granting an increase of pension to Alice A. Ellis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2647) granting a pension to Julia J. Godley; to the Committee on Pensions.

By Mr. SANDERS: A bill (H.R. 2648) granting death compensation benefits to Lena Klotz; to the Committee on Claims.

Also, a bill (H.R. 2649) for the relief of the Farmers & Merchants National Bank of Gilmer, Tex.; to the Committee on Claims.

Also, a bill (H.R. 2650) for the relief of the Texas Military College of Terrell, Tex.; to the Committee on Claims.

Also, a bill (H.R. 2651) for the relief of Frank W. Childress; to the Committee on Claims.

By Mr. SINCLAIR: A bill (H.R. 2652) for the relief of E. F. Hamilton; to the Committee on Claims.

By Mr. SWANK: A bill (H.R. 2653) granting an increase of pension to Lucy M. Chapman; to the Committee on Pensions.

Also, a bill (H.R. 2654) granting an increase of pension to Emily Donahoo; to the Committee on Pensions.

Also, a bill (H.R. 2655) granting a pension to Susie A. Box; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2656) granting a pension to Dorothy G. Johnson; to the Committee on Pensions.

Also, a bill (H.R. 2657) granting a pension to William L. Collett; to the Committee on Pensions.

Also, a bill (H.R. 2658) granting a pension to Joe W. George; to the Committee on Pensions.

Also, a bill (H.R. 2659) for the relief of Zoe A. Tilghman; to the Committee on Claims.

Also, a bill (H.R. 2660) for the relief of S. A. Rourke; to the Committee on Claims.

By Mr. TARVER: A bill (H.R. 2661) granting an increase of pension to John A. Petty; to the Committee on Pensions.

Also, a bill (H.R. 2662) granting an increase of pension to Sarah E. Young; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2663) granting a pension to Nola Forrester; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2664) granting an increase of pension to Mary J. Hobgood; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2665) for the relief of the trustees of Mizpah Methodist Church South, located near Kingston, Ga.; to the Committee on War Claims.

Also, a bill (H.R. 2666) for the relief of D. F. Phillips; to the Committee on Claims.

Also, a bill (H.R. 2667) for the relief of Cora A. Bennett; to the Committee on Claims.

Also, a bill (H.R. 2668) for the relief of St. James Episcopal Church, Marietta, Ga.; to the Committee on War Claims.

Also, a bill (H.R. 2669) for the relief of Paul L. Morris and Beulah Fuller Morris; to the Committee on Claims.

Also, a bill (H.R. 2670) for the relief of James Wallace; to the Committee on Military Affairs.

Also, a bill (H.R. 2671) for the relief of R. A. Chambers; to the Committee on Claims.

Also, a bill (H.R. 2672) for the relief of John B. Russell; to the Committee on Claims.

Also, a bill (H.R. 2673) for the relief of Ada T. Finley; to the Committee on Claims.

Also, a bill (H.R. 2674) for the relief of the estate of Ambrose R. Tracy and his children; to the Committee on Claims.

Also, a bill (H.R. 2675) for the relief of Nannie White; to the Committee on Naval Affairs.

Also, a bill (H.R. 2676) for the relief of Dr. A. J. Montgomery; to the Committee on Claims.

Also, a bill (H.R. 2677) granting a pension to Theodore V. Cowart; to the Committee on Pensions.

Also, a bill (H.R. 2678) for the relief of La Fayette Female Academy at La Fayette, Ga.; to the Committee on War Claims.

Also, a bill (H.R. 2679) granting an increase of pension to Sarah E. Adair; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2680) granting a pension to Mary H. Auch; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2681) granting a pension to Green Foster Alexander; to the Committee on Pensions.

Also, a bill (H.R. 2682) for the relief of Bonnie S. Baker; to the Committee on Claims.

Also, a bill (H.R. 2683) granting an increase of pension to Sarah A. Boman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2684) for the relief of Logan Mulvaney; to the Committee on Military Affairs.

Also, a bill (H.R. 2685) granting a pension to James A. Thompson; to the Committee on Pensions.

Also, a bill (H.R. 2686) granting a pension to Julia Bush; to the Committee on Pensions.

Also, a bill (H.R. 2687) granting a pension to Joe S. Turner; to the Committee on Pensions.

Also, a bill (H.R. 2688) granting a pension to Sarah M. Emmerson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2689) for the relief of Joseph Shabel; to the Committee on Claims.

Also, a bill (H.R. 2690) granting a pension to Sidney C. Scoggins; to the Committee on Pensions.

Also, a bill (H.R. 2691) for the relief of Fred Epps; to the Committee on Claims.

Also, a bill (H.R. 2692) for the relief of Lula A. Densmore; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H.R. 2693) granting a pension to Susan Elizabeth Jeffers; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2694) granting a pension to Sarah J. Green; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2695) granting a pension to Luticia C. Anderson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2696) granting a pension to Louisa Weaver; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2697) granting an increase of pension to Elizabeth Guy; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2698) granting an increase of pension to Mary Jane Butler; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2699) granting an increase of pension to Mary Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2700) for the relief of Thomas Green; to the Committee on Claims.

Also, a bill (H.R. 2701) granting an increase of pension to Mattie N. Seivers; to the Committee on Pensions.

Also, a bill (H.R. 2702) granting a pension to Conrad A. Bell; to the Committee on Pensions.

Also, a bill (H.R. 2703) granting a pension to Albert H. L. Wells; to the Committee on Pensions.

Also, a bill (H.R. 2704) granting a pension to Hiram M. Graves; to the Committee on Pensions.

Also, a bill (H.R. 2705) granting a pension to Ross Huston Horner; to the Committee on Pensions.

Also, a bill (H.R. 2706) granting a pension to Lakey Romines; to the Committee on Pensions.

Also, a bill (H.R. 2707) granting a pension to Clellia S. Irvin; to the Committee on Pensions.

Also, a bill (H.R. 2708) granting a pension to Charles Farris; to the Committee on Pensions.

Also, a bill (H.R. 2709) granting a pension to William R. Hunley; to the Committee on Pensions.

Also, a bill (H.R. 2710) granting a pension to Reatha Reneau; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2711) for the relief of the Yellow Drivurself Co.; to the Committee on Claims.

Also, a bill (H.R. 2712) granting a pension to Allie M. Walker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2713) granting a pension to Zubie Owens; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2714) granting a pension to Maggie Allen; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2715) granting a pension to John J. Rosier; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2716) granting a pension to Jane Davis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2717) granting a pension to Martha Katherine Hazelton; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2718) granting a pension to Hannah T. Heaton; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2719) granting a pension to Hettie Prewitt; to the Committee on Invalid Pensions.

By Mr. THOMASON of Texas: A bill (H.R. 2720) granting a pension to Susie Murray; to the Committee on Pensions.

Also, a bill (H.R. 2721) granting a pension to Charles E. Sloan; to the Committee on Pensions.

Also, a bill (H.R. 2722) granting a pension to Collis Monk; to the Committee on Pensions.

Also, a bill (H.R. 2723) granting a pension to Edmund W. King; to the Committee on Pensions.

Also, a bill (H.R. 2724) granting a pension to Mary Holmack; to the Committee on Pensions.

Also, a bill (H.R. 2725) granting a pension to Lizzie Johnson; to the Committee on Pensions.

Also, a bill (H.R. 2726) granting a pension to Presley B. Bradley; to the Committee on Pensions.

Also, a bill (H.R. 2727) granting a pension to Robert S. Marshall; to the Committee on Pensions.

Also, a bill (H.R. 2728) granting a pension to Nicholas O'Connell; to the Committee on Pensions.

Also, a bill (H.R. 2729) granting a pension to Grover Cleveland O'Dell; to the Committee on Pensions.

Also, a bill (H.R. 2730) granting a pension to Emmeline Miller; to the Committee on Pensions.

Also, a bill (H.R. 2731) granting a pension to William A. Sienkbeil; to the Committee on Pensions.

Also, a bill (H.R. 2732) granting a pension to Emma L. Lee; to the Committee on Pensions.

Also, a bill (H.R. 2733) granting a pension to Rosa Wilson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2734) granting a pension to Maude Campbell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2735) granting a pension to Hattie House; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2736) granting an increase of pension to John P. Phillips; to the Committee on Pensions.

Also, a bill (H.R. 2737) for the relief of former officers of the Philippine Scouts; to the Committee on Military Affairs.

Also, a bill (H.R. 2738) for the relief of W. F. Freeman; to the Committee on Military Affairs.

Also, a bill (H.R. 2739) for the relief of Sarah A. Morris; to the Committee on Military Affairs.

Also, a bill (H.R. 2740) for the relief of Matthew J. Isaac; to the Committee on Military Affairs.

Also, a bill (H.R. 2741) for the relief of David J. Fitzgerald; to the Committee on Military Affairs.

Also, a bill (H.R. 2742) for the relief of William W. Baird; to the Committee on Military Affairs.

Also, a bill (H.R. 2743) for the relief of William M. Stoddard; to the Committee on Military Affairs.

Also, a bill (H.R. 2744) for the relief of William M. Weaver; to the Committee on Military Affairs.

Also, a bill (H.R. 2745) for the relief of Virden Thompson; to the Committee on Military Affairs.

Also, a bill (H.R. 2746) for the relief of James A. Hoskins, a veteran of the World War; to the Committee on War Claims.

Also, a bill (H.R. 2747) for the relief of William Wehmeyer; to the Committee on Claims.

Also, a bill (H.R. 2748) for the relief of A. C. Francis; to the Committee on Claims.

Also, a bill (H.R. 2749) for the relief of E. B. Rose; to the Committee on Claims.

Also, a bill (H.R. 2750) for the relief of E. G. Doty; to the Committee on Claims.

Also, a bill (H.R. 2751) for the relief of R. L. Tankersley; to the Committee on Claims.

Also, a bill (H.R. 2752) for the relief of William A. McMahan; to the Committee on Claims.

Also, a bill (H.R. 2753) for the relief of Petra M. Benavides; to the Committee on Claims.

Also, a bill (H.R. 2754) for the relief of Ellen Kline; to the Committee on Claims.

By Mr. TREADWAY: A bill (H.R. 2755) granting an increase of pension to Mary E. Tucker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2756) granting an increase of pension to Lucy A. Farington; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2757) granting an increase of pension to Sarah A. Dodge; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2758) granting an increase of pension to Mary E. Proper; to the Committee on Invalid Pensions.

By Mr. TURPIN: A bill (H.R. 2759) granting a pension to Mary Shoch; to the Committee on Pensions.

Also, a bill (H.R. 2760) granting a pension to William Thomas; to the Committee on Pensions.

Also, a bill (H.R. 2761) granting a pension to Thomas R. Koch; to the Committee on Pensions.

Also, a bill (H.R. 2762) granting a pension to Gwilym T. Lewis; to the Committee on Pensions.

Also, a bill (H.R. 2763) for the relief of Elsie Segar, administratrix of C. M. A. Sorensen and of Holger E. Sorensen; to the Committee on Claims.

Also, a bill (H.R. 2764) for the relief of the estate of Harry F. Stern; to the Committee on Claims.

Also, a bill (H.R. 2765) for the relief of Julia Miller; to the Committee on Claims.

Also, a bill (H.R. 2766) for the relief of Joseph R. Redlhammer; to the Committee on Claims.

Also, a bill (H.R. 2767) granting an increase of pension to Sarah A. Herring; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2768) granting an increase of pension to Almira Westover; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2769) granting an increase of pension to Lucy Deiter; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2770) granting an increase of pension to Jennie Hoffman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2771) granting an increase of pension to Martha A. Blanchard; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2772) granting an increase of pension to Margaret Zimmer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2773) for the relief of John Buyarski; to the Committee on Military Affairs.

Also, a bill (H.R. 2774) for the relief of Daniel E. Craig; to the Committee on Military Affairs.

Also, a bill (H.R. 2775) for the relief of Harry M. Delahoy, alias John Brown; to the Committee on Military Affairs.

Also, a bill (H.R. 2776) for the relief of David Guiney, deceased; to the Committee on Military Affairs.

Also, a bill (H.R. 2777) for the relief of Irene K. Harkness; to the Committee on Military Affairs.

Also, a bill (H.R. 2778) for the relief of Harold Heidel; to the Committee on Military Affairs.

Also, a bill (H.R. 2779) for the relief of David Hughes; to the Committee on Military Affairs.

Also, a bill (H.R. 2780) for the relief of John Kumple; to the Committee on Military Affairs.

Also, a bill (H.R. 2781) for the relief of George J. Redding; to the Committee on Military Affairs.

Also, a bill (H.R. 2782) for the relief of Leo Riley; to the Committee on Military Affairs.

Also, a bill (H.R. 2783) for the relief of John P. Smith, deceased; to the Committee on Military Affairs.

Also, a bill (H.R. 2784) for the relief of William F. Sponenberg; to the Committee on Military Affairs.

Also, a bill (H.R. 2785) for the relief of George Subarton; to the Committee on Military Affairs.

Also, a bill (H.R. 2786) for the relief of L. Ton Evans, general missionary, and family, Haiti mission, and proposed American Christian Industrial Tuskegee; to the Committee on Claims.

By Mr. WEST: A bill (H.R. 2787) granting a pension to John A. James; to the Committee on Pensions.

By Mr. WHITLEY: A bill (H.R. 2788) granting an increase of pension to Ellen Nix; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2789) granting a pension to Emma Grannis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2790) granting an increase of pension to Adaline M. Malette; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2791) granting an increase of pension to Louisa Blum; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2792) granting an increase of pension to Jennie A. Boas; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2793) granting an increase of pension to Isabella E. Darling; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2794) granting an increase of pension to Elizabeth Prior; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2795) granting an increase of pension to Jennie Moshier; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2796) granting an increase of pension to Elizabeth F. Taylor; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2797) granting an increase of pension to Marilla Hutchinson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2798) granting an increase of pension to Fannie H. Hadley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2799) granting an increase of pension to Fidelia Yerden; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2800) granting an increase of pension to Helen J. Lanning; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2801) granting an increase of pension to Katherine Shaffer; to the Committee on Invalid Pensions.

By Mr. WILCOX: A bill (H.R. 2802) for the relief of Albert H. Jacobson; to the Committee on Claims.

Also, a bill (H.R. 2803) granting a pension to Robert Hutchison Owens; to the Committee on Pensions.

Also, a bill (H.R. 2804) granting a pension to J. B. Watson; to the Committee on Pensions.

Also, a bill (H.R. 2805) granting a pension to Eddie R. Guyon; to the Committee on Pensions.

Also, a bill (H.R. 2806) for the relief of Charles J. Holstein; to the Committee on Claims.

Also, a bill (H.R. 2807) granting a pension to Everett Hilliad Harvey; to the Committee on Pensions.

Also, a bill (H.R. 2808) granting an increase of pension to Kizy A. Butler; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2809) granting a pension to Mary Lou Wallace Paul; to the Committee on Pensions.

By Mr. WITHROW: A bill (H.R. 2810) granting a pension to Mary E. Hoffman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2811) granting an increase of pension to Annie Coleman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2812) to amend and correct the military record of Frank Schneider; to the Committee on Military Affairs.

Also, a bill (H.R. 2813) granting an increase of pension to Hannah Salts; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2814) granting an increase of pension to Mary Knadle; to the Committee on Invalid Pensions.

By Mr. WOLFENDEN: A bill (H.R. 2815) for the relief of Wayne Smallwood Vetterlein; to the Committee on Claims.

Also, a bill (H.R. 2816) for the relief of Edward P. O'Neal; to the Committee on Military Affairs.

Also, a bill (H.R. 2817) for the relief of Israel P. Clifford; to the Committee on Military Affairs.

Also, a bill (H.R. 2818) for the relief of Catherine G. Taylor; to the Committee on Claims.

Also, a bill (H.R. 2819) for the relief of the Valley Forge Military Academy, Inc.; to the Committee on Military Affairs.

By Mr. BLAND: Joint resolution (H.J.Res. 59) granting permission to Hugh S. Cumming, Surgeon General of the United States Public Health Service; John D. Long, medical director United States Public Health Service; and Clifford R. Eskey, surgeon United States Public Health Service, to accept and wear certain decorations bestowed upon them by the Governments of Ecuador, Chile, and Cuba; to the Committee on Military Affairs.

By Mr. CAVICCHIA: Joint resolution (H.J.Res. 60) granting permission to Col. Gerard McEntee, assistant chief of staff, Seventy-eighth Division, to accept the grade and decoration bestowed upon him by the King of Italy; to the Committee on Military Affairs.

By Mr. MARTIN of Oregon: Joint resolution (H.J.Res. 61) granting compensation to George Charles Walther; to the Committee on Claims.

By Mr. PARSONS: Joint resolution (H.J.Res. 62) authorizing the President of the United States to present the Distinguished Service Medal to Frederick H. Morlan; to the Committee on Military Affairs.

By Mr. SUTPHIN: Joint resolution (H.J.Res. 63) to authorize the President to present the Distinguished Flying Cross to Lt. Comdr. Charles Emery Rosendahl; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1. By Mr. BROWN of Michigan: Petition of Legislature of the State of Michigan to commemorate the one hundred and fiftieth anniversary of the naturalization as a citizen of the United States of Brig. Gen. Thaddeus Kosciusko, a hero of the Revolutionary War; to the Committee on the Judiciary.

2. By Mr. BUCKBEE: Petition of the City Council of the City of Rockford, Ill., calling upon Congress to enact legislation for the relief of the banking situation, and calling particular attention to the need for broadening the facilities of the Postal Savings System; to the Committee on Banking and Currency.

3. By Mr. CADY: Petition signed by Nick Suciu and 15 other residents of Flint, Mich., urging revaluation of the gold ounce; to the Committee on Ways and Means.

4. Also, memorial of the Genesee County Pomona Grange, Grand Blanc, Mich., urging enactment of the domestic-allotment plan for the relief of agriculture; to the Committee on Agriculture.

5. Also, petition signed by W. H. McPhee and 23 other residents of Flint, Mich., urging revaluation of the gold ounce, correction of present-day financial abuses, and the prohibiting of mass production; to the Committee on Ways and Means.

6. Also, petition signed by A. W. Beach and 40 other residents of Lansing, Mich., urging revaluation of the gold ounce, correction of present-day financial abuses, and the prohibiting of mass production; to the Committee on Ways and Means.

7. By Mr. CLARKE of New York: Petition from Ballard Silk Co., Binghamton, N.Y., for Federal law to regulate the hours of labor on textiles; to the Committee on Labor.

8. Also, resolution adopted by the Council of the City of Binghamton, N.Y., requesting legislation in Congress which would authorize the Postmaster General to issue a special series of stamps commemorating the one hundred and fiftieth anniversary of the naturalization of Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

9. By Mr. DELANEY: Petition of John J. Kelly, a resident of the Seventh Congressional District of Brooklyn, N.Y., opposing any action which will take away from the veterans of the Spanish War the small pension they are now receiving; to the Committee on Pensions.

10. Also, petition of James Gill, of Brooklyn, N.Y., petitioning the defeat of any measure that would disturb the pensions of the Spanish War veterans; to the Committee on Pensions.

11. Also, petition of Charles J. Doherty, of Brooklyn, N.Y., opposing any measures reducing the pensions of veterans of the Spanish-American War; to the Committee on Pensions.

12. Also, petition of Mary E. Hudson, a resident of the Seventh Congressional District of Brooklyn, N.Y., opposing any action which will take away from the veterans of the

Spanish War the small pension they are now receiving; to the Committee on Pensions.

13. Also, petition of John Jononskos, of Brooklyn, N.Y., urging prevention of any enactment of measures changing existing pension laws relating to the Spanish War veterans; to the Committee on Pensions.

14. Also, petition of the members of General Henry W. Lawton Post, No. 21, Department of New York, United Spanish War Veterans, petitioning the favorable consideration of both Houses of Congress in defense of the Spanish War veterans; to the Committee on Pensions.

15. By Mr. JOHNSON of Texas: Telegrams of First National Bank of Teague, Tex., and Retail Merchants Association of Hillsboro, Tex., urging legislation guaranteeing bank deposits and abolishment of postal savings; to the Committee on Banking and Currency.

16. Also, petition of J. C. Stubenrauch, of Mexia, Tex., urging legislation guaranteeing bank deposits and abolishment of postal savings; to the Committee on Banking and Currency.

17. Also, telegram of R. M. Vaughan, of Dallas, Tex., urging legislation guaranteeing bank deposits; to the Committee on Banking and Currency.

18. Also, telegram of Hon. J. E. Woods, of Teague, Tex., urging the guaranteeing of banking deposits and discontinuance of postal-savings deposits; to the Committee on Banking and Currency.

19. By Mr. LINDSAY: Petition of Eastern Livestock Cooperative Marketing Association, Inc., Baltimore, Md., urging that the Federal Farm Board be retained as an independent office of the Government; to the Committee on Agriculture.

20. By Mr. RUDD: Petition of Eastern Livestock Cooperative Marketing Association, Inc., Baltimore, Md., favoring the Federal Farm Board be retained as an independent office of the Government; to the Committee on Agriculture.

21. By Mr. SUTPHIN: Petition of Lions Club of Red Bank, N.J., pledging unqualified fealty, support, and confidence to the new President of the United States, the Honorable Franklin D. Roosevelt, in his efforts to solve the problems which now confront our Government; to the Committee on Ways and Means.

22. Also, petition of Asbury Park Post 24, American Legion, 509 Sewall Avenue, Asbury Park, N.J., resolving to support the President in his efforts and hereby pledging itself to lend such aid as may be requisite for the better enforcement and observation of all orders and decrees of the President and enactments of the National and State Legislatures; to the Committee on Ways and Means.

23. By the SPEAKER: Petition of Jesse C. Duke requesting the impeachment of F. Dickinson Letts, an associate justice of the Supreme Court of the District of Columbia, and of Leo A. Rover, United States attorney for the District of Columbia; to the Committee on the Judiciary.

24. Also, petition of the Council of the City of Binghamton, N.Y., requesting that House Joint Resolution 191 of the Seventy-second Congress be enacted; to the Committee on the Post Office and Post Roads.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McDUFFIE: A bill (H.R. 2820) to maintain the credit of the United States Government; to the Committee on Economy.

By Mr. BOYLAN: A bill (H.R. 2821) providing for a 5-day work week for certain Government employees; to the Committee on the Civil Service.

Also, a bill (H.R. 2822) to establish a national seminary for the education of the blind; to the Committee on Education.

By Mr. CELLER: A bill (H.R. 2823) authorizing conventions in the States for consideration of a proposed amendment to the Constitution of the United States repealing the eighteenth amendment in the event that any of the respective States fail to provide for such conventions; to the Committee on the Judiciary.

Also, a bill (H.R. 2824) to impose an excise or license tax on retail merchants in the District of Columbia, as the words "retail merchants" are used in this act; to provide for the collection of such tax, the distribution and use of the revenue derived therefrom, the administration of said law, and a penalty; to the Committee on the District of Columbia.

By Mr. CULKIN: A bill (H.R. 2825) declaring the policy of the United States with respect to irrigation and reclamation; to the Committee on Irrigation and Reclamation.

Also, a bill (H.R. 2826) to provide for the commemoration of the Battle of Sacketts Harbor, in the State of New York; to the Committee on Military Affairs.

By Mr. GILCHRIST: A bill (H.R. 2827) to provide for conveying to the State of Iowa certain lands within the nonnavigable meandered lake beds within that State for use as public parks; to the Committee on the Public Lands.

By Mr. GREEN: A bill (H.R. 2828) to authorize the city of Fernandina, Fla., under certain conditions, to dispose of a portion of the Amelia Island Lighthouse Reservation; to the Committee on Interstate and Foreign Commerce.

By Mr. HARLAN: A bill (H.R. 2829) to confer emergency powers upon the superintendent of insurance for the District of Columbia to safeguard the interest of policyholders, beneficiaries, creditors, and the general public; to the Committee on the District of Columbia.

By Mr. KNUTSON: A bill (H.R. 2830) to regulate the level of water in certain reservoirs at the headwaters of the Mississippi River; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 2831) to collect additional tonnage dues from vessels of foreign nations that default in their debts to the United States; to the Committee on Ways and Means.

Also, a bill (H.R. 2832) authorizing the Red Lake Band of Chippewa Indians in the State of Minnesota to file suit in the Court of Claims, and for other purposes; to the Committee on Indian Affairs.

Also, a bill (H.R. 2833) to authorize the purchase of lands for use by Chippewa Indians of Minnesota as camp sites when harvesting wild rice, and for other purposes; to the Committee on Indian Affairs.

Also, a bill (H.R. 2834) to confer the degree of bachelor of science upon graduates of the Naval, the Military, and the Coast Guard Academies; to the Committee on Military Affairs.

By Mr. TAYLOR of Colorado: A bill (H.R. 2835) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes; to the Committee on the Public Lands.

By Mr. WARREN: A bill (H.R. 2836) to provide warrant officers of the Coast Guard parity of promotion with warrant officers of the Navy; to the Committee on Interstate and Foreign Commerce.

By Mr. WILCOX: A bill (H.R. 2837) to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes; to the Committee on the Public Lands.

By Mr. GREEN: A bill (H.R. 2838) to provide for the construction of post-office buildings to relieve unemployment and economic depression, and for other purposes; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 2839) to make provision for extending the time for making payments under loans from Federal land banks, and for other purposes; to the Committee on Banking and Currency.

Also, a bill (H.R. 2840) to prohibit the importation of articles from certain countries, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 2841) to provide for registration of aliens and a certificate of identification; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 2842) to provide for the suspension of immigration of aliens into the United States; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 2843) to further restrict immigration into the United States; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 2844) to provide for the commemoration of Fort Drane, in the State of Florida; to the Committee on Military Affairs.

Also, a bill (H.R. 2845) to provide for the commemoration of Fort King, in the State of Florida; to the Committee on Military Affairs.

By Mr. KNUTSON: A bill (H.R. 2846) to authorize the conveyance by the United States to the State of Minnesota of lot 5, section 18, township 131 north, range 29 west, in the county of Morrison, Minn.; to the Committee on the Public Lands.

Also, a bill (H.R. 2847) to provide for more expeditious settlement of money claims against the United States, and for other purposes; to the Committee on the Judiciary.

Also, a bill (H.R. 2848) to cancel all interest charges upon loans made upon adjusted-service certificates, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 2849) granting an additional pension of $25 per month to all widows who are now or who may hereafter become, on account of age or physical or mental disabilities, helpless or blind or so nearly helpless or blind as to need or require the regular aid and attendance of another person; to the Committee on Pensions.

Also, a bill (H.R. 2850) relative to the securities of foreign governments which have defaulted in their contract obligations to the United States; to the Committee on the Judiciary.

Also, a bill (H.R. 2851) to stabilize the values of the imports from countries changing their monetary standards, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 2852) authorizing persons, firms, corporations, associations, or societies to file bills of interpleader, or bills in the nature of interpleader; to the Committee on the Judiciary.

Also, a bill (H.R. 2853) prohibiting the use of the words "Army" or "Navy", or both, in the name of a store or company engaged in mercantile business; to the Committee on the Judiciary.

By Mr. KOPPLEMANN: A bill (H.R. 2854) to prohibit the importation of agricultural goods from certain countries and for other purposes; to the Committee on Ways and Means.

By Mr. LEMKE: A bill (H.R. 2855) to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Federal farm loan system, the Federal Reserve Banking System, and creating a Board of Agriculture to supervise the same; to the Committee on Agriculture.

By Mr. LINDSAY: A bill (H.R. 2856) to provide commutation of transportation on common carriers for certain persons traveling thereon for the sole purpose of visiting war veterans in hospitals, sanitariums, or similar institutions; to the Committee on World War Veterans' Legislation.

By Mr. SOMERS of New York: A bill (H.R. 2857) to authorize the acceptance by the Treasury of silver bullion and the issuance therefor of silver certificates for the purpose of correcting the dislocation of exchanges, elevating the price level, and maintaining the gold standard, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. TAYLOR of Colorado: A bill (H.R. 2858) to add certain lands to the Pike National Forest, Colo.; to the Committee on the Public Lands.

Also, a bill (H.R. 2859) to round out the boundaries of the Uncompahgre National Forest, to protect and develop its resources, and to compensate the Ute Indians for such appropriation; to the Committee on the Public Lands.

Also, a bill (H.R. 2860) to amend the Emergency Relief and Construction Act of 1932; to the Committee on Banking and Currency.

Also, a bill (H.R. 2861) to repeal provisions of the stock-raising-homestead law insofar as they relate to Colorado; to the Committee on the Public Lands.

Also, a bill (H.R. 2862) to add certain lands to the Cochetopa National Forest in the State of Colorado; to the Committee on the Public Lands.

By Mr. WELCH: A bill (H.R. 2863) to provide revenue by increasing taxes on certain nonintoxicating liquors and to remove the limitation contained in the prohibition laws upon the manufacture, transportation, and sale of such liquors in certain cases; to the Committee on Ways and Means.

By Mr. CONNERY: A bill (H.R. 2864) to protect labor in its old age; to the Committee on Labor.

Also, a bill (H.R. 2865) to remove the tax exemption on certain bonds issued by the United States; to the Committee on Ways and Means.

Also, a bill (H.R. 2866) to protect American labor by equalizing the cost in the United States of articles imported from foreign countries the currency of which has depreciated; to the Committee on Ways and Means.

Also, a bill (H.R. 2867) to prevent interstate commerce in certain commodities and articles produced or manufactured in industrial activities in which persons are employed more than 5 days per week or 6 hours per day; to the Committee on Labor.

Also, a bill (H.R. 2868) to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings; to the Committee on Labor.

By Mr. JOHNSON of Oklahoma: A bill (H.R. 2869) to authorize payment of expenses of formulating claims of the Kiowa, Comanche, and Apache Indians of Oklahoma against the United States, and for other purposes; to the Committee on Indian Affairs.

By Mr. LEA of California: A bill (H.R. 2870) to provide for the establishment of a Coast Guard station at or near Crescent City, Calif.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 2871) to authorize the free transmission, outside of the mail, of reports of the sale and delivery of milk and other farm products to a creamery or other local market; to the Committee on the Post Office and Post Roads.

By Mr. McKEOWN: A bill (H.R. 2872) to reform the procedure of the Supreme Court of the District of Columbia where charges are preferred of professional misconduct, and for other purposes; to the Committee on the Judiciary.

By Mr. RANDOLPH: A bill (H.R. 2873) creating a memorial postage stamp in honor of Anton J. Cermak; to the Committee on the Post Office and Post Roads.

By Mr. TINKHAM: A bill (H.R. 2874) to provide for registration of persons employed to advocate or oppose legislative measures and to regulate the method of such advocacy or opposition; to the Committee on the Judiciary.

By Mr. KNUTSON: Joint resolution (H.J.Res. 64) to provide for the determination of claims for damages sustained by the fluctuation of the water levels of Lake of the Woods in certain cases, and for other purposes; to the Committee on Foreign Affairs.

By Mr. CONDON: Joint resolution (H.J.Res. 65) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

By Mr. CELLER: Joint resolution (H.J.Res. 66) directing the Comptroller General of the United States to correct an error made in the adjustment of the account between the State of New York and the United States, adjusted under the authority contained in the act of February 24, 1905 (33 Stat.L. 777), and appropriated for in the Deficiency Act of February 27, 1906; to the Committee on the Judiciary.

By Mr. BOYLAN: Joint resolution (H.J.Res. 67) authorizing the selection of a site and the erection of a pedestal

for the statue or memorial to Thomas Jefferson in the city of Washington, D. C.; to the Committee on the Library.

By Mr. PATMAN: Joint resolution (H.J.Res. 68) proposing an amendment to the Constitution of the United States relative to taxes on certain incomes; to the Committee on the Judiciary.

By Mr. CELLER: Joint resolution (H.J.Res. 69) to investigate the activities of the Irving Trust Co. of New York, as receiver in bankruptcy and equity causes; to the Committee on Rules.

By Mr. TAYLOR of Colorado: Joint resolution (H.J.Res. 70) authorizing the fixing of grazing fees on lands within national forests; to the Committee on Agriculture.

Also, joint resolution (H.J.Res. 71) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska; to the Committee on Mines and Mining.

By Mr. GREEN: Joint resolution (H.J.Res. 72) to convey the thanks of Congress to Mrs. W. F. Cross for the prompt, heroic, and vigilant services rendered by her in protecting the life of President-elect Franklin D. Roosevelt, and to award a gold Medal of Honor therefor; to the Committee on Coinage, Weights, and Measures.

By Mr. KNUTSON: Joint resolution (H.J.Res. 73) stating whether coastwise traffic should be subjected to governmental regulation under the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. ROMJUE: Resolution (H.Res. 29) calling for a report concerning the transfer of non-civil-service employees in the Federal Government into classified civil-service positions between the dates of November 8, 1932, and March 4, 1933; to the Committee on Rules.

By Mr. CELLER: Resolution (H.Res. 30) authorizing the Federal Trade Commission to investigate the practices of the American Tobacco Co., the P. Lorillard Co., the R. J. Reynolds Tobacco Co., the Liggett & Myers Tobacco Co., and the Atlantic & Pacific Tea Co.; to the Committee on Interstate and Foreign Commerce.

By Mr. PATMAN: Resolution (H.Res. 31) to provide for an investigation of the monetary, banking, currency, and financial systems of the United States, the fiscal affairs of the United States Government and the laws relating thereto, and for a comprehensive report concerning these matters to aid Congress in any necessary remedial legislation and to assist in the recovery of moneys not properly accounted for which may be due to the Government and the people of the United States; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. WOLVERTON: A bill (H.R. 293) granting an increase of pension to George W. Kelley; to the Committee on Pensions.

By Mr. ARNOLD: A bill (H.R. 2875) granting an increase of pension to Delilah Rice; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2876) granting an increase of pension to Anna M. Reddelein; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2877) granting an increase of pension to Sarah Raney; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2878) granting an increase of pension to Margaret Price; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2879) granting an increase of pension to Harriet E. Tally; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2880) granting an increase of pension to Mary A. Spain; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2881) granting an increase of pension to Jane Martin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2882) granting an increase of pension to Sophia Snuffin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2883) granting an increase of pension to Frances F. Schick; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2884) granting an increase of pension to Kate Wallace; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2885) granting an increase of pension to Mary C. Rutherford; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2886) granting an increase of pension to Adaline Schlotterbeck; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2887) granting an increase of pension to Viola A. Shaw; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2888) granting an increase of pension to Mary A. Warman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2889) granting an increase of pension to Mary E. Turbeville; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2890) granting an increase of pension to Mary A. Ashton; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2891) granting an increase of pension to Elizabeth Andrews; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2892) granting an increase of pension to Laura S. Hicks; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2893) granting an increase of pension to Mary Greentree; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2894) granting an increase of pension to Louise Grasshoff; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2895) granting an increase of pension to Florence I. Earnhart; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2896) granting an increase of pension to Mary James; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2897) granting an increase of pension to Rachel A. Jackson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2898) granting an increase of pension to Adelia A. Masters; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2899) granting an increase of pension to Maria J. Harner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2900) granting an increase of pension to Eliza Peddicord; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2901) granting an increase of pension to Mary A. Oller; to the Committee on Pensions.

Also, a bill (H.R. 2902) granting an increase of pension to Ava Denton; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2903) granting an increase of pension to Mary A. Dyer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2904) granting a pension to Mary Elizabeth Venus; to the Committee on Pensions.

Also, a bill (H.R. 2905) granting a pension to Samuel H. Fulk; to the Committee on Pensions.

Also, a bill (H.R. 2906) granting a pension to Clara E. Braden; to the Committee on Pensions.

Also, a bill (H.R. 2907) granting a pension to Nelle M. Jones; to the Committee on Pensions.

Also, a bill (H.R. 2908) granting a pension to William J. Lindsey; to the Committee on Pensions.

Also, a bill (H.R. 2909) granting an increase of pension to Stanford A. Lasater; to the Committee on Pensions.

Also, a bill (H.R. 2910) granting an increase of pension to Nellie L. P. Earlewine; to the Committee on Pensions.

Also, a bill (H.R. 2911) granting a pension to Mary Belle Pigg; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2912) granting an increase of pension to Mary J. Burris; to the Committee on Pensions.

Also, a bill (H.R. 2913) granting a pension to Wilmena Shonert; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2914) granting a pension to Mary Jane Trailor; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2915) granting a pension to Harriet Ann Irvin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2916) granting a pension to Sarah L. Calhoun; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2917) granting a pension to John T. Garrison; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2918) granting a pension to Laura M. Gillaspie; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2919) granting a pension to Albert J. Simmons; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2920) granting a pension to Edna Elliott; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2921) for the relief of Armstrong Hunter; to the Committee on Military Affairs.

Also, a bill (H.R. 2922) granting a pension to Elvert Mouser; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2923) for the relief of Frederick Leininger; to the Committee on Military Affairs.

Also, a bill (H.R. 2924) for the relief of Caleb Kase; to the Committee on Military Affairs.

By Mr. BACHARACH: A bill (H.R. 2925) granting a pension to Mary A. Brokaw; to the Committee on Invalid Pensions.

By Mr. BOYLAN: A bill (H.R. 2926) for the relief of Theodore Paul Harris; to the Committee on Naval Affairs.

Also, a bill (H.R. 2927) for the relief of Charles Miller; to the Committee on Claims.

By Mr. CULKIN: A bill (H.R. 2928) for the relief of Smith-Canastota, Inc., successor to Bridge & Souter Co., Inc.; to the Committee on Claims.

Also, a bill (H.R. 2929) for the relief of Frank D. Lowe; to the Committee on Claims.

Also, a bill (H.R. 2930) for the relief of Westcott Chuck Co.; to the Committee on Claims.

Also, a bill (H.R. 2931) for the relief of Ward Bell; to the Committee on Claims.

Also, a bill (H.R. 2932) for the relief of Elbert Scott; to the Committee on Claims.

Also, a bill (H.R. 2933) for the relief of Rose Louise Trapolina; to the Committee on Claims.

Also, a bill (H.R. 2934) for the relief of William Burke; to the Committee on Claims.

Also, a bill (H.R. 2935) granting a pension to Ella Chapman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2936) granting a pension to Katie Roch; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2937) granting a pension to Cora Dawson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2938) granting a pension to Agnes Crawford; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2939) granting a pension to Cora B. Gardner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2940) for the relief of Charles E. Adams; to the Committee on Military Affairs.

Also, a bill (H.R. 2941) granting an increase of pension to Mary Wilder; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2942) granting an increase of pension to Martha J. Carlton; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2943) granting an increase of pension to Alice W. Butts; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2944) granting an increase of pension to Florine F. Seaman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2945) granting an increase of pension to Mary H. Ackley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2946) granting an increase of pension to Mary Wilder; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2947) granting an increase of pension to Margaret Van Dresar; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2948) granting a pension to Mary P. Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2949) granting an increase of pension to Alwilda E. Seymour; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2950) granting an increase of pension to Mary Hennessey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2951) granting an increase of pension to Sarah Jane Dempster; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2952) granting an increase of pension to Eliza Pickard; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2953) granting an increase of pension to Catherine Grunert; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2954) granting an increase of pension to Frances M. Hayden; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2955) granting an increase of pension to Laura Joles; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2956) granting an increase of pension to Katie Ingersoll; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2957) granting an increase of pension to Ida Bloss; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2958) granting an increase of pension to Mary Coombs; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2959) granting an increase of pension to Emogene Allen; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2960) granting an increase of pension to Eunice A. Collins; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2961) granting an increase of pension to Nancy E. Fish; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2962) granting an increase of pension to Adela Carman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2963) granting an increase of pension to Mrs. Edwin Crandall; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2964) granting an increase of pension to Frances E. Mack; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2965) granting an increase of pension to Addie M. Eggleston; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2966) granting an increase of pension to Jennie Skelton; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2967) granting an increase of pension to Lorinda Sherwood; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2968) granting an increase of pension to Annie Williams; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2969) granting an increase of pension to Anna E. Tyler; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2970) granting an increase of pension to Jennie Everett; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2971) granting an increase of pension to Erzelia A. Lackey; to the Committee on Invalid Pensions.

Also, a bill, (H.R. 2972) granting an increase of pension to Margaret J. Merrill; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2973) for the relief of W. Glenn Larmonth; to the Committee on Claims.

Also, a bill (H.R. 2974) for the relief of Albert W. Wright; to the Committee on Claims.

By Mr. FREAR: A bill (H.R. 2975) granting an increase of pension to Margaret Walrod; to the Committee on Invalid Pensions.

By Mr. GASQUE: A bill (H.R. 2976) granting a pension to Willie D. Miles; to the Committee on Pensions.

By Mr. GREEN: A bill (H.R. 2977) granting a pension to Julia Reynolds; to the Committee on Pensions.

Also, a bill (H.R. 2978) granting a pension to John F. Fisher; to the Committee on Pensions.

Also, a bill (H.R. 2979) granting a pension to Frank T. Douglas, alias Lewis Calhoun; to the Committee on Pensions.

Also, a bill (H.R. 2980) for the relief of B. A. Cannon; to the Committee on Claims.

Also, a bill (H.R. 2981) for the relief of George Preston Thomas; to the Committee on Military Affairs.

Also, a bill (H.R. 2982) for the relief of John Z. Reardon; to the Committee on Military Affairs.

Also, a bill (H.R. 2983) providing for preliminary examination and survey of Keaton Beach, Taylor County, Fla.; to the Committee on Rivers and Harbors.

By Mr. GREENWOOD: A bill (H.R. 2984) granting a pension to Verdie Osborn; to the Committee on Pensions.

Also, a bill (H.R. 2985) granting a pension to Hugh Alexander; to the Committee on Pensions.

Also, a bill (H.R. 2986) granting a pension to Bluford E. Johnson; to the Committee on Pensions.

Also, a bill (H.R. 2987) granting a pension to Patrick Clements; to the Committee on Pensions.

Also, a bill (H.R. 2988) granting a pension to Anna Fletcher; to the Committee on Invalid Pensions.

By Mr. HAINES: A bill (H.R. 2989) for the relief of Raymond A. Wolf; to the Committee on Military Affairs.

Also, a bill (H.R. 2990) for the relief of George G. Slonaker; to the Committee on Claims.

Also, a bill (H.R. 2991) granting a pension to Israel E. Smith; to the Committee on Pensions.

Also, a bill (H.R. 2992) for the relief of Caroline H. Adams; to the Committee on Military Affairs.

Also, a bill (H.R. 2993) granting an increase of pension to Annie M. Wierman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2994) granting an increase of pension to Elizabeth Knisly; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2995) granting an increase of pension to Mary J. King; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2996) granting an increase of pension to Margaret J. Miller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 2997) for the relief of Powell & Goldstein, Inc.; to the Committee on Claims.

Also, a bill (H.R. 2998) granting an increase of pension to Emaline J. Strine; to the Committee on Invalid Pensions.

By Mr. HIGGINS: A bill (H.R. 2999) granting an increase of pension to Hattie E. Chappell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3000) for the relief of Frank E. Hubbard; to the Committee on Military Affairs.

Also, a bill (H.R. 3001) granting an increase of pension to Augusta E. Cutler; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3002) granting an increase of pension to Mary E. Cahoone; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3003) granting an increase of pension to Lucy A. Beckwith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3004) granting an increase of pension to Eliza W. Parkhurst; to the Committee on Invalid Pensions.

By Mr. HOOPER: A bill (H.R. 3005) for the relief of Jacob Betzer; to the Committee on Military Affairs.

Also, a bill (H.R. 3006) for the relief of Samuel Slis; to the Committee on Military Affairs.

Also, a bill (H.R. 3007) granting a pension to Georgianna Robbins; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3008) for the relief of Edwin L. Menzer; to the Committee on Military Affairs.

Also, a bill (H.R. 3009) for the relief of Frank P. Martin; to the Committee on Military Affairs.

Also, a bill (H.R. 3010) for the relief of Will A. Helmer; to the Committee on War Claims.

By Mr. JONES: A bill (H.R. 3011) granting an increase of pension to Camely Arnold; to the Committee on Invalid Pensions.

By Mr. KNUTSON: A bill (H.R. 3012) granting an increase of pension to Katherine Barden; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3013) granting an increase of pension to Cora A. Pattison; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3014) for the relief of Joseph C. Bailey; to the Committee on Military Affairs.

Also, a bill (H.R. 3015) for the relief of Daniel W. Seal; to the Committee on Military Affairs.

Also, a bill (H.R. 3016) for the relief of Hans C. Knutson; to the Committee on Military Affairs.

Also, a bill (H.R. 3017) for the relief of Charles L. Fremling; to the Committee on Military Affairs.

Also, a bill (H.R. 3018) for the relief of the Cold Spring Brewing Co., of Cold Spring, Minn., a corporation; to the Committee on Claims.

Also, a bill (H.R. 3019) for the relief of Henry Fischer; to the Committee on War Claims.

Also, a bill (H.R. 3020) for the relief of the estate of Robert Garrard; to the Committee on Claims.

Also, a bill (H.R. 3021) for the relief of the heirs of Jean Baptiste Faribault and Pelagie Faribault, his wife; to the Committee on Claims.

Also, a bill (H.R. 3022) granting a pension to Eric Kronberg; to the Committee on Pensions.

Also, a bill (H.R. 3023) granting a pension to Mary Brown; to the Committee on Pensions.

Also, a bill (H.R. 3024) granting a pension to William C. Jones; to the Committee on Pensions.

Also, a bill (H.R. 3025) granting a pension to Ina Guptill; to the Committee on Pensions.

Also, a bill (H.R. 3026) granting a pension to Jeanette Nelson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3027) granting a pension to Carrie Thompson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3028) granting a pension to Minnie McPhail; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3029) granting a pension to Josephine Black; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3030) granting an increase of pension to Herbert A. Ruh; to the Committee on Pensions.

By Mr. LEA of California: A bill (H.R. 3031) to authorize the Secretary of War to donate two bronze cannon to Fort Humboldt Post, No. 212, American Legion, Eureka, Calif.; to the Committee on Military Affairs.

Also, a bill (H.R. 3032) for the relief of Paul Jelna; to the Committee on Military Affairs.

Also, a bill (H.R. 3033) for the relief of Paul Little; to the Committee on Military Affairs.

Also, a bill (H.R. 3034) for the relief of Joseph M. Purrington; to the Committee on Claims.

Also, a bill (H.R. 3035) for the relief of Lt. Comdr. Arthur A. Lee, Supply Corps, United States Navy; to the Committee on Claims.

Also, a bill (H.R. 3036) for the relief of Charles H. Brown, alias Harry Morgan; to the Committee on Military Affairs.

Also, a bill (H.R. 3037) for the relief of Joseph Payne; to the Committee on Naval Affairs.

Also, a bill (H.R. 3038) granting a pension to Thomas J. Davis; to the Committee on Pensions.

Also, a bill (H.R. 3039) granting a pension to Fordyce Tucker; to the Committee on Pensions.

Also, a bill (H.R. 3040) granting a pension to Manford Josiah Butler; to the Committee on Pensions.

Also, a bill (H.R. 3041) granting an increase of pension to Eva J. Tucker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3042) granting an increase of pension to Mary A. Bayles; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3043) for the relief of Grayson E. Pedigo; to the Committee on Military Affairs.

Also, a bill (H.R. 3044) for the relief of Charles Beretta, Isidore J. Proulx, and John J. West; to the Committee on Claims.

Also, a bill (H.R. 3045) for the relief of Charles Walker; to the Committee on Military Affairs.

By Mr. MARTIN of Oregon: A bill (H.R. 3046) granting a pension to Elizabeth B. Craig; to the Committee on Pensions.

By Mr. MAY: A bill (H.R. 3047) granting a pension to Isaac Eversole; to the Committee on Pensions.

By Mr. O'CONNOR: A bill (H.R. 3048) for the relief of William Martin; to the Committee on Military Affairs.

By Mr. RANDOLPH: A bill (H.R. 3049) granting a pension to Marcellus W. Mace; to the Committee on Pensions.

By Mr. RANSLEY: A bill (H.R. 3050) for the relief of William H. Stroud; to the Committee on Military Affairs.

Also, a bill (H.R. 3051) for the relief of Edward Curry; to the Committee on Military Affairs.

Also, a bill (H.R. 3052) for the relief of John F. Llewelyn, alias John Fluellen; to the Committee on Military Affairs.

Also, a bill (H.R. 3053) for the relief of John J. Connolly; to the Committee on Military Affairs.

Also, a bill (H.R. 3054) for the relief of Christopher Cott; to the Committee on Military Affairs.

Also, a bill (H.R. 3055) for the relief of John Coffin; to the Committee on Military Affairs.

Also, a bill (H.R. 3056) for the relief of James B. Conner; to the Committee on Claims.

Also, a bill (H.R. 3057) granting a pension to Alonzo B. Finch; to the Committee on Pensions.

Also, a bill (H.R. 3058) granting a pension to John J. Connolley; to the Committee on Pensions.

By Mr. SHALLENBERGER: A bill (H.R. 3059) granting a pension to Margaret Ann Kirtley; to the Committee on Invalid Pensions.

By Mr. SPENCE: A bill (H.R. 3060) to authorize the presentation of the Medal of Honor to John C. Reynolds; to the Committee on Military Affairs.

By Mr. STALKER: A bill (H.R. 3061) granting an increase of pension to Jane L. Morrill; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3062) granting a pension to Oscar B. St. John; to the Committee on Pensions.

By Mr. STOKES: A bill (H.R. 3063) for the relief of Edna Broome; to the Committee on Claims.

By Mr. STRONG of Pennsylvania: A bill (H.R. 3064) for the relief of Grant William Moore; to the Committee on Naval Affairs.

Also, a bill (H.R. 3065) for the relief of Harry R. Jones; to the Committee on Military Affairs.

By Mr. SUTPHIN: A bill (H.R. 3066) for the relief of William J. Ryan, chaplain, United States Army; to the Committee on Claims.

By Mr. TAYLOR of Colorado: A bill (H.R. 3067) for the relief of Harry Brawner; to the Committee on Military Affairs.

Also, a bill (H.R. 3068) granting an increase of pension to Douglas B. Jenkins; to the Committee on Pensions.

Also, a bill (H.R. 3069) granting a pension to George Williams; to the Committee on Pensions.

Also, a bill (H.R. 3070) for the relief of A. H. Sphar; to the Committee on Claims.

By Mr. WARREN: A bill (H.R. 3071) to authorize a survey from Pamlico Sound to Mill Creek, N.C.; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 3072) for the relief of Seth B. Simmons; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

25. By Mr. CULKIN: Petition of the Chamber of Commerce of Alexandria Bay, N.Y., urging the ratification of the treaty providing for the development of the Great Lakes-St. Lawrence waterway; to the Committee on Interstate and Foreign Commerce.

26. Also, memorial of the Common Council of the City of Watertown, N.Y., urging the proper commemoration of the naturalization of Thaddeus Kosciusko, and his appointment as a brigadier general; to the Committee on the Post Office and Post Roads.

27. Also, petition of Edna Wiltse and 26 other citizens of Oswego, N.Y., urging the adoption of the so-called "stop-alien-representation amendment"; to the Committee on the Judiciary.

28. By Mr. LAMBERTSON: Resolution of the Arthur N. Weir Post, No. 7, of the American Legion, of Horton, Kans., urging the maintenance of the benefits already awarded to the ex-service men of the World War and the expression that disability benefits, whether incurred in actual battle or training camps, should be made to bear no more than their just share of such economy; to the Committee on Appropriations.

SENATE

SATURDAY, MARCH 11, 1933

(Legislative day of Thursday, Mar. 9, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

JESSE H. METCALF, a Senator from the State of Rhode Island, appeared in his seat today.

PRESIDENT ROOSEVELT'S SUPPORT OF EX-SERVICE MEN

Mr. ASHURST. Mr. President, the number of telegrams, regarding the national emergency, I have received within the past 2 days is so great that no conceivable office force at my command could make reply, although it is my rule to reply to every letter or telegram I receive. In order that the senders of the telegrams may not deem me discourteous in failing to reply—for it is impossible to reply to all—I now read to the Senate a copy of a telegram I am sending to a few inquirers; and I ask all the senders of telegrams who receive the CONGRESSIONAL RECORD to treat this as a reply.

WASHINGTON, D. C., *March 11, 1933.*

Telegram received. President Roosevelt is the friend of the veterans of our various wars and he will deal justly and fairly with all the ex-service men. A crisis of tremendous proportions and with terrible results has been reached in our national destiny and all citizens must now make sacrifices for the country's welfare. I know that the ex-service men whose valor and courage saved our country will follow President Roosevelt who is our leader, for we must and should grant him full power and authority to act without restriction as the emergency arises. President Roosevelt is probably the best friend of ex-service men ever in the White House. He has suffered and knows how to sympathize with suffering. Please assure veterans and all others to trust him and follow his leadership for he needs your cooperation and help now. Please publish this telegram. Regards.

Senator ASHURST.

SPECIAL COMMITTEE TO INVESTIGATE AIR AND OCEAN MAIL CONTRACTS

The VICE PRESIDENT. In accordance with Senate Resolution 349, Seventy-second Congress, second session, creating a special committee of the Senate to investigate air mail and ocean mail contracts, the Chair appoints the following committee: Mr. BLACK, Mr. KING, Mr. MCCARRAN, Mr. AUSTIN, and Mr. WHITE.

FUNCTIONS OF FEDERAL HOME LOAN BANK BOARD (S.DOC. NO. 3)

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Home Loan Bank Board, transmitting, pursuant to Senate Resolution 351 (72d Cong., 2d sess.), a report relative to the functions and cost thereof of the Federal Home Loan Bank Board, which, with the accompanying statements, was ordered to lie on the table and to be printed.

RESOLUTION OF CONDOLENCE ON DEATH OF SENATOR WALSH OF MONTANA

Mr. THOMAS of Oklahoma. Mr. President, the Legislature of Oklahoma has passed a resolution of condolence upon the death of the late Senator Thomas J. Walsh, of Montana. I ask unanimous consent that a copy of the resolution be spread upon the pages of the RECORD and noted in the Senate Journal. I send to the desk the original thereof.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The resolution is as follows:

House Concurrent Resolution No. 20 (By Graham, Anglin, Mrs. Davis, King (Creek), Batson, Boyer, Logsdon, Sullivan, and Coe, of the house; Fidler, Rutherford, Ray, Dixon, Stewart, MacDonald, Morrison, Curnutt, Cummons, Whitaker, and Nichols, of the senate)

A resolution of condolence over the death of Senator Thomas J. Walsh, of Montana

God, in His infinite wisdom, has this day seen fit to call to Him, Senator Thomas J. Walsh, of Montana, and one of the Nation's outstanding citizens. During his years of public service, Senator Walsh rendered invaluable service both to the citizens of the country and the Democratic Party.

He was recently appointed Attorney General in the Cabinet of President-elect Franklin D. Roosevelt, and in our opinion the next President will find it difficult to replace this great lawyer and citizen, whose outstanding ability, unimpeachable integrity, and Christian qualities were known throughout the world.

The Nation mourns its loss. The State of Oklahoma bows its head in sorrow.

Now, therefore, be it

Resolved by the House of Representatives of the Oklahoma Legislature (the senate concurring therein), That we express our appreciation of the loss to the Nation, the Democratic Party, and to the State; be it further

Resolved, That we extend our heartfelt sympathy to his widow in her bereavement, and that a copy of these resolutions be enrolled upon parchment and delivered to her. Also, that a copy be sent to Oklahoma's delegation in the United States Senate for presentation to that body.

Adopted by the house of representatives the 2d day of March 1933.

R. P. FITZGERALD,
Speaker pro tempore of the House of Representatives.

Adopted by the senate the 2d day of March 1933.

ROBERT BURNS,
President of the Senate.

CALL OF THE ROLL

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Johnson	Pittman
Ashurst	Connally	Kean	Pope
Austin	Coolidge	Keyes	Reynolds
Bachman	Copeland	King	Robinson, Ark.
Bailey	Costigan	La Follette	Robinson, Ind.
Bankhead	Couzens	Logan	Russell
Barbour	Dale	Lonergan	Sheppard
Barkley	Dickinson	Long	Smith
Black	Dill	McAdoo	Steiwer
Bone	Duffy	McCarran	Stephens
Borah	Fess	McGill	Thomas, Okla.
Bratton	Fletcher	McKellar	Thomas, Utah
Brown	George	McNary	Trammell
Bulkley	Glass	Metcalf	Tydings
Bulow	Goldsborough	Murphy	Vandenberg
Byrd	Gore	Norbeck	Van Nuys
Byrnes	Hale	Norris	Wagner
Capper	Harrison	Nye	Walcott
Caraway	Hayden	Overton	Walsh
Carey	Hebert	Patterson	White

Mr. BLACK. I desire to announce that the Senators from Illinois [Mr. LEWIS and Mr. DIETERICH] are absent from the Senate attending the funeral of the late Mayor Cermak, of Chicago.

I also wish to announce that the Senator from Wyoming [Mr. KENDRICK] and the Senator from Montana [Mr. WHEELER] are necessarily absent attending the funeral of the late Senator Walsh of Montana.

I also desire to announce that the Senator from West Virginia [Mr. NEELY] is necessarily detained from the Senate.

Mr. HEBERT. I wish to announce the necessary absence of the junior Senator from Pennsylvania [Mr. DAVIS] on account of illness.

I also desire to announce the necessary absence of the senior Senator from Pennsylvania [Mr. REED], the Senator from New Mexico [Mr. CUTTING], the Senator from North Dakota [Mr. FRAZIER], the Senator from West Virginia [Mr. HATFIELD], the senior Senator from Minnesota [Mr. SHIPSTEAD], and the junior Senator from Minnesota [Mr. SCHALL].

The VICE PRESIDENT. Eighty Senators having answered to their names, a quorum is present.

THE JOURNAL

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that the Journal for the calendar days of Thursday and Friday, March 9 and 10, 1933, be approved.

The VICE PRESIDENT. Is there objection? The Chair hears none.

WORLD WAR VETERANS' COMPENSATION

Mr. ROBINSON of Indiana. Mr. President, I have just received a letter from Charles L. Edgerton, chairman of the legislative committee, Morgan McDermott Post, No. 7, American Legion, Tucson, Ariz., with which is inclosed a clipping from the Southwest Veteran, the official organ of the American Legion in Arizona. I desire to read a brief portion of the article:

"I resigned from the National Economy League more than a month ago and General Pershing's resignation, I understand, becomes effective on March 4", was the statement made to the editor of the Southwest Veteran by Gen. James G. Harboard, Chief of Staff of the American Expeditionary Forces and president of the Radio Corporation of America, in an interview Tuesday.

Then I read further from the same article as follows:

"When the Economy League was formulated", the general said, "Archie Roosevelt asked me to be the president of the organization, explaining the purpose of the league. * * * I consented to join, but not to be an officer. Archie asked me to preside at the first meeting held at New York with 26 States represented. I called the meeting to order and asked for nominations for a temporary chairman. After this was done I left the meeting to fill another engagement I had. From that day to this I have had nothing to do with the league. I notice that my name has been used quite often by the opponents of the league and it became very embarrassing to me as a retired Army officer. I resigned a month ago."

Asked whether he thought the league would be successful in their program to cut veterans' benefits: "I do not think that the league will succeed in the program of cutting veterans' benefits. When it was first organized I thought their purpose was to investigate and recommend cuts in other branches of government. However, I find that they seem to have centered on the veterans. I do not think that Congress has any intention of touching the veterans. Our country has always taken care of its soldiers and I know it will continue to do so."

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

REGULATION OF BANKING OPERATIONS

Mr. ROBINSON of Indiana. Mr. President, I desire to read a telegram which I have just received from banking institutions representing practically all the banks in one county of Indiana. The telegram reads:

ANDERSON, IND., *March 10, 1933.*

Senator ARTHUR ROBINSON,
United States Senate:

We believe the assets back of the smallest bank are assets back of our Government and should be eligible for same currency privileges as those of the largest banks. We further believe the Federal Reserve System should belong to all banks alike and request that opening be postponed until equal privileges are accorded both State and National banks regardless of size, location, or class of assets. We wish to enter a protest against today's publicity, both by air and press, as misleading and unfair to most banks and the public. Financial future of this locality depends upon your support in this crisis.

CITIZENS BANKING CO.
ANDERSON BANKING CO.
ALEXANDRIA BANKING CO.
COMMERCIAL BANK & TRUST CO. (FRANKTON BANK).
ELWOOD STATE BANK.
FIRST NATIONAL BANK OF ELWOOD.
SUMMITVILLE BANK & TRUST CO.
STATE BANK OF LAPEL.
PENDLETON BANKING CO.

I merely want to suggest in passing, Mr. President, that this is only one of the results of hastening through legislation before it can be properly considered, and I trust that in the future no efforts will be made to rush through the Congress of the United States any legislation that is only half-baked and with reference to which the Congress is entirely ignorant.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Louisiana?

Mr. ROBINSON of Indiana. I yield to the Senator.

Mr. LONG. I do not want to interrupt the Senator, but if he has concluded I should like to be recognized in my own right.

Mr. ROBINSON of Indiana. I have concluded.

The VICE PRESIDENT. The Chair recognizes the Senator from Louisiana.

Mr. LONG. Mr. President, in connection with the remarks of the Senator from Indiana, I send a telegram to the desk and ask that it may be slowly and audibly read by the clerk so that Senators may understand its purport. It is representative of a large number of telegrams which I am receiving in common with other Senators.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

ARDMORE, OKLA., *March 10, 1933.*

Senator HUEY LONG:

Opening banks on percentage or by selection will finish wrecking the whole system. Have Treasury issue scrip on safety paper same denomination as currency, distribute through Federal Reserve to all banks, allow checks on all accounts up to 75 percent paid with scrip. Accounts less than $5 to be paid in full. Hold 25 percent in all banks to insure solvency. Deposits must be guaranteed. What is a good bank now?

THE AMERICAN BANK & TRUST CO. OF ARDMORE.

Mr. LONG. Mr. President, I am not going to abuse the privilege given by having the clerk read further telegrams. I have in my hand a telegram from Los Angeles, Calif., which goes on to show practically the same status; and I have received a number of similar telegrams from New York. I have in my hand a copy of today's New York Times containing a report with reference to a legislative resolution of the General Assembly of the State of New York adopted

unanimously, which I send to the desk. While I will not ask to have the clerk read it, I will ask that it may be printed in the RECORD at the conclusion of my remarks.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

(The article referred to will be found at the conclusion of Mr. LONG's speech.)

Mr. LONG. Mr. President, this article is headed "Legislature Asks Aid for State Banks," and I read, in connection with my remarks, just a word or two from the news report in the New York Times. It says:

> Seeking to protect the interests and provide relief for the depositors in the State banks that are not members of the Federal Reserve System, Governor Lehman sent to Washington last night copies of a resolution adopted by the legislature in Albany, asking for changes in the emergency banking laws.
>
> • • • • • • •
>
> The resolution covers virtually the same ground as did the amendment to the banking laws which Senator HUEY LONG, of Louisiana, offered, and which was rejected by the Senate.

Mr. President, I am sorry that what I shall say may appear to the minds of some to be somewhat out of line with the general rule of caution that we ought to observe. We were told on Thursday afternoon that the banks were going to open on Friday morning, and thereupon the legislation was passed. The banks have not opened yet, Mr. President; they are not going to open today; and no one knows how many and when any of them are going to open. I wish to say, Mr. President, that we are about to commit one of the greatest crimes of our history, resulting in calamity; we are about to spread the terror and fire of destruction all over this country the day we undertake to open the preferred and selected list of banks.

I had hoped that some proposal was going to be forthcoming today having for its purpose the saving of the State banks. I had hoped—I had more than hoped, I had almost been given to understand, Mr. President—that there was a great probability that the Congress this morning, or very soon, would be afforded the opportunity of considering legislation along the lines of the amendment I offered on Thursday, and even going a little bit farther than that, to insure that State banks and their depositors would be protected.

Mr. ROBINSON of Indiana. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Indiana?

Mr. LONG. I yield to the Senator from Indiana.

Mr. ROBINSON of Indiana. Mr. President, I merely want to observe, not interrupting the Senator very long, that I think he is exactly right in the position he takes. Furthermore, what he says simply adds emphasis to the fact that the legislation enacted here a day or two ago should have been more thoroughly considered. I was happy to support the amendment of the Senator from Louisiana, but it had no fair consideration on this floor, and, consequently, the bill was all the weaker, because it failed to include that amendment. I hope something may be done along the lines the Senator suggested by the amendment he offered the other day.

Mr. LONG. I had hoped up until 10:30 o'clock this morning that such an amendment in some form, with additional needed provisions, might again be before the Senate, and I was astounded to learn, according to reliable information received by me, Mr. President, that the sources that were supposed to be most responsible for the legislation which we whipped through here on Thursday have been heard to say that they favored the kind of legislation that I undertook to put in that bill on last Thursday.

Mr. President, they could not open the banks on Friday, because they did not dare to try to open them on Friday; they could not open them today, because they did not dare to try to open them today; and if they open them on Monday it will be the blackest day that the United States Government ever experienced, unless something additional shall be done before it is undertaken to put into effect the hasty, half-baked legislation that was shot through the Congress on last Thursday.

I am sorry the Senator from Virginia [Mr. GLASS] has left the Chamber. I am not responsible for him leaving. He was here when I started, and I have got something to say which I have a right to say and which needs to be said here. I have read the books of the distinguished Senator from Virginia, in which he gives himself credit for having been chiefly responsible for the enactment of all the legislation regarding the Federal Reserve System, and I admit that he is.

I am further informed, from my study of the records and from the admissions of my distinguished colleague from Virginia, that no amendment has been adopted to the Federal Reserve Act since it was enacted, through his ingenuity to a large extent, which did not have either the indorsement or evidence of the handiwork of the Senator from Virginia. Therefore, he is a financial scholar far beyond what could be expected of anyone else; yea, he is a financial scholar, with merit coming to him for the authorship and for the operation of the Federal Reserve System of this country that is beyond the acclaim that can be accorded to any other man, because, since the days of Columbus, there has been only one occasion when all the banks of the United States were closed at one time. [Laughter.] With all the wreckage of the Civil War and our foreign wars, there has been only one man, according to his autobiography and according to the financial obituary of the United States, who can claim to know the financial structure of this country, and that is the Senator from Virginia, witnessed by the fact that as a fitting and dramatic climax to a glorious accomplishment the sun rose on every bank in America closed on the same day.

Now, gentlemen of the Senate, are we because of pride, because of the desire for harmony, to let this Saturday and this Sunday and this Monday go by and have the people of America witness the greatest financial calamity that has ever been faced on God's living globe, for no reason under the living sun except for some pride of authorship? I would not say this except for the fact that I have been given reliable information, or information which I believe to be reliable, that persons supposed to be back of this legislation have said that there should have been incorporated in the legislation referred to a means of protecting the 15,000 banks that will have to close.

EXHIBIT A

[From the New York Times, Mar. 11, 1933]

LEGISLATURE ASKS AID FOR STATE BANKS—UNANIMOUSLY PASSES LEHMAN'S PETITION TO WASHINGTON FOR CHANGE IN NEW LAW—SEES RECONSTRUCTION FINANCE CORPORATION LOANS BARRED—PRESENT PROCEDURE, POSSIBLY ONLY TO FEDERAL RESERVE MEMBERS, PROTESTED

Seeking to protect the interests and provide relief for the depositors in the State banks that are not members of the Federal Reserve System, Governor Lehman sent to Washington last night copies of a resolution adopted by the legislature in Albany asking for changes in the emergency banking laws.

The resolution, which specifically seeks changes in titles III and IV of the national legislation, was drafted at Governor Lehman's home during the day and sent to Albany. It was passed unanimously by the senate and assembly early last night. Copies of it then were sent to President Roosevelt, Secretary of the Treasury Woodin, and Members of both Houses of Congress. Former Justice Samuel Rosenman, legal adviser to Mr. Roosevelt when he was Governor, assisted in the preparation of the resolution.

The resolution covers virtually the same ground as did the amendment to the banking laws which Senator HUEY LONG, of Louisiana, offered and which was rejected by the Senate.

LAW CURBS STATE BANKS

Under the emergency banking laws as enacted in Washington, banks may issue nonassessable preferred stock for sale to the Reconstruction Finance Corporation to provide funds for the emergency. However, this provision will afford no relief to New York State banks, since they cannot, under the constitution of the State, issue nonassessable stock of any nature.

The resolution suggests that this provision of title III of the national laws be changed to make it possible for the State banks to sell to the Reconstruction Corporation debentures or other form of securities based upon bank property, but always subordinate to the claims of the depositors.

This should be done, the resolution sets forth, "to correct any discrimination by authorizing the Reconstruction Finance Corporation to make to worthy State banks loans which shall be subordinated to deposit liability, or which by some other method shall

preserve to the Reconstruction Corporation the same character of lien as would be provided by the issue of nonassessable preferred stock."

IMMEDIATE RELIEF SOUGHT

The changes which the resolution seeks in title IV of the national laws were designed to afford immediate relief to State banks. Under the terms of the national legislation members of the Federal Reserve System have rediscount privileges on notes, drafts, bankers' acceptances, and other forms of bank paper.

However, for State banks that are not members this phase of business may be carried on solely through their correspondent banks that are members of the Reserve System. In this way many banks are placed virtually at the mercy of other banks without having direct recourse to the Federal Reserve.

Also, under the emergency national laws members of the Federal Reserve banks may obtain currency from the Federal Reserve up to 90 per cent of notes secured by collateral placed with the central System. State banks that are not members would be unable to obtain any of this currency under the bill as it stands.

It was in order to rectify this condition that Governor Lehman's resolution asked the President and Congress to "make available similar facilities to sound and worthy nonmember State banking institutions so that they may be permitted to reopen coincidentally with sound national banks and member banks."

TEXT OF THE RESOLUTION

The text of the resolution follows:

"Whereas under the act to provide relief in the existing national emergency in banking, and for other purposes, enacted by Congress on March 9, 1933, section 304 of title III provides for the purchase of or loans against nonassessable preferred stock of National banks and State banks and trust companies by the Reconstruction Finance Corporation; and

"Whereas section 7 of article VIII of the Constitution of the State of New York prohibits the issuance of any nonassessable bank stock; and

"Whereas therefore the nonavailability of the facilities of said title III to sound and worthy State institutions may have the effect of working great hardship and discrimination against these State banking institutions; and

"Whereas title IV of the above-described act is not applicable to sound and worthy nonmember State institutions: Now, therefore, be it

"*Resolved (if the assembly concurs)*, That the President and the Congress and the Secretary of the Treasury of the United States be urged to take action to clarify these provisions of title III so as to correct any discrimination by authorizing the Reconstruction Finance Corporation to make to worthy State banks loans which shall be subordinated to deposit liability, or which by some other method shall preserve to the Reconstruction Finance Corporation the same character of lien as would be provided by the issue of nonassessable preferred stock; and be it further

"*Resolved*, That the President and the Congress and the Secretary of the Treasury of the United States make available facilities similar to those referred to in title IV of the above-described act to sound and worthy nonmember State banking institutions, so that they may be permitted to reopen coincidentally with sound national banks and member banks; and be it further

"*Resolved*, That a copy of this resolution be telegraphed forthwith by the clerk of the senate to the President and to the Clerks of the respective Houses of the Congress and to the Secretary of the Treasury of the United States."

NO OTHER RELIEF POSSIBLE

Governor Lehman indicated last night in making the resolution public that he had no alternative program. Thus the possible date of reopening for some State banks, and perhaps many, was put up to Washington to decide, for without the issuance of scrip in communities, banks that were in need of cash and were not members of the Federal Reserve System would be without relief.

The number of banks in New York State that are not members of the Federal Reserve was not estimated by the Governor. It was indicated, however, that the total might be about 200.

It was pointed out that it is not possible to change New York State laws to conform with the Federal laws. Section 7 of article 8 of the State constitution provides that "the stockholders of every corporation and joint-stock association for banking purposes shall be responsible to the amount of their respective share or shares of stock in any such corporation or association for all its debts and liabilities of every kind." Being a constitutional provision it could be changed only by constitutional amendment, which would take at least 2 years.

With regard to other problems affecting State banks in connection with the national legislation it was said that no State legislation would afford any direct relief.

ACTION AT ALBANY RUSHED

The resolution was dictated by telephone from Governor Lehman's home at 820 Park Avenue to Albany early last evening. The legislature had been held ready all day for possible legislation requested by the governor, and when the resolution was placed in form no attempt was made in the senate to explain it. It was merely read and adopted by unanimous vote.

In the assembly, after the resolution had been read, Speaker McGinnies explained briefly that "this resolution memorializes Congress to take action in some way so that State banks may receive the same relief as national banks under the legislation passed Thursday by Congress."

Governor Lehman was notified by telephone as soon as the resolution had been adopted, both houses acting upon it concurrently, and he immediately dispatched copies of it to Washington. His hope was that relief would be afforded quickly enough to permit sound State banks to reopen at the same time that Federal Reserve member banks opened.

Mr. FLETCHER. Mr. President, I send to the desk a telegram which has come to me from Lima, Ohio, signed by the chairman of Group No. 2, Bankers' Association of Ohio, and ask to have it printed in the RECORD. It bears on the subject of the guaranty of bank deposits and is only a sample of numerous other letters and telegrams I am receiving on that subject.

The VICE PRESIDENT. Without objection, the telegram will be printed in the RECORD.

The telegram referred to is as follows:

LIMA, OHIO, *March 10, 1933.*

Chairman SENATE BANKING COMMITTEE,
Washington, D.C.:

At special meeting Lima, Ohio, tonight of executive committee of Group 2, Ohio Bankers' Association, representing 110 State and national banks of western Ohio following resolution was adopted: "*Resolved*, That Group No. 2, of the Ohio Bankers' Association, consisting of the State and National banks of 11 counties in western Ohio in convention assembled this 10th day of March, 1933, does hereby favor and, therefore, urge the Congress of the United States to immediately enact such laws as will guarantee the present and future deposits of the State and national banks of the United States of America, believing that nothing less than such guaranty will prevent public disaster."

FRED C. SPITTLE,
Chairman Group 2, Ohio Bankers' Association,
Bellefontaine, Ohio.

Mr. FLETCHER. Mr. President, I merely wish to say, in connection with some observations which have been made, that it is easy enough to find fault about speed and haste and all that sort of thing, but now is a time when the people of the country call for cooperation not only here but throughout the land. All banks, including State banks and other banks, ought to manifest a spirit of cooperation, and that is the thing we have got to have. We need not find fault here about one thing or another involving mere matters of detail that do not go to the real situation. Let us try to cooperate here and elsewhere.

Mr. CAPPER. Mr. President——

Mr. LONG. Mr. President, I hope the Senator from Florida will allow me to make an observation or to put what I have to say in the form of a question.

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Louisiana?

Mr. FLETCHER. I am through.

Mr. LONG. Mr. President, the Senator——

The VICE PRESIDENT. The Senator from Kansas [Mr. CAPPER] addressed the Chair some time ago and the Chair recognizes that Senator.

Mr. CAPPER. Mr. President, I have a telegram——

Mr. LONG. Will the Senator yield to me for just a moment in connection with what has been said?

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Louisiana?

Mr. CAPPER. I yield.

Mr. LONG. I wish to say to the Senator from Florida that I favor the guaranty of bank deposits and I favor cooperation. I do not, however, favor the kind of cooperation which leaves 15,000 State banks closed; and, since the Senator from Florida very justly invokes cooperation from the State banks, I wish that we would not condemn them to death but would give them a chance to cooperate.

Mr. CAPPER. Mr. President, I have a telegram here from the Kansas Bankers' Association, which includes in its membership practically all the banks of the State, both National and State. The telegram, with which I am in full sympathy, reads:

TOPEKA, KANS., *March 11, 1933.*

Senator ARTHUR CAPPER,
United States Senate, Washington, D.C.:

Many medium and small Kansas banks, especially State-chartered institutions, fearsome of result to them if selected list of limited number large national banks approved for reopening.

Prefer present ban continued sufficiently to permit all classes of banks reopening, with all depositors equally protected; also objections postal savings facilities continued.

KANSAS BANKERS' ASSOCIATION.

I have received similar appeals from the governor of the State and from others, and I hope that they will have serious consideration by those in charge of the program. I want to see the State banks fully protected.

Mr. FESS subsequently said: Mr. President, when the Senator from Florida asked to have inserted in the RECORD a telegram from Lima, Ohio, I tried to get the floor to state that I have received not only the same telegram but numerous telegrams from various bankers and bankers' associations throughout the State, making the same sort of an appeal that is made in this telegram. It appears that a great number of people in Ohio, as well as other places, have come to the conclusion that nothing will restore confidence except a bank guaranty law.

I have tried to explain to the people back home the difficulty of our entering upon that sort of legislation, at this stage of the matter at least. I desire to make this statement so that my folks back home will realize that I have paid some attention to their communications, but I do not see any opportunity at this stage to do what they want.

Mr. ROBINSON of Arkansas. Mr. President, it is natural that there should still exist confusion, uncertainty, and anxiety respecting the banking situation. My purpose is to take such action as will justify a revival of confidence.

No matter what action this Congress might take, unless its decision be supported by the cooperation and good will of the banking managements of the country and of the public, the state of confusion and fear which we are seeking to remedy will be in large measure perpetuated and continued.

Now, there is complaint that the Congress acted hastily in the presence of an emergency. Now, there is complaint that revision of the banking laws of the United States was not effected in the emergency bill which we passed the other day.

For many months there had been before the Senate, and for some time after its passage by the Senate before the House of Representatives, a bill known as the "Glass banking bill", which had for its object some of the purposes which it is now complained have not been accomplished. We found here influences and forces directed against the passage of that measure which are now appealing for the enactment, as emergency measures, of many of the provisions which they resisted with all the power that they possessed.

We read the other day in the press that some of the banks which had resisted to the death, secretly and by the use of influences that are to be condemned in any decent assembly, their separation from their affiliates, and the discontinuance of the use of depositors' funds for speculative purposes, now, when the opportunity has passed for a time, come and ask the Congress, in an emergency measure, to reform the banking laws of the country and to incorporate the very provisions which they condemned and resisted.

We did what we thought was right, and we did what was right, in passing the emergency banking bill. It would have imposed an impossible burden on the Chief Executive to have required him to exercise his discretion in covering, in a blanket order or otherwise, the State banks into the Federal Reserve System. If the President had exercised such discretion in a way that would have been effective for the encouragement of the State banks, it would have meant the complete wrecking of the Federal Reserve System, and everyone familiar with the subject knows that that is true.

This bill that we passed as an emergency measure extended liberal consideration to State banks. It is true that there has been a delay in the opening of banks; but when the smoke clears away, and when the tumult and the shouting have died, I think it will be found that wise precautions have been taken; that every possible assistance has been rendered, under the terms of the bill and within the fair discretion of the officers intrusted with authority, to encourage and assist the State banks.

It is easy to make criticism, and by making ill-considered criticism one might retard the very progress which he thinks he is facilitating.

Everyone turns to the Federal Government. I have had messages from State banking commissioners urging me to cooperate with the movement to require the Federal Government immediately to take over every State bank in existence and to liquidate its assets. I do not know where such a proposition originated. It would seem that anyone would realize that the Federal Government has no such authority. It would seem that every citizen would know that the Federal Government cannot pay everybody's debts and at the same time relieve from oppressive taxation and maintain its own credit. There is a limit to what the Federal Government can do.

The State banks have had the option for years to enter the Federal Reserve System on fair, generous conditions. Many of them have exercised that option. Others having failed to do so, we were asked here, without any consideration by a committee, substantially without consideration by the Senate, to permit the President to cover them all into the Federal Reserve System; and I say it imposes a physical impossibility. The amendment of the Senator from Louisiana as first proposed gave the President the power to cover all States into the Federal Reserve System without their authority or consent. The amendment as finally amended required their consent.

If you think, Senators, that this law needs amendment, do not try to prevent the effectiveness of the statute already passed. For God's sake, give the Government authorities all the opportunity they can have to go forward in the administration of the law in the most effective manner possible. Present your amendments, let them be studied, considered, and reported and I have no doubt the Congress will take fair action concerning them.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Idaho?

Mr. ROBINSON of Arkansas. I yield to the Senator from Idaho.

Mr. BORAH. I seek information in order that I may intelligently reply to the authorities of my State. I have a telegram in which it is said:

Secretary of Treasury sent Finance Commissioner Defendorf wire today in which he said that all banks are prohibited under President's proclamation from conducting any banking business except as specifically authorized by Secretary.

That is plain enough.

That member banks will be reopened under his rule and orders, but owing to lack of his information about State banks, that the President will by decree authorize appropriate State authorities in each State to open for normal business, or, in their judgment and under terms of proclamation, they may permit State banks to reopen under restrictions. Then he advises that in so acting, the State authorities will consider the general policy of Treasury to end that only sound banks be reopened.

What I desire to know is: First, is it the policy of the administration under this law to permit and require the State banks to open only and alone after the proclamation has been issued by the National Government; and, secondly, does the National Government propose to exercise any authority with reference to the manner or conditions under which the State banks shall open, or shall that be left entirely to the State commissioners and State authorities?

Mr. ROBINSON of Arkansas. Mr. President, I do not feel that I can answer the Senator's inquiries with absolute authority. It is my opinion that the State banking commissioners or supervisors, whatever they may be termed, will have authority to reopen the State banks, and that the conditions under which they will be reopened will be determined by the State statutes and by the orders of the local banking commissioners, subject no doubt to fair cooperation, coordination, and consultation with the national authorities. It would seem that would be the logical way. I assume the Senator can obtain the information he desires by communicating directly with the Secretary of the Treasury.

Mr. BORAH. Mr. President, I desire to ask one further question.

Mr. ROBINSON of Arkansas. Very well.

Mr. BORAH. Of course, I assume that the State authorities will seek to cooperate with the National Government. What I desire to know is whether there is a contention to the effect that the National Government will or can require anything more than cooperation such as the State may voluntarily give. That is to say, the real authority in the State rests with the State commissioner or other State authorities, as I understand it. It simply depends on what cooperation they are willing to give in the matter.

Mr. ROBINSON of Arkansas. That is my understanding.

Mr. ADAMS. Mr. President, may I in part answer the inquiry by reading a portion of Secretary Woodin's proclamation?

Mr. ROBINSON of Arkansas. I yield to the Senator.

Mr. ADAMS. The statement from Secretary Woodin published in the morning paper contains this heading, which the Senator from Idaho, I think, will find an answer to his inquiry. It is headed "Orders to the States":

The following instructions by Mr. Woodin to State banking superintendents were made public.

This follows:

All banks of the country are now prohibited, under the proclamation of March 9 of the President, from conducting any banking business, except as specifically authorized by rule, regulation, or license of the Secretary of the Treasury issued under that proclamation.

Mr. LONG. Mr. President, the Senator from Arkansas has just stated that the National Government has no jurisdiction over State banks. I would like to have him state how the proclamation of the Secretary of the Treasury keeps the State banks closed.

Mr. ROBINSON of Arkansas. The order, I understand, was issued under a war-time measure. I believe it was entitled "Trading with the Enemy Act", and it has never been repealed.

There are many legal questions which could be raised as to whether that act is applicable during a time of peace, and as to what provisions of it might be applicable, but in order to cure that defect, insofar as it was practicable to do so, in the bill which we passed day before yesterday we ratified, as far as the legislative authority had power to control the subject, the actions taken by the President.

Now I wish to say just one more word. Nearly all of the telegrams we are receiving have relation to the insistence upon a form of bank guaranty. I have not the slightest doubt that the people of the country are very much in sympathy with that idea, and that they believe that if the Federal Government would guarantee the deposits in all the banks, conditions would be very greatly improved, and that prosperity would be promoted.

I have given limited study to the subject of bank guaranties. In every State where such a policy has ever been tried, it has proven a failure, according to the information I have. It was tried out in Nebraska a few years ago and resulted disastrously. I have heard that it was tried out in Oklahoma with the same result. There are Senators present who are better informed on the subject than I can claim to be.

If the Federal Government started in to guarantee bank deposits, the first question which would have to be determinded would be this: In what banks will the deposits be guaranteed? Will the Government guarantee all deposits? If it guarantees all deposits, it immediately assumes a loss of billions and billions of dollars, as we all know, and, as a result of such action, the Federal Government would be threatened with bankruptcy and ruin immediately upon the enactment of the statute. If it limited its guaranty to the solvent banks, it would be doing very little that would be helpful to the public, and it would be taking the risk of incurring great liabilities in the future. But, paramount to all that, it would be leaving undone the things which those who are now urging an emergency bank guaranty law are insisting upon.

Oh, yes; the big banks resisted here and throughout the country the provision in the Glass bill for a liquidating corporation, to the funds of which they were expected to contribute something; they opposed any guaranty of deposits; but now they have changed their minds, and they are asking Congress to guarantee their deposits. I leave Senators to draw their own conclusions.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield.

Mr. BYRNES. If the Federal Government did guarantee the deposits of all the banks, what would be the effect on the Liberty bonds now outstanding?

Mr. ROBINSON of Arkansas. Mr. President, I thought I answered that question when I said that it would mean the immediate ruin of the Government's credit. The bonds of the United States now in existence would, of course, be depreciated in value and price. The extent of the depreciation cannot be anticipated. But the Government would not be able to refund the short-term notes which will be maturing within a few days. Everyone knows that. The Government would never sell another Government bond at par, so long as it had guaranteed the obligations of institutions of questionable solvency.

If you want to wreck your Government, if you wish to pull the last pillar from the temple and bring the ruins down upon your own heads, then enter upon a provision guaranteeing bank deposits in State institutions. You would not have to wait until a black sunrise on tomorrow to see the result. You would witness it at once.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield.

Mr. GLASS. In answer to the question asked by the Senator from South Carolina, may I remind the Senator from Arkansas that the former President of the United States who retired on the 4th of March last, in response to an inquiry of that nature, gave it as his considered opinion that immediately, over night, the depreciation of outstanding Federal bonds would be at least 50 per cent, that they would not sell for 50 cents on the dollar.

Mr. ROBINSON of Arkansas. The statement of the Senator from Virginia is correct.

Mr. GLASS. I would ask the Senator, further, this question: Does he discover any reason why the American people should be taxed to guarantee the debts of banks, any more than they should be taxed to guarantee the debts of other institutions, including the merchants, the industries, and the mills of the country?

Mr. ROBINSON of Arkansas. Certainly not; and the very people who are now insisting upon the United States' guaranteeing bank deposits, both State and national, would be the first to turn in resentment on us for such action unless it made the guaranty more general.

Mr. FLETCHER. Mr. President, will the Senator yield to me?

Mr. ROBINSON of Arkansas. I yield.

Mr. FLETCHER. It is not my idea that these proposals are confined to placing on the Government the responsibility and obligation of guaranteeing these deposits. There are various proposals, some to require the banks themselves to protect depositors, by providing for funds which may be raised from contributions by the banks, contributions by the depositors, and contributions by borrowers.

Mr. ROBINSON of Arkansas. That is kindred to the provision in the Glass bill to which I referred a few moments ago, and which met with the resistance of the very forces which are now seeking to commit the Government to a guaranty policy.

Mr. FLETCHER. That is the kind of guaranty which I have in mind. I do not mean to suggest that the Government should go into the guaranty business at all.

Mr. GLASS. Mr. President, will the Senator yield again?

Mr. ROBINSON of Arkansas. I yield.

Mr. GLASS. If the Senator from Florida and other Senators will examine their telegrams, they will find that 95 percent of those who are insisting upon a guaranty are insisting upon Government guaranty; and, as the distinguished

Senator from Arkansas has said, when we proposed to levy an inconsequential assessment of one fourth of 1 percent upon the banks of this country to insure a prompt return of their money to depositors in closed banks, they came here with an organized monopoly to protest against that inconsequential assessment, an assessment which involved, in the last analysis, only one eighth of 1 percent.

Mr. BORAH. Mr. President, may I ask the Senator who it was who opposed that particular provision? The opposition did not come from the people generally throughout the country, did it?

Mr. GLASS. It came from the bankers.

Mr. BORAH. Exactly.

Mr. GLASS. Upon whom we were proposing to levy the assessment.

Mr. BORAH. I am not surprised that it came from them.

Mr. GLASS. They organized a lobby against it, and if the Senator will examine the hearings before the Committee on Banking and Currency, he will note that every banker who appeared there protested against that inconsequential assessment upon the banks.

Mr. BORAH. I would expect that.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Tennessee?

Mr. ROBINSON of Arkansas. I yield.

Mr. McKELLAR. Like all other Senators, today, and yesterday, and for the last several days, I have received a great many telegrams from my State in reference to the guaranty of bank deposits. I have asked these bankers this question in a telegram:

> Would banks be willing, in the event of guaranty of deposits, to pay as much as one fourth of 1 percent of their interest on loans, and charge their customers an additional one fourth of a percent on a general-guaranty fund?
>
> Would they, in addition, be willing to pay 1 percent on savings deposits and one fourth of a percent on daily average balances of deposits in order to maintain a general-guaranty bank fund?

It seems to me that if any guaranty at all is to be made, it should be made by the banks themselves.

Mr. ROBINSON of Arkansas. Mr. President, while the Senator is telling us of the inquiries he has made to the banks, it would be interesting to have knowledge of their replies.

Mr. McKELLAR. I have sent this telegram only in the last few moments; and when the replies come, I shall submit the replies, or some of them, to the Senate.

Mr. ROBINSON of Arkansas. The Senator from Virginia was right when he said that if we correctly interpret the language of most of the telegrams which are coming in, we will find that they mean a guaranty by the Federal Government, and nothing else. Every telegram I have had on the subject, without a single exception, insofar as I can recall, has asked me to pledge the credit of the United States to the payment of the debts of banks, many of which are insolvent.

Mr. President, I have sympathy with the depositors in these institutions, and I should like to be of assistance and service to them; but while we are yielding to such entreaties and demands, let us not forget that at this time it is important to maintain the integrity and the credit of the Government of the United States, and if we pursue a course which further threatens or endangers national credit, we shall do far more harm than we should do by refusing to legislate in an ill-considered manner for the guaranty of bank debts—which it is known the Government will have to pay, in part, at least, if such guaranty shall be made.

I recognize that there is no legislation, whatever may be proposed, that will immediately or quickly lift the clouds and let the sunshine through on all our people and their labors. But there is a fair and a necessary limit to the extent to which we should pledge the credit of the Federal Government, and in guarding that we are doing our duty, even though we fail to respond to the propaganda that is directed in almost resistless force and volume toward reckless action.

Mr. President, I have consumed much more time than I intended. I hope we will permit the authorities under the new statute to do everything that is possible to be done to ameliorate the situation. I trust that we will not ourselves by anything we say or do here hamper or unnecessarily burden them in their efforts, for God knows the task is so great and the difficulties which they must overcome are so numerous that they require our heartiest cooperation and support.

Mr. President, I yield the floor for the present, although it is my purpose to move an executive session with the object of having some nominations referred.

Mr. VANDENBERG. Mr. President, I hope that motion may be withheld for the present.

Mr. ROBINSON of Arkansas. Oh, yes; I withhold it, of course.

Mr. VANDENBERG. Mr. President, it is not pertinent at the moment to indulge in attention to any phase of guaranteeing or insuring bank deposits, because the Congress and the administration have decided to proceed for the time being in a different banking direction. But it seems to me it would be very unfortunate if the subject were to be left where the able Senator from Arkansas has left it, because I should dislike to have the country mistakenly believe that at no point in a program for guaranteed or insured bank deposits is there any reliable, dependable, sound, sane formula.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Arkansas?

Mr. VANDENBERG. I yield.

Mr. ROBINSON of Arkansas. I thought it was made clear during my remarks that I supported the provision in the Glass bill which provides for a liquidating corporation and for a fund which is in the nature of a guaranty for deposits. I feel that the expense of any guaranty arrangement ought in large part to be borne by the banks rather than imposed entirely on the Federal Government.

Mr. VANDENBERG. Mr. President, the provision in the Glass bill for liquidating corporations was a provision to deal with banks after they are closed. I favored it as a means to expedite liquidating dividends to unfortunate depositors. But it was a proposition in no sense analogous to the subject now under discussion. It was a proposition to close the barn door after the horse is stolen. There is no reason in the world why a more affirmative process can not lock the barn first, and it is to that proposition I wish to address myself. It is totally different from the liquidation proposal in the Glass bill. I want to save depositors so far as possible from any need to be liquidated. I want them to know in advance that their money is safe.

I think the Senator from Arkansas would readily concede that I always attempt to dedicate myself in this body to sound finance and to the integrity of the Treasury quite as faithfully as he does. I think he will concede that I have already amply demonstrated my purpose to cooperate with the new administration upon every possible front. But, Mr. President, sound finance is not automatically at war with a proper program of deposit insurance, and cooperation does not require an abdication of judgment. Neither does cooperation nor a plea in the name of patriotism require Senators to yield up their convictions when those convictions are solidly based upon reason and not upon mere political or partisan indigestion.

I propose to submit very briefly that there is a point at which it is not only perfectly safe, but at which it would be utterly wise to put the insurance of the Federal Government behind a certain type of bank-deposit credits in the United States, not only for the sake of depositors but also for the sake of perpetuated American institutions.

I concede at the outset that every State effort to guarantee bank deposits has been a total, abject failure and that the depositors in the banks which were relying upon the guaranties have been the chief victims of those failures.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Arkansas?

Mr. VANDENBERG. I yield.

Mr. ROBINSON of Arkansas. The Senator has stated that he conceives of a Federal guaranty as to certain types of depositors. I wonder if it is his intention to elaborate that thought and tell us what types of depositors should be included and which should be excluded?

Mr. VANDENBERG. It is, if the Senator from Michigan may be permitted to continue.

Mr. President, let me repeat, so there may be continuity in my statement, that I frankly concede that State guaranties of all bank deposits have been an abject failure. Secondly, let me completely agree with the Senator from Arkansas that if we were now to attempt to insert a general Federal guaranty under all the deposits in all the banks of the United States as of the present-day face value of their shattered assets, it would mean that we would be charging all the shrinkage in those values to the Treasury of the United States. That to me is quite as impossible and impractical as the Senator has indicated. But that does not close the contemplation by any means. On the contrary, it is only a warning that we must avoid these known infirmities. It should not discourage all further pursuit of the subject. It should merely advise us to take advantage of these lessons.

Mr. President, we have passed a bill under the terms of which the Comptroller of the Currency and the Secretary of the Treasury by their own ipse dixit are about to decide what banks of the United States are solvent and what banks are not solvent, with the possible result that there may be numberless, needless bank tragedies up and down the country at the ultimate expense of the depositors themselves. At least that may be the result if solvency and liquidity are to be taken to mean the same thing and if today's broken and subnormal values are to be the ruthless yardstick. I hope the new authority will not be used in this fashion. I am sure it will not be intentionally so used. But I submit that it would have been infinitely safer and wiser and more automatically effectual to have proceeded in the following fashion, which includes Federal insurance for bank deposits. I do not mean to be threshing old straw. I do not mean to be idly critical. I take my share of responsibility for what has been done. I would not discuss this alternative which might have been, except as it is the best way to demonstrate my view respecting deposit insurance. We may yet find it advisable to proceed in some of these directions as a supplement to the program already ordained, although I fervently hope and pray that this program may completely succeed, and I shall continue to cooperate to this end.

But I submit that if in the present emergency we ordered the bank assets of every bank in the United States to be divided, liquid assets upon this side and nonliquid assets upon that side, we would take the first essential and logical step. Then if we ordered negotiable certificates of participation issued to depositors against the nonliquid assets, those negotiable certificates to be redeemable at par in payment of any debt at the bank of issue, those certificates to be supported until they were retired at par by all the earnings of the banking institution even if it took a decade until the depositor had been returned, if possible, every dollar that was representative of his money in those nonliquid assets—if we set up these participation certificates upon the one side against the nonliquid assets, we would provide the most orderly possible way to salvage the maximum value of those assets in behalf of the depositors. At the same time we would give them the relative use of their deposits through the use of participation certificates. Of course, the double liability of stockholders would continue without dilution. So much for the nonliquid side of the question. Now we come to the particular phase of the subject under immediate inquiry.

As to the liquid side of the bank, into which liquid values have been placed worth 100 cents on the dollar, we should have the same kind of banks that the Senator from Arkansas proposes to open next Monday under the law which we enacted 2 nights ago, and which he believes the people should trust. If the people shall trust them, so should the Government of the United States. Suppose the Federal Government were to insure those liquid assets upon the live side of that bank and then suppose we were to insure all the new business that comes into that bank through its liquid side. I submit, to begin with, that we would have ended forever the chance for runs in connection with the situation in which the country finds itself. The restoration of confidence would cease to be a speculation. It would be an axiom.

I submit we would have given the depositor on both liquid and nonliquid sides of the bank the maximum use of his savings, which is what he wants and which in many, many instances he is not going to get under the regime under which we are about to proceed if it keeps large numbers of banks dark. I submit we would have automatically stabilized the banking situation. I submit that we would have provided a formula under which the savings of the Nation, instead of being often threatened with a sale at auction under the pressure of today's vicissitudes, would have had a chance to be salvaged with maximum opportunity to save the savings of the people of the United States. Nor would this have been a strain upon the public credit, as I shall presently show. I am talking of an emergency 100 per cent insurance upon liquid assets and new business for a period of 1 year until confidence has justifiedly recovered normalcy. I am talking of an insurance paid for by the banks themselves.

Now let us see whether insurance of this character need be a burden upon the public credit. I am talking about Federal deposit insurance, which would be reimbursed out of a fee assessed against the deposits themselves, and which would ask the Government for the temporary use of its credit only until such time as the premiums shall amortize any present expenditures temporarily involved. There is not a depositor in the country who would not be happy today to pay any reasonable fee in return for safety.

Can this be done on an actuarially sound basis? Let us see. I have thus far discussed a 100 percent insurance for 1 year on liquid assets and new business, factors obviously involving but a minimum of risk. Thereafter I would turn time deposits, which are essentially the savings of the people, into actual contract deposits, and then as a permanent rule I would insure 75 per cent of these time deposits. Thus the banker is left responsible for his demand deposits and the depositor is left on 25 per cent notice to choose his bank wisely. These factors remove practically all of the infirmities which have caused the failure of previous State-guaranty plans. Let us see what would happen if so amazingly low an annual premium as one eighth of 1 percent per annum were charged for this insurance.

The best experience of which I know—the best criterion for our critical guidance—is the experience of the member banks in the Federal Reserve System during 17½ years of its existence from 1914 down to June, 1932, which includes 2 years of the heaviest bank mortality. I beg of Senators to understand that I do not claim any finality for these figures. I simply illustrate. In the final analysis I should myself require that actuarial experts vindicate any such tables of experience. Furthermore, I recognize that there is larger mortality outside of the Federal Reserve System than there is inside it; and I recognize that in many aspects our present problems defy the consultation of precedents. Nevertheless, here is a significant balance sheet which bears directly upon the problem which I am submitting to the Senate.

If during those 17½ years the Government's insurance fund had taxed the deposits of those banks one eighth of 1 percent per annum, and if one quarter of the net earnings of the Federal Reserve System had been added to the insurance fund, as would be wholly appropriate, the fund at the end of the 17½ years would have been two and one half times sufficient to pay all of the fund's net losses—every

penny of them—for that long span of time. As a matter of fact, the losses actually would have been much less, because there would have been no excuse whatever for the mass hysteria which often precipitates needless bank runs and often needlessly closes perfectly sound banks.

In other words, we would not only have had an absolutely solvent governmental operation but we would have had an operation which would have made the banking system of this country just as solidly safe in respect to security and integrity of deposits as are the banking systems of Canada, England, and other continental countries which are held up to us as models. I submit that such a program can not be summarily dismissed as unsound. Indeed, it may be true that the Government runs much less credit risk in this fashion than by waiting for a calamity and then pouring its prodigal resources into the breach.

No, Mr. President, it is possible to put a Federal insurance under the type of American banking which the American people are entitled to have. The savings of the Nation, along with its insurance policies, are utterly the most sacred trust with which we have to deal; and if there is one thing more than another that threatens the social system today, it is the failure of the American system to hold those savings inviolate.

Therefore when we contemplate a program which will save the savings of the Nation, not at the expense of the Federal Treasury at all, not with any net burden upon the public credit whatever, but with a self-liquidating insurance which may be just as actuarily sound as any other insurance that was ever written, I submit it is a program which demands earnest consideration rather than a summary rejection as though it were a heresy. I have had the experience before, Mr. President, of submitting banking ideas which were greeted with original derision, only to be subsequently embraced as orthodox when the necessity for them became imperative. I expect to have the experience again. I expect to have it in respect to deposit insurance for the savings of the American people. I have spoken unexpectedly and without preparation today. I shall be glad to extend the discussion in detail upon another and more appropriate occasion.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Arkansas?

Mr. VANDENBERG. I yield.

Mr. ROBINSON of Arkansas. To what class of banks would the Senator extend the form of insurance he now proposes?

Mr. VANDENBERG. In this emergency I would extend it to the liquid side of every bank in the United States.

Mr. ROBINSON of Arkansas. State and national?

Mr. VANDENBERG. Yes.

Mr. ROBINSON of Arkansas. That would make necessary, of course, government or Federal Government inspection and supervision of banks?

Mr. VANDENBERG. To which I have no objection whatever; and the more of it there is, the better.

Mr. ROBINSON of Arkansas. That would result practically in the abolition of all State banks and forcing them under national-bank charters.

Mr. VANDENBERG. We have to choose the lesser of two evils in this day, but I am not sure that those State banks are not on the way out under the regime we have set up.

Mr. ROBINSON of Arkansas. That was the idea I sought to develop. The Senator proposes to assist the State banks by abolishing them or by forcing them to become national banks. That may be the way out, as the Senator said.

Mr. VANDENBERG. Mr. President, I decline to permit that paraphrase to stand. It is not a fair paraphrase, and nobody knows it any better than the Senator from Arkansas himself.

Mr. ROBINSON of Arkansas. Mr. President, the Senator does not mean to say that I intended deliberately to misrepresent him?

Mr. VANDENBERG. No.

Mr. ROBINSON of Arkansas. Will the Senator pardon me further? I think it is a fair inference from the statement made. May I review what the Senator said?

The Senator stated that he proposes to extend this guaranty to every bank in the country. Then I asked him the question if that did not imply the Federal supervision and examination of all banks. He said that it did. Then I drew the inference that that certainly meant the forcing of all banks under Federal charter or under Federal control.

Mr. VANDENBERG. And I reply that inspection and supervision do not mean dependence and abrogation of the State system.

Mr. ROBINSON of Arkansas. Mr. President, I want to warn the Senator that he should not use the language that he used a moment ago. The conclusion that he draws may be supported in his own argument, but I do not believe it is supported in the judgment of his colleagues. Once we give the Federal Government both supervision and inspection of a State bank, it is very near to being a national bank.

Mr. VANDENBERG. Mr. President, that is the precise status of every State bank today which is in the Federal Reserve System.

Mr. VANDENBERG subsequently said: Mr. President, in the observations I was recently making I submitted a theory and formula of action which I had previously put in the form of a bill which I had hoped to have an opportunity to submit to the Senate before it passed summarily the legislation two nights ago. It is no use now to refer it to the committee, but, as an illumination of what I was trying to say, I ask unanimous consent that the bill may be printed in the RECORD at the conclusion of my previous remarks.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The bill referred to is as follows:

A bill to provide for the segregation of banking assets and for the insurance by the Government of the United States of certain banking deposits

Be it enacted, etc., That—

SECTION 1. In a manner prescribed by the Comptroller of the Currency, with the approval of the Secretary of the Treasury, any national banking association may segregate its assets into categories of liquid assets and nonliquid assets for the purposes set forth in this act. Liquid assets shall include all cash items and/or United States Government bonds and/or commercial paper eligible for discount at the Federal Reserve bank and/or such other assets as may be readily negotiable at the value assigned to them on the books of the banking association.

SEC. 2. Each deposit of the banking association shall be divided in the proportion established by the foregoing categories. Each depositor accordingly shall be assigned a liquid and a nonliquid deposit. The liquid deposit shall be evidenced in usual banking forms and shall be available to the depositor under ordinary banking regulations and practice.

SEC. 3. Each depositor shall receive participation certificates of a total par value equal to said depositor's pro rata share of the nonliquid assets, such certificates to be issued upon the following conditions and upon any additional conditions prescribed by the Comptroller of the Currency:

(a) The certificates shall be issued in various convenient denominations. Each certificate shall be due and payable, in whole or in part, or renewable, in whole or in part, at the end of 1 year from date of issue, and at the end of each succeeding year until paid in full: *Provided*, That the face value of each certificate shall be reduced at each maturity by the pro rata amount available from the trust sinking fund hereinafter provided, and new certificates shall be substituted accordingly.

(b) The certificates shall be in negotiable form but may be left with the banking association for safe-keeping, at the option of the depositor. If left for safe-keeping, the certificates shall be segregated to the trust account of the depositor and shall be entirely at his disposition and under his control.

(c) The certificates shall draw 2 percent cumulative interest per annum, payable upon presentation at maturity.

(d) The certificates may be tendered to the banking association for payment of any sums owing to the association and which may have been classified as nonliquid.

(e) All nonliquid assets shall be held and administered as a trust for the benefit of all holders of certificates alike. The annual proceeds of this administration shall pay (1) the cost of said administration, subject to the approval of the Comptroller of the Currency, but in no event more than the proportion of the total cost of operating the banking association represented by the ratio between liquid and nonliquid assets; (2) the cost of 2 percent annual interest on the certificates; (3) the annual reduction in the face value of the certificates at maturity, such reduction being the annual balance remaining in the administration of the trust after the payment of the two preceding costs.

SEC. 4. No dividends shall be paid by any banking association while any participation certificates are outstanding, and all net earnings of the association from liquid assets, otherwise available for dividends, shall be closed annually into the trust fund defined in subsection (e) of section 2.

SEC. 5. That portion of the deposits of any banking association against which liquid assets have been allocated, and all new deposits made thereafter shall be insured by the Government of the United States at 100 percent of their face value for 1 year from the date of this act. For this purpose an insurance fund shall be created and managed by the Federal Reserve Board, which shall have full authority to make all necessary regulations pertaining thereto. There is hereby appropriated $250,000,000 from the Treasury of the United States for said insurance fund, or such portion as may be from time to time required. Each banking association qualifying within the terms of this act shall pay into the insurance fund on August 1, 1933, an annual premium of 1 percent of the total amount of its average insured deposits for the preceding 3 months. During the period of 1 year from the date of this act no banking association shall pay more than 2 percent per annum to any depositor with an insured deposit. The insurance shall attach to each insured deposit and shall be paid by the insurance fund within 30 days after the banking association may be closed by action of the comptroller.

SEC. 6. After the expiration of 1 year from the date of this act the insurance fund shall continue to operate as defined in section 5 with the following exceptions:

(a) It shall apply only to 75 percent of time deposits; and time deposits are defined as deposits which are under contract to remain, without waiver, for a period of 6 months, and which receive interest at the rate of not to exceed 2 percent per annum.

(b) The annual premium to be paid on August 1 of each succeeding year shall be one eighth of 1 percent.

SEC. 7. The insurance fund shall acquire all rights of insured depositors in the liquidation of any banking association until it has been reimbursed in full.

SEC. 8. The Secretary of the Treasury is authorized, upon application of the Federal Reserve Board, to pledge the faith and credit of the Government of the United States to bonds or other evidences of debt necessary to provide any temporary funds required by the insurance fund to meet its obligations, such advances to be subsequently reimbursed from said fund.

SEC. 9. Any State bank shall be admitted to the provisions of sections 5, 6, 7, and 8, when, in the judgment of the Federal Reserve Board, the State has provided by law for an allocation of assets as between liquid and nonliquid assets as generally defined in sections 1, 2, 3, and 4. In the absence of such law any State bank may become a national banking association, for the purposes of this act and under its terms, pursuant to conditions prescribed by the Comptroller of the Currency.

SEC. 10. The interest on postal-savings deposits hereafter shall be at the rate of 2 percent per annum, and no new postal-savings deposits shall be accepted after May 1, 1933, at a post office in any city or village in which a banking association or bank is operating under the terms of this act.

Mr. LONG. Mr. President, the Senator from Arkansas and the Senator from Michigan should not be disagreeing with one another. Their minds are one, and their hearts have only one beat. Under the regime that is proposed by the Senator from Arkansas the banks are all going to stay closed; under what the Senator from Michigan proposes, they are all closed now and will be again closed if they should reopen. That is the only difference between the two Senators. [Laughter.]

Mr. ROBINSON of Arkansas. Mr. President, that may be an amusing statement to the Senator from Louisiana, and I presume he means it humorously, but it is a harmful statement.

Mr. LONG. No.

Mr. ROBINSON of Arkansas. But there is not a word of truth in it.

Mr. LONG. The Senator may express his own opinion.

Mr. VANDENBERG. I want to join in acknowledging the sense of humor of the Senator from Louisiana, but I deny his accuracy.

Mr. LONG. That may be the opinion of the Senator from Michigan, and that may be the opinion of the Senator from Arkansas—and I give them credit for their opinions——

Mr. ROBINSON of Arkansas. What I stated is a fact.

Mr. LONG. I stated it as an opinion and not a fact; but what has been done has put the shoulder of the Government around such preferred banks as the Federal Government is willing to allow to reopen or to take into the Federal Reserve System, and that means that all that are outside the breastworks will never again see the light of day. Perhaps the Senator from Michigan and the Senator from Arkansas do not know that to be a fact, but a week's time will prove it.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LONG. Yes; I yield to the Senator from Michigan.

Mr. VANDENBERG. I join with the Senator in his view of the probable effect of the legislation already passed; but he evidently failed to hear me say that the formula to which I addressed myself would apply equally to every bank in the United States.

Mr. LONG. Then, the Senator is getting nearer the kingdom.

Mr. VANDENBERG. The Senator from Michigan has arrived in the kingdom.

Mr. LONG. All right. Then I have only to convince the Senator from Arkansas that I am right.

Mr. HARRISON. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Mississippi?

Mr. LONG. I yield for a question.

Mr. HARRISON. I thought the Senator was through.

Mr. LONG. No; I am not half through; I am just fixing to start. [Laughter in the galleries.]

The VICE PRESIDENT. The occupants of the galleries must observe the rules of the Senate and not express themselves in any way concerning the proceedings of the Senate. The Chair will repeat what he said the other day, that the Senate is glad to have the visitors in the galleries as the guests of the Senate, but it is respectfully asked that they observe the rules of the Senate.

Mr. LONG. Mr. President, I wish to make some answer to what the Senator from Arkansas has said, because I think we are really together in what we believe will happen.

If on the coming Monday we open the banks that are selected—those which are supposed to be solvent—that will mean that those that are not opened on that day have practically been the same as condemned as insolvent, unsound banks, and they might as well never try to open, and they never will open. If the Senator from Arkansas does not know that, he only has a few days' time left before he will know it. I know that the banks that are not included in the Federal Reserve System and that are not permitted to open under the special order of the Treasury Department will never open again—99 percent of them, at least—unless they open up on the day that other banks are allowed to reopen under the proclamation of the President.

There has been a great deal by way of confessed judgment entered here against a bank deposit guaranty law; it has been said that it will break down the Treasury of the United States Government, and some Senators believe that to be so. The European countries owe us $20,000,000,000. It would not take the United States, Mr. President, at the outside, more than ten or twelve billion dollars, regardless of what kind of a catastrophe might ensue in this country, to guarantee bank deposits to the United States. It is contended that this $12,000,000,000 will put the Government in a place where it can never walk another step; and yet today European countries which owe us $20,000,000,000 have practically thrown up the white flag and said that they are not going to pay the $20,000,000,000, but nobody has said that that has sunk the ship of state or ruined the financial condition of the United States.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator for a question.

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Florida?

Mr. LONG. Yes, sir; I yield to the Senator.

Mr. FLETCHER. Mr. President, the question is: Are we not rather premature in the discussion today of a bank-deposit guaranty measure? I will say to the Senator that at the last session there were 4 or 5 bills introduced on that subject and referred to the Committee on Banking and Currency, and those bills have been under consideration there, but on account of the short time left of the session it was impossible to get a controverted subject such as that considered by the Senate. At this session other bills have

been introduced looking to the same object. I have introduced a bill similar to one that I introduced last May and have had it referred to the Committee on Banking and Currency. Though it may not be perfect, it will be developed at the hearings. The committee will hold hearings on this subject very soon, and I hope we can exhaust it in the hearings before the committee. Then we will be in a position to discuss the question.

The same objection I had to the Senator's amendment the other day I have to the other proposal. I should like to see a proposition like that referred to the Federal Reserve Board and to the Treasury Department and see what effect it would have. I should like to obtain their judgment about it. I should like to have that kind of subject considered by the committee. I was afraid to deal with it instantly on the floor. The Senator may be entirely right about it, and yet I feel that such matters ought to proceed by reference to the committee, and then have the committee hold hearings, and give such consideration as they see fit to the question, before we are prepared to deal with it.

Mr. LONG. I wish to say to the Senator that the Senate committee has had such bad advice on subjects of this kind and has uniformly followed such vicious precedents—and proven to be vicious—that I think we have got almost immediately to settle it one way or the other here. The great trouble is that you are going out on Monday to open up the banks. You were going out yesterday, but you could not go yesterday and could not go today, and, we will say, tomorrow you are going out to open up the banks. When you open up 10 percent of the banks—I have had some experience with matters of this kind; I have opened up a few of them—and leave 90 percent of them closed, yon never will again be able to breathe the breath of life into the 90 percent, and the chances are that they will burst the ones that you do open in the middle of the broken back. That is what you are about to do. That is what the wiseheads of the Senate are about to do. They are about to go out, without thinking of one single other thing, and open up about 10 percent of the banks, and leave 90 percent of them closed, and try to maintain a banking system for the country with 90 percent of the banks closed, and the Death Angel hovering over them on the morning the sunrise is supposed to have come. That is what this means.

The Senator from Florida [Mr. FLETCHER] and I do not substantially disagree, but there are those, Mr. President, who have had control of banking legislation in the United States for the last 20 years. Mr. Eugene Meyer, Chairman of the Federal Reserve Board, Mr. Ogden L. Mills, the former Secretary of the United States Treasury, and men of his type, are today as influential as they were before the election of November 8 last, when it comes to have their advice accepted in—I am sorry to say—some of our own councils; there is not any difference; the same men who sat and conferred about the kind of financial policy that was going to govern this country—Mr. Parker Gilbert, of J. P. Morgan & Co.; Eugene Meyer, the chairman of the Federal Reserve, and Mr. Ogden L. Mills, together with the distinguished Senator from Virginia [Mr. GLASS]—have every one had their finger in the pie during the last 20 years. There has not been any difference in what they advocated then and what they are advocating now, and they are doing now just what they have done for the last 12 years.

That is what is happening in America today. Why, Mr. President, when a prophet comes up and tries his experiment, and it fails, he steps aside and lets somebody else have a chance. When a man comes up and undertakes to cure a patient who is sick and dying, and it seems that he has failed time after time, and the patient develops various and sundry other complications, they call in someone else to help restore the patient to life. Here in the United States the Federal Reserve System has been dominated and controlled, and the financial structure of America has been dominated, controlled, and negotiated through a certain little clique, and it has brought this country to wreck and to ruin; and now we have the same set here giving us orders to close 90 percent of the banks in the United States and open up 10 percent, and we are still following that kind of prophet.

That is what you are doing. Why send the matter to a committee? We ought to have brought this thing out in the open a long time ago. That is the trouble now.

Had I been the President of the United States—and I guess it is a good thing that I never was—I never would have sent for Eugene Meyer, the chairman of the Federal Reserve Board. He has been here, the carcass hovering over the lives and fortunes of these people, for many, many years. He has been the raven that has said to the American people, "Nevermore!" He is here today. His philosophy today is embraced not only in the bill which we have passed, unless we amend it, but it was embraced in the Glass bill, to which the Senator from Arkansas refers.

What was the Glass bill? I suppose the Senator means to say that the Glass bill might have been held up by some of the time some of us took in discussing it. I do not think we discussed it half long enough, but it did take several days thoroughly to discuss the Glass bill. I was in favor of some of the provisions of the Glass bill. I want the Senator from Arkansas to remember that I distinctly favored divorcing the affiliates from the commercial banks, and said so on the floor of the Senate time after time. There never was any disagreement at any time between me and my colleagues who favor that provision of the bill; but the Glass bill proposed to close up all that were not in a chain-bank system by its effect though, not by its terms. The effect of the Glass bill in branch banking would have been that and nothing else.

Now we are told by the Senator from Arkansas that it would be an impossible burden to take the 14,000 State banks into the Federal Reserve System. Why? Why? That is not my information. I understand, on fairly good authority, that the departments of the United States Government did not think they would have any trouble in looking over 14,000 State banks. I do not mean that it would not be a good deal of work; but I was informed, and I am willing to give the Senator from Arkansas, in confidence, the benefit of telling him who my informant was, and I think he will think it was direct enough, that they would not have opposed bringing them in; on the contrary, that they probably would have desired that the State banks be brought into this act. I wish to say that I think my information is just as reliable as any information that has been expressed on this floor; but it was the attitude of certain financial "master minds" who have been so prominent in financial legislation in the past 20 years, and therefore so prominent in closing banks during the past 20 years, that kept the State banks from being covered in this bill. I am told that the department would not have had any objection at all to their inclusion, and I do not hear that statement challenged.

Now you are going to open some banks. The Senator from Arkansas has rendered a very well justified tirade against the big banks of the United States. That is another time that the Senator from Arkansas and myself agree. Everything that he says against the way the big banks of this country have manipulated the legislation and the financial affairs of this country is justified; but which are you going to open? You are going to open up the big banks that the Senator from Arkansas says have been guilty of such malpractices that they ought to be condemned throughout the length and breadth of the country! And yet this bill proposes to open them u pand to leave the little banks closed. You are opening up the big banks who have filled this country with German marks, and Argentine bonds, and Brazilian bonds. They have been responsible for breaking the little banks of this country. The little banks of this country could not have existed if they had not been willing to follow the dictates of the big banks in Wall Street; and yet, as a result of it, they have been depleted in their resources and in their assets, and you have seen them filched and imposed upon through the leading financial masters of this country; and now you are going to close the little banks that the people have had that have been guilty of no such practices as are charged against the big financial masters that are con-

demned by the Senator from Arkansas, and you are going to leave the big financial masters open today, and hang them above the people as a carrion for the future to close whatever other places of business the people are ever able to develop.

I do not understand some of this logic.

I wish to say, Mr. President, that I am trying to convince someone, somehow, of the necessity of not allowing this bank proclamation to be lifted without taking care of the banks of the States as well as these other banks. I am trying to do it in time. I am trying to tell you now, from bitter experiences I have had, that you do not dare go out here in the United States on Monday and announce that you are going to leave 15,000 banks closed, and try to open up 4,000 banks. You do not dare go out here and say that you are going to leave 15,000 banks closed, but that you are going to try to open up 4,000 banks, because you will not only break the country by leaving the 15,000 banks closed, but the chances are mightily in favor of your breaking at the same time the 4,000 banks that you try to reopen.

The Senator from Virginia [Mr. GLASS] makes the point that the Government ought not to be in the guaranty; but the Senator from Virginia has forgotten that he stood on the floor of the Senate in the last session of Congress and tried to give $125,000,000 of the public's money out of the Treasury of the United States to this liquidating corporation. He was in favor of that gift or that contribution at the time. It was so amended by the late Senator from Montana, Mr. Walsh, that the Government might draw certain earnings from it, I believe; but the Senator from Virginia was in favor of a contribution of $125,000,000.

Mr. President, I realize that very likely nothing is going to be done. I realize that the death mask has already been put on the small financial institutions of this country. We are awaiting the day of execution. You have condemned us to death in order that there might be a survival of the select. Mark my words: You have condemned 15,000 banks to close in order that you can keep 5,000 banks open. Mark my words: The 5,000 banks cannot stay open any more than the 15,000 banks can stay open. Mark my words: If you think you are going to prefer one of these banks and enable it to stay open and compel another one of these banks to stay closed, the calamity, the terror, and the destruction that you are going to cause will so far outweigh anything good that you are even trying to do that within less than 10 days' time the mistakes of the Senate and of the Congress will be known throughout the length and breadth of this land. They are already known everywhere except here. The only place in America that has not recognized the disastrous move that has been made is right in the Capitol itself. Outside of the Capital itself, there is not one tenth of 1 per cent of the population of America that does not know we are setting out upon a disastrous program, closing down 15,000 of only 19,000 banks; and I was told today by man after man heading some of these selected 4,000 banks that are to stay open—I was told by many of the men who are in charge of these supposed-to-be-select banks—that if this thing should go through without protecting the State banks, there was no chance under the living sun for them to stay open as long as 3 days' time.

That is what I have been told. One banker from the State of Tennessee came to my room this morning and brought another gentleman with him—I will not call his name—and here is what he said:

> Everybody except Congress realizes that this thing is going to be destructive of everybody. Everybody recognizes it except Congress. Now—

He said—

> here is what is going to happen:
> I have a bank. I am going to open it. All of the little correspondents are going to be closed. It is going to mean—

He said—

> that when I undertake to open that bank, with every bank all around me to be closed, I will not only not be able to accommodate the community but there will be no way on earth for me to stop the panic and fright of those people; and unless I have in the bank every dollar that I have on deposit, I do not even dare to open; and if I do open, I will be nothing but a liquidating concern.

So we are going to close. We are going to close. We want you to know just what you are doing to us. We want you to know that we know it, and we want you to have all the warning on earth. We are going to close. That is what you have already done. We will have to stay closed. You will hang the crepe on the bonds of the States, because without having State banks in operation they will never be able to finance and pay the maturities and interest on the State bonds. You will close the State banks; you will paralyze the State; you will ruin the State credit, and then they will close you, and then you will ruin the national credit.

Remember what I am telling you. I do not know how Liberty bonds are marked up today, but I will tell you how they will be marked up in the future.

Remember this: You have at last decided to inflate the currency. We asked you to inflate the currency to save all the banks, and you said it was an unsound thing to inflate the currency to save the entire banking structure; and no amount of argument nor pressure nor even filibustering could get the Congress of the United States to consent to inflate the currency. The Senator from Oklahoma [Mr. THOMAS] stood here day after day, arguing with the Senator from Virginia [Mr. GLASS], undertaking to convince him and the Senate that we had to inflate the currency; and down and down and down went the commodity prices day after day, until corn was selling in the field for as little as one half cent a bushel! Then, all of a sudden, when every bank had been closed, when they had had their way, when the voices of the Senator from Oklahoma [Mr. THOMAS] and the Senator from Montana [Mr. WHEELER] had rung through this Chamber and through this country, never heeded and never heard—no inflation, no silver, nothing could be done until they had closed every bank in the country—then they come back and say that THOMAS of Oklahoma was right, that we needed the inflation all the time, but that they could not let 19,000 banks subsist on it; they would let us have inflation to keep the 5,000 masters of finance alive, because they have squeezed out everybody else in the country, and nobody is going to be allowed to live except them.

Food could not be had for the people, but it can be had for the financial barons. The land had become barren of a means of exchange to live upon, and when they had killed their neighbors, and their brothers, and starved their children to death, broke their banks, depopulated their houses, wrecked their firesides, then they came and said, "Oh, yes, inflation is necessary, not to save the people of the United States, but to save us, who have been guilty of the destruction from which this country is now suffering."

That is the equity of what we are about to do. Yes; you are going to close us down. Yes; you have already closed us down, and have been doing it long before this year. Our President says that for 3 years we have been on the way to bankruptcy. We have been on the way to bankruptcy longer than 3 years. We have been on the way to bankruptcy ever since we began to allow the financial mastery of this country gradually to get into the hands of a little clique that has held it right up until they would send us to the grave.

Mr. President, there never has been any such example ever known of patience and tolerance of people as that of the American people during the last 16 years, as they have allowed the banks to play the funeral march, under the same chaplains and under the same marching squad that have financially and in all other material respects buried the prosperity of the people of the United States. In one grave they have been buried together. In one decree they have been condemned to an eternal financial wreckage.

In 1 month we have been told that there could be no medium of exchange allowed under the United States Government, because, they said, if we inflate, it will destroy the credit of the United States Government. But today,

when they have closed down all the banks, they come back and say, "No; it will not ruin the credit of the United States Government to inflate, but you must inflate for the financial masters and not for the people." They have come back, Mr. President, and they have said, "We have decided to inflate." Abel and Cain have become the same man. Ephraim is joined to his idols; let him alone. They have come back and said, "We have to inflate, but we are going to inflate and keep open the big masters who have wrecked and destroyed the communities and the banks and have ruined the hopes for the present time of the people of the United States living in the country. We are going to save the big masters, who have compelled it, and condemn to an eternal damnation, to hell and destruction every man who was outside this clique that brought this wreckage onto the people of the United States."

Go on and do it. You are the ones who have done it. You think differently. That is your opinion. I think as I have said; that is my judgment; and it will be vindicated here in time too short to accommodate me. That is up to you. We have done everything we could do. You can blame this condition on whomsoever you want to, but you cannot blame it on the little crowd that filibustered against the financial control of this country. You cannot blame it on the Thomases of Oklahoma, on the Wheelers of Montana, on the Longs of Louisiana, and others fighting with us. You cannot blame it on us, because belatedly and after the old horse is dead you have come back here and said that it needed the fodder we tried to give it. You cannot blame the consequences upon anybody except yourselves, because you have come back and said, "Oh, what you have prescribed is necessary for the life of the country, but we are not going to let any part of the country have it except a few financial masters that we have seen fit to prefer."

Four thousand banks to open and 15,000 to stay closed! That is what you have recommended. That is the situation we are to meet. No one can convince you otherwise.

"There are none so blind as those who have eyes and see not, none so deaf as those having ears and hear not." You have looked at us and we could not make you see; you have listened to us and we could not make you hear; and now, after you have come down to the proposition of closing every bank in the United States, having your own way, you now insist that you are the apostles to lead the children of Israel out of the wilderness; that, having gotten the people into their graves, you are the ones to bring them out of their graves. Now you sit in the seats of the mighty and insist that in no other way are you going to lead the flock out.

We have to take it. We cannot help ourselves. We have done everything we could. We have tried to get out of the reach of these blind guides, and have fought as hard as we could with the blind masters, but, blind as they are, we can not escape them. We have tried to prevent your going out and closing down the resources and the financial facilities of credit of 75 percent of the people of the United States, but you have argued as you argued against the inflation of the currency, which you now say must be had. You now stand here and raise the same old cry that sounds good to you, that it is going to mean a crippling of the credit of the country.

The crippling of the credit of the country! Mr. President, if the Government will take these State banks into the Federal Reserve System, it will not mean any crippling of the country. If you will inflate, bringing up commodity prices, allowing these banks to participate in the inflation, to exchange their farm mortgages and their farm loans and the surplus securities that have been required of them by the Reconstruction Finance Corporation, if you will allow them to use those things as a basis of inflation in order that they may acquire currency, you will not lose enough money on a guaranty of bank deposits, when you have thus restored prosperity, even to figure on. The interest will be more than the cost to the Government; and if you do that, you will not lose as much as you did on Europe.

It is said this is war time. Let us fight another war on a financial basis. How much did the last war cost? It cost us about $25,000,000,000, did it not? You had a "dadgummed sight" better spend that much money to fight another war against depression than to let this country go to where you are sending it now. The bank deposits amount to but $44,000,000,000, and at least $12,000,000,000 of that is duplication. The total bank deposits today, eliminating duplications, will not amount to more than $32,000,000,000. If you were to be called upon to protect them up to 33⅓ percent, you would be out but $10,000,000,000; and everybody knows that is an exaggerated figure.

In other words, we can win the war of depression for the men and the women and the children of American for one-third what it costs us to win the war with Germany in 1918. Yet you are allowing the people of America to go to the "demnition bowwows" of hell because you are unwilling to risk one third as much as you were willing to risk to whip the Imperial German Government, when the fight was 3,000 miles away.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ROBINSON of Indiana. It might be interesting to the Senator to know that the World War cost $36,000,000,000 in cash, in round figures, out of the United States Treasury, or from the pocketbooks of the American people. Four and a half billion dollars of that amount went to the "cannon fodder"—the soldiers, sailors, and marines. All the rest of that vast sum, practically in its entirety, went to the profiteers, big business, organized wealth, and the very people whom the Senator now is condemning.

Mr. LONG. I must express my thanks to the Senator for those figures. Then we spent $36,000,000,000 on the war we fought for the sake of the democracy which we have now—and God let us keep it a while longer—the war we fought for democracy, to make the whole world democratic; we were already getting democratic ourselves, and we needed about 10 more years to have the wealth concentrated in the hands of a few people. But the war we fought to put the balance of the world in this fix cost $36,000,000,000, so the Senator from Indiana says, and I thank the Senator and other Senators. I know very little about calculations. I have had little opportunity to learn, and my colleagues understand that. Thirty-six billion dollars was spent in order that we might keep this country in a war 3,000 miles away from our own shores. Thirty-six billion dollars has been spent, and gone into smoke, in order that we could cross the Atlantic Ocean and keep despair 3,000 miles away.

Yet today we are told that the national credit will be ruined if we undertake to finance $10,000,000,000 to save the little man on the farm, the laboring man, the little poor man, and every man in this country today who has a little bank account, and not only will such people be benefited if we guarantee bank deposits but we will make money available, by credit, through the little banks throughout the length and breadth of this country to people who cannot now borrow a thin dime at one of those banks.

Mr. President, if the war in 1918 cost $36,000,000,000, and it did not destroy the credit of the country, can we not risk $10,000,000,000 to save the financial solvency of the United States today? It is ridiculous, absurd, except upon one basis, and that is that human life and human blood and human misery at home will receive less consideration at the hands of the Congress than the chance to get into a war 3,000 miles away.

Talk about breaking down the country. Thirty-two billion dollars is the amount of all the bank deposits, excluding duplications, according to estimates I have received, and if we lost 50 cents on the dollar—and we would not lose one tenth of that—we would not be out more than $16,000,000,000.

Mr. President, what is it worth? In a financial sense this country is worth $350,000,000,000, and you are going today to reduce the value of this country to around $100,000,000,000 or $125,000,000,000, if you do not reduce it to nothing, for the simple reason that you are not willing to keep these banks open in this country today.

Mr. President, I want to tell you, it will be found that the people think a great deal differently about this thing from the way some believe them to be thinking. When gentlemen arise here and say that the depositors of the first national bank can get their money, but that the depositors of the other bank, and the other bank, and the other bank cannot get their money, they are going to find that it will arouse the temper of these people to the height that we have been undertaking to keep it from going during all these months.

You do not need to think you are helping the banks. I do not give a "tinker's rap" for the bankers' institutions. That is not what I am arguing for. I am arguing for the little people from one end of this country to the other whose every dime is tied up in those little banks.

The Senator from Arkansas, who has a breadth of statesmanship which I hope some day to attain—and I will feel complimented when I do—says this, and I hope he will listen to me, because I am undertaking to convince him more than anybody else in the Senate. If the Senator from Arkansas were to come over with us, we would save this situation. That is all we need to save it, because he would have the logic and the convincing manner of showing the errors of others' way, I am sure.

The Senator says this: What more reason is there for the Government guaranteeing bank deposits than guaranteeing the obligations of a store? What more reason? I am surprised the Senator does not know any more reasons. What more reason? You have not hung up the sign of the United States Government, or of the sovereign States, over the mercantile establishments. They have not been fiscal depositaries and fiscal agencies of the Government and of the States and of the municipalities and parishes and counties as banks have been. But when you go into a bank, what do you see? There you see a sign, "Member of the Federal Reserve System," perhaps. Or there you see a sign, "National bank, under supervision of the United States." Or there you see a sign, "Under the supervision of the sovereign State of Arkansas", or of Louisiana, New York, or Georgia.

There, under sanction of the law, is an institution that is supposed to be examined and supervised by the State and by the United States. There is an institution marketing bonds of the Government, acting as a fiscal agent. There is an institution that has been held up to the people by authority of law and under protection of law and under supervision of law, held up as an institution for the savings of the people and for the protection of the people of the country. That is what we have done, and that is why they are in a different classification.

There is another reason. It is just as necessary that we keep the States alive as it is that we keep the United States alive. If we break down the credit of the 48 States of the American Union, then we have broken down the credit of the United States itself. If we break down the credit of the banks of the 48 States, we will have no such thing as financial integrity for the National Government.

So, with these things being said, if we go out and try to open up these preferred banks and leave 15,000 banks closed, when for considerably less than one third of the money it cost us to fight the war, at the most, we can save the financial credit of the country and restore prosperity, our error becomes a calamity.

Mr. President, I am sorry for the vote I cast on Thursday night. I voted for the bill. I did not have an opportunity to read it at all, except while the clerk was reading it at the desk.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ROBINSON of Indiana. Nobody had an opportunity to read it. It was passed "sight unseen."

Mr. LONG. Oh, I got to see it when it was being read at the desk. A copy of the bill was brought in, and while the clerk was reading it, I read it too. That is the first time I ever saw it, top-side or bottom. But even at that I ought to have had better sense than to vote for it. Anybody glancing at it ought to have had better sense than I showed on that occasion. I am sorry for that vote. I wonder if I could get unanimous consent to withdraw my vote and have it entered "nay"? I do not know what the rule is, but if I could do that, I would like to have it done.

We were told that this was the first step to make everything all right. I did not know what anybody else knew about it and I did not know what I knew about it myself. I hoped maybe something would come along to help the situation, and I wanted to help in every way to open the banks. I was willing to swallow anything to do whatever I could. I instantly saw that they should have included the State banks, and I thought it might do a little good to add them. But I am very sorry for the vote I cast. I promise the Senate I will never again be a party to anything like that. Never again will I be a party to bringing a bill in and swallowing it hook, line, and sinker as I did that day.

I want to compliment the Senators who did not vote for the bill. They showed more sense than I did. If I ever do such a thing again, I want to be bored for the hollow horn. The idea of doing something to keep 4,000 banks open and to keep 15,000 banks closed! I was hoping, just hoping. I was hoping that somehow, somewhere, perhaps, some good would come out of it. With this information that I thought was reliable, with such amendments as might be made to the act, I hoped we would save the situation. But it seems I have hoped in vain, and therefore the basis on which I cast my vote was a faulty one and I regret having voted that way.

But that is gone, and we have the consequences before us. We have done everything we could. Senators, you are going out to the most impossible situation you have ever faced in your lives. Honest as you are, you are going out to the most impossible situation you have ever found. You are going out without understanding the first lesson of human psychology if you undertake to close 15,000 banks and keep open only 4,000 banks, and expect American finance and credit to live. It is not going to be possible.

Mr. President, I felt that I ought to say this much. I felt that I ought to give this warning and make these statements. These are the views of the American people I believe. They are, rightfully or mistakenly, the views of the American people; they are the views of the little banks; they are the views of the municipalities of the United States.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Mississippi.

Mr. HARRISON. I ask unanimous consent that during this calendar day I may be permitted to file from the Committee on Finance a report on Senate bill 233, and I express the hope at the same time that the Senate will take this bill up the first thing on the convening of the Senate Monday morning.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi?

Mr. McNARY. Mr. President, I have no objection to the request of the Senator from Mississippi if it is simply to file a report, but I should object to proceeding to the consideration of the bill today. I understand from the Senator, however, that he has no intention of doing that.

Mr. HARRISON. That is very true.

Mr. McNARY. And that it is desired later to take a recess until Monday at 12 o'clock, at which time he will call up the bill.

Mr. HARRISON. Yes.

Mr. ROBINSON of Indiana and Mr. BORAH addressed the Chair.

The VICE PRESIDENT. Does the Senator from Louisiana yield; and if so, to whom?

Mr. LONG. I do not want to yield further unless it is for a question.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi?

Mr. ROBINSON of Indiana. Mr. President, reserving the right to object, I should like to ask the Senator what the emergency is that causes him to find it necessary to file the report when the Senate is not in session? We granted a request for unanimous consent the other day for the introduction of a bill when the Senate was not in session. Why all this haste? Why cannot the bill follow orderly procedure; and, if the committee is not as yet ready to report, let the Committee on Finance report the bill on Monday, and then we will all have it before us?

Mr. HARRISON. I may say that the committee is ready to report; the report is now being drafted in order that the Senator and his colleagues may have an explanation of every section and every item of the bill. The purpose of the request is to enable that information to be given to Senators. It is not an unusual request which I have made, but I do not want to keep the Senate in session here merely for the purpose of waiting on the draftsmen to prepare the report. I hope the Senator will not object to the very reasonable request which I have made.

Mr. LONG. Mr. President, I demand the regular order.

Mr. ROBINSON of Indiana. Mr. President, I do not agree with the Senator from Mississippi that "it is not an unusual request," but I will not object.

The VICE PRESIDENT. The Senator from Louisiana declines to yield further. Is there objection to the request of the Senator from Mississippi?

Mr. BORAH. Mr. President, I should like to ask one question.

Mr. LONG. I yield for a question.

Mr. BORAH. May I ask the Senator from Mississippi if there have been any changes made in the bill?

Mr. HARRISON. There have been no material changes made, I will say to the Senator.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi?

Mr. McCARRAN. Mr. President, may I ask what is the request of the Senator from Mississippi?

Mr. HARRISON. I merely ask that I may file a report during the present calendar day, even though the Senate should be in recess or should adjourn.

Mr. McCARRAN. The Senator asks unanimous consent?

Mr. HARRISON. Yes.

Mr. McCARRAN. I object.

The VICE PRESIDENT. Objection is made.

Mr. LONG. That ends that.

Mr. GEORGE. Mr. President, the Senator from Louisiana [Mr. LONG] offered an amendment on the evening when we were considering the bill. I offered amendments to that amendment which were accepted. I want to beg Senators' indulgence to say this for the RECORD: I would not under any circumstances give utterance to any thought or word that might increase the difficulties of our present unhappy condition, but I desire to say that through every influence I could exert at any point where I felt that it might be effective I attempted to do precisely what the Senator from Louisiana had in mind to accomplish by his amendment—to bring the State institutions within the purview and protection of the bill which we passed.

I realized, Mr. President, that while there was no discrimination in point of direct provision against State institutions or private banking institutions, yet our whole financial structure is so intimately bound up with those State institutions that the omission of one element of that structure from the provisions of the bill and from the benefits given by the bill would probably prove disastrous.

I hope that my fear is not well founded, but I desire at this point to say that as soon as I learned the bill was in process of formation I sought to bring within the protection of the bill, insofar as they could be so brought, the State institutions that are nonmembers of the Federal Reserve System.

Mr. ROBINSON of Indiana. Mr. President, I would like to invite the attention of the Senator from Louisiana [Mr. LONG] to this colloquy between himself and the Senator from Virginia [Mr. GLASS], which took place last Thursday on this floor:

> Mr. LONG. As I understand, the State banks, under the observation of my distinguished friend from Pennsylvania, are allowed to borrow from member banks. I should like to know about how much help they are going to get from member banks when they are closed today, and it is taking all the power of the Government to enable them to open.
>
> Mr. GLASS. They are not going to get anything today, and they will not get anything tomorrow if this legislation is defeated here in the Senate; but if this legislation is enacted, they will have access to banks representing 64 percent of the resources of the Federal Reserve Banking System.

It had to be done by midnight, and all Members stayed here and heard the Senator from Virginia make that statement. It was assumed, of course, that a vote against the measure would make it impossible for the banks to open yesterday morning. A vote for it would permit the banks to open. They are still closed, I submit to my friend from Louisiana, and may be closed for some time to come. The legislation was rushed through as a result of statements made here by those who were at least charged with knowledge that it would permit the banks to open the next morning; otherwise anyone who voted against the measure would impede the return of prosperity and the reopening of the banks. They are still closed.

I think the Senator from Louisiana has a great deal of company in this body who would join him in destroying their votes if they could. The measure was passed without anybody's understanding it at all. I hope nothing like that will ever again be attempted.

Mr. GLASS. Mr. President, I simply want to say that when I made the statement just quoted by the Senator from Indiana it was not as explicit as I felt authorized to make. I had definite information from the Treasury that the banks would be open the following day, else I should not have made the statement. I do not relish the suggestion by the Senator from Indiana that I made a statement which I was not warranted in making.

Mr. ROBINSON of Indiana. I simply quoted from the RECORD what the Senator from Virginia said.

Mr. GLASS. Yes; but I am talking about the implication. I am getting a little tired of such implications here on the floor of the Senate.

Furthermore, I desire to state for the RECORD that that was the purpose of the Treasury and that the opening of the banks was deferred only by reason of the fact that Senators who were fearful of the results upon State banks were importunate in their representations to the Treasury and their insistence that banks should not be opened the following day in order to give State banks an opportunity to make application to come into the Federal Reserve System in order that they might be more effectively protected.

Mr. ROBINSON of Indiana. Mr. President——

The VICE PRESIDENT Does the Senator from Virginia yield to the Senator from Indiana?

Mr. GLASS. I yield.

Mr. ROBINSON of Indiana. If that is the case then why did we not take enough time to study the legislation and give the State banks all over the country an opportunity to be heard in the matter, so they could be here to protect their own rights or at least send representatives here to set forth what protection they required as well as the big banks?

Mr. GLASS. As a matter of fact, it was not my judgment that the proclamation should be extended a day. It is not my judgment that the Federal Government has any right whatsoever to prohibit State banks to open today if they want to open under the authority of State law. It is my judgment that the State banks may obtain adequate facilities under the act already passed, that ten or twelve thousand of them may now appeal, under the terms of that act, to their correspondent banks and get the benefit of the direct facilities authorized by the act and be assisted.

Mr. LONG. Mr. President, I wonder if I could get the Senator from Virginia [Mr. GLASS], our financial prophet in these matters, to tell me how many banks we will have open 10 days from now. I would like to get that in the RECORD if I could.

Mr. PITTMAN. Mr. President, I understand that while I was necessarily absent from the Chamber the Senator from Louisiana asserted that I had made some statement favorable to the amendment he offered to the Emergency Banking Act.

Mr. LONG. No; I did not.

Mr. PITTMAN. I wish to say, then, that I voted against the amendment of the Senator from Louisiana. I did not believe that his amendment should be offered at that time, because, as I understood it, the bill upon which we were acting had passed the House, and if we adopted any amendment the bill would have to go to conference. I had the general impression that was given here on the floor that the reason for the hasty action on the bill was to provide for the opening of the banks in the country on the following morning.

I was also informed that in the preparation of the bill at the White House there was a provision drafted intended to be inserted in the bill in the House, practically leaving it in the discretion of the President of the United States, upon the application of a State bank to become a member of the Federal Reserve System, to relieve as against the stringency of existing law and to permit temporary membership upon such conditions as he might prescribe. However, that was not incorporated in the bill in the other body and we passed on the bill in the form in which it was received by us. While such information was not received from any official or authoritative source I know of no reason to question it. I did not believe that we should amend that bill, and I am of the same impression now, because it was presented as an emergency measure that should be acted upon promptly.

I would not have desired in any circumstances to have acted upon the hasty and possibly unconstitutional amendment proposed by the Senator from Louisiana. I did not think it was in the form contemplated by the original drafters of the bill. I still see no reason why that provision reported to have been drafted at the White House, and which if so drafted was undoubtedly approved by the President, should not be submitted to both bodies for a vote.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Louisiana?

Mr. ROBINSON of Arkansas. I yield.

Mr. LONG. Mr. President, I wonder how much courage I can take from that apparently comforting statement the Senator from Nevada has made? I did not get my information from the Senator from Nevada, although I had made a statement similar in effect to that which the Senator from Nevada has made. I got it, however, from another authority. I did not quote any conversation or refer to any conversation the Senator from Nevada had with me. So I wonder how much comfort, Mr. President, we may take from the suggestion of the Senator from Nevada? Although the Senator from Arkansas has the floor, let me say that this is a momentous thing. The Senator from Nevada has stated that he sees no reason why such a provision as I have indicated should not be incorporated in the law; and I am wondering if I may ask the Senator from Arkansas what chance is there now of our putting it in the law? It would be a great thing for the people of this country if we could put that in the law, just as the Senator from Nevada has mentioned it, as having received the approval of the White House.

Mr. ROBINSON of Arkansas. Mr. President, replying to the inquiry of the Senator from Louisiana, let me say that the statement of the Senator from Nevada was the first information I have received of any draft made at the White House or elsewhere having relation to the subject of which the Senator from Nevada spoke. Of course, I am not able to express an opinion as to the likelihood of the enactment of the provision, never having either seen it nor heard of it before. The description of it, as I think, is hardly definite enough to enable either of us to pass upon it. But I will say that I shall be glad to make inquiry about it and then to form an opinion when I have studied the proposal as to whether it is practicable to enact it.

Mr. LONG. I am asking the Senator the question for this reason: We probably will recess this afternoon and not have an opportunity today for such a provision to be incorporated in the law. I have been familiar with conditions on occasions when some banks or several banks have opened. I do not believe there will be the slightest objection to it, and if we had an opportunity of rushing an amendment through by resolution this evening, before adjourning or taking a recess, it would be of material help in the opening of the banks.

Mr. ROBINSON of Arkansas. I do not really know to what amendment the Senator from Nevada refers nor do I believe the Senator from Louisiana does. As I have just stated, I have not seen it.

Mr. LONG. I understand what it is; I have my information from other sources; but it is practically what I offered here on the floor, though I did not know it at the time.

Mr. FESS. Mr. President, will the Senator from Arkansas yield for a question?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Ohio?

Mr. ROBINSON of Arkansas. Certainly.

Mr. FESS. I have had several inquiries from State banks in Ohio as to whether in order to open they would have to apply to the Federal Government as well as to the State government. I have been under the impression they would have to do so.

Mr. ROBINSON of Arkansas. I am under the impression that the matter is subject to the control of the State authorities, but an order having been issued under the Trading with the Enemy Act by the Chief Executive, in all probability the practical procedure would be for the State banking authorities to advise the Secretary of the Treasury that certain banks are ready to open, and in that event I have no doubt in the world that whatever ban was imposed by Federal authority would be lifted.

I may say further that I do not think there is any ground for questioning the good faith of anyone in connection with the passage of this legislation merely because the Treasury Department did not carry out its original purpose to open the national banks and member banks of the Federal Reserve System on the morning following the day we passed the bill. Every Senator was receiving messages from the State banks or from the State banking authorities asking that some arrangement be effected relating to the State banks; and it was that insistence principally which caused an extension of the proclamation. The banks would have opened, such as could, if it had not been for the issuance of the proclamation by the President extending the original banking holiday.

I believe it will be found, I will say to the Senator from Ohio, that the Treasury Department has acted wisely in taking a day or two to put into effect a measure which touches almost every community in the United States, and I think it probably would have had to do that in order to act prudently, wisely, and safely, no matter when we passed the bill. The passage of the bill as an emergency measure was fully justified, even though it has been found necessary and advisable since to prolong for a short time the period when the banks may be opened.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield to the Senator from Michigan.

Mr. VANDENBERG. I want to say to the Senator that, for my part, I think it was exceedingly fortunate that time was taken beyond the immediate morning following the passage of the bill when we were supposed to have the banks opened. I only hope that enough additional time will still be taken to be sure that the opening is sufficiently safe so that it may be permanent.

Mr. ROBINSON of Arkansas. I doubt the wisdom of doing what it seems some have in mind, to reopen the banks that are hopelessly insolvent whether they are State banks or national banks and to invite new deposits unless as to the banks of doubtful solvency that are reopened there is provision, under proper authority, for the segregation and safe-

guarding of new deposits. The desired object is not accomplished, the helpful purpose is not attained by the mere reopening of an institution that cannot function, even under normal conditions, for a prolonged period.

Mr. LONG. Mr. President——

Mr. ROBINSON of Arkansas. I yield.

Mr. LONG. Would the Senator let me offer a resolution—it is rather crude; I just clipped it out of the CONGRESSIONAL RECORD and put it on a resolution form—so that we might consider it and see what we can do with it? At any rate, we may discuss it.

Mr. ROBINSON of Arkansas. I will let the resolution be presented, but I am going to move an executive session in a few moments.

Mr. LONG. I offer the resolution which I send to the desk and ask that it may be read.

The VICE PRESIDENT. Without objection, the resolution will be received and will be read by the clerk.

The Chief Clerk read the resolution (S.Res. 22), as follows:

Resolved, That upon such terms and conditions as the President may see fit to prescribe, either generally or for specific case or cases, any State bank may, with its consent, be declared a member of the Federal Reserve System and thereby receive all the benefits and protection of this act insofar as applicable to State banks, but under such conditions, requirements, and limitations as the President may prescribe.

Mr. ROBINSON of Arkansas. Mr. President, I shall not object to the introduction of the resolution, but I shall ask that it be referred to the Committee on Banking and Currency.

Mr. LONG. Very well.

The VICE PRESIDENT. Without objection, the resolution will be referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Banking and Currency:

Senate joint resolution memorializing Congress to adopt the Pittman proposal to accept silver on British debt

Your memorialist, the Legislature of the State of Nevada, respectfully represents that—

Whereas the proposal of the Honorable KEY PITTMAN, United States Senator from Nevada, that the United States shall accept the sum of $100,000,000 on the war debt of Great Britain to the United States embodies the principle that coined silver is money; and

Whereas adoption of the Pittman proposal in the international transaction that he advocates would constitute recognition of silver as money by the two premier financial nations of the earth, and for that reason would go a long way toward its further and more general recognition as such, having the desirable effect of enhancing the value of silver everywhere, with the further and more desirable effect of being the forerunner of similar transactions with other debtor nations, all of which cannot be otherwise than beneficial, tending to restore monetary equilibrium and banish the world depression: Now, therefore, be it

Resolved, That the legislature hereby respectfully requests Congress to adopt the Pittman proposal, authorizing and directing our President-elect to accept such silver payment from Great Britain as soon after he takes office as may be expedient and possible.

Resolved, That the secretary of state of the State of Nevada is hereby directed to transmit copies of this memorial by air mail to the President of the United States Senate, to the Speaker of the House of Representatives, and to the Members of the Nevada congressional delegation at Washington.

MORLEY GRISWOLD,
President of the Senate.
V. R. MERIALDO,
Secretary of the Senate.
FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.
F. B. BALZAR, *Governor.*

The VICE PRESIDENT also laid before the Senate a telegram from the clerk of the Senate of the State of New York, embodying a concurrent resolution adopted by the Legislature of New York, which was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

ALBANY, N.Y., *March 10, 1933.*

SECRETARY OF THE UNITED STATES SENATE,
Senate Chamber, Capitol, Washington, D.C.:

I am directed by the senate and assembly to transmit to you the following concurrent resolution, which was today adopted by unanimous vote of both houses:

State of New York, in senate, Albany, March 10, 1933, by Mr. Cheney:

Whereas, under the act to provide relief in the existing national emergency in banking and for other purposes enacted by Congress on March 9, 1933, section 304 of title II, provides for the purchase of or loans against nonassessable preferred stock of national banks and State banks and trust companies by the Reconstruction Finance Corporation; and

Whereas section 7 of article VIII of the constitution of the State of New York prohibits the issuance of any nonassessable bank stock; and

Whereas, therefore, the nonavailability of the said facilities of title III to sound and worthy State institutions may have the effect of working great hardship and discrimination against these State banking institutions; and

Whereas title IV of the above-described act is not applicable to sound and worthy nonmember State institutions; now, therefore, be it

Resolved (*if the assembly concur*), That the President and the Congress and the Secretary of the Treasury of the United States be urged to take action to clarify these provisions of title III so as to correct any discrimination by authorizing the Reconstruction Finance Corporation to make to worthy State banks, loans which shall be subordinated to deposit liability, or which by some other method shall preserve to the Reconstruction Finance Corporation the same character of lien as would be provided by the issue of nonassessable preferred stock; and, be it further

Resolved, That the President and the Congress and the Secretary of the Treasury of the United States make available facilities similar to those referred to in title IV of the above-described act to sound and worthy nonmember State banking institutions, so that they may be permitted to reopen coincidentally with sound national banks; and be it further

Resolved, That a copy of this resolution be telegraphed forthwith by the clerk of the senate to the President and to the clerks of the respective Houses of the Congress and to the Secretary of the Treasury of the United States.

By order of the senate.

P. H. O'CONNELL, *Clerk.*

In assembly March 10, 1933, concurred in without amendment.
By order of the assembly.

FRED W. HAMMOND, *Clerk.*

Respectfully submitted.

P. H. O'CONNELL,
Clerk of the Senate.

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of North Dakota, favoring the passage of legislation in the present banking emergency providing for the Government's taking over and exercising the functions usually performed by the banking system in such manner as to protect the rights and serve the interest of the people, which was referred to the Committee on Banking and Currency.

(See resolution printed in full when laid before the Senate by the Vice President on the 10th instant, p. 111, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a resolution adopted by members of the Socialist Party of America of Tompkins County, N.Y., favoring the passage of legislation socializing the banking system of the Nation, which was referred to the Committee on Banking and Currency.

He also laid before the Senate resolutions adopted by the City Council of Brockton, Mass., and the Town Council of West Warwick, R.I., favoring the passage of legislation authorizing and directing the Postmaster General to issue a special series of postage stamps of the denomination of 3 cents, commemorative of the one hundred and fiftieth annisary of the naturalization as an American citizen and appointment as brevet brigadier general of the Continental Army on October 13, 1783, of Thaddeus Kosciusko, which were referred to the Committee on Post Offices and Post Roads.

Mr. FESS presented a resolution adopted by the council of the city of Columbus, Ohio, favoring the passage of legislation authorizing and directing the Postmaster General to issue a special series of postage stamps of the denomination of 3 cents, commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment as brevet brigadier general of the Continental Army on October 13, 1783, of Thaddeus Kosciusko,

which was referred to the Committee on Post Offices and Post Roads.

Mr. COPELAND presented a resolution adopted by Richmond County Post, No. 248, Veterans of Foreign Wars, of Staten Island, N.Y., protesting against any reduction in disability compensation or allowances to war veterans and favoring the immediate cash payment of adjusted-compensation certificates, which was referred to the Committee on Finance.

He also presented the memorial of William F. Shanley, of Brooklyn, N.Y., remonstrating against the curtailment of benefits accorded to Spanish-American war veterans, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of the State of New York, praying for the enactment of legislation providing for reductions in governmental expenditures under the proposed program of the National Economy League, which was referred to the Committee on Finance.

He also presented a resolution adopted by Second Division Post, No. 860, American Legion, of New York, N.Y., protesting against any reduction of the military forces, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the Clinton Chamber of Commerce, of Clinton, N.Y., protesting against the expenditure of Federal appropriations for the Great Lakes-St. Lawrence waterway, for western highway construction, Federal aid for State schools, irrigation projects, and reforestation, and for the extension of aid to cotton and wheat farmers, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by Parker F. Dunn, Auxiliary Unit 971, of Albany, N.Y., favoring the maintenance of adequate defense forces and the carrying out of the provisions of the National Defense Act, which was referred to the Committee on Appropriations.

He also presented a petition of sundry citizens of the State of New York praying for the revaluation of the gold ounce, and remonstrating against the enactment of legislation affording relief to certain groups or classes of citizens, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by Livingston County Pomona Grange, of Lima, N.Y., favoring a reduction of interest rates on farm mortgages and loans, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by the Chamber of Commerce of the Village of Alexandria Bay, N.Y., favoring the ratification of the Great Lakes-St. Lawrence Seaway treaty with Canada, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Cobleskill Chamber of Commerce, of Cobleskill, N.Y., remonstrating against the ratification of the Great Lakes-St. Lawrence Seaway treaty, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of the State of New York, praying for the enactment of legislation to permit the President to place an embargo on the exportation of arms, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by Orange County (N.Y.) Pomona Grange, Patrons of Husbandry, remonstrating against the repeal of the eighteenth amendment to the Constitution and favoring the enforcement of the prohibition laws, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Agenda Club of the Union Theological Seminary, of New York City, remonstrating against the training of unemployed youths at military posts, which was referred to the Committee on Military Affairs.

He also presented a petition of Indian residents of the Tuscarora Nation of Indians, reservation situated at Lewiston, N.Y., praying for the enactment of legislation to place them and their tribal reserve under the protection of the general laws of the State of New York, with exemption from taxation, which was referred to the Committee on Indian Affairs.

DISTRIBUTION OF NEW CURRENCY

Mr. GOLDSBOROUGH. Mr. President, I submit for the RECORD, and ask to have printed and lie on the table a letter from Governor Ritchie, of Maryland, transmitting a joint resolution passed by the General Assembly of Maryland urging both promptness and equality of treatment in the matter of the distribution of the proposed new currency, and so forth.

There being no objection, the letter and joint resolution were ordered to lie on the table and to be printed in the RECORD, as follows:

EXECUTIVE DEPARTMENT,
Annapolis, Md., March 9, 1933.

Hon. PHILLIPS LEE GOLDSBOROUGH,
United States Senate, Washington, D.C.

DEAR SENATOR GOLDSBOROUGH: I beg to enclose you copy of Senate Joint Resolution No. 6, passed by the Maryland Legislature Wednesday evening, March 8, urging both promptness and equality of treatment in the matter of the distribution of the proposed new currency. This represents the unanimous action of the members of both houses.

Respectfully yours,

ALBERT C. RITCHIE, *Governor.*

Senate Joint Resolution No. 6

Joint resolution of the General Assembly of the State of Maryland concerning the present banking and currency situation

Whereas the General Assembly of Maryland is in the process of enacting legislation to establish a State corporation authorized to issue a circulating medium for the banks of Maryland based upon the sound assets of the State banks; and

Whereas the General Assembly of Maryland believes that all the sound investments of any bank should be included in its proper assets, even though such investments are not considered liquid under the requirements of the Federal Reserve System of rediscount banks: Now, therefore, be it

Resolved, That it is the sense of the General Assembly of Maryland that the fundamental principle of improving the sound assets of any bank as the basis of securing the issuance of additional currency or circulating medium to replace that which has disappeared from circulation through hoarding or otherwise should be applied in the issuance of any additional or emergency currency that may be made available by the Treasury and the Congress of the United States to relieve the existing national currency shortage: And be it further

Resolved, That the General Assembly of Maryland is of the opinion that the beneficial results that will flow from the issuance of such additional currency, or such medium of circulation, as may be authorized, will be in direct proportion to the equality of treatment that is accorded to all of the banks of Maryland, both State and National, and further that any delay in accepting such security and distributing such currency or circulating medium, or any delay in appraising such bank assets and furnishing such additional currency to State banks, will prove of great harm to any and all such banks: And be it further

Resolved, That a copy of this resolution be forwarded with the respect of the General Assembly of Maryland to the President of the United States, the Secretary of the Treasury, the Chairman of the Federal Reserve Board, the Acting Comptroller of the Federal Currency, and to the Maryland Members of Congress, urging their favorable consideration of the basic principle hereinabove set forth.

Approved:

ALBERT C. RITCHIE,
Governor.

WALTER J. MITCHELL,
President of the Senate.

T. BARTON HARRINGTON,
Speaker of the House of Delegates.

REDUCTION OF EXPENDITURES—REPORT OF THE FINANCE COMMITTEE

Mr. HARRISON, from the Committee on Finance, to which was referred the bill (S. 233) to maintain the credit of the United States Government, reported it with amendments and submitted a report (No. 1) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DILL:

A bill (S. 234) to authorize the Secretary of the Treasury to purchase silver by issuance of silver certificates and for the redemption of the same, and for other purposes; to the Committee on Banking and Currency.

A bill (S. 235) for the relief of C. H. Reynolds, assignee of the Bitu-Mass Paving Co., of Spokane, Wash.; to the Committee on Claims.

A bill (S. 236) to provide funds for cooperation with the school board at Queets, Wash., in the construction of a public-school building to be available to Indian children of the village of Queets, Jefferson County, Wash.; to the Committee on Indian Affairs.

A bill (S. 237) granting a pension to Jack B. Hamilton (with accompanying papers); and

A bill (S. 238) granting a pension to Ellen B. Rader (with accompanying papers); to the Committee on Pensions.

A bill (S. 239) for the relief of Earl A. Ross; and

A bill (S. 240) for the relief of Frank P. Ross; to the Committee on Public Lands and Surveys.

By Mr. HEBERT:

A bill (S. 241) to provide protection by registration of designs for textiles and other materials; to the Committee on Patents.

By Mr. BANKHEAD:

A bill (S. 242) to provide for the issuance of stamped money certificates, and for other purposes; to the Committee on Banking and Currency.

By Mr. FESS:

A bill (S. 243) to compensate Harriet C. Holaday; to the Committee on Foreign Relations.

A bill (S. 244) granting a pension to Lucie P. Cranston; to the Committee on Pensions.

By Mr. BARBOUR:

A bill (S. 246) for the relief of John Henry Tackett; to the Committee on Claims.

A bill (S. 247) to amend the act of May 29, 1930, relating to the retirement of employees in the classified civil service; to the Committee on Civil Service.

A bill (S. 248) for the relief of Rolando B. Moffett; to the Committee on Military Affairs.

By Mr. McNARY and Mr. STEIWER:

A bill (S. 249) to provide for the construction of works for the development of the Columbia River and minor tributaries, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. STEIWER:

A bill (S. 250) for the relief of Fred Herrick; and

A bill (S. 251) authorizing and directing the Secretary of Agriculture to investigate all phases of taxation in relation to agriculture; to the Committee on Agriculture and Forestry.

A bill (S. 252) for the relief of the American Bonding Co., of Baltimore;

A bill (S. 253) for the relief of Clatsop County, Oreg.;

A bill (S. 254) for the relief of Fred H. Cotter;

A bill (S. 255) for the relief of John Hampshire;

A bill (S. 256) for the relief of Milburn Knapp;

A bill (S. 257) for the relief of Ivan Matson;

A bill (S. 258) for the relief of Wallace E. Ordway; and

A bill (S. 259) for the relief of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullivan, J. H. Neill, David C. Callib, J. J. Beckham, and John Toles; to the Committee on Claims.

A bill (S. 260) authorizing a preliminary examination and survey of Chetco Cove, Oreg.; and

A bill (S. 261) to provide an examination and survey of Seaside Harbor, Oreg.; to the Committee on Commerce.

A bill (S. 262) to aid agriculture by exempting from income tax income from agricultural loans, and for other purposes; to the Committee on Finance.

A bill (S. 263) authorizing certain improvements in the Tule Lake sump area of the Klamath irrigation project; and

A bill (S. 264) to provide for the improvement of the Columbia River between Celilo Falls, Oreg., and Wallula, Wash.; to the Committee on Irrigation and Reclamation.

A bill (S. 265) for the relief of Alonzo M. Boyden;

A bill (S. 266) for the relief of John Fisher;

A bill (S. 267) for the relief of Elijah L. Gum;

A bill (S. 268) for the relief of Andrew J. McCallen;

A bill (S. 269) for the relief of Walter Malone; and

A bill (S. 270) authorizing the President to present medals, in the name of Congress, to certain survivors of the sinking of the steamship *Tuscania*; to the Committee on Military Affairs.

A bill (S. 271) granting pensions to certain persons who served in the Indian wars from 1817 to 1898;

A bill (S. 272) to amend section 3 of the act entitled "An act granting pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes," approved March 3, 1927;

A bill (S. 273) granting a pension to Mark Baldwin;

A bill (S. 274) granting a pension to Myrtle J. Buzan;

A bill (S. 275) granting a pension to Harold C. Cline;

A bill (S. 276) granting a pension to John L. Hammack;

A bill (S. 277) granting a pension to Matilda Jane Hart;

A bill (S. 278) granting an increase of pension to Blanche C. Hurd;

A bill (S. 279) granting a pension to John R. Liles;

A bill (S. 280) granting a pension to Mary Nightingale;

A bill (S. 281) granting a pension to J. B. Stanfield;

A bill (S. 282) granting a pension to Arminta Sullivan; and

A bill (S. 283) granting a pension to Christiana L. Todd; to the Committee on Pensions.

A bill (S. 284) authorizing the conveyance of certain lands to School District No. 28, Deschutes County, Oreg.; and

A bill (S. 285) to authorize the addition of certain lands to the Ochoco National Forest, Oreg.; to the Committee on Public Lands and Surveys.

By Mr. TRAMMELL:

A bill (S. 286) to amend the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933, by adding a new section thereto; to the Committee on Banking and Currency.

By Mr. KING:

A bill (S. 287) to provide for review of the action of consular officers in refusing immigration visas; to the Committee on Immigration.

A bill (S. 288) to establish a Department of National Defense, and for other purposes; and

A bill (S. 289) to repeal the act entitled "An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the Governments of the Latin-American Republics in military and naval matters," approved May 19, 1926; to the Committee on Military Affairs.

A bill (S. 290) to provide compulsory licenses for unused patents; to the Committee on Patents.

A bill (S. 291) granting certain unreserved and unappropriated public lands to the several States; to the Committee on Public Lands and Surveys.

By Mr. CAPPER:

A bill (S. 292) for the relief of Viola Addis;

A bill (S. 293) for the relief of William Schick; and

A bill (S. 294) for the relief of Stanton & Jones; to the Committee on Claims.

A bill (S. 295) authorizing the Commissioners of the District of Columbia to grant a permit for the construction of an oil and gasoline pipe line; and

A bill (S. 296) to provide for the discontinuance of the use as dwellings of buildings situated in alleys in the District of Columbia, and for the replatting and development of squares containing inhabited alleys, in the interest of public health, comfort, morals, safety, and welfare, and for other purposes; to the Committee on the District of Columbia.

A bill (S. 297) for the relief of Dewey Newman; and

A bill (S. 298) to repeal section 751 of the Revenue Act of 1932; to the Committee on Finance.

A bill (S. 299) to define the intent of the antitrust laws as to certain agreements; to the Committee on Interstate Commerce.

A bill (S. 300) for the relief of John J. Delaney; to the Committee on Military Affairs.

By Mr. FLETCHER:

A bill (S. 301) providing for the guaranty of bank deposits, and for other purposes; to the Committee on Banking and Currency.

By Mr. METCALF:

A bill (S. 302) to amend section 57 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended and supplemented, with respect to proof and allowance of claims by trustees for bondholders; to the Committee on the Judiciary.

By Mr. CAREY:

A bill (S. 303) for the relief of Con Murphy; to the Committee on Claims.

A bill (S. 304) granting an honorable discharge to Edward Barrett;

A bill (S. 305) for the relief of William T. J. Ryan;

A bill (S. 306) to grant an honorable discharge to Robert French Griffin;

A bill (S. 307) to grant an honorable discharge to Claris N. Corwine; and

A bill (S. 308) to authorize the award of a decoration for distinguished service to Harry H. Horton; to the Committee on Military Affairs.

A bill (S. 309) granting an honorable discharge to Willard Heath Mitchell; to the Committee on Naval Affairs.

A bill (S. 310) granting an increase of pension to Melinda Morford; and

A bill (S. 311) granting an increase of pension to Elizabeth Harrington; to the Committee on Pensions.

A bill (S. 312) validating application for entry upon public lands; and

A bill (S. 313) to amend section 5 of the act approved July 10, 1890 (28 Stat. 664), relating to the admission into the Union of the State of Wyoming; to the Committee on Public Lands and Surveys.

By Mr. ADAMS:

A bill (S. 314) to amend the act of Congress approved March 9, 1933, entitled "An act to provide relief in the existing national emergency in banking, and for other purposes"; to the Committee on Banking and Currency.

By Mr. KING:

A bill (S. 315) authorizing the Reconstruction Finance Corporation to make loans to aid in refunding or refinancing certain obligations of irrigation and drainage districts; to the Committee on Banking and Currency.

A bill (S. 316) relative to the qualifications of practitioners of law in the District of Columbia; to the Committee on the District of Columbia.

A bill (S. 317) authorizing the Reconstruction Finance Corporation to make advances to the reclamation fund; to the Committee on Irrigation and Reclamation.

A bill (S. 318) granting certain lands to the State of Utah for use and benefit of the water-storage commission of such State and for the use and benefit of the University of Utah; to the Committee on Public Lands and Surveys.

BANKING ACT

Mr. GLASS. Mr. President, I desire to introduce a bill which I hope may be the basis for permanent banking legislation, and ask to have it referred to the Committee on Banking and Currency.

The VICE PRESIDENT. Is there objection? The Chair hears none. The bill will be received and referred as requested.

The bill (S. 245) to provide for the safer and more effective use of the assets of Federal Reserve banks and of national banking associations, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes, was read twice by its title and referred to the Committee on Banking and Currency.

REDUCTION OF EXPENDITURES—AMENDMENTS TO SENATE BILL 233

Mr. BLACK. Mr. President, I send to the desk and ask to have read two amendments which I intend to offer at the proper time to Senate bill 233, and I ask also that they may be printed and referred to the Committee on Finance.

The VICE PRESIDENT. Without objection, that order will be made, and the clerk will read, as requested.

The Chief Clerk read as follows:

At the proper place insert the following new section:

"After the enactment of this bill the Reconstruction Finance Corporation is directed to decline to make any loan to any institution or business enterprise unless an agreement is made that while such loan is outstanding and unpaid such institution or business enterprise will pay no salary or salary combined with bonus, in excess of the salary paid to Members of the United States Congress."

At the proper place insert the following paragraph:

"After the enactment of this law, the Postmaster General is directed to suspend payment of any air mail or ocean mail subsidies, to any individuals, companies, or corporations which singly or in combination with other individuals, companies, or corporations receiving a subsidy, pay any salary or salary combined with bonus, to any one officer, agent, or employee in excess of the salary herein provided to be paid to Members of Congress of the United States."

HEARINGS BEFORE THE COMMITTEE ON APPROPRIATIONS

Mr. GLASS submitted the following resolution (S.Res. 17), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Appropriations, or any subcommittee thereof, is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

J. A. TIPPIT AND OTHERS

Mr. STEIWER submitted the following resolution (S.Res. 18), which was referred to the Committee on Claims:

Resolved, That the bill (S. 259) entitled "A bill for the relief of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullivan, J. H. Neill, David C. McCallib, J. J. Beckham, and John Toles," now pending in the Senate, together with all the accompanying papers, be, and the same is hereby, referred to the Court of Claims, in pursuance of the provisions of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; and the said court shall proceed with the same in accordance with the provisions of such act and report to the Senate in accordance therewith.

HEARINGS BEFORE COMMITTEE ON EDUCATION AND LABOR

Mr. WALSH submitted the following resolution (S.Res. 19), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Education and Labor, or any subcommittee thereof, is hereby authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and employ a stenographer at a cost not exceeding 25 cents per hundred words to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

DELEGALIZATION AND PROHIBITION OF WAR

Mr. KING submitted the following resolution (S.Res. 20), which was referred to the Committee on Foreign Relations:

Whereas permanent peace is essential to the happiness and welfare of the human race, and civilization would be jeopardized by another world war; and

Whereas all people earnestly desire that international conflicts shall cease and that war shall not only be renounced as an instrument of national policy but outlawed by all civilized nations; and

Whereas both political parties in their national platforms have approved our adherence to the Permanent Court of International Justice and the adoption of policies of conciliation, consultation, and conferences in case of threatened violations of treaties for the purpose of preventing war; and

Whereas the cause of world peace would be advanced and made more certain by an enactment that would be an integral part of international law: Therefore be it

Resolved, That the President be requested to enter into negotiations with all civilized nations for the purpose of securing the adoption of measures and enactments for the delegalization of war that will make the prohibition of war between sovereign nations a basic principle of international law, remove from the

protection and place under the condemnation of law as an international criminal any nation that, in violation of its treaty obligations, attempts to settle disputes by war, and by which any possession or gain thereafter acquired by any other than peaceful means shall be held an illegal possession subject to recovery under such measure or law so enacted.

INVESTIGATION OF CONDITIONS IN SOVIET RUSSIA

Mr. KING submitted the following resolution (S.Res. 21), which was referred to the Committee on Foreign Relations:

Whereas extensive propaganda has been circulated urging recognition by the United States of the Russian Soviet Government; and

Whereas early in the history of the Russian Soviet Government the United States announced a policy of nonrecognition of such Government so long as conditions then existing and policies then adhered to continued; and

Whereas this policy of nonrecognition has been steadily adhered to by this Government; and

Whereas before the Government of the United States should take any steps looking to the recognition of the Russian Soviet Government or the adoption of a different policy than that heretofore adhered to, a full and complete investigation should be made of all matters bearing upon the question of recognition: Therefore be it

Resolved, That the Committee on Foreign Relations, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation of economic, political, and other conditions existing in the Union of Soviet Socialist Republics, including the position of the Russian Soviet Government with respect to recognition by the United States of such Government, the attitude generally of the Russian Soviet Government toward the Government of the United States and other governments, and any other facts bearing upon the question of recognition of the Russian Soviet Government. The committee shall report its findings to the Senate at the earliest practicable date.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-third and succeeding Congresses until the final report is submitted, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses, and the production of such books, papers, and documents, to administer such oaths, and to take such testimony and make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $————, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate proceed to the consideration of executive business; and let me say before the motion is voted upon that only a short period will be required to transact executive business this afternoon, and following that there will be an announcement which will grieve the Members of the Senate very profoundly.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT laid before the Senate sundry messages from the President of the United States transmitting nominations, which were referred to the appropriate committees.

(The nominations received this day appear at the end of today's Senate proceedings.)

Mr. ROBINSON of Arkansas. I move that the Senate resume legislative session.

The motion was agreed to.

DEATH OF SENATOR HOWELL, OF NEBRASKA

Mr. NORRIS. Mr. President, it is my sad duty to announce the death of my colleague, Hon. ROBERT B. HOWELL, who passed away just a few minutes ago at Walter Reed Hospital. I send to the desk the following resolutions.

The VICE PRESIDENT. The resolutions will be read.

The Chief Clerk read the resolutions (S.Res. 23), as follows:

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. ROBERT B. HOWELL, late a Senator from the State of Nebraska.

Resolved, That a committee of 15 Senators be appointed by the Vice President to take order for superintending the funeral of the deceased Senator.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The VICE PRESIDENT. The question is on agreeing to the resolutions submitted by the Senator from Nebraska.

The resolutions were unanimously agreed to.

Under the second resolution the Vice President appointed the Senator from Nebraska [Mr. NORRIS], the senior Senator from Iowa [Mr. DICKINSON], the junior Senator from North Dakota [Mr. NYE], the junior Senator from Michigan [Mr. VANDENBERG], the senior Senator from Indiana [Mr. ROBINSON], the senior Senator from California [Mr. JOHNSON], the junior Senator from Iowa [Mr. MURPHY], the senior Senator from Utah [Mr. KING], the junior Senator from South Dakota [Mr. BULOW], the senior Senator from Nevada [Mr. PITTMAN], the junior Senator from Florida [Mr. TRAMMELL], the senior Senator from New Jersey [Mr. KEAN], the junior Senator from Wyoming [Mr. CAREY], the senior Senator from Wisconsin [Mr. LA FOLLETTE], and the senior Senator from Minnesota [Mr. SHIPSTEAD].

Mr. NORRIS. Mr. President, as a further mark of respect to the memory of the deceased Senator, I move that the Senate do now adjourn.

The motion was unanimously agreed to; and (at 2 o'clock and 30 minutes p.m.) the Senate adjourned until Monday, March 13, 1933, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 11 (legislative day of Mar. 9), 1933

ASSISTANT POSTMASTERS GENERAL

Joseph C. O'Mahoney, of Wyoming, to be First Assistant Postmaster General;

William W. Howes, of South Dakota, to be Second Assistant Postmaster General;

Clinton B. Eilenberger, of Pennsylvania, to be Third Assistant Postmaster General; and

Silliman Evans, of Texas, to be Fourth Assistant Postmaster General.

ASSISTANT SECRETARY OF AGRICULTURE

Rexford Guy Tugwell, of New York, to be Assistant Secretary of Agriculture.

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

Norman Armour, of New Jersey, lately a Foreign Service officer of class 1 and a counselor of embassy, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Haiti.

MINISTER RESIDENT AND CONSUL GENERAL

Paul Knabenshue, of Ohio, a Foreign Service officer of class 3 and a consul general, to act as minister resident and consul general of the United States of America to Iraq.

CONSUL GENERAL

Avra M. Warren, of Maryland.

SECRETARIES IN THE DIPLOMATIC SERVICE

Harold Shantz, of New York.
H. Merrell Benninghoff, of New York.
Cloyce K. Huston, of Iowa.
Winthrop R. Scott, of Ohio.
H. Merle Cochran, of Arizona.

GOVERNOR OF THE PANAMA CANAL

Lt. Col. Julian L. Schley, Corps of Engineers, United States Army, for appointment as Governor of the Panama Canal, provided for by the Panama Canal Act, approved August 24, 1912.

VICE GOVERNOR OF THE PHILIPPINE ISLANDS

John H. Holliday, of Missouri, to be Vice Governor of the Philippine Islands, to which office he was originally appointed ad interim, on August 13, 1932, vice George C. Butte, resigned, and was reappointed ad interim on March 7, 1933.

HOUSE OF REPRESENTATIVES

SATURDAY, MARCH 11, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

O Thou Almighty and Everlasting God, we wait with burdened hearts; at Thy mercy seat we bow; a great affliction has befallen our land; our neighbors and the gardens of the sundown sea are laid low. Clouds and darkness are round about Thy throne. Reason staggers; yet groping, trusting, hoping, we kneel blindly at the altar stairs that slope through darkness up to God. Father in heaven, allow not the stricken ones to be uncared for. In their desolation, in their surprise, and in their anguish O come to them, walking on the turbulent waves of their bitter sorrow. Comfort all who are in the region of death, and bless all who are borne down and perplexed. We pray, we plead in the name of Him who was slain from the foundation of the world; whose name is mercy, whose face is light, whose heart is love, whose strength is gentleness, and who is our pledge, our peace, and our immortality. Amen.

The Journal of the proceedings of yesterday was read and approved.

SWEARING IN OF MEMBER

Hon. SAM COLLINS, of the State of California, appeared at the bar of the House and received the oath of office.

DISASTER IN SOUTHERN CALIFORNIA

Mr. KRAMER. Mr. Speaker, I offer a resolution, which I send to the Clerk's desk.

The Clerk read as follows:

Resolution offered by Mr. KRAMER:

"House Resolution 33

"*Resolved*, That Congress in session extends to the people of California, to the relatives of the deceased, and to those injured, our deepest sympathy in the tragedy that has visited them, and wishes to assure them of our fullest cooperation and assistance in every way possible."

The resolution was agreed to.

MAINTENANCE OF CREDIT OF THE UNITED STATES GOVERNMENT

Mr. BYRNS. Mr. Speaker, I offer the following resolution, move its adoption, and upon that motion I move the previous question.

The Clerk read as follows:

Resolution offered by Mr. BYRNS:

"House Resolution 32

"*Resolved*, That immediately upon the adoption of this resolution the House shall proceed to the consideration of H.R. 2820, a bill to maintain the credit of the United States Government, and all points of order against said bill shall be considered as waived; that, after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Economy, the previous question shall be considered as ordered on the bill to final passage."

Mr. BROWNING. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BROWNING. If this resolution is adopted, there will not be any privilege of amendment given to the House, under any consideration?

The SPEAKER. There will not be.

Mr. BROWNING. Would a motion to recommit be in order following the third reading of the bill?

The SPEAKER. It would; yes.

Mr. RANKIN. Mr. Speaker, I make the point of order that the bill is not in order at this time for the reason that the report does not comply with the Ramseyer rule, with which the gentleman from Tennessee [Mr. BYRNS] is entirely familiar. The bill changes existing law, and the report does not set out the existing law as provided in the Ramseyer rule; and therefore I make the point of order that it is not in order at this time.

Mr. BYRNS. The point of order would be against the bill and not against the resolution.

Mr. RANKIN. It is against consideration of the bill.

Mr. BYRNS. That would come later.

Mr. RANKIN. No; you shut me off from all points of order with the passage of this resolution.

The SPEAKER. The point of order is overruled.

The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

Mr. RANKIN. Mr. Speaker, may I be permitted to make my point of order against the bill now or shall I make it when the bill is read? I do not want to waive my right to make the point.

The SPEAKER. The gentleman can make the point when the bill is called up.

The resolution was agreed to.

On motion of Mr. BYRNS, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

Mr. McDUFFIE from the Committee on Economy, by direction of that Committee and pursuant to H.Res. 28, reported the bill (H.R. 2820, Rept. No. 1) to maintain the credit of the United States Government, which was referred to the Union Calendar and ordered printed.

Mr. McDUFFIE. Mr. Speaker, I call up a privileged bill, H.R. 2820, to maintain the credit of the United States Government.

The Clerk read the bill, as follows:

Be it enacted, etc.,

TITLE I

VETERANS

SECTION 1. That subject to such requirements and limitations as shall be contained in regulations to be issued by the President, and within the limits of appropriations made by Congress, the following classes of persons may be paid a pension:

(a) Any person who served in the active military or naval service and who is disabled as a result of disease or injury or aggravation of a preexisting disease or injury incurred in line of duty in such service.

(b) Any person who served in the active military or naval service during any war subsequent to the Civil War, including the Boxer rebellion and the Philippine insurrection, and who is permanently disabled as a result of wound or disease.

(c) The widow, child, or children, dependent mother or father, of any person who dies as a result of disease or injury incurred or aggravated in line of duty in the active military or naval service.

(d) The widow and/or child of any deceased person who served during any war subsequent to the Civil War, including the Boxer rebellion and Philippine insurrection and prior to the World War.

(e) For the purpose of subparagraph (b) of this section, the World War shall be deemed to have ended November 11, 1918.

SEC. 2. The minimum and maximum monthly rate of pension which may be paid for disability or death shall be as follows: For disability, from $6 to $275; for death from $12 to $75.

SEC. 3. For each class of persons specified in subparagraphs (a) and (b) of section 1 of this title the President is hereby authorized to prescribe by regulation the minimum degrees of disability and such higher degrees of disability, if any, as in his judgment should be recognized and prescribe the rate of pension payable for each such degree of disability. In fixing rates of pensions for disability or death the President shall prescribe by regulation such differentiation as he may deem just and equitable, in the rates to be paid to veterans of different wars and/or their dependents and to be paid for

(a) Disabilities and deaths resulting from disease or injury incurred or aggravated in line of duty in war-time service;

(b) Disabilities and deaths resulting from disease or injury incurred or aggravated in line of duty in peace-time service;

(c) Disabilities and deaths not incurred in service.

SEC. 4. The President shall prescribe by regulation (subject to the provisions of section 1 (e) of this title) the date of the beginning and of the termination of the period in each war subsequent to the Civil War, including the Boxer rebellion and the Philippine insurrection, service within which shall for the purposes of this act be deemed war-time service. The President shall further prescribe by regulation the required number of days of war or peace time service for each class of veterans, the time limit on filing of claims for each class of veterans and their dependents, the nature and extent of proofs and presumptions for such different classes, and any other requirements as to entitlement as he shall deem equitable and just. The President in establishing conditions precedent may prescribe different requirements or conditions for the veterans of different wars and their dependents and may further subdivide the classes of persons as outlined in section 1 of this title and apply different requirements or conditions to such subdivisions.

SEC. 5. All decisions rendered by the Administrator of Veterans' Affairs under the provisions of this title, or the regulations issued

pursuant thereto, shall be final and conclusive on all questions of law and fact, and no other official or court of the United States shall have jurisdiction to review by mandamus or otherwise any such decision.

SEC. 6. In addition to the pensions provided in this title, the Administrator of Veterans' Affairs is hereby authorized under such limitations as may be prescribed by the President, and within the limits of existing Veterans' Administration facilities, to furnish to veterans of any war, including the Boxer rebellion and the Philippins insurrection, domiciliary care where they are suffering with permanent disabilities and medical and hospital treatment for diseases or injuries incurred or aggravated in line of duty in the active military or naval service.

SEC. 7. The Administrator of Veterans' Affairs subject to the general direction of the President and in accordance with regulations to be issued by the President shall administer, execute, and enforce the provisions of this title and for such purpose shall have the same authority and powers as are provided in sections 425, 430, 431, 432, 433, 434, 440, 442, 443, 444, 447, 450, 451, 453, 455, 457, 458, 459, 459a, 459c, 459d, 459e, 459f, title 38, U.S.C., and such other sections of title 38, U.S.C., as relate to the administration of the laws granting pensions.

SEC. 8. The Administrator of Veterans' Affairs is hereby authorized in carrying out the provisions of title I of this act or any other pension act to delegate authority to render decisions to such person or persons as he may find necessary. Within the limitations of such delegations any decisions rendered by such person or persons shall have the same force and effect as though rendered by the Administrator of Veterans' Affairs. The President shall personally approve all regulations issued under the provisions of this title.

SEC. 9. Claims for benefits under this title shall be filed with the Veterans' Administration under such regulations, including provisions for hearing, determination, and administrative review, as the President may approve, and payments shall not be made for any period prior to date of application. When a claim shall be finally disallowed under this title and the regulations issued thereunder, it may not thereafter be reopened or allowed.

SEC. 10. Notwithstanding the provisions of section 2 of this title, any person who served as an officer of the Army, Navy, or Marine Corps of the United States during the World War, other than as an officer of the Regular Army, Navy, or Marine Corps, who made valid application for retirement under the provisions of Public, No. 506, Seventieth Congress, enacted May 24, 1928, sections 581 and 582, title 38, United States Code, and who prior to the passage of this act has been granted retirement with pay, shall be entitled to continue to receive retirement pay at the monthly rate now being paid him if the disability for which he has been retired resulted from disease or injury or aggravation of a preexisting disease or injury incurred in line of duty between April 6, 1917, and November 11, 1918: *Provided*, That the disease or injury or aggravation of the disease or injury directly resulted from the performance of military or naval duty, and that such person otherwise meets the requirements of the regulations which may be issued under the provisions of this act.

SEC. 11. All offenses committed and all penalties or forfeiture incurred under the acts repealed by section 17 of this title may be prosecuted and punished in the same manner and with the same effect as if said repeal had not been made and any person who forfeited rights to benefits under any such acts shall not be entitled to any benefits under this title.

SEC. 12. That whoever in any claim for benefits under this title or by regulations issued pursuant to this title, makes any sworn statement of a material fact knowing it to be false, shall be guilty of perjury and shall be punished by a fine of not more than $5,000 or by imprisonment for not more than 2 years, or both.

SEC. 13. That if any person entitled to payment of pension under this title, whose right to such payment under this title or under any regulation issued under this title, ceases upon the happening of any contingency, thereafter fraudulently accepts any such payment, he shall be punished by a fine of not more than $2,000 or by imprisonment for not more than 1 year, or both.

SEC. 14. That whoever shall obtain or receive any money, check, or pension under this title, or regulations issued under this title, without being entitled to the same, and with intent to defraud the United States or any beneficiary of the United States, shall be punished by a fine of not more than $2,000, or by imprisonment for not more than 1 year, or both.

SEC. 15. Any person who shall knowingly make or cause to be made, or conspire, combine, aid, or assist in, agree to, arrange for, or in any wise procure the making or presentation of a false or fraudulent affidavit, declaration, certificate, statement, voucher, or paper, or writing purporting to be such, concerning any claim for benefits under this title, shall forfeit all rights, claims, and benefits under this title, and, in addition to any and all other penalties imposed by law, shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than $1,000 or imprisonment for not more than 1 year, or both.

SEC. 16. Every guardian, curator, conservator, committee, or person legally vested with the responsibility or care of a claimant or his estate, having charge and custody in a fiduciary capacity of money paid, under the provisions of this title, for the benefit of any minor or incompetent claimant, who shall embezzle the same in violation of his trust, or convert the same to his own use, shall be punished by a fine not exceeding $2,000 or imprisonment at hard labor for a term not exceeding 5 years, or both.

SEC. 17. All public laws granting medical or hospital treatment, domiciliary care, compensation, pension-disability allowance, or retirement pay to veterans of the Spanish-American War, including the Boxer rebellion and the Philippine insurrection, the World War, or to former members of the military or naval service for injury or disease incurred or aggravated in the line of duty in the military or naval service except so far as they relate to persons who served prior to the Spanish-American War, and the retirement of officers and enlisted men of the Regular Army, Navy, or Marine Corps, are hereby repealed, and all laws granting or pertaining to yearly renewable term insurance are hereby repealed, but payments in accordance with such laws shall continue to the first day of the third calendar month following the month during which this act is enacted. The Administrator of Veterans' Affairs under the general direction of the President shall immediately cause to be reviewed all allowed claims under the above-referred-to laws and where a person is found entitled under this act, authorize payment or allowance of benefits in accordance with the provisions of this act commencing with the first day of the fourth calendar month following the month during which this act is enacted and notwithstanding the provisions of section 9 of this act no further claim in such cases shall be required: *Provided*, That nothing contained in this section shall interfere with payments heretofore made or hereafter to be made under contracts of yearly renewable term insurance which have matured prior to the date of enactment of this act and under which payments have been commenced.

SEC. 18. For the fiscal year ending June 30, 1934, pension, and/or any other monetary gratuity payable to former members of the military or naval service in wars prior to the Spanish-American War for service, age, disease, or injury, except retired pay of officers and enlisted men of the Regular Army, Navy, or Marine Corps shall be reduced by 10 percent of the amount payable.

TITLE II

OFFICERS AND EMPLOYEES

SEC. 1. When used in this title—

(a) The terms "officer" and "employee" mean any person rendering services in or under any branch or service of the United States Government or the government of the District of Columbia, but do not include (1) officers whose compensation may not, under the Constitution, be diminished during their continuance in office; (2) the Vice President, Senators, Representatives in Congress, Delegates, and Resident Commissioners; (3) officers and employees on the rolls of the Senate and House of Representatives; (4) any person in respect of any office, position, or employment the amount of compensation of which is expressly fixed by international agreement; and (5) any person in respect of any office, position, or employment the compensation of which is paid under the terms of any contract in effect on the date of the enactment of this title, if such compensation may not lawfully be reduced.

(b) The term "compensation" means any salary, pay, wage, allowance (except allowances for travel), or other emolument paid for services rendered in any civilian or noncivilian office, position, or employment; and includes the retired pay of judges (except judges whose compensation, prior to retirement or resignation, could not, under the Constitution, have been diminished), and the retired pay of all commissioned and other personnel of the Coast and Geodetic Survey, the Lighthouse Service, and the Public Health Service, and the retired pay of all commissioned and other personnel of the Army, Navy, Marine Corps, and Coast Guard; but does not include payments out of any retirement, disability, or relief fund made up wholly or in part of contributions of employees.

SEC. 2. For that portion of the fiscal year 1933 beginning with the first day of the calendar month following the month during which this act is enacted, and for fiscal year ending June 30, 1934, the compensation of every officer or employee shall be determined as follows:

(a) The compensation which such officer or employee would receive under the provisions of any existing law, schedule, regulation, Executive order, or departmental order shall first be determined as though this title (except section 4) had not been enacted.

(b) The compensation as determined under subparagraph (a) of this section shall be reduced by the percentage, if any, determined in accordance with section 3 of this title.

SEC. 3. (a) The President is authorized to investigate the facts relating to the costs of living in the United States during the 6 months' period ending June 30, 1928, to be known as the base period, and upon the basis of such facts and the application thereto of such principles as he may find proper, determine an index figure of the cost of living during such period. The President is further authorized to make a similar investigation and determination of an index figure of the cost of living during the 6 months' period ending December 31, 1932, and each 6 months' period thereafter.

(b) The President shall announce by Executive order the index figure for the base period and for each subsequent period determined by him under paragraph (a) of this section. The percentage, if any, by which the cost-of-living index for any 6 months' period, as provided in paragraph (a) of this section, is lower than such index for the base period, shall be the percentage of reduction applicable under section 3 (b) of this title in determining compensation to be paid during the following 6 months' period, or such portion thereof during which this title is in effect:

Provided, That such percentage of reduction shall not exceed 15 per cent.

SEC. 4. (a) Section 4 of "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes," approved March 3, 1933, is hereby amended to read as follows:

"SEC. 4. (a) The provisions of the following sections of part II of the Legislative Appropriation Act, fiscal year 1933, are hereby continued in full force and effect during the fiscal year ending June 30, 1934, namely, sections 105 (except subsections (d) and (e) thereof), 107 (except paragraph (5) of subsection (a) thereof, and subsection (b) thereof), 201, 203, 206 (except subsection (a) thereof), 211, 214, 216, 304, 315, 317, 318, and 323, and for the purpose of continuing such sections, in the application of such sections with respect to the fiscal year ending June 30, 1934, the figures '1933' shall be read as '1934'; the figures '1934' as '1935'; and the figures '1935' as '1936'; and, in the case of section 203, the figures '1932' shall be read as '1933'; except that in the application of such sections with respect to the fiscal year ending June 30, 1934 (but not with respect to the fiscal year ending June 30, 1933), the following amendments shall apply:

"(1) Section 216 is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: '*Provided further*, That no employee under the classified civil service shall be furloughed under the provisions of this section for a total of more than 90 days during the fiscal year 1934, except after full and complete compliance with all the provisions of the Civil Service laws and regulations relating to reductions in personnel.'

"(2) Section 317 is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: '*Provided further*, That no part of any appropriation for "public works", nor any part of any allotment or portion available for "public works" under any appropriation, shall be transferred pursuant to the authority of this section to any appropriation for expenditure for personnel unless such personnel is required upon or in connection with "public works". "Public works" as used in this section shall comprise all projects falling in the general classes enumerated in Budget Statement No. 9, pages A177 to A182, inclusive, of the Budget for the fiscal year 1934, and shall also include the procurement of new airplanes and the construction of vessels under appropriations for "Increase of the Navy." The interpretation by the Director of the Bureau of the Budget, or by the President in the cases of the War Department and the Navy Department, of "public works" as defined and designated herein shall be conclusive.'

"(b) All acts or parts of acts inconsistent or in conflict with the provisions of such sections as amended are hereby suspended during the period in which such sections, as amended, are in effect.

"(c) No court of the United States shall have jurisdiction of any suit against the United States or (unless brought by the United States) against any officer, agency, or instrumentality of the United States arising out of the application as provided in this section, of such sections 105, 107, 109, or 112, as amended, unless such suit involves the Constitution of the United States.

"(d) The appropriations or portions of appropriations unexpended by reason of the operation of the amendments made in subsection (a) of this section shall not be used for any purpose, but shall be impounded and returned to the Treasury.

"(e) Each permanent specific annual appropriation available during the fiscal year ending June 30, 1934, is hereby reduced for that fiscal year by such estimated amount as the Director of the Bureau of the Budget may determine will be equivalent to the savings that will be effected in such appropriation by reason of the application of this section and section 7."

(b) Section 5 of the Treasury and Post Office Appropriation Act, fiscal year 1934, is hereby repealed.

(c) Section 6 of the said Treasury and Post Office Appropriation Act, fiscal year 1934, is amended to read as follows:

"SEC. 6. Sections 215 of the Legislative Appropriation Act, fiscal year 1933, shall be held applicable to the officers and employees of the Panama Canal and Panama Railroad Co. on the Isthmus of Panama, and to officers and employees of the United States (including enlisted personnel) holding official station outside the continental United States, only to the extent of depriving each of them of 1 month's leave of absence with pay during each of the fiscal years ending June 30, 1933, and June 30, 1934."

(d) The following sections of part II of the Legislative Appropriation Act, fiscal year 1933, are hereby repealed effective on the first day of the calendar month following the month in which this act is enacted; namely, sections 101, 102, 103, 104, 105 (except subsections (a), (b), and (c) thereof), 106, 107 (except paragraphs (1), (2), (3), and (4) of subsection (a) thereof), and 108.

(e) Subsection (a) of section 105 of the legislative appropriation act, fiscal year 1933, is amended to read as follows, beginning with the first day of the calendar month following the month during which this act is enacted:

"(a) The salaries of the Vice President and the Speaker of the House of Representatives are reduced by 15 per cent; and the salaries of Senators, Representatives in Congress, Delegates, and Resident Commissioners are reduced by 15 per cent."

SEC. 5. Retirement deductions authorized by law to be made from the salary, pay, or compensation of officers or employees and transferred or deposited to the credit of a retirement fund, shall be based on the regular rate of salary, pay, or compensation instead of on the rate as temporarily reduced under the provisions of this title.

SEC. 6. In the case of a corporation the majority of the stock of which is owned by the United States, to holders of the stock on behalf of the United States, or such persons as represent the interest of the United States in such corporation, shall take such action as may be necessary to apply the provisions of this title to offices, positions, and employments under such corporation and to officers and employees thereof, with proper allowance for any reduction in compensation since December 31, 1931.

SEC. 7. In any case in which the application of the provisions of this title to any person would result in a diminution of compensation prohibited by the Constitution, the Secretary of the Treasury is authorized to accept from such person, and cover into the Treasury as miscellaneous receipts, remittance of such part of the compensation of such person as would not be paid to him if such diminution of compensation were not prohibited.

SEC. 8. The appropriations or portions of appropriations unexpended by reason of the operation of this title shall not be used for any purpose, but shall be impounded and returned to the Treasury.

SEC. 9. No court of the United States shall have jurisdiction of any suit against the United States or (unless brought by the United States) against any officer, agency, or instrumentality of the United States arising out of the application of any provision of this title, unless such suit involves the Constitution of the United States.

TITLE III

AMENDMENTS TO LEGISLATIVE APPROPRIATION ACT, FISCAL YEAR *1933*

SECTION 1. Sections 407 and 409 of title IV of part II of the legislative appropriation act, fiscal year 1933, as amended by section 17 of the Treasury and Post Office Appropriation Act, approved March 3, 1933, are amended to read as follows:

"SEC. 407. Whenever the President makes an Executive order under the provisions of this title, such Executive order shall be submitted to the Congress while in session and shall not become effective until after the expiration of 60 calendar days after such transmission, unless Congress shall by law provide for an earlier effective date of such Executive order or orders.

"SEC. 409. No Executive order issued by the President in pursuance of the provisions of section 403 of this title shall become effective unless transmitted to the Congress within 2 years from the date of the enactment of this act."

Mr. BLANTON (interrupting the reading of the bill). Mr. Speaker, I ask unanimous consent that the further reading of the bill be dispensed with and that the bill be printed in the RECORD at this point as if read.

Mr. KELLER and Mr. BOILEAU objected.

(The Clerk concluded the reading of the bill.)

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. I want to inquire about the division of time, whether or not Members opposed to the measure in its present form will be given an equitable division of time?

The SPEAKER. The time is fixed by the resolution and is controlled by the gentleman from Alabama and the gentleman from New York.

Mr. RANKIN. I understand they are both in favor of the bill as now written and many Members on this side of the House are not. We think that those of us who are not in favor of the bill ought to be given the usual division of time, and I want to ask the gentlemen if they will yield us one half of the time on each side so that we may yield it to those who desire to oppose the bill?

Mr. McDUFFIE. In answer to the gentleman, it is always the purpose of the committee to be fair. It will be impossible within the limit of the time fixed by the resolution for every man who wishes to express his views against the bill to do so. I recognize the right of those opposed to the bill to express themselves on the floor, and I am willing to yield a part of my time to them.

Mr. RANKIN. How much?

Mr. McDUFFIE. Not one half of the time.

Mr. RANKIN. Why not?

Mr. McDUFFIE. The bill must be explained, and instead of dealing in generalities, I think we should go into the merits of the legislation itself, and the gentleman knows we cannot do that and give everyone opposed to the bill a chance to express himself on the floor.

Mr. RANKIN. Suppose the gentleman is not willing to yield half of his time but will yield 20 minutes, and the gentleman from New York yield 20 minutes to those opposed.

Mr. TABER. So far as I have been able within the time allotted to me, I have arranged to take care of those on this

side who are opposed to the bill. I do not know that I can do anything more than that.

Mr. McDUFFIE. I am going to yield the gentleman from Mississippi as much time as is possible.

Mr. RANKIN. How much—20 or 25 minutes? We ought to know now so that the time may be distributed.

Mr. McDUFFIE. I prefer not to say definitely, now.

Mr. RANKIN. I want to call attention to the fact that that has been the custom of the House, one that has been scrupulously adhered to—to yield half the time to those opposed to the legislation—and I think that ought to be carried out at this time. There is not such a hurry about the bill that we cannot discuss it from our standpoint. We are not abusing anybody; we are on the defensive. We are merely defending the rights of the disabled veterans.

The SPEAKER. The gentleman from Alabama is recognized for 1 hour.

Mr. McDUFFIE. Mr. Speaker, I shall yield to the gentleman from Mississippi [Mr. RANKIN], and to the gentleman from Tennessee [Mr. BROWNING], to the gentleman from Arkansas, and to the gentleman from Texas [Mr. PATMAN], but not more than 5 minutes each. Those are the only ones who have spoken to me about it.

Mr. CONNERY rose.

Mr. McDUFFIE. There is one more, the gentleman from Massachusetts. I shall endeavor to be fair about the matter, and now I wish to take 5 minutes to make a general statement.

The SPEAKER. The gentleman from Alabama is recognized for 5 minutes.

Mr. McDUFFIE. Mr. Speaker and gentlemen of the House, I shall not take up your time to discuss the economic condition of this Nation. It is not necessary to go over that at this time because we all know it. I may state at the outset, however, that within the last 60 days the interest rate on short-term United States Treasury notes has increased from one tenth of 1 percent to 4¼ per cent, and that looks very much as if we were headed toward bankruptcy, as stated by the President in his message. This is no time to talk about group legislation or hurting any one class of our people, when every citizen's welfare is involved. This is no time to think of self, but this is a time of all times to think and act in terms of the welfare of our Nation. [Applause.] If you gentlemen have not done so, I appeal to you now to read, and read over and over, the message sent to this House by the President of the United States on this question.

I doubt if in the history of this Congress there has ever been read from that stand, or delivered here, a bolder and more courageous statement, coupled with a more genuine sincerity of purpose, in an effort to save this Nation, than that which came from the President of the United States on this question. It will go down in history as one of the greatest messages ever sent to Congress. Before reading to you one or two excerpts from that message, let me remind you that we have an accumulated deficit now of $5,000,000,000, and you cannot tell me that the rank and file of those who were willing to lay down their lives for that flag in time of war are not willing now to make some sacrifice to save this country from a terrific financial collapse in times of peace. [Applause.]

Speaking of the economic condition of the country and the failure to act to restore it, the President said:

> It has added to the ranks of the unemployed. Our Government's house is not in order, and for many reasons no effective action has been taken to restore it to order.

He is trying to take bold and courageous action, and the suffering American people are standing behind Franklin D. Roosevelt today. They are trying to hold up his hands, and they expect you to hold up his hands in this effort to restore the financial condition of this country. This bill, if enacted, will not be an act on your part to take a dime from a single worthy ex-service man. You are simply placing the responsibility on a great man who is willing to assume it. Your vote for this bill simply shows your willingness and your desire to cooperate with him, believing, as I know you believe, that he meant what he said in his message when he said:

> If the Congress chooses to vest me with this responsibility, it will be exercised in a spirit of justice to all, sympathy to those who are in need and of maintaining inviolate the basic welfare of the United States.

Oh, we have talked about the balancing of the Budget, and some gentlemen here have grown to laugh at it; but I say that there is no quicker way to restore the economic conditions of this country, there is no quicker way to shorten the bread lines, there is no quicker way to lessen unemployment in America than by putting this Nation on an even keel financially. [Applause.]

It is true this bill grants a great deal of power, but this country is in a state of war—not against a foreign enemy but war against economic evils that demand some sacrifice on your part and on mine. The time has come when each of us must sacrifice personal opinions and his own ideas for the common good. The time has come when we must each realize that it is not essential that you and I remain in this Congress, as the gentlewoman from New Jersey [Mrs. NORTON] said this morning, but it is vital that the institutions of this Government endure. Your President, the President you followed, and without whose leadership possibly some of us could not be here, has called you to arms, and in the language of a great Federal naval hero of the glistening waters of Mobile Bay many years ago, the time has come to give the command, as Admiral Farragut did: "Full speed ahead! Damn the torpedoes!" [Applause.]

Mr. TABER. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Speaker and Members of the House, there are quite a few Members of the House who have been advocating for a long time a controlled expansion of the currency as the most acceptable and best way of combating the economic depression. I am one of those who believe that if we have an intelligent expansion of the currency, we can so increase the revenues to the Federal Government that we will not be obliged to pass such legislation as this in order to balance the Budget. We passed a measure the other day which provides to some extent for expansion of the currency, but it seems to me that every attempt which has been successfully made to expand the currency has been made in the interest of the banks of the country. I do not oppose and have not opposed any measure that has had as its purpose the stabilization of our banks. I have supported all of these measures and have done so gladly, because I have felt that the banks were in need of some assistance. I am willing to help them further. I submit, however, that we should expand the currency in such a way that we can get the money of the country out into circulation among the people; we should enact the Frazier bill, or some other bill along that line, and in that way increase commodity prices and give relief to farmers and other debtors, thereby increasing the incomes of our people, and so stimulate business that our problem of balancing the Budget will take care of itself.

I will not delegate my duty as a Member of the House of Representatives. I will not, so far as I am concerned, delegate the powers of Congress in such an important matter to any man. [Applause.] I have the highest regard for and the greatest confidence in our Chief Executive. I believe he is going to do all he possibly can to bring us out of the mire in which we now find ourselves, but I do not believe that Congress should surrender all its power or dodge its duties and responsibilities. We owe a duty to the people who sent us here, and I for one will not delegate all this power to the Chief Executive or to such persons as he may designate to assist him in carrying out this program.

I do not believe we are justified in authorizing these great reductions in the amount of compensation that is to be paid to the disabled men who served this country during the World War and other wars. At least, we should hold hearings, permit the veterans to give their views to Congress, permit them to present their cases before we take such drastic action. We should take sufficient time to hear them and to get their views and to solve this problem intelli-

gently rather than be stampeded into doing an injustice to the ex-service men.

There may be some justification for reducing the salaries paid to Federal employees and officials, but I am of the opinion that reducing the purchasing power of the American people in this way will not help us in the present emergency.

A further reduction in Federal salaries will probably be followed by a reduction in salaries on the part of industry, and such reductions cannot help us solve our problems. I do not believe we should do that, because I feel there is a better way of handling the problem. I am willing to reduce the purchasing power of my salary 50 percent, if need be, by an expansion of currency, by the cheapening of the value of those dollars that I receive. I believe that holds out some hope of helping the country as a whole, and I believe it will give some relief to the farmers who are in distress. We cannot balance the Budget upon the basis of cheap prices for farm products. I believe that an expansion of the currency and cheapening of the dollar will raise commodity prices, and I am willing to go as far as anyone in that regard. I believe that is the solution of our problems, and I, for one, cannot support this bill, and I hope there will be a sufficient number of the Members of this House who will voice their disapproval and vote down the bill today. [Applause.]

The SPEAKER pro tempore (Mr. BROWN of Kentucky). The time of the gentleman from Wisconsin [Mr. BOILEAU] has expired.

Mr. McDUFFIE. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, I wish to say to those Members who are now talking about standing by the President that I am one of the first friends the present President ever had in this House. I was supporting him "under fire," if you please, when they were opposing him. I am a better friend of the President now than any of his advisers who are urging him to take, or trying to give him, this tremendous responsibility with all its far-reaching consequences.

The gentleman from Alabama [Mr. McDUFFIE] brings up the old cry about balancing the Budget. Are you going to balance the Budget at the expense of the disabled veteran? I might as well tell you now that the limit of reductions for World War veterans alone under this scheme is $275,000,000. Some gentleman near me says $279,000,000.

Now, we are asking that you give us an opportunity to offer an amendment which ought to be adopted. There is no need for all this haste and all this gag rule.

I have been pleading here for an expansion of the currency for 3 years. If you balance the Budget on the present price levels and stabilize this country on 20-cent wheat and 5-cent cotton, those men who are turned out, those soldiers, if you please, who have fought our battles in times of war and who have sustained the Nation in times of peace will not only go into the bread lines but their wives and children and their widows and orphans will suffer as a result.

I know it is not pleasant, even under these conditions; I know it is more or less dangerous for a man of my convictions to rise and oppose legislation which its sponsors say meets every requirement of the White House, but I cannot conscientiously support this bill; and therefore I have asked for this time, and I have been given only 5 minutes, although I am now chairman of the Veterans' Committee of the House and have been the ranking Democratic member of that committee for many years. The stabilizing influence in this country is not those bankers who got $2,000,000,000 which the gentleman from Alabama helped to give them through the Reconstruction Finance Corporation.

Mr. McDUFFIE. I will say to the gentleman that I voted against the Reconstruction Finance Corporation.

Mr. RANKIN. Then I refer to the other gentlemen who voted for that bill. I am glad to know the gentleman got right once.

Mr. McDUFFIE. That is better than not being right at all at any time.

Mr. RANKIN. This more than $2,000,000,000 that was provided for the Reconstruction Finance Corporation I told you then would be poured into a sink hole. We will never get it back. It has gone to take care of the big financiers, and now we are asked to sacrifice our convictions, stultify our views, and vote for a measure which we know is to take bread from the mouths of the disabled veterans of the World War and the Spanish-American War, and their widows and orphans throughout the country. I cannot support it, and I shall support the Browning amendment if it is offered. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. TABER. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Speaker, yesterday when I attempted to say a few words relative to this matter, the gentleman from Tennessee [Mr. BYRNS] inferred that I was attempting to inject partisan politics. I believe it is fair to say that I have been as little partisan as any Member of the House of Representatives during my tenure of office. As a matter of fact, I have been divested of all the prerogatives of my office because of the fact that I have not been partisan. In the future, as in the past, I shall support the President when I think he is right and I shall oppose him when I feel that he is wrong.

I believe in real economy. We held an election last November and the people of the United States of America spoke. They said they wanted economy, but they did not want it at the expense of the poor workingman and the disabled veteran. They wanted the slack taken out of governmental departments, and they should get it. They were promised a new deal. It ill behooves you people who voted for the Reconstruction Finance Corporation to talk about economy—and there were only 54 of us who voted against it. The rest of you voted to dump hundreds of millions of dollars of the taxpayers' money into the laps of the big banking interests of this country, in the hope that some of it might sift through and help the farmer and unemployed.

At that time you argued that the Reconstruction Finance Corporation was to be the savior of the Nation. The activities of the Reconstruction Finance Corporation smell to the high heavens. Now, because the big financiers have again dissipated the Treasury, the soldiers who were real patriots must again be sacrificed.

We have at this time, and have had for several months, a committee in the Senate holding hearings on veterans' legislation. They are ready to report, and we are entitled to the benefit of the expense to which the United States has gone in holding these hearings.

For more than 2 months this joint committee of the Senate and House of Representatives studied the problems of veterans' legislation in an endeavor to determine whether reductions could be made in the present appropriations for veterans to help the Government meet its fiscal crisis. That committee heard an abundance of testimony on all sides of the question. It spent weeks listening to the economists, medical specialists, and other experts. It has as yet been unable to formulate any recommendation or even make a report.

How can you, in a matter of perhaps 2 hours or less, settle this important problem without doing irreparable damage to thousands of American homes throughout the Nation and thereby increase the suffering of an already hard-pressed people?

Mr. Speaker, if this measure is passed we should, in consistency, close the doors of Congress and go home. [Applause.]

I, for one, do not intend to surrender the prerogatives of my office to any President of the United States, whether he be Republican or Democrat, and I have great respect for the President.

The President is just a human being. He is not a superman. Let us go to the State of New York and examine his record while governor of that State.

Did he balance the budget of the State of New York? Of course he did not. In the fiscal year ending June 30, 1931, there was a deficit of $40,350,000. In 1932 there was a deficit of $101,861,500. Remember that this is only 1 of the 48 States. In the fiscal year ending June 30, 1931, the State of New York was bonded to the extent of $411,298,000. In 1932 this bonded indebtedness had increased to $441,-157,000.

I do not intend any criticism of President Roosevelt. I respect his ability and hope that the Nation's trust in his leadership will not be betrayed. I quote these figures, which show that President Roosevelt was not able to effect economy as governor of his own State, merely to impress the fact that he is no superman.

Therefore, I plead that you gentlemen will meet this responsibility squarely and will vote to keep this responsibility right here in the House of Representatives, where it belongs. Let us meet this problem squarely and battle it out here on the floor of the House in accordance with the wishes of the people who sent us here as their Representatives. By shifting the power to cut salaries and reduce veterans' benefits onto the shoulders of the President, you gentlemen are merely continuing the shifting and dodging policies which have already plunged our country into such dire distress.

If you gentlemen are afraid to meet this problem on your own responsibility, and do not have the courage to cast your vote for or against these measures here on the floor of the House, then cast your votes to declare the President dictator, and close up the doors of Congress and go home. [Applause.]

[Here the gavel fell.]

Mr. McDUFFIE. Mr. Speaker, I yield 3 minutes to the gentleman from Alabama [Mr. JEFFERS].

Mr. JEFFERS. Mr. Speaker, I feel very serious about the matter now before the House and I want to call to the attention of the House some of the provisions of this proposed legislation.

If you will read section 8, on page 5, you will see that the Administrator of Veterans' Affairs can by his own action or by delegating to any person or persons, namely, some board, the right to render decision in any case, and all such decisions rendered by such person or persons shall have the same force and effect as though rendered by the Administrator of Veterans' Affairs.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. JEFFERS. I cannot; I have but 3 minutes.

Mr. TABER. Is not that the same power he now has?

Mr. JEFFERS. But provisions (b) and (c) on page 2 are not in existence at the present time. Do not forget that.

There is this further provision; section 5 reads as follows:

SEC. 5. All decisions rendered by the Administrator of Veterans' Affairs under the provisions of this title, or the regulations issued pursuant thereto, shall be final and conclusive on all questions of law and fact, and no other official or court of the United States shall have jurisdiction to review by mandamus or otherwise any such decision.

I also call your attention to line 2 of page 6:

When a claim shall be finally disallowed under this title and the regulations issued thereunder, it may not thereafter be reopened or allowed.

So, the Administrator of Veterans' Affairs or any board or person designated by him can take section (b) on page 2 and do away with the disability allowance altogether if they so desire, even up to 100 percent.

I am all in favor of supporting our President, but I cannot at this time see how the House can, in these few minutes, without any careful or thorough consideration of this most important subject, pass legislation of this character which will empower the Administrator of Veterans' Affairs with this authority to do whatsoever he may will with the legislation enacted by the Congress of the United States. Let us at least have some opportunity to study this measure and have some knowledge of its contents and import. I thank you. [Applause.]

Mr. KVALE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. KVALE. Is there any way to resist the evident and the unfair purpose of those in charge of the time to yield to all the opponents of the bill first?

The SPEAKER pro tempore. Apparently not.

Mr. TABER. Mr. Speaker, I yield 2 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Speaker, I desire particularly to address myself to the Members on this side of the House, because I campaigned for your candidate for President in several States, and I think I know the pulse of the people of this Nation.

I may say to you that the American people do not want this economy practiced on the disabled soldiers. [Applause.] We are willing that Wall Street should forego the clipping of interest coupons on bonds of the United States of America. I therefore wish to suggest an amendment to this bill so as to give to the President the power to suspend the interest for 3 years on the bonded indebtedness of the United States.

Mr. ADAMS. Mr. Speaker, will the gentleman yield?

Mr. LEMKE. I regret I cannot yield now.

I say to you that these disabled veterans pulled the chestnuts out of the fire for the international bankers when they bet on the wrong horse over in Europe to the extent of billions of dollars before we entered the War, and surely they should not be injured now by taking away from them the disability compensation. This is not economy. It is not right. Let the President make the cuts where they ought to be made; and, in all fairness to the Members on this side, I want to say the time is not distant when the President will make the same mistake his predecessor made unless you, as Members of Congress, prevent him by your vote from taking such a course.

Mr. Speaker, we have at our finger tips all the things necessary to bring about the greatest prosperity the world has ever seen. We have too much to eat, yet half of the farmers of this Nation have lost their homes producing it. We have too much raw material, yet we have 15,000,000 men and women who want to make finished products of this raw material; and there is hardly a man or woman in this Nation who does not need some new clothes or other necessities of life. Yet we are asking by this bill to take from the disabled veterans and employees of this Nation part of their meager livelihood, and at the same time permit the international bankers to continue to clip the coupons from their war-profit bonds. [Applause.]

[Here the gavel fell.]

Mr. McDUFFIE. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Speaker, pledges to my constituents prevent my voting for the bill under consideration.

The people of my district expect of me the courage to face manfully the issues which arise and vote, as I understand them, the wishes of those I represent.

Were I to dodge my obligations, as is called for in the pending bill, by delegating to the President the powers of Congress virtually to repeal the benefits due the disabled veterans or to reduce the small compensation now paid to Federal employees, I would be considered one not fit to represent the people of my district.

However, realizing that the Democratic Party, under the able and inspiring leadership of President Roosevelt, will find a constructive way in which to balance the Budget, it is not my purpose to play the part of an obstructionist and simply vote "no." I have something to offer in place of this bill.

The masses of our people—the disabled veterans, those who fought and suffered for our country in the line of battle, the industrial workers, and the farmers—have suffered greatly during recent years through the loss of an income. In addition, millions of our people, those who are often referred to as the masses, have seen their life's savings wiped away through the loss of their jobs, through the foreclosure of

their homes and their farms, or through the closing of those banks in which they had deposited their savings against the proverbial rainy day.

Mr. Speaker, it is my desire, as I know it is the desire of those assembled here, to legislate for the benefit of the masses of our people and not for the benefit of the small privileged class who hold the obligations of our Government, and who are constantly seeking legislation to deprive the masses of the small benefits they now enjoy.

I believe we can effect the savings desired by President Roosevelt without depriving the disabled veterans of the compensation they now receive or by reducing the wages of those employed by the Federal Government. I do not believe that we will make any saving by transferring the payment of the small compensation paid to our disabled veterans from the backs of the large income payers to the backs of the small property owners of the country.

Mr. Speaker, this year some $8,000,000,000 of tax-exempt Liberty bonds, carrying interest charges averaging almost 4¼ percent, are available. The retirement of these bonds and the issuance to the owners of these bonds of 5-year Treasury certificates carrying 2 percent interest will permit of a saving of some $175,000,000 yearly. This will not result in inflation nor the addition of one dollar to the public debt.

The holders of these bonds, a small privileged group, have suffered neither the loss of principal nor of income, and the security they will hold will not be impaired in value. The reduction in interest will not affect them so materially as the reduction already voted to Federal employees. The smaller return on their investments will not deprive them of one meal or visit upon them any of the many misfortunes already inflicted upon the masses of our people.

The veterans of the World War and other veterans have proven their interest in their Government. They did not profiteer when their Government called them, and they are as patriotic now as they were in years gone by.

If this bill had been referred to the Veterans' Committee, as I believe it should have been, I believe that committee would quickly report back a bill with a yearly saving for at least 2 years of some $125,000,000 yearly.

These two items alone would effect a saving of not less than $300,000,000.

The Democratic Party is pledged to enact a beer bill; and this bill will provide additional revenue of not less than $150,000,000 a year, which, together with the saving of more than $300,000,000 will more than balance the Budget.

I trust that the members of the Democratic Party will not place the Democratic Party in the position of representing the privileged few at the expense and privation of the masses.

The suggestions I have offered I trust will be given serious consideration by our leaders and by them transmitted to President Roosevelt for his consideration.

In closing I again reiterate that it is impossible for me to vote for this bill without being placed in the position with my people of being a political coward and one afraid to face the issues which confront the country and which issues Congress alone is called upon to face and remedy.

Mr. Speaker, we hear a lot of talk about balancing the Budget. The Budget can be balanced by means which I have recommended to the Congress and to the leaders of this House. Place a tax on tax-exempt securities and you will quickly obtain the money to balance the Budget, with Wall Street contributing for a change instead of disabled veterans, who bared their breasts to the enemy on the field of battle. [Applause.]

There are plenty of ways of getting this revenue. We have heard references to that American flag up there [pointing]. I had the honor and distinction of carrying the American flag in my regiment as color sergeant in France in the One hundred and first Infantry of the Twenty-sixth Yankee Division. [Applause.] Never mind that; I am not looking for applause. I am just telling you that when men stand up here and point to the flag, as previous speakers have done today, and talk about balancing the Budget, I think of what the big business men of the country told us when we went off to France. "Goodbye, boys, good luck, God bless you", they cried. "When you come back nothing will be too good for you."

And today they ask you to tear the hearts out of the disabled men by passing this bill. This is all I have to say. I cannot vote for the bill. [Applause.]

Mr. TABER. Mr. Speaker, I yield myself 7 minutes. I am going to first explain this bill a little bit so everybody who has not gone into it himself or had opportunity to do so will know something about what it is.

In the first place, it makes no definite change in the provisions for veterans except that it wipes out some of the presumptions.

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. TABER. Not now. When I get through I shall yield. It provides that the President may, by regulation, change the provisions of compensations and pensions, and they are all going to be known as pensions, if this bill goes through, and not as compensations.

It provides that he may, by regulation, cut down these things and wipe out classes that ought not to be compensated.

The country owes a debt to its veterans. This debt is limited by the capacity of the country to pay, and we have now reached the point where we cannot pay what we did pay, and we must face the fact and get down to the point where we are balancing the Budget; otherwise we are going against the interests of the soldiers themselves. If we do not balance the Budget and get things on a sound basis, we are not going to be able to pay them what might be paid, unless the President shall put into effect every economy that can be effected as a result of this bill.

The same thing applies to the other end of it—the cut in the pay of civilian employees. The most that this could go to—and it is regulated by the cost of living—is 15 percent. Let me tell you that this is less than President Hoover presented to this Congress when it met the first of December.

We have got to the point in America today where if we do not stand up to the rack and look out for our veterans and our civilian employees by sound economy we will not have any money to pay them. Let them now look after their own interests a little.

We have raised our income tax practically to the limit. Folks have no income. This is where the trouble is. They have not incomes, and they cannot be made to pay taxes on something they do not have. You know this in your own community and I know it in my community.

Frankly, when I come out in favor of this bill I am trusting the President, who was elected by the party which I have always opposed. [Applause.]

Mr. SIROVICH. Will the gentleman yield?

Mr. TABER. Not now.

I am supporting and trusting him with great responsibility, and I am doing it because we are facing a situation where America, if she is going to be sound, must take radical steps to make herself sound.

I implore the House at this time in its history not to quibble about abdicating powers, not to present a false situation with reference to the veterans, but to place America first and stand before the people with the thought that we have done our duty and have put our country first, and have saved our country, so that we can continue to pay the veterans such emoluments as the country and the Treasury can stand, and continue to pay our civilian employees fair compensation in view of the situation that we are in now.

It is not fair that we should run out on this situation. Frankly, with lots of people it is not popular. The path leads in two directions. On the one side there is the path of duty and on the other side there is the path of cowardice and political strategy. Frankly, in surrendering certain prerogatives of the Congress I believe that this bill points out the path of duty, and I shall choose the path of duty. [Applause.]

Mr. SIROVICH. Will the gentleman yield?

Mr. TABER. I yield.

Mr. SIROVICH. Will the gentleman be kind enough to explain the provision on page 13, section 4 (a), line 11?

Mr. TABER. That is an amendment to the provisions of the legislative appropriation bill and the provisions in the Treasury and Post Office bill passed in the last session, which is necessary if we are going to wipe out the furlough and institute in place of it the cut not exceeding 15 percent.

Mr. HARLAN. Will the gentleman yield?

Mr. TABER. I yield.

Mr. HARLAN. There has been considerable doubt about the 15 percent cut. Is that on the pay as it now exists or on the base pay prior to the economy bill?

Mr. TABER. I did not explain the situation as perhaps I ought to. This bill cuts off the furlough provision under which employees are furloughed for one twelfth of the time. It substitutes in place thereof, based on the salary existing at the time the furlough plan went into effect, a cut not exceeding 15 percent—based on the cost of living for 6 months prior to the 6 months it covers.

It is absolutely fair.

Mr. MEAD. The gentleman said that the cut was not exceeding 15 percent. That is true as to day work, but the night work is 5 percent in addition to that.

Mr. TABER. There is a little reduction in night work, but they got an extra bonus a little while ago.

Mr. McDUFFIE. Mr. Speaker, I yield 3 minutes to the gentlewoman from New Jersey [Mrs. NORTON].

Mrs. NORTON. Mr. Speaker and Members of the House, I want to say that I intend to support this bill. The bill, as I see it, is not a Democratic bill; it is not a Republican bill; it is exactly what it says—a bill to maintain the credit of the United States Government. I implore you from the patriotic standpoint, if for no other reason, to support this bill. We know that if the credit of the United States Government is not maintained there will not be money to pay the veterans or anybody else.

I yield to no man in my devotion to the cause of the veterans. I have voted for every bill to aid the veterans since I have been in Congress.

I do not consider that the problems contained in this bill should be measured by consideration of the veterans of the country or of any other particular class. It is a question that transcends all personal obligations to any class and concerns the whole population of the country as to whether or not we are to maintain our standard of government or become a bankrupt nation.

My dear colleagues, I sincerely hope that the time will never come when I shall consider my seat in Congress as against the Government of 120,000,000 people in this country. [Applause.]

I do not know whether my district will approve of the stand I am taking today, but I do know that 11,000,000 men and women who are walking the streets without a job, desperate and friendless for the past 2 or 3 years will approve it—the men and women who have been without hope and are looking with confidence and courage to the new President and the new deal.

The important question is, Are we going to stand beside the man in the White House who has had the courage to come out with a definite program, trusting in God and the American people to support him in that program? He has taken the responsibility. He has not asked us to take it.

The bill we are considering today is in no sense a partisan bill. It should be passed not because of its merit so much as because the man responsible for it—President Roosevelt—has asked us to cooperate with him in the gigantic task he has undertaken. The citizens of our country elected him with the largest majority ever given to a President, believing that he has the ability, desire, sound judgment, and humanity to lead a demoralized and heartbroken people. Can we as patriotic American citizens do less than support him?

We have seen many of our valued Members pass to the great beyond. I have no doubt that they are looking down on us today with a hope that we may be inspired to do the thing that is right and courageous in this emergency. I implore you to stand by the leader in the White House and let him know by our vote that we have confidence in his judgment by passing his bill overwhelmingly today. [Applause.]

Mr. TABER. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Speaker, as a member of the Committee on World War Veterans' Legislation since its creation, I would speak to the House in the time allotted to me upon that phase of the subject alone. First, I would express my admiration, my profound admiration, for the remarks just uttered by the Member from New Jersey [Mrs. NORTON]. In her service on that committee she has, as she said, invariably stood for what the veterans desired, and that she should now sink her views on these questions and come out so honorably, so patriotically, for the program of the President of the United States should be an example to every man and woman in this House.

The credit of the country and the country itself is at stake in our action, and who here will dare put his individual fortunes against the will of the people of the United States and the welfare of the people of the United States? Who here will bow down to some single group in the community and say, "Because, perchance, you will be injured, therefore I will vote against the welfare of my country"? Indeed the welfare of the world may be at stake, for if by becoming bankrupt we wreck the fabric of our society, the Republic may perish and the ideals of human liberty that we exemplify may vanish from the earth.

To come back to the terms of the bill, I may point out, if you will forgive me, that this program bids fair to carry out the wishes and the hopes of a group of members on the World War Veterans' Committee, who all through its existence have tried to keep the laws within the bounds of reason, and who therein have failed again and again, because they could not get the support of a majority of the committee or a majority of the House itself. So I testify as one who knows, that if you desire to correct the abuses in this system, its inequalities, its injustices, you will not rely upon that broken reed, a committee of the House, or upon the Congress itself.

This is the only way in which this thing can be done. It is the only way we may hope to remedy the mistakes of all these years since the war. That there have been mistakes every man here knows. Within his own circle of acquaintances he knows of abuses of the law, he knows of men on the rolls who ought not to be there, of men who are getting more than justice demands.

I would I knew what the motion to recommit might be. I have heard it rumored that this is to be a proposal to shackle the hands of the President in some particular, to try on this floor to decide what details we shall take away from the President. I tell you, therein lies danger. If you change this bill in any one particular, you ruin all the moral effect of it; you destroy the hopes on the part of the people that we will follow the President in this juncture. You take away from them the dream that we are on the road out of depression, and you say that for self-interest you are unwilling to make this sacrifice for the public good. You indicate to them that their Congress does not deserve their respect, and so it will sink lower in the judgment of all thoughtful people who through these recent years have said we have not been able to save them from the distress in which they suffer. It is only, then, by voting down any motion to recommit that you can accomplish the purpose desired, not alone the saving of the dollars but the encouragement of the people in the belief that their representatives will stand by them now, and not for the sake of class or group or sectional interest destroy opportunity of help. So I beg of you to vote against every proposal looking to change, no matter what it may be. [Applause.]

Mr. McDUFFIE. Mr. Speaker, I yield 4 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. TABER. Mr. Speaker, I yield the gentleman from Texas [Mr. PATMAN] 2 minutes.

THE PRESIDENT TRUSTED TO CUT COMPENSATION OF WAR VETERANS 100 PER CENT BUT ALLOWED TO CUT SALARIES OF MEMBERS OF CONGRESS ONLY 15 PER CENT

Mr. PATMAN. Mr. Speaker, ladies and gentlemen of the House, we have heard a great deal said about the financial condition of our country, about the deficit being about $5,000,000,000 for the past 2 or 3 years. There are many reasons why I do not favor this measure in its present form. I will enumerate only a few of them in the limited time allowed. I invite your attention to the fact that if the railroads and the banks and the foreign governments and others that owe us were forced to pay us what they owe the Government today, our national debt would not be $5,000,000,000 in all. No government on earth owes as little money as the United States Government. That is not a justification or a reason for unwarranted expenditures, but I make that argument to let you know that our Government is in really good financial condition, and in better condition than any other country. Suppose a private business should owe only $1 for every $80 of assets, after deducting from liabilities its good securities, it would be considered in fine condition.

UNCONSTITUTIONAL POWER

The question is, Are you going to make the railroads and the banks pay their debts to the United States Government, or are you going to effect economies by passing legislation of this kind which will destroy purchasing power of the masses? I supported the President of the United States long before the Chicago Convention. I have the utmost confidence in the President of the United States, and I am willing to leave any Executive function for him to perform, but I am not willing to delegate the authority of this Congress for him to pass laws and make rules and regulations inconsistent with existing law. It should not be done and is contrary to the Constitution of the United States. We were correctly taught in school that the Constitution divides our Government into three separate parts—legislative, executive, and judicial—Congress is supposed to pass laws, the President to execute them, and the judiciary to interpret them. This proposal gives the Executive law-making power. I am willing to vote for a reduction of 25 percent on all salaries, except the small ones, and on all pension claims except battle casualties, if it is shown that the economies cannot be effected in other ways where less injustice would be done. We should consider this bill in a committee.

MEMBERS OF CONGRESS GUARD THEIR SALARIES

In this bill I invite your attention to the fact that none of you knows all it contains, but you do know it contains a provision that a disabled veteran and widows and orphans of disabled veterans may have all of their compensation cut off. You are willing to risk the President to do that, but on your own salaries you are restricting the President to a 15-percent reduction. Remember this, also, my friends, if you are going to risk the President with everything, why not risk him on your own salaries, why not risk him on the Civil War veteran? [Applause.]

THREE CLASSES OF VETERANS

Let it be understood, too, that you have three classes of veterans—more than that, but I shall name these three as the most prominent classes—the Civil War, the Spanish-American War, and the World War veterans. Take the case of a veteran of the Civil War. He has a disability in no way connected with the service. He probably never did see real service during the war. During all these years he has received benefits because of a non-service-connected disability. Under this proposed law you are not willing to risk the President cutting him off. No, you say, under this bill that the President may cut his pension only 10 percent, and that is all the President can reduce his pension. A veteran may be disabled from disease and injury the same as by age.

PRESIDENT'S POWER LIMITED ON CIVIL WAR VETERANS

Under this act the President may reduce the compensation of Spanish-American War veterans 100 percent. The World War veterans may be reduced 100 percent, but you protect the Congressmen and protect the Federal employees to the limit of 15 percent and Civil War veterans to 10 percent.

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. PATMAN. I am sorry, but I do not have time now, but will yield for a brief question.

Mr. JOHNSON of Oklahoma. Is it not a fact that the widows of Civil War veterans are also protected, many of whom married veterans 40 years after the Civil War?

Mr. PATMAN. Yes. Some of those widows were born after the War between the States was fought, yet under this law which you are asked to pass they will continue to draw their pensions and compensations. You will not permit the President to reduce them more than 10 percent, although their deceased husbands died of disabilities in no way connected with their military service. Widows of World War and Spanish-American War veterans will have their compensation benefits eliminated entirely, when their deceased husbands suffered war injuries.

GAG RULE

Why the haste on this bill? Is this an emergency matter? We were not permitted to see this bill until an hour ago. It will be July 1 before this law can become effective according to its provisions. We cannot offer an amendment. Why not take a few days and a few hours and soberly and deliberately read this bill, consider its terms, and then in a deliberative way, in a deliberative body, pass legislation that you can defend and that you are in favor of? [Applause.]

MORGANS AND MELLONS

I will tell you some who will be protected by this bill. Before the World War Mr. J. Pierpont Morgan was financial agent for France and England, just as he is today. He had floated bonds in this country and loaned those countries an enormous sum of money; he was interested in the outcome of the war. He was interested in France and England winning that war. At the time war was declared against Germany by the United States, England and France owed Mr. Morgan $400,000,000 that was unsecured. Then we were told, "Get into the war." And we got into the war. What happened? We waged Liberty-loan drives. The first Liberty-loan drive was successful, and the first $400,000,000 that the people subscribed went to pay off Mr. Morgan for the money he had furnished to England and France that was unsecured.

MORGAN IN TROUBLE AGAIN

He got into trouble a while back, and again he came to the Congress and said, "Come to our rescue with a great Reconstruction Finance Corporation." Immediately the Government got behind such a movement. You voted to let them have $2,000,000,000 of the Government's money. Who got that money? Mr. Morgan got the first money that was paid out. This Wall Street international banking group should be closely watched. The moratorium was granted foreign countries, which cost our Government a quarter of a billion dollars, so Wall Street bankers could collect their debts in full.

WHO WILL PROFIT?

I tell you now, my friends, Mr. Morgan, Mr. Mellon, Mr. Meyers, Mr. Mills, and Mr. Mitchell are the gentlemen who are profiting by such legislation as this. They will be saved income taxes. We are annually paying the New York bankers and other big powerful banking racketeers something like $700,000,000 interest that should not be paid. That is a pure bonus. It ought not to be paid. But you are willing to cut off everybody else in order that such banking racketeers of this country may continue to get their bonus. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. TABER. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. ANDREWS].

Mr. ANDREWS of New York. Mr. Speaker, I have spoken but twice before from the well of this House. I am a Republican, and I am in the hands of my creditors.

It seems to me this is purely a case of one thing today, and it applies largely to the members of the Democratic Party, who have shown throughout the country that they have faith in President Roosevelt; it is a question of "fish or cut bait." I, for one, am willing to go along with President Roosevelt in the proposition which he has put up to the people and which we must act upon, regardless of whether I am ever reelected to this body again [applause], for I feel from the bottom of my heart, as Chairman McDUFFIE of this committee said, "This is an emergency." If you have faith today in Franklin D. Roosevelt such as you had in him on election day, you can well afford to put in his hands, in his decision, the question of how much and whom he shall cut. The country comes first. [Applause.]

Mr. McDUFFIE. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. GRIFFIN].

Mr. TABER. Mr. Speaker, I also yield the gentleman from New York 1 minute.

The SPEAKER pro tempore. The gentleman from New York [Mr. GRIFFIN] is recognized for 4 minutes.

Mr. GRIFFIN. Mr. Speaker, the presence of this bill here today under existing circumstances is, in a sense, a reflection upon the adequacy of democracy in times of stress, but notwithstanding my reluctance, as a Jeffersonian Democrat, to relinquish the powers committed to me as a Member of this House under the Constitution, I feel the occasion demands that the sacrifice be made.

With the war 12 years in the background we are now paying for war compensation and pensions $946,000,000, out of a Budget of only $4,000,000,000. In 20 years, if the system in practice today under existing laws is followed, we will be compelled to lay out $4,000,000,000 a year. Everyone knows that there are irregularities and defects in the administration of the existing law. There are thousands on the rolls of the Veterans' Bureau drawing pensions and compensation they are not entitled to. Why not be frank enough to admit it? They are simply "ringers in." The Veterans' Committee, after months of labor, has failed to suggest a way of getting them off the rolls. In President Roosevelt we find a man willing to take the responsibility which Congress has ignored. Let us grant him that authority, let him take the responsibility. I am sure, with his record, with his experience and his well-known humanity and love for his fellow man, he will exercise the power with sympathy and discretion.

Mr. HOEPPEL. Will the gentleman yield?

Mr. GRIFFIN. I am sorry, but I only have a few minutes.

There is no danger to be anticipated to the men who really made sacrifices in defense of our flag. I believe their interests are really safer in the hands of the President than they have been in the Veterans' Bureau. Let us take the bathos out of this thing. This measure does not threaten the veteran who is disabled. It does not menace the widows or the children of veterans who have been disabled. It gives discretion to the President to modify, qualify, reduce, amend, and change methods of administration in connection with the pension laws that have worked so unsatisfactorily in the past. In other words, it will take the graft and unfair discrimination out of veteran allowances, rationalize the distribution of the benefits and dispense even-handed justice to all who are entitled to consideration.

As to the salary cuts proposed in this bill, we are all taking our share, and it behooves every patriotic citizen to bear his portion with equal good grace. Surely it is not too much to expect of good soldiers to ask them to make some additional sacrifice, if called upon, in the same spirit of patriotism which distinguished their conduct in the stress of war.

Mr. TABER. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. LUNDEEN].

Mr. LUNDEEN. Mr. Speaker, it seems to me this bill is too sweeping, too drastic, too dangerous. We were elected to function and perform as representatives of the people. We were not elected to abdicate our powers to any man, no matter who he may be or how great he may be.

Let me quote the financial editor of the Washington Times of March 10, 1933:

RICH LINE EXILE NESTS WITH UNITED STATES GOLD

Gold earmarkings for foreign account on Friday, March 3, 1933, immediately preceding Roosevelt's inaugural, totaled $109,000,000, the New York Federal Reserve Bank reports, an all-time record for a single day. This brought the estimated total so held on that date to more than $438,000,000.

It is common knowledge in foreign-exchange circles that the bulk of this earmarked gold was for the account of rich Americans.

PANIC-STRICKEN PATRIOTEERS

Panic-stricken by their guilty knowledge that continuance of the Senate stock investigation must reveal scores and maybe hundreds of Mitchells and Bakers, great and small, patrioteers were busy feathering nests abroad for themselves in case they should find it advisable to follow the Insulls and the earlier Blackmar into exile.

Furthermore, it now is known that much of the recent alleged dollar raiding by wicked foreigners in Paris, Hamburg, Rome, London, and elsewhere actually was the sale of dollars by American patrioteers intent on building up for themselves foreign-currency balances in the capitals where they expected it might shortly be necessary to find domicile.

DEPOSITS RAPIDLY DRAINED

The latest statement of reporting Federal Reserve member banks holding only about 75 percent of the assets of all member banks and only a fraction of total banking resources of the country reveals the amazing fact that in the week ended March 1, 1933, the last before the Roosevelt bank holiday, deposits shrunk $962,000,000, approximately 6 percent of the total.

Both demand and time deposits fell to new lows for recent years, and the total of loans and investments dropped to the lowest level in more than 6 years.

We have the spectacle now of seeing the rich swarming to Florida with their pockets lined with gold; with satchels and trunks filled with gold, filling the liners of the ocean in their ignoble exit to other countries.

Today they are seeking to escape the very thing they themselves have brought upon this country. Unable to cure the appalling situation that confronts us, they cowardly desert America for foreign shores.

The superrich, the big banks, the international bankers, the railroads received money whenever they wanted it, and they are arrayed on one side while the Federal employees and the veterans, and the rank and file of the people are arrayed on the other side. For years, those in power have loaned huge sums to Europe; giving moratoriums whenever requested, and cancellations by the billions, and I recommend the speech of the late Robert B. Howell, United States Senator from Nebraska, on the European-debt situation, delivered May 27, 1932. Like a voice from the grave comes the warning voice of the gentleman from Nebraska.

I do not hear anyone today talking about compelling France to pay her debt to us. France, in the language of her own financiers has practically no unemployed. France has an army of 650,000 men, the largest and best equipped army in the world, costing more than $500,000,000 in cash for upkeep per year. France has the second largest gold reserve in the world; the largest military and naval aircraft force for war in the world; and is the second largest empire in the world; but I hear no one in this Democratic Congress saying that we should take the stand taken by that great Democrat, Andrew Jackson, who, when President of these United States, compelled France to pay; and those not familiar with Jacksonian statemanship will profit by reading carefully the story of this French-American war debt.

EUROPEAN DEBTS ALREADY CANCELED

Not so many months ago, European debts exceeding $12,000,000,000, to be exact, $12,090,667,000, were canceled, the debtor nations agreeing merely to help us out in paying interest on the money we had borrowed to loan to them. All they are paying is the equivalent of less than 2⅝ percent interest annually for 62 years on this more than $12,000,000,000. Then they are through. We must pay the twelve billion without help, and also the difference between 2⅝ percent interest and the interest we are paying on the money we borrowed to loan to them. Our interest charges on the $12,000,000,000 of bonds outstanding bearing the

highest interest rates have averaged $500,000,000 a year, and there is no such thing as a moratorium for the American people.

All these debtors paid us in 1931 was $235,000,000. In 1932 they were to pay $247,000,000, less than one half the interest we must pay for them, but the moratorium granted by the Hoover government has also shifted this $247,000,000 to our shoulders.

The net cost to the American people carrying these debts, from their dates of settlement up to the end of this moratorium, will exceed in interest alone the total payments of every kind and nature made by European debtors by more than $2,365,000,000, enough to pay the entire adjusted-service certificates, the so-called "soldiers' bonus" for all our World War men.

No wonder a deficit has overtaken our Treasury, and no wonder these men who have plunged us over this precipice are shouting about deficit and about economy. What business have men to talk about economy who threw more than $12,000,000,000 into the lap of Europe? And counting the loss of interest added to the $12,000,000,000, the total is approximately $15,000,000,000. What right have they to instruct us in economy? They squandered on the battlefields of Europe billions of dollars in a war to make the world safe for democracy, they said; and now they stand upon the floor and shout that the war failed and that we must never again enter into such a conflict, and that the war was a colossal blunder.

A NATIONAL FARMER-LABOR PROGRAM

Time and time again these words have been uttered on the floor, and yet the gentlemen who threw us into this European mess and who squandered the accumulated wealth of a century and a half are seeking to instruct us in the meaning of economy. Well, they will never be able to solve the problems we are facing now. We need a new crew on the job and we need new measures. This is the time for a Farmer-Labor program and a Farmer-Labor platform. The old parties have failed miserably, and their failure is becoming daily more apparent. Great Britain was finally forced to abandon the Conservative and Liberal parties and turn to a great Labor party. So America will be driven to build a new Farmer-Labor Party from coast to coast and from Canada to the Gulf to take over this Government and put into legislation such measures as the Frazier refinancing bill, whose author, BILL LEMKE, is a Member of this Congress; and I would like to lower the interest rate named in that bill from 3 percent to 2 percent, and I want to include in that bill the refinancing of mortgages on homes in villages, in cities, and in towns in America, as well as the homes of the farms. What thing is more sacred than the homes of the American people! The American home is the citadel of liberty. The American home must be preserved.

We have commerce within the borders of our 48 States of more than 90 per cent of all our business relations. We are guarded on the north and on the south by enormous ice caps; by small friendly nations on the south; the great Atlantic on the east; and the great Pacific on the west. We need fear no nation or combination of nations in this world. There is no excuse for the unlimited squandering of American money upon futile and foreign ventures.

I wish to call attention that Congress and those who were in authority took $4,231,000,000 and handed it as a gift to France and gave her an interest rate of 2⅛ percent over a period of years. Then France is to be free and clear of all obligations, but we must continue to pay a doubly high interest rate, and the burden of the French taxpayer has been lifted across the Atlantic and engineered upon the backs of the American farmer and the American worker.

Oh, yes we have no money for the American soldier, and the postal employees, and the men and women in the Federal service. We must cut them right and left. We must give the President dictatorial power to slash right and left, but we have plenty of money for the foreigners and the kings and emperors across the ocean. What kind of Americanism is that? These folks who imagine themselves instructors in statesmanship, let them turn back to the Farewell Address of George Washington and read the greatest state paper ever written in American history—written and reviewed by George Washington, Hamilton, and Jefferson, great minds and great statesmen, men with vision. And I say here and now that "where there is no vision, the people perish." These men looked into the dim and distant future, and they foresaw the safe position of America in world affairs. They counseled us that we should trade with the world and be friends with the world, but never mix in their quarrels.

AMERICAN GOLD LOST IN THE BRITISH ISLES

We have kissed good-by to $4,715,000,000—a gift to the British Empire, the greatest empire in the history of the world. More people live under the British flag, and there is more territory under the British flag, than under any other flag in all the history of the world. They have more undeveloped resources than any other nation that ever existed; more gold mines, more diamond mines, than any other country. The gold production of Canada every year is greater than that of continental United States; the gold production of South Africa is 4 times the gold production of continental United States; the British Empire produces, in round numbers, 5 times as much gold as the United States. Their diamond mines are unlimited; their navy is the greatest in the world. And we, who are too poor to pay our Federal employees—our postal men, who serve us in all sorts of weather, and our soldiers, who faced the storms of war upon the battlefields of Europe—we have money enough for the British King and the British Empire. And after we canceled all this, we let them have an interest rate of 3.7 percent, and the people of this Nation must make good the difference between that 3.7 percent and the amount of interest we are actually paying to those from whom we borrowed the money to loan to the British Empire. All of this burden—more than $5,000,000,000—has been transferred from the British Empire to the backs of the American taxpayers, now groaning under the heavy burden they must bear.

An Associated Press dispatch from London, published in the Minneapolis Tribune March 9, 1933, quotes the announcement that an outlay of $183,745,100 is to be made for the British Navy in 1933, an increase of $10,611,000 over last year. There is a heavy new construction program providing for cruisers, destroyers, submarines, and other war craft. And this is one of the nations that we have been helping and financing along the road to universal peace, to make the world safe for democracy, while we forget our own. And remember, the Good Book says, "He who will not take care of his own first, is worse than an infidel."

CONSCRIPT WEALTH FOR WAR ON WANT

I point to my record standing on this floor on April 6, 1917, when I said:

> Loan this money to Europe and show me the day when you will get this money back.

I protested then against these loans, and I warned the American people that we would need the money for ourselves, our men, women, and children, under our own flag.

I might go on indefinitely and talk about the enormous present we made to Mussolini and the Italian Government and to a number of other governments, running into billions upon billions of dollars. We have been very free with our moratoriums and loans. We do not talk in millions any more when we deal with Europe but we talk in billions upon billions. We have plenty of money for their kings and emperors.

Years ago, when the war was on, I stood on this floor and I said:

> If you conscript men for war, conscript wealth for war.

You are now talking every day about the war on want; and if you have no money to meet that war on want, conscript the wealth of this Nation before it escapes into foreign channels on foreign ships to foreign lands, where these cowardly financial assassins are rapidly traveling. I say that the postal employee who in all sorts of weather serves the American public, the man in the Railway Mail Service, the

man who delivers us mail from house to house and on the rural-delivery routes, the man who toils long hours behind the desks in post offices—these men and women are Americans, and America comes first with me.

The men of the World War—that great army of 5,000,000—come first with me, and I am listening today to the voice of the Veterans of Foreign Wars; to the voice of the men of the American Legion; to the voice of the Spanish-American War veterans; to the voice of the men who wore the uniform in the Civil War; to the veterans of all Indian wars and other wars and expeditions; and they sound a warning to those in high position and authority.

MESSAGES FROM THE RANK AND FILE

Listen to this telegram which I have just received from a joint meeting of the delegates of all posts, Veterans of Foreign Wars of Minneapolis, signed by Kenneth A. Bixler, adjutant, and W. R. Ambrose, commander:

At joint meeting delegates of all posts, Veterans of Foreign Wars of Minnesota, held Minneapolis tonight, voted unanimously oppose granting of dictatorial powers to President, and are absolutely opposed cutting veterans' benefits; emphatically demanding our Government remain a people's government; that its defenders be not betrayed.

John Thomas Taylor, chairman of the legislative committee of the American Legion, appeared in opposition to the Roosevelt economy bill, giving the President wide powers to slash veterans' benefits.

The Federal Government—

He said—

can not carry on its rightful obligations to the disabled veterans and reduce their benefits by $400,000,000.

He further says:

The founders of this Nation vested the responsibility in Congress for the enactment of laws. This bill would place this power in the Chief Executive so far as the veterans' legislation is concerned. Members of Congress may thus transfer their constitutional authority, but they can not transfer their responsibility for the results of such action. The Congress should recognize, however, that the bank crisis is not related to veterans' Federal costs. On the contrary, thousands of small banks in the West and South have been and are now materially aided by disabled veterans' Government checks. These checks average $33.50 a month for 1,025,000 veterans of all wars, and are a source of money to thousands of small communities in distress. To withdraw them now would leave both community and veteran dependent upon State aid.

I have just been handed a wire signed by Joseph J. Seiberlich, Commander Bond Camp No. 9, United Spanish War Veterans, Minneapolis, which states:

Spanish War veterans of Minneapolis ask your assistance in maintaining Civil War pension policy for Spanish War veterans.

And another wire just given to me signed by the Marie Bond Auxiliary, of Minneapolis:

Use your influence to prevent the Spanish War veterans' cut.

And still another wire received just now, signed by Frank A. Howard, adjutant, Minneapolis chapter Disabled American Veterans of the World War:

Please consider exemption of service-connected cases of disabled veterans in Budget Director's reduction on economy. Service-connected disabled veterans represent men who were wounded and injured in line of duty and should be given every consideration for their services rendered in time of war.

And listen to a wire just received from Jerome J. Keating, president of Branch 9, National Association of Letter Carriers:

In view of the fact that measures have been taken to increase commodity prices, proposals for wage cuts of postal employees particularly unfair and unsound. Six hundred letter carriers of Minneapolis hope you will oppose this measure.

These messages from the rank and file of the men and women who are doing the work of the world and who are facing the barbed wires of want and destitution mean more to me than the solemn voices of international bankers that seem to wean Members of Congress from their plain path of duty. I know that when the campaign opens in 1934 the great newspapers of Minnesota and the great newspapers of America will sound their gongs on the war against us who stood by the veterans and the Federal employees; but I rely upon these people to stand by us in the battle for justice and in the battle for right.

And I want to say to my friends, the Democrats in this House, that I wish to remind them of their platform on which they solemnly went before the American people in 1932 asking for their suffrage and for power. You Democrats stated in paragraph 6 of your platform for 1932:

We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government.

And in paragraph 24 you pledged yourselves to a plank in your platform which stated:

We advocate the full measure of justice and generosity for all war veterans who have suffered disability or disease caused by or resulting from actual service in time of war and for their dependents.

Are these idle words? Are they promises and pledges such as were given to the farmers year after year by the Republican Party—platforms meaningless, merely to get the votes? Or were they solemn pledges to be kept? I remind you of your pledges. I ask you to stand by those pledges, and perhaps it might be well if you send the platform to the White House for the consideration of the Chief Executive.

Mr. Speaker, if I must choose between the kings and emperors, and the Mussolinis of Europe, France and her armies, Great Britain and her navy, the financing of one European nation after another, and our international bankers who know no country, who have no flag, and know no patriotism—if I must choose between these forces of evil on one side and our veterans and Federal employees on the other, I will take my stand with Americans. I am for America first.

Mr. McDUFFIE. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky [Mr. BROWN].

Mr. BROWN of Kentucky. Mr. Speaker, much has been said as to this being a battle between the veterans on one side and big interests on the other.

Mr. Speaker, I want the Membership of this House to know that I happen to be one of the veterans, and I want them to know that I speak as one without an interest.

There is one issue before us today and one only. Turn to page 4 of the bill and you will find that the President of the United States can make any change he deems equitable.

The question for us to decide is: Have we confidence in the President of the United States? [Applause.]

Not a solitary one of you on the Democratic side of this House came here on any platform other than the platform of a new deal. You did not think of that yourself. The President of the United States thought of that. He pledged you to support his program; and I may say to you that we are at war today, and the veterans of this country do not want you, in their name, to desert the standards of the President of the United States. [Applause.]

I had as soon start a mutiny in the face of a foreign foe as start a mutiny today against the program of the President of the United States. [Applause.] And if someone must shoot down, in this hour of battle, the Commander in Chief of our forces, God grant that the assassin's bullet shall not be fired from the Democratic side of this House. [Applause.]

Mr. TABER. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Speaker, for the benefit of the new Members of the House I should like to say that in a preceding Congress, when the gentleman from Alabama [Mr. McDUFFIE] was down here in the well of the House sponsoring an economy bill, I stood shoulder to shoulder with your Messrs. RANKIN, CONNERY, BLANTON, and others, during a hard-fought legislative battle, trying to prevent reductions in the lower brackets of Federal salaries. I thought that some other way could be found toward balancing the Budget

and promoting economies in governmental business. These same men are appealing to you today upon the theory that you are surrendering certain rights and powers to the President, but I am quite satisfied that were it not for the suggested veterans' legislation carried in this bill that they would be among the first to sponsor it and to call upon you to follow your President.

The rights and powers you are supposed to be surrendering today are unimportant when compared to your prerogatives and rights of the future when legislation of very great importance will from time to time come before the House for your consideration. Do not be deceived by them, my young friends. Agricultural relief, legislation affecting the industries, the national defense, interstate and foreign commerce, World War debts, all legislation of most important character, is still to come before this House under the present administration in its fight against the world depression which has destroyed, or nearly destroyed, every important nation on earth.

You are not surrendering anything but your confidence in your President. You are turning that over to him in the White House, as you should in this hour of turmoil and distress. The bill before us merely provides that the President may do certain things. Action by him is not mandatory.

We are going to pass economy legislation today in the interest of a balanced Budget, my friends, or we are not going to have it at all, for because of our legislative practice it is a physical impossibility, a political impossibility, to put through a real economy bill, and we might as well recognize that fact.

I have been endorsed by the veterans in my district, among whom I number my very dearest friends, and I have fought for them and their principles ever since the World War; and I have every confidence that President Roosevelt, who so overwhelmingly carried my district in the recent election, will treat them fairly, kindly, and with the utmost sympathy, as expressed in his message to the House on yesterday. Surely no man in our national political life has suffered greater physical affliction than the President himself, and this fact alone should bring about a vote of confidence in his proper treatment not only of the World War veterans but of veterans of other wars who are drawing pensions or retirement pay because of their glorious service to their country.

Every Member of the House who votes favorably on this bill does so, I am sure, in the belief that the President meant what he said in his message of promise and sincere good will toward the veterans themselves.

I am equally disturbed about the pay reductions of the postal employees, many of whom are working on shortened hours and whose pay envelope is hardly enough to keep body and soul together. Nothing has been said in their interests this afternoon, nor has anything been said in favor of the former enlisted personnel of the Army and Navy who are drawing retirement pay and have been drawing it for years. They are going to be cut also, in the wisdom of the President. Is anyone here defending them and suggesting that they should not be cut because they have a sound contract with the Government, probably entered into many years ago, and whose retirement pay in many, many cases is the sole income of an aged couple or even an entire family?

Mr. HOEPPEL. Will the gentleman yield?

Mr. BRITTEN. I can not yield; I have not the time.

Of course, the national eye is upon Capitol Hill, and this great legislative body today, but what is even more, the ear of every important government on earth is held fast to the ground at this very moment, in far-off England, France, Italy, and Japan, to learn at the earliest possible moment whether or not this great Democratic legislative body will give its vote of confidence to the newly elected President. [Applause.] And with that vote of confidence goes American prestige, American credit, and American commerce. Undoubtedly our foreign exports will be benefited by your action this afternoon in expressing confidence in the new President of the United States. [Applause.]

Mr. Speaker, the President told us on yesterday that—

> upon the unimpaired credit of the United States Government rests the safety of deposits, the security of insurance policies, the activity of the industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It, therefore, becomes our first concern to make secure the foundation. National recovery depends upon it. We must move with a direct and resolute purpose now. The Members of the Congress and I are pledged to immediate economy.

He said further, that—

> such economies which can be made will, it is true, affect some of our citizens; but the failure to make them will affect all of our citizens. The very stability of our Government itself is concerned and when that is concerned, the benefits of some must be subordinated to the needs of all.

Mr. Speaker, the next sentence of the President's message is the one upon which I lay much stress and confidence in his future actions. He said:

> If the Congress chooses to vest me with this responsibility, it will be exercised in a spirit of justice to all, of sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States. I ask that this legislation go into effect at once without even waiting for the beginning of the next fiscal year. I give you assurance that if this is done, there is reasonable prospect that within a year the income of the Government will be sufficient to cover the expenditures of the Government.

Democrats and Republicans alike must realize the necessity for immediate action. The President has called upon us and we must not fail him.

Mr. McDUFFIE. Mr. Speaker, I yield two minutes to the gentleman from Pennsylvania [Mr. SNYDER].

Mr. SNYDER. Mr. Speaker and Members of the House, this is my first privilege to appear before you. As a student of history and a teacher of history, I regard this the most momentous occasion that has taken place in these halls since the days of Abraham Lincoln.

Our Nation was never at such a critical point as it is this very minute—this very day. The thing you and I do here today to back up the thing we did 2 days ago (passing the banking bill) will, within 10 minutes after it is done, be flashed out to all the civilized nations of the world, and, as my good Republican colleague said just a few moments ago, it depends on what that flash will be as to what the immediate future of our country will be.

I come from a district, Mr. Speaker, out in western Pennsylvania where they are listening in, if it is possible.

Fifty percent of all the 400,000 people in my district who sent me here are on relief. Our people want relief from part of the burden of taxation they are now bearing. They want an opportunity to go back to work, and I believe that this bill embodies that opportunity.

My people sent me here because they had faith in the President of the United States; and I am here to support that faith. I received fully 50 percent of the votes of the veterans of all wars. They voted for me because I stood on the Roosevelt platform. They voted for me because I said I would stand by the President and the administration, and I know the great majority of them expect me to stand by him on this momentous measure which is before us today.

There is nothing in this bill that takes anything away from the soldier boys. I would not vote to take anything from the soldier boys that was not for the common good of all.

I am for the bill because I believe that in the long run it will add to the security and the safety, not only of the other measures involved, but also to the soldier measures pertaining to pensions and compensation.

If this were a permanent measure we should not pass it, but it is a greater emergency measure than the one Congress passed in 1917 giving President Wilson unlimited powers relative to preparation and conducting the World War.

My colleague from New York [Mr. SNELL] said on Thursday, when we were discussing the banking measure, "The house is on fire." He stated the truth, and today the flame is larger than it was that day.

This Seventy-third Congress here in session this afternoon is going to smother this fire. Nero fiddled while Rome burned—but, my fellow Members, we are not going to fiddle and fool and let some thirty million men, women, and children back home walk the streets freezing and hungry. We are going to pass this bill and show not only our people, but the world that our institutions can and will function.

Mr. TABER. Mr. Speaker, I yield three minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, early in the afternoon the gentleman from Alabama [Mr. McDUFFIE] said our house is not in order. The other day our minority leader [Mr. SNELL] said that the house is on fire. I agree with them.

Private credit has collapsed, and an increasing deficit makes inevitable the impairment of public credit. The mere expansion of currency will not remedy the situation. The Budget must be balanced. In the present condition it is impossible to raise money sufficient to meet current expenditures by taxation. Our experience for a year and a half has shown us that it is impossible to effect substantial reductions to the needed extent by congressional enactment. So what can be done? The President of the United States, with a mandate fresh from the people, offers to make the necessary reduction which, with a tax on beer, will balance the Budget in 1934, and the President asks for the power necessary to do this. His will be the responsibility.

I do not care how many Democrats run out on him, I am going to support him and vote for this bill. [Applause.]

Mr. McDUFFIE. Mr. Speaker, I yield 4 minutes to the gentleman from Tennessee [Mr. BROWNING].

Mr. BROWNING. Mr. Speaker, I am unwilling for this sweeping provision that I consider a slaughter of the disabled service men of the United States to pass without protest.

The argument has been made that the President is going to be fair, and I am the last one in the world who would impugn his motives.

There are several different classes adversely affected here that ought to have consideration.

In the first place, this is going to wipe out every presumptive service connection, and this means that the presumptive tubercular boys are going to have to go. This means that those that are on $50 a month, who have had the patience to make the fight to reach an arrested condition and have hanging over them the sword of Damocles of reactivation, will have to go back to work and break themselves down again.

Mrs. NORTON. Will the gentleman yield?

Mr. BROWNING. I have just 4 minutes.

This means that these boys who undertook to make the fight alone, without any aid from the Government until their witnesses were gone and their proof absolutely destroyed and then came forward and asked the Government for $12 a month, are going to be cut off because they are under a disability allowance, and we need not fool ourselves about it. All the presumptive cases and all the disability-allowance cases are going to be discontinued at once. I think this is the meaning of the proposed law.

Mr. McDUFFIE. Will the gentleman yield? The gentleman does not want to indulge in a misstatement.

Mr. BROWNING. I think that is the meaning of the law.

Mr. McDUFFIE. That is not in the bill.

Mr. BROWNING. The power is there and the gentleman knows it is there. [Applause.]

Mr. McGUGIN. Does the gentleman think his President will do that?

Mr. BROWNING. I think the President will exercise all the power he has asked for in this bill. [Applause.] There would not be any need of his asking for it if he did not expect to exercise it.

He guaranteed he was going to reduce the Budget, and I support him in that. I was permitted to work for his election, and I guaranteed that he was going to be fair to these disabled men. You say the interest on bonds to fight the war must be paid, and you demand that the men who fought during the war must raise the interest, must give up every cent in the interest of these bondholders, regardless of the sacrifice they made on the common altar of our country.

I am afraid the House has forgotten all moral obligation to these men. To me it is as strong as our written word to pay interest on bonds.

Mrs. NORTON. Has not the gentleman faith in his President?

Mr. BROWNING. Yes; I have faith in the President, but I know what he is going to do. He is not trifling with this House. He has asked for this authority, and if he did not mean to use it, what would be the sense of his coming here and asking for authority to do it? [Applause.]

We pledge to cut 25 per cent of the National Budget. Why not be equitable and take this off in all places? Why pick on cripples? This morning a Democratic caucus voted 174 to 112 to adopt an amendment to this bill to confine cuts to 25 percent of benefits now being received. I felt that as the author of that amendment I should have been recognized to offer it as a motion to recommit. This privilege is denied me for reasons best known to those in charge. I can vote for the bill if given a chance to submit to the House that proviso, which is as follows:

Mr. BROWNING moves to recommit the bill to the Economy Committee with instructions to report the same back forthwith, with the following amendment: On page 10, after line 9, add the following paragraph:

"SEC. 19. Nowithstanding any of the provisions contained in this title, under the authority herein granted, in no event shall the compensation, disability allowance, or pension of any beneficiary be discontinued or reduced more than 25 percent of the amount thereof, except for fraud, glaring error, or proof of a diminution in the degree of disability.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 148. An act for the relief of Agnes M. Angle;

S. 149. An act for the relief of Daisy Anderson;

S. 150. An act for the relief of W. H. Hendrickson;

S. 151. An act for the relief of the Holy Family Hospital, St. Ignatius, Mont.;

S. 152. An act to authorize the Secretary of War to grant a right of way to the Alameda Belt Line across the Benton Field Military Reservation, Alameda, Calif.;

S. 153. An act to convey certain land in the county of Los Angeles, State of California;

S. 154. An act confirming the claim of Francis R. Sanchez, and for other purposes;

S. 155. An act for the relief of A. Y. Martin; and

S. 156. An act providing for an exchange of lands between the Colonial Realty Co. and the United States, and for other purposes.

MAINTENANCE OF CREDIT OF THE UNITED STATES GOVERNMENT

Mr. TABER. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, in common with the great majority on this side, I shall vote for this measure as the only way given us to save the credit of the Nation. I want it fully understood, however, that if this side of the aisle were in power there would be proper hearings before the Ways and Means Committee and this dreadful operation would not be necessary.

I wish to remind you, too, that the veterans expressed dissatisfaction with our previous President and that in November last the large majority supported the Democratic candidate, now President. They should therefore have faith in him.

For the soldiers of the Spanish War who received little recognition for many years and were just beginning to get their just deserts I want to say that I am sorry for them and wish that it were within my power to do something to prevent possible injury to them under this act. [Applause.]

Mr. McDUFFIE. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN. Mr. Speaker, I am for the soldiers 100 percent. May I impress this on you gentlemen: that the new Members have not had an opportunity to study this bill. I do not doubt that every Member of the House is willing to support the President, provided the President will give the men representing the soldiers a bona fide guaranty that he is not going to take the small amount that they now receive away from them. [Applause.]

Mr. TABER. Mr. Speaker, I yield to the gentleman from Kansas [Mr. McGUGIN].

Mr. McGUGIN. Mr. Speaker, we have heard much here today that the way to solve our present distress is by more and more inflation. We have heard some criticism of the Reconstruction Finance Corporation. In much of that my personal record in this House is in full accord. I voted against the Reconstruction Finance Corporation both times upon the theory that a government which was so much in debt should not furnish money or credit to private enterprise. I say to you that the very argument against the Reconstruction Finance Corporation is an argument in favor of this bill today. Granting that the Reconstruction Finance Corporation is a wrong, still you cannot make a right out of two wrongs.

We hear it said that we need some inflation. I can go along in part with that, but the very last thing that I want is too much inflation in this country. Rest not in the vain delusion, my friends, that there is going to be any trouble about getting enough inflation. The problem before this country will be to prevent too much inflation. The Government for 3 years has been spending more money than it has been taking in, and it has been borrowing that money from the banks of the country. This Government has carried on, pensions have been paid for 3 years, salaries have been paid for 3 years, largely by money borrowed from the banks of this country on short-term securities.

Now the banks are closed. The sources of credit from which we have been drawing for 3 years are no longer at hand, and when the time comes when a Government cannot receive enough money by taxation and cannot borrow money there is just one way to meet its obligations, and that is to print money. When you draw your pay check next month a good part of that pay check will be outright inflation. A good part of the money this Government spends during the next year and until such time as its Budget is balanced will be outright inflation. If we go on and do not reduce the expenses of the Government, that means more inflation, and I can see a situation where we may have so much inflation that the dollars which we pay to the veterans may not be worth dimes. Those of you who are advocating unbridled inflation as a means to solve this problem are advocating a greater reduction for veterans than would ever be carried out in this bill. There may be no reduction in the dollars given them through inflation but there will be a reduction in the amount of clothing and food the veterans will be able to buy with the money you pay them, and that thing can be carried too far.

You speak about this bill being "our bill." Mr. Speaker, this bill is the bill of the President of the United States—Franklin D. Roosevelt. He sent this bill to Congress, and I am glad to know that the committee of which I am a member, 3 Democrats and 2 Republicans, had the courage and the loyalty of purpose to say that country comes first; and that if this is the bill that he wants—then, Franklin D. Roosevelt, we are going to hand it to the House as you handed it to us. [Applause.]

Personally, I do not like this bill. I do not like the sad conditions which grip the land and which caused the President to ask for this bill. To say that I like this bill would be for me to say that I like the depression and the human misery throughout the country.

Why did the President send this bill to Congress? He sent this bill to Congress for the reason set forth in his message yesterday. Let me say to you that the message the President sent to this Congress yesterday is one of the greatest state papers that has ever been sent to Congress by any President. [Applause.] I dare say that when history is written, that message sent to Congress yesterday will be the outstanding paper that will have been sent to Congress by Franklin D. Roosevelt during his tenure of office, because it was statesmanship and it was courage. Let me read to you the reasons he gave for sending it:

> For 3 long years the Federal Government has been on the road toward bankruptcy.
>
> * * * * * * *
>
> Thus we shall have piled up an accumulated deficit of $5,000,000,000.
>
> * * * * * * *
>
> Upon the unimpaired credit of the United States Government rest the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It therefore becomes our first concern to make secure the foundation. National recovery depends upon it.
>
> Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy.

Yes; Greece went on the rocks within a week or so because of a loose fiscal policy. The German Republic went on the rocks recently because of a loose fiscal policy. The President uttered an eternal truth when he said that "liberal governments have been wrecked on the rocks of loose fiscal policy." I ask you, Are you going to let the liberal Government of the United States go on the rocks because of a loose fiscal policy? To quote further from the President's message:

> We must avoid this danger. It is too late for a leisurely approach to this problem. We must not wait to act several months hence. The emergency is accentuated by the necessity of meeting great refunding operations this spring.
>
> We must move with a direct and resolute purpose now.

Here is the way he says that we must move:

> I am asking the Congress today for new legislation laying down broad principles for the granting of pensions and other veteran benefits and giving to the Executive the authority to prescribe the administrative details. * * * I request also the enactment of legislation relating to the salaries of civil and military employees of the Government. * * *
>
> Such economies which can be made will, it is true, affect some of our citizens; but the failure to make them will affect all of our citizens. The very stability of our Government itself is concerned, and when that is concerned the benefits of some must be subordinated to the needs of all.
>
> When a great danger threatens our basic security it is my duty to advise the Congress of the way to preserve it. In so doing I must be fair not only to the few but to the many. It is in this spirit that I appeal to you. If the Congress chooses to vest me with this responsibility, it will be exercised in a spirit of justice to all, of sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States.
>
> I ask that this legislation go into effect at once without even waiting for the beginning of the next fiscal year.

Let me ask the Democrat Membership: Are you going to take the bill, or are you not, when your President tells you that your Government is going on the rocks and asks you for power to save it? We hear it said that the veteran will not be dealt with fairly. This bill in and of itself takes nothing away from any veteran save and except 10 percent from Civil War veterans and the right to appeal to the courts on certain insurance policies. That is all that is taken away from any veteran in the bill. But the power is given to the President by rules and regulations to decrease compensation and pensions by classes. Are you Democrats afraid to trust the President? Let me repeat again what he says:

> If the Congress chooses to vest me with this responsibility, it will be exercised in a spirit of justice to all, of sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States.

There is the solemn pledge of the President. I did not help elect him. You Democrats elected him. I have confidence in his solemn pledge. Have you? I believe the veterans of the United States have confidence in his solemn pledge.

Some 16 years ago another great President sent his message to Congress and asked much of those of my age. Four million came forward and served their country in an hour of peril. Today, when another great President says this country is in a crisis, that it is going on the rocks, and that

President asks a contribution from those same men, I have not the slightest idea but that they will grant it. He does the veterans wrong who thinks they have not confidence in the President of this country to carry this country through safely in this great crisis and yet deal fairly with the veteran. He does the veterans wrong who suggests they are not willing to sacrifice for the common good. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Kansas [Mr. McGUGIN] has expired.

Mr. McDUFFIE. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. McFARLANE].

Mr. McFARLANE. Mr. Speaker, as a new Member of Congress, representing the Thirteenth Texas District, I want to appeal to your sense of fairness to allow such legislation as this to go to the Veterans' Committee and other appropriate committees, where it can be carefully considered and where a bill can be worked out that will be fair to all concerned. The veterans do not ask any special favor. They only ask common justice. The veteran offered his all on the altar of his country when he served in the different wars. He is certainly entitled to some consideration today, more consideration than is being given in this bill now before you. I plead with you to consider the rights of the veterans who will be cut off if this measure is enacted into law under gag rule. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Texas [Mr. McFARLANE] has expired.

Mr. McDUFFIE. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, as an ex-service man first, and above that as an American patriot, I want to uphold the hands of the President of the United States in this emergency. [Applause.] I realize fully that the country is in a state of war now, a war against the tragic economic conditions of the country. I realize fully the gravity of the situation and that this country cannot exist much longer unless drastic steps are taken to remedy the existing situation. But I want to appeal, to request, to beseech, to urge those in charge of this legislation, out of a sense of fairness to those who defended their country when it was beset by a foreign foe, to give to the gentleman from Tennessee [Mr. BROWNING] an opportunity to present his amendment to the bill, which he will presently seek to offer, under the provisions of which in no case shall the compensation of World War veterans and Spanish-American War veterans be cut more than 25 percent. If the House does not want this amendment, it can vote it down. We submit that under our obligation to the defenders of the country and its institutions in time of war that those of us who have the interest of the cause of the veterans at heart in this House should have an opportunity to vote on that amendment. [Applause.]

Mr. McDUFFIE. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Speaker, this is no time to hesitate, no time to procrastinate. It is time to act. The Commander in Chief of this Nation, to whom millions of our distressed and unhappy citizens are looking for immediate relief, has summoned us to action. Shall we at this time of great emergency, when the perpetuation of the very Government itself is at stake, follow the President of the United States, who was elected by an overwhelming majority, or shall the Democratic Party by its vote register the fact that it does not have confidence in his sincerity, his intelligence, and his love of the ex-service men of this country?

I voted against the moratorium and I voted against the Reconstruction Finance Corporation, but this House passed both measures. Those are things of the past. We are now confronted with a grave emergency. I cannot understand this talk about veterans not being willing to cooperate with the Government of the United States in this moment of peril. These men who sacrificed themselves willingly and unselfishly upon the altar of this great country, and who did not fear to bare their breasts to shot and shell, will not be opposed to a fair and equitable revision of the veterans' laws to eliminate unnecessary expense and undeserving cases. We are engaged in another great war today—a war against want, hunger, and unemployment, that are threatening to undermine our economic and financial stability. The casualties of this great economic war are the 13,000,000 men and women who are unemployed, a million farms sold at public sale under mortgage foreclosure and for delinquent taxes, six or seven thousand banks closed which will not open again, and a bank holiday in every State in the Union. In the midst of this economic upheaval, when our patriotism, intelligence, and courage are subjected to the supreme test, it is right that we should borrow from the past the faith, courage, and idealism that gave to the United States her freedom and to history a new galaxy of illustrious heroes. When German imperialism sought to extend its despotic sway over the world, our stalwart soldiers rallied to the battlecry of the Republic and plunged fearlessly into the mad whirlpool of blood and destruction. To save the world from the sumptuary sway of a military martinet which, having enthralled the moral, intellectual, and political life of Germany, sought to fix its greedy talons upon the domains of the United States and other nations, the heroes of 1918 fought and died and dedicated themselves upon the altar of their country. By reason of their undaunted courage and heroic valor they saved the world from German imperialism. When their commanders ordered them to advance, they did so with implicit confidence in the sincerity, intelligence, and patriotism of their leaders.

In this dark hour we must turn once again to their idealism and faith for inspiration and encouragement, and from their illustrious examples we must seek guidance and courage.

In the midst of this great conflict our Commander in Chief has urged us to grant him these emergency powers. He has solemnly warned us that this Nation, with its tremendous deficit of five billions and its revenue falling behind its expenditures several million dollars a day, and with the total revenue from income taxes, individual, and corporate combined not sufficient to cover all the costs of the Veterans' Administration services for the 12 months just ended, is headed towards bankruptcy. He has said that, in the interest of all the people, it is imperative that he be clothed with these discretionary powers. He has assured us that the authority conferred by this bill will be exercised by him with justness, humaneness, and utmost regard for all deserving veterans, their widows, and children.

The President has made it clear that this bill is merely a part of a general program of retrenchment and drastic reductions, that the veterans are not being singled out, but that the ax of economy will fall upon every Department, Bureau, and governmental activity alike.

During the campaign I delivered a number of speeches in behalf of the Democratic Party throughout New York, Delaware, and other States. I pledged my support of the President and the platform. I promised to cooperate with him in every possible way in the program to restore this country to normal prosperity. This is one of the first emergency proposals that the President has urged upon us. Acting upon the assurances that he has given us that these emergency powers will be exercised in the interest of all deserving veterans, and believing that any injustices that might develop in the operation of the law will be promptly corrected by the President and the Congress, I shall cast my vote in favor of this measure.

Mr. McDUFFIE. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, it lacks 1 month being 20 years since I became a Member of this House. I am now serving under the fifth President. In every great emergency that has faced this country from that hour until now, I have upheld, without stint, the recommendations, and have followed the leadership of the President of the United States. [Applause.] Many of those emergencies were not as great as the emergency that now faces our unhappy country. The question today is not what would be my program for saving the credit of the Nation and to start it on the way to recovery. My program, your program, is not here, but the program of the man to whom the people

of the United States are and must be looking today is before the Congress, and what are we going to do with it? Are we going to send word to the people of this country today, who are looking to this Capitol, looking to this man for leadership, that we have refused to give him the instrumentalities with which he can meet the emergency with which we are faced?

Fifteen years ago a great leader came before this House and asked us in a great emergency, when the world was aflame with war, to give him authority to amass the man power and the money and the resources of the Republic to fight a common enemy. We gave it to him, and those of us who gave it to him have been proud from that hour until now; and I may say, incidentally, that those who followed leadership then, those who submerged their personal and many political views are the ones who are still remaining in the Congress because in that emergency we followed the leadership of the President, gave him power and authority to spend money and might, and those of us who today refuse to give this President power and authority to meet this emergency will, in my opinion, live to regret it. [Applause.]

[Here the gavel fell.]

Mr. McDUFFIE. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. WOODRUM].

Mr. WOODRUM. Mr. Speaker, at the outset I would like to clear up unmistakably one point of this discussion, especially for my Democratic colleagues. Let no man be under misapprehension about whether or not the President wants this bill passed. This bill was framed by the President of the United States. He may have had the benefit of legislative counsel, but he knows its every paragraph, its every provision, and the utmost of authority that it will give him. Franklin D. Roosevelt, to whom the people of America are looking today to guide them out of this crisis, is the man who is standing yonder asking his Congress and asking his Democratic friends in Congress to give him the power to carry out the pledges he has made to the people of America.

I want to pay my compliments to the men on the left-hand side of this House for their splendid patriotic purpose in standing up and supporting this legislation that a Democratic President asks. [Applause.] Our two colleagues on this committee, the gentleman from New York [Mr. TABER] and the gentleman from Kansas [Mr. MCGUGIN] said, "Yes; by all means do what Franklin D. Roosevelt wants"; and I say to my friends, it is unfortunate that some opposition has developed on the Democratic side today to giving Roosevelt a free hand in this emergency.

Now, let me say this to you new Members: You may stay here many years, but you will never cast a more important vote than you will be called upon to cast when you answer the roll call in a few moments; and may I remind you again—and properly so, I think—that when the CONGRESSIONAL RECORD lies on the desk of Mr. Roosevelt in the morning he will look over the roll call and from that he will know whether or not the Members of his own party were willing to go along with him in his great fight to save the country.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Not right now.

Mr. MAY. I want to ask him if he means that as an Executive threat to the House of Representatives?

Mr. WOODRUM. I do not mean it as any Executive threat.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. SIROVICH. The gentleman does not want to convey to the House that he is speaking for the President of the United States.

Mr. WOODRUM. Certainly not. I am speaking for myself. I do not see how anything I have said could be misunderstood by this body.

Mr. KELLER. It will not be.

Mr. WOODRUM. There is not a Democrat here who does not understand what I mean, and I repeat that this vote is a testing time of us Democrats as to whether or not we are going to back up the President in a crisis. That is what I mean. [Applause.]

And I say it over again, that when you cast this vote you are casting one of the most important votes you will cast if you stay in Congress until the crack of doom, because it will show whether or not we in Congress are willing to submerge our own individual opinions and follow a great leader whom the people of America have selected to lead them out of this crisis. [Applause.]

Let me ask this: Who has a right to say that Franklin D. Roosevelt will not deal kindly, gently, and sympathetically with the disabled soldier? In God's name, if a man ever lived, if a man ever occupied a place of authority who is in a position to have his big heart go out in sympathy to the men who are disabled and who are down and out, who have suffered and who are in trial and tribulation, it is the man who now sits in the White House. As far as I am concerned, I am willing to trust the President to deal kindly, gently, and justly with the veterans that I represent. [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. McDUFFIE. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, either in this House or out of it, I have never been a rubber stamp. I have always done my own thinking. I have always done my own voting. I have never had anyone over me who could give me orders. I have never recognized the voice of any master.

But during the period of the World War, Mr. Speaker, the President of the United States was the Commander in Chief, and I gave him my loyal support, and without question or hesitation I voted for every measure he requested and which he said was requisite and necessary to bring that terrible war to an early and successful termination.

We are again facing a crucial period fully as menacing and dangerous as that of war. In such a crisis the people of the United States selected their own Commander in Chief. President Franklin D. Roosevelt is not only the chosen leader of the National Democratic Party, but he is the duly commissioned leader of this Nation. The people have confidence in his wisdom. They have faith in his intelligence. They rely upon his sympathy and understanding. In his policies they have placed their hopes. The people fear no injustice. They expect this Congress to open up the way and make it possible for the President to put into execution his promises and his policies.

During my entire service in Congress I have been a loyal, active, dependable friend of the veterans of all wars. I have been one of those here who have insisted on fair treatment's being accorded to our Spanish-American War veterans. I have helped them to get their deserved increases. I have given their cases my personal attention. I have gone to the mat for them. I am still their friend. I am assured that the President does not intend to do them any injustice. I am convinced that he has their problems close to his heart.

My record of service to the disabled veterans of the World War is known to every American Legion post in the United States. I have given to them unstintedly my time, money, and attention. Not one of them has ever called upon me in vain. In their behalf and at my own expense I have made investigations of many hospitals and regional offices. I have forced many injustices against them to be corrected. I have overhauled for them many rotten bureaus and officials. My personal check-up of the old Hospital No. 25 at Houston years ago forced several hundred veterans, then fast dying with tuberculosis, to be transferred to El Paso, Prescott, and Fort Bayard, at which places many fully recovered. When I impeached Col. Frederick A. Fenning for robbing hundreds of shell-shocked soldiers, the evidence I gathered and presented against him when we tried him before the Judiciary Committee forced him to resign, and I paid all of the enormous expenses of my said investigation of him out of my own pocket. My House Joint Resolution 355 in the last Congress forced Maj. William Wolff Smith to resign, after the evidence I accumulated against him had been presented in his trial before the Military Affairs Committee; and for months a special joint committee has been investigating the many inequalities, inequities, and items of administration waste and extravagance depicted and set forth in detail in my said

Resolution 355. I have voted for every measure that has been passed by Congress in the interest of veterans of the World War, their widows, children, and dependents. I mention the above matters to show that I have been the loyal friend of war veterans, and I am still their dependable friend.

I voted to pay them their adjusted-compensation certificates in cash, because I believed same was a just debt due them by the Government. I am still in favor of the Government's paying these certificates. I believe that a way will be found in this Congress to pay them.

This measure now before us is no ordinary bill. It is one specially prepared by the President of the United States. He sends it to us. He tells us that he needs it. He admonishes us that it is a part of his program. It is a part of his policy. In his message Thursday the President said:

> The Members of the new Congress will realize, I am confident, the grave responsibility which lies upon me and upon them.

And he then called to our attention the fact that he would send us this bill which he regarded as of "immediate urgency" in his program of "national restoration." Does anyone here contend that our brave veterans of the World War are not supporting their President in this hour of his "grave responsibility"? Does anyone here intimate that Congressmen will be unfriendly to veterans if they support the President of the United States?

On many occasions I have proven my loyal friendship for the postal employees of this Government. Does anyone here contend that we would be unfriendly toward postal employees by supporting the President? Are not the postal employees solidly behind the President in his efforts toward national restoration?

In this crucial hour every American must be willing to make sacrifices. As a Member of Congress, I am willing to bear my part. This bill of the President's will cut congressional salaries $1,500. I am willing to cut them deeper than that. My pending House Joint Resolution 7, which was House Joint Resolution No. 344 in the last Congress, proposes to cut all of the high-salaried positions down to a maximum of $7,500. Expenses of Government cannot be reduced without cutting salaries materially. The President has admonished us that he has inherited an accumulated deficit of $5,000,000,000. It must be financed. Unless we balance the Budget there will come a time when no salaries can be paid. It is to the interest of all that we support the President in his program of national restoration.

I am assured that no disabled veteran of the World War need fear any injustice at the hands of President Franklin D. Roosevelt. I have confidence in our Commander in Chief. I believe in him. In this present crisis on his program of national restoration I intend to back up the President 100 percent, and I am as great a friend of the veterans as there is in this House. The veterans here know that I have helped them in every part of the United States. The veterans of my district, loyal patriotic Americans they are, want me to back the President. I am not afraid of the President's doing them an injustice. That is the last thing that is in the heart of the President. His heart beats sympathetically for every veteran of every war. He is going to see to it that they get justice, and I am with him. [Applause.]

Mr. McDUFFIE. Mr. Speaker, I yield 1 minute to the gentleman from Washington [Mr. SMITH].

Mr. SMITH of Washington. Mr. Speaker, the assertion has been made by a number of gentlemen that the bill under consideration is a fulfillment of the pledges and promises that were made by President Roosevelt and the Democratic Members of this House during the last election. I would, therefore, like to read two paragraphs in the Democratic platform which was adopted at the Chicago convention:

> We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 per cent in the cost of Federal Government.

Not a word about reduction or curtailment of the compensation or benefits being paid to veterans in service-connected disability cases or otherwise, not a word about repealing the present laws or the pensions being paid to the veterans of the Spanish-American War. The paragraph which sets forth the pledge and promise we made as to what our policy would be toward the veterans, and upon which the veterans and the people had the right to rely, and undoubtedly did rely, when they elected us, reads as follows:

> We advocate the full measure of justice and generosity for all war veterans who have suffered disability or disease caused by or resulting from actual service in time of war and for their dependents.

The question that at once suggests itself to our minds is this: Why are the veterans of our wars, their widows and dependents, singled out and made the object of attack in the first economy measure that is proposed to the Congress?

Why not first make "the drastic reduction of governmental expenditures by abolishing useless commissions and offices and consolidating departments and bureaus," as pledged in the platform? Then, after having done that, it would be time to consider the necessity of reducing the compensation being paid to the veterans 25 percent, as contemplated in the amendment which the gentleman from Tennessee [Mr. BROWNING] intends to submit. This would be in the spirit of our solemn pledge to mete out to them "the full measure of justice and generosity" expressed in our platform contract which we made during the campaign. [Applause.]

I yield to no man on this floor in loyalty to President Roosevelt and his administration of the affairs of our country. It it with a feeling of pride that I recite the fact that I very early in the campaign was one of the first to advocate his nomination in my State; and I organized the first Roosevelt club in Washington and was honored by being elected its president, and campaigned actively in behalf of his nomination throughout the State and neighboring States as early as 18 months before the Chicago convention. I rejoiced in his election and have every confidence in his patriotism, statesmanship, and leadership, but intend to discharge my constitutional duties as a Member of this body and grant to every other Member the same right. [Applause.]

[Here the gavel fell.]

The regular order was demanded.

Mr. TABER. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, what few words I say relative to the legislation before us at this time are not said either as a Republican or a Democrat. They are said as a loyal American citizen who desires to meet the duties that come to him as a Representative in this House. [Applause.]

I regret that this legislation seemed necessary to be brought in under the conditions under which it is presented here today, but the majority are responsible for the handling of the program. They are responsible for the program that is presented, and, as far as I am concerned, as a member of the minority I am not going to throw any monkeywrench at this time into the program that has been presented that they say is absolutely necessary to put this country back on its feet. [Applause.]

I am not in complete accord with all the provisions of this bill. As a matter of fact, if you go into the details of the bill there are a great many things that I am absolutely opposed to, but that is not the question before us at the present time. It is a question of taking it or defeating it as presented by the majority, and I am going to take it.

The President of the United States has sent this legislation up here as an emergency proposition. The President says it is necessary to be done and that it is necessary to be done now. The responsibility is his.

Several months ago I took the floor and asked that responsibility for this kind of work be given to the then President of the United States. The Democratic majority did not all agree with me then. Why I do not know, but I have not changed my position one iota. I stand now as I stood then. If you are going to accomplish this purpose, you must put it up to the President of the United States and hold him responsible. This is not a time or place to dis-

cuss bygones. That is water over the dam, but we must grind a grist for the American people with the water that is still available. The credit of the Nation is at stake and it is up to us, here, now, to do our part to restore its firm foundation.

Every part of this country is in a terrible situation and waiting for affirmative action by Congress. Every municipality, town, county, and State is cutting down its appropriations and cutting down salaries of its officials, and I tell you, Mr. Speaker, we must set the example here. We must put the Federal house in order first. That is the crux of the whole situation. It is up to you men to do your duty here today and give the President an opportunity to do the things that he says are absolutely necessary. I know it is the most drastic and far-reaching legislation ever passed, and the success depends entirely on its administration, but I am today more interested in the welfare of our people than I am in who gets the credit; that is why I am supporting it.

But by doing this I am not committing myself on other legislation that is coming before us in a few days. There is some of it I know I am going to oppose, but so far as I am concerned here today, I am going to give him the authority that he asks and hold him responsible for doing the job. [Applause.]

Mr. TABER. Mr. Speaker, I yield 1½ minutes to the gentleman from New Jersey [Mr. SEGER].

Mr. SEGER. Mr. Speaker, these are unusual times. The President has called upon us to act in a great crisis, a national emergency. He has indicated our country is on the road to bankruptcy unless we act and act quickly. There is much in this legislation with which I am not in accord. I do not believe we are going to effect real economy by cutting salaries. Our veterans' legislation, whether it has proven wise or unwise, was carefully thought out and passed upon by our committees before we acted in the House, and I do not approve the idea of undoing a large part of such legislation with so little time for consideration. But the President holds this legislation necessary to maintain the credit of the United States. I went along with President Roosevelt yesterday on his banking program, with which I am not in entire accord, because I believed he was using his head. I cannot believe the drastic results on veterans' cases, predicted by my colleague from Tennessee [Mr. BROWNING], will come to pass. I am going along with Mr. Roosevelt on this legislation, because I am sure he is going to use his heart. [Applause.]

Mr. TABER. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. STOKES].

Mr. STOKES. Mr. Speaker, to be sure, this is a "government of laws and not of men." But in great national emergencies, such as is now confronting us, we are fully justified, in my opinion, in empowering the President to take extraordinary action of this nature.

During the Civil War President Lincoln rose above the laws. He acted undoubtedly in a manner not justified by the Constitution but fully justified by the crisis which confronted the Nation.

When in the history of our country has every bank in the Nation been closed? Never before. When would anyone have imagined in his wildest dreams a deficit of $5,000,000,000 would have accumulated? These conditions are so filled with danger, and the need for prompt remedy so urgent, that our duty is clear. This bill must be passed or we must abide by the consequences.

Next Wednesday, March 15, $694,000,000 worth of United States debt falls due. There is only a balance of about $130,000,000 in the Federal Treasury with which to meet this large obligation. Where will we get the money? We can count on the people and the banks to lend it provided we pass this bill and prove to the country that we will economize.

Mr. McDUFFIE. Mr. Speaker, I yield myself one half minute to read a telegram from an American Legion Post in the city of New York, which is as follows:

NEW YORK, N.Y., *March 11, 1933.*

Hon. JOHN MCDUFFIE:

We respectfully urge that the Congress of the United States support the economy program of President Roosevelt, including that part which asks for new legislation for the granting of pensions and other veteran benefits and giving to the Executive the authority to prescribe administrative details.

JOHN J. BOOTH POST, NO. 182, AMERICAN LEGION.

Mr. Speaker, I yield 1 minute to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Speaker, I regret that this bill has been brought on the floor of Congress in this way. It would have been best to have had more time in which to study this measure. I am a new Member, and my vote will be cast for what I believe to be right. I believe that this question will never be settled until men and women act for the best interests of the entire Nation. I believe there are two types of leadership; one is bad and one is good. I have confidence in the good leadership of Roosevelt. I am going to vote for the program of President Roosevelt in the spirit of the old hymn. I know that my heart, as a new Member, is right, and I want, in this particular crisis, in the words of the old hymn, to go with him all the way.

This is an hour of crisis such as we have seldom before experienced as a nation. The times call not for petty political moves not for advancement of personal ambition nor party power. In this hour of great national danger not even sectional or district interests should be exalted above the national interests. To protect the national interest is to serve best the interest of the people of every section and district, for only by reestablishing the confidence of the whole Nation can any particular section of the country derive any benefit from the program of President Roosevelt or any other leader whose sincere aim is to meet the needs of our people by practical legislation. Fear and distress know no State or district boundaries but leap like flames of a great fire that consumes a city.

Thousands of people have been calling for something more than mere speech for months. I believe that the thousands who will be affected by this economy measure—and among them are hundreds of veterans and Government employees from my congressional district—will stand with the President in this great effort to return credit to our Government and confidence to our people.

When distress signals are flying and national disaster threatens the only course of every loyal citizen is to go to the rescue of his fellow citizens. I enlist my humble voice and vote—not in an effort to deprive any of our people of their incomes or disability allowances, but in the cause of preserving our Government. I feel that today every man, woman, and child is called to national service to face a common foe, side by side. There are no officeholders, no special classes, no World War or Spanish-American War veterans, but all Americans pressing forward to meet a common enemy. I sincerely believe that the majority of the veterans and all those who will be affected by this bill will again willingly offer their services to their country and will honor and respect the man who leads the way and the man who flights by his side.

I would have liked to have an opportunity to study this matter at some length. Yet I feel we cannot wait for a lengthy survey. Drastic economies are needed now—not tomorrow. I am as much opposed to dictatorial government as anyone within the sound of my voice. I do not look on this measure as creating government by a dictator. Strong leadership is required, and by passing this bill we actually reaffirm our faith in our democratic form of government. It is not Roosevelt who leads alone—it is the great mass of the people leading themselves and their Nation out of a wilderness of debt and despair. [Applause.]

Mr. McDUFFIE. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee, the majority leader of the House.

Mr. BYRNS. Mr. Speaker, ladies and gentlemen of the House, I have complete confidence in the absolute fairness of the President of the United States and am certain that he will not do any injustice to any class of citizens in this country.

The people, by an overwhelming vote, have vested the power of leadership in him. I want to appeal to my Democratic friends upon this side of the Chamber, particularly, and ask them: Are you going to deny to him today the power to discharge the solemn responsibilities which he has assumed and which he holds direct from the people? Are you going to tie his hands in the services he is attempting to perform for the people of this country?

We are facing a serious situation, as the gentleman from New York and others have said, a situation more serious, more critical than even existed in war times.

The people are looking to the President to restore confidence and to bring about a return of normal conditions. It would be unfair to him, it would be unfair to the people whom he is attempting to serve, if we today should deny to him the power that he asks to discharge this great responsibility.

Do not mistake it. This is his bill. It has come from his hand. It is an administration measure. When you vote against it you are voting to handicap the President of the United States in his effort to give the people relief. [Applause.]

We are told that the deficit which will occur in June will amount to over $1,200,000,000, and next year, in 1934, it will be over a billion dollars, making over $5,000,000,000 indebtedness that will occur during the period of 4 years.

My friends, something must be done to relieve your Treasury and to preserve the credit of the Nation. You can do it only by reducing the expenditures of this Government—something that President Roosevelt is seeking to do in this bill.

I hope that my Democratic friends upon this side of the aisle who were elected upon the same ticket with him and who hold allegiance to the same party to which he belongs and of which he is leader, will not be less loyal to the President today than these gentlemen on the left side of the Chamber who have spoken in behalf of this bill. [Applause.]

I appeal to you in this great emergency to forget any differences you may have, any small or serious objection that you may have to this bill, and subordinate all in your effort to give the President this authority which he asks.

There are features of the bill to which I do not give my whole accord, but, my friends, in this great national emergency I am willing to surrender any differences that I may have and will do so as quickly as I would if we were actually in a state of warfare. [Applause.]

This is not a time to look for defects. It is a time to get behind our great leader and to follow him and be guided by his judgment, rather than our own, in this critical period. The people are looking to him as their hope for relief and they are not going to look with favor upon any action which will not uphold his hands. What will the country say if it shall go out to the country that the Congress of the United States is not standing behind the President in his effort? What will they say if it be said that this Congress has failed to give him the support that he has asked? Let us pass this bill by an overwhelming vote. [Applause.]

The SPEAKER. The time of the gentleman from Tennessee has expired. All time has expired.

Mr. McDUFFIE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks in the RECORD on this bill. Many gentlemen requested time, but there was not sufficient time to yield to them all.

The SPEAKER. The gentleman from Alabama asks unanimous consent that all Members may have 5 legislative days within which to extend their own remarks on this bill. Is there objection?

There was no objection.

The SPEAKER. Under the resolution the previous question is ordered. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. CONNERY rose.

The SPEAKER. For what purpose does the gentleman from Massachusetts rise?

Mr. BROWNING. Mr. Speaker, a parliamentary inquiry.

Mr. CONNERY. Mr. Speaker, I rise to offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CONNERY. I am.

The SPEAKER. Is any member of the committee opposed to the bill?

Mr. McDUFFIE. No.

The SPEAKER. The gentleman from Tennessee will state his parliamentary inquiry.

Mr. BROWNING. Mr. Speaker, it is to ask if, under the usages of the House, after what occurred in the caucus this morning, I should not be permitted to make the motion to recommit?

The SPEAKER. The House has no knowledge of what occurred in the caucus. The gentleman is not propounding a parliamentary inquiry. The Clerk will report the motion to recommit offered by the gentleman from Massachusetts.

The Clerk read as follows:

Mr. CONNERY moves to recommit the bill, H.R. 2820, to the Committee on Economy.

The SPEAKER. The question is on the motion of the gentleman from Massachusetts to recommit the bill.

The question was taken; and on a division (demanded by Mr. CONNERY) there were—ayes 90, noes 272.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. McDUFFIE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 266, nays 139, answered "present" 1, not voting 19, as follows:

[Roll No. 4]

YEAS—266

Adams	Colmer	Gray	Lesinski
Allen	Cooper, Ohio	Green	Lewis, Colo.
Allgood	Corning	Greenwood	Lewis, Md.
Andrew, Mass.	Cox	Gregory	Lozier
Andrews, N.Y.	Cravens	Griffin	Luce
Arnold	Crosby	Guyer	Ludlow
Auf der Heide	Cross	Haines	McCarthy
Bacharach	Crowther	Hancock, N.Y.	McDuffie
Bacon	Crump	Hancock, N.C.	McGrath
Bailey	Culkin	Harlan	McGugin
Bakewell	Cummings	Hart	McLean
Bankhead	Darden	Harter	McMillan
Beedy	Darrow	Hartley	McReynolds
Berlin	Deen	Hastings	McSwain
Biermann	DeRouen	Henney	Major
Bland	Dickinson	Hess	Maloney, Conn.
Blanton	Dies	Higgins	Maloney, La.
Bloom	Dingell	Hill, Ala.	Mansfield
Boehne	Disney	Hoidale	Marland
Boland	Dobbins	Hollister	Marshall
Bolton	Doughton	Holmes	Martin, Colo.
Boylan	Doutrich	Hope	Martin, Mass.
Briggs	Doxey	Howard	Martin, Oreg.
Britten	Drewry	Huddleston	Mecks
Brooks	Driver	Hughes	Merritt
Brown, Ky.	Duffey	Jacobsen	Millard
Brown, Mich.	Duncan, Mo.	Jenkins	Miller
Buchanan	Eaton	Johnson, Okla.	Milligan
Buck	Edmonds	Johnson, W.Va.	Montet
Bulwinkle	Eicher	Jones	Moran
Burch	Ellzey, Miss.	Kahn	Morehead
Burke, Nebr.	Eltse, Calif.	Kee	Moynihan
Burnham	Evans	Kemp	Muldowney
Busby	Farley	Kennedy, Md.	Norton
Byrns	Fernandez	Kenney	O'Connell
Cady	Fiesinger	Kerr	O'Connor
Caldwell	Fish	Kinzer	Oliver, Ala.
Carden	Fitzpatrick	Kleberg	Oliver, N.Y.
Carpenter, Nebr.	Flannagan	Kloeb	Owen
Carter, Calif.	Foss	Knutson	Parker, Ga
Cary	Foulkes	Kocialkowski	Parker, N.Y.
Castellow	Fuller	Kopplemann	Parks
Cavicchia	Fulmer	Lambertson	Parsons
Christianson	Gambrill	Lambeth	Perkins
Church	Gifford	Lamneck	Peterson
Claiborne	Gillespie	Lanham	Pettengill
Cochran, Mo.	Gillette	Larrabee	Peyser
Cochran, Pa.	Glover	Lea, Calif.	Pierce
Coffin	Goldsborough	Lee, Mo.	Pou
Colden	Goodwin	Lehlbach	Powers
Cole	Goss	Lehr	Ragon

Ramspeck	Seger	Swick	Wearin
Randolph	Shallenberger	Taber	Weaver
Rayburn	Simpson	Taylor, Colo.	West
Reed, N.Y.	Sisson	Terrell	Whittington
Reilly	Smith, Va.	Thom	Wigglesworth
Rich	Smith, W.Va.	Thomason, Tex.	Wilcox
Richardson	Snell	Thompson, Ill.	Williford
Robertson	Snyder	Tinkham	Williams
Robinson	Spence	Tobey	Wilson
Rogers, Mass.	Stalker	Treadway	Wood, Ga.
Romjue	Stengall	Umstead	Wood, Mo.
Ruffin	Stokes	Utterback	Woodrum
Sabath	Strong, Tex.	Vinson, Ga.	Young
Sadowski	Sullivan	Wadsworth	The Speaker
Sanders	Sumners, Tex.	Walter	
Sandlin	Sutphin	Warren	

NAYS—139

Arens	Dunn	Lansetta	Shoemaker
Beam	Durgan, Ind.	Lemke	Sinclair
Beiter	Eagle	Lindsay	Sirovich
Black	Englebright	Lloyd	Smith, Wash.
Blanchard	Faddis	Lundeen	Somers, N.Y.
Bolleau	Fitzgibbons	McCormack	Strong, Pa.
Browning	Fletcher	McFadden	Stubbs
Brumm	Focht	McFarlane	Studley
Brunner	Ford	McKeown	Swank
Burke, Calif.	Frear	McLeod	Sweeney
Cannon, Mo.	Gasque	Mapes	Tarver
Cannon, Wis.	Gavagan	May	Taylor, S.C.
Carley	Gibson	Mead	Taylor, Tenn.
Carpenter, Kans.	Gilchrist	Mitchell	Thurston
Carter, Wyo.	Griswold	Mott	Traeger
Chapman	Hamilton	Murdock	Truax
Chase	Healey	Musselwhite	Turner
Chavez	Hildebrandt	Nesbit	Turpin
Clark, N. C.	Hill, Knute	O'Brien	Underwood
Collins, Calif.	Hill, Sam B.	O'Malley	Vinson, Ky.
Collins, Miss.	Hoeppel	Palmisano	Waldron
Condon	Hooper	Patman	Wallgren
Connery	Imhoff	Polk	Watson
Connolly	James	Prall	Weideman
Cooper, Tenn.	Jeffers	Ramsay	Welch
Crosser	Jenckes	Rankin	Werner
Crowe	Johnson, Minn.	Ransley	White
Cullen	Johnson, Tex.	Reece	Whitley
Dear	Keller	Richards	Withrow
Delaney	Kelly, Ill.	Rogers, Okla.	Wolcott
Dirksen	Kelly, Pa.	Rudd	Wolfenden
Dockweiler	Kniffin	Schuetz	Wolverton
Dondero	Kramer	Schulte	Woodruff
Douglass	Kurtz	Scrugham	Zioncheck
Dowell	Kvale	Secrest	

ANSWERED "PRESENT"—1

Shannon

NOT VOTING—19

Abernethy	Beck	Ditter	Reid, Ill.
Adair	Celler	Granfield	Rogers, N.H.
Almon	Clarke, N.Y.	Kennedy, N.Y.	Schaefer
Ayers, Mont.	De Priest	McClintic	Sears
Ayres, Kans.	Dickstein	Peavey	

So the bill was passed.

The Clerk announced the following pairs:

General pairs:
Mr. Abernethy with Mr. Clarke of New York.
Mr. Sears with Mr. Beck.
Mr. McClintic with Mr. Reid of Illinois.
Mr. Dickstein with Mr. Ditter.
Mr. Ayres of Kansas with Mr. Peavey.
Mr. Granfield with Mr. De Priest.
Mr. Kennedy of New York with Mr. Schaefer.
Mr. Ayers of Montana with Mr. Turner.

Mr. CULLEN. Mr. Speaker, the following Members, if present, would have voted "aye": Mr. ALMON, Mr. CELLER, and Mr. ROGERS of New Hampshire.

Mr. McCORMACK. Mr. Speaker, the gentleman from Massachusetts, Mr. GRANFIELD, is unavoidably absent on account of illness in his family.

Mr. SABATH. Mr. Speaker, my colleagues, Messrs. BRENNAN and Mr. SCHAEFER, are unavoidably absent. If present, they would have voted "aye."

Mr. DARROW. Mr. Speaker, my colleague, Mr. BECK, is absent on account of illness. Mr. DITTER is unavoidably absent. If present, they would both have voted "aye."

Mr. BACON. Mr. Speaker, my colleague, Mr. CLARKE of New York, is unavoidably absent. He asked me to say that if present he would have voted "aye."

Mr. GAVAGAN. Mr. Speaker, my colleague, Mr. KENNEDY of New York, is unavoidably absent on account of illness.

The result of the vote was announced as above recorded.

On motion by Mr. McDUFFIE a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS—H.R. 2820

Mr. TARVER. Mr. Speaker, I have no hesitancy in opposing this bill. The President, with all of the burdens placed upon him during the last few days, has obviously not had the opportunity to give to this legislation his individual attention as to detail but has necessarily been compelled to rely upon the advice and opinions of others. It is apparent that these advisers have not been friends of those who have defended our country in time of war, and of their dependents. The legislation bears the earmarks of the propaganda of the so-called "Economy League", now guided by H. H. Curran, who doubtless feels that he has completed his job of destroying prohibition, in which he has been engaged for the last several years upon the employment of the Association Against the Eighteenth Amendment, and is now free to do the behest of another bunch of millionaires in propagandizing the country against our veterans.

I have maintained an independent position with regard to veterans' legislation in this body. I voted against the immediate cash payment of the bonus and would vote against it again at this time, realizing that it is a matter of impossibility under present conditions. For that position, I have been attacked throughout my district by those who pretended that I was not friendly to the veterans. I am strongly for economy and sound government, and I am ready to vote for economy in every branch of the Government, but I do not believe in "passing the buck." The first section of article I of the Constitution provides:

> All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

In this bill it is proposed to give the President of the United States legislative power, in the face of the Constitution. It is an abdication by Congress of its constitutional rights, duties, and powers. Rather than vote for such a bill, a Member should surrender his seat and go home. I am ready to legislate, as it is my duty as one Member to do. I am ready to vote to cut the emoluments of every officer and employee of the United States, including Members of this House, and of every veteran of the United States, to whatever extent is necessary to balance the Budget, be it 15 percent, 25 percent, or 50 percent. But I am not willing to make only a 15-percent reduction in my salary and in the salaries of well-paid Government employees, and to cut down the veterans in amounts varying at different percentages, in the judgment of the President, up to 100 percent in most disability-allowance cases. Let us cut everybody alike, and let us have the nerve to do it ourselves and not delegate our duties to the President.

I am not willing to cut out entirely disability allowances. For nearly three quarters of a century the people of the South have been helping pay non-service-connected pensions to Union veterans of the War between the States and in addition have been taking care of the Confederate veterans. Now, when a measure proposed by a Republican President results in the equal distribution of similar benefits to World War veterans equally distributed throughout the country, New York millionaires start a great hue and cry, through their propagandist, Curran, against paying pensions for non-service-connected disabilities. But they are careful to exclude from the power to cut out pensions for non-service-connected disabilities the pensions of Union veterans of the War between the States and their dependents. Why, I say, shall we make fish of the one and fowl of the other? Why are our Spanish-American War veterans and our World War veterans not entitled to the same consideration that has always been accorded the Union veterans of the War between the States? I am willing to go as far as any man in this House in the interest of economy. I am not afraid to vote to cut the benefits of World War veterans by whatever percentage may be necessary, and I know they are willing to bear their share of our national burdens, but when I vote to do it I must know that by the same vote I am taking an equal percentage from your salary and mine, from the salary of every Government worker, from the salary of every ad-

miral in the Navy and general in the Army, and from the benefits accorded to all veterans of other wars of the United States or peace-time service.

Mr. HOEPPEL. Mr. Speaker and Members of the House, on March 9 this House met and agreed unanimously to support the President's policy in regard to his recommendations on finance and banking. Our agreement provided a sprinkling of moisture to the economic tree of the United States through which the erstwhile sturdy trunk and branches of banking receive a gracious supply of the liquidity believed essential to revivify our economic and financial stagnation. As occurred with the relief afforded by the Reconstruction Finance Corporation law, it is hoped that some of the fluid wealth will perhaps drop to the soil and percolate to the tap and life roots of our industrial and family life.

We hope this may occur, but, in my opinion, the most direct relief and the one of paramount importance would be the payment of the adjusted-service certificates now, affording relief which would penetrate to the lowest depths and bring the required sustenance and fertility to virtually every family in America, and which, by restoring buying power and the ability to save homes and pay indebtedness, would soon react in every avenue of commerce and trade in America.

On March 9 we voted funds, in fact, we gave a blood transfusion, to the very bankers who brought this calamity upon our Nation. The power which robbed us of our savings and which has placed internationalism above nationalism was rewarded yesterday in spite of its known shortcomings!

Today we are called upon, not to reward those who robbed us of our substance, but we are called upon and expected to vote compliantly to rob those who succored our Nation in time of national stress and danger! I am in favor of economy and reduction in veteran expenditures, but only after due deliberation and weighing of the issues involved. Millions upon millions could be saved by reorganization of the Veterans' Administration, without taking a single penny from any disabled veteran or his dependents. My years of study of this administration prompt me to describe it as an inefficient racket through which many deserving cases receive but little attention unless fortified by influence or coercion. The hodge-podge veteran-relief laws are a travesty on common intelligence, which even our own Congress encourages by maintaining three distinct committees to enact see-saw veteran relief laws.

I am vehemently opposed to any reduction of pension, compensation, or emergency-officer retired pay without a committee investigation and report, and only after due deliberation in Congress. I do not fear the result of my vote on this question, and I will not vote to permit any reduction without such procedure. The defenders of our Nation in times of its utmost peril are entitled to a hearing. They are at least entitled to an equal hearing with the international bankers whose destructive service brought our Nation to this dilemma and who, it is well understood, acquiesced in the bill which, as a matter of loyalty to the Chief Executive, was enacted yesterday without opposition in the House. The loyal, disabled defenders of our Nation who cannot prove service connection are in many instances equally entitled to a gratuity as are those who have a service-connected record of disability. To discriminate against this one class as a whole, in my opinion, is unfair and un-American!

Mr. WEIDEMAN. Mr. Speaker, I believe when the people of the Fourteenth District of Michigan sent me to be their Representative in Congress they gave me certain orders to carry out. Among them was a definite order to do all in my power to secure a reduction in governmental expenses.

The order that I received from my district was to accomplish this by cutting out useless departments of government by destroying unnecessary commissions, and not by cutting wages or reducing the American standard of living. I was not ordered to sacrifice the compensation or benefits that the deserving veteran received from his Government. I received an unequivocal order from my people to vote for such measures that would tend to better the standard of living and the standard of wages, so that the purchasing power of the people may be restored and that the investments they had made in homes and other property would be brought back to a decent value.

The prosperity of the Nation cannot be accomplished by cutting wages—which both destroys the purchasing power of the people and renders valueless the investments that the average citizen has made over a course of years.

DRIVE THE MONEY LENDERS FROM THE TEMPLE

When the international bankers, Wall Street and the house of Morgan, decide to declare a moratorium on the interest charges of the public debt, then I might consider penalizing the Federal employee and the veteran.

The wages of the Federal employees at the bottom of the list have been cut to the very lowest point commensurate with their giving themselves and their family a decent living; and it is high time that some of the useless, expensive, and high-priced bureaus and bureau heads be abolished.

I stand firmly behind our President in his endeavor to cut the cost of government, and I stand squarely behind his inaugural declaration to "drive the money lenders from the temple." Let those who profit out of the manipulation of money and who are able to pay their just share of its cost start to contribute now according to their ability to pay.

Mr. COLLINS of Mississippi. Mr. Speaker, the committee that reported this bill was appointed yesterday. It is current rumor that its hearings covered the period of 3 minutes. It was probably written by the legislative clerk's office. Anyway it is loosely drawn. No Member of this House understands its provisions or the effects that will follow its passage.

I have earnestly tried to get a few minutes' time in which to discuss some of its provisions and this has been denied me because we are told that it must be passed today. There exists no emergency, so why the haste in taking away from many of our ex-service men the small funds left them and the medical and hospital benefits that a Government owes them? And this even without their or their representatives' having a chance to be heard.

Moreover, Mr. Speaker, in my judgment, the proposed legislation is so far-reaching that I question the wisdom of rushing it through here this afternoon without an opportunity thoroughly to study its various aspects. We know that the measure has been shaped hurriedly. We also know that there is no legislation on the statute books today that is more involved than that dealing with our veterans. Therefore I say that the wiser course would be to delay for a day or two the passage of this bill in order that Members might have an opportunity carefully to examine its provisions and guard against taking a step that might do violence to a class of our citizens that it is our solemn duty to care for in their hour of need, even though we may know and are confident that our President is as equally solicitous for their welfare as we are. If the legislation has been ill-prepared through haste, the President's hands would be tied.

I have run through the bill rather hurriedly, as all of us must do. There are 1 or 2 provisions that I am not certain will carry out the intentions of the administration. Take, for example, section 6. This section provides:

In addition to the pensions provided in this title, the Administrator of Veterans' Affairs is hereby authorized under such limitations as may be prescribed by the President, and within the limits of existing Veterans' Administration facilities, to furnish to veterans of any war, including the Boxer rebellion and the Philippine insurrection, domiciliary care where they are suffering with permanent disabilities and medical and hospital treatment for diseases or injuries incurred or aggravated in line of duty in the active military or naval service.

What happens under this provision to a bedridden veteran whose disability is non service connected? Is all authority removed to care for him until he is well? If he is destitute, with no income from any source, what authority will the Administrator of Veterans' Affairs have to continue to provide him with hospitalization? Frankly, I do not know. I should prefer to see the section amended by adding a proviso at the end thereof reading somewhat as follows:

Provided, That veterans receiving domiciliary care or medical and hospital treatment upon the date of the approval of this act, and who, in consequence of the provisions of this act, may not thereafter be entitled thereto, may continue to receive such care

and treatment at public expense until discharge if they are able to establish to the satisfaction of the Administrator of Veterans' Affairs that they are financially unable to pay for such care and treatment.

Then, turning to section 10: Is it intended to exempt from reduction the retired pay of emergency officers? Section 10 reads:

Notwithstanding the provisions of section 2 of this title, any person who served as an officer of the Army, Navy, or Marine Corps of the United States during the World War, other than as an officer of the Regular Army, Navy, or Marine Corps, who made valid application for retirement under the provisions of Public, No. 506, Seventieth Congress, enacted May 24, 1928, sections 581 and 582, title 38, United States Code, and who prior to the passage of this act has been granted retirement with pay, shall be entitled to continue to receive retirement pay at the monthly rate now being paid him if the disability for which he has been retired resulted from disease or injury or aggravation of a preexisting disease or injury incurred in line of duty between April 6, 1917, and November 11, 1918: *Provided*, That the disease or injury or aggravation of the disease or injury directly resulted from the performance of military or naval duty, and that such person otherwise meets the requirements of the regulations which may be issued under the provisions of this act.

It will be observed that the provision says that emergency officers shall continue to receive retirement pay at the monthly rate now being paid. I am sure that is not the intention of the proponents of this measure, and yet that is what the section provides. It may be said that the matter is met under title II, but I doubt this and I prefer to see the section amended so as to remove any question. My thought would be to insert after the word "him," in line 15, on page 6 of the bill a clause reading:

Less such an amount as may be deducted in consequence of the provisions of title II of this act.

We certainly do not wish to make an exception of this group of retired officers, and it seems to me it would be well to amend the bill as I have indicated to make certain that we will not do so.

There is another section of the bill that I should like to see amended, Mr. Speaker. Section 5 of the bill provides as follows:

All decisions rendered by the Administrator of Veterans' Affairs under the provisions of this title, or the regulations issued pursuant thereto, shall be final and conclusive on all questions of law and fact, and no other official or court of the United States shall have jurisdiction to review by mandamus or otherwise any such decision.

It is not proposed here to give final say to the President. The final arbiter, under this section, will be some subordinate, some civil-service employee under the Administrator of Veterans' Affairs. I am unwilling to go that far. I am willing in this emergency to clothe the President with practically unlimited powers, but not some lawyer that he had no voice or choice in selecting or employing. I think the section should be amended by including after the word "official", the words "except the President."

I favor the platform promises of the Democratic Party on economy. I have always favored the strictest economy in Government expenditures. I have brought about savings aggregating millions in appropriation and other bills. No man can or will say that any Member can out-do me in my efforts to save public money. I have even voted during the last Congress, with my colleague from Mississippi [Mr. WHITTINGTON], to reduce my own salary to $7,500.

Mr. Speaker, this bill should not be passed. It will not make conditions better, but worse. The President will not administer its provisions, but someone else will, probably someone who opposed his election. We must not fool ourselves.

This Congress should act sanely and deliberately. Why add further to the lack of respect in which the country holds us by passing a measure whose provisions are unknown to us, and whose administration may seriously add to the existing misery?

Mr. TREADWAY. Mr. Speaker, the bill which passed the House today confers as far-reaching authority on the President to fix salaries and make payments of various kinds as the bill we passed on Thursday gave him over the banks of the country. I voted for the bill today, just as I did for the bill passed Thursday.

While certain features of the economy bill were distasteful to me, in view of the emergency to which the President called attention and because of the attitude of the people of the country I felt that full power should be given the President in the premises. I particularly dislike section 5, which gives the Administrator of Veterans' Affairs the sole power of decision of all questions of law and fact and deprives those having claims under the veterans law of the privilege of appeal to the courts.

I understand that the third measure which the President intends to submit to Congress is one authorizing a bond issue of $500,000,000 to be expended on public works, reforestation, and additional work at Muscle Shoals. From the administration of President Wilson to the present time, I have consistently opposed the development of the Muscle Shoals plant by the Government. I shall not, therefore, feel justified in voting to authorize a bond issue in order to further waste the people's money in what I conceive to be a political and ill-advised development.

Mr. FORD. Mr. Speaker, I have entire confidence in the President. But this confidence does not enable me to vote for a bill I have not been given the opportunity to read and which, on the face of it, seems to be an effort to bring about economy by taking from those who can least afford to lose.

Economy is needed. It should begin at the top. A horizontal cut is unfair and uneconomic. If salary cuts are to be made, make them deep and drastic on all salaries over $5,000, including congressional; but spare the poorly paid clerk, the drudging mail carrier, and every Government employee struggling under a small wage.

On general principles, to decrease the purchasing power of our workers is to retard economic recovery. The same principle applies to drastic cuts in veterans' benefits.

Prosperity can not be restored by reducing to poverty and despair thousands of Spanish War and World War veterans who defended our flag in times of national crises. Any changes made in veterans' benefits should be made upon the recommendation of an impartial committee, based on evidence adduced at public hearings. Haste is unwise, unnecessary, and unfair.

There are other ways of balancing the Budget than by throwing thousands of helpless veterans into the bread lines. Overlapping bureaus and commissions can be combined; other economies can be effected. On the other hand, new revenue can be secured in various sound ways. Suggestions for your consideration are these: Refunding of the public debt at a lower rate of interest; revision of the Volstead Act, legalizing light wines and beer, thereby producing an estimated revenue of about $250,000,000 annually; a moratorium on income-tax refunds, by which billions of dollars have already been drained from the Treasury; sound and controlled reflation to relieve the debtor, give security to the creditor, and raise the wholesale commodity price level to a point where there is at least a small margin of profit for the producers of both agricultural and manufactured products.

Two basic facts that we must never lose sight of are that business can not prosper on a falling market and recovery can not be brought about by curtailing consumers' income.

Mr. ZIONCHECK. Mr. Speaker, I do not hesitate to say that it is impossible for me to vote affirmatively for this bill for the reason that I have definitely committed myself against wage cuts and because I take the position that the only way to get out of this depression is to increase the purchasing power of the farmers, the workingmen, and the unemployed.

As one of the newly elected Members in Congress, I resent the inference that anyone voting in the negative upon this measure has no confidence in the President and is unpatriotic, for it is my feeling that among the most patriotic Members, as well as those who have great confidence and admiration for the President, are those who believe that it is their

duty to speak up in no uncertain terms when his actions seem to be wrong in principle.

The program of the so-called Economy League, which represents only the large vested interests and the select group of large income-tax payers, together with other organizations who keep up a constant clamor for a balanced Budget, if followed to its logical conclusion, can lead to nothing but havoc and despair. They would cut the costs and wages in order to lower taxation to a point that they would produce goods so cheaply that no one would be able to buy them. The measure before us can in no way help the suffering farmers, the unemployed, or the man who is partly employed, and it will only increase the size of the bread lines.

Again I want to reiterate that we can only have prosperity by a proper and adequate distribution of buying power, and the only manner in which that can be effected for the time being is to increase the public expenditure without increasing the bonded indebtedness, by way of a building program which would embody in it projects of a cultural and quasi-cultural nature and few, if any, of the so-called self-liquidating projects.

The real and fundamental cause for this depression is that the workingman and the farmer have not received a large enough portion of what they have produced, and therefore now suffer, not because of overproduction but because of underconsumption, due to a lack of buying power.

No halfway measures will go, just as no halfway measures would be tolerated during a war, and therefore one of the necessary steps that we must take is that of the 6-hour day, the 5-day week, without wage reductions. I have not only pledged myself to such a program, but I sincerely believe in it as a matter of principle, and inasmuch as I act only in a representative capacity, pledged to work only for the 95 per cent of the people and not for the special interest 5 per cent group, I have no alternative in this matter and must vote as my constituency has directed.

As to the veteran phase of this measure, allow me to state that for every two American boys who gave their all in the last war we made another millionaire here. Why, then, is it so wrong to compel these in turn to in some degree compensate those veterans who are now disabled? This same reason goes for the veterans of other wars. I am of the opinion that if aggressive wars entail an after cost by way of large gift, income, and inheritance taxes these individuals would not be so anxious for future aggressive wars that might be contemplated.

I am not unmindful of the intimation that any Member voting against this measure would have his patronage taken away by the Executive. Nevertheless, I feel that the Chief Executive is too big to play petty politics and that he is really desirous of obtaining an honest expression of opinion on all measures and does not look to the people's representatives to come to Congress merely as rubber stamps; but, regardless of the consequences, present and future, allow me to state that I would rather resign from Congress than vote "yes" on this measure.

Mr. COLMER. Mr. Speaker, to my mind, this is the most momentous question that I have ever been called upon to decide, and that, too, without an opportunity for mature reflection. Under the gag rule invoked here for the passage of this bill I have not even had an opportunity to fully read the bill.

I am confronted with two major propositions. First, I yield to no man a greater respect, love, and interest for the cause of the ex-service man. They are my friends and I am their friend. Their cause is my cause. But those in charge of this legislation have seen fit to make this bill all-comprehensive on the question of economy. This bill, in the first place, provides for a much-needed economy in the conduct of our Government. It provides, among other things, for a reduction of 15 percent of my own salary. I want to vote for these economy measures, including the reduction of my own salary, but I do not want to, as a friend of the ex-service man, grant to anyone, not even the President of the United States in whom I and the country as a whole have implicit confidence, the prerogative of Congress to say what veterans shall receive compensation and how much, and what veterans shall not receive compensation.

I am in the same attitude in this as many other Members of this House who believe that a grateful American Government wants to and should take care of its veterans. We are placed on the spot by those in charge of this legislation. Under the gag rule invoked we are not even given the privilege of offering an amendment to this bill. We are forced into the unenviable position of, on the one hand, granting these extraordinary powers to the President with reference to veterans' compensation, and, on the other hand, being forced to say by our vote that we do not favor the much-needed provision in the bill for saving approximately one half million dollars by cutting our own salaries and enacting the other economy measures provided for in the bill.

Since this matter first came before this body a little more than an hour ago, both in the caucus and on the floor of this House, at the risk of being considered presumptuous as a new Member of this Congress, I persistently, vigorously, and with all the power of which I am capable, opposed this extraordinary provision with reference to the veterans' cause (CONGRESSIONAL RECORD, vol. 77, p. 213). As a whole, there is no more patriotic class of people than the ex-service men of this country. The big majority of them are willing to make sacrifices in this hour of peril, even as they were in the former crisis of the Nation. They are agreeable to a pro rata cut in their compensation. There is no secret now of the fact that there has been an effort made by those of us who are friendly to the veterans' cause to amend this bill whereby in no event shall the veterans' compensation be cut more than 25 per cent.

I have favored that, and I favor it now. And out of a sense of fairness to the heroes who defended their country and its institutions as former service men of this great country, I appealed to those in charge of this legislation with all the fervor of my being to see to it that the gentleman from Tennessee [Mr. BROWNING] is given an opportunity to present his amendment to the bill, which he will presently seek to offer, and under the provisions of which no veterans' compensation shall be diminished more than 25 per cent. I say to you who are in charge of this legislation that you know as well as I do that if you will release the gag rule long enough for this amendment to be considered it will pass this House overwhelmingly.

In conclusion, Mr. Speaker, I want to thank the gentleman from Alabama [Mr. MCDUFFIE], who is in charge of this bill, for his graciousness in allowing me these few minutes of his very limited time in which we have to consider the bill.

I am an ex-service man and proud of it, but above that I am an American citizen, I hope a patriotic one, who places the welfare of his country above everything else. I want to uphold the hands of the President of the United States in this grave crisis with which he is confronted—in my opinion, the greatest crisis the country has ever faced. We are at war, upon the outcome of which depends the future continuation of this Government and its institutions. I realize fully that the Nation's ship is sinking and its house is on fire. I cannot refuse a helping hand. Candidly I do not believe that this country and our present form of government can continue another six months unless drastic steps are taken. I am fully cognizant of the fact that we cannot all have our own way about these matters; that there is dire necessity for following some leadership. In our desperation we must either follow the administration or go groping about in the dark to eternal perdition. But while it is as painful as tearing my own heart out, if you will not give us this opportunity to amend this bill, I must, realizing the gravity of the situation, vote for the bill as written, leaving me only with the consolation that it will be left in the hands of that courageous leader of the people, the Commander in Chief of the Army, himself disabled physically, and with the further hope that when this matter reaches the Senate, where I understand, unlimited debate and amendments are allowed

under the rules, it will be so amended as to eliminate these most objectionable features, and we will have further opportunity to vote on it here.

Mr. BOYLAN. Mr. Speaker, I am going to vote for the bill now before us. During the 10 years I have been a Member of the House I have consistently been the friend of the veteran. Every measure presented to the House providing for special benefits for the veterans has received my unfailing support. As you all know, I have been a loyal friend of the Federal employees. I know the RECORD will bear me out in saying that I have been one of their foremost champions. No one has worked harder than I against pay cuts. However, a condition confronts us today that is without parallel in the history of our country. If the Nation is to endure, we must adopt heroic remedies. This measure proposed by the President is one of them.

The economy retrenchment and reorganization plans of the new administration are just as important as its banking plans, and as President Roosevelt works toward their perfection he is working even more directly with the basic substance of American policy. It is this side of the new administration's efforts which must spell the difference between mere emergency measures applied to a single crisis and that thorough-going revision of governmental policies which will suffice actually to readjust the national life to the problems confronting it and supply the firm ground for solving those problems on a truly national basis. Impossible before, such a readjustment is practicable today. It is practicable if the opportunity is seized by the President and his hand sustained by a patriotic people.

To cut $500,000,000 from the Federal expenditure would have been an impossible undertaking when the Budget was made up in December. Now, in a time when no stubborn minority interest, selfish political calculation, or special local terror could stand before the united demand for united action, it can be done. Where a few days ago the choice between the gold standard as opposed to inflation, collapse, and chaos had to be left largely to the accident of politics, it now becomes possible for President Roosevelt single-handed to choose the policy and put into effect not one measure but all the measures necessary to insure its success.

I am ready today to cast my vote to uphold the hands of President Roosevelt. Twenty-three years ago we commenced our legislative careers in the Legislature of the State of New York. I learned from close contact to admire and respect him. I have confidence in his leadership, and I am willing to follow him. From my personal knowledge, I know that he will not only treat the veterans and Federal employees fairly but that he will even go further and treat them generously.

The people of this Nation have intrusted our party with the affairs of our country. The responsibility is ours—as will be the blame, if we fail. The only way for us to succeed is to rally and stand unitedly behind our standard bearer, the President, Franklin D. Roosevelt.

Mr. YOUNG. Mr. Speaker, we are confronted by stern reality. We deal with a condition, not a theory. Not since the Federal troops streamed back to Washington in panic early in 1861 has our Government been menaced and shaken as at present. No Member of this legislative body has in his lifetime witnessed a more perilous time in his country's affairs than he beheld a few hours before our President was inaugurated last Saturday.

The American people are looking today to President Franklin D. Roosevelt to lead them out of a wilderness of chaos and disaster. I will follow the President. I will help uphold his leadership. I will vote for this economy bill for which he asks. Bold leadership is the need of the hour. This measure gives to the President the power to cut Federal salaries up to a total of 15 percent, to make savings estimated at $500,000,000 each year, and to keep faith with the American people. I regret that one of my first votes as Congressman will permit my own salary to be slashed from $10,000 to $8,500. I consider it unfair to cut salaries. I hope and believe if the President finds it necessary to make any cuts in veterans' allowances or Federal employees' salaries, it will only be temporary, until such time as he brings order out of chaos. We need in this country more purchasing power, not less. Prosperity will not return so long as the Government, the country's largest employer, leads the procession toward lower pay. We must not tear down a standard of living that is the product of more than 100 years of industry and progress.

My colleagues, a few hours before our President took the oath, the entire financial structure of the United States collapsed. Banks in 48 States were closed. Our international trade had been destroyed by a prohibitive-tariff law approved by President Hoover. Our transportation was paralyzed. Our factories shut down. Our farmers bankrupt. Millions of worthy and industrious men and women walked city streets jobless. Millions of helpless little children were underfed. The times demand bold leadership—a Roosevelt wielding the "big stick."

As the wandering and abject tribes of Israel in that remote period of almost forgotten centuries called to Moses to lead them from a wilderness of despondency and to free them from shackles which bound them in ruthless subjection to tyranny, so today the American people call to President Franklin D. Roosevelt to lead them from a wilderness of unemployment, suffering, hunger, and despair into the promised land of steady employment, contentment, and economic security.

There are provisions in this measure I do not like. I have helplessly watched the savings of more than 20 of the best years of my life disappear, never to return. I share the viewpoint of those burdened by debts. It is hateful to me to behold the probability of a temporary reduction in veterans' allowances and a cutting of Federal employees' salaries.

As a member of the American Legion, I regret that the enforcement of provisions in this measure may temporarily call upon some of my comrades to make further sacrifices to their country's welfare.

When this crisis, more serious than war, is over, I will vote to restore salaries of Federal employees and to increase allowances to veterans who offered their lives in a time of need and who may now be asked by our President to sacrifice some money in a time of supreme national peril.

The President says this measure is necessary to save the country. One hundred and twenty million people look to his leadership to restore confidence and reestablish economic security. We should not deny our President the responsibility he asks in this emergency. I go along with him.

Mr. GOODWIN. Mr. Speaker and Members of the House, as a new Member of Congress from the Twenty-seventh District of New York, I have listened with a great deal of interest to the debates upon the plans of our President for immediate and drastic action with regard to the banking system of our country and also the finances of the Government. Surely no one is in position to present to Congress more definite and reliable information than he. I believe so thoroughly in a balanced Budget that when he asks for unusual powers to act upon the situation and states, "I give you assurance that if this is done there is reasonable prospect that within a year the income of the Government will be sufficient to cover the expenditures of the Government," then I believe that every one of us should give to him the opportunity. This is an emergency, not the regular course of events. Every angle and phase of Government income has failed to work out as anticipated. Pay day has arrived, and we must either pay or default. Certainly it would be a poor policy for any business to pay its deficits by the issuance of notes. The result is too evident. I come from a district crying for relief in the way of taxation. Properties are passing out of the hands of lifelong owners for the reason that they cannot pay their taxes. They have asked me to take every possible step toward balancing the Budget and reducing governmental expenses not only through its normal functions but by the elimination of unnecessary bureaus.

The President says this legislation is urgent and immediately necessary—it carries with it a promise that the remedies I seek will be forthcoming. Therefore, I shall support him in these measures, as he has agreed that—

If Congress chooses to vest me with this responsibility, it will be exercised in a spirit of justice to all, sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States.

Why not give him the opportunity?

Mr. PATMAN. Mr. Speaker, "Stand by the President by voting for H. R. 2820, a bill to maintain the credit of the United States Government," we were told in the House of Representatives Saturday, March 11, 1933. The inference was left that we had an emergency matter before the House and it had to be passed on immediately. Such was not the case. The inference was left that the credit of the Nation would be impaired immediately if the bill should be delayed for even a few hours or a few days. Such was not the case. Why the rush? Why the haste? Why the gag rule?

SHORT TIME FOR CONSIDERATION

The bill, H. R. 2820, was introduced Friday afternoon, March 10, 1933, by Mr. McDUFFIE, of Alabama. It was printed Friday night and was first available to the Members of the House Saturday morning at 10 o'clock. The Democratic Members held a caucus on the bill at 10 o'clock Saturday. At the caucus there was not sufficient time allowed to read the bill; no one discussed its provisions, other than mentioning a few of its terms. An amendment was adopted at the caucus limiting the power of the President to reduce the compensation or pension of any person more than 25 percent. The Democratic platform pledges a 25-percent reduction in the cost of government, and the members of the caucus did not believe that the veterans should bear any more than their part of the reduction. Notwithstanding the desire of an overwhelming majority of the Democrats to defeat the bill in the form submitted, and notwithstanding the fact that the material amendment above mentioned was recommended by a majority of the Democrats in the Democratic caucus, the bill in its original form was presented to the House under gag rule immediately after it met at 12 o'clock. What I have said about the proceedings in the caucus is taken from newspaper reports. No one will deny them.

Under the gag rule 2 hours' time was allowed for debate in the House. One half, or 1 hour, was controlled by Mr. McDUFFIE and the other half by Mr. TABER, both of these gentlemen being for the bill. The opponents of the measure were not allowed any time at all; however, the gentlemen controlling the time allowed a few speeches of from 1 or 2 to 6 minutes' duration by opponents. No amendments could be offered.

FIVE MINUTES' CONSIDERATION IN COMMITTEE

The Economy Committee reporting the bill considered it for 5 minutes, I was told by one of the members of the Committee. Imagine a bill that repeals hundreds of laws affecting and involving the health and general welfare of millions of American citizens being considered for such a short length of time by a committee and then submitted to the House under gag rule which precludes the offering of amendments or adequate discussion.

Remember, too, this Economy Committee was not selected until the day before the bill was passed, and just a few minutes before a favorable report on the bill. All the members of that committee were known to be in favor of the bill before they were selected. Not one opponent of the measure was allowed to serve on that committee.

WHY THE RUSH?

According to the terms of the bill it would not be effective until July 1, 1933. We have until that time to enact the proposed legislation. We were not asking for that much time. We did ask that a committee of the House be allowed to consider the bill for 3 days with instructions to make a report to the House on it at the end of the 3 days. That was a reasonable request, but it was denied.

Certainly the House was not expecting to transact any other business on Saturday, March 11, 1933. Why should not the discussion have been extended another hour or two at least and the opponents of the measure given time of their own to discuss it and offer amendments for the consideration of the House? Instead the House rushed through the bill and adjourned by the middle of the afternoon. The Senate had already adjourned to meet Monday, March 13. No one can contend that we were forced to get the bill to the Senate for immediate action, as the Senate had already adjourned, not to meet again for 2 days.

Those of us opposing the bill in the form in which it was submitted offered to work night and day in the House, before committees, or any other place, for the purpose of giving the bill the right of way and immediate consideration and with the promise that no effort would be made to filibuster or unnecessarily delay its consideration or passage, if we were allowed the privilege. Our request was denied. The request was reasonable and should have been granted.

WHO WROTE THE BILL?

I know who wrote the bill. The President did not write it. It was written by a man who has consistently opposed relief being extended to veterans. No Member of this House who is considered fair toward veterans was permitted to see the bill before its introduction. In fact, no Member of the House had ever seen the bill until just a few minutes before it was introduced, and there was no change made in its provisions.

STAND BY ONE WHO WROTE BILL INSTEAD OF STANDING BY PRESIDENT IS QUESTION

The President is a very busy man. He does not have time to write bills or to suggest the language that should be contained in a bill. He must trust some other person. In voting for this bill you are not voting to trust the President so much as you are voting to trust the person who wrote the bill, who was trusted by the President. The President will not execute the provisions of the bill if it becomes law. This duty will be intrusted to others.

DISCRIMINATION IN BILL

There are many discriminations and injustices in the bill. I am not talking about the salary part; I am talking about the part that repeals all laws for the benefit of all veterans, service connected and nonservice connected. There is no occasion to include salaries in this bill; they can be reduced in the regular appropriation bills or in a separate bill.

CONSIDER THE CASES OF A AND B

I will mention one or two discriminations to let you know that the President did not write the bill or these provisions would not have been inserted. They may be brought to your attention by illustrations. A and B are brothers; they both went into the Army during the war. Both served on the firing line and both were discharged with disabilities connected with their service. A was a private, B was an officer. A has been drawing $30 a month compensation for a 30-percent disability. He had no chance to be an officer, but served the same length of time as his brother and encountered the same or greater hardships than his brother. B has been drawing $200 a month for a 30-percent disability. Under this law the President is not authorized to increase the compensation paid to A, but he is permitted to reduce it 10 percent or 100 percent, but in B's case the President cannot reduce him 1 penny and cannot eliminate his compensation. B will continue under this bill to draw his $200 a month.

ANOTHER DISCRIMINATION

Mrs. John Doe was born long after the War between the States; she married Mr. Doe, a Union ex-soldier, just before his death. Mr. Doe was in the service a very short time during the War between the States and suffered no disability whatsoever. Under present law Mrs. Doe is drawing a pension of $40 or $50 a month. Mrs. John Smith is the widow of a World War veteran; she is young—the average age of 39—but has young children to take care of. Her deceased husband experienced hard service in the war with Germany and suffered disabilities that the law presumes were con-

nected with his service and she is drawing $30 a month and a small sum additional for each child.

If this bill becomes law the President cannot reduce Mrs. Doe's pension more than 10 percent, if he reduces it at all, but Mrs. Smith's pension will be eliminated entirely. All World War and Spanish-American War widows can have—and in many cases the law will cause—their pensions to be reduced 50 percent or 100 percent, but this is not true as to the widow of a Union ex-soldier.

If the President had written this bill, he would never have embodied such discriminations as these. Many other similar illustrations could be called to your attention.

$525,000,000 A YEAR SAVING

The newspapers are quoting the spokesmen for the President that if this bill becomes law the President's advisers will cause a saving of $525,000,000 a year. That is the same thing as saying that all World War veterans and all Spanish-American War veterans will be stricken from the rolls, with the exception of a very few. It means the elimination from the pension rolls of at least 95 percent of the veterans in these two classes. How will that affect the purchasing power over all the Nation?

You may ask, How do you arrive at this conclusion? The salary part of the bill is covered up with limitations. Salaries cannot be reduced more than 15 percent. All savings not including compensation and pension benefits will not exceed $113,000,000 annually; this is admitted by the sponsors of the legislation. The Union soldiers of the Civil War and their dependents cannot be reduced more than 10 percent; this will amount to a reduction of not more than $12,000,000 annually. The remainder of the $525,000,000 reduction must come from the two classes above mentioned.

NON-SERVICE-CONNECTED DISABILITIES

Regardless of what has been said to the contrary, World War veterans are only being paid $107,000,000 annually for non-service-connected disabilities and Spanish-American War veterans about the same amount, or a little over $200,000,000 to both. Let it be understood, too, that in a large number of these cases the veterans should be drawing service-connected pay, but on account of loss of records by the Government and death of comrades, doctors, and others who have knowledge of material facts in connection with their cases, they cannot obtain service connection but must accept a much smaller sum annually in the form of non-service-connected pay. However, the Government records show these cases to be for non-service-connected disabilities. All of these cases will be taken from the rolls if a reduction of $525,000,000 is made by reason of this bill.

The following table shows substantially what the result will be if this legislation passes:

Savings on salaries of all officers and employees of the Government	$113,000,000
Savings on Civil War pensioners, 10 percent	12,000,000
Savings on so-called "non-service-connected cases" of World and Spanish-American Wars	200,000,000
	325,000,000

A saving of $525,000,000 annually is promised. Who will lose the other $200,000,000 annually? There is only one answer, the World War veterans who are suffering from disabilities caused by their war service will lose it. That will remove practically all of them from the compensation roll.

SAVINGS ON HOSPITALIZATION

The argument will be made that there will be some saving in hospitalization. Yes; but not much. The hospitals are already constructed and are in operation, and whether all the beds are occupied or not the expenses will be practically the same.

Further, the $113,000,000 annual saving on salaries includes about $65,000,000 that will be saved next year anyway, by reason of laws enacted at the last session. That means a possible additional reduction from service-connected cases and hospitalization, which, if made, will entirely remove from the compensation records the names of all World War veterans.

I am willing to trust the President. But in this case we are told in advance what he is going to do if the legislation is enacted. By putting 2 and 2 together we can determine for ourselves what the effect of his action will be. I am not in favor of it.

Congress can save twice the amount of money in other ways. We can easily reduce the expenses of this Government a billion dollars a year without touching veterans. If veterans are reduced, I am afraid that the clamor for further reductions will subside before we reach the war profiteers, the banking racketeers, who are using the credit of this Nation free of charge; the international bankers, who want to make veterans pay the war debt of foreign countries so that they can collect their second liens in full; and before we reach the holders of tax-exempt securities and other concentrated wealth. The newspapers, radio, screen, and stage will not be so anxious to reach these classes.

BEWARE OF PROPAGANDA

I want to urge the people to beware of false propaganda at this time. An effort will be made by the very people who have ruined our country to get a firmer grip on the throats of the people by reason of the distressing conditions that they have caused. More monopolies and special privileges will be demanded. Under the guise of promoting the general welfare they will be sought.

Remember a large number of the metropolitan daily newspapers only print one side of a question; they do not give the people all the information available on both sides. The news, in most cases, both over radio and in the newspapers, is very much colored before it is given to the public. A certain group controls most of these great means of communication.

If the people were given the truth, the country would be safe. There has been and is now too much concealed from the people.

SECRECY IN GOVERNMENT

The Government collects its taxes in secret; much of the tax money is disbursed in secret. If income-tax returns were subject to public inspection, we would not have a deficit in the Treasury today. The Mellons and Mitchells would not be so well off.

BILLION DOLLARS A YEAR FOR VETERANS

It is costing the Government about a billion dollars a year for veterans of all wars, their widows and orphans—hospitalization and for all other purposes. The hearings before the joint committee investigating this subject disclose that the amount will never be substantially increased under existing laws. Only about one half this amount is expended for World War veterans. As the veterans of the War between the States and the veterans of the Spanish-American War are retired from the pension roll by death, World War veterans will be placed on the roll. It is my understanding from the testimony of General Hines, Director of Veterans' Administration, that in 1958 even the Government will not be spending substantially more than it is spending now on relief for veterans, if we do not have another war and existing laws are not liberalized.

It is the duty of the National Government to provide relief for veterans; it is not the duty of the States. If this bill passes, the relief that is now being extended by the Government at the expense principally of the large income-tax payers will have to be borne by the States and by people who pay taxes on what they owe rather than on what they own. Suppose the large income-tax payers are saved $500,000,000 a year, will they buy any more shoes, clothing, automobiles, or anything else that requires the employment of labor? No; they are purchasing now everything they need and desire. If, however, they are forced to pay this money into the Treasury and it is distributed to every section of the Nation, purchasing power will be considerably increased.

NOW NO TIME TO REDUCE BUYING POWER

In many localities at this time the Government checks to veterans and their dependents represent a substantial

part of the medium of exchange. If these checks are cut off now, the people's difficulties caused by a paralysis of credit and limited banking will be increased.

Mr. McKEOWN. Mr. Speaker, in protest against what I feel to be unfair treatment of the veterans' friends in the consideration of this measure, I shall vote against it.

I am willing to vote to give the President every constitutional power necessary during this emergency. The veterans should be the last group to be cut, and I was willing to vote for the Browning amendment permitting them to be cut to 25 percent. I am willing to cut my own salary more, in order to cut the soldiers less. This bill cuts the soldiers without limit, while it limits the cut of our salaries and those of other civil employees to 15 percent.

No doubt there is much waste and injustice done the Government in the matter of veterans' compensation.

What we ought to do is to authorize the President to set up impartial boards in each county similar to the draft boards with power to reduce and strike from the rolls unworthy cases.

If the President himself could pass upon the merits of each case, I would not hesitate for 1 moment, for I have every reason to feel that he has a heart full of human kindness and affection for the defenders of the Republic. Such, however, will not be the case. I am willing to undergo whatever it may cost me in the way of criticism to stand for what I believe to be right.

So long as I am an elected Representative I shall give of my best thought and action to the cause of the whole people of this Nation, and I shall not set my judgment against those in authority in matters about which I have no fixed conviction of reason or conscience; but so long as I am elected to fill the high office of Representative of the people in my district, State, and Nation, right and reason shall be the polar star that guides my course on the tempestuous sea of the present.

Mr. PEYSER. Mr. Speaker, Members of the House, ladies and gentlemen, the bill under discussion to maintain the credit of our Government is one which, in my judgment, should be supported to the fullest degree by the entire Membership of this body.

This is not a time to indulge in any form of partisanship as the crisis in which we find ourselves is one of greater intensity than a war crisis during a period when we are being attacked by an opposing enemy. Our attack at the moment is from within and it is one that is bringing a lack of confidence to the minds of every voter of our Nation, and I believe that it is up to this body to support this bill to the fullest, for the reason that the eyes of the world are upon us to watch if we have the same confidence in our President that they, the voters of the United States, showed that they had in our President when they elected him to his high office with such an overwhelming majority.

The President has shown that he is a man of courage, and it behooves us at this time to show to the voters of the Nation, regardless of their party affiliations, that we are possessed of an equal amount of courage. There is no question in my mind that our President is possessed of both a good head and a good heart, and, in preparing and asking for support of this legislation, he has used his head. There is no question in my mind that, under the functioning of these powers, if given him, he will use his heart as well.

I fully realize that this expression may not appeal to every voter of my district, but I have in mind only one thing—the restoration of the sound foundation upon which this Government has survived for many years. I believe in giving my support to the measure in question and that I am casting my vote where it will do the most good for the most people.

Mr. CONDON. Mr. Speaker, I shall not vote for this bill. Much as I would like to comply with the wishes of the President and grant him this authority, I cannot do so and be faithful to the oath which I took two days ago. I want to support our President and shall do so when it does not conflict with my sworn obligation to support the Constitution. This bill presents such a conflict.

It is clearly and unmistakably a grant of legislative power to the Executive, sweeping in character and far-reaching in its consequences. Under our system of government Congress is powerless to delegate such authority even though it mistakenly be persuaded to do so. Should the measure be enacted it will, in my judgment, be declared a nullity by the Supreme Court if its constitutionality is called in question before that tribunal. It is so indisputably unconstitutional that no lawyer in this House has dared to risk his reputation as such by arguing to the contrary. Instead the proponents of the measure have tacitly admitted the point and attempted to avoid the conclusion by declaring that this action on the part of the Congress is justified under the pressure of existing circumstances, which, they claim, are analogous to war. Following this line of reasoning they claim that this power may be given to the President as a war power. This argument, to my mind, does not compel conviction. Its validity is specious and it is utterly lacking in logic.

When Congress declares war it acts constitutionally. After it has made such a declaration it is not only its constitutional right to take any and all measures necessary to win the war but it is its constitutional duty to do so. To this end it may and does vest the President with extraordinary power, not as the Chief Civil Magistrate of the Republic but as the Commander in Chief of the military forces of the Nation engaged in the preservation of its very existence. Every power so granted by Congress and so exercised by the President is unquestionably constitutional, because the derivation of such grant of power is from an original exercise by Congress of a constitutional power, namely, to declare war.

There is no provision in our Constitution which authorizes Congress to vest in the President in time of peace, however distressful, any part of the legislative power which the sovereign people have solemnly delegated to their agents in Congress. Whether this is a fatal defect of omission in our system students of government may differ, but there can be no doubt that the framers of the Constitution never intended that Congress at any time could surrender its legislative power to the Executive.

Almost without exception those men were profound students of the constitutional history of England, and were familiar with the centuries-long struggle which the people of England had valiantly made to establish and preserve the legislative prerogatives of their elected representatives in Parliament. They knew that down through the centuries from Runnymede to Marston Moor, in the field and in the council, the battle was waged incessantly against the executive power of the Crown to usurp and exercise legislative powers, and they quite naturally distrusted any attempt to endow the President with such powers in this great new Republic of the west for whose government they were drafting a charter of organic law which has become the revered Federal Constitution. It may be old-fashioned to think that they did wisely in prescribing a division of legislative and executive powers. If so, I confess to being old-fashioned. I firmly believe in the wisdom of their action, and I look with fear for the future on any departure from the sound precedent which they established and which we have unhesitatingly followed for almost a century and a half.

There are times when loyalty to party leadership conflicts with the obligation of duty. At such a time it is not easy to choose the right way. To some, and perhaps to many, especially to one's party associates, the right way will seem to them the wrong way. And then may follow denunciation and possibly party ostracism. Already from this floor has come the solemn warning of the wrath to come to those who fail to follow the party standard in the matter before us. Come what may, I must follow that course which I deem to be my duty, and that is to cast my vote against the bill.

Aside from its unconstitutionality this bill is difficult to justify. It proposes to further cut the wages of Government workers and abolish pensions and compensations for veterans, and thereby eliminate a Federal expenditure of approximately $400,000,000 immediately. In other words, in the face of the impending inflation of the currency with its

consequent rise in prices as a result of the new banking and currency bill so promptly passed by Congress on Thursday, it is proposed to reduce the purchasing power of a half million or more men and women in every section of the country and to abolish completely pension payments to a million veterans likewise scattered throughout the Nation.

If this is the correct formula for the return of prosperity, then the works of every economist in the country should be publicly burned.

Then again many thousands of those who will be deprived of pensions and compensation have been dependent upon this Federal payment as their sole means of subsistence. With it gone they must needs apply to their local government for relief. Therefore, the passage of this bill should be notice to State and local governments to get ready to appropriate many additional millions of dollars for poor relief. Which means, of course, that the Reconstruction Finance Corporation must soon expect further drafts on the $300,000,000 relief fund and ultimately Congress will be called upon to replenish that fund, because it will very soon be found inadequate.

In this way, at least, the veterans will again be receiving Federal aid. What a difference, however. Instead of honorable pensioners of the Nation they fought to save, they will be mendicants in the soup lines and the bread lines of the land. Is this picture overdrawn? It is not. It is the inevitable effect of this bill unless somehow jobs are found for these men. That, however, will be almost impossible. Remember, these men are disabled. For the most part, their disabilities make them damaged goods in the labor market. In any return of prosperity they will be the last to be hired. Nobody wants them.

On the Federal road relief work projects last summer they were hired under the veterans'-preference proviso and then dismissed by the hundreds as physically incapable of performing the labor required. They were not wanted.

Uncle Sam reached out his long arm for them in 1917. He wanted them then. Then they were fresh and young and vigorous, the flower of the Nation's manhood. He sifted and selected from the whole man power of the country until he found them, and then to each of them he said, "Son, you belong to me." Posters on every billboard in the land pictured the scene of Uncle Sam with his protecting arm around the chosen youth.

Yes; in 1917 he belonged to Uncle Sam and the Nation was proud to claim him. But now, broken in health of mind and body, to whom does he belong? This bill says, not to Uncle Sam; it disowns him. It says he is no different from any other citizen; from the man who bought Liberty bonds to win the war, from the profiteer, from the high-wage worker in the shipyards and munitions plants. Let him shift for himself. If he needs aid, let him fall in with the rest of the unfortunates in the bread and soup lines.

And so the National Economy League has won a famous victory. It has driven the soldier boy out of his Uncle's house. It has saved $400,000,000 for its patriotic members who struggle along through life on their meager incomes of a few hundred thousands or a few millions a year. No other investment ever yielded them a better return than their subscription to the league.

And when the next war comes round they will buy more high-interest-bearing bonds and cheer as the other fellows' boys go marching off to sacrifice and slaughter.

Mr. KLOEB. Mr. Speaker, it appears to me that the Membership of this House is today at the crossroads. The road, the path to duty, leads to the greatest good for the greatest number of our people. The other road, and perhaps the more convenient for us to follow, will continue the privileges and emoluments that have accrued to many groups of our citizens as well as to ourselves. The latter is the road that I could more conveniently follow, because I am a veteran of the World War who has seen active service. I am a member of the American Legion and active in its councils, and in addition thereto I have a sister whose husband died in the service, leaving her with two boys and at the mercy and benevolence of her Government. She receives a monthly pension of $32, and by voting "aye" on this bill I have laid her all at the feet of the President to do as he deems best.

I choose to follow that road which I deem it my duty to follow even though it is the more difficult one for me to travel. Last fall I campaigned the length and breadth of my district denouncing the extravagances of government that accrued with the times during the period of prosperity. I advocated freely the consolidation and elimination of the many boards, bureaus, and commissions that go to make up our bureaucratic form of government. I advocated a reduction in salaries of Federal employees who are in the higher brackets. I assured the veterans of all wars that I would have their best interests at heart subject only to the general welfare of the country.

The inability of the Congress during the past 2 years to function properly in connection with a reduction of the huge expenditures of government was one of the subjects of my criticism. I am now at the crossroads. I can make good my pledge to the people of my district and of the country by now saying "aye" to this bill and thereby, with the utterance of one word, perform my part in redeeming the pledge that I have made, or I can take the more convenient way and perhaps a way that will return more in dollars and cents to certain members of my family and to my friends. I choose to follow the former course and answer "aye."

We are today informed that there are but $130,000,000 in the Treasury of the United States, less than sufficient to meet the pay roll of the Government for 30 days. We are further informed that within the next 60 days there will fall due approximately $700,000,000 of short-term notes which the Government must refund at such rates of interest as will best afford a ready sale for the notes. Sixty days ago the short-term notes of the Government could be sold on a basis of one tenth of 1 percent interest. Today that rate has increased to 4¼ percent, thus indicating a decided loss of faith by investors in the credit of the United States Government. We are further informed upon good authority that within the next 12 months there will fall due $8,000,000,000 of bonds of the United States Government which cannot be met from funds received from the taxpayers, but must be met by refunding these bonds.

Most of these bonds bear interest at the rate of 4¼ percent. With the loss of faith that is apparent in the stability of the Government, it is entirely possible that under present conditions the Government would be forced to pay even a higher rate of interest in order to market these refunding bonds at par. All of this results from the inability of the Government to bring its expenses within income. During the past 3 years we have accumulated a deficit in our Federal affairs of approximately $5,000,000,000, and this deficit we have met by the issuance of still more short-term notes and bonds. If we read the signs of the times aright, we have now arrived at the point where the Budget of the Government must be balanced, expenses brought within income, and faith and confidence restored in our Government.

To recommit this bill to some committee of the House would mean further delay, such as we have experienced in Congress during the past 2 years. It would mean that the balancing of the Budget would be delayed 30, 60, 90, days, or perhaps even longer. Affairs are in a critical state, and the first step we must take looking to a restoration of confidence, resumption of business activity, and the employment of millions of our people, is to balance the Budget.

I, for one, do not feel that by voting for this bill I am surrendering any of the rights and prerogatives intrusted to me by the citizens of my district. I am surrendering to the President of the United States all the confidence in him that I possess, and that is considerable. I am surrendering to him in this emergency the authority to do that which Congress has the inability to accomplish. If I judge aright the temper of the people of our country, I believe that they desire immediate action. More than that, I believe that they demand it. I believe further that they have supreme confidence in the Chief Executive, and I know of no reason why I should have less confidence in him than they.

I come from the finest agricultural district in the State of Ohio. My people are farmers or are directly dependent upon the purchasing power of the farmer. I am reliably informed that in my own county of Mercer at this time approximately 900 families depend upon the charity of the public for their daily bread. This means that more than 13 percent of the people of that county are in distress. In Allen County, where is located the city of Lima, Ohio, an industrial center, the percentage of dependent people is even greater. Appalling as these figures are, they cannot compare with conditions that exist in the coal and mining centers of my State and in the great industrial cities—Cleveland, Cincinnati, Youngstown, Akron, Dayton, and Columbus. For us now to procrastinate and ask for time, and yet more time, in which to do the things that our people are demanding should now be done is to me out of the question. The interests and welfare of a few must now be subordinated to the needs and the demands of the many.

I recognize that this measure will authorize the President of the United States to reduce the salaries of Government employees, including my own, up to 15 percent. I have always felt that Government employees in the lower brackets of pay should not be forced to contribute to the balancing of the Budget. The provisions in this bill that would permit the President to reduce the salaries of this group of employees are not to my liking. This is giving to the President wide authority, as is the provision which allows him to reduce the compensation and allowances of Spanish-American War veterans and of the dependents of veterans of the World War whose death or disabilities have been service connected as well as of the veteran with service-connected disability. I would much prefer that the House had time to consider seriously and debate these provisions before final action is taken, but I have supreme confidence in the judgment of the President of the United States to act discreetly. He has told us in his message that he would act with fairness and discretion. He may be fair—more fair—in his ultimate deductions than would be the Membership of this House after prolonged debate.

If I have in my employ certain men and women whom I cannot continue to pay the salaries they have been receiving, there is but one thing for me to do, and that is either to reduce their pay or to discharge them. The Government is an employer. It cannot pay its employees, for it has not the money to pay. We all recognize that there has been a decided decrease in the revenues of the Government due to decreased incomes and a general slowing up of business. Rather than see the Government discharge its employees and cease to function entirely I will take the only other course that is possible and temporarily, at least, reduce their pay so as to bring outgo within income. I am quite certain that the employees of the Government and the men who served their Government in time of war, as well as the dependents of disabled veterans, will face this issue as squarely and as manfully as they have faced other issues in the past. I feel quite certain that if they were called upon to choose between a reduction in pay and the very existence of their Government they would choose the former. There is such a thing as being a patriot in peace time as well as in war, and we are all now called upon for that same degree of patriotism that we exemplified during the dark days of the war.

I cannot believe that the President of the United States, acting under the authority that will be delegated to him with the passage of this measure, would seek to make the veterans of the World War whose disabilities are service connected contribute to the balancing of the Budget. I cannot believe that the President of the United States would ask the dependents of veterans whose disability or death was service connected to so contribute. I cannot believe that the President of the United States would ask the veterans of the Spanish-American War to contribute from their monthly pensions to the balancing of the Budget. Their pensions are fixed and of long standing, and they have regulated their lives accordingly. It would be a serious injustice to these veterans to ask them to rearrange their conditions of living this late in life. I would much rather know in advance just what course the President intends to pursue and the exact percent that he will eventually deduct from the pay of Federal employees and from the allowances that are now paid to the veterans of the World War; but having in view the dire situation of the taxpayers of the country and the depleted credit of the Government I trust in our President to do that which is just and equitable to all concerned.

For these reasons I feel obligated to vote in favor of this measure. I believe that with veterans of the wars, as well as with civilians, our country comes first.

Mr. KENNEY. Mr. Speaker, the President of the United States has recommended the legislation known as the "economy bill". This bill is before the House of Representatives today for action. It is a constitutional measure. Its recommendation by the President is in conformity with our fundamental law.

The President reflected the temper of the people when in his inaugural address he said that the people wanted action and wanted action now. I regard the economy bill as the best and surest means of action, and action now, in effecting economy in public expenditures.

There is not a Member of the House of Representatives who does not, with the President, realize that we are carrying on an economic warfare against the plague of our people—the depression. It stalks through the land like death, and not until it strikes home is it truly felt. So devastating has been its toll that there is scarcely a person remaining who has not been affected.

The result has been that the income of the individual has been insufficient to meet the demands upon him, making it absolutely necessary for him to reduce his expenditures by retrenchment. As with the individual, so with the Nation. National expenses have mounted, while its income has been precipitated. Economy in Federal Government is therefore necessary, and the necessity is realized by all.

The bill gives to the President the power to effect economy without, in fact, working any injustice to any individual or class. The President is, above all, fair and just. In him the Congress has implicit faith. What is more, he has the confidence of the people. In voting for this bill I do so with a keen feeling that no injustice will be done any veteran or his dependents, or any letter carrier, postal worker, or other employee of the Federal Government.

In Roosevelt I trust.

Mr. HOLLISTER. Mr. Speaker, the President of the United States is asking us today to follow him in a second attack on the forces of financial disruption. The day before yesterday we passed the emergency legislation which he requested to meet the banking crisis. Today he is asking us to economize and to give him authority to economize further. These economies involve cuts to all persons in the employ of the Federal Government and a revamping of the present classification and rates of allowances to veterans and their dependents.

For more than three years this Government has expended more than its income, and its deficit has today reached the staggering total of almost $5,000,000,000. About half of the reduction in the war debt, which was accomplished during the 10 years which succeeded the war, has been wiped out in less than one third of that time. We all know this cannot go on. We have known it for some time, but yet we have found it impossible to make ends meet. We are faced with the danger that the credit of the country, on which depends our whole financial and economic structure, may be seriously impaired.

To show how imminent is this danger it is enough to consider the plans of the Treasury to finance the 800 million needed by it on March 15. The issue of short-term notes is contemplated at an interest rate of 4 percent or more, whereas a short time ago such money could be secured for less than 1 percent. Traveling farther along this road means ruin, for as interest rates go up the annual cost of the Government becomes just that much greater, and the vicious circle is completed.

It is an innate weakness of Democratic Government that it is a simple matter to expand governmental functions and, as a corollary of this, increase expenditures, but it is an almost impossible matter to contract and decrease. Large legislative bodies, particularly in good times, respond quickly to pressure to broaden the services of government and to increase salaries, wages, and allowances; but when hard times come and decreases are essential, a legislative paralysis ensues, and it is found impossible to undo what has been done. Congress has shown that the most that can be accomplished by its own initiative is some kind of a flat reduction in appropriations, which frequently results in pinching and curtailing just the classes or individuals which should have been exempted.

This inherent weakness in the legislature does not apply to the Executive. His agents work quietly, without being subject to the pressures which are brought to bear on members of the legislature, and without the publicity which attaches to the maneuvering through the legislative body of a complicated program, and without the pulling and hauling, the trading and logrolling which inevitably accompany such legislation. It is, therefore, possible for the Executive to formulate an economy program which will give proper weight to the relationship between the amount which must be saved and the various items of expenditures which must be cut off or decreased to bring about the saving.

The only logical conclusion is that if we want economy we must be willing to turn the job over to the Executive and back him up. We must forget politics and personal preferences. We are not Republicans and Democrats today. We are Americans who realize that we have come to the point where we can no longer spend more than we take in. The burden of taxation has about reached the limit, and the only alternative is a reduction in expenditures.

No one likes the idea of reducing the pay of the average Federal employee. No one likes the idea of cutting the pay of the Army and Navy. No one likes the idea of reducing the allowances to our veterans and their dependents, but if our national credit is to survive these things must be done. Unless something is done quickly all the cuts which are now contemplated will have to be increased many times before long. The welfare of the country is preeminent to that of any class. The whole is greater than any of its parts. The head of our country has asked our support in this crisis and we must give it to him. We must assume that he will exercise the powers granted him with fairness and humanity.

Mr. MURDOCK. Mr. Speaker, the government of the United States is confronted with problems falling into two classes. Both classes of problems are serious and require, for their successful solution, the wisest and most far-seeing statesmanship. As I see it, the first class consists of problems constituting the present emergency, such as the banking crisis, the agricultural crisis, and the currency problem. Since President Roosevelt has so ably and courageously submitted his program for the alleviation of our banks, and since all indications point to an immediate opening of the strong and safe banking institutions, in my opinion the agricultural problem and the currency problem require the first attention of Congress and the administration.

Agriculture is the basic industry of the Nation, and the prosperity of our entire population is dependent upon the prosperity of the farmer. Under existing conditions, the farmer is the victim of the most vicious price manipulation of which we have any record. A continuation of the policy of the last 12 years would mean the rapid enslavement of our rural population. It would mean that those who have constituted in the past the very foundation of American prosperity would be reduced to the status of serfs to the money power. Agricultural relief is probably the first step that will lead us out of the depression.

The currency problem affects not only the farmer but every class of American citizens. Falling commodity prices result in closed factories, idle mines, fruitless farms, stagnant commerce, unemployment, universal misery. Falling commodity prices are tantamount to a rise in value of gold. Increasing gold values operate to the advantage of the money power and to the tragic disadvantage of the consuming public and of the producer. The depression will not end until proper price readjustment has been achieved by some measure of inflationary legislation tending to cheapen money and to advance the prices of basic commodities. A thorough study of the currency problem convinces me that the remonetization of silver is the one final satisfactory solution of this problem.

The second class of problems represents the abuses and errors that have crept into our governmental system over a long period of time. These abuses and errors have far-reaching consequences, and their remedy can only be accomplished by a complete overhauling of governmental machinery and a complete reversal of the national policy. It will take time to succeed in this undertaking; it will take almost superhuman effort to ferret out the faults and correct them. And it will take the utmost sincerity and honesty of purpose of every Member of Congress and every official in the Government.

The bill under consideration, known as H.R. 2820, is commonly known as an economy bill. The major part of the bill is that empowering the President to drastically reduce veterans' compensation. This is the only part of the bill which needs consideration at this time. In my opinion, the reduction of veterans' allowances without further study and deliberation is objectionable and indefensible. Mr. Roosevelt in his campaign promised an immediate reduction in governmental operating expenses of at least 25 per cent. My understanding of this pledge was that the economies were to be effected by reorganization of governmental departments, abolition of useless bureaus, and increased efficiency in every branch of the Government. The national platform of the Democratic Party in 1932 stated:

> We advocate the full measure of justice and generosity for all war veterans who have suffered disability or disease caused by or resulting from actual service in time of war and for their dependents.

It is impossible for me to reconcile this pledge with the present economy measure. I am in favor of a vigorous reduction in governmental expenses. I favor reorganization of Government departments. I favor the abolition of useless bureaus. I favor the highest degree of efficiency in every department of our Federal, State, and municipal administrations. I firmly believe that by such reorganization and supervision the economies promised by President Roosevelt can be achieved; but I do not believe in making the veterans of American wars—those who were called by the fervent and feverish orators of war time "the saviors of our country", those who manifested their willingness to sacrifice their lives for their country—bear the entire burden of our reduced expenditures. There is no group in our body politic more deserving of the generosity and liberality of our Government than our ex-soldiers. There is no other group of American citizens which has so consistently demonstrated its patriotism, its loyalty, to America and American ideals as our veterans. For this reason, if there were no other, H.R. 2820 should be defeated by the House.

Furthermore—and this is obvious to every man who gives the subject a moment's thought—there is no emergency existing in connection with this bill. If there is a problem which requires thorough study and deliberation, which requires extended hearings, which requires that each Member voting on the measure should be thoroughly informed, it is this economy bill. Extravagance is another name for waste, and extravagance will be found to have sunk its poisonous roots into every department of the Federal Government. There are many useless bureaus. There are many departments inefficiently administered. There is appalling waste on every hand. And it is the duty, the solemn duty, of Congress and of the administration to search out every form of extravagance and to eradicate it. But until this problem has been given the thorough and painstaking attention it deserves, there is much danger of a reduction in expenditures that would not be true economy. There is much danger that the real extravagances of our Government will be overlooked. Those bureaus and those departments most notorious for their uselessness and for their waste have

highly paid and highly organized lobbyists representing them in the Capital of the United States, daily exerting their pernicious influence by means of the press, the radio, and other forms of publicity. This is a matter requiring the most minute investigation. It does not constitute an emergency which must be remedied by thoughtless haste.

I do not doubt that there are veterans receiving compensation who are not in need of it. But of my own knowledge, gained from a wide experience, I am persuaded that a preponderant majority of the veterans receiving allowances from the Government are in dire need, and I am convinced that in most cases the money they receive is used to the best advantage of the public generally. To deprive them of their allowances is to add one more group to the distressed citizens of the United States who are without income and without hope. America is the richest country in the world, and at the same time it has the largest number and the largest percentage of citizens without means of livelihood. We will not solve this problem by increasing its complexity. We will not abolish poverty by creating paupers. We will not end the depression by casting into utter dejection the most deserving element in our population. America is not depressed by a too wide circulation of money. It is depressed because the wealth of the Nation has gravitated to the money centers. We cannot ease the situation, we cannot lift America from the hopelessness of the past 4 years, by further restricting the circulation of money. By all means, let us give this problem the deliberation that it deserves. Let us examine it, study it, reason upon it, because only thus can we hope ever to see the light.

Mr. SMITH of Washington. Mr. Speaker and Members of the House, I cannot bring myself to vote for this bill. Two days ago I voted, as we all did, to pass the emergency bank-relief bill, designed to reopen the national banks and provide for the issuance of additional currency, in the hope that thereby benefits would accrue to all our people as well as to the direct beneficiaries, the bankers. We were given no opportunity to study or consider that legislation and passed it instanter because President Roosevelt and our leaders in this Chamber assured us it was absolutely necessary to do so.

This present bill repeals all existing veterans' legislation, clothes the Administrator of Veterans' Affairs with the powers of a dictator in regard to all veterans' compensation and benefits, abolishes all right of appeal from his decision or resort to the courts, and is not of an emergency character at all, for it does not go into effect until July 1. It is alleged to be a bill to effect economies in the cost of government, to assist in balancing the Budget.

The Democratic platform which was adopted at Chicago contains this pledge:

> We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government.

There is not a word in the platform about reduction or curtailment of the compensation or benefits being paid to veterans in service-connected disability cases or otherwise and not a word about repealing the present laws or the pensions being paic to the veterans of the Spanish-American War.

The platform does, however, set forth the pledge and promise we made and reiterated to millions of our fellow citizens in every part of the land as to what our policy would be toward the veterans, and upon which the people and the veterans certainly had every right to rely, and undoubtedly did rely, when they voted for President Roosevelt and the Democratic Members of this House, to wit:

> We advocate the full measure of justice and generosity for all war veterans who have suffered disability or disease caused by or resulting from actual service in time of war and for their dependents.

Abuses in the administration of veterans' affairs, which render it possible for ex-officers to collect liberal sums as pensions and at the same time draw large salaries in civilian life, and in some cases from the Government itself, should and can be corrected by proper legislation by Congress, without doing the injustice and injury to millions of our citizens which will be certain to result from the passage of this bill in its present form. The whole subject should be referred to the Committee on Veterans' Legislation to suggest appropriate and remedial legislation after hearings before the committee, with an opportunity to the veterans to be fully heard and after the freest debate in this representative forum of the people.

Why are the veterans of our wars, their widows and dependents, singled out and made the object of attack in the first economy measure proposed to the Congress?

Why not first make "the drastic reduction of governmental expenditures by abolishing useless commissions and offices and consolidating departments and bureaus," and "eliminate extravagance"?

Why not increase the income and inheritance taxes on the big fortunes in this country?

Why not increase income taxes in the higher brackets so they would more nearly conform to those levied in Great Britain and France?

Why not compel the millionaires whose income taxes are delinquent and unpaid to make payments?

Why not adopt a firm policy with the debtor nations who owe us money and require adjustments on a satisfactory basis?

Why not refund the Nation's bonded indebtedness and save $700,000,000 interest annually by the issuance of non-interest-bearing currency?

America's total debt aggregates today about $20,500,000,000, or about $5,500,000,000 less than the peak figure established in the first post-war year. Reduced to a per capita basis, the indebtedness of the Nation amounts to about $165 for every man, woman, and child living in the United States. Against this debt, there is the national wealth of the country, estimated conservatively at $2,680 per capita. In other words, for every dollar of debt the United States possesses more than $16 of national resources.

Great Britain's debt amounts, at par of exchange, to about $36,500,000,000, or close to $800 per capita, or almost five times America's per capita indebtedness. The wealth of Great Britain is estimated at $2,170, equivalent to a ratio of only about 2.8. That is, for every dollar of debt the British possess less than $3 of resources. On the basis of a similar ratio for the United States, the debt of the country could be increased to approximately $120,000,000,000, and the Nation's indebtedness would still represent a smaller percentage of the resources than in the case of Great Britain.

The debt of France, including political or intergovernmental obligations, amounts to about $455 per capita, while her wealth is estimated at $1,450. That is to say, for every dollar of debt France has less than $3.25 of resources. On the basis of French statistics, the debt of the United States should be approximately $103,000,000,000.

Italy's total indebtedness, including intergovernmental debts and commitments to the Vatican, aggregates about $242 per capita, compared with a per capita wealth of $605. In other words, for every dollar of debt the Kingdom of Italy possesses only about $2.50 of assets. Applying these figures to the United States, it would seem that America's indebtedness could be increased to substantially more than $130,000,000,000.

Switzerland, which for some reason or other seems to have appealed to Americans as a haven for funds frantically and needlessly withdrawn from institutions, is also, on the basis of statistics, in a less satisfactory position than the United States. The debt of the Swiss Confederacy aggregates $237 per capita, while the national wealth is estimated at $2,375, a ratio of about 10 to 1.

I have taken these figures from a recent copyrighted article by Dr. Max Winkler, the noted economist.

Is it necessary to balance the Budget now?

The reports of the United States Treasury Department reveal this interesting, perhaps startling, fact to many: That during the entire history of our country, for 144 years, there has been a Government deficit during 49 of the years, and

36 of these years during a period of peace, with unbalanced Budgets; altogether during the 144 years of our history we have had a deficit and unbalanced Budget 1 year out of 2 years and 11 months.

The present deficit represents substantially the amount of the refunds of income taxes made to the big war profiteers and repeated and divers reductions in the income-tax rates on the big incomes.

My friends, the condition of our country today is not due to an unbalanced Budget, nor can it be cured by balancing the Budget. During the war we impressed with compulsory employment 4,000,000 men, and trained them for warfare on land and sea, and many millions more than that number to manufacture ships, airplanes, guns, weapons, munitions, and other equipment, and spent $35,000,000,000 in doing so, the most futile and destructive national enterprise in which we have ever engaged, and we did not count the cost nor concern ourselves about balancing the Budget.

The people of the United States are now confronted with an emergency more serious than war. Misery is wide-spread in a time not of scarcity but of overabundance. The long-continued depression has brought unprecedented unemployment, a catastrophic fall in commodity prices, and a colume of economic losses which threatens our financial institutions. Some people believe that the existing conditions threaten even the stability of the capitalistic system. Economists are searching for the causes of this disorder and are reexamining the bases of our industrial structure. Business men are seeking possible remedies. Most of them realize that failure to distribute widely the profits of industry has been a prime cause of our present plight. * * * Some people assert that our present plight is due in part to the limitations set by courts upon experimentation in the fields of social and economic science, and to the discouragement to which proposals for betterment there have been subjected otherwise. There must be power in the States and the Nation to remold through experimentation our economic practices and institutions to meet changing social and economic needs. I cannot believe that the framers of the fourteenth amendment or the States which ratified it intended to deprive us of the power to correct the evils of technological unemployment and excess productive capacity which have attended progress in the useful arts. To stay experimentation in things social and economic is a grave responsibility. Denial of the right to experiment may be fraught with serious consequences to the Nation. * * *

This court has the power to prevent an experiment. We may strike down the statute which embodies it on the ground that, in our opinion, the measure is arbitrary, capricious, or unreasonable. We have power to do this, because the due-process clause has been held by the court applicable to matters of substantive law as well as to matters of procedure. But in the exercise of this high power, we must be ever on our guard, lest we erect our prejudices into legal principles. If we would guide by the light of reason, we must let our minds be bold. (Justices Brandeis and Stone, *New York Ice Co.* v. *Liebmann* (285 U.S. 306).

Our present plight is due to a lack of purchasing power—money to spend for the necessaries of life—on the part of the masses of the people who are the consumers of the products of the factory and the farm. Why have the masses no money to spend? Unemployment is the answer. Conversely, employment is the only means of ending the depression. Reducing the number of employees, governmental or industrial, reducing the wages and salaries, reducing disbursements of any kind to the people can have one effect and one only—to intensify, aggravate, and render more acute the present crisis.

Employment being the only remedy, a public-works program larger than anyone has as yet dared to advocate, giving jobs to millions, will have to be launched, and that soon.

If we would guide by the light of reason, we must let our minds be bold.

Mr. DARDEN. Mr. Speaker, I desire to present to the Members of the House a resolution adopted by Junius F. Lynch Post, No. 35, American Legion, of Norfolk, Va. The resolution speaks for itself. It is a splendid response to the President's request for cooperation. It comes at a time when the crisis confronting the Nation demands the wholehearted support of our people. The support of our former service men is most to be desired. I am particularly anxious to present this resolution at this time, because so much is being said in reference to the support of the President by members of the American Legion.

The resolution is as follows:

Whereas our country is facing a crisis unparalleled in history, which calls for the unqualified support of the President by every American citizen: Therefore, be it

Resolved by Junius F. Lynch Post, No. 35, American Legion, Department of Virginia, That this post does here and now pledge its whole-hearted support to the President of these United States in his efforts to restore this country to normal conditions; and, further, that we urge upon our comrades in all the other posts in the Department of Virginia, as well as those in the departments of other States, the adoption of this or a similar resolution in order that our President may feel that he has the united support of the American Legion; and, further, that the American Legion posts in the several States advise their Representatives and Senators in Congress of their intention to support the President in his effort to readjust the affairs of this Nation; and be it further

Resolved, That a copy of this resolution be forwarded immediately to the President, our Representatives and Senators in Congress, to the American Legion, Department of Virginia, to all of the posts in the Department of Virginia, and to Louis Johnson, national commander of the American Legion.

MAHOOD P. HARDY, *Commander.*
FRED E. MARTIN, *Vice Commander.*
W. GARLAND JONES, *Adjutant.*

Mr. HENNEY. Mr. Speaker and Members of the House, I well realize that it may be considered presumptuous of one in his freshman year to proceed to the well of this honorable House to address such an august body on a subject in which he can not hope to advance many new thoughts nor add much assistance in analyzing this perplexing problem.

It is almost dishearteningto have such a colossal legislative question put squarely before us in less than 48 hours after we have assumed the duties of our offices. We are called upon suddenly and without much time for discussion to cast a vote on a governmental policy which in peace times we well realize would be considered an abdication of our powers. But these are not peace times. The magnitude of our problem is greater than that of war. This, we are told by our President, is an emergency, an impending national crisis calling for real war-time measures and vested authority in our Commander in Chief equal to that called for when a foreign foe is actually invading our country.

Our ship of state is embarked on a stormy sea. The fury of the storm has increased. It has assumed the proportions of a hurricane—huge waves are lashing the sides of our craft, which under even severe conditions is amply seaworthy, but we are overloaded with a heavy cargo. The old ship is beginning to creak; it is floundering about. Our heroic and intrepid captain, holding courageously to his post, calls to the crew to man the oars. He asks, yea, he demands, that our human cargo throw overboard some of their baggage. Even though this act of jettison be a financial hardship, it is no time for mutiny. We are the 435 members of the crew who are delegated by over 120,000,000 stockholders to bring this cargo safely to shore. We cannot hope to do it by repudiating our leader. We cannot expect to do so by riotous mutiny against our captain. We cannot possibly do so by throwing overboard our captain.

My esteemed colleagues, I hope through this metaphor, which I can assure you is in no wise overdrawn, that I have added this one thought: We are in distress. We are in danger of collapse on the high seas of finance. We have a learned and courageous leader, whom we trust and who, we have every confidence, is not leading us into uncharted seas. We accept him as our leader, and when he tells us that we must divest ourselves of some of our baggage and that we must stick to our oars and pull together, this, then, as I see it, is the wisest thing for us to do. We know that when we have safely reached the shore, when the storm has abated and the warm sunlight of contentment again settles upon us, we can set about to repair our rigging, rebuild our ship, and replenish the cargo that we were obliged to lighten in order that we could get our ship safely into port.

Our valiant veterans and our Federal employees—with both groups I am in sympathy—will, I am certain, understand the dire necessity for drastic and coordinated action. This country is faced with a crisis which has assumed almost cataclysmic proportions.

We are asked, Why this sudden crisis—why the necessity for a military program in peace times? We are all aware of the increasing number of bank failures and bankruptcy proceedings in spite of the attempts of the Reconstruction Finance Corporation to bolster up the banks. A psychological state of fear has been gradually developing amongst the depositors of this country, and during the first days of March it assumed the proportions of a panic. Between February 14 and March 4 the Nation was engaged, figuratively, in the endeavor to convert over $40,000,000,000 of bank deposits into money. Between February 1 and March 1 reporting member banks of the Federal Reserve System indicated a decline in their deposits of $1,876,000,000. Just how much total bank deposits throughout the country declined during that period cannot be stated definitely; but, assuming that the proportion of decline was about the same and basing an estimate upon figures for total deposits as of September 30, no less than $4,500,000,000 were lost to the banks during the month of February, 1933. That astounding fact should settle beyond doubt any argument concerning the crisis we faced when Franklin D. Roosevelt assumed the Presidency on March 4. Had these withdrawals continued at this rate for a few days longer, a panic would have swept over this country of such colossal magnitude that all previous panics would have paled into insignificance. Our President saw this clearly and acted decisively. With the precision of a military commander he ordered a nation-wide bank holiday and the concomitant order to stop hoarding gold. It was a strategic move of such sagacity that when history is written it will be comparable to that of a Napoleon or to the financial diplomacy of a Disraeli or a Hamilton.

With the runs on banks "stopped cold" and the hoarders of gold carrying it back at the rate of $50,000,000 per day, a devastating country-wide panic was averted, but this was not enough; and, gentlemen, this bill today, which some of my colleagues have referred to disparagingly as one conferring upon him the powers of a dictator, is necessary—necessary because we cannot restore confidence in this country until the Budget is balanced. Like Mark Twain's allusion to the weather, "Everybody talks about it, but nobody ever does anything about it," so, too, it has been with the Budget for the past few years. Is it necessary? Yes; the people demand it; and, mark you, just as soon as our house is put in order, just so soon will business conditions begin to improve, the same as they did in Great Britain after they had corrected their unbalanced budget.

The Budget can be balanced in one of two ways. First, by retrenchment, by economy, by reducing the Federal pay roll, and by reorganization of Government bureaus and commissions; and, secondly, by increased taxes. I believe the latter is unthinkable, when we consider that at present nearly 35 cents out of every dollar earned in this country is turned over in taxes to maintain our governmental system. There are no large incomes today. All business is stranded, and a sales tax would be suicidal. Our people will not tolerate any more taxes.

Yes, my colleagues; in this vote we are between the woodpile and the buzz saw. We are between his satanic majesty and the briny deep. If we vote to sustain our President, hoping and believing that by this delegation of power he can and will lead our country out of financial chaos, we shall be blamed by the veterans of all wars and by our Federal employees as discriminating against them; and if we vote a rebuke, if we register a vote of lack of confidence in our leader at this time, I am fearful to reflect, I shudder to think what the reaction of this country would be. Their logical conclusion certainly would be that if Congress has lost faith in our President in the beginning of his administration, truly all is lost and we are headed for perdition.

I beseech you, my confreres, to give this matter thoughtful consideration. For my part, I am going to follow our leader. I shall accept his judgment and his pledge that he will deal fairly and justly with all veterans. The people of the hinterlands do not understand the gigantic problems and difficult tasks that our leader is confronted with and which he is meeting so masterfully; but I predict that the end will justify the means, and when the clouds of disaster are dissipated and the celestial sun of prosperity shines forth again, the cries of calamity will be superseded by "Well done, thou good and faithful servant." I thank you.

Mr. DEEN. Mr. Speaker and Members of the House of Representatives, the President's message, calling for immediate and concerted action on the part of the Congress in order that the credit and honor of the American Government and the people of the United States may be saved from disaster is a direct challenge to our patriotism and to our devotion to the country.

The bill before us is the President's bill. He asks for Executive power and authority to reduce salaries of all Government employees and to properly curtail expenditures in the veterans' affairs of the Nation.

A thorough revision of governmental activities along this line is absolutely imperative. Retrenchment and reduction in the cost of government must be a reality. We all know that there is no man in America who does not desire to see the ex-service men who have service-connected disabilities given a fair and square deal. However, records disclose the fact that there are great inequalities and discriminations that must be adjusted. I believe the President will use this power and authority, if granted to him by this Congress, for the benefit of all the people of the Nation. I do not believe he will impose any hardship on any deserving and worthy claim of any veteran.

The President's bill provides for a reduction in the salaries of Members of Congress from $9,000 to $8,500. I am today introducing my first bill, which provides that salaries of Members of Congress be reduced to $7,500.

Our Nation is bankrupt, our Government tottering and trembling in the enormity of expenditures, our people at large heart-broken from financial losses, the taxpayers staggering and falling to their faces under the mammoth load of taxation, ten millions and more unemployed asking and begging for jobs with which to provide food and clothing, while our farmers are practically all bankrupt and ready to surrender. There must be something done about these conditions. I am for this economy bill and shall vote for it and feel that I am rendering my country a patriotic duty to share in whatever sacrifice is necessary in the adjustment of our economic conditions.

Mr. SWEENEY. Mr. Speaker, the measure before the House of Representatives for consideration is, in my opinion, the most serious, the most important legislation ever presented to the National Congress of the United States. I yield to no man in this forum in my admiration of President Franklin D. Roosevelt. I was in the front ranks at the Democratic National Convention in support of his nomination for the highest office in the world.

From the day the convention adjourned until the ballots were cast on election day, November 8, 1932, I labored incessantly in behalf of his candidacy. Under his banner I organized 60,000 voters in my community, including several thousand ex-service men, and I truly believe the results of my efforts made possible the placing of Ohio in the Democratic column last November.

I am pledged to support him in every conservative and radical proposition he advances to destroy the power of the international bankers and the influence of Wall Street upon our national life. The Democratic caucus this day, having under consideration this important measure sponsored by our standard bearer, refused to bind its Members to united action; recognizing that many of us made pledges to our constituents during the last campaign to prevent, if possible, the indiscriminate wage cutting of Federal employees, and the wholesale curtailment of pensions and disability allowances due ex-soldiers of the Nation.

Mr. Speaker, the action of the Democratic caucus and the fact that so many personal and political friends of the President of the United States, many of whom have enjoyed the Executive's confidence for years, refused to endorse this measure in its present form does not mean a

revolt in the Democratic Party. It signifies an honest difference of opinion as to the modus operandi in passing the measure.

That there are flagrant abuses in the administration of veterans' legislation, no one will deny. It has been said that if the President of the United States be given this power he will not perpetrate a wrong against any ex-service man. I believe that statement to be absolutely true. The delegation of authority to others to make final decisions in the granting of pensions and disability allowances, and from which decisions, according to the language of the bill, no appeal can be made, was a prime factor in actuating many Members to desire the opportunity of introducing safeguarding amendments. Under the rule adopted no amendments whatever were permitted. I am firmly convinced that the Senate of the United States will pass certain protecting amendments, and that the Executive will concur in its action in his effort to give the people of our country a "new deal."

I will go along with him whole-heartedly on every progressive program submitted looking to the salvation of agriculture and industry, unemployment relief, the regulation of public utilities, and the development of Muscle Shoals, the preventing of farm and home mortgage foreclosures, the modification of the Volstead Act to insure contentment and revenue for the Nation. For all of these contemplated constructive measures the President of the United States deserves, and I am sure he will receive, the unending gratitude of the people who for the past 4 years have been in the sloughs of despondency.

The veterans of today were the boys of yesterday who marched down Market Street in San Francisco, State Street in Chicago, Fifth Avenue in New York, and Main Street in every town, with bands playing and multitudes cheering. They were showered with ticker tape and rushed to the ports of embarkation to be transported over 3,000 miles of stormy ocean, to live and fight in strange lands in a war that the then Commander in Chief of the Nation, the late Woodrow Wilson, characterized as a commercial war. These boys were compelled to spend weeks and months in rain-soaked, vermin-infested trenches, showered with shrapnel and poisonous gas. Many of them left their limbs, their eyes, in no man's land. They came back crippled and badly maimed to receive the thanks of the American public and the promise "that nothing was too good for them." It is incredible that our Government, who claimed these boys as heroes yesterday, could today be so cruel and ruthless in curtailing the mere pittance they now receive.

God forbid that we should by such a drastic step further injure any veteran who suffers from a service-connected disability. These men are the backbone of the Nation. If international strife developed tomorrow they stand ready to protect the Government. Like thousands of faithful civil employees of the Federal Government, they are already carrying a heavy load in these depressed times. Unemployed relatives and friends lean heavily upon them for sustenance and support. The bread lines continue exceedingly long throughout the land. Let us not further extend the line by having these men become the wards of governmental dole, either directly or through private charity agencies. The burden of caring for the 12,000,000 unemployed is a severe one, and even now we discern a breakdown in some subdivisions of the Government under the strain.

Mr. Speaker, do not forget that the United States Steel Corporation made $1,500,000 each day the war lasted. War profiteers and new millionaires by the thousands sprang up as a result of that great catastrophe. I believe the President of the United States will find a more efficient remedy in his effort to balance the Budget than beginning with the battle-scarred veterans to accomplish this purpose. If the capitalistic system is to endure, a limitation on wealth is inevitable. An income tax in the higher brackets and increased gift and inheritance taxes will all contribute to a balanced Budget and national security. Without a guarantee of bank deposits I am fearful of the complete restoration of confidence on the part of our people in our banking system.

It has been said that we are at war, and that a national emergency greater than the late war confronts us. There was no cry of balancing the Budget during the World War. Our national indebtedness amounted to approximately $28,000,000,000. The important thing to do in this crisis is not to add to a decreasing purchasing power, but rather expend every effort in putting our people to work as soon as possible to avert the possibility of a revolution, which will follow if this is not promptly effected. If such a program as I have indicated is enacted, we shall restore the Government to the people and carry out the thought so courageously expressed by the Executive in his inaugural speech:

> Drive from the temple of government the money changers who are now securely entrenched therein.

Mr. GRISWOLD. Mr. Speaker, I am keenly disappointed that on so momentous a question as this a bill must be brought in under suspension of the rules which does not permit of amendments and which limits debate to such a short time that of necessity many are prevented from expressing their views which might be beneficial to this House. The bill consists of 19 pages comprising 3 titles and 28 sections. It directly affects 11,000,000 people and indirectly the total population of the United States.

We are told in press reports that the select committee to which this bill was assigned for consideration spent 3 minutes after receipt of the bill before reporting it out, and this newspaper statement has not been denied by the committee to my knowledge. Certain it is that there is no report from the committee available on the floor of the House for the use of the Members and not a page on the floor can produce a copy of that report for study by the Members. It would seem to me that in common justice a bill of such magnitude, with such far-reaching effects, deserves more consideration by a committee than 3 minutes. It further seems that a proposition that so vitally affects the American people entitles the American people to more than 3 minutes' consideration by a committee. Personally, I think more of the American people than that. It is impossible for any man, no matter how well versed on the law, to give this bill consideration and pass judgment upon it in the time that has been allotted to it.

It is the desire of many Members here to go along with the President, to support the President in all possible ways, but these same Members feel, also, that they have a duty to perform at home for their constituents, part of that duty being to know for themselves the legislation they are passing and not endorse something blindly in toto. The Democrats of this House, by a substantial majority, expressed themselves as in favor of the so-called Browning amendment, which would limit these cuts to 25 percent and conform to the pledges of the Democratic Party. Yet we are prohibited by the rule governing this bill from any expression of that will of the majority of the party and so amending the bill on the floor of the House. The party is greater than one man and no one man should be greater than his party. If so, his party perishes. I will vote against this bill because, in my opinion, it is contrary to the principles of the Democratic Party. It is contrary to the principles of Jefferson, Jackson, Lincoln, and Wilson, and it is contrary to the principles of constitutional democratic government.

Section 5, title I, provides as follows:

> All decisions rendered by the Administrator of Veterans' Affairs under the provision of this title or regulations issued pursuant thereto shall be final and conclusive on all questions of law and fact, and no other officer or court of the United States shall have jurisdiction to review, by mandamus or otherwise, any such decision.

This bill gives to the Administrator of Veterans' Affairs not only the power of Congress but makes his decision superior to the Supreme Court of the United States, even as to matters of law. This does not give power to the President of the United States, who was elected by the people, but it delegates the power to overthrow decisions of the courts of the United States to a man not elected by the people and not responsible to the people. The bill, with this provision in it, creates a despotism. Just a few days ago each Member of this House took an oath to—

> Support and defend the Constitution of the United States * * * and to bear true faith and allegiance to the same.

That Constitution does not provide for or even hint at any such power as is given by this bill to any man not responsible directly to the people. In fact, if I read that Constitution correctly, all the safeguards which could be conceived by its framers were thrown around it to prevent a centralization of power such as this or the placing of an individual superior to the courts of the land. This bill allows the Administrator of Veterans' Affairs, or, under section 8 of title I, other unnamed and unknown persons, the right to render decisions that would invalidate the judgment of the courts on war-risk insurance contracts for which men have actually paid to the Government premiums on their insurance and to which insurance they are as justly entitled as is any man in private life who has paid premiums to an insurance company. Section 8 of title I provides that—

The Administrator of Veterans' Affairs is hereby authorized * * * to delegate authority to render decisions to such person or persons as he may find necessary. Within the limitation of such delegations, any decisions rendered by such person or persons shall have the same force and effect as though rendered by the Administrator of Veterans' Affairs.

We are asked to support the President to balance the Budget and maintain the credit of the Nation. I stand ready and willing to do that. I stand ready and willing to abolish any departments, commissions, or bureaus, as proposed in the Democratic platform. I stand ready to give the President the power to abrogate the contracts of the Government with the firm controlled by J. P. Morgan & Co. under which is paid to said company the sum of $117,000 for carrying 1 pound of seagoing mail. One of the reasons why we have a deficit is because of the enormous interest charges on the public debt. The holders of Government securities have not lost one cent in either interest or principal in this depression. I am willing to back the President in any provisions which will force them to take an equitable share of the losses caused by the depression along with others. I am willing to support the President in an act that will provide for the payment of the interest on these securities and the principal in the same manner and with the same kind of money that all others are being paid under the new banking act and of relieving the taxpayers of this country of this interest burden. I am willing to support the President in the doing of all these things by specific laws which provide for them, but I am not willing to give to an unnamed Administrator of Veterans' Affairs or someone delegated by him the power to overthrow the decisions of the courts of the United States. Were I to do so, I would feel that I had violated my obligation to the platform pledges of my party, that I had violated the teachings of all the past great men of my party and my Nation, and that I had not only broken faith with my constituents but that I had broken faith with the generations yet unborn.

Mr. PETTENGILL. Mr. Speaker, my faith that we shall weather the storm comes not so much from the Congress of the United States or the Chief Executive as it does from the fact that in a little village out in Indiana there are World War veterans who know and understand. They have written me that they will once more muster in.

As a statement of the reasons why I supported the President, I quote briefly from their letter, with my reply:

MARCH 15, 1933.

WILLIAM A. REED POST, No. 307,
Wakarusa, Ind.

GENTLEMEN: Your good letter is appreciated more than I can say. In following our Commander in Chief in his battle against the long years of chaos that have threatened us it strengthens me to know that you boys in Wakarusa, regardless of party, are willing to make another sacrifice to save this Nation.

You say: "During the dark days of 1917 and 1918 America asked our support. Today we are being called upon to rally to a cause even far greater than in 1917 and 1918. We are only a handful of people here in Wakarusa, perhaps unseen, perhaps unheard, but linking all in one seal the chain that binds us into one great Commonwealth, the United States of America.

"This letter will be your authority to demand from us a wholehearted support of your effort to again bring us peace, happiness, contentment of mind, a balanced economical, social, and financial structure for our American people."

The mail has brought me another letter from a loyal ex-service friend of mine, in which he writes:

"I saw in this morning's paper how you voted on the economy bill, and I am for you. Stand back of our President! I believe it is the only way out, and he is sincere. Of course, I will lose my $18 per month and still no job, but I'll try to get along some way."

America is again indebted to men like you. That debt will be acknowledged in every deserving case when happier times return.

We have had such implicit confidence in the financial stength of this Nation for so many long years that it is hard to understand the cold, hard facts now facing us. We see governments toppling throughout the world, we see policemen and school teachers unpaid in our greatest and wealthiest cities, we see municipal bonds in default in over 1,000 cities and towns in 41 States, and still many of us have felt that the Nation's financial strength is impregnable.

Let us look at the facts as they were present on last Saturday, the 11th of March, when we were called upon to vote to save the credit of the Nation, upon which all else depends.

There is the debt of the Federal Government. It is now about $20,500,000,000, not including the debentures of the Reconstruction Finance Corporation. In dollars that is $5,000,000,000 less than in the peak of 1919. But a debt when wheat is $2 a bushel, when everybody is employed full time at good wages, is one thing. It is a different story when wheat is 40 cents, when 12,000,000 wage earners are entirely without work, when millions more are part-time employed, when farmers by the hundreds of thousands are losing the old homestead. In the last analysis debts can only be paid out of the proceeds of commodities or the wages of human toil. A burden that a well man carries with ease will crush a man who is sick. To state the debt of today in terms of the commodity price level of 1919 shows that by that yardstick of paying power the national debt today is about $47,150,000,000.

Since the depression we have accumulated a deficit of $5,000,000,000, and this does not include the debentures of the Reconstruction Finance Corporation, which are guaranteed by Uncle Sam, totaling hundreds of millions more. We passed a billion-dollar tax bill a year ago on postage, gasoline, electricity, etc., to be paid in every American home. We did it to balance the Budget. It is unbalanced now more than a billion dollars. We are running behind more than $4,000,000 a day. It is an ironic fact that the only item in that billion dollar bill that has yielded the expected revenue is the tax on safe-deposit boxes. We are now paying out in interest alone more than 30 percent of every dollar that comes into the Treasury.

In recent weeks hundreds of millions of dollars of gold have been hoarded by big and little alike. That was a sign of complete lack of confidence in our country. It meant that many people were beginning to distrust the paper currency of Uncle Sam. What we never dreamed, even a few months ago, would occur has actually happened. It was a "flight from the dollar," the same as the flight from the franc and the mark and the ruble in recent years that have brought great nations to repudiation and revolution.

On Saturday last, for the first time in history, every bank in this country was closed. On the following Wednesday some $700,000,000 of Government obligations were falling due, and over $2,600,000,000 before the 1st of January next. Within 2 months the interest rate on Government short-time notes had jumped from a fraction of 1 per cent to over 4 per cent.

On Saturday last, it is the cold hard fact that there was only enough money in the Treasury to last 1 week. Taxes were coming in, it is true, but largely in checks on closed banks. And, as stated, even so, our deficit of $4,000,000 a day was steadily going on. That deficit had to be borrowed.

It was on that day, perhaps the most critical day since Valley Forge or Gettysburg, that the President asked you and me to tell the Nation and the world that we were from now on, at any cost, going to live within our income.

On that day the President asked for a vote of confidence. We had just one choice—stand behind him or repudiate him before the world.

On that day what good was it to talk of the war profiteers of 14 years ago, of France defaulting on her debt, of the international bankers, of the Insulls and the Mitchells who have sold us down the river. We will straighten out those financial buzzards later. Saturday was not the day to do it.

If we had repudiated the President in what he thought was absolutely necessary to meet that desperate situation, what we have so far gone through would make midnight look like sunrise, would, perhaps, put war-maimed soldiers in hospital cots in the same case with unpaid school teachers of Chicago and Detroit.

There was only one thing to be done by an American who knew those facts and comprehended their significance. That was to stand by the Commander in Chief as he was struggling to carry the flag!

I am one of those who have thought for 2 years that strong steps should have been taken long ago to stop deflation and liquidation before it brought us to the brink of disaster. If those steps had been taken, it would not be necessary now to ask the deserving veterans and our loyal Federal employees to make the sacrifices that seem imperative now. I think we must restore purchasing power, not reduce it. I think we must rebuild commodity prices. I think we must find jobs for jobless men. But that was not the decision to be made last Saturday. There was only one decision to be made then and that was to preserve the credit of this Nation.

The bill has many things in it that I do not like. But if there is any man to whom I am willing to intrust the administration of that bill it is the man in the White House. We have had many able Presidents, but I think we have not had a President in our lifetime with a warmer heart or a greater sympathy for human suffering and distress. He has been through the mill. A man who is disabled himself can be trusted to deal kindly with the disabled veterans of this Nation until happier times return.

I believe the crisis is past and that we will now slowly climb the hill.

Once more, I thank you for your inspiring letter.

Faithfully yours,

SAMUEL B. PETTENGILL,
Member of Congress.

Mr. McFARLANE. Mr. Speaker, in the time allotted me, I briefly gave you some of the reasons why we should give more deliberate and careful consideration to the economy bill now pending before us (p. 176, CONGESSIONAL RECORD, 73d Cong.). This measure was presented to us this morning, less than an hour before the Democratic caucus was held. A special committee report had not even been printed and furnished the Members. The Democratic caucus, after discussing this matter briefly, permitted a 25 percent reduction in all governmental expenditures. This amendment was in keeping with the National Democratic platform, which provides as follows:

We advocate an immediate and drastic reduction of Government expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance to accomplish a saving of not less than 25 percent in the cost of the Federal Government.

Such an amendment was adopted in the Democratic caucus 158 to 112. The floor leader and others were unwilling to accept this amendment, and the caucus as a body refused to support the bill. The measure was immediately placed before the House, where a rule was adopted limiting the debate and prohibiting any amendment. Those in charge of the time of both parties were heartily in favor of the bill, and a very small part of the time allotted has been given those opposed to the bill to discuss and point out the far-reaching provisions of the measure.

DISCRIMINATION

Section 17, title I, of the bill provides:

All public laws granting medical or hospital treatment, domiciliary care, compensation, pension-disability allowance, or retirement pay to veterans of the Spanish-American War, including the Boxer rebellion and the Philippine insurrection, the World War, or to former members of the military or naval service for injury or disease incurred or aggravated in the line of duty in the military or naval service, except so far as they relate to persons who served prior to the Spanish-American War, and the retirement of officers and enlisted men of the Regular Army, Navy, or Marine Corps, are hereby repealed, and all laws granting or pertaining to yearly renewable term insurance are hereby repealed, but payments in accordance with such laws shall continue to the first day of the third calendar month following the month during which this act is enacted. The Administrator of Veterans' Affairs, under the general direction of the President, shall immediately cause to be reviewed all allowed claims under the above-referred-to laws and, where a person is found entitled under this act, authorize payment or allowance of benefits in accordance with the provisions of this act, commencing with the first day of the fourth calendar month following the month during which this act is enacted; and, notwithstanding the provisions of section 9 of this act, no further claim in such cases shall be required: *Provided*, That nothing contained in this section shall interfere with payments heretofore made or hereafter to be made under contracts of yearly renewable term insurance which have matured prior to the date of enactment of this act and under which payments have been commenced.

Section 18, title I, of the bill provides as follows:

For the fiscal year ending June 30, 1934, pensions and/or any other monetary gratuity payable to former members of the military or naval service in wars prior to the Spanish-American War for service, age, disease, or injury, except retired pay of officers and enlisted men of the Regular Army, Navy, or Marine Corps, shall be reduced by 10 percent of the amount payable.

Thus it will be seen that all non-service-connected disabled war veterans, their widow and dependents, since the Civil War may be stricken from the roll, while the Civil War veterans can only be cut 10 percent, whether service or non-service connected.

THE GOVERNMENT'S CONTRACT

On June 27, 1890, our Government enacted what is commonly called the pension law, not based on service connection, but a law recognizing the duty of the Government toward the disabled war veteran because of the kind and character of the service rendered. The service pension not based on service connection has been repeatedly recognized as right and just by the different Federal courts and the Supreme Court of the United States. These disabled veterans and their widows, most of whom are now too old to work and have at best but few years to remain with us, under the provisions of this bill may be stricken from the pension roll. The advocates of this bill have just told us from the floor that more than $400,000,000 will be taken from the war veterans and their dependents. This measure repeals all presumptions and forces all war veterans except those of the Civil War to prove a service-connection case before he is entitled to any relief from the Government. It is well known by those in authority that, due to the then-existing conditions, service records of the war veterans were very inaccurately kept, therefore making it practically impossible for the veteran to prove service connection by evidence required under the provisions of this bill.

NATIONAL ECONOMY LEAGUE PROPAGANDA

It is a well-known fact that most of this agitation has come from the National Economy League, primarily sponsored and promoted by the large-income-tax payers of Wall Street. It is not disputed that this organization raised $200,000 to start this campaign of propaganda in the press and in magazines to eliminate the money paid the war veteran. This propaganda campaign has been conducted with increasing viciousness and intensity for the past several years. If they are allowed to put over their program there will be rejoicing in Wall Street, for it will save millions to the large-income-tax payers. It will save very little for the average taxpayer in my district, for few of my people are privileged to pay income taxes. If this measure prevails it will permit the President through the Veterans' Administration to stop about 95 percent of the small checks that go to disabled veterans and their dependents throughout the Nation, and will thereby force these disabled veterans and their dependents to be provided for by local charity.

DICTATORIAL POWERS

Section 8, title I, is as follows:

The Administrator of Veterans' Affairs is hereby authorized in carrying out the provisions of title I of this act or any other pension act to delegate authority to render decisions to such person or persons as he may find necessary. Within the limitations of such delegations, any decisions rendered by such person or persons shall have the same force and effect as though rendered by the Administrator of Veterans' Affairs.

Section 9, title II, provides:

No court of the United States shall have jurisdiction of any suit against the United States or (unless brought by the United States) against any officer, agency, or instrumentality of the United States arising out of the application of any provision of this title, unless such suit involves the Constitution of the United States.

Thus it may be easily seen that some employee of the Veterans' Administration may deny the claim of these disabled war veterans and their dependents, and this decision is final. The courts of the country are denied them.

These war veterans were all heroes when they marched away—then the drums played and the speaker holding high office told them that they would be amply cared for. But it seems that the National Economy League's line of thought has been allowed to prevail, and that Congress has forgotten and the disabled war veterans are now in their old age to be left to local charity.

THE REMEDY

There are many steps Congress could take to remedy this situation without depriving the veterans of their small monthly checks.

First. If Congress would enact the income-tax and inheritance-tax laws of France and England this would provide revenue to balance our Budget.

Second. Congress has paid the holders of Government securities more than $11,000,000,000 interest since 1917. The last few years, interest on the public debt has mounted to more than $600,000,000 annually. Legislation should be

promptly enacted refunding and paying off this amount through non-interest-bearing notes.

Third. The Democratic national platform directs that our party should abolish useless commissions and offices and consolidate departments and bureaus. It is safely estimated that sufficient saving would easily balance the Budget in this way, and I favor this plan, but the National Economy League says balance the Budget by cutting off the war veterans and their dependents, and this bill permits this result to be brought about.

Fourth. We should pay off the balance due on the adjusted-service certificates in cash immediately to save the Government $112,000,000 annually and to help restore the buying power of the people.

Fifth. We should immediately enact legislation that will assist the farmer to fix the price of his production so that he may receive a living price for his commodities.

I have introduced a bill to reduce the salaries of all Federal employees as follows:

First. Salaries from $1,200 to $2,500, 10 percent.

Second. Salaries from $2,500 to $3,500, 15 percent.

Third. Salaries from $3,500 to $5,000, 20 percent.

Fourth. Salaries over $5,000, 25 percent.

Such a measure is equitable and just under present circumstances and conditions and during this emergency and should be promptly enacted. I trust the Democratic Party will never forget the principles upon which it was founded—"Equal rights and privileges to all—special privileges to none."

Mr. WITHROW. Mr. Speaker, yesterday when I attempted to say a few words relative to this matter, the gentleman from Tennessee [Mr. BYRNS] inferred that I was attempting to inject partisan politics. I believe it is fair to say that I have been as little partisan as any Member of the House of Representatives during my tenure of office. As a matter of fact, I have been divested of a great many prerogatives of my office because I have not been partisan. In the future, as in the past, I shall support the President when I feel he is right, and I shall oppose him when I am convinced that he is wrong.

PLANS ARE TO ABOLISH VETERANS' BENEFITS

Make no mistake as to what the passage of this measure means. The present plans call for a $400,000,000 reduction of veterans' benefits. In order to cut this amount it will be necessary to do more than merely abolish the disability allowance which is paid to veterans for disabilities which are not service connected. Drastic and arbitrary regulations were adopted last year by the Administrator of Veterans' Affairs which have greatly reduced the amount of money which is now being paid out in disability allowance so that the total amount of these payments now is about $52,000,000 less per year. Where will the remainder of the $400,000,000 be made up? In addition to abolishing the disability allowance to World War veterans, it will be necessary to make an additional cut of $348,000,000 in the service-connected pensions of those who were disabled while actually fighting for their country. This means that there will not only be drastic cuts in pensions to World War veterans with service-connected disabilities but also cuts in the pensions of veterans of the Civil, Spanish-American, and Indian Wars. This program also embodies cuts in widows' and orphans' pensions and drastic curtailment of hospital benefits.

CLEAN UP EVILS IN VETERANS' ADMINISTRATION

There are many inequalities and injustices which have been allowed to go unchecked by the Veterans' Administration. I am perfectly willing and demand that these evils be remedied. Clean up these evils, but do not use them as a basis for adding to the suffering of the truly deserving veteran.

The Administrator of Veterans' Affairs already has broad powers. Let him clean up these inequalities in accordance with the principles of justice and equity.

This Government has poured billions of dollars into the pockets of its false financial leaders who have led it into distress. Now it seeks to pay the bill with money taken from its suffering disabled veterans.

I BELIEVE IN REAL ECONOMY

I believe in real economy. We held an election last November and the people of the United States of America spoke. They said they wanted economy, but they did not want it at the expense of the workingman, the farmer, and the disabled veteran. They wanted the slack taken out of governmental departments, and they should get it. They were promised a new deal. It ill behooves you people who voted for the Reconstruction Finance Corporation to talk about economy—and there were only 54 of us who voted against it. The rest of you voted to dump hundreds of millions of dollars of the taxpayers' money into the laps of the big banking interests of this country, in the hope that some of it might sift through and help the farmer and unemployed.

At that time you argued that the Reconstruction Finance Corporation was to be the savior of the Nation. The activities of the Reconstruction Finance Corporation smell to the high heavens. Now, because the big financiers have again dissipated the Treasury, the soldiers, who were real patriots, must again be sacrificed, in spite of the fact that a large percentage of veterans are now in desperate need.

NEED FOR IMMEDIATE ACTION ON BONUS

This Congress has finally embarked on a program of inflation. I have advocated such a program for the past 2 years. But let me point out that no inflation program can be successful if there is no adequate means of distributing the new currency which is issued.

It will not help the unemployed man in the bread line or the disabled veteran to hand the new money over to the banks again. Even a blind man could see that such procedure has been a failure in the past. The new money must be placed directly in the hands of those who need it and who will immediately put the money into circulation by paying the grocer and the butcher and the landlord.

The only means we have of distributing the money successfully is by paying to the veterans the adjusted compensation in cash, and immediately. I am firmly convinced that cash payment of the bonus will put an end to most of our distress. The cash will be placed into circulation, men will be put to work, and farm prices will return to normal.

GIVE THE VETERANS A HEARING

We have at this time, and have had for several months, a committee in the Senate holding hearings on veterans' legislation. They are ready to report, and we are entitled to the benefit of the expense to which the United States has gone in holding these hearings.

For more than 2 months this joint committee of the Senate and House of Representatives studied the problems of veterans' legislation in an endeavor to determine whether reductions could be made in the present appropriations for veterans to help the Government meet its fiscal crisis. That committee heard an abundance of testimony on all sides of the question. It spent weeks listening to the economists, medical specialists, and other experts. It has as yet been unable to formulate any recommendation or even make a report.

How can you, in a matter of perhaps 2 hours or less, settle this important problem without doing irreparable damage to thousands of American homes throughout the Nation and thereby increase the suffering of an already hard-pressed people?

Mr. Speaker, if this measure is passed we should, in consistency, close the doors of Congress and go home. [Applause.]

CONGRESS MUST NOT DODGE ITS RESPONSIBILITY

I for one do not intend to surrender the constitutional prerogatives of my office to any President of the United States, whether he be Republican or Democrat, and I have great respect for the President.

The President is just a human being. He is not a superman. Let us go to the State of New York and examine his whole record as Governor of that State.

Did he balance the budget of the State of New York? Of course he did not. In the fiscal year ending June 30, 1931, there was a deficit of $40,350,000. In 1932 there was a

deficit of $101,861,500. Remember that this is only 1 of the 48 States. In the fiscal year ending June 30, 1931, the State of New York was bonded to the extent of $411,298,000. In 1932 this bonded indebtedness had increased to $441,157,000.

I do not intend any criticism of President Roosevelt. I respect his ability and hope that the Nation's trust in his leadership will not be betrayed. I quote these figures, which show that President Roosevelt was not able to effect economy as Governor of his own State, merely to impress the fact that he is no superman.

Therefore, I plead that you gentlemen will meet this responsibility squarely and will vote to keep this responsibility right here in the House of Representatives, where it belongs. Let us meet this problem squarely and battle it out here on the floor of the House in accordance with the wishes of the people who sent us here as their Representatives. By shifting the power to cut salaries and reduce veterans' benefits onto the shoulders of the President, you gentlemen are merely continuing the shifting and dodging policies which have already plunged our country into such dire distress.

If you gentlemen are afraid to meet this problem on your own responsibility, and do not have the courage to cast your vote for or against these measures here on the floor of the House, then cast your votes to declare the President dictator and close up the doors of Congress and go home. [Applause.]

[Here the gavel fell.]

Mr. CARPENTER of Kansas. Mr. Speaker, because of the manner in which H.R. 2820, the bill to repeal all allowances to veterans since the Civil War, was rushed through the House, and because of the gag rule that prevented any amendments being offered on the floor or an opportunity to talk upon this bill, I find it necessary to extend my remarks in the RECORD.

There is no one in this House who believes in governmental economy more than I do. One of the slogans of my campaign was, "Cut the cost of government." However, I repeatedly stated that economy should not start on the little man at the bottom but on the overpaid man at the top. In almost every speech that I made I stated that I was on the board of education of the city in which I live, and generally when we started in to reduce school expenses we started on the janitor, and I do not believe that the burden of economy should be placed upon the man in the position of the janitor.

There was no issue in this recent campaign that the cost of government should be reduced by doing away with the veterans' benefits. Not only that, but a great deal of criticism was hurled at the Hoover administration by reason of its treatment of the bonus army here in Washington, and it was clearly understood by everyone in my district that I would support and vote for the immediate payment of the bonus to the World War veterans, preferably by expansion of the currency.

The people want economy in government, and whether they want it or not, it is necessary. They do not desire, however, that the burden of economy should be placed upon the ex-service man, and it is not necessary that this be done.

The matter contained in the present bill should have been presented to us in two bills. That part having to do with economy in regard to the veteran should have been in one bill, and all that part from title II on, having to do with economy in regard to expense of running the Government, in a separate bill. That part from title II having to do with reducing governmental expenses does not go far enough. It provides for such small reductions or cuts as the President shall announce by Executive order and in no event to exceed a 15 percent cut, and limits the cut in regard to Congressmen's salaries to $1,500, whereas I, with the majority of the members in the Democratic caucus, voted for a temporary cut in regard to veterans' compensation not to exceed 25 percent, which is 10 percent more than this bill reduces the salaries of Government employees and Congressmen. Nevertheless, I would have been glad to have supported the bill, from title II on, if I had been given the opportunity. In addition to this, at the proper time for introducing bills at the commencement of today's session, before this bill was presented in the House, I introduced bill No. 3078 to reduce the compensation of Senators, Representatives, Delegates, and Resident Commissioners to $7,500 per annum, and bill No. 3077 to reduce the mileage of Senators, Representatives, and Delegates, and Resident Commissioners to $7,500 per annum, and bill No. 3077 to reduce the mileage of Senators, Representatives, and Delegates to 10 cents a mile.

I feel that an unfair advantage has been taken of those who believe in genuine economy, in that we were not given an opportunity to vote for real economy without wiping the veteran clear out. I say, "without wiping the veteran clear out". That is exactly what the bill provides.

Section 17 of title I reads as follows:

> All public laws granting medical or hospital treatment, domiciliary care, compensation, pension disability allowance, or retirement pay to veterans of the Spanish-American War, including the Boxer rebellion and the Philippine insurrection, the World War, or to former members of the military or naval service for injury or disease incurred or aggravated in the line of duty in the military or naval service except so far as they relate to persons who served prior to the Spanish-American War, and the retirement of officers and enlisted men of the Regular Army, Navy, or Marine Corps, are hereby repealed, and all laws granting or pertaining to yearly renewable term insurance are hereby repealed.

And section 5 of title I further provides:

> All decisions rendered by the Administrator of Veterans' Affairs under the provisions of this title, or the regulations issued pursuant thereto, shall be final and conclusive on all questions of law and fact, and no other official or court of the United States shall have jurisdiction to review by mandamus or otherwise any such decision.

And section 9 of title I further provides:

> Claims for benefits under this title shall be filed with the Veterans' Administration under such regulations, including provisions for hearing, determination, and administrative review, as the President may approve, and payments shall not be made for any period prior to date of application. When a claim shall be finally disallowed under this title and the regulations issued thereunder, it may not thereafter be reopened or allowed.

Therefore, in addition to repealing all veterans' legislation by section 17, above quoted, according to the latter two sections any decision by the Administrator of Veterans' Affairs, whether right or wrong, is final, and it never can be tested in any court in the United States or by any other method, and when a claim has been finally disallowed it means that the veteran may never thereafter have it reopened or allowed.

The proponents of this bill say that this bill will reduce expenditures for the veterans' compensation $400,000,000, while the salary reduction for Government employees is only $120,000,000. It is my thought that greater reduction should be made in the administration of the Government than what is taken away from the veteran. How can we reconcile the action of the Government in giving billions of dollars to the worthless banks of this country through the Reconstruction Finance Corporation? How can we reconcile the moratorium to our European debtors and the activities on the part of certain persons in favor of canceling their debts entirely? How can we reconcile the propaganda for appropriating greater sums for a Navy that will be obsolete in 5 years and that will no doubt result in incapacitating our sons and then turn them out to the soup lines and poorhouses of the country as we are asked to do today? How can we reconcile the proposals to appropriate $500,000,000 for reforestation and work in connection with Muscle Shoals? All of the economy that the proponents claim by cutting out the veteran will thereby be lost.

In addition to that, we will also undermine the banking-emergency law we passed the first day of this special session of Congress, for, instead of putting money into our banks, people will be taking it out to invest in Government bonds. And again the American citizen and the soldier will be slaving to pay their taxes so the Government can pay Wall Street its interest due on these bonds.

It is an American characteristic, of which Congress is no exception, that hysteria too often guides our actions. We act today according to popular acclaim and repent tomorrow.

My vote and responsibility belong to the people of my district. They alone are the ones I represent, not the Members of this body or anyone here in Washington, and in justice to them I cannot be misled and vote to take from the deserving veteran of this country the little pittance that was granted by an appreciative country a few years ago.

We are all in the same boat, and the veteran will again willingly and gladly assume his full responsibility and will cheerfully accept reasonable cuts when no injustice will be done. May God forbid, however, that the veteran is to become the "Forgotten man" and the real governmental economy that was promised be lost sight of.

Mr. CHURCH. Mr. Speaker and ladies and gentlemen of the House, if there ever was a time in the history of the Democratic Party when the Democratic Members of Congress were under obligation to support the policies of its administration, it is now. Most of us new Members have been elected to Congress on a Roosevelt landslide. Last fall about one half of the Republican voters of the country deserted their party, temporarily at least, and voted for Franklin D. Roosevelt for President of the United States. They voted for him because they believed him a great leader and because they believed that his policies, if enacted into law, would relieve the financial distress which everywhere prevails among our people. This Roosevelt landslide swept out of Congress 90 Republican Members and placed in Congress 93 additional Democratic Members.

The new Democrats thus elected should not overlook the fact that their successful campaign in many instances was not the result of their own popularity as much as it was the desire of the voters to elect men to Congress who would assist Roosevelt in carrying out the policies that he proposed to enact into law. They were not elected to Congress in order to crystallize into law some scheme or plan for relief which they had devised but were given this possibly temporary position of trust for the sole purpose of assisting Mr. Roosevelt in establishing his policies for the relief of the country. In California, where I live, the Republicans left their party by the hundreds of thousands because they had faith in Roosevelt. I defeated my opponent by about 19,000 votes, notwithstanding the fact that he is a good man, simply because the people knew I would support the Roosevelt policies and they knew my opponent would not. If I fail to vote for this bill, I would convict myself in my own heart of having received 20,000 votes or more by false representation and pretense. During the campaign I promised everybody in public and in private that if they sent me to Congress I would help Roosevelt redeem the pledges of the Democratic Party and assist him in carrying out his plans for the salvation of the country; and I will say now that as long as I made those promises and the people voted for me by reason of that fact I am going to keep my word.

I had confidence in Roosevelt then, and I have confidence in him now. It is too late to reconsider—I cannot recall the pledges of my campaign. Were I to go back on my word, I would be a disappointment to my people, a disappointment to myself, and would have been elected by reason of my own fraud. I have full faith that the President of the United States when given the power requested in this bill will not abuse it. He has been in public office a long time, and I have never heard of him abusing in any way the power that has been intrusted to him. He has never been accused of oppressing the unfortunate or the weak; and my faith in him assures me that when it is all over, we will see that in readjusting the compensation now received by ex-service men he has caused the ax to fall only where it was necessary.

During my campaign I promised to help the ex-service men whenever I could, and I trust I am aiding them in placing their cause in the hands of a just man, a man with a big brain and a big heart; but if, on account of the tremendous undertaking of compensation readjustment, a hardship is worked by inadvertence on some, I am satisfied in such cases a speedy correction will cure the wrong. Of course, we cannot accurately predict the future, but we can with great certainty review the past. And in reviewing the past I find that I promised thousands of people that if I were elected to Congress it would be for the purpose of aiding the Roosevelt policies, and not to obstruct them.

The Democratic Party pledged the people of the United States through its platform adopted at Chicago last year that if intrusted with power the expenses of government would be reduced at least 25 percent. The President is proceeding now to carry out the pledges of his party. To Mr. Roosevelt, the pledges of his party and the platform on which he was elected really mean something. If any mistake was made, it was in the party at Chicago subscribing to the pledges that it did. I admit I am not posted thoroughly enough to say just where we should begin to make the 25-percent cut, but I am in a position to know, as long as the Democratic Party made the pledge, there is nothing for it to do but to keep its word. I am not sure where we are going to make all the reduction in governmental expenses demanded by the platform of the Democratic Party, but I am sure that the cost of running the Government must be reduced. As set forth in the President's message, in the last three years the money that we have paid out has exceeded by about $4,000,000,000 the amount of money the Government has taken in. In other words, our national debt has increased during the last three years some $4,000,000,000. Thus it is plain to be seen that the expenses of government must be reduced. I am amazed and shocked to find that we are running behind to such an extent. It must be stopped. It is encouraging to know that the President of the United States is determined that it shall stop. The operation is bound to hurt, but it must be performed.

There is so much that this Congress must do. It must bring, by all means, relief to our farmers, and do it soon. They mortgaged their farms when money was cheap, and they are called to lift the mortgages now when money is dear. It takes three times as much farm produce and three times as much effort now to get the money to pay back as it did to get the money they received. It cannot be done. In spite of work and sweat and tears, hundreds of thousands of people are now losing their farms. When Europe was in distress, we granted a moratorium. Why should we not grant the distressed farmers of America likewise a moratorium. The farmers are looking to Washington for relief.

There is one thing that the Democratic Party and the Democrats here in Congress must not fail to understand. The American people last fall, by giving us such an overwhelming vote, gave us an opportunity, but by no means a victory. They simply placed the Democratic Party on trial. We have won no victory yet. We will have won our victory when the 12,000,000 unemployed each have a job; when our farmers are no longer losing their farms; when our merchants no longer stand in the empty aisles of their stores waiting for customers who do not come; when farm products yield a decent income to the tiller of the soil; when bread lines are no longer reaching from block to block; when the withered hands of want are no longer outstretched for help; when the wheels of industry are turning again. Then and only then will we have won the victory. Don't think because we have been elected to Congress we have won anything except an opportunity.

No Congress of all the Congresses that have gone before has been given the opportunity to help the sad and discouraged people of this country as has this, the Seventy-third Congress of the United States. With a courageous but a humble spirit, let us put our shoulders to the wheel and make the most of this opportunity, and then, with the help of God, we will triumph, and win a victory for the hundred and twenty million men, women, and children of America.

Mr. MARTIN of Colorado. Mr. Speaker, it is to be hoped that the President will exercise or cause to be exercised as humanely and as sparingly as possible certain of the abso-

lute powers granted in this bill, and which I shall vote to give him. An antipathetic construction and application of these powers will result in vast numbers of great hardships.

This is the most heroic act in the history of Congress. No such vast number of our citizens was ever before struck such a direct blow by Government, a blow aggravated by the fact that the great majority of those upon whom it will fall are already living in the very lowest brackets of income, or in no bracket.

Let there be no mistake upon one proposition. The overwhelming majority of the veterans of all wars and their dependents, numbering many millions, and the overwhelming majority of all Government employees and their dependents, numbering other millions, look with apprehension on this legislation.

The exercise of this great power over the welfare of these needy multitudes, in the manner and to the extent demanded by such organizations as the National Economy League, would be to deprive many of them of the last dollar and make them public charges on already bankrupt communities.

Let there be no mistake about another proposition, and I address myself now mainly to the majority side. These multitudes who are to make the major sacrifice for Federal economy are our people. Politically they are today bone of our bone and flesh of our flesh. They are the reason many of us are here.

We are confronted on every front page with figures as to the cost of veterans' relief. It is made to stand out like a sore thumb. I want to say that if veterans' relief finally equals the cost to the country of the World War itself, as our enemies assert, but spread out over a generation, even that great sum would not equal one half the amount of which the Nation has been robbed in the past 3 years by the greatest moneyed oligarchy that ever cursed a Nation, and which is now making a fetish of balancing the Budget. They have a mortgage on the country for more than it would bring under the hammer, but the assets are somewhat congealed and they want to thaw them out at somebody else's fire. So we must balance the Budget out of the pockets of the mortgagors.

These considerations aside, I want to say generally that I do not believe pensions and wages contributed in any degree to the present debacle in this country or that cutting pensions and wages will contribute materially to the rehabilitation of the country. The immediate effect will necessarily be to the contrary. The immediate effect must and will be more unemployment, more destitution and want, and less money in circulation and in the pockets of consumers. Let us make no mistake about this. The cry for pensions and bonuses is a cry wrung from dire necessity. These millions want work, not charity. They want wages, not doles from the Government. When the country faced the emergency of war, their very lives were commandeered. They were ordered to do and die that the Nation might live. Now that another and greater emergency than that of war grips the country, instead of taking everything from these needy veterans, I say, commandeer some of the stolen billions.

Conceding that this act is essential as an emergency measure to the immediate preservation of the Nation's credit, let us here, who must pay the price for our support of it, solemnly resolve that this is only the first step on the road to a complete and just reorganization of the financial, industrial, and economic structure of the country.

Let us lay upon wealth, the chief beneficiary of government, the major part of the cost of maintaining government. Every monopoly of a national necessity is today making profits in a bankrupt country.

Let us reinforce the basic money of the country by the remonetization of silver.

Let us pay the balance of the adjusted compensation in non-interest-bearing notes of the United States, with no strings on them to pull them out of circulation.

Let us set our sights for bigger game than needy war veterans and underpaid Government employees. It is futile to talk about a new deal unless and until we break the stranglehold of the money power on this country. If we could grope our way out of this labyrinth of disaster, with the money power still intact and intrenched, it would be like fighting the World War and not winning it. We cannot, we dare not permit this. To permit it would bring upon us the just condemnation of the workers and farmers who make up the essential population of this country.

I come now briefly to the reasons which impel me to support this legislation. The man who does not appreciate the imminence and magnitude of the prevailing financial chaos has no opinion worth considering. Every man with an income must give some to the common cause. There can be no excepted classes. None should ask or expect to be excepted. On behalf of the men who wore the uniform, I want to deny that they ask that this cup pass wholly from them. If the charges now being made against them were half true, then I would say, God help the country. Because it is the history of our wars that out of them came the leaders of the next generation. Not merely because of their numbers or organization, but primarily because they were picked men, and their extraordinary experience developed in them the capacities of leadership. Veterans of the World War will yet sit in the White House.

To start making exceptions in this common crisis would be to pull the foundation from beneath the whole structure of the administrative program. That program has the approval of the country. The country is in no temper to temporize. I have faith in our leader, in his judgment and his humanity. He is moving with a courage and promptness unsurpassed if, indeed, equaled in American history. The objectives have been determined, the plan of campaign worked out, the order to charge given. It is the duty of good soldiers to obey. I obey, not only with the hope but with confidence that the great heart in the White House will still beat with compassion for the needy, with deep feeling for the millions whose welfare will be in his hands.

In conclusion I shall note the two objections most frequently made to this bill—one that in passing this bill we are hiding behind the President, and the other that we are abdicating the powers of Congress to the President. As to the first, every man who votes for this bill is assuming full responsibility for whatever may be done under it. As to the second, the Congress need not be at all concerned over accusations that it is abdicating its powers. The failure of the last Congress brought the rating of the legislative department of the Government down to a new all-time low. It will rehabilitate itself in the confidence of the country by promptly granting the President all of the power he is willing to assume.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate has passed the following resolution:

Senate Resolution 23

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. ROBERT B. HOWELL, late a Senator from the State of Nebraska.

Resolved, That a committee of 15 Senators be appointed by the Vice President to take order for superintending the funeral of the deceased Senator.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now adjourn.

SWEARING IN OF MEMBERS

Mr. BLAND. Mr. Speaker, I send a resolution to the desk and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 34

Whereas ANDREW J. MONTAGUE, a Representative from the State of Virginia, has been unable from sickness to appear in person to be sworn as a Member of the House, and there being no contest or question as to his election: Therefore be it

Resolved, That the Speaker be, and he is hereby, authorized to administer the oath of office to said ANDREW J. MONTAGUE at Garfield Memorial Hospital, in Washington, D.C., and that the said

oath, when administered as herein authorized, shall be accepted and received by the House as the oath of office of the said ANDREW J. MONTAGUE.

The resolution was agreed to.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I offer a resolution which I send to the desk.

The Clerk read as follows:

House Resolution 36

Whereas WILBURN CARTWRIGHT, a Representative from the State of Oklahoma, has been unable from sickness to appear in person to be sworn as a Member of the House, and there being no contest or question as to his election: Therefore be it

Resolved, That the Speaker be, and he is hereby, authorized to administer the oath of office to said WILBURN CARTWRIGHT at Walter Reed Hospital in Washington, D.C., and that the said oath, when administered as herein authorized, shall be accepted and received by the House as the oath of office of the said WILBURN CARTWRIGHT.

The resolution was agreed to.

REPRESENTATIVE-ELECT HENRY ELLENBOGEN

The SPEAKER laid before the House the following communication from the Clerk of the House, which was read and, together with the accompanying papers, referred to the Committee on Elections, when appointed:

HOUSE OF REPRESENTATIVES,
CLERK'S OFFICE,
Washington, D.C., March 10, 1933.

Hon. HENRY T. RAINEY,
Speaker of the House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: There is herewith transmitted memorial and accompanying letters relating to the citizenship qualifications of HENRY ELLENBOGEN, a Representative-elect from the Thirty-third Congressional District of Pennsylvania to the Seventy-third Congress.

Yours very truly,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

REPUBLICAN CONFERENCE

Mr. SNELL. Mr. Speaker, I desire to make an announcement that there will be a meeting of the Republican members of the Committee on Committees in the Interstate and Foreign Commerce room in the old House Office Building Monday morning at 10 o'clock.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MCCLINTIC of Oklahoma, for today, on account of illness.

To Mr. SEARS, for 5 days, on account of illness.

To Mr. CLARKE of New York, for a few days, on account of important business.

To Mr. ALMON, indefinitely, on account of illness.

THE LATE HON. ROBERT B. HOWELL, UNITED STATES SENATOR FROM THE STATE OF NEBRASKA

Mr. HOWARD. Mr. Speaker, I regretfully announce to the House the death this afternoon of the Honorable ROBERT BEECHER HOWELL, junior Senator from the State of Nebraska, and on behalf of the Nebraska delegation in the House of Representatives I present at the desk an appropriate resolution.

The Clerk read as follows:

House Resolution 35

Resolved, That the House has heard with profound sorrow of the death of the Honorable ROBERT B. HOWELL, a Senator of the United States from the State of Nebraska.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased Senator.

Resolved, That a committee of two Members be appointed on the part of the House to join with the committee appointed on the part of the Senate to attend the funeral.

The resolution was agreed to.

The SPEAKER. The Chair appoints as a committee the gentleman from Nebraska [Mr. SHALLENBERGER] and the gentleman from Nebraska [Mr. BURKE].

The Clerk read as follows:

Resolved, That, as a further mark of respect, this House do now adjourn.

The resolution was agreed to; accordingly (at 3 o'clock and 29 minutes p.m.) the House adjourned until Monday, March 13, 1933, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

2. Under clause 2 of rule XXIV a letter from the vice chairman of the national legislative committee of the American Legion, transmitting copy of financial statement of the American Legion as of December 31, 1932, was taken from the Speaker's table and referred to the Committee on World War Veterans' Legislation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McDUFFIE: Committee on Economy. H.R. 2820. A bill to maintain the credit of the United States Government; without amendment (Rept. No. 1). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KELLY of Pennsylvania: A bill (H.R. 3073) to authorize the Bureau of Mines to manufacture radium for experimental purposes; to the Committee on Mines and Mining.

Also, a bill (H.R. 3074) to provide that the principal officer of each executive department shall attend certain sessions of the Senate and House of Representatives; to the Committee on Rules.

Also, a bill (H.R. 3075) providing for the purchase of addition to the site of public building at Tarentum, in the State of Pennsylvania; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3076) to provide for the appointment and promotion of substitute postal employees; to the Committee on the Post Office and Post Roads.

By Mr. CARPENTER of Kansas: A bill (H.R. 3077) to reduce the mileage of Senators, Representatives, and Delegates to 10 cents a mile; to the Committee on Expenditures in the Executive Departments.

Also, a bill (H.R. 3078) to reduce the compensation of Senators, Representatives, Delegates, and Resident Commissioners to $7,500 per annum; to the Committee on Expenditures in the Executive Departments.

By Mr. McCORMACK: A bill (H.R. 3079) authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.; to the Committee on the Library.

By Mr. TRUAX: A bill (H.R. 3080) to provide that no judicial order for the sale of any real estate shall be issued by any court in the United States of America for a period of 1 year from the passage of this act; to the Committee on the Judiciary.

By Mr. WEAVER: A bill (H.R. 3081) to extend the benefits of the act approved May 1, 1926, to persons who were employed as teamsters in the Military Establishment in the war with Spain or the Philippine insurrection; to the Committee on Pensions.

By Mr. KENNEY: A bill (H.R. 3082) to amend the Reconstruction Finance Corporation Act so as to extend the provisions thereof to provide emergency financial facilities for the municipalities of the Nation; to the Committee on Banking and Currency.

By Mr. WILCOX: A bill (H.R. 3083) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. BURNHAM: A bill (H.R. 3084) authorizing the sale of portions of the Pueblo lands of San Diego to the city of San Diego, Calif.; to the Committee on Military Affairs.

By Mr. DEEN: A bill (H.R. 3085) to reduce the compensation of Senators, Representatives, Delegates, and Resident Commissioners to $7,500 per annum; to the Committee on Expenditures in the Executive Departments.

By Mr. MILLER: A bill (H.R. 3086) to provide for the relief of farmers in any State by the making of loans to drainage districts, levee districts, levee and drainage districts, irrigation and/or similar districts other than Federal reclamation projects, or to counties, boards of supervisors, and/or other political subdivisions and legal entities, and for other purposes; to the Committee on Irrigation and Reclamation.

Also, a bill (H.R. 3087) to provide that the United States shall aid the States in the construction and maintenance of rural post roads, and for other purposes; to the Committee on Roads.

By Mr. JAMES: A bill (H.R. 3088) to authorize appropriations for construction of buildings, utilities, and appurtenances at Maxwell Field, Ala.; to the Committee on Military Affairs.

Also, a bill (H.R. 3089) to authorize appropriations for construction of buildings, utilities, and appurtenances thereto, and for other purposes, at Marshall Field, Kans.; to the Committee on Military Affairs.

Also, a bill (H.R. 3090) to authorize appropriations for construction of buildings, utilities, and appurtenances thereto at Crissy Field, Calif.; to the Committee on Military Affairs.

Also, a bill (H.R. 3091) to authorize appropriations for construction and for other purposes at Post Field, Okla.; to the Committee on Military Affairs.

Also, a bill (H.R. 3092) to authorize the conversion of the Air Corps shops at Langley Field, Va., into a post exchange at that station; to the Committee on Military Affairs.

Also, a bill (H.R. 3093) to authorize appropriations for construction of buildings, utilities, and appurtenances thereto at Chanute Field, Ill.; to the Committee on Military Affairs.

Also, a bill (H.R. 3094) to authorize appropriations for construction of buildings, utilities, and appurtenances thereto at Selfridge Field, Mich.; to the Committee on Military Affairs.

Also, a bill (H.R. 3095) to authorize the acquisition for military purposes of land in Virginia for use as an addition to Langley Field, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H.R. 3096) to authorize appropriations for construction of buildings, utilities, and appurtenances, and for other purposes, at Fort Leavenworth, Kans.; to the Committee on Military Affairs.

By Mr. TINKHAM: A bill (H.R. 3097) making certain matter inadmissible as evidence in the Federal courts, and for other purposes; to the Committee on the Judiciary.

By Mr. ANDREWS of New York: A bill (H.R. 3098) to permit the United States to be made a party defendant in certain cases; to the Committee on the Judiciary.

Also, a bill (H.R. 3099) to amend section 4 of the United States Grain Standards Act of 1916, as relating to the use of the official grain standards of the United States on grain moved in interstate commerce from shipping points to destination points without official grade determination; to the Committee on Agriculture.

By Mr. KELLY of Pennsylvania: A bill (H.R. 3100) to define the intent of the antitrust laws as to certain agreements; to the Committee on the Judiciary.

Also, a bill (H.R. 3101) granting leaves of absence with pay to substitutes in the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. SUMNERS of Texas: Joint resolution (H.J.Res. 74) to create a commission entitled "The Advisory Commission on Economic Adjustment and Rehabilitation", composed of certain members; to the Committee on Rules.

By Mr. BACON: Resolution (H.Res. 21) amending rule XIV of the rules of the House of Representatives; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York: A bill (H.R. 3102) for the relief of William Arthur Cluchey; to the Committee on Naval Affairs.

Also, a bill (H.R. 3103) for the relief of Alexander Stanley Lazik; to the Committee on Naval Affairs.

Also, a bill (H.R. 3104) for the relief of Harry Schrader; to the Committee on Naval Affairs.

Also, a bill (H.R. 3105) for the relief of Charles E. Strouse; to the Committee on Naval Affairs.

Also, a bill (H.R. 3106) granting an increase of pension to Katherine A. Ogden; to the Committee on Pensions.

Also, a bill (H.R. 3107) granting an increase of pension to Anna Tucker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3108) for the relief of Arthur W. Bradshaw; to the Committee on Claims.

Also, a bill (H.R. 3109) for the relief of James J. Gallagher; to the Committee on Naval Affairs.

Also, a bill (H.R. 3110) for the relief of James J. Gallagher; to the Committee on Naval Affairs.

Also, a bill (H.R. 3111) for the relief of George Rounds; to the Committee on Claims.

Also, a bill (H.R. 3112) for the relief of Frank L. Noon; to the Committee on Naval Affairs.

Also, a bill (H.R. 3113) granting a pension to Belle M. Harris; to the Committee on Pensions.

Also, a bill (H.R. 3114) granting a pension to Caroline M. Nebrich; to the Committee on Pensions.

Also, a bill (H.R. 3115) granting an increase of pension to Margaret E. Pierce; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3116) for the relief of William Hayes; to the Committee on Claims.

Also, a bill (H.R. 3117) granting a pension to Richard J. Walsh; to the Committee on Pensions.

Also, a bill (H.R. 3118) for the relief of August A. Carminati; to the Committee on War Claims.

Also, a bill (H.R. 3119) for the relief of Carrie McIntyre; to the Committee on Military Affairs.

Also, a bill (H.R. 3120) granting a pension to Frederick F. MacCleverty; to the Committee on Pensions.

By Mr. BEEDY: A bill (H.R. 3121) granting a pension to John Dudley; to the Committee on Invalid Pensions.

By Mr. HAINES: A bill (H.R. 3122) granting an increase of pension to Mary E. Eberly; to the Committee on Invalid Pensions.

By Mr. BEITER: A bill (H.R. 3123) to correct the military record of Casimer F. Brylski; to the Committee on Naval Affairs.

By Mr. BRITTEN: A bill (H.R. 3124) for the relief of Stephen Sowinski; to the Committee on Military Affairs.

Also, a bill (H.R. 3125) for the relief of William F. Shaw; to the Committee on Naval Affairs.

Also, a bill (H.R. 3126) granting a pension to Emma L. Elliott; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3127) for the relief of John Edward Ward; to the Committee on Naval Affairs.

Also, a bill (H.R. 3128) granting an increase of pension to Frank Hartman; to the Committee on Pensions.

Also, a bill (H.R. 3129) granting a pension to John N. Aull; to the Committee on Pensions.

By Mr. BURNHAM: A bill (H.R. 3130) to extend the benefit of the United States Employees' Compensation Act to Frank A. Smith; to the Committee on Claims.

Also, a bill (H.R. 3131) granting a pension to Lucy McManning; to the Committee on Invalid Pensions.

By Mr. FREAR: A bill (H.R. 3132) granting an increase of pension to Anna M. Elkin; to the Committee on Pensions.

By Mr. FULLER: A bill (H.R. 3133) granting a pension to Lillie Siemiller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3134) granting a pension to Gabriel Patrick; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3135) granting a pension to Margaret Officer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3136) granting a pension to Bettie A. Reese; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3137) granting a pension to Martha J. Hopper; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3138) granting an increase of pension to Ada A. Bevers; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3139) granting a pension to Gemima Reeves; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3140) granting a pension to Lau Jones; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3141) granting an increase of pension to Fronia L. B. Norwood; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3142) granting an increase of pension to R. D. Jordan; to the Committee on Pensions.

By Mr. HAMILTON: A bill (H.R. 3143) granting a pension to Henry Hibbard; to the Committee on Pensions.

By Mr. HOOPER: A bill (H.R. 3144) for the relief of Eugene D. Broas; to the Committee on Military Affairs.

Also, a bill (H.R. 3145) for the relief of August Schaller; to the Committee on Military Affairs.

Also, a bill (H.R. 3146) for the relief of John W. Barnum; to the Committee on Claims.

Also, a bill (H.R. 3147) granting a pension to Elmer E. Laurence; to the Committee on Pensions.

Also, a bill (H.R. 3148) for the relief of Myron L. Leutwein; to the Committee on Military Affairs.

Also, a bill (H.R. 3149) for the relief of Harry Parker; to the Committee on Military Affairs.

By Mr. LARRABEE: A bill (H.R. 3150) for the relief of Charley H. Caldwell; to the Committee on Military Affairs.

Also, a bill (H.R. 3151) granting a pension to John L. Richman; to the Committee on Pensions.

Also, a bill (H.R. 3152) for the relief of Theodore B. Marshall; to the Committee on Claims.

Also, a bill (H.R. 3153) for the relief of Arthur Witte; to the Committee on Claims.

Also, a bill (H.R. 3154) granting an increase of pension to Nora A. Kitchen; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3155) granting an increase of pension to Frances A. Bruce; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3156) granting a pension to Anna Barton; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3157) granting a pension to Elizabeth Rice; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3158) granting a pension to Mary Roberts; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3159) granting a pension to Elmer B. Kaley; to the Committee on Invalid Pensions.

By Mr. MILLARD: A bill (H.R. 3160) for the relief of William Ropes; to the Committee on Claims.

By Mr. ROBERTSON: A bill (H.R. 3161) for the relief of Henry Harrison Griffith; to the Committee on Claims.

By Mr. TINKHAM: A bill (H.R. 3162) granting a pension to Agnes M. Jackman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3163) granting a pension to Emma E. Durgin; to the Committee on Invalid Pensions.

By Mr. WEAVER: A bill (H.R. 3164) granting a pension to Flora Duckett; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3165) granting an increase of pension to Hezekiah C. Rice; to the Committee on Pensions.

Also, a bill (H.R. 3166) granting an increase of pension to William B. Roberts; to the Committee on Pensions.

Also, a bill (H.R. 3167) for the relief of Sue Hall Erwin; to the Committee on Naval Affairs.

Also, a bill (H.R. 3168) for the relief of Zeb Vance Davidson; to the Committee on Naval Affairs.

Also, a bill (H.R. 3169) authorizing the United States Employees' Compensation Commission to consider the claim of Martin Luther Mauney; to the Committee on Claims.

Also, a bill (H.R. 3170) for the relief of Claude B. Robinson; to the Committee on Naval Affairs.

Also, a bill (H.R. 3171) authorizing the United States Employees' Compensation Commission to consider the claim of O. G. Anderson; to the Committee on Claims.

Also, a bill (H.R. 3172) to reimburse Mrs. Charles Stewart for money expended by her in treatment of her husband, Charles L. Stewart, who was fatally wounded while in the performance of duty as deputy United States marshal; to the Committee on Claims.

Also, a bill (H.R. 3173) granting a pension to Ellen F. Colt; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3174) granting a pension to W. M. C. Craig; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3175) for the relief of John C. Gibbs; to the Committee on War Claims.

Also, a bill (H.R. 3176) for the relief of Ernest Elmore Hall; to the Committee on War Claims.

Also, a bill (H.R. 3177) for the relief of Mack Corn; to the Committee on War Claims.

Also, a bill (H.R. 3178) for the relief of Oswald Hood Harney; to the Committee on War Claims.

Also, a bill (H.R. 3179) for the relief of William J. Cocke; to the Committee on War Claims.

Also, a bill (H.R. 3180) to authorize the Secretary of Agriculture to adjust claims to so-called "Olmstead lands" in the State of North Carolina; to the Committee on the Judiciary.

Also, a bill (H.R. 3181) for the relief of Lloyd D. Rhodes; to the Committee on Military Affairs.

Also, a bill (H.R. 3182) for the relief of Flora R. Silverman; to the Committee on Military Affairs.

Also, a bill (H.R. 3183) for the relief of M. E. Haynie; to the Committee on Claims.

Also, a bill (H.R. 3184) for the relief of Edna Marshburn; to the Committee on Claims.

Also, a bill (H.R. 3185) for the relief of Ben F. Draper; to the Committee on Claims.

Also, a bill (H.R. 3186) for the relief of John H. Wykle; to the Committee on Claims.

Also, a bill (H.R. 3187) for the relief of Laura E. Alexander; to the Committee on Claims.

Also, a bill (H.R. 3188) for the relief of Rufus Hunter Blackwell, Jr.; to the Committee on Claims.

Also, a bill (H.R. 3189) granting a pension to Florence C. Gilmore; to the Committee on Pensions.

Also, a bill (H.R. 3190) granting a pension to Houston Caldwell; to the Committee on Pensions.

Also, a bill (H.R. 3191) granting a pension to Fred V. Hill; to the Committee on Pensions.

Also, a bill (H.R. 3192) granting a pension to Dora A. Behnken; to the Committee on Pensions.

Also, a bill (H.R. 3193) granting a pension to Robert Garrett; to the Committee on Pensions.

Also, a bill (H.R. 3194) granting a pension to Robert Edward Crawford; to the Committee on Pensions.

Also, a bill (H.R. 3195) granting a pension to Carl H. Felmet; to the Committee on Pensions.

Also, a bill (H.R. 3196) granting a pension to Beulah H. Baldwin; to the Committee on Pensions.

Also, a bill (H.R. 3197) granting a pension to Johnie G. Morris; to the Committee on Pensions.

Also, a bill (H.R. 3198) granting a pension to Dennis G. Harkins; to the Committee on Pensions.

Also, a bill (H.R. 3199) granting a pension to James P. Case; to the Committee on Pensions.

Also, a bill (H.R. 3200) granting a pension to Mary A. Jackson; to the Committee on Pensions.

Also, a bill (H.R. 3201) granting a pension to John V. Smith; to the Committee on Pensions.

Also, a bill (H.R. 3202) granting a pension to Allen G. T. Fox; to the Committee on Pensions.

By Mr. WEST: A bill (H.R. 3203) granting an increase of pension to Mary McHale; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

29. By Mr. BACON: Petition of sundry citizens of Lynbrook and vicinity, urging a constitutional amendment to eliminate the count of aliens for apportionment purposes; to the Committee on the Judiciary.

30. Also, petition of sundry citizens of Flushing, N.Y., protesting the relegalization of beer; to the Committee on the Judiciary.

31. Also, petition of executive committee of the New York State Economic Council, urging the grant by Congress to the President of all necessary power to reduce Government expenditures; to the Committee on Appropriations.

32. By Mr. CARTER of California: Petition signed by Irene Chapin, Flora Foster, and 45 others, of Oakland, Calif., urging the passage of the stop-alien-representation amendment; to the Committee on the Judiciary.

33. By Mr. GIBSON: Petitions of the Vermont Department of the American Legion, expressing appreciation of the action on the part of the War Policy Commission, and urging enactment of the proper legislation to establish a plan of universal conscription; opposing cancelation of war debts owed the United States by European countries, and favoring support of legislation benefiting widows and orphans of deceased veterans; to the Committee on Economy.

34. Also, petition of Bristol Post, No. 19, of the American Legion, Department of Vermont, opposing any of the proposed reductions in the benefits which are now being paid and any revision in the privileges that are now accorded by law to veterans of all wars; to the Committee on Economy.

35. By Mr. MEAD: Petition of the Buffalo Civic Defense League, Inc., supporting the Capper-Kelly bill; to the Committee on Interstate and Foreign Commerce.

36. By Mr. RUDD: Petition of S. Winterbourne & Co., New York City, favoring legislation for the discontinuance of the manufacture of paints and varnishes in the Government navy yards, as recommended by the Shannon investigating committee; to the Committee on Naval Affairs.

37. By Mr. SINCLAIR: Memorial in the nature of a joint resolution of the Senate and House of Representatives of the State of North Dakota, memorializing Congress for the enactment of legislation to insure the proper distribution of currency and the transaction of ordinary banking business in such a manner as to protect the interests of the people of the United States; to the Committee on Banking and Currency.

38. By Mr. WALDRON: Petition of Philadelphia Local, No. 40, National Association of Special Delivery Messengers of the Postal Service, requesting they be placed under a special classified service of the Postal Service with proper compensation and benefits such as do accrue to all civil-service employees; to the Committee on the Post Office and Post Roads.

39. By Mr. SUTPHIN: Resolution of the Asbury Park Kiwanis Club, pledging its unqualified fealty, support, and confidence to the new President and to the Congress of the United States in their efforts to solve the problems which now confront our Government; to the Committee on Ways and Means.

SENATE

MONDAY, MARCH 13, 1933

The Chaplain, Rev. ZeBarney T. Phillips, D.D., offered the following prayer:

Almighty God, who hast taught us in Thy Holy Word that whosoever dwelleth in the secret place of the most high shall abide under the shadow of the Almighty, be very near at this morning hour as we pause in loving reverence to pay grateful tribute to the memory of him whom Thou hast called unto Thyself, our companion and our friend, in whose heart there was no languor, in whose word there was no weakness; and though in these latter days weariness was on his brow, do Thou vouchsafe him rest and refreshment in that realm beyond the bound of waste, in the holy city of our God.

Deal tenderly with her the companion of his heart, and in this day of trouble be Thou her refuge and strength, a very present help, nearer than hands and feet, nearer than breath itself.

Comfort all who mourn the loss of loved ones; grant to those who suffer, surcease from their pain; bless the ministry of all who in Thy name respond to the call of urgent need in the face of this dire calamity that hath befallen us; and that we may climb higher to the graces of self-sacrifice, give us the godlike aim to know, the godlike power to do Thy will. Through Jesus Christ, our Lord. Amen.

LYNN J. FRAZIER, a Senator from the State of North Dakota, and HENRY D. HATFIELD, a Senator from the State of West Virginia, appeared in their seats today.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar day of Saturday, March 11, 1933, when, on request of Mr. ROBINSON of Arkansas and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, communicated to the Senate the resolutions of the House adopted as a tribute to the memory of Hon. Robert B. Howell, late a Senator from the State of Nebraska.

The message also announced that the House had passed a bill (H.R. 2820) to maintain the credit of the United States Government, in which it requested the concurrence of the Senate.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Kean	Reed
Ashurst	Costigan	Keyes	Reynolds
Austin	Couzens	King	Robinson, Ark.
Bachman	Dale	La Follette	Robinson, Ind.
Bailey	Dickinson	Lewis	Russell
Bankhead	Dill	Logan	Sheppard
Barbour	Duffy	Lonergan	Smith
Barkley	Fess	Long	Steiwer
Black	Fletcher	McAdoo	Stephens
Bone	Frazier	McCarran	Thomas, Okla.
Borah	George	McGill	Thomas, Utah
Bratton	Glass	McKellar	Townsend
Brown	Goldsborough	McNary	Trammell
Bulkley	Gore	Metcalf	Tydings
Bulow	Hale	Murphy	Vandenberg
Byrd	Harrison	Neely	Van Nuys
Byrnes	Hastings	Nye	Wagner
Capper	Hatfield	Overton	Walcott
Caraway	Hayden	Patterson	Walsh
Clark	Hebert	Pittman	White
Connally	Johnson	Pope	

Mr. WALSH. I desire to announce the absence of my colleague the junior Senator from Massachusetts [Mr. COOLIDGE] on account of a death in his family.

Mr. REED. I wish to announce that my colleague the junior Senator from Pennsylvania [Mr. DAVIS] is detained from the Senate by illness. I will let this announcement stand for the day.

Mr. BLACK. I wish to announce that the Senator from Montana [Mr. WHEELER] and the Senator from Wyoming [Mr. KENDRICK] are detained from the Senate, having been in attendance upon the funeral of the late Senator Walsh, of Montana.

Mr. HEBERT. I desire to announce that the Senator from Nebraska [Mr. NORRIS] and the Senator from Wyoming [Mr. CAREY] are absent from the Senate attending the funeral of the late Senator Robert B. Howell.

I also wish to announce that the Senator from Minnesota [Mr. SCHALL] is necessarily absent.

Mr. LEWIS. I wish to announce that my colleague the junior Senator from Illinois [Mr. DIETERICH] is detained from the Senate in attendance upon the funeral of the late Mayor Cermak, of Chicago.

Mr. NYE. The Senator from Minnesota [Mr. SHIPSTEAD] is necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-three Senators having answered to their names, a quorum is present.

AMENDMENT OF THE VOLSTEAD ACT (H.DOC. NO. 3)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was referred to the Committee on Finance and ordered to be printed, and it was read as follows:

To the Congress:

I recommend to the Congress the passage of legislation for the immediate modification of the Volstead Act, in order to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution; and to provide through such manufacture and sale, by substantial taxes, a proper and much-needed revenue for the Government.

I deem action at this time to be of the highest importance.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 13, 1933.*

RESOLUTIONS OF CONDOLENCE ON DEATH OF SENATOR WALSH, OF MONTANA

The VICE PRESIDENT laid before the Senate a resolution adopted by the mayor and council of the city of Newark, Ohio, as a tribute to the memory of Hon. Thomas J. Walsh, late a Senator from the State of Montana, and expressing heartfelt sympathy with his sorrowing family, the Senate, and the President, which was ordered to lie on the table.

The VICE PRESIDENT also laid before the Senate the following resolutions of condolence adopted by the Senate of the State of Nebraska, which were ordered to lie on the table:

Resolution in memoriam of United States Senator Thomas J. Walsh (introduced by Senators J. P. O'Furey, Fred G. Hawxby, and Crist Andersen)

Whereas it has come to the knowledge of the Senate of the State of Nebraska that United States Senator Thomas J. Walsh, of Montana, died suddenly this morning in his compartment en route to Washington, where he was soon to be taken into the Cabinet of the new administration as Attorney General of the United States: Therefore be it

Resolved by the Senate of the State of Nebraska, That it is the sense of this body that the United States Senate has lost one of its strongest Members and the Cabinet of the new administration will be greatly disarranged by reason of the sudden and untimely death of Thomas J. Walsh; and

Whereas it is conceded that Thomas J. Walsh, of Montana, more than any other United States Senator, has applied himself early and late in years gone by to expose all kinds of dishonesty and graft in the public service, and that through his unceasing energy and faithful application to duty he caused exposure of the graft and dishonesty with reference to the public oil leases during the Harding administration; and

Whereas it is conceded that Senator Walsh was one of the ablest lawyers in the United States, of outstanding ability, and of invincible integrity, and that his sudden passing will be mourned by the entire Nation and that his death is an irreparable loss to the Cabinet of the new administration: Therefore be it

Resolved, That the Senate of the State of Nebraska extends its sympathy to the bereaved family and joins with the Nation in mourning the loss of this able statesman and outstanding Democrat; be it

Resolved, That a copy of these resolutions be transmitted to the Senate of the United States.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Montana, which was referred to the Committee on Irrigation and Reclamation:

UNITED STATES OF AMERICA,
State of Montana, ss:

I, Sam W. Mitchell, secretary of state of the State of Montana, do hereby certify that the following is a true and correct copy of an act entitled "House Joint Memorial No. 6", a memorial to the Congress of the United States of America requesting enactment of United States Senate bills Nos. 5417 and 5471 relating to suspension of payments and loans to the reclamation funds of irrigation projects, enacted by the twenty-third session of the Legislative Assembly of the State of Montana, and approved by J. E. Erickson, Governor of said State, on the 6th day of March 1933.

In testimony whereof, I have hereunto set my hand and affixed the great seal of said State.

Done at the city of Helena, the capital of said State, this 7th day of March A.D. 1933.

[SEAL]

SAM W. MITCHELL,
Secretary of State.

House Joint Memorial 6

A memorial to the Congress of the United States of America requesting enactment of United States Senate bills Nos. 5417 and 5471 relating to suspension of payments and loans to the reclamation funds of irrigation projects

To the Honorable Senate and House of Representatives of the United States of America:

Your memorialists, the members of the Twenty-third Legislative Assembly of the State of Montana, respectfully represent that

Whereas there have been introduced into the United States Senate for passage, Senate bills Nos. 5417 and 5471, which are complementary one to the other, the first providing for a suspension in payment of charges due from the Federal reclamation-project settlers to the United States which will in like amount decrease the income of the reclamation fund for the period of the suspension; and the second providing for a loan to the reclamation fund to replace the income thereto thus suspended; and

Such suspension of construction charges has become necessary on account of the extremely low prices affecting all agricultural communities; and

There has already been authorized by the Congress of the United States the construction of irrigation projects under the provisions of the reclamation act; and

Said Federal projects are now only partially completed and incapable of substantial self-liquidation of their present costs until the same are completed; and

The settlers upon numerous privately projected irrigation districts of the State are on the verge of being forced out of their homes because of an inadequate water supply due to lack of storage, and depreciation of distribution facilities, and a supplemental water supply can be made most readily available by the Federal Reclamation Bureau; and

Delays in completion of projects already begun and the commencement of those projects contemplated to rehabilitate worthy enterprises will result in serious loss to the United States and to the State of Montana in (a) direct increase in unemployment to the extent of several thousand men, with incidental increase in unemployment in those industries which supply such projects, incalculable; (b) depreciation of works already constructed in such incomplete projects, and of idle money therein invested; and (c) the crushing blow to those under said projects having inadequate water supply and having staked all in faith upon the Federal Government's completing that which it has undertaken.

Failure to enact said bills, or similar legislation, will result in the discharge of thousands of men now employed and the consequent loss in purchasing power for consumption of both farm and industrial products and add to the depression prevailing in all markets; and for

Effective relief to the State of Montana and its citizens the timely completion of said projects; and the enactment of the bills, herein designated, into laws, are propositions of inseparable relation: Therefore be it

Resolved by the joint action of the Legislative Assembly of the State of Montana, That the Congress of the United States in furtherance of subsisting national policies of reconstruction and reclamation, make early enactment of United States Senate bills Nos. 5417 and 5471 into law; and be it further

Resolved, That the secretary of state of Montana be, and he is hereby, directed forthwith to transmit a copy of this memorial to each, the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and to the Montana delegation in Congress, with a request that they expeditiously promote the enactment into law of United States Senate bills Nos. 5417 and 5471.

D. A. DELLWO,
Speaker of the House.
TOM KANE,
President pro tempore of the Senate.

Approved March 6, 1933.

J. E. ERICKSON, *Governor.*

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Banking and Currency:

Senate joint resolution memorializing the Congress of the United States to speedily rehabilitate silver, and petitioning the President-elect to call an international conference on the subject

The restoration of silver to its natural parity ratio of 16 to 1, based on the ratio of world production of silver and gold, appears to be essential to sound and necessary expansion of the basic currency of the world. Such restoration appears to be the most feasible plan to increase the purchasing power of more than half of the population of the world, enabling them to buy products of the

United States and other gold-standard nations. Such restoration appears to be a requisite in order to increase our export trade and the sale of our surplus production, now depressing our domestic market below the actual cost of production. No plan as yet presented would do more toward restoring the economic stability of the world than the realization of the facts: That silver is not even as much a commodity as is gold; that four fifths of the silver now being produced, and that ever has been produced, has been used for monetary purposes, while only half of the gold ever produced has been so used; that laws did not make money of either gold or silver; they were money long before any monetary laws were ever enacted; that since the beginning of time there has not been produced throughout the world on the average more than 15 ounces of silver to 1 ounce of gold and that in 1932 there were actually less than 13 ounces of silver produced to each 1 ounce of gold; that monetary laws alone have artificially decreased the demand for silver through restricting its use as money, thus decreasing its relative value, and we must therefore now remove or neutralize these artificial restrictions before we may hope to restore the natural laws of supply and demand. Nevada therefore favors any and all legislation, whether national or international, tending to effect the rehabilitation of silver, but is informed and believes that the only bill introduced in the Senate and the House of Representatives during the last two sessions of Congress which has received a favorable report from any committee is that introduced by Senator PITTMAN for the purchase of American-produced silver with silver certificates, and this, in all probability, is the extent of legislation that could be enacted at the present session of Congress. And while some might be inclined to take nothing less than what they think is right, others are inclined to compromise upon the best they can get, if it be a really forward step, particularly so when faced by an emergency which demands prompt alleviation. The Silver State therefore submits that said Pittman bill is a step in the right direction; will tend to offset the unnatural supply of silver now derived from the melting of Indian silver coins and, at least to that extent, will tend to restore the market for silver to the normal mine production and the normal world demand; whereupon, at subsequent sessions of Congress, when conditions may be more favorable for silver legislation, we may hope for amendment of the Pittman bill to enlarge its scope and effect. In 1897 Nevada vigorously supported the Federal act (29 Stat. 624) authorizing the President of the United States to appoint five or more commissioners to attend any international conference called by the United States or any other country with a view to securing by international agreement a fixity of relative value between gold and silver as money, by means of a common ratio between these metals with free mintage at such ratio, and appropriating $100,000 for the expenses of any such conference. That act is still in full force and effect, but the conference has never yet been called, even though the Senate of the United States, in adopting the Pittman resolution, specifically requested the President to do so. The "Silver" State therefore respectfully urges and petitions the President-elect to call an international silver conference to be held in the United States at the earliest practical date:

Resolved, therefore, by the Senate and the Assembly of the State of Nevada, That we memorialize the present Congress of the United States to enact the Pittman bill (S. 3606) and respectfully petition the President-elect of the United States to promptly call an international conference to rehabilitate silver;

Resolved further, That copies of this resolution be transmitted forthwith by the secretary of state of Nevada to the President of the United States Senate, to the Speaker of the House of Representatives, to the chairman of the House Committee on Banking and Currency, to our Senators and our Representative in Congress, and a copy under the great seal of the State of Nevada to the President-elect of the United States.

MORLEY GRISWOLD,
President of the Senate.
V. R. MERIALDO,
Secretary of the Senate.
FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.

STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

Approved March 6, 1933, 9:03 a.m.

F. B. BALZAR, *Governor.*

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Finance:

Senate joint resolution memorializing Congress to pass the so-called "Wheeler bill" providing for the coinage of silver at the ratio of 16 to 1

Whereas there is now pending before Congress an act introduced by Senator WHEELER, of Montana, providing for the coinage of silver at the ratio of 16 to 1; and

Whereas the silver industry is of vital importance to the people of the State of Nevada; and

Whereas it is the belief of the people of this State that the enactment of the said measure will restore prosperity to our State in a greater degree than any other measure or plan before Congress: Now, therefore, be it

Resolved by the Senate and the Assembly of the State of Nevada, That Congress be urged to enact the so-called "Wheeler bill" into law; and be it further

Resolved, That the secretary of state transmit certified copies of this resolution to the President of the Senate, the Speaker of the House of Representatives, and to our Senators and Representative in Congress.

MORLEY GRISWOLD,
President of the Senate.
V. R. MERIALDO,
Secretary of the Senate.
FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.

STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

Approved March 6, 1933, 9:10 a.m.

F. B. BALZAR, *Governor.*

STATE OF NEVADA,
Department of State, ss:

I, W. G. Greathouse, the duly elected, qualified, and acting secretary of state of the State of Nevada, do hereby certify that the foregoing is a true, full, and correct copy of the original Senate Joint Resolution No. 14, introduced by Senator Marsh on February 15, 1933, now on file and of record in this office.

In witness whereof I have hereunto set my hand and affixed the great seal of State at my office, in Carson City, Nev., this 6th day of March A.D. 1933.

[SEAL]

W. G. GREATHOUSE,
Secretary of State.

The VICE PRESIDENT also laid before the Senate resolutions adopted by the Georgetown Progressive Business Club, of Georgetown, D.C., endorsing George W. Offutt for appointment as a Commissioner of the District of Columbia, which were referred to the Committee on the District of Columbia.

He also laid before the Senate resolutions adopted by the councils of the cities of Columbus, Ohio, and South Bend, Ind., favoring the passage of legislation authorizing and directing the Postmaster General to issue a special series of postage stamps of the denomination of 3 cents, commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment as brevet brigadier general of the Continental Army on October 13, 1783, of Thaddeus Kosciusko, which were referred to the Committee on Post Offices and Post Roads.

Mr. KING presented the petition of R. C. Harris and 94 other citizens of Tremonton, Utah, praying for a thorough checking of benefits and allowances paid from the Treasury to nondisabled or slightly disabled veterans, the curtailment of expenditures, and the balancing of the Budget, which was ordered to lie on the table.

Mr. WALSH presented a petition of sundry citizens of Holliston and Wakefield, Mass., praying for the passage of legislation to revaluate the gold ounce, which was referred to the Committee on Banking and Currency.

He also presented petitions and papers in the nature of petitions of the Hampshire County Woman's Christian Temperance Union, of Northampton; the Palmer Woman's Tuesday Club, of Palmer, and 328 citizens—all in the State of Massachusetts, praying for the passage of legislation to regulate and supervise the motion-picture industry, which were referred to the Committee on Interstate Commerce.

He also presented a memorial of sundry citizens of Southbridge and Worcester, Mass., remonstrating against the repeal of the eighteenth amendment of the Constitution or the modification of the Volstead Act, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by Gilbert-Perry Post, No. 115, Veterans of Foreign Wars, of Attleboro, Mass., opposing any reduction at this time in the active naval forces of the Nation, which was referred to the Committee on Naval Affairs.

Mr. COPELAND presented resolutions adopted by the Chambers of Commerce of Watertown and Winthrop, in the State of New York, urging the ratification of the Great Lakes-St. Lawrence Seaway Treaty with Canada, which were referred to the Committee on Foreign Relations.

He also presented a resolution adopted at Newburgh, N.Y., by the Hudson Valley Federated Chamber of Commerce, remonstrating against the ratification of the Great Lakes-St.

Lawrence Seaway Treaty with Canada, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted at Walden, N.Y., by members of Farmers' Local, Dairymen's League Cooperative Association, Inc., favoring the enactment of legislation to change the monetary system of the United States so as to cause commodity prices to be restored to the average price levels of 1921–1929, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted at Buffalo, N.Y., by the J. W. K. Political and Social Club, Inc., favoring the revaluation of the gold ounce and the enactment of legislation to provide for limiting the operation of machinery by manufacturers and contractors to prevent overproduction, which was referred to the Committee on Banking and Currency.

He also presented a petition of sundry citizens of Buffalo, N.Y., praying for the revaluation of the gold ounce, the correction of financial abuses, and a tax on labor-reducing machinery, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the executive committee of the New York State Economic Council, at New York City, urging Congress to give to the President all necessary power to enable him to reduce the expenditures of the Federal Government to the utmost possible extent, which was ordered to lie on the table.

He also presented the memorial of M. Egan, of Brooklyn, N.Y., remonstrating against the curtailment of benefits accorded to veterans of the Spanish-American War, which was ordered to lie on the table.

MAINTAINING CREDIT OF UNITED STATES GOVERNMENT

Mr. ASHURST. Mr. President, I have received, as doubtless many Senators have, a large number of telegraphic dispatches respecting Senate bill No. 233, a bill to maintain the credit of the United States Government. One of the dispatches reads as follows:

I feel it my duty to advise that your future success is in grave danger if you uphold granting presidential power.

Another reads:

Your attitude very unsatisfactory. You are taking $6,300,000 annually from Arizona, and are politically dead unless you change your attitude.

Mr. President, some time ago I made the astonishing and for awhile, to myself, the distressing discovery that the perpetuity of the American Government did not absolutely depend upon the reelection of one HENRY FOUNTAIN ASHURST to the Senate of the United States.

When a Senator makes such a discovery, at first the fact appears incredible. It seems as if the stars above his head had faded and the earth had slipped beneath his feet. But, as time rolls on, such a discovery proves to be a real antidote to megalomania; and the further flight of time brings to the discoverer a serenity and a humility to be envied by the world's greatest philosophers.

It may be, Mr. President, that the perpetuity of the American Republic does not depend upon my reelection to the Senate; but the perpetuity of the Republic may indeed depend upon granting to the President the authority to make the economies called for in his message to Congress.

HOSPITALIZATION FOR NON-SERVICE-CONNECTED CASES

Mr. DUFFY. I ask unanimous consent to have printed in the RECORD and to lie on the table a telegram from the Governor of Wisconsin pertaining to Senate bill 233.

There being no objection, the telegram was ordered to lie on the table and to be printed in the RECORD, as follows:

MADISON, WIS., *March 11, 1933.*

Senator F. RYAN DUFFY,
Senate Chamber, Washington, D.C.:

The proposal to remove from Federal hospital all non-service-connected veterans is a mistake at the present time, because these cases would be thrown upon the communities for hospital care. It would merely transfer the burden and not be an economy at the present time. The Wisconsin Memorial Hospital for Soldiers would have to be abandoned if this proposal and policy is adopted.

A. G. SCHMEDEMAN, *Governor.*

DISTRIBUTION OF NEW CURRENCY

Mr. TYDINGS. Mr. President, I present a joint resolution of the General Assembly of Maryland and ask that it may be referred to the Committee on Banking and Currency. It is a resolution dealing with the recently passed banking law and suggests some amendments.

The VICE PRESIDENT. The joint resolution of the General Assembly of Maryland will be received and referred as requested.

(See S.J.Res. 6 of the General Assembly of Maryland concerning the present banking and currency situation, when presented by Mr. GOLDSBOROUGH on the 11th instant and printed in full, p. 194, CONGRESSIONAL RECORD.)

RELIEF OF MUNICIPALITIES IN BANKRUPTCY PROCEEDINGS

Mr. FLETCHER. Mr. President, when the bankruptcy bill was pending, I offered an amendment to have included in it municipal corporations and taxing districts, but the committee did not have time to consider the matter and did not report it favorably. After the bill came to the Senate, I had occasion to confer with Senators on both sides of the Chamber, and I could not find very much sympathy with the amendment. I am quite sure it has not been thoroughly considered. I have this morning a communication from the mayor of Coral Gables, and attached to that letter is an opinion by an eminent firm of lawyers of New York City, Thomson, Wood & Hoffman, as to the constitutionality of that provision, which was one of the questions raised about it.

I ask to have inserted in the RECORD this communication and this opinion rendered on the subject of legislation designed to afford relief to municipalities under bankruptcy proceedings.

A thousand municipalities in 41 States are today in default on their bonds, and there will be a thousand more within a few months. I think this is a subject which is of importance; it raises the question whether a minority—say, one third of the bondholders of a municipality—may prevent any just settlement or compromise of its indebtedness at will, and I am going to ask the Committee on the Judiciary to give a hearing on it a little later when it is presented in proper form. In the meantime I am asking to have the opinion referred to printed in the RECORD, and also some other views which are attached. I ask also that they may be referred to the Committee on the Judiciary.

There being no objection, the papers presented by Mr. FLETCHER were referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

CORAL GABLES, FLA., *March 8, 1933.*

Hon. DUNCAN U. FLETCHER,
United States Senator, Senate Chamber, Washington, D. C.

DEAR SENATOR FLETCHER: I am sending you herewith a copy of the legal opinion given by Thomson, Wood & Hoffman, of New York City, as to the constitutionality of the municipality composition amendment to the bankruptcy law. In view of suggestions which have been made to you, as I understand, by other people, this will be illuminating as clearly demonstrating the constitutionality of the act.

We find that bankers and municipal bond houses favor the proposed amendment as sound and necessary to meet the emergent situation which has arisen; this makes it fairly unanimous.

Even the Bondholders' Protective Committee, representing 90 percent of Coral Gables' bondholders, have indicated their intention to urge the matter at a hearing before the Senate Judiciary Committee.

All Florida municipalities in default are hopeful that you will be successful in the passage of this amendment in the Senate at the special session.

Cordially yours,

VINCENT D. WYMAN, *Mayor.*

NEW YORK, *March 1, 1933.*

Senator DANIEL O. HASTINGS,
Senate Office Building, Washington, D.C.:

DEAR SIR: Our opinion has been requested as to the constitutionality of the amendment to the bankruptcy law, proposed by Senator FLETCHER, of Florida, providing a means whereby insolvent municipal corporations and taxing districts may obtain relief from the burden of their indebtedness. The bill proposed by the Senator contemplates the presentation of a petition to the United States district court by the insolvent municipality, accompanied by a plan for the rearrangement of its indebtedness, which has been approved by the holders of 50 per cent in amount of its out-

standing debt. A hearing is held upon the petition after due notice, at which hearing minority creditors have the right to be heard regarding the plan and to present an alternative plan. In the event a composition or adjustment plan is accepted in writing, filed in the proceeding by or on behalf of creditors holding two thirds in amount of the claims against the municipality allowed by the court, and the court is satisfied that the plan is equitable; that it is fairly based upon the reasonable capacity of the municipality to pay; that the plan has been offered and accepted in good faith and provides for the payment of costs of administration and allowances made by the court, and that the municipality is authorized by law to take all action necessary to carry out the plan, an order of confirmation is entered by the court which is binding upon all creditors. The confirmation of the plan and the delivery of the compromise securities discharge the municipality from its debts except as provided in the plan.

The proposed bill is intended to be applicable to existing debts, and the question arises whether it is within the power of Congress to enact a statute the effect of which would be to impair the obligation of contracts. By the tenth section of article I of the Federal Constitution the States are prohibited from passing laws impairing the obligation of contracts, but it is to be noted that there is no similar restriction imposed by the Constitution upon the Congress of the United States. The failure to so provide was not an oversight. When the tenth section of article I of the Federal Constitution was under consideration in the Constitutional Convention and it was amended to prohibit the States from passing laws impairing the obligation of contracts, Mr. Gerry made a motion that Congress be laid under a like prohibition. His motion, however, was not seconded. (Elliott's Debates, vol. 5, p. 540.)

It has been contended, however, from time to time that the fifth amendment, which prohibits the Federal Government from depriving persons of property without due process of law, had the effect of inhibiting the enactment of Federal legislation impairing the obligation of contracts, inasmuch as a contract right is property. No doubt the fifth amendment prohibits the Congress from passing laws which directly appropriate contract rights or the benefits arising therefrom, but it clearly was not intended to inhibit the enactment of Federal legislation under a power expressly conferred upon Congress by the Federal Constitution, which incidentally impaired the obligation of private contracts. In *Mitchell* v. *Clark* (110 U.S. 633) the Supreme Court of the United States, with reference to a contention that a statute of limitations enacted by Congress impaired the obligation of contracts, said:

"It is no answer to this to say that it interferes with the validity of contracts, for no provision of the Constitution prohibits Congress from doing this, as it does the States; and where the question of the power of Congress arises, as in the *Legal Tender cases*, and in bankruptcy cases, it does not depend upon the incidental effect of its exercise on contracts, but on the existence of the power itself."

Chief Justice Taft, in *New York* v. *United States* (257 U.S. 591), used the following language:

"The next objection is that the State has a charter contract with the New York Central Railroad Co. by which the latter is bound not to charge more than 2 cents a mile for passenger carriage between Albany and Buffalo, and that, if the Transportation Act permits the Interstate Commerce Commission by such an order to enable the railroad company to violate its contract, it impairs the obligation of a contract in violation of section 10, article I, of the Federal Constitution. That section provides that 'no State shall * * * pass any * * * law impairing the obligation of contracts,' and does not in terms restrict Congress of the United States. But it is said that it deprives New York and her people of property without due process of law. We said in *Addyston Pipe & Steel Co.* v. *United States* (175 U.S. 211, 230), 'Anything which directly obstructs and thus regulates that commerce which is carried on among the States, whether it is State legislation or private contracts between individuals or corporations, should be subject to the power of Congress in the regulation of that commerce.'"

We consider the law well settled that where Congress is vested by the Constitution with power to legislate upon any subjects, it may do so regardless of the incidental effect of such legislation upon outstanding contracts.

By the fourth clause of section 8 of article I of the Constitution, Congress is given power to enact "Uniform laws on the subject of bankruptcies throughout the United States." The power of Congress to enact a bankruptcy law, accordingly, cannot be questioned; and it may, in the exercise of this power, enact a law which may impair the obligation of existing contracts. So far as we know there is no square decision of the Supreme Court of the United States upon the subject, but the dicta of the members of that court in many cases, in our opinion, leave little doubt as to what the Court's decision would be if the question is ever presented to it.

In re *Klein* (14 Fed. Cas. 716) was an appeal from the district court involving the question of the power of Congress to enact a bankruptcy law applicable to debts incurred prior to its passage. The opinion was rendered by Justice Catron of the United States Supreme Court sitting in the circuit court. He reversed the decision below and held that it was within the power of Congress to enact such a law. So far as we know this is the only square decision upon the subject. In *Hanover National Bank* v. *Moyses* (186 U.S. 181) the court, after quoting from Justice Catron's opinion, said:

"Counsel justly says that 'the relation of the debtor and creditor has a dual aspect and contains two separate elements. One is the right of the creditor to resort to present property of the debtor through the courts to satisfy the debt; the other is the personal obligation of the debtor to pay the debt, and he will devote his energy and labor to discharge it' (4 Wheat. 198), and 'in the absence of property the personal obligation to pay constitutes the only value of the debt.' Hence the importance of the distinction between the power of Congress and the power of the States. The subject of 'bankruptcies' includes the power to discharge the debtor from his contracts and legal liabilities, as well as to discharge his property. *The grant to Congress involves the power to impair the obligation of contracts, and this the States were forbidden to do.*" (Italics ours.)

Again in *Canada Southern Railroad Co.* v. *Gebhard* (109 U.S. 527), the court, in considering a Canadian statute providing for the refunding of the indebtedness of an insolvent railroad corporation with the approval of the majority of the creditors, said:

"Hence it seems to be eminently proper that where the legislative power exists some statutory provision should be made for binding the minority in a reasonable way by the will of the majority; and unless, as is the case in the States of the United States, the passage of laws impairing the obligation of contracts is forbidden, we see no good reason why such provision may not be made in respect to existing as well as prospective obligations. The nature of securities of this class is such that the right of legislative supervision for the good of all, unless restrained by some constitutional prohibition, seems almost necessarily to form one of their ingredients, and when insolvency is threatened, and the interests of the public, as well as creditors, are imperiled by the financial embarrassments of the corporation, a reasonable 'scheme of arrangement' may, in our opinion, as well be legalized as an ordinary 'composition in bankruptcy.' In fact such 'arrangement acts' are a species of bankrupt acts. * * * It is in entire harmony with the spirit of bankrupt laws, the binding force of which, upon those who are subject to the jurisdiction, is recognized by all civilized nations. It is not in conflict with the Constitution of the United States, which, although prohibiting States from passing laws impairing the obligation of contracts, allows Congress 'to establish uniform laws on the subject of bankruptcy throughout the United States'."

In our opinion, there can be little doubt as to the power of Congress to enact a bankruptcy law applicable not only to debts incurred after its passage but also to debts incurred prior to that date.

It may, perhaps, be contended that the proposed act is not a bankruptcy act within the meaning of the fourth clause of section 8 of article I of the Federal Constitution. We do not think that this contention can be sustained. The decision *in re Klein*, supra, in our opinion, would dispose of such a contention and, moreover, in *Hanover National Bank* v. *Moyses*, supra, it was held that the power vested in Congress by the Constitution was not limited to the enactment of bankruptcy laws of the character theretofore enacted, but that the framers of the Constitution "granted plenary power to Congress over the whole subject of bankruptcies and did not limit it by the language used."

Similarly, in *Canada Southern Railway Co.* v. *Gebhard*, supra, Chief Justice Waite declared the Canadian Arrangement Act under consideration in that case to be a species of bankrupt act, and further said:

"The confirmation and legalization of 'a scheme of arrangement' under such circumstances is no more than is done in bankruptcy when a 'composition' agreement with the bankrupt debtor, if assented to by the required majority of creditors, is made binding on the nonassenting minority. In no just sense do such governmental regulations deprive a person of his property without due process of law. They simply require each individual to so conduct himself for the general good as not unnecessarily to injure another. Bankrupt laws have been in force in England for more than 3 centuries, and they had their origin in the Roman law. The Constitution expressly empowers the Congress of the United States to establish such laws. Every member of a political community must necessarily part with some of the rights which, as an individual, not affected by his relation to others, he might have retained. Such concessions make up the consideration he gives for the obligation of the body politic to protect him in life, liberty, and property. Bankruptcy laws, whatever may be the form they assume, are of that character."

In our opinion, there can be little question that the proposed statute, if enacted by Congress, would constitute a bankruptcy law within the meaning of the fourth clause of section 8 of article I of the Constitution.

The bill is novel in that, for the first time, it is proposed to extend the bankruptcy laws to municipalities and other political subdivisions of the States. It is our opinion, however, that Congress possesses the power to enact such a law. The courts have long held that due to the federal form of government provided by the Constitution of the United States the Federal Government can not impede the exercise of the governmental functions of the States. We are, however, unable to see in what respect the proposed bill would impede the governmental functions of the States or any of their instrumentalities of government or in any way impair the sovereignty of the respective States. So far as the municipalities are concerned, the act is purely permissive. They may or may not take advantage of its provisions at their option. No municipality can be brought into the bankruptcy court against its will. The effect of the bill is simply to broaden the provisions of the existing bankruptcy laws so as to permit municipalities to

take advantage of them if they so desire. The court exercises no political functions. In no respect may it regulate the governmental activities of the municipality. On the contrary, the bill is an attempt to prevent the governmental functions of the municipalities being impaired by reason of financial difficulties. It does no more than provide a judicial proceeding for the adjustment of a controversy of a commercial nature between the municipality and its creditors. In our opinion, a statute providing for a composition between a municipality and its creditors under the supervision of a Federal court, particularly when the proceeding can be initiated only by the municipality, does not infringe upon the sovereignty of the States.

It is our opinion, therefore, that the proposed Fletcher bill, if enacted by the Congress, would not be unconstitutional.

Very truly yours,

THOMSON, WOOD & HOFFMAN.

Mr. FLETCHER. Some further thoughts on the subject have been submitted to me which I consider most important and impressive, which I ask to have inserted in the RECORD, to wit:

Under the dual Federal and State system of government in the United States, bankruptcy powers are exclusively Federal functions. (*People* v. *Irving Trust Co.*, 53 Sup. Ct. Rept. 389; 284 U.S. 225.) If the actual or potential property rights or resources of individuals and corporations, which may consist of liens and other intangible rights, as well as corporeal property, can be impounded and utilized to pay debts as far as the property rights may pay, followed by a discharge of the debtor from the remainder of the debt, then it should not be unconstitutional or impossible to apply the bankruptcy powers of Congress to the taxing resources of governmental units.

The foundation principle of the dual system of government under the Constitution of the United States is that either the Federal or the State authorities have power to afford any governmental remedy that may be needed in any great emergency in human affairs. The emergency needing a remedy for general and acute insolvency is here and the States have no bankruptcy power; therefore the needed power must be in the Congress, and statesmanship should formulate and apply an effective remedy.

Where property subect to debts and the power to impose ad valorem and license or excise taxes are the only resources with which taxing units may pay their debts, if the bankruptcy powers of the Federal Government cannot act upon the taxing resources of a governmental unit, then government fails when a taxing unit is and will continue to be utterly unable to pay its debts, and neither the taxing unit nor its creditors can invoke the functions of a governmental tribunal to adjust the debts and enforce pro tanto liquidation and a discharge from the remainder of the debts.

If a governmental unit having only taxing-power resources and no property subject to debts owes debts equal to say, 100 percent and it cannot possibly pay more than, say, 60 percent by the use of its taxing resources extending over a period of, say, 20 years, why cannot the probable yearly tax income be ascertained and established, and the amount of the debt that can reasonably and probably be paid, established as the amount to be paid, and a discharge given for the remainder of the old debt?

When the amount to be paid and the period of payment are duly established, the necessary tax levies may be enforced by the State processes if statutory duties are not performed.

The statute and the procedure thereunder should be efficient, prompt, and fair to the debtor and creditor; then the American spirit now waning will be revived and patriotism and integrity will prevail again.

ORDER OF PROCEDURE

Mr. TRAMMELL. Mr. President, I desire to make a parliamentary inquiry. Are we going to follow the regular order this morning or proceed by unanimous consent?

The VICE PRESIDENT. The presentation of petitions and memorials is now in order.

SUPPORT OF PRESIDENT'S ECONOMY PROGRAM

Mr. REED. Mr. President, I ask that the telegram which I now send to the desk may be read by the clerk.

The VICE PRESIDENT. Without objection, the clerk will read the telegram.

The Chief Clerk read as follows:

CHICAGO, ILL., *March 12, 1933.*

Senator DAVID A. REED,
Senate Office Building, Washington:

The Crusaders, numbering more than 1,000,000 members, many of whom are veterans of the World War, whose patriotism did not end with the signing of the armistice, are actively fighting for the President's program for effecting national economies. We commend those Members of the lower House who patriotically and in the public interest supported the bill. We urge you to use your best efforts to have this bill passed without delay. Bear in mind that the vast army comprising the unorganized majority is thoroughly aroused over reckless Government expenditures and will not tolerate submission to organized minority groups. In this hour of national distress anything but united patriotic action is unthinkable.

CHARLES S. DEWEY.

PROTECTION OF BANKS

Mr. ROBINSON of Indiana. Mr. President, I have received a telegram from Vincent Bendix, South Bend, Ind., who is very prominent in the business world, which I desire to read, as follows:

CHICAGO, ILL., *March 11, 1933.*

Hon. ARTHUR R. ROBINSON,
The Mayflower, Washington, D.C.:

It is regrettable that the new banking legislation, which means further deflation, is going to affect unfavorably so many banks throughout the United States which only need a little more time and some improvement in the price levels to carry on; and, if many of these banks are handicapped or closed, it will mean a continuation and enlargement of the very deplorable and destructive deflation that is destroying the commercial life of countless corporations and individuals. Some form of bank guaranty for part if not all of the deposits in all of our banks could not cost our Government very much, in fact, only a fraction of the actual losses to industry that will ensue if it is not done. Many banks, if their deposits were frozen in proportion to their assets, would be able to carry on and weather the financial storm under some supplementary banking regulations to cover that class of institutions. We must save our country from any further general deflation, as a great majority of the people will lose while, relatively, only a few institutions and individuals will benefit by such further destruction.

VINCENT BENDIX.

SOUTH BEND, IND.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. McNARY:

A bill (S. 319) to extend the boundaries of the Fremont National Forest; to the Committee on Agriculture and Forestry.

(Mr. ROBINSON of Arkansas introduced Senate bill 320, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. NYE:

A bill (S. 321) to amend section 99 of the Judicial Code (U.S.C., title 28, sec. 180), as amended; to the Committee on the Judiciary.

By Mr. TRAMMELL:

A bill (S. 322) to amend the act entitled "An act to provide for loans to farmers for crop production and harvesting during the year 1933, and for other purposes," approved February 4, 1933; to the Committee on Agriculture and Forestry.

A bill (S. 323) to amend the Emergency Relief and Construction Act of 1932 with respect to time for payment of loans to fruitgrowers made by regional agricultural credit corporations; to the Committee on Banking and Currency.

By Mr. FLETCHER and Mr. TRAMMELL:

A bill (S. 324) to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. COSTIGAN:

A bill (S. 325) to provide emergency financing facilities for unemployed workers, to relieve their distress, to increase their purchasing power and employment, and for other purposes; to the Committee on Manufactures.

By Mr. FRAZIER:

A bill (S. 326) referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement; to the Committee on Indian Affairs.

By Mr. HALE:

A bill (S. 327) to correct the naval record of Fred Allen Wickett;

A bill (S. 328) for the relief of William Frank Dunn;

A bill (S. 329) for the relief of Bernard Leroy Eaton;

A bill (S. 330) to correct the naval record of George Edward Maroon;

A bill (S. 331) for the relief of Oscar Pinette;

A bill (S. 332) for the relief of William C. Whitehead; and

A bill (S. 333) for the relief of Clarence Leroy Witham; to the Committee on Naval Affairs.

By Mr. BULKLEY:

A bill (S. 334) to amend the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933; to the Committee on Banking and Currency.

By Mr. DILL:

A bill (S. 335) to amend the law relative to citizenship and naturalization, and for other purposes; to the Committee on Immigration.

A bill (S. 336) for the relief of the Edward F. Gruver Co.;

A bill (S. 337) for the relief of Heimo Sarkkinen; and

A bill (S. 338) for the relief of John J. Sanford; to the Committee on Claims.

A bill (S. 339) for the refundment of certain countervailing customs duties collected upon logs imported from British Columbia; and

A bill (S. 340) to prohibit appointment of Members of Congress to offices of the Federal Government for a period of 2 years after the expiration of their term of service in Congress; to the Committee on the Judiciary.

A bill (S. 341) relating to suits for infringement of patents where the patentee is violating the antitrust laws; and

A bill (S. 342) to amend and consolidate the acts respecting copyright; to the Committee on Patents.

A bill (S. 343) to aid the several States in constructing post roads; to the Committee on Post Offices and Post Roads.

By Mr. TOWNSEND:

A bill (S. 344) to protect depositors in national banks, to regulate the withdrawal of deposits in such banks in certain cases, and for other purposes; to the Committee on Banking and Currency.

A bill (S. 345) for the relief of Ida C. Buckson, executrix of E. C. Buckson, deceased;

A bill (S. 346) for the relief of the Hamburg-American Line;

A bill (S. 347) for the relief of Alfred L. Hudson; and

A bill (S. 348) for the relief of Stanley E. Richardson; to the Committee on Claims.

A bill (S. 349) for the relief of Edward Xavier Linck; to the Committee on Naval Affairs.

A bill (S. 350) granting an increase of pension to Mary Elizabeth Hall; to the Committee on Pensions.

By Mr. TYDINGS:

A bill (S. 351) to amend section 206 of the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933; and

A bill (S. 352) to amend section 304 of the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933; to the Committee on Banking and Currency.

By Mr. CAPPER:

A bill (S. 353) to renew and extend certain letters patent; to the Committee on Patents.

A bill (S. 354) to provide old-age securities for persons over 60 years of age residing in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. COPELAND:

A bill (S. 355) for the relief of George B. Pfeiffer; and

A bill (S. 356) for the relief of the Great American Indemnity Co. of New York; to the Committee on Claims.

A bill (S. 357) to amend the law relative to citizenship and naturalization, and for other purposes; to the Committee on Immigration.

By Mr. REED:

A bill (S. 358) to authorize the Court of Claims of the United States to hear and determine the claim of Samuel W. Carter; to the Committee on Claims.

By Mr. McNARY:

A joint resolution (S.J.Res. 15) extending to the whaling industry certain benefits granted under section 11 of the Merchant Marine Act, 1920; to the Committee on Commerce.

By Mr. NEELY:

A joint resolution (S.J.Res. 16) providing for the investigation, survey, and report of a continuous water line from the James River in Virginia to the New and Kanawha Rivers in West Virginia; to the Committee on Commerce.

By Mr. COSTIGAN:

A joint resolution (S.J.Res. 17) proposing an amendment to the Constitution of the United States to permit the taxation of tax-exempt securities; to the Committee on the Judiciary.

RELIEF OF CALIFORNIA EARTHQUAKE SUFFERERS

Mr. McADOO. Mr. President, I introduce a joint resolution providing relief for earthquake sufferers in southern California and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The joint resolution will be read.

The joint resolution (S.J.Res. 14) authorizing the President of the United States to expend $5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933 was read the first time by its title and the second time at length, as follows:

Resolved, etc., That there is hereby appropriated $5,000,000 as a fund for the relief of distress in those counties of the State of California which are designated by the President of the United States as having been materially damaged by earthquake in the year 1933; be it further

Resolved, That said sum shall be disbursed by the Treasurer of the United States on the order of the President, or by such person, committee, or corporation as may be designated by him to administer such fund, to such persons, firms, or corporations as may be found by the President or his designees to be in need of relief or assistance; be it further

Resolved, That such sum shall be used, in such manner and under such regulations as the President may prescribe or as may be prescribed with his approval by any person, committee, or corporation designated by him, for the relief of distress occasioned by earthquake occurring in the year 1933 in such counties of the State of California as may be named by the President of the United States by Executive order.

Any unexpended balance of this appropriation shall be covered back into the Treasury.

The VICE PRESIDENT. The Senator from California asks unanimous consent for the present consideration of the joint resolution. Is there objection?

Mr. McNARY. Mr. President, the joint resolution provides an appropriation for the purpose indicated; I think it should be in the nature of an authorization. I have great sympathy for the sufferers in the stricken section of California. However, I think the joint resolution should be referred to the Committee on Appropriations. It may be that a lesser sum will suffice and it may be that a greater sum will be needed. Entertaining that view, Mr. President, I shall object to the immediate consideration of the joint resolution, and ask that it may be referred to the Committee on Appropriations.

The VICE PRESIDENT. Objection is made.

Mr. ROBINSON of Arkansas. Mr. President, I should like to ask the Senator from California a question. The Senator from Oregon [Mr. McNARY] objects to the present consideration of the joint resolution introduced by the Senator from California and suggests its immediate reference to the Committee on Appropriations. I should like to inquire whether the Senator from California acquiesces in that suggestion, and to indicate that, in all probability, the joint resolution will be very promptly acted upon?

Mr. McADOO. Mr. President, I am quite willing to have the joint resolution so referred if any Member of the Senate desires to have it take that course. There is, however, an emergency in southern California which should be promptly met. If I may feel that the committee will make a prompt report on the joint resolution, I will be quite content.

Mr. ROBINSON of Arkansas. The suggestion now made by myself is intended to facilitate action. As the Senator, I assume, will understand, no action can be taken for the present on the joint resolution in the Senate, due to objection that was made.

Mr. McADOO. I understand that to be so.

The VICE PRESIDENT. Objection being made, the joint resolution will be referred to the Committee on Appropriations.

DIRECT LOANS TO STATE BANKS

Mr. ROBINSON of Arkansas. Mr. President, I introduce a bill and ask its reference to the Committee on Banking and Currency.

May I say that this bill authorizes direct loans to State banks by Federal Reserve banks upon certification by the State banking commissioner or other officer charged with supervision of State banks that the loan is approved and that the bank is sound. The bill is intended to meet some of the criticisms that from time to time have been made on the floor of the bill that we passed. I am not certain that this is a material modification of existing law, but I think it will make clearer the provisions of existing law, and provide a more direct method of making loans to State banks.

The VICE PRESIDENT. The bill will be referred to the Committee on Banking and Currency.

Mr. ROBINSON of Arkansas. I ask that it be read.

The VICE PRESIDENT. Without objection, the bill will be read.

The bill (S. 320) to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases, was read the first time by title and the second time at length, and referred to the Committee on Banking and Currency, as follows:

Be it enacted, etc., That title IV of the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933, is amended by adding at the end thereof the following new section:

"SEC. 404. During the existing emergency in banking, or until this section shall be declared no longer operative by proclamation of the President, but in no event beyond the period of 1 year from the date this section takes effect, any State bank or trust company not a member of the Federal Reserve System may apply to the Federal Reserve bank in the district in which it is located and obtain from said Federal Reserve bank direct loans under the terms provided in section 10 (b) of the Federal Reserve Act, as amended by section 402 of this act: *Provided*, That all applications for such loans shall be accompanied by the written approval of the State banking department or commission of the State from which the State bank or trust company has received its charter and a statement from the said State banking department or commission that in its judgment said State bank or trust company is in a sound condition."

Mr. GLASS. Mr. President, I may say, in connection with the bill just introduced, that the law already provides, in section 210 of the bill recently enacted, that any individuals, concerns, or corporations, including State banks, may go and receive direct accommodation from the Federal Reserve banks of their respective districts when they can not have accommodations from their correspondent banks. So that the matter now referred to the Banking and Currency Committee is already covered in a larger degree than is proposed by this measure.

Mr. LONG. Mr. President, as I understand, the measure just introduced by the Senator from Arkansas has been referred to the Committee on Banking and Currency.

The VICE PRESIDENT. That is correct.

Mr. LONG. I desire to say that I think this measure possibly covers the ground of a previous amendment which I have offered.

FEDERAL CONTROL OF BANKING

Mr. GORE. Mr. President, by request I introduce a joint resolution proposing an amendment to the Constitution of the United States, and ask that it may be read and referred to the Committee on the Judiciary.

The joint resolution (S.J.Res. 18) proposing an amendment to the Constitution of the United States relative to banking laws was read the first time by its title, the second time at length, and referred to the Committee on the Judiciary, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures in three fourths of the several States:

1. Hereafter no State shall, without the consent of Congress, charter a bank, and all State laws on the subject of banking shall be subject to the revision and control of Congress.

2. The Congress shall have power to make all laws which shall be necessary and proper to provide for a more uniform system of banking throughout the United States.

REDUCTION OF EXPENDITURES—AMENDMENTS

Mr. DUFFY, Mr. MCGILL, Mr. MCKELLAR, and Mr. REED each submitted an amendment, Mr. BONE and Mr. STEIWER each submitted 2 amendments, Mr. LA FOLLETTE submitted 3 amendments, Mr. BLACK submitted 4 amendments, and Mr. MCCARRAN submitted 6 amendments intended to be proposed by them, respectively, to the bill (S. 233) to maintain the credit of the United States Government, which were severally ordered to lie on the table and to be printed.

Mr. DICKINSON submitted an amendment, Mr. COPELAND submitted 2 amendments, and Mr. WALSH submitted 3 amendments intended to be proposed by them, respectively, to the bill (H.R. 2820) to maintain the credit of the United States Government, which were severally ordered to lie on the table and to be printed.

REFERENCE OF BILLS AFFECTING JURISDICTION OF CONSTITUTIONAL COURTS

Mr. MCCARRAN. Mr. President, I submit a resolution and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The Senator from Nevada offers a resolution, which will be read.

The Chief Clerk read the resolution (S.Res. 24), as follows:

Resolved, That all bills introduced during the Seventy-third Congress which affect the jurisdiction of constitutional courts shall, before passage by the Senate, be referred to the Committee on the Judiciary.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. MCNARY. Mr. President, I ask that the resolution go over under the rule.

The VICE PRESIDENT. The resolution will go over under the rule.

HEARINGS BEFORE THE COMMITTEE ON MILITARY AFFAIRS

Mr. SHEPPARD submitted the following resolution (S. Res. 25), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Military Affairs, or any subcommittee thereof, is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost of not exceeding 25 cents per 100 words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

COMMITTEE SERVICE

Mr. REED. Mr. President, I submit the following order and ask unanimous consent for its immediate consideration.

Mr. LA FOLLETTE. Let it be reported.

The VICE PRESIDENT. The Senator from Pennsylvania submits an order which the clerk will read.

The Chief Clerk read as follows:

Ordered, That the Senator from Ohio [Mr. FESS] be excused from further service on the Committee to Audit and Control the Contingent Expenses of the Senate; that the Senator from Maryland [Mr. GOLDSBOROUGH] be excused from further service on the Committee on Privileges and Elections, and that the Senator from Maryland [Mr. GOLDSBOROUGH] be assigned to service on the Committee to Audit and Control the Contingent Expenses of the Senate.

The VICE PRESIDENT. Is there objection to the present consideration of the order? The Chair hears none, and the order is entered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed a joint resolution (H.J.Res. 75) to provide for certain expenses incident to the first session of the Seventy-third Congress, in which it requested the concurrence of the Senate.

PAYMENT OF CONGRESSIONAL EXPENSES

Mr. GLASS. Mr. President, the customary joint resolution relative to the payment of expenses of the first session of the Seventy-third Congress has just been received from the House. In order to expedite the measure I take the liberty of asking that the joint resolution just received from the House be put upon its passage.

The VICE PRESIDENT. The joint resolution will be read at length.

The joint resolution (H.J.Res. 75) to provide for certain expenses incident to the first session of the Seventy-third Congress was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the appropriations for mileage of Senators, Representatives, the Resident Commissioner from Puerto Rico, and the Delegate from Hawaii, and for expenses of the Delegate from Alaska and the Resident Commissioners from the Philippine Islands, contained in the legislative appropriation act for the fiscal year 1934, are hereby made immediately available and authorized to be paid to Senators, Representatives, Delegates, and Resident Commissioners for attendance on the first session of the Seventy-third Congress.

The appropriation for stationery for Representatives, Delegates, and Resident Commissioners, and for the committees and officers of the House, contained in the legislative appropriation act for the fiscal year 1934, is hereby made immediately available for expenditure on account of the first session of the Seventy-third Congress, notwithstanding the provisions of section 304 of the act of June 30, 1932 (47 Stat. 408): *Provided*, That from such sum each Representative, Delegate, and Resident Commission shall be allowed $90 for stationery allowance or commutation therefor.

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to a third reading, read the third time, and passed.

MILEAGE OF MEMBERS OF CONGRESS

Mr. BORAH subsequently said: Mr. President, I desire to give notice of a motion.

The Senate has this morning passed House Joint Resolution 75, providing for the mileage of Members of Congress. I desire to enter a motion to reconsider the vote whereby that joint resolution was passed.

The PRESIDING OFFICER (Mr. CLARK in the chair). The motion will be entered.

Mr. BORAH. I understand that the joint resolution, together with the papers, has been sent to the other House.

The PRESIDING OFFICER. The Chair is informed that the joint resolution and papers have been sent to the other House.

Mr. BORAH. Then I move that the House be requested to return the papers.

Mr. LONG. Let me ask the Senator what is the purport of the joint resolution to which he has reference?

The PRESIDING OFFICER. The motion is not debatable.

Mr. LONG. I object, if it is what I think it is.

The PRESIDING OFFICER. Under the rules, the motion made by the Senator from Idaho is not debatable. The question is on agreeing to the motion.

The motion was agreed to.

"A SWIFT-MOVING DRAMA"—EDITORIAL FROM THE LEXINGTON HERALD

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Lexington (Ky.) Herald of March 11, entitled "A Swift-Moving Drama."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A SWIFT-MOVING DRAMA

The great drama in which the figures at Washington are the actors, the United States the stage, and the world the audience is moving with so great rapidity it is impossible to make review, difficult even to make comment.

There has been no drama in the long annals of recorded history that has moved with greater celerity, presented more startling contrast, than the drama that began with the inauguration of Franklin Roosevelt at noon March 4.

His speech was a bugle call that aroused the slumbering spirit of the Nation, that wrought an indefinable yet most potent change from the lethargy and lassitude of undefined but oppressive terror into the valiant spirit of hope and endeavor. It was a prologue to the fast-moving action that has already resulted in the shattering of precedents, in the establishment of a new regime.

From that hour the actors in the play—the President and his chosen advisors and the representatives of the people gathered in the Halls of Congress—have given an unexampled demonstration of the effectiveness of courageous leadership. Fear, unjustified fear, has been banished; hope, justified hope, has been aroused.

In the crisis partisanship has been forgotten. The ablest and, heretofore, the most partisan Republican Senator has given unqualified approval and unstinted support to the program formulated by the Democratic President.

The banking system of the Nation, that has been the subject of long consideration and serious difference since the founding of the Government, has been placed under the control of the President, giving to him greater power than has ever heretofore been given to any one man or even exercised by the legislative branch of the National Government. For the first time in the history of the Nation Congress, with no dissenting voice in the lower House and but 7 votes in opposition in the upper House, has adopted a bill that is a radical departure from every precedent established during the 157 years of the life of the Republic. And the Nation gives joyous acclaim to that action.

The intelligence of the Nation responds to the frank declaration by the President of the actual facts of the situation that confronts the Nation. The analysis of the desperate situation of the Nation in his inaugural speech did not increase but allayed fear. His proclamation closing the banks of the Nation did not cause increased terror but brought a sense of relief.

Never was there a more apt illustration of the age-old truism that the spirit of the general is the spirit of the army; that an army of sheep led by a lion is more effective than an army of lions led by a sheep.

Today the whole power of Government is coordinated with the intellect and the experience, the conscience and the wealth of the Nation to restore the ravages wrought during the past years of terrorized lassitude. The Nation no longer fears. It faces with grim but buoyant determination the tremendous problems that confront it with the proud consciousness that whatever may be the hardships, however great may be the sacrifice, however catastrophic may be the effect upon individuals, the future of the Nation is safe, and that upon the foundation of faith and courage and intellect there will be rebuilt an edifice sounder and more beautiful far than the edifice the walls of which have been shaken and cracked, and some even crumbled, during the past several years.

Dramatic with speed have been the actions already taken. Quickly there must come a culmination to such dramatic speed. Slower, more difficult, will be the ultimate steps taken. Heartburnings will come with the reduction in the expenditures of the Government. Animosity will be aroused as the imperative need for a revision and reduction in the expenses of Government and in the bounties given by Government to veterans and pensioners are modified to accord with the income of the Government.

Superb has been the courage of the President in seeking the authority to make such reductions. It will require the active and earnest desire of the people to insure the continued support of the President and his advisers to bring about those reductions. But there is no question that the people of the Nation, of every section, of every party, of every creed, of every class will give to him support that will insure the fulfillment of his purpose to reduce the expenses of Government so that it may be possible to make certain the obligations of the Government and to give to those who through no fault of their own face privation, the opportunity to maintain their lives, sustain their strength so that they may again become an integral and valuable factor in the upbuilding of a civilization that can be justified only by a recognition of the obligation of all as expressed through their Government to every citizen of the Nation.

PENDING LEGISLATION—CORRESPONDENCE OF SENATORS

Mr. COPELAND. Mr. President, I wish to present a personal matter. I should like the RECORD to show that I have this morning received hundreds of telegrams protesting against the pending legislation. Likewise I have received hundreds of other telegrams insisting that it be passed. I desire to say to my constituents that I am delighted to have these messages, but I hope they will forgive me if I do not respond personally to each one. By my vote I expect I will determine either for their satisfaction or for their disappointment where I stand on this measure.

RESTRICTIONS ON GOLD AND CURRENCY EXPANSION

Mr. WALSH. Mr. President, with reference to the emergency banking and currency legislation enacted by the Congress last Thursday, I ask unanimous consent to have printed in the RECORD and appropriately referred an article appearing in the Worcester (Mass.) Telegram yesterday, March 12, written by this newspaper's Washington correspondent, in which the questions of the restrictions now imposed on our gold and the currency expansion which Congress has authorized are explained and commented upon with excellent clarity and interest.

There being no objection, the article was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, and it is as follows:

UNITED STATES MONETARY SYSTEM IS BEING OVERHAULED—GOLD BECOMES FROZEN ASSET, PAPER MONEY A "MANAGED CURRENCY" SUSCEPTIBLE TO EXPANSION AS NEEDED

By Ralph Coolidge Mulligan

WASHINGTON, March 11.—Reopening of all solvent banks is assured. Adequate but sound currency is assured. Preservation of the Government's stock of gold—$3,000,000,000 of it—is assured. The ordinary citizen, in the grip of a banking and currency cataclysm without parallel in our history, is content with the three foregoing assurances and is content to leave the details of these accomplishments to the President and Congress and the Treasury and the banks. At the moment, nothing else matters.

Two ordinarily paramount questions and vital considerations, namely, whether the United States is still on the gold standard and whether we are embarked on inflation and its twin sister, depreciated currency, and if so, how much and for how long, are subordinated for the time being in the immediate concern over the banking suspension. But the questions of gold and inflation are of tremendous potential effect and in the long run of far-reaching consequences.

CHANGE IN SYSTEM

Events of the past week mean much more than revival of banking and revision and regulation of banking methods. They mean a profound change in our monetary system. Our gold now becomes our frozen asset. Our paper money becomes a "controlled and managed" currency, susceptible of expansion without limit. We enter upon "controlled inflation," though the Washington spirit at the present is to taboo the word "inflation."

First is the question of the gold standard. Is the United States still on the gold standard, or is it off? It is a question that will be debated and disputed for a long time to come. Political leaders may answer it one way and political economists answer it differently. The facts appear to be beyond dispute, but are subject to contradictory interpretation.

TESTS OF GOLD

There are four elements which enter into the gold-standard question—four tests by which the answer is ordinarily determined.

The first is the gold content of the dollar. That is fixed by law and has remained constant since the foundation of the Republic. No one in authority proposes to change it now. To be sure, there have been suggestions that the gold content be reduced, in other words, that we stretch the same quantity of bullion gold to make an increased number of gold dollars.

Prior to President Roosevelt's inauguration there were whispers that he, too, might favor a "devaluation of the dollar," or as the economists say, "debasing the currency." That was denied at the time in Mr. Roosevelt's behalf and the events of the past few days give strong confirmation to the fact that he is opposed to the lowering of the gold content of the dollar.

So, by this first standard or test, namely, the gold content, we remain on the gold standard.

LIMITING COINAGE

The second test is whether we permit the free and unlimited coinage of gold; that is to say, whether anyone may go to the Government with gold bullion and have it coined into gold dollars. That has been a law since the establishment of the mint, and there is no proposal to change that law.

To be sure, an interesting question would arise if the producer of gold went to the mint tomorrow with his own honestly acquired gold bullion and asked to have it minted and have the gold coins returned to him in exchange, for, under the present proclamation, which, so far as it relates to gold, is likely to remain in force for many years to come, no individual citizen is to be permitted to retain gold coin in his possession. And so it would seem to follow that the gold miner after having his bullion minted into gold coins would be under some compulsion to turn the gold coins back in exchange for paper notes. But ostensibly the free and unlimited coinage of gold at the fixed standard of weight and fineness is unaltered.

So that by this test also we remain on the gold standard.

PAPER CURRENCY

The third aspect of the gold-standard question is the free and unlimited redemption of paper currency in gold coin. The President's proclamation has halted that. The United States has, for the present, suspended specie payments, just as it did in the Civil War. By that test we are, for the present, definitely off the gold standard. Our paper money continues to be secured in part by gold in the Government's vaults, but the holder of the paper money may not convert his paper into gold.

The fourth test is with respect to the export of gold in the settlement of international debts, public or private. The assumption has commonly prevailed that an essential requirement of a country on a gold basis was that settlements of trade balance could be made in gold.

EMBARGO ON GOLD

At the moment embargo on gold exports is absolute and complete, but it is the Government's intention, once finances are stabilized, to permit by specific license in each case the export of gold when, as, and if it appears to be for our Nation's interest to do so.

In discussing the gold question administration officials are quick to point out that though France, in the eyes of the world, is on a gold basis, nevertheless, no French gold may leave the country without permit from the French Government, and hereafter the United States is going to follow a similar course, and in so doing denies that the restrictions "take us off the gold standard."

The fact remains, however, that American paper currency, which is no longer freely exchangeable for gold, is well-nigh certain to sell at a discount in the world market in exactly the same way that the English pound note, which is still a pound to every Englishman, sells at a discount in the world market. What that discount will be so far as the American dollar is concerned will depend on many future events as yet impossible to forecast.

CURRENCY EXPANSION

The gold standard is one side of the change now being effected in our monetary system. The other side is the question of currency expansion and inflation.

We have had half a dozen different kinds of paper money and we have had no occasion to distinguish one kind from another, because, although the obligation to redeem the paper money in gold did not apply to all of the various kinds of paper money, nevertheless, in practice, heretofore any citizen who wanted to exchange his paper money for gold coin had no difficulty in doing so, regardless of what kind of paper money he happened to have.

FORMS OF CURRENCY

The principal forms of our present paper currency have been four:

(1) Gold certificates, issued by the Government—the traditional yellow-backed bill. For every dollar of such yellow-backed bills there was an actual gold dollar, or gold bullion in an amount equivalent to a dollar, in the Treasury vaults.

(2) Silver certificates, issued by the Federal Treasury, where there was an actual silver dollar in the Government vaults for every silver certificate issued.

(3) National-bank notes, which were the promises to pay of the individual national banks whose signatures were on the notes. To guarantee the payment of the note, the national bank which issues it is required to deposit an equivalent amount of Government bonds in the Federal Treasury and to deposit an additional 5 percent in cash in the Federal Treasury. National-bank notes are a form of currency backed only by Government bonds, not by any gold at all. But the amount of national-bank notes that might be issued has been and still is restricted to no more than the amount of the capital stock of the issuing bank. Thus, though a particular bank might hold and own a million dollars in Government bonds, it could issue its own bank notes for no more than the amount of its capital stock, which might be $200,000.

FEDERAL RESERVE NOTES

(4) Federal Reserve notes, which were notes issued by Federal Reserve banks and behind which there must be not less than 40 percent in gold.

The United States Treasury issues a daily statement which shows at a glance all the essential figures respecting our gold and paper currency. On the statement for last Thursday, March 8, the gold certificates outstanding—that is, the notes behind which there is dollar for dollar in gold—totaled $1,414,073,679. The silver certificates outstanding were $485,369,889. The national-bank notes outstanding were $907,343,005. The Federal Reserve notes outstanding were $4,550,680,000. Thus it is seen that the outstanding Federal Reserve notes at present are greater than all of the other kinds of paper currency put together.

CHANGES UNDER WAY

The changes in our paper currency which are now being undertaken as part and parcel of the banking program are twofold. The gold certificates are to be called back into the Treasury just as rapidly and just as completely as humanly possible. The Federal Reserve notes are to be increased, together with issues of Federal Reserve bank notes.

So far as the individual citizen is concerned, it will be of no consequence to him whether the particular piece of paper money in his pocket is a Federal Reserve note or a Federal Reserve bank note, or whether, indeed, it is a silver certificate or a national-bank note. On the one hand, they are all backed by the credit of the Federal Government, and, on the other hand, none of them is redeemable in gold.

With respect to the Federal Reserve notes outstanding on March 8 in the total of $4,550,680,000, as above stated, they were secured by $1,931,656,000 in gold, $1,755,975,000 in "eligible" short-term commercial paper, and $886,400,000 in United States Government obligations.

WHAT HAPPENED

It may be pertinent to observe at this point with respect to Federal Reserve notes outstanding that in the first 8 days of March last year the total decreased approximately $10,000,000 and in the first 8 days of this March the total increased more than $1,300,000,000. Most of this increase occurred during the first 3 days of March preceding the banking suspension on March 4, which conveys some idea of the enormous demands of the banks for currency in those panic days.

The Federal Reserve Act in providing for the issuance of Federal Reserve notes specified that for every dollar of notes there should be at least 40 cents in gold and the other 60 cents might be in specified kinds of commercial paper rediscounted with the Federal Reserve by member banks.

FOREIGN "RAIDS" ON GOLD

A year or so ago, when our gold reserves were at their peak and when rediscountable paper was at a low ebb due to business stagnation, there was 70 cents or more of gold and less than 30 cents in paper back of every Federal Reserve note. Then came the foreign "raids" on our gold, which were met by the passage of the Glass-Steagall bill a year ago permitting Federal Reserve banks for the time being to put Government bonds back of their notes, but without change in the 40 percent gold requirement.

The Emergency Banking Act passed by Congress Thursday is going to permit Federal Reserve banks to issue Federal Reserve bank notes without limit, backed up by deposit of Government security. These notes may be issued up to 100 percent of the face value of the bonds. More than that, the Federal Reserve banks may issue notes against notes, drafts, bills of exchange, etc., deposited with them up to "90 percent of the estimated value."

TEMPORARY AFFAIR

There is no requirement for any gold-reserve backing for this new currency. It is intended to be a temporary affair. It is not expected that it will be necessary to issue any great quantity of such notes for very long, and, indeed, the act provides that the issuance of such notes shall terminate in 1 year, with the right of the President to extend it for an additional year if he sees fit. The speedy retirement of such notes is to be accelerated by the imposition of a tax on them, which the banks must bear.

The President's purpose in calling in all of the gold certificates is self-evident, for every dollar of gold certificates called in releases a dollar of gold in the Treasury, which in turn may go into the Federal Reserve bank as part of the 40 percent gold cover required for ordinary Federal Reserve notes.

The administration has not yet hit upon just what term may best be used to describe our currency system in the future. They shy away from the phrase "controlled inflation." They prefer the term "managed currency", by that meaning that the volume of currency is entirely flexible but is regulated by the Government according to necessities, just as it is in most of the countries of Europe.

The President has not yet been ready to publicly amplify and explain his phrase "adequate but sound currency"—the phrase of his inaugural address. The President, and virtually everyone else, is ready to concede that on Friday, March 3, the supply of currency was not "adequate" to the exigencies of the hour. On that day we did not have an adequate amount of currency and we are going to prevent a repetition of that day by taking off the limit so far as the issuance of currency is concerned.

On the other hand, with respect to sound currency, the President is said to share the well-nigh universal opinion that when a government begins to pay its bills with printing-press money its currency is unsound. The financing of Government deficits through the printing press will not be countenanced by Mr. Roosevelt. Additional Government bond issues to be rediscounted and currency issued in their place is contrary to the Roosevelt view, though many Democrats in Congress want to do just this thing.

The expansion of currency now authorized by the terms of last Thursday's Emergency Bank Act whereby Federal Reserve bank notes may be issued during the next year or two in whatever amount circumstances may require probably spells the doom of congressional proposals for the additional coinage of silver and for a bimetallic standard of gold and silver rather than gold alone. The silver advocates wish to increase the price of silver and at the same time cheapen our money, but their main argument for silver coinage has been that there was a shortage of money and that our supply of currency was not adequate to meet our needs. That argument is destroyed by the Federal Reserve bank-note plan for the issuance of bond-secured paper money.

CORRESPONDENCE OF SENATORS AFFECTING PENDING LEGISLATION

Mr. FESS. Mr. President, with many other Senators, I have been simply flooded with telegrams which generally relate to the pending legislation. When I classify them, so many for and so many against, they are about 50–50. This bundle [indicating] came this morning. I speak in the language of the Senator from New York [Mr. COPELAND] when I say it is simply a physical impossibility for me to reply in the usual way to these telegrams. I regret it, because they are not all propaganda. Some of them are to be so classified, but I have a telegram here, for instance, from the Governor of my State the Honorable George White, who would not communicate with me merely as a matter of propaganda, in which he heads a list of representative citizens urging support of the emergency proposal now pending.

All I can say—and I am doing this to relieve myself from an impossibility from my office standpoint—is that the legislation is of an emergency character; that these are very unusual times, and Senators will feel compelled to vote for projects for which ordinarily they would not think of voting. I want to say to all those who are writing to me and who are sending telegrams to me, as well as to those who are thinking about the questions now before the country but are not communicating in writing, that, to the very best of my ability, I will do what, in my judgment, is the best thing for the public at large. My support of this emergency legislation is placed upon the public good. I realize that I cannot please everybody and would not be so unwise as to attempt it, and I also know I will displease a great many who will not agree with my views of what is best for the public weal. It is a difficult thing to attempt to reply in terms and impossible to answer each communication, and I am going to ask the privilege of having these telegrams merely noted in the RECORD; but not, of course, printed in full.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the telegrams will lie on the table and be noted in the RECORD.

The telegrams in the nature of petitions praying for the passage of legislation to maintain the credit of the Government of the United States, known as the economy bill, presented by Mr. FESS and ordered to lie on the table, are from Hon. George White, Governor of Ohio; Mayor Henry Worley, of Columbus; and about 450 other citizens and organizations, all in the State of Ohio.

The telegrams in the nature of memorials remonstrating against the passage of legislation to maintain the credit of the Government of the United States, known as the economy bill, presented by Mr. FESS and ordered to lie on the table, are from J. M. Rieger, commander Spanish-American War Veterans, Henry County, Ohio, and about 750 other citizens and organizations, all in the State of Ohio.

REDUCTION OF EXPENDITURES

The VICE PRESIDENT. The morning business is closed.

Mr. HARRISON and Mr. ROBINSON of Indiana addressed the Chair.

The VICE PRESIDENT. The Senator from Mississippi. Does the Senator from Mississippi yield to the Senator from Indiana?

Mr. HARRISON. I desire to make a motion. Then I will yield to the Senator from Indiana.

Mr. ROBINSON of Indiana. I wanted the floor in my own right. Of course, the Senator should make his motion first.

Mr. HARRISON. I move that the Senate proceed to the consideration of Senate bill 233.

The VICE PRESIDENT. The question is on the motion of the Senator from Mississippi.

Mr. BORAH. Mr. President, of course, I am not going to oppose taking up the bill. I am willing to do so; but I suppose we will have some time in which to consider this bill on the floor.

Mr. HARRISON. Of course, the Senator from Mississippi has no desire to try to prevent legitimate and reasonable discussion of the bill, and realizes that it will be discussed in that degree.

Mr. BORAH. Very well, Mr. President. I simply wanted to have some understanding to that effect.

The VICE PRESIDENT. The question is on the motion of the Senator from Mississippi.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 233) to maintain the credit of the United States Government, which had been reported from the Committee on Finance with amendments.

Mr. McCARRAN. Mr. President, I move that the bill be referred to the Committee on the Judiciary.

Mr. HARRISON. I ask for an immediate vote on that motion.

The VICE PRESIDENT. The question is on the motion of the Senator from Nevada. [Putting the question.] By the sound the noes appear to have it.

Mr. McCARRAN. I call for a division.

Mr. BORAH. Mr. President, I am not going to vote to refer this bill to the committee. I am willing to go forward with the consideration of the bill; but in doing so I wish to say that I think there is a very serious legal proposition involved. I am perfectly willing to proceed to consider it on the floor rather than to delay the bill.

Mr. McCARRAN. Mr. President, I doubt if there is any bill that will come before this body during this session that

strikes so vitally at the fundamental principles of our Government as does the bill now before the Senate.

When I say that I have reference to the three different branches of government—the legislative, the executive, and the judicial—established, if you please, by the founders of democracy in this country; established after a consideration that involved the best thought of this country, and has involved its best thought during all the years since the Constitution was adopted.

I am not going to address myself to the merits of the bill so far as dollars and cents are concerned; but I am going to address myself, with the permission of this body, to the thing that seems to me to relegate to the past the one department of our Government in which the layman, the average citizen, has confidence, and in which he places his confidence at all times. I refer to the courts of the country.

Whenever we destroy the confidence of the people of this country in their laws and in their law interpreters, we have destroyed the underlying and fundamental principles of our Government. Whenever we say that a man cannot take his cause to the courts; whenever we say that the courts have been relegated to a place where they can no longer have a voice in deciding controversies either between the individual and the Government, or between individuals, or between an individual and a department of the Government, then we have taken from the masses of the people the thing upon which the people rely.

I do not care what may be the merits of this bill from the standpoint of economy. I do not care, so far as this argument is concerned, what its merits may be so far as dollars and cents are concerned. What are its merits so far as the perpetuity of the American Government is concerned? That is the thing in which I am interested in the motion that I have made; and that was the reason why a moment ago I offered a resolution that all bills introduced during this Congress bearing upon or touching upon the jurisdiction of constituted courts should be referred to the Committee on the Judiciary.

Why refer these bills that involve the jurisdiction of courts to the Committee on the Judiciary? Because the Committee on the Judiciary has that special subject in mind at all times, and its members should be trained for that purpose. They were selected for that purpose.

This bill not only strikes at the question of dollars and cents, which will be dealt with hereafter, but it strikes at the question whether an individual shall be deprived of his day in court.

Mr. LONG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Louisiana?

Mr. McCARRAN. I yield.

Mr. LONG. Does the Senator remember how we played the bands when we sent the boys to France and promised them every consideration when they came back? And does he think we are giving it to them when we deny them the right to have their constitutional rights passed upon by the Judiciary Committee?

Mr. McCARRAN. Mr. President, I am not going to deal with bands or bugles. I am going to deal with a constitutional proposition. I am going to deal with something that does not appeal to flamboyancy. I am going to deal here, with the permission of this body, with something that is not going to appeal to the galleries.

Mr. LOGAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LOGAN. I should like to know what is before the Senate.

The VICE PRESIDENT. A motion to refer to the Judiciary Committee the bill taken up upon motion of the Senator from Mississippi, S. 233.

Mr. LOGAN. We had taken a viva voce vote, and a division had been called for. Can the matter be debated while a division is in progress?

The VICE PRESIDENT. That was on a different question. The Senator demanded recognition on his motion to refer the bill to the Judiciary Committee.

Mr. McCARRAN. Mr. President, returning to the subject that is uppermost in my mind, there may be those here who think that I am impelled by the flood of telegrams that come to the various Senators. I am impelled by something that is higher than is expressed in any telegram. I am impelled by a desire to maintain the integrity of the three divisions of our Government. I am impelled by a desire that the courts of this country, duly and legally and constitutionally organized, shall have a right to the last say in controversial matters, whether those matters be between the Government and the individual or between separate individuals.

Let it never be said of this, the Democratic majority in the Senate; let it never be said of this, the party that represents the principles of Jefferson, under whose guidance these three great departments of government were instituted—let it never be said to the spirit of Jefferson now, "We have relegated to the past one of the things that you wrote indelibly into the Constitution, that you fought for, because we have said by the voice of the Senate of the United States, by the voice of the Congress of the United States, that a soldier, a man who fought for his Government, who was entitled, in his judgment—if not in justice, at least in his judgment—to a pension, shall not have the right of review by the courts either by mandamus or otherwise." Let it never be said by a Democratic majority. Let it never be said by the Senate of the United States.

Mr. President, I know what the pressure is for the passage of this bill; I know that the word has gone out, "This must go through without amendment," but let it never be said that the voice of the Senate shall not be heard in furtherance of the perpetuity of our Government and its fundamental principles.

Mr. President, if this bill goes to the Committee on the Judiciary, where it should go, where it belongs, because one half of it involves law, while the other half may involve dollars and cents—if this bill goes to the Committee on the Judiciary, is there anyone who will dare say that the bill will be in any wise mutilated by that committee? Is there anyone here who would dare say that the Judiciary Committee, selected from both sides of this Chamber, is not competent to deal with those things which impinge upon the constitutionality of the bill itself? I hope not.

Mr. President, I submit to my Democratic brethren on this side of the Chamber, I submit to all those who stand for constitutional government, that this motion should prevail.

Mr. HARRISON. Mr. President, I merely desire to say that the pending bill was rightfully referred to the Committee on Finance. The Committee on Finance took some time in its consideration, permitting a hearing on the bill, and it is rightfully before this body now.

I move to lay the motion of the Senator from Nevada on the table.

The VICE PRESIDENT. The question is on the motion of the Senator from Mississippi.

Mr. McCARRAN. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. WALSH (when Mr. COOLIDGE's name was called). My colleague [Mr. COOLIDGE] is necessarily absent, for reasons stated previously. If he were present, he would vote "yea."

Mr. LEWIS (when Mr. DIETERICH's name was called). I beg to announce that my colleague [Mr. DIETERICH] is detained at his home through emergency on account of illness. He has a general pair on this question with the Senator from South Dakota [Mr. NORBECK].

Mr. LOGAN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. DAVIS], who is absent on account of illness. I do not have any knowledge as to how that Senator would vote if present, and I therefore withhold my vote. If I were permitted to vote, I would vote "yea."

The roll call was concluded.

Mr. LEWIS. I desire to announce that the Senator from Colorado [Mr. COSTIGAN] is necessarily detained from the Senate on official business.

I also desire to announce that the Senator from Nevada [Mr. PITTMAN] is necessarily detained from the Senate on official business.

Further I desire to announce the necessary absence from the Senate of the Senator from Wyoming [Mr. KENDRICK] and the Senator from Montana [Mr. WHEELER], they being absent by reason of the funeral of the late Senator Walsh.

Mr. HEBERT. Mr. President, I desire to announce the absence of the senior Senator from Nebraska [Mr. NORRIS], who is attending the funeral of his late colleague, Senator Howell.

I also wish to announce the necessary absence of the Senator from New Mexico [Mr. CUTTING], the Senators from Minnesota [Mr. SHIPSTEAD and Mr. SCHALL], and the Senator from South Dakota [Mr. NORBECK].

Mr. BULKLEY. Mr. President, I have a pair with the junior Senator from Wyoming [Mr. CAREY], who is absent in attendance on the funeral of the late Senator Howell. I do not know how the junior Senator from Wyoming would vote if he were present. I transfer my pair to the Senator from Montana [Mr. WHEELER] and vote "yea."

The result was announced—yeas 60, nays 20, as follows:

YEAS—60

Adams	Capper	Hebert	Robinson, Ark.
Ashurst	Copeland	Johnson	Russell
Austin	Dale	Kean	Sheppard
Bachman	Dickinson	Keyes	Smith
Bailey	Dill	King	Steiwer
Bankhead	Fess	Lewis	Stephens
Barbour	Fletcher	Lonergan	Thomas, Utah
Barkley	George	McAdoo	Townsend
Bone	Glass	McKellar	Trammell
Bratton	Goldsborough	McNary	Tydings
Brown	Gore	Metcalf	Van Nuys
Bulkley	Hale	Murphy	Wagner
Bulow	Harrison	Overton	Walcott
Byrd	Hastings	Pope	Walsh
Byrnes	Hayden	Reed	White

NAYS—20

Black	Couzens	Long	Patterson
Borah	Duffy	McCarran	Reynolds
Caraway	Frazier	McGill	Robinson, Ind.
Clark	Hatfield	Neely	Thomas, Okla.
Connally	La Follette	Nye	Vandenberg

NOT VOTING—14

Carey	Davis	Norbeck	Shipstead
Coolidge	Dieterich	Norris	Wheeler
Costigan	Kendrick	Pittman	
Cutting	Logan	Schall	

So Mr. MCCARRAN's motion to refer the bill to the Committee on the Judiciary was laid on the table.

Mr. BLACK. Mr. President, in order that the reason why I voted as I did may be understood, I desire to state that if the merits of the motion to refer the bill to the Committee on the Judiciary had been submitted to the Senate, I would have voted against sending it to the Committee on the Judiciary. I voted, however, against the motion to lay on the table by reason of the fact that there had been no opportunity for discussion, and only one Senator had expressed himself upon the motion.

Mr. HARRISON. Mr. President, I shall not occupy the floor at length, and I am going to ask the courtesy of the Senate by requesting that I be not interrupted until I have had opportunity to explain the various sections of the bill. Following my explanation of the bill, I shall try to answer any questions which may be propounded.

Mr. President, while the bill does contain a grant of certain powers which Senators and Representatives would not, in ordinary times, desire to delegate, I need not remind this body of the tragic happenings throughout this country which call for exceptional action.

The first section of the bill, and the first title, gives to the President, within the limitations of the appropriations and the limitations of law, power to fix rates of pensions in service-connected cases, as well as non-service-connected cases, of persons suffering permanent disability. It gives the President full power also to fix rates with reference to widows and children and dependents of those who died as a result of injuries incurred in line of duty.

Subsection (d) applies to Spanish-American War widows and orphans, and subsection (b) applies to non-service-connected permanent-disability cases of those who were placed on the rolls if they enlisted before November 11, 1918.

Subdivision (e) would prevent from being considered any case of permanent disability incurred by one who enlisted after November 11, 1918.

Those are the powers conferred upon the President in title I and in those subsections.

Under the present law, in case of death, the minimum is $12 and the maximum is $75. In case of disability the minimum is $6 and the maximum $275. Under the terms of the bill the President can only act within the limits of $275 and $6 in the case of injuries and within the limits of $12 and $75 in the case of death. In other words, he can not exercise the power to go beyond or increase the $275 or to go below or reduce the minimum of $6. Anything between these amounts he is given the absolute power to fix.

Section 3 of the bill is the power provision that gives to the President authority to fix rates, change degree of disability, apply different rates to persons in different wars, only within the limitations found in other sections of the bill. In fixing these rates he can differentiate as between war-time injuries, peace-time injuries, and non-service-connected disability cases.

Section 4 is the power provision that authorizes the President to make regulations touching the services of a soldier, the duration of the war, the nature of proof, the establishment of such presumptions as he deems proper, and any other basic requirement in the fixing of rates or time of service or requirement for pension.

Section 5 gives to the Veterans' Administrator only such authority as the Administrator now has. The only purpose of this section is that after the President has announced the regulations and fixed the rates the decision shall be final, and that, acting under those regulations and rates, whatever decision the Administrator shall make shall be final.

Section 6 provides for hospitalization for service-connected cases and domiciliary care and hospital care for nonservice permanently disabled veterans. The nonservice cases under the terms of the bill cannot get hospitalization. They can only get domiciliary care, but in the soldiers' homes there is maintained some hospital treatment. Under the present law non-service-connected cases, whether permanently disabled or not, have not only domiciliary care but hospital care, and to the extent the domiciliary care is now provided for permanent cases the character of the law is not changed. It is further changed by the elimination of hospitalization in that type of cases.

Section 7 confers no additional authority but carries out the authority already given.

Section 8 gives the power to the Administrator to delegate his power but prohibits the delegation of any authority by the President in fixing the regulations. The Administrator of Veterans' Affairs under the existing law has that power.

Section 9 deals with claims and fixes the payment date as related to the date of filing claims. Under the present law they have a year's payment before the filing of claim. Under the terms of the pending bill they will get nothing until they have filed the claim. It also provides that after the President has granted a rehearing and final decision is made the case shall not be reopened. Under it the President must establish the procedure having to do with awarding or disallowing claims, and, if disallowed, having to do with reversal thereof.

Section 10 applies to officers' retirement pay and changes the present law in two respects. First, it limits the time of service between April 6, 1917, and November 11, 1918, for those officers to get retirement pay. The present law is effective in cases up to July 2, 1921. The time between November 11, 1918, and July 2, 1921, that is eliminated by the pending bill.

Second, the injury must be directly traceable to military or naval duty. That is not true under the present law. It differs from the present law in that injuries under the present law need not be directly traceable to military or naval duty.

Sections 11, 12, 13, 14, 15, and 16 merely reenact the penal provisions of the present law.

Second 17 repeals the renewable war-insurance provision; that is, insurance that was provided during the war, which has cost the Government $1,700,000 more than the premiums that have been paid into the fund. In that law, it will be recalled, it was provided that that kind of policy could be converted into peace-time insurance later on. Since then they have had two opportunities to convert.

Mr. McCARRAN. Mr. President——

Mr. HARRISON. Mr. President, I hope the Senator will let me proceed; and when I shall have concluded, I shall be glad to yield to the Senator.

That provision in section 17, it is true, dismisses a great number of cases now pending in the courts. That section also provides that payment under existing law shall continue for 3 full months following the enactment of this bill into law.

Section 18 provides for a 10-percent reduction to Civil War pensioners.

Section 19 provides that after the expiration of 2 years from the passage of this act, whatever regulations the President shall have made shall become effective, and they cannot be changed except by act of Congress. That was a provision that was adopted by the Finance Committee.

Mr. WALSH. Mr. President, will the Senator repeat that, please?

Mr. HARRISON. Section 19 provides that after 2 years whatever regulations have been adopted by the President shall then become in force and effective and not further changed except by act of Congress.

Those are all the sections that pertain to veterans. I now come to title II of the bill.

Section 1, paragraphs (a) and (b), deal merely with definitions of officers and employees and compensation. Under the definition of compensation it will be noted that this does not include payments out of any retirement, disability, or relief funds made up wholly or in part of contributions of employees. That kind of fund is not touched.

Section 2 merely makes the law applicable to the fiscal year ending June 30, 1934, and for the remainder of the present fiscal year. The reason for paragraph (a) is that we want to be sure that the 15-percent cut is not based on the already-existing 8⅓-percent cut, but that the compensation arrived at shall be based on the salaries that were paid prior to the adoption of the economy act, taking into consideration section 3 that follows, which bases compensation on reductions based on the cost of living; namely, agencies of the Government shall ascertain the basic cost of living during the last 6 months of the year 1928, and then take the last 6 months of the year 1932, and whatever reduction there may be in the cost of living a like ratio shall be applied in the reduction of the pay of employees. Then it authorizes the agencies of the Government to continue their survey with reference to the cost of living every 6 months and based on whatever change is found, the President has the power to increase salaries or decrease them further as the case may be. Of course, in the limitation that is based as I have explained, he cannot decrease a salary more than 15 percent and cannot go higher than the compensation paid prior to the passage of the Economy Act.

Mr. BLACK. Mr. President, will the Senator yield on that particular point?

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Mississippi yield to the Senator from Alabama?

Mr. HARRISON. I much prefer to conclude my explanation and then I shall be glad to yield.

Mr. LONG. Mr. President, there are several Senators who want to find out if this affects retired officers' pay.

Mr. HARRISON. Yes; retired officers' pay is covered in another section and is reduced 15 percent, the same as the pay of every Army officer and every naval officer is reduced, and the same as the pay of every man in the Army and Navy is reduced. The other provisions that apply are that those officers who get retirement pay must prove that their disabilities were incurred while in line of duty.

Section 4 reenacts the provisions of the Economy Act that are in conformity with this act and repeals the furlough plan and such other parts of the Economy Act as are not in conformity with this act.

Title III is the next provision to which I come. It will be recalled that in the adoption of the Economy Act, if the President issued an Executive order to effect economy, the Congress should have 60 days in which to pass on the proposition. It was felt that if the President is to be able to effect these economies now and the American taxpayers obtain any relief, that part of the law should be changed, and that the Executive order should become effective 60 days after its issuance whether Congress is in session or not. In other words, if we should adjourn Congress tomorrow and the President should issue an Executive order today and send it here, it would become the law 60 days from now.

That, Mr. President, is a brief résumé or explanation of the terms of the bill. The whole milk in the coconut is that we are giving to the President broad and exceptional powers, within certain limitations and appropriations, to fix the rate, change the classifications, fix the duration of the war, fix the time of service, and other matters that enter into questions of compensation paid by the Government.

We appreciate that we have tried here in the Senate and in the House for a long time to effect some economies with reference to the compensation of veterans. Every such effort has proved abortive. We have not been able to do anything. The influence has been too strong. I realize today that not a man who honors me with his presence wants to vote these tremendous reductions and perhaps eliminations of allowances that may now be paid to the veterans, or that they get any glorification or gratification out of the fact that we are going to reduce the pay of employees in the Government service.

It would be much better if the old-time prosperity were now hovering over the country and if huge surpluses were in the Treasury of the United States in order that this proposition might be eliminated and not presented to us. But, Mr. President, children know, and certainly everyone in this body appreciates, that something must be done in the way of economies, in the way of retrenchment, working toward a balancing of the Federal Budget, and that we must handle this matter with chins up and chests thrown out and take the consequences—because, indeed, there are consequences.

There are men who say, "I do not want to give to the President the power to reduce the pay of one who entered into actual conflict and has become disabled." "That class of cases should be eliminated," someone may say. That proposition was advanced in the Committee on Finance. Everyone has to do with that proposition. But I have that amount of confidence in the President of the United States, knowing the humanity of the man, knowing his friendliness to these men, that I feel no hesitancy in lodging with him the power to differentiate, because he will have the power to do that, between that class of cases and those who might be disabled from non-service-connected causes.

We will never retrench, we will never balance the Budget, unless we go straightforward. We are going to make enemies, it is true. My office is flooded with telegrams, as are the offices of other Senators, but never since the great World War has a higher responsibility been placed upon the Congress than now. That same responsibility has been placed upon the President of the United States. The President has assumed that responsibility; he has electrified the Nation; he has glorified himself by the prompt and patriotic manner in which he has moved in the effort to save the banking structure of the country. If the banking structure had not collapsed, I have no doubt that the President's message on economy, which rang through this Chamber and the Nation the other day, would have been the first message to come to us, because it suggests the first step to be taken in restoring confidence in the country and in balancing our Budget.

It is estimated that there will be a possible saving in this proposed legislation of between 500 million and 600 million

dollars. The President in his message has stated that if we shall enact this legislation and give him this power he may be able to balance the Budget without imposing increased taxes upon the people, thus obviating the necessity of having that great problem presented to us.

Let me merely refresh the recollection of the Senate by reading a few words from the message sent to Congress by the President a few days ago:

> We must move with a direct and resolute purpose now. The Members of the Congress and I are pledged to immediate economy.
>
> I am, therefore, assuming that you and I are in complete agreement as to the urgent necessity, and my constitutional duty is to advise you as to the methods for obtaining drastic retrenchment at this time.
>
> I am not speaking to you in general terms. I am pointing out a definite road.

The President believes that the election which was held last November meant something; that it commissioned him, as Commander in Chief of the American people, to frame a plan and to go through with it, and to act quickly and courageously. In the end, my friends, when we do that, even though for the present we may make political enemies, if we can save this great country, if we can preserve the credit of this Government, if we can by our action here prevent the laying of the iron hand of taxation further upon the backs of the American people, we shall have done very well in this emergency.

I am delighted, and as a Democrat, I congratulate those fine men in the other House and those fine men here who occupy seats on the other side of the aisle and who are known as "Republicans" for laying aside every degree of partisanship in this crisis and giving to the President unstintedly the power that he has asked in the interest of the common welfare of the American people. I hope that partisanship will not rear its head in this debate. I shall not try to cut off debate unless, of course, it shall be shown that unnecessary time is being taken. I know the pending legislation is of such momentous character, is so delicate, contains so many possibilities and potentialities, that Senators naturally desire to speak and express themselves. I realize also that Senators may offer amendment after amendment and propose to cut out provision after provision of this proposed legislation, and, indeed, to reconstruct the whole bill.

Ordinarily many such amendments would appeal to me, as they would appeal to other Senators, but let me ask Senators to remember that this is a bill that was prepared at the instance and under the direction of the President of the United States. It is his conception; it is his proposal; it embraces the power which he asks us to give him in order to effectuate this great saving to the taxpayers of the country. So I hope, no matter how ingeniously an amendment may be drawn, how plausible it may appear, and however much it may appeal to us, that we shall go through with the consideration of the pending bill, vote down amendments, and do it as speedily as we can, so that we may hasten this bill to the White House, let it receive the signature of the President, and become a law, in order that confidence may be restored and the pending confusion now rampant in the country, because of the collapse of our banking institutions, may disappear and we may revive the drooping spirits of men and women everywhere, and send a warning throughout the world that the credit of the Government of the United States is going to be preserved and that all of us are going to make our sacrifices at this time.

Now I will yield for questions.

Mr. REED. Mr. President, will the Senator from Mississippi yield to me for a question?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Pennsylvania?

Mr. HARRISON. I yield to the Senator.

Mr. REED. Can the Senator assist us by indicating approximately when he expects to get a final vote upon the bill?

Mr. HARRISON. I had hoped that we might get to a vote sometime this afternoon, but, of course, one can always make bad guesses in this body. [Laughter.]

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Michigan?

Mr. HARRISON. I yield.

Mr. VANDENBERG. Will the Senator apportion the estimated savings as between title I and title II of the bill?

Mr. HARRISON. The estimated possible saving in title I is $383,000,000.

Mr. WALSH. That is the maximum?

Mr. HARRISON. That is the maximum possible saving, but I would not say the President would effect that much, because, as I have said, the President may, of course, in the regulations promulgated by him, determine not to reduce the compensation of a veteran who was injured in actual conflict.

Mr. VANDENBERG. Mr. President, will the Senator now refer to title II and give me an estimate of the saving under that title?

Mr. HARRISON. The estimated saving is between eighty million and a hundred million dollars.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Kentucky?

Mr. HARRISON. I yield.

Mr. BARKLEY. The Senator from Mississippi answered the Senator from Michigan that $383,000,000 would be the maximum saving. That, however, does not take into consideration the possible reductions in the rate of compensation now being paid under the law. That $383,000,000 is the maximum amount that may be saved by eliminations, but not by reductions in compensation to those who are receiving compensation. In other words, if the President should exercise his full power to eliminate all the non-service-connected cases, he might take them off the roll entirely and add to other savings brought about by elimination. The maximum amount would be $383,000,000; but that does not include possible reductions in the compensation of service-connected cases and non-service-connected cases still left on the roll.

Mr. HARRISON. That is why General Hines said it was almost impossible to calculate the amount in a definite way.

Mr. VANDENBERG. Let me ask the Senator how much of the $383,000,000 is made up of reductions in service-connected cases?

Mr. HARRISON. That is set forth in the hearings in the testimony of General Hines. According to the testimony of General Hines, that amount is estimated at $101,000,000.

Mr. WALSH. On page 40 of the hearings before the Committee on Finance of the United States Senate there is a statement by General Hines on the probable savings, which are enumerated item by item.

Mr. VANDENBERG. Then, if the service-connected disabilities were not included, the $383,000,000 would be reduced by some one hundred and odd million dollars?

Mr. HARRISON. It might be; there is a possibility of it being reduced, or there is a possibility, as was pointed out by the Senator from Kentucky, of it being increased beyond the figures given.

Mr. BLACK and Mr. KEAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Mississippi yield; and if so, to whom?

Mr. HARRISON. I yield first to the Senator from Alabama.

Mr. BLACK. Mr. President, with reference to subdivision (b), on page 13, I understood the Senator to construe that subdivision to authorize the President not only to lower salaries, if the price index justifies, but to raise salaries, if the price index justifies.

Mr. HARRISON. Yes; he can not go beyond what the law was before the passage of the pending bill—beyond the Welch bill, for instance.

Mr. BLACK. The intention of that section, then, is just as I said. I will say to the Senator that it is my judgment, and the judgment of some lawyers who have looked into that section, that it does not confer that power, and two of the

amendments which I have said I intended to offer are expected to make plain the interpretation, and to provide, as I have said was intended all the time, that not only should the President have the opportunity to lower salaries but, if there should be an increase in prices by inflation or otherwise, that he would have the right to raise them. I shall call the attention of the Senate to that question later.

Mr. HARRISON. All the information the Committee on Finance received was to the effect that the President would have the power to increase them if the survey showed an increased cost of living during the following 6 months, and so on. If the provision needs any clarification, the Committee on Finance would have no objection to a proper amendment.

Mr. BLACK. There is one further question I desire to ask the Senator. On page 5, those suffering from non-service-connected disabilities are deprived of the right of hospitalization. I was wondering if the record shows what saving that will make.

Mr. HARRISON. According to the estimate of General Hines, the saving would be $9,000,000.

Mr. McKELLAR. Mr. President——

Mr. HARRISON. I yield to the Senator from Tennessee.

Mr. McKELLAR. I wish the Senator would look at section 8, on page 20, which reads as follows:

> The appropriations or portions of appropriations unexpended by reason of the operation of this title shall not be used for any purpose, but shall be impounded and returned to the Treasury.

It may be that in title I there is a similar provision, but I have not found it.

Mr. HARRISON. There is no such provision in that section.

Mr. McKELLAR. Will not there be considerable savings under title I, and ought they not likewise be impounded in the Treasury? It seems to me that the provision I have read should apply to the act as a whole, rather than merely to one title.

Mr. HARRISON. I may say that the independent offices bill for next year was not enacted at the last session of Congress, and it may be that we can take care of that situation during the consideration of that bill.

Mr. McKELLAR. Would there be any possible objection to impounding whatever savings may accrue from the entire bill? Unless there should be some such a provision in the independent offices appropriation bill—and that might muddy the waters—it seems to me the savings of the entire bill should be impounded into the Treasury, to make the result absolutely sure.

Mr. HARRISON. I thank the Senator for his suggestion, and it may be that such a provision ought to be put in the bill.

Mr. CLARK and Mr. KEAN addressed the Chair.

Mr. HARRISON. I yield to the Senator from Missouri.

The PRESIDING OFFICER. May the Chair call the attention of the Senator from Mississippi to the fact that the Senator from New Jersey has been trying to get recognition for perhaps 10 or 15 minutes.

Mr. HARRISON. Very well; I yield to the Senator from New Jersey.

Mr. KEAN. Mr. President, I am in sympathy with the pending bill, and I am glad to see the Senator from Mississippi come out in favor of economy. I note, however, that he has changed his position from that of a year ago when on a vote to give the then President of the United States, Mr. Hoover, authority to do away with bureaus, he changed his vote from yea to nay when there was a tie in the Senate. So I congratulate him on his new position.

Mr. HARRISON. Well, I was at least right one time, may I say to the Senator? [Laughter in the galleries.]

The PRESIDING OFFICER. The occupants of the galleries will preserve order.

Mr. HARRISON. And may I say to the Senator, since he refers to my coming out for economy, I remember one day, I think it was during one of the first speeches made in the interest of retrenchment and economy, that my good friend from New Jersey on the other side did me the honor to shed crocodile tears over it.

Mr. CLARK. Mr. President——

Mr. HARRISON. I yield to the Senator from Missouri.

Mr. CLARK. Mr. President, I should like to invite the attention of the Senator for a moment to paragraph (e) on page 2, which reads as follows:

> For the purpose of subparagraph (b) of this section, the war shall be deemed to have ended November 11, 1918.

In view of the very extraordinary dictatorial powers granted to the President of the United States by this bill, I should like to inquire of the Senator why it is that no power to exercise any discretion in this matter is given to the President of the United States? His hands are tied.

I submit that there is no difference between a man who suffered a total disability while in the service, of service origin, in line of duty, on the 12th of November, 1918, and a man who suffered it on the 10th of November, 1918, or on the 11th of November, 1918. There were many, many cases in the American Expeditionary Forces—and, for that matter, in the troops still in service on this side of the water—where a total permanent disability was suffered as a result of conduct in line of duty in the service. As a matter of fact, a complete war was carried on after the 11th of November, 1918. We sent to Russia the American Expeditionary Forces, which were engaged there in some skirmishes and small battles of fair magnitude in which many casualties were suffered.

It seems to me absolutely illogical to grant these extraordinary dictatorial powers to the President of the United States in every other particular, and then absolutely to tie his hands as to any discretion in this matter.

Mr. HARRISON. May I say to the Senator that this provision does not apply to service-connected cases; and as to non-service-connected cases, that is the present law. November 11 is the date.

Mr. GEORGE. Mr. President——

Mr. HARRISON. I yield to the Senator from Georgia.

Mr. GEORGE. Under the present law the enlistment must have occurred prior to November 11, 1918; that is all.

Mr. ROBINSON of Indiana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Indiana?

Mr. HARRISON. Does the Senator wish to ask me a question?

Mr. ROBINSON of Indiana. I wanted the floor in my own right.

Mr. HARRISON. I am going to yield the floor in a few moments. I am sorry to have delayed the Senator, but I thought I ought to explain this bill.

Mr. FLETCHER. Mr. President, before the Senator from Indiana takes the floor I should like to ask the Senator from Mississippi a few questions regarding the bill.

Mr. HARRISON. I shall be glad to answer them.

Mr. FLETCHER. In the first place, I should like the Senator to explain if there is anything technical or anything that will need some clarification regarding the use of the word "active" on page 2, for instance, in line 1:

> Any person who served in the active military or naval service.

And, further on, in line 13, the language is:

> Injury incurred or aggravated in line of duty in the active military or naval service.

Mr. HARRISON. That is the present law, may I say to the Senator from Florida.

Mr. FLETCHER. I was wondering whether it would not be sufficient just to say "in the military or naval service," so as to leave out any question as to whether it was active military service.

Mr. HARRISON. That expression has already been construed and is in the present law.

Mr. FLETCHER. Then I should like to ask the Senator also if he does not think section 5 gives rather extraordinary power. It denies access to the courts in cases where there might be very meritorious controversies arising. It simply

closes the door to all courts and leaves the whole thing in the hands of the Administrator. Did the committee consider that?

Mr. HARRISON. Yes; the committee considered that; but they felt that when the President, under this power, which is quite arbitrary, had fixed the regulations, there ought to be no appeal from that, and that so far as the decision of the Administrator was concerned there should be no appeal from that.

Mr. FLETCHER. Then a great deal will depend on those regulations, of course.

Mr. HARRISON. Yes.

Mr. FLETCHER. That may fix the thing satisfactorily.

On page 6, after line 22, there is a provision with reference to disability for which an officer has been retired, resulting "from disease or injury or aggravation of a preexisting disease or injury incurred in line of duty." Would it not be well to insert there "in the active military or naval service"? I suggest the insertion of those words.

Mr. HARRISON. There would be no objection to that; but we will look into that, may I say to the Senator.

Mr. FLETCHER. I shall be glad if the Senator will consider that.

Then, hurrying on with the reading of the bill, I find on page 10 this language:

Provided, That nothing contained in this section shall interfere with payments heretofore made or hereafter to be made under contracts of yearly renewable term insurance which have matured prior to the date of enactment of this act and under which payments have been commenced.

That is pretty broad language.

Mr. HARRISON. That was put in to protect existing payments.

Mr. FLETCHER. Exactly; but the question in my mind is whether it protects those cases where action has been brought in the court and judgments have been actually entered but the payments have not been made.

Mr. HARRISON. May I say that the counsel for the administration said that those cases would not come under this measure.

Mr. FLETCHER. I have here a telegram from an attorney who is familiar with this matter, who says:

Certainly there should be exception as to such pending cases and cases where plaintiff has recovered judgment and appeal has been taken, some of which judgments are a year old.

We ought not to exclude those cases, I think.

Mr. HARRISON. I will say to the Senator that this act was the old War Risk Insurance Act, which was based upon no peace-time insurance at all, and which carried a provision that the policies were to be converted 5 years after the close of hostilities. Most of them, practically all of them, have been converted. Then we granted additional time in which to convert them; and the claims that are now pending are 14 years old, in most cases.

Mr. FLETCHER. Evidently there are some cases pending in the courts which have not yet arrived at judgment, and even some cases where judgment has been entered which have not been finally settled. It seems to me there ought to be an exception made of those cases and that we ought to allow them to proceed to payment, and not deprive them of their right of payment when final judgment of a court has been entered.

Mr. McCARRAN. Mr. President, will the Senator yield for a question in that connection?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Nevada?

Mr. HARRISON. I was going to yield to the Senator from Massachusetts [Mr. WALSH]; but if the question of the Senator from Nevada has direct reference to this matter, I will yield to him first.

Mr. McCARRAN. It has.

Is it not true that under the present provisions of the pending bill all unsatisfied judgments will be affected to the extent that they would be set aside?

Mr. HARRISON. I think that is true.

Mr. McCARRAN. And all cases that are now pending, that have not come to trial, would be immediately terminated?

Mr. HARRISON. I think that is true. We had to draw a line somewhere; and the President thought the line should be drawn there, because they have had all this time in which to convert this other insurance.

Several Senators addressed the Chair.

The PRESIDING OFFICER. To whom does the Senator from Mississippi yield?

Mr. HARRISON. I yield to the Senator from Massachusetts [Mr. WALSH].

Mr. WALSH. Mr. President, the Senator from Michigan [Mr. VANDENBERG] made an inquiry about the possible economies realized under this measure; and attention was called to the table that General Hines furnished the committee.

I should like to call attention to the fact, and I ask the Senator if he agrees with me, that there are two classes of compensation cases where injury or disease is traceable to service. One is classified as direct disabilities that are service connected, and the other is classified as disability compensation established by legal presumptions. There are, as a matter of fact, 182,214 veterans who are receiving compensation because of direct disabilities and direct diseases traceable to service. On the other hand, there are 152,600 veterans who are receiving compensation for disabilities traceable to service based upon presumptive laws.

As I read this table, General Hines has provided for eliminating, or assumed that the President might eliminate, in reaching this figure, all these compensation cases that are founded upon presumptions of law that the disease was contracted in the service, such as tuberculosis and neuropsychiatric cases; and I call the Senator's attention to item 9 in General Hines' table.

Eliminate all presumption for disability compensation and emergency officers.

A saving of $100,000,000.

It is inconceivable to me that the President would go so far as to sweep aside all these presumptive cases, 90 percent of whom are tubercular and neuropsychiatric. I believe the President would at least provide pensions. Therefore, I think that saving is more or less exaggerated.

Mr. HARRISON. The Senator has stated the fact.

Mr. WALSH. But the point I rose to make was that so far as I can analyze this table, the only veteran cases where there is assumption that there will be limited reductions, although there is the authority to do so, are the direct compensation cases, where the injury or disease is directly traceable to service; but even there there is an assumption of reductions in item 5 and in item 22, as follows:

One rating table, five rates $10, $25, $50, $75, $100 average impairment; estimated savings, $40,000,000.
Reduce all remaining benefits by 10 percent.

So I interpret this table to indicate the possibility of the President removing from the rolls all veterans who are now compensated and who are assumed to have contracted their disease in the service because of presumptive laws we passed, eliminating them, and retaining the direct cases but reducing compensation by $40,000,000 and also with a general cut of 10 per cent. Am I correct in my interpretation?

Mr. HARRISON. I think the Senator is eminently correct.

Mr. RUSSELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Georgia?

Mr. HARRISON. I do.

Mr. RUSSELL. I have endeavored to follow the Senator. If I understood him correctly, section 18, on page 10, is the only provision of the bill that affects any pensions or gratuities that arose from service prior to the Spanish-American War. Was it the intention of the Committee on Finance to make that reduction of 10 per cent apply for only 1 year, and then that the payment should be restored to its prior figure?

Mr. HARRISON. That applies just for 1 year, may I say. It applies only to Indian War and Civil War veterans.

Mr. RUSSELL. All of the disability allowances are permanent legislation?

Mr. HARRISON. They are.

Mr. RUSSELL. This is only for 1 year?

Mr. HARRISON. That is temporary; that is all.

Mr. BLACK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Alabama?

Mr. HARRISON. I do.

Mr. BLACK. I probably misunderstood the Senator a moment ago in answering a question of the Senator from Nevada. Is it correct that under section 17, in certain cases where judgments have been obtained against the United States and have not been satisfied, they may be cut off?

Mr. HARRISON. If they are unsatisfied, the President has the power under that provision not to pay them.

Mr. BLACK. Is it also true that the provision applies to cases of insurance where the soldier paid for his insurance?

Mr. HARRISON. These were the war-risk insurance cases, and, of course, the premiums were taken from the soldiers' pay.

Mr. BLACK. They were, and the soldiers paid them.

Mr. WALSH. Convertible insurance is not affected by this bill.

Mr. HARRISON. As I stated, the insurance premium was so small in those cases, and the law carried with it the notice that the policies would be converted into other insurance policies, that the cost to the Government was $1,700,000,000 more than the premiums that were collected on the insurance policies; and I may say to the Senator that the Supreme Court has held that the contract was an unfair one.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Missouri?

Mr. HARRISON. I do.

Mr. CLARK. It is a fact, is it not, that these suits have been brought in the Federal courts, judgment has been had, and all the proceedings have been taken by virtue of authority of law; that there are now pending suits that have been filed by authority of law, and this provision would simply give authority to take away rights already vested in the courts?

Mr. HARRISON. I have stated that some 20,000 of these cases are pending, that it may be that a few have gone to judgment, and that those cases would fall within the power of the President not to pay.

Mr. BLACK. Mr. President, may I ask the Senator one other question?

Mr. HARRISON. I yield.

Mr. BLACK. A great many of these policies are outstanding now, and a great many people are interested in the policies.

Mr. HARRISON. Of course, the Senator appreciates that those who took out convertible insurance under the other insurance plan would not be at all affected.

Mr. BLACK. But it would apply to one who paid for his insurance and suffered injuries coming under the terms of the policy, and who has sued and obtained judgment from the court on the ground that he had a contract for which he had paid, and the court rendered judgment in his favor.

Mr. HARRISON. It gives to the President the power, if he desires to eliminate such a person, just as it gives to the President the power to do these other things. But the fact that that is included must not lead to the supposition that the President is going to exercise the power. He would have the authority.

Mr. BLACK. Why put it in if it is not to be done? If the contracts are not to be repudiated, why give the power?

Mr. BARKLEY. Mr. President, will the Senator from Mississippi yield to me?

Mr. HARRISON. I yield.

Mr. BARKLEY. Is it not true that most, if not practically all, of the cases involved in this section are cases of insurance policies which lapsed years ago, and as to which a subsequent adjudication or an award may be applied to the payment of premiums which they voluntarily allowed to lapse?

Mr. HARRISON. The Senator is right.

Mr. BARKLEY. And therefore they are not on the same basis with the cases of insurance policies which have been converted under the law and are now in force because of premiums which have been paid from time to time to keep them alive.

Mr. HARRISON. The Senator is correct.

Mr. BLACK. Mr. President, will the Senator yield again?

Mr. HARRISON. I yield.

Mr. BLACK. Let me call the Senator's attention to the fact that they never could have recovered judgment in court if it had not been shown that the policy had been breached before they filed the suit and before the premiums ceased to be paid. Consider this case, for instance. The policy provided—and it does provide yet—that in case of a permanent disability on account of tuberculosis, under the terms of the policy, the Government would pay to the beneficiary for a certain period of years. One could not recover on such a policy unless he showed that tuberculosis had been contracted at the time when the policy was in force and effect, and of course the mere fact that he delayed filing suit would not affect his contractual obligations insofar as the policy was concerned. If an effort should be made to pass such a measure with reference to a private insurance company, it would undoubtedly be held unconstitutional, and it would only be because the Government has the right to repeal a law that it could fly in the face of the Constitution and give any such power.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. GEORGE. On this point, let me say that if this section is enacted, we will wipe out, of course, all the law applicable to the yearly renewable term insurance. The proviso is a saving clause. It reads:

> *Provided*, That nothing contained in this section shall interfere with payments heretofore made or hereafter to be made under contracts of yearly renewable term insurance which have matured prior to the date of enactment of this act and under which payments have been commenced.

Under that saving clause, of course, nothing could be paid unless there had been a maturity of the contract prior to the date of the enactment of the act and unless payments had actually been commenced. Even in case of a judgment in the courts, which had become final, if there had been no commencement of payments that policy would go along with all the rest of them.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. WALSH. Am I correctly stating the proper interpretation of the section under consideration by saying that all term-insurance rights and contracts are lifted out of the reign of regulation or of change by the President, but that we now are asked to enact a law providing that all who have adjusted and settled their term-policy cases shall receive in the future, as they are now doing, whatever compensation is provided for in their settlements; and, also, that from the time of the enactment of this law all term-insurance claims will be unknown, whether the cases are pending in the courts or whether they are pending before the Veterans' Administration? Am I correct?

Mr. HARRISON. The Senator is right.

Mr. GEORGE. The Senator is correct, and may I say that there are about 11,500 of these suits actually pending in the courts, and about 20,000 claims pending in the Veterans' Administration. There is a limitation since last July on the time within which they could be filed, so that it might be said that roughly there are 11,500 suits actually pending, and some 20,000 claims pending in the Veterans' Administration on which suit might subsequently be brought.

As I interpret the section, the Senator from Massachusetts [Mr. WALSH] has properly stated the intent and effect of it.

Mr. BLACK. But he has not stated it in accordance with the statement of the Senator from Georgia a moment ago, if I correctly understood him. I understood the Senator from Georgia to say that if a judgment has already been obtained in court on a policy which a man paid for with his own money, and it has been breached, he could not recover if the President saw fit to deprive him of that privilege.

Mr. GEORGE. Exactly; I do not think there is any question about it. If the Senator did not make that plain, I want to make it very clear.

Mr. BONE. Mr. President, will the Senator from Mississippi yield to me?

Mr. HARRISON. I yield.

Mr. BONE. I did not hear the Senator from Mississippi explain what would happen to the officers who are now receiving benefits under the so-called "Tyson Act" and I am wondering whether they would be taken care of under any section of this bill.

Mr. HARRISON. There are two changes made with reference to them. In the future it must be shown that their disabilities were service connected, or occurred while they were in line of duty, in actual service, and so on. Secondly, they would get the same reduction—15 percent—which the officers of the Regular Army and the Navy would get.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. TYDINGS. I should like to ask the Senator from Mississippi whether there is any provision in the bill withholding compensation in the event the beneficiary has sufficient income from private sources, or from work, to make his compensation from the Government not necessary to his comfortable existence.

Mr. HARRISON. The President would have the power to take care of that.

IMPEACHMENT OF HAROLD LOUDERBACK

The VICE PRESIDENT. By order of the Senate sitting as a court of impeachment, 3 o'clock is the hour designated for the court to assemble. The clerk will read the journal of the court.

The Chief Clerk proceeded to read the journal of the court.

Mr. ASHURST. Mr. President, I ask unanimous consent that the journal be considered as read and that it be approved.

The VICE PRESIDENT. Without objection, it is so ordered.

At 3 o'clock and 1 minute p. m. the managers of the impeachment on the part of the House of Representatives appeared at the bar, and their presence was announced by the Assistant Sergeant at Arms (Carl A. Loeffler).

The VICE PRESIDENT. The managers on the part of the House will be conducted to the seats provided for them within the bar of the Senate.

The managers were conducted to the seats assigned them within the space in front of the Secretary's desk.

The VICE PRESIDENT. In order that the entire Membership of the Senate, as far as possible, may be sworn as a court of impeachment, the clerk will call the names of absentees to whom the oath has not been administered.

Mr. ROBINSON of Arkansas. Mr. President, may I suggest that a number of Senators may be absent from the Chamber who would like to have this opportunity to take the oath. If there is no objection, I would ask that the order for calling the names of absentees may be vacated.

The VICE PRESIDENT. Does the Senator desire to suggest the absence of a quorum?

Mr. ROBINSON of Arkansas. Yes; I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Barkley	Bulow	Connally
Ashurst	Black	Byrd	Copeland
Austin	Bone	Byrnes	Costigan
Bachman	Bratton	Capper	Couzens
Bailey	Brown	Caraway	Dale
Barbour	Bulkley	Clark	Dickinson
Dill	Keyes	Nye	Thomas, Okla.
Duffy	King	Patterson	Thomas, Utah
Fess	La Follette	Pittman	Townsend
Frazier	Lewis	Pope	Trammell
George	Logan	Reed	Tydings
Glass	Long	Reynolds	Vandenberg
Goldsborough	McAdoo	Robinson, Ark.	Van Nuys
Gore	McCarran	Robinson, Ind.	Wagner
Hale	McGill	Russell	Walcott
Harrison	McKellar	Sheppard	Walsh
Hastings	McNary	Smith	White
Hebert	Murphy	Steiwer	
Kean	Neely	Stephens	

Mr. WALSH. I wish to announce that my colleague [Mr. COOLIDGE] is necessarily absent, owing to a death in his family.

The VICE PRESIDENT. Seventy-four Senators having answered to their names, a quorum is present. The Chair will suggest that Senators who have not taken the oath as members of the court now rise in their places and take the oath.

Thereupon, Mr. ADAMS, Mr. AUSTIN, Mr. BULKLEY, Mr. BYRNES, Mr. COSTIGAN, Mr. FRAZIER, Mr. GLASS, Mr. GORE, Mr. HASTINGS, Mr. KEAN, Mr. MCADOO, and Mr. WAGNER rose, and the oath was administered to them.

The VICE PRESIDENT. The Senate is sitting as a court of impeachment. The proclamation will be made by the Sergeant at Arms.

The SERGEANT AT ARMS (Chesley W. Jurney). Hear ye! Hear ye! Hear ye! All persons are commanded to keep silence on pain of imprisonment while the Senate of the United States is sitting for the trial of the articles of impeachment exhibited by the House of Representatives against Harold Louderback, United States district judge for the northern district of California.

Mr. ASHURST. Mr. President, I send to the desk a copy of an order and ask the clerk to read the same. I ask that the honorable managers on the part of the House consider the order as to its form and as to its date, and if the same be approved by the honorable managers I expect to ask the Senate to consider the same.

The VICE PRESIDENT. The clerk will read the proposed order.

The Chief Clerk read as follows:

Ordered, That a summons be issued as required by the rules of procedure and practice in the Senate, when sitting for the trial of the impeachment against Harold Louderback, United States district judge of the northern district of California, returnable on Tuesday, the 11th day of April 1933, at 12:30 o'clock in the afternoon.

The VICE PRESIDENT. Is there any objection or suggestion to be made on the part of the managers of the House?

Mr. Manager SUMNERS. Mr. President, I am directed by the managers on the part of the House to state that the order proposed by the Senator from Arizona is satisfactory to the managers on the part of the House.

Mr. REED. Mr. President, before the order is agreed to I would suggest that it should state to whom the summons is to be directed. I suggest that after the word "summons" in the first line there be inserted the words "to the accused," so as to read:

Ordered, That a summons to the accused be issued—

And so forth.

Mr. ASHURST. I have no objection.

The VICE PRESIDENT. Without objection, the order will be modified as suggested by the Senator from Pennsylvania; and without objection, the order as modified will be entered. The Senator from Arizona is recognized.

Mr. ASHURST. Mr. President, I have nothing further to ask of the court at this time more than to request that if the honorable managers on the part of the House have any communication respecting the managers or their personnel or the selection or appointment, the court should hear them now.

The VICE PRESIDENT. Have the managers on the part of the House any suggestion to make to the court?

Mr. Manager SUMNERS. Mr. President, not at the moment do the managers on the part of the House desire

to make any announcement. We do expect at a later time to have an announcement to make to the court.

The VICE PRESIDENT. The Chair awaits the pleasure of the court.

Mr. ASHURST. Mr. President, I move that the Senate, sitting as a court of impeachment on the trial of Harold Louderback, do now take a recess until the 11th day of April 1933, at 12:30 o'clock in the afternoon.

The motion was agreed to; and the Senate, sitting as a court of impeachment (at 3 o'clock and 13 minutes p.m.), took a recess until Tuesday, the 11th day of April 1933, at 12:30 p.m.

The VICE PRESIDENT. The Senate will resume its legislative session.

REDUCTION OF EXPENDITURES

The Senate resumed the consideration of the bill (S. 233) to maintain the credit of the United States Government.

Mr. ROBINSON of Indiana. Mr. President, I desire to record my opposition to the measure now pending before the Senate in the most emphatic terms of which I am capable. I also desire to protest against any such policy as is suggested by legislation of this kind.

The Constitution of the United States is broad enough for the government of the American people. There is no occasion, and there is no emergency at this time suggesting an occasion, for departing from the Constitution to the extent of making any man, regardless of his official station, a dictator over the American people.

I invite the attention of the Senate to this further fact, too: That Congress may declare the President of the United States a dictator within the Constitution, along certain lines, by a majority vote; but after the Congress has surrendered its powers, and those powers properly lodged in the Congress are delegated to the Chief Executive, from that time forward it would require a two-thirds vote of both Houses to reclaim the powers given the Congress under the Constitution. That is a departure from principle and policy which, it seems to me, should never be countenanced at this time or in this hour by the Senate of the United States.

Mr. President, that would mean, reduced to its lowest terms, that if any Chief Executive wielding these enormous dictatorial powers could manage to hold the loyalty of a small minority in both Houses, namely, one third, he could continue to dictate, and the Congress would be impotent to prevent it. Powers can be delegated by a majority vote, I point out; they can be reclaimed only by a two-thirds vote, because the President of the United States could veto any measure seeking to restore the powers to the Congress, and it would require a two-thirds vote of both Houses to override his veto.

Consequently we are in these latter days asked to depart very widely from established policy in the United States. We are rapidly making the Congress of the United States a rubber stamp so far as the Constitution, or its powers and duties thereunder, are concerned. If that be true, and if that be the desideratum of the Congress, then why not adjourn and go home, establish the dictator, and let him run the United States in any fashion he may see fit to improvise.

Mr. President, one of these days, at the rate at which we are going now, the Congress will legislate itself out of existence. It is doing that rapidly, it seems to me, and the pending measure is in line with the measure passed a day or two ago.

Of course, the Senator from Nevada [Mr. McCARRAN] is exactly right. The idea of saying that no veteran may be permitted to appeal his case when he feels it is just, that only the Veterans' Administrator may decide and issue edicts, under the President of the United States, reduces justice to a cipher. It was just suggested to me by one of my colleagues that the President is given little leeway in the measure, only from $6 a month to $275 a month. In other words, he could give one veteran $275 and another $6, or any amount in between those two sums. Or he might give them nothing. He might take away from them all of their vested rights, rights which have been vested by the Congress.

Mr. President, I recognize thoroughly that all I say here will probably change no votes. Yet, I think it is absolutely essential for the RECORD that the story should be told; that the American people should know what is going on at this moment in connection with certain interests in this country which remain active, powerful interests which never sleep.

On last Thursday, President Roosevelt asked the Congress for far-reaching authority in connection with the emergency brought about through the suspension of activity by all the banks of the United States.

The measure submitted to the Congress was believed by many of us to be entirely inadequate to meet the situation, but it was felt that something should be done, and done promptly, and, though the interests of State banks and smaller financial institutions throughout the land, as well as their many depositors, were not properly safeguarded, the bill was promptly passed with the hope that some good might be accomplished. I, along with many others of this body, voted for it with great reluctance.

As a result of congressional action in this matter, the President of the United States became a virtual dictator, with power of life and death over all the financial institutions of the country.

I do not know how other Members of the Senate felt about it, but I certainly did not expect the President to ask Congress to further abdicate its powers and responsibilities, and consequently his message of last Friday requesting House and Senate to delegate to him all of their responsibilities to the veterans of all our wars and their dependents came as a distinct shock.

The Chief Executive does not seek to conceal his motive in the matter. He proposes, if given the power to do so, by a stroke of the pen to cancel vested rights which have been accorded the disabled veterans and their dependents by the Congress of the United States. Nor is it concealed that by this action he would divest them of benefits aggregating hundreds of millions of dollars.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Indiana yield to the Senator from Louisiana?

Mr. ROBINSON of Indiana. I yield.

Mr. LONG. What does the bill do with the case of a man who contracted tuberculosis in the service and who is receiving compensation?

Mr. ROBINSON of Indiana. Mr. President, I think in all such cases, certainly all presumptive cases, it is left to the judgment and discretion of the President of the United States and those under him whether such cases shall receive compensation or not.

Mr. President, I would rather not be diverted from the statement I am making at this time, but I shall be glad to answer any questions of the Senator after I shall have concluded.

Mr. LONG. Very well.

Mr. ROBINSON of Indiana. Referring again to the vested rights of veterans which the Congress and the Senate in this hour are asked to cancel, I suggest that any such action would, of course, immediately destroy their purchasing power and consequently prolong the depression and not alleviate it in the slightest degree.

The plan advocated by the President is precisely the plan of the National Economy League, which comprises largely the organized wealth and greed of the United States.

The spokesman of this organization did his best to browbeat both Houses of Congress into doing injustice to the disabled veterans when the independent offices appropriation bill was pending here during the last session. And, after both Houses had passed the bill, refusing to be intimidated by the threats of that organization, he insolently wired the then President of the United States demanding that the bill be vetoed.

I do not know what, if any, influence that message had with the then President, but in any event he refused to sign the bill, and it will necessarily come back to Congress for reenactment.

Nor do I charge that to the National Economy League or to the United States Chamber of Commerce, who work right together, as witness the powerful combination on the air last night. They were working together last night. They have the air at any time. If veterans desire the air, they must go on at midnight or not get it at all.

Nor do I charge that the National Economy League, the United States Chamber of Commerce, and other organizations representing big business and organized wealth have unduly influenced President Roosevelt. I simply advert to the fact that their plan with regard to disabled veterans and the plan suggested by the President of the United States are identical.

That the people of America are disgusted with the activities of Wall Street and organized wealth is a fact too patent to be dwelt upon. The people believe, and with great good reason, that these are the very interests which brought on the calamity, nation-wide, which has befallen us. And, when testimony such as that given by Charles Mitchell, of the National City Bank, of New York, is published, it only deepens the conviction on the part of the American people that big business and organized wealth in this country are rotten to the core.

Because of that fact, I am sorry to see the new President, to whom the people look forward with hope and trust, fall in line with the designs of those who have wrecked the country.

No unjust laws are on the statute books with reference to disabled veterans. Throughout our history we have always considered war a national responsibility, and the material costs of war always have been paid by the Federal Government.

Much of our national income is paid into the Treasury by wealthy citizens in the form of income taxes. This is, of course, as it should be, for they receive far larger protection and benefit from a government which enforces law and order than any other group of our people. These interests are naturally selfish, however; and if they could shift the burden of taxation to the shoulders of others, would be glad to do so.

As long as disabled-veterans' benefits come from the Federal Treasury, organized wealth and big business will be forced to pay at least some part of the cost of war.

However, if that cost could be diverted to the shoulders of local taxing units, then big business would be relieved and the responsibility shifted to the backs of farmers and small propertyowners throughout the land. This, of course, accounts for the activity of these wealthy organized groups, who, I fear, Mr. President, are becoming actively lodged in the White House.

Let it be understood that benefits now are paid only to the disabled veterans.

So far as the World War is concerned, these consist of two classes: those with service-connected disabilities, in which case they must prove to be 10 percent disabled; and those with nonservice-connected disabilities which require proof of 25 percent. It should be borne in mind also that the burden of proof is on the veteran himself. This places him at a terrific disadvantage at the outset.

I think these facts were generally understood in the last campaign. I would not charge any colleague of mine in this body or anyone at the other end of the Capitol with bad faith, but I know candidates who went before the people in the last campaign promising the veterans that not one of them should be touched by any hand attempting to do them an injustice. I have learned in the last 24 hours that some of those very men now are proposing to desert the veterans, desert their campaign pledges, and vote just the opposite from the manner in which they promised those very constituents of theirs they would vote if given the opportunity.

As I said, it places the veteran at a terrific disadvantage to be forced to carry the burden of proof. Of course it does. Anyone who has any knowledge of law understands that perfectly well. The burden of proof is on the veteran himself.

In untold thousands of cases no records were kept. In many others, hospitalization records were lost, and wherever still in existence, they are in possession of the Government and, hence, not available to the veteran.

Because of these difficulties besetting his path, in thousands of cases veterans unquestionably rate service connection but connot prove it. Consequently, the Congress finally enacted legislation providing for all disabled veterans, regardless of the cause of disability, provided only it amounted to 25 percent. Let me suggest to the Senate that that 25 percent must be permanent and incurable disability, not a temporary affliction of any kind; it must total permanent 25 percent before the veteran with non-service-connected disability can receive benefit. Then they get the small sum of $12 a month, and that keeps families together and holds little homes together. Thousands and untold thousands of these veterans are existing today on the $12 a month with no other income of any kind. Many of them have service-connected disabilities; and if the records should be produced, they could easily prove it.

In a vast majority of these cases the veterans are married and have families dependent upon them for support. Many of them are out of work and even if able to accept employment, could not find it.

With more than 12,000,000 unemployed, walking the streets seeking gainful means of earning a livelihood, the competition for jobs is so pressing that even able-bodied men cannot get work, to say nothing of the veterans who are at least 25 percent disabled.

What happens now if the National Economy League and other groups hostile to the disabled veterans should have their way? These men and their families must be cared for, if not by the Federal Government then by local taxing units and local charities, and that could mean only one thing: that the burden would be shifted from the wealthy who are able to pay but because of selfishness do not wish to pay, to the smaller-tax-payers whose backs are now almost broken with ever-increasing taxes.

I submit there is no emergency for any such policy on the part of the Federal Government.

To increase purchasing power is the crying need of the hour—not to destroy it.

Roger W. Babson, a recognized authority on financial subjects and economic matters, in a statement released January 6 of this year, in an analysis of Government costs, after speaking of the interest and sinking fund on the debt, used this language:

> Second. Cost of veterans' aid—$928,000,000. Of course, there may be inequalities and abuses in this matter. If so, they should be corrected. Yet how can cutting the veterans improve business? In most cases reducing Federal aid to veterans would result in increasing local aid to their families.

There, again, the taxes go back to the shoulders of the farmers and the small-property owners throughout the land.

But the power of money and of Wall Street oppose payments to the veterans. Who else opposes them? What other groups in the land oppose those payments except the organized groups of wealth, big business, the United States Chamber of Comerce, and the so-called "National Eeconomy League"? Who else? Nobody, save only these powerful wealthy groups that can afford to monopolize the air at the best hours available for its use every night in a campaign of vilification against the disabled veterans of the United States and their dependents. They say the Budget must be balanced. "Balance the Budget"—how often we have heard those words used to excuse the ingratitude of the Congress. Balance the Budget at the cost of the Nation's veterans. Balance, true—by perpetrating gross injustices on them and by the same inexcusable action—one balance unbalances the pitifully inadequate living budgets of additional hundreds of thousands of Americans.

And, to accomplish this, the President of the United States asks for dictatorial powers, demanding that the Congress abdicate its functions.

God save the mark, Mr. President. Have we come to the point that the President of the United States, with all his

power and the dignity that goes with his office, should ask the Congress to abdicate its functions? For what reason? In order to make him a dictator. A dictator over what? Over the destinies of the disabled veterans of the United States, without whose sacrifices there would today be no President, no White House, no Capitol, no Congress.

A grateful Government should steadfastly refuse to be a party to any scheme to victimize those who have worn the uniform in its defense. Such a policy would be not only unwise but positively unjust, brutal, and cruel.

It has been the custom of this country to be just to the veterans of all our wars and to their dependents. This policy must be continued. This Republic must show itself mindful of the sacrifices of the soldier, grateful to those who helped preserve the Nation—the veteran must not be relegated to the ranks of the "forgotten man", concerning whom we heard much during the recent campaign; but nobody dreamed that phrase was meant only for the disabled veterans of the United States; and even if they were forgotten, most of us believed the "new deal" would have in it something of charity, something of mercy, something of compassion, something of generosity, something of decency, something of recognition for service rendered to this country by those who offered their lives for its preservation. I go further: a nation which does not deal generously and considerately with those who have worn the uniform in times of peril does not deserve to be defended if war comes.

But some people say veterans with disabilities not directly connected with war service deserve no consideration. Why not? They have a right to live, and it has always been the policy of this Government to deal generously and considerately with all its defenders.

The question was answered thoroughly and conclusively in an editorial published in the Cherokee Scout, of Murphy, N.C., January 13, 1933. It referred to a statement issued by Admiral Byrd, who, according to the testimony of Henry H. Curran, is the titular head of the National Economy League.

I quote the following excerpt from the editorial:

In reply, through a statement issued to the press, Admiral Byrd offered to give up his status in the Navy, "and all that goes with it," if the American Legion "will favor before Congress the repeal of that dangerous, costly law"—

This is Admiral Byrd's language—

"which grants pensions to veterans of all our wars who received no injury or disability from service." Admiral Byrd said further: "I am not opposed to the veterans. I am opposed to this un-American principle."

This un-American principle! What un-American principle is he talking about? This statement is fraught with much argument and great consequences. Much could be said pro and con, but let's look at an illustration of this un-American principle right here in Cherokee County, N.C., United States of America:

We have one boy living within the confines of this county who was not injured or disabled by his World War service. He did not serve any great length of time in the service, nor did he go overseas. He was discharged honorably, and went back to civil life and his occupation with no impairment to his health and physical well-being.

Later, through a great misfortune, he lost both hands and both feet. It doesn't matter how he lost them or under what circumstances it occurred. Both hands and both feet are gone. He has a wife and some children. Because of this disability—and who is there to dispute that he is disabled?—he made application for a pension under the very law which Admiral Byrd says is un-American in principle. He is now drawing $40 a month for this disability, and it helps him to keep his little family together, to provide something to eat and something to wear for those children and that wife. If it wasn't for this meager pension from the Government, God knows what would be the plight of this family!

When his country was in need, it called him. When the enemy was threatening to wreck the very existence of American principles and American institutions, he heard that call and answered. He laid his body, his strength, his life, his all, upon the altar of war—for sacrifice if necessary—for the protection of those American principles and those American institutions.

And now, when misfortune swept away his usefulness, took his hands and his feet, it left him in need, in dire distress, helpless. Is it un-American that he answered the call of his country in time of need? Is it un-American that his country answered pitifully his call in time of need? Is there anywhere in American institutions any text or creed which teaches that this in an un-American principle? If there is, God help America!

But the National Economy League seems to be horrified that the American Republic is dealing considerately with its veterans. I wonder if that organization is familiar with what other countries are doing along this same line. I quote the following from the January number of a publication known as the Lafayette, which came to my hands a few days ago:

WHAT OTHER NATIONS ARE DOING FOR VETERANS AS COMPARED TO UNITED STATES

As to the justice of the immediate payment, we have to point only to what other and poorer nations have done for their veterans. The United States pays less for its veterans than any other nation in comparison to the wealth and national income. The United States owes only 4 percent of her national wealth and France owes 20 per cent; England, 40 per cent. The United States spends $1 for every $800 of national wealth annually on veterans. France spends $1 for every $170 of national wealth. England spends $1 for every $700 of national wealth, and Germany $1 for every $130 of national wealth.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Maryland?

Mr. ROBINSON of Indiana. I will not yield right now. I do not want the continuity or sequence of this statement to be disturbed. Later I will answer any questions the Senator may wish to ask.

The PRESIDING OFFICER. The Senator from Indiana declines to yield.

Mr. ROBINSON of Indiana. I continue the quotation:

The United States spends annually for veterans $1 for every $125 of national income; France, $1 for every $26 of national income; England, $1 for every $110 of national income; Germany, $1 for every $40 of national income.

BORROWED FROM UNITED STATES

Bear in mind these countries have borrowed billions of dollars from the United States Government and from international bankers in the United States. England provides poor-relief, doles, old-age pensions, free medical relief, and other benefits that cost nearly a billion dollars last year. Citizens, including veterans of Great Britain residing in the United States, and unemployed, receive $7 to $8 a week as unemployed-relief, according to a statement in the CONGRESSIONAL RECORD. Conquered Germany pays $500,000,000 annually to 4,000,000 citizens, many of them veterans, borrowing money from the United States. Germany provides doles and unemployment-insurance, spending several times as much for her veterans as the United States. England and other countries never permit any person, veteran or nonveteran, to go hungry or without sufficient clothing.

What is the truth, Mr. President, about the amount spent for veterans? Allow me to quote on this very subject from the December number of the magazine Plain Talk, published in this city:

Plain Talk believes in economy in Government as well as in personal affairs.

But we do not believe it is economy in any sense of the word to lop off $450,000,000 from compensation for veterans of the World War, who are actually only getting $304,443,000, and then give $2,000,000,000 doles at one time to the international bankers, try to cancel $11,641,508,460 in foreign debts, send $17,000,000,000 out of the country in the foreign-bond racket, or make upwards of $4,000,000,000 in "tax refunds" to corporations owned by our two principal public enemies.

Yet these are the things that Archie Roosevelt and the United States Chamber of Commerce have seen done before their very eyes and have yet to raise the faintest whisper of protest. Whaddayuh mean—economy?

Now let me remind the Senate that Archie Roosevelt and his brother, Kermit, who recently enjoyed an interesting yachting cruise in the Gulf of Mexico, have been receiving subsidies of hundreds of thousands of dollars from the United States Government. They are among the leaders of the National Economy League. It is all right for them to receive subsidies aggregating nearly a million dollars in their Morgan assisted and partly owned shipping firm; that amounts to little; but they would take $12 a month away from a disabled veteran because its payment would not permit "balancing the Budget." "Consistency thou art a jewel."

Both the United States Chamber and its little speckled colt, the Economy League, spill their own beans in asking that the misinformation they are spreading be given by readers to their Congressmen, to the end that all economies will be made at the expense of the veteran.

Not only the veteran but, mark you, Mr. President, the disabled veteran. It is the disabled veteran whom they propose to victimize in this matter. I am surprised that the President of the United States should ever have countenanced such a program, much less asked the Congress to make him a dictator, which in this instance would not be very greatly different from making him a tyrant, if he is to tyrannize over the disabled veterans of the United States.

One gathers from this plan that the sponsors want no real economies in the operation of the Government—elimination of waste, graft, and extravagance—made by the present Congress.

When "information" of this sort is put out by a responsible body, with the specific insistence that the readers "press for definite action in the coming session of Congress," it takes on the aspect of nothing so much as selfish propaganda. During the war an expression for this sort of guff was coined. It was called "nonessential."

In the alleged $927,848,000 which Roosevelt and the National Chamber claim the war veterans are getting, we find that they have included items which by no stretching of the imagination, even of an Archie Roosevelt, can be charged to World War veterans' compensation.

Mr. LONG. Mr. President, I do not want to interrupt the Senator——

Mr. ROBINSON of Indiana. I ask the Senator's kind indulgence.

Mr. LONG. But is not the name wrong? Is not that Kermit Roosevelt, the subsidy man?

Mr. ROBINSON of Indiana. I think they are both connected with the same National Economy League.

Mr. LONG. Two of them? [Laughter.]

Mr. ROBINSON of Indiana. But I will say to the Senator from Louisiana that it looks now, in the light of the message we have received and the bill before this body, as if they are all together on the question. [Laughter.] The family has been reunited on the question of victimizing the disabled veterans of the United States.

I am quoting from Plain Talk, a magazine published in this city:

Administration costs, clerk hire, and expenses, veterans of all wars	$115,000,000
Printing and binding	150,000
Compensation for disability incurred in World War	204,443,000
Disability allowance, non-service-connected disabilities	104,277,000
Disabled emergency officers' retirement	11,046,000
Death benefit payments (premiums paid for by soldiers themselves)	36,284,000

I assume, of course, the administration does not propose to take away insurance from these veterans who have paid the premiums themselves, out of their own pockets.

Army and Navy pensions, Civil War, Spanish War, and Regular Army	$225,850,000
Military and naval insurance (paid by premiums by soldiers themselves)	117,000,000
Soldiers' homes and hospitals, all wars	12,877,000
Federal aid to States, soldiers' homes	722,000
Adjusted-service certificate fund	100,000,000
Total	927,849,000

One of the most frequently quoted figures relating to expenditures for World War veterans is General Hines' statement that up to December 31, 1931, the sum of $14,950,000,000 had been disbursed on account of veterans. Enemies of the veterans try to make it appear that this represents the sum spent on World War veterans.

The facts are that this sum includes the amount spent as an aftermath of all wars from 1790 to 1932, dating away back to the War of the Revolution, and also includes pensions for the Regular Army and Navy Establishment. It also includes the trick figures of $947,003,581, the falsity of which has just been exposed, put in to swell the total.

When pinned right down to it, General Hines has admitted that the total sum paid to World War veterans and their dependents, on account of disability and death, to December 31, 1931, is only $2,048,733,392. So it looks as though the United States Chamber and their poll-parrots are multiplying actual figures by seven in giving out statements to the public.

I may say, Mr. President, that, as the distinguished Senator from Massachusetts [Mr. WALSH] well knows, in the Joint Congressional Committee Investigating Veterans' Affairs the Administrator of Veterans' Affairs, General Hines, made one guess of approximately $3,000,000,000, as I remember now, as to the cost to the Government for veterans' relief by 1946; and, as the Senator so well knows—because he had more to do with bringing out the real facts than anybody else—it developed a little later that the general was a billion dollars wrong in his guess of three billion, and it amounted to only about $2,000,000,000. So one guess is as good as another on questions of that kind, of what the future holds for any of us.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Massachusetts?

Mr. ROBINSON of Indiana. I do not like to yield, but for just a second I shall gladly yield.

Mr. WALSH. Not for a question, but for a correction.

General Hines, after being examined about the earlier predictions as to the extent to which the Public Treasury would be taxed for veterans' benefits in the future, stated that the maximum payments of benefits under existing law would be reached in 1956, and that the amount would be approximately $1,080,000,000. His first, earlier, figures were one or two billions in excess of that. I ought to say that he stated that it was due to the fact that in reading before the committee he read the wrong figures.

Mr. ROBINSON of Indiana. Yes; I remember that. I thank the Senator very much for the interruption.

Mr. President, who is there among us so lost to decency as to begrudge any of the benefits which have been accorded to the gallant veterans of the Civil War? Who is there who dares rise in his place and condemn any of the allowances which have been made to the veterans of the Spanish-American War, who, through their sacrifices, gave us an empire? And who would dare do an injustice to a single man who served his country in the great World War?

The roll of drums and the steady beat of marching feet marked the departure 16 years ago of more than 4,000,000 lads who were called to the colors. These lads were the flower of the youth of the land. They had nothing to do with the causes that brought on the conflict. "Theirs not to reason why"—theirs only to make the sacrifices, the supreme sacrifice in some cases, that the land of their fathers might not be destroyed by the enemy without.

With high purpose and light hearts these young men entered the conflict. In this time of peril their duty was to save the Nation—their future or the ultimate cost of the war was not even considered by them. They marched away with the cheers and plaudits of their compatriots ringing in their ears and plunged themselves into the vortex of danger and catastrophe.

A grateful citizenry in 1917 assured these boys that their jobs would be safe and waiting for them on their return—they were assured that a grateful Republic would "take care of them." Irony in these days, when the veterans—those who wore the uniform in defense of their country—are being libeled, slandered, calumniated from one end of the country to the other by interests more vicious than any that ever before attempted to drag legislation out of Congress!

While these lads were at the front or in the States in training camps waiting the call to go "over there", organized wealth and big business were having a golden picnic at home. While the youth of the land sacrificed, Wall Street was having a glorious time of it—4,000 miles behind the fighting front. Organized wealth kept the home fires burning—for itself.

Profiteers rolled in wealth, as millionaires were made literally overnight. Munition manufacturers, Hog Island, and cantonment contractors made war pay and pay with a bang.

Why, the total profits paid the Lincoln Motor Co. alone aggregated $13,987,441.31. That was in profits—profiteering profits. The total cost to the Federal-tax payers of 6,500 motors which were never used was $45,065,693.10.

I have many other similar profiteering experiences recorded here that I shall not take the time to read unless pressed for the information, in which case I shall gladly give it to the Senate. Most of the Members are familiar with it anyhow.

Some people seem to think that fulsome expressions of gratitude are sufficient; but let me remind them that gratitude alone supplies no food, provides no shelter, furnishes no clothing.

The "cannon fodder"—the real heroes of the war—received only a small fraction of the cost of the war. Of this cost, totaling some $36,000,000,000, only $4,500,000,000 went to the troops—these men who are now veterans of the World War. Practically all of the rest went to the great business interests who were working night and day to make war pay.

It is now nearly 16 years since the lads marched away. We seem to have forgotten in a measure the quality of their sacrifice. These lads no longer hear stirring songs and martial music to inspire them to sacrifice. What do they find? They find that big business, organized wealth, organized greed, and the Wall Street crowd—those who made war pay—are engaged now in a campaign of vilification against the men who wore the uniform, against the men whose sacrifices made swollen fortunes possible. Mr. President, we are now asked to have the Senate join in this campaign of vilification against the veterans of all our wars.

Why this campaign of defamation against the veteran? Why this hue and cry against giving the veterans their just deserts? Big business is carrying on its fight and making terrible onslaughts from coast to coast in order that they, the profiteers of big business, the leaders of organized wealth, and the Wall Street crowd generally, may be relieved of a few paltry dollars in income tax. That is the reason. Now the whole thing is out in the open.

Sportsmanship? Big business and these profiteers do not know the meaning of sportsmanship. These defamers are not only trying to escape bearing their share of the cost of the war but they are trying to get this Nation to evade its just obligation, which in effect would cause America to take pennies from the disabled, the widows, and the orphans.

Mammon and money are the gods of big business. To add to its store, big business would deliberately rob the disabled veterans and their families. Through no fault of their own, through causes wholly without their control, thousands of these veterans are unemployed and are walking the streets this afternoon looking for work, with none to be found.

In the midst of this adversity big business continues its drive against the veteran with unrelenting fury. But what does big business care for the economic adversities of the man farthest down?

Big business would relieve itself of income taxes and transfer its obligations onto the backs of the farmers and small-property owners, already taxed to death. In short, we find that organized wealth is in the saddle and riding hard.

What is the cost of glory, the price of glory to the veterans? More than 60 veterans' hospitals have made their appearance in the last 12 years. In those 60 institutions upwards of 50,000 beds, all occupied and with long waiting lists, have hospitalized more than a million cases, practically one fourth of those who answered the call to arms in 1917. This hospitalization on a large scale has been necessary because the engines of war and of mass destruction wreak human havoc with such tremendous force.

This human havoc is accentuated by the additions made yearly to the disability lists. Experts tell us that this peak will not be reached until 1945. During the next 12 years we shall see other thousands and perhaps hundreds of thousands of our men who think they are sound and healthy enter the grim portals of the hospital. That is the price we pay for war today.

Nor did all of the casualties come from the front-line trenches. Many came from those in training camps who suffered as the result of changed environment, disease epidemics, weakened lungs, different modes of life, and the strict discipline of Army regulations to which young men just out of comfortable homes were unaccustomed.

The price of glory rises as we look in retrospect at those fateful years. We left some 60,000 dead overseas, while countless other thousands have been laid to rest on this side.

With the booming voices of the "Big Berthas" stilled and the ceaseless fire of destruction in No Man's Land extinguished the war was closed. After the fanfare of homecoming and cheers of the welcoming throngs those heroes of 1917 were demobilized into the business, commercial, professional, and industrial fields from which they came. Were their jobs awaiting them? They were not. Many of these lads were disabled and maimed. Someone must pay for this wreck and havoc. This is a national responsibility.

In this nation-wide campaign to discredit the disabled veteran, to whom I have adverted, we find the National Economy League leading the attack. This is indeed an interesting organization, as the managing director, Henry H. Curran, who receives a salary of $15,000 a year, reveals. That is another interesting thing. This whole attack is led by an organization that pays a propagandist for leading the attack $15,000 a year. His whole purpose, his whole duty, is to smear, smear, and vilify the disabled veterans of the United States. For that work he receives $15,000 a year from this organization of organized greed. Begun last May, organized in July, and incorporated in November, the league has made rapid progress, and for this short period the amount of contributions totaled about $200,000.

That is the amount of its slush fund. We call that, in ordinary times, a slush fund. This propogandist, in the most insolent manner, told the joint committee investigating veterans' matters that his organization, regardless of the fact that it undertakes to influence legislation, makes no report to the House of Representatives of its expenditures under the Corrupt Practices Act, as other organizations, including the American Legion, do. It was above the law. He made that statement plainly. Since then we have seen this organization wiring the leaders of this body and the leaders of the body at the other end of the Capitol, threatening them, trying to browbeat them into refusing to pass the independent offices appropriation bill, then finally wiring the President of the United States, Mr. Hoover, demanding that he veto the bill. I do not know how far they got. I only know he did not sign the bill. That is the same organization which undertakes now to dictate to the Senate. It is the organization which leads the attack on the disabled veterans of the United States.

The director said, in testifying before the joint congressional committee on veterans' affairs, that 17 contributors gave a total of $35,100 toward this slush fund to discredit the disabled veterans of the country. He gave the committee their names, and if you will examine the list submitted you will find that those contributors are among the wealthiest citizens of the Republic. With its far-reaching influence, the National Economy League proposes to reduce the benefits of many thousands of disabled veterans to the extent of several hundred million dollars.

Mr. LONG. Mr. President, will not the Senator please give us the names of those gentlemen?

Mr. ROBINSON of Indiana. They are in the record. I have not them here. I will be glad to furnish the Senator with the names of these 17 individuals who contributed more than $35,000 toward this slush fund being used to fight the veterans in the Congress at this very hour; but not to delay the Senate, and not to delay proceedings here, I will ask the Senator to wait until after I have concluded my remarks. Then, I will point out to him the names, and I think perhaps it would be well if the Senate had the names of these 17 individuals, men and women, who are so thoroughly anxious to be rid of some of their income taxes that they desire now to balance the Budget at the expense of the disabled veterans of the United States. In short, the Economy League purposes to charge as much as possible of the depression to the defenders of the Nation.

Let me suggest to those who desire to know the set-up of this organization that Admiral Richard Evelyn Byrd is the titular head of the organization, according to the testimony of Mr. Curran, and Mr. Curran is its director, practically the managing director.

Testifying before the joint committee, Mr. Curran said:

> The next thing to stop is the payment of the people's money to hundreds of thousands of men who were lucky enough to have the honor of wearing the uniform in the World War but who came out of the war without a scratch and in better health than they ever were before. Our people should be and always will be generous to a fault in taking care of the veteran who was hurt

in the service or because of his service establishment. This is a special dole to special veterans who take sick and get a little old in the piping times of peace, long after the war is over.

"Piping times of peace." God save the mark! These "piping times of peace" that surround us now on all sides; "piping times of peace", with more than 12,000,000 men walking the streets looking for employment. But the manager of this organization which is trying to victimize the disabled veterans speaks in glowing terms of these "piping times of peace."

In making this statement Mr. Curran was apparently oblivious of the fact that we are in the midst of the worst depression in our history. We are assembled here in extraordinary session to attempt to alleviate some of the dire consequences of the business crisis. With millions unable to find work and many hundreds of thousands living on the meager allowances given them by the Government, we hear this phrase, "Piping times of peace." If we listen to some of the speeches and read some of the propaganda of the National Economy League, we would think that the veterans were a lot of riffraff, interested only in robbing the Treasury.

The injustice of making such a drive against the veterans of America is emphasized when we see that many of the leaders of this Economy League are themselves receiving princely gratuities from the Government and some are earning lucrative pay besides from private concerns.

War is costly, but as long as nations insist on indulging in it they must pay the price. I was much interested in an editorial written by Lynn E. Hoffman, editor of the New Alexandria Press, published in Indiana, and because it is right to the point on the subject I have been discussing, take the liberty to quote it herewith. We should waken to what is going on in the ranks of big business.

We may rest assured that the past few years have done more to do away with the horrors of war throughout the world than all years in previous history. Not the world conferences, world peace meetings, or disarmament gatherings, but by making the rich fellows, the ones who filled their pockets during 1917–18, pay the expense of the war. It was for their interests that the Army was sent to France. Had they not been shipping armaments and supplies to England and other allied countries, we would never have been in the last brutal conflict.

The men and women who were at the front or sailed the seas in 1917–18 were not at that time or never will be in favor of war. They were only doing their duty. Only those who were receiving large salaries and bonuses were wishing that it would continue. Millions and millions of dollars were squandered by our Government in overpaying the individuals and corporations for their selfish service at home during the past war. Hundreds and thousands became millionaires overnight, and they laughed at the ignorance of the men and women who were wearing the uniform, and their actions said, "Well, we have the money; you lowbrows have nothing except a few pats on the back from friends and relatives."

I pause to suggest that the veterans do not even get the pats on the back any more. Not only do they get little of material benefit, but they hear themselves abused and vilified throughout the land. I continue with the editorial:

But they overlooked one thing, a gift from Uncle Sam, and that was the service man's honorable discharge, which is more prized by veterans than profiteer's gold. The year 1933 sees these same citizens with their one-time large fortunes dwindling. They again step forward and try to organize a so-called Economy League. Many of them are blowing off their "bazoos" all over the country at this time. Some are in Washington trying to tell Congress that the veterans, the fellows who received a dollar a day back in the war days, should again be cast aside. Are these members of the Economy League sincere in their undertakings, ladies and gentlemen? Before you take either side study the fellows that head this league. Have they cut anything from their large pensions of from $4,500 to $21,000 a year? No doubt Government expenditures should be cut and cut quickly; but should it be taken from the $12-a-month man or the so-called great men who receive from $100 to $1,500 a month? Think that over.

Right from the shoulder I say, "You selfish, absent-minded patriots who are fighting the veterans, * * * you were owners of some corporation that received your large bonus back in 1919, and at this time have it all squandered in Wall Street. Now you rise up in Washington and say the country is going bankrupt. We must cut expenses. Instead of going after the real Treasury robbers, you hit back again at the little fellows, and your object is to have enough money laid aside for investment in another war."

(At this point impeachment-court proceedings intervened, which appear under the proper heading.)

Mr. ROBINSON of Indiana. Mr. President, when interrupted by the impeachment-court proceedings I had just concluded reading an editorial from the New Alexandria Press, of Indiana.

Mr. LONG. Mr. President, I make a point of order that there is so much confusion in the Senate Chamber that it is difficult to hear the Senator who is addressing the Senate.

The VICE PRESIDENT. The Senate will be in order. Let the Chair make a suggestion, if he may be permitted to do so, to the occupants of the galleries. The Senate is delighted to have those in the galleries as its guests, but even a little conversation in the galleries creates a great deal of confusion on the floor of the Senate. If the occupants of the galleries will please refrain from audible conversation, they will accommodate the Membership of the Senate. The Senator from Indiana will proceed.

Mr. ROBINSON of Indiana. Let no man think for a minute that he can escape responsibility for a cowardly surrender of power here today or this week or at this session. The Congress will be held to strict accountability. When it abdicates its functions and in the most craven manner seeks to evade the duties assigned to it by the Constitution, it will not thereby deceive the American people. It will only deceive itself. I condemn any such proposed action with all the force at my command.

Yet, Mr. President, that is exactly what the Congress is asked to do here—to abdicate its functions, cowardly and cravenly to surrender its powers and responsibility to the Chief Executive of the United States. Afraid, fearful of going ahead and doing what should be done, the Congress is practically commanded to turn its power over to the Chief Executive, who in effect says, "I will do the job; you can hide behind me; my shoulders are broad; you are afraid to do it; you are afraid to vote out in the open; but I will do it, no matter what I promised the veterans in the last campaign, I will do it; turn it over to me; I am not afraid of it." And Members on the other side, and I fear on this side as well, will cowardly and cravenly surrender that power and abdicate those functions with which this body is charged by the Constitution of the United States and make one man a dictator.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Indiana yield to the Senator from Virginia?

Mr. ROBINSON of Indiana. Oh, Mr. President, I am tired of yielding to the Senator from Virginia. He has misled us so many times on so many matters in connection with banking legislation that I do not care to talk any further on that subject or be diverted from this discussion in the slightest degree. There are Members on this side of the Chamber, I will say to the Senator from Virginia, numbers of them, I am sure, who would never have voted for the banking bill the other day had it not been for his assurance that the banks would be opened the next morning, and we were threatened with dire——

Mr. GLASS. I can not interrupt the Senator if he will not yield.

Mr. ROBINSON of Indiana. And we were all threatened with dire vengeance if we voted against his pet bill. It was rushed through here without any decent consideration; and we were told if we voted against it we would be responsible for keeping the banks closed. They are still closed, and I hope they will continue to be closed until all the banks of the country can have the same rights and privileges that the banks in New York and elsewhere in the country enjoy.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Virginia?

Mr. ROBINSON of Indiana. I do not care to yield any further at this time.

The PRESIDING OFFICER. The Senator from Indiana declines to yield.

Mr. GLASS. I will take my own time in responding to the Senator from Indiana. [Laughter in the galleries.]

The PRESIDING OFFICER. The Chair must request occupants of the galleries to refrain from approval or disapproval of any remarks in the Senate.

Mr. ROBINSON of Indiana. The Senator from Virginia always takes his own time, Mr. President.

Mr. GLASS. Yes; and does not waste any, either.

The PRESIDING OFFICER. The Senator from Indiana has declined to yield.

Mr. ROBINSON of Indiana. Mr. President, I should like to know what it was but a sheer waste of time all day last Thursday when the Senate sat here and was assured by the Senator from Virginia [Mr. GLASS] that if it passed his pet bill the banks would open the next morning? They are not open yet. That was a sheer waste of time.

Mr. TYDINGS. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from Maryland will state his point of order.

Mr. TYDINGS. I make the point of order that no Senator may reflect upon another Senator in his remarks.

The PRESIDING OFFICER. The point of order is well taken.

Mr. ROBINSON of Indiana. O Mr. President, I am perfectly willing to abide the ruling of the Chair; but that is a rule that is violated every day.

Mr. GLASS. I hope the Senator from Maryland will not insist upon his point of order, because I intend to reflect upon the Senator from Indiana. [Laughter.]

Mr. McCARRAN. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from Nevada will state his point of order.

Mr. McCARRAN. I should like to know under what rule the Senator from Virginia [Mr. GLASS] interrupted the Senator from Indiana without permission?

The PRESIDING OFFICER. The Chair will state that the Senator from Indiana has declined to yield, and Senators will please refrain from interrupting.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. For what purpose does the Senator rise?

Mr. McCARRAN. I rise now to a question of personal privilege.

The PRESIDING OFFICER. The Chair will state that the Senator cannot interrupt the Senator from Indiana and take him off the floor for the purpose of raising a question of personal privilege.

Mr. McCARRAN. I ask the Senator from Indiana to yield to me for that purpose. If he cares to do so, all right.

Mr. ROBINSON of Indiana. I want to accommodate the Senator; but, at the same time, I am anxious to conclude. However, I yield to the Senator.

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Nevada?

Mr. ROBINSON of Indiana. I yield.

The PRESIDING OFFICER. The Senator from Nevada will state his question of personal privilege.

Mr. McCARRAN. I just overheard a remark made by the Senator from Virginia, and I also heard the Senator from Virginia address a remark to another Senator on this floor last Saturday. I want to put a stop to such remarks, and if they are not stopped I shall invoke the rule of the Senate.

Mr. ROBINSON of Indiana. Mr. President, while I refuse to concede the necessity to balance the Budget at the expense of the disabled veterans of America, there are methods available for accomplishing such a result that are not only fair and just but which would meet the approval of the voters and of a vast majority of the American people.

We speak of hoarding and hear of steps being taken to prosecute the hoarders of gold in safety-deposit boxes. But there is a form of hoarding, which if properly investigated for purposes of taxation would balance the Budget. I refer to the hoarding of total accumulated surpluses by corporations. Last year the estimates from the Statistics of Income from the United States Treasury showed that American corporations have a total accumulated surplus of some $55,000,000,000. The figure of today is much larger, and this staggering total will indicate the degree to which this large-scale hoarding is taking place. It is estimated that $10,000,000,000 of this is invested in tax-exempt Government securities.

With much of this hoarded money tied up in banks, much of it in tax-exempt securities, this great amount of money is doing the people of the United States no good. If taxes were based on a capacity to pay, here is a source that would virtually balance the Budget if its share were rightfully paid.

I ask Senators over yonder who are responsible for legislation, the majority, if they have the courage to tackle this source of revenue, namely, the $60,000,000,000 of hoarded reserves? A 4-percent tax or a 3-percent tax on this hoarded reserve, this hoarded surplus, much of it in tax-exempt securities, would much more than balance the Budget, and we would not do an injustice to the disabled veterans throughout the country; we would simply charge those with capacity to pay a small tax; we would balance the Budget, and we would do no injustice to anybody in this great country. It is estimated that with a 4-percent tax seven tenths of 1 percent of the total capitalization of these corporations would be paid in. This is not a great burden to the corporations, but would be a life-saver to the Federal Budget at this time. But no, Mr. President; nobody suggests that. The National Economy League would say, "Shush, shush; not that." No; take it from only the little fellows, those receiving $12 a month, the disabled veterans, the little Government workers who now are not paid enough to make a decent living. Charge the depression to the veterans; charge the depression to the Government workers with their small rates of pay. That is the theory of the Economy League; and, I fear me, that is what the theory of the Senate will be when the vote on this bill shall have been taken. I warn Members of the Senate that when they cowardly abdicate their powers and their duties they will not be held guiltless by the American people. They will deceive only themselves.

In conclusion, may I say that virile national policy is at stake. In order to have defenders of the Republic in times of danger, oncoming generations must be impressed with the fact that when they are called upon to preserve the Republic they and their dependents will not be forgotten. This is a time when events cry out for justice to the disabled veterans of America—a demand for justice which will be made known far and wide to the Congress and by the people in terms that no man dare challenge.

I shall certainly oppose all efforts that may be made to grant to any man, regardless of his official station, such dictatorial powers over the destinies of the disabled veterans of America as have been requested by the President of the United States.

Mr. President, at this point, immediately following my remarks, I ask that an editorial which appeared in the National Tribune, published in this city on December 15, 1932, may be incorporated in the RECORD. It is entitled "No Mercy," and has reference to the Magazine of Wall Street, in which that publication comments on this subject. The Magazine of Wall Street uses this language:

> Necessity knows no law—and no mercy.

I ask that the editorial may be printed in the RECORD in connection with my remarks.

The PRESIDING OFFICER. Without objection, the editorial indicated by the Senator from Indiana will be printed in the RECORD.

The editorial is as follows:

NO MERCY

The Magazine of Wall Street is what its name implies. It reflects the views of big business just as the National Tribune reflects the views of the harassed veterans and their dependents.

In the November 26 issue of the Magazine of Wall Street there was published an article by John D. C. Weldon on How a Billion Can Be Cut From the Budget. We quote from that article:

"Painful as it will be to cut the veterans a full 500 millions, we still have to curtail expenditures by half a billion more, if we are to avoid higher taxes and additional perilous borrowing for running expenses.

"Can it be done?

"Necessity knows no law—and no mercy."

That is the cold-blooded statement of a man who is writing for the men who control the wealth of the United States and who are fighting the veterans because they want their Federal taxes reduced.

The misery which would result from a 500 million reduction in relief for veterans and their dependents means nothing to the international bankers of our land. To them such a cut is a necessity, and "necessity knows no mercy".

They know little and care less about how other people in the United States live. They are unable to comprehend how an aged widow can eke out an existence on $30 or $40 a month, yet in their greediness and lust for added wealth they would take this widow's mite from her. Instead of making the few remaining years of these aged women more comfortable by adding to the pittance which they now receive, the international bankers, luxuriating in wealth, would snatch the very bread of life from them.

In order that they may pay less in income taxes this is necessary and "necessity knows no mercy."

A reduction of 500 millions in expenditures for veterans and their dependents would throw thousands and thousands of men and women upon their local communities, thereby adding to the burden of the small taxpayers.

This suits big business to a tee, for every dime added to the tax bills of the man who is struggling for his existence relieves the very wealthy just that much. They believe in making the rich richer regardless of what happens to the great mass of the American people. They want their Federal taxes reduced and they will go the limit to accomplish their end. If they can make veterans and their dependents objects of charity they will be perfectly satisfied, no matter how much suffering results for anyone but themselves.

In demanding such a drastic cut of five hundred millions for the relief of disabled ex-service men and widows, Wall Street does not consider the merits of the laws which have been enacted in past years after careful consideration. This enormous reduction is necessary for them to receive a cut in Federal taxes, and "necessity knows no mercy."

The men who control the wealth of our country are like necessity—they know no mercy.

Their hearts are hardened by greed, the prevailing sin in the world today. To promote their own interest and add to their enormous wealth they are willing to see others, no matter how worthy, endure the cruelest of hardships. They have no consideration for the unfortunate veteran who must depend upon his pension to support himself and his family; they are not interested in the sad plight of the aged widows to whom the Nation owes a debt which can never be paid. Their god is wealth, and they worship at its shrine from morn to night. One million calls for another, and on and on; big business is never satisfied.

It is sad, indeed, to contemplate the picture of the very rich on the one hand fighting tooth and toenail against the country's defenders and their dependents on the other. That is what we are faced with today.

Those with huge incomes seek to add to their unearned increments by taking from the disabled veterans and widows their means of existence. The extremely wealthy men—and women, too—want a reduction in their Federal taxes, and to accomplish such a reduction they say it is necessary to pauperize the ex-service men and their dependents.

"Necessity knows no law—and no mercy."

Mr. TYDINGS obtained the floor.

Mr. BRATTON. Mr. President, will the Senator yield, in order that I may note the absence of a quorum?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from New Mexico?

Mr. TYDINGS. I yield.

Mr. BRATTON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Kean	Reed
Ashurst	Costigan	Keyes	Reynolds
Austin	Couzens	King	Robinson, Ark.
Bachman	Dale	La Follette	Robinson, Ind.
Bailey	Dickinson	Lewis	Russell
Bankhead	Dill	Logan	Sheppard
Barbour	Duffy	Lonergan	Smith
Barkley	Fess	Long	Steiwer
Black	Fletcher	McAdoo	Stephens
Bone	Frazier	McCarran	Thomas, Okla.
Borah	George	McGill	Thomas, Utah
Bratton	Glass	McKellar	Townsend
Brown	Goldsborough	McNary	Trammell
Bulkley	Gore	Metcalf	Tydings
Bulow	Hale	Murphy	Vandenberg
Byrd	Harrison	Neely	Van Nuys
Byrnes	Hastings	Nye	Wagner
Capper	Hatfield	Overton	Walcott
Caraway	Hayden	Patterson	Walsh
Clark	Hebert	Pittman	White
Connally	Johnson	Pope	

Mr. WALSH. I desire to announce the absence of my colleague the junior Senator from Massachusetts [Mr. COOLIDGE] on account of a death in his family.

The PRESIDING OFFICER. Eighty-three Senators have answered to their names. A quorum is present. The Senator from Maryland.

Mr. McCARRAN. Mr. President, will the Senator from Maryland yield to me?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Nevada?

Mr. TYDINGS. I do.

Mr. McCARRAN. I desire at this time to offer six amendments to the pending bill, to be taken up in their order when the bill is read.

The PRESIDING OFFICER. The amendments will be printed and lie on the table.

Mr. LA FOLLETTE. Mr. President, will the Senator yield to me?

Mr. TYDINGS. I shall have to refuse to yield at this time, because several Senators have asked me to yield, and I did not know I was yielding to the Senator from Nevada for that purpose. I shall not talk long.

Mr. President, during the World War I happened to be a very humble and rather inconspicuous member of the American Expeditionary Forces and saw service in France under fire on two or three fronts. Before the war was over it was my good fortune—because it was largely due to good fortune—to have command of 3,000 men, a great many of whom came from my own State of Maryland. I have had my best friends pass on in that struggle. I have seen many of them who were wounded and maimed; and, of course, from that close association and from the circumstances I have enumerated, I have, as a matter of fact, the very warmest, the very kindliest, and the most humane reactions that a man can have.

This war is just like the World War. In the World War, if the American soldier died for anything he died that his Government might go ahead and live and survive. We are the soldiers in this war, and we are in the front-line trenches; and the question is if we, like they, are willing to die politically, perhaps, that the institutions of this country may go on and survive and live.

That is one question. The other question is whether we shall continue to pay to the men in the World War their full compensation for a little while and then perhaps not pay them anything, or whether we shall pay them less now with the understanding that that payment will continue and they will not be cut off entirely through the complete breakdown of the credit of the Government of the United States.

I said that we are in a war. We are. The Central Powers passed away as our enemy with the signing of the armistice. The new enemy is the army of depression; and it is infiltrating into our ranks, bringing havoc to our citizens, and causing distress and suffering all over this land, and, in fact, in other nations.

The shells, the grenades, and the weapons with which we fought have been changed. We are now fighting for work with jobs, with money to stem the army of the depression.

The casualties are still here. We had the dead and wounded in the World War, but we have the unemployed and the hungry and the unsheltered in this war.

The first-aid stations of the World War have been transformed in this war to community chests and Government contributions for the destitute and the unfortunate.

The unbalanced Budget of the World War is here in the unbalanced Budget in this war against the depression.

The Congress then, as now, must realize that we are not in a normal time, a time of peace, but that the institutions of America are crumbling before this enemy, and battle orders cannot be written in a mass meeting. They must be written by the Commander in Chief of the Army of the United States, and by no one else will they be written.

To attempt to throw a bill of this kind open to the discussion of 531 Members of Congress is to say, in effect, that no bill will be forthcoming from that body.

May I say to the new Members of the Senate who do me the honor to listen that if they had been in attendance in the old Senate, they would have seen the utter futility of Congress' trying to economize. One man is willing to econ-

omize here, but not there. Another is willing to economize there, but not here. And by the time every man gets what he wants, the Nation has gotten nothing.

The big thing before this Nation today is to win this war. That is the objective. The army wants to fight. It wants leadership; and, thank God, it has leadership at the other end of Pennsylvania Avenue. The question is, Are we of the general staff who are helping to write the battle plans going to countermand the orders of the Commander in Chief, and lay our flanks open to attack by the enemy, the army of this depression?

Does anyone who has known me for 10 years in Congress think that I would ever willingly vote to transfer legislative power to the Executive? I may say, and I hope I am not immodest, that no man in Congress has a record of more zealously guarding the power of the States for the States, and guarding the power of the legislature for the legislature, than has the senior Senator from Maryland. There is no exception to that rule, so far as I know, up to this hour.

What is the condition which confronts the country? Why, Senators, within 2 weeks the Government had to pay 4¼ percent to borrow only $600,000,000 for immediate expenses with which to run the Government for 90 days. If we keep on borrowing, if we make no effort to balance our Budget and to restore financial confidence in this country, all we will do will be to make it impossible for any veteran to get any compensation at all, because we will not have the money, and we will not be able to borrow the money except at usurious rates of interest.

Mr. BARKLEY. Mr. President, in that connection, if the Senator will yield——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Kentucky?

Mr. TYDINGS. I yield for a brief observation.

Mr. BARKLEY. No longer than a month ago we were borrowing money for one eighth of 1 percent.

Mr. TYDINGS. Yes; that is true. I thank the Senator for that observation. When our credit was better we were borrowing money for one half of 1 percent, and even for one eighth of 1 percent; but now, because our credit is gone, we must pay 4¼ percent to get a measly little $600,000,000 for our Government, which we are used to talking about in terms of billions.

The casualties of this war against the depression are just like the casualties of that other war. What are they? Fourteen million people out of employment; a million farms sold under the auctioneer's hammer, under mortgage foreclosures, and for delinquent taxes; 6,000 banks closed which will not open again, which are liquidating with the in-coming administration; a bank holiday all over the land; complete loss of confidence.

Are we going to fall back on the routine, peace-time, ordinary trenches of legislative prerogative with the lines crumbling, with the enemy infiltrating, with chaos in the offing; or are we going to say, "No! We have a Commander in Chief. We will submerge every partisan and personal belief, because the first thing to do is to stop the enemy"?

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Ohio?

Mr. TYDINGS. Yes; I yield.

Mr. FESS. I join the Senator in his suggestion that we bury all partisan differences on an occasion of this kind.

Mr. TYDINGS. I am sure the Senator will.

Mr. FESS. As far as it is possible to go, I am going along in granting this power; but I hope the Senator realizes with me that it is a very serious step for us to take at a time when all the world is drifting toward dictatorship.

Mr. TYDINGS. Yes.

Mr. FESS. We ought to make it clear that this is an emergency, and that our action must not be regarded as establishing a rule of conduct.

Mr. TYDINGS. The only reason why I am taking this step, and the reason why the Senator from Ohio is taking it, is because the alternative is worse than what we are doing. That is the reason.

Mr. BORAH. Mr. President, may I ask the Senator from Ohio a question?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. TYDINGS. I should prefer to finish my remarks, if I may. I do not want to be discourteous. Then I shall be glad to yield; but I am trying to take up some facts in order, and I am afraid I will get afield.

Mr. BORAH. Very well; I will not interrupt the Senator, but the statement of the Senator from Ohio suggested a question to me.

Mr. TYDINGS. Mr. President, I do not mean to be discourteous; I am always glad to yield to the Senator from Idaho, but I am sure he appreciates why I should like to proceed.

Now we must face the facts. I am not arguing theories. We are up against concrete, actual, existing facts, and upon those facts we should shape our course.

In October of this year the Government will have maturing $6,800,000,000 of war obligations in the shape of Liberty bonds, which it must finance. About $7,000,000,000 worth of obligations will be coming due in October, which the Government will have to resell, or else print money with which to pay those obligations. That will be this year.

If we go on with these unbalanced budgets, go on with the mounting deficits to October, what will happen? We cannot pay these obligations; we cannot refinance these obligations; and where will the veteran be getting his check when the Government has no money with which to pay the compensation which is allocated to him? That is a fact. If there is any man on this floor who says it is not a fact, let him stand now and tell me wherein I am in error. I will be glad to yield if there is any misstatement in what I have said. Nobody rises, and I assume that up to now we are in accord on the essential facts.

Here is another fact: We are now spending $720,000,000 a year for interest upon the Government's debt alone. Three quarters of a billion dollars annually now goes for interest. Thirty cents out of every dollar we spend goes to pay the interest on our national debt. Mark you, thirty cents out of every dollar we are taking in in taxes now goes to pay interest on our national debt; and when a man gets so that it takes half of his income to pay the interest he owes on his obligations, the line of credit for his future activities is very, very thin, indeed.

There is, then, really this alternative—whether we want to keep on paying the veterans their full amounts now, with these actual facts in existence, and have the Government credit break down, as it is sure to do, and have the veterans getting nothing, or whether we want to cut some off their compensation, so that the Government will be in a position to borrow the money to keep the payments going. That is the alternative. We have to take one horn of the dilemma or the other.

Without wishing to reflect on the motives of anyone, may I say that in my humble judgment the men who oppose making these cuts are not the veteran's friends. They are the veteran's enemies, because if we go longer down that pathway we will go to the point where the veteran will take a hundred percent cut, because there will be no money in the Treasury with which to pay him the compensation now stated upon our law books as his due.

Where are we to get the money? We are taking in now only around $2,000,000,000 a year in income, taxes from all sources, but we are spending nearly $4,000,000,000 every year.

Since the depression started we have added over $5,000,000,000 to the national debt. When the war was over we started a process of paying off the national debt, and we reduced it, I think, from $26,000,000,000, in round numbers, down to $15,000,000,000 by 1929. Where is it now? It has gone up from $15,000,000,000 to over $20,000,000,000, as I stand on this floor, and every man here knows that, as things are now going in this Government, the debt is still mounting higher and higher, and the end of our credit is getting closer and closer. Men talk about State banks not having equality with national banks, talk about the dark Friday of a bank

holiday. Let them wait until governmental credit is gone, and they will see a black Friday that will make midnight look like the glorious morning sunrise. That is where this country is leading to.

It is not popular, I know, to rise and advocate cutting expenditures to veterans, particularly when one himself has served with those men and knows the injustices that are often done to them; for instance, called on to serve in the front-line trenches for $30 a month, while those who worked behind in the ammunition plants got 10 and 12 and 14 dollars a day.

I am not defending that situation. I say that it was an outrage to take men who had families, in some cases, and send them over the top, quite often to their death, and give them a mere $30 a month, and a little extra if they had families, and then allow those back home to make high wages. Nor am I defending the war profiteers who seized the moment of the Nation's distress to wring high-priced contracts from the Government, and turn the few millionaires there were in the country into thousands of millionaires. But that water has gone over the dam. We are here on March 13, 1933. We are here when the Government's credit is nearly gone, when the great United States, which has borrowed $30,000,000,000 on occasions, in borrowing a mere $600,000,000 has to pay 4¼ percent to get the money, and then the loan is just barely subscribed. Suppose that loan had not been subscribed; suppose investors had not bought that small offering. Where would the Government credit be today?

Talk about guaranteeing bank deposits. Senators are going to offer bills here shortly to guarantee bank deposits in whole or in part. Where are we to get the money to make good these guaranties? From a Government whose credit is gone?

If we want our Government's guaranty to be worth the paper it is written on, then we will have to have the governmental credit with which to make good, because the Government has not the money now. We are living on borrowed money. We have borrowed $2,000,000,000 this year to run the Government. We had only $2,000,000,000 coming in, and we borrowed another $2,000,000,000, and I want to say, with all the seriousness of my nature, that in my judgment, until we put our house in order, our borrowing days are going to be very few indeed, and I am not going to have it upon my head to take the responsibility for the chaos and the revolution and the injustices and the shambles which will result from having had an opportunity to stabilize that credit, and having voted against stabilizing it, or leaving it open and unsteady and uncertain and unreliable.

Mr. WALCOTT. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield for a short observation.

Mr. WALCOTT. I wish to correct a statement the Senator made a few moments ago with reference to the Liberty bonds due this year. If I recall correctly, the Senator said that there would be $8,000,000,000 due.

Mr. TYDINGS. No; I said $6,800,000,000.

Mr. WALCOTT. I thought that was in error, and I just called the Treasury Department. Those bonds are callable, commencing October 15.

Mr. TYDINGS. I am coming to that. The Senator anticipates me.

Mr. WALCOTT. They are not due this year. They are callable and may be called this year or at any time up to the due date, and the due date is October 15, 1938.

Mr. TYDINGS. I will take the matter up right now, because I want to say why it is important that governmental credit be stabilized before those bonds are actually called.

I stated a moment ago that we are now expending $720,000,000 a year on interest on the national debt. We all know the program of the administration is to call in those bonds and to issue new bonds at a lower rate of interest than the old bonds bear. Those old bonds pay about 4¼ percent now, as I recall. The administration will make a desperate effort to refinance that loan at 2, 2½, or 3 per cent. If it does that, it will save in interest alone over $100,000,000 a year. But we can only save that, may I say to the Senator from Connecticut, if our credit is such at the time the bonds are called in that that type of financing can be made. If our credit is gone, we will have to finance those bonds at 4¼ or 5 or 6 percent.

If, on the other hand, our house has been put in order, we can call in this vast amount of governmental indebtedness—about one third of our total indebtedness—and refinance it at a lower interest rate at a saving of from $100,000,000 to $200,000,000 a year, depending upon the credit situation in the country at that time. That is one of the stakes we are fighting for in connection with this bill.

Now let us look about the world. There are riots in Berlin, fighting in the streets, dictatorship, an unbalanced budget, inflation; all that in Germany. I might be permitted to say that in 1924 I happened to be in Germany, at the time of the greatest inflation, when it took 65,000 marks to buy one cigarette, and if one wanted to pay his hotel bill in German money, he had to hire a truck to take the money to the hotel—if he wanted to pay in the medium of exchange at that time. Anybody who has seen inflation, uncontrolled inflation, will hesitate a long while in helping to bring about a situation where it will be necessary to go to inflation as a last resort.

There is a Labor government in England. Conservative Great Britain put a Labor government in control, and even that failed. Now they have a nationalist government made up of three parties, all patriotically supporting a national program, something unheard of. Why? Because Britain's budgets were unbalanced, which rocked the credit of that Nation, which added to unemployment, which drove trade away from their factories and their railroads and their steamships, until the day came when Britain had to walk in with a meat ax, so to speak, and hack at the thing, and finally go off the gold standard in order to live among the society of nations.

Alphonso abdicated in Spain largely because of an unbalanced budget. Stabilization of governmental revenue had gone, and after one ministry following another had held power they all were swept out and the communists took over the country in an effort to stabilize that Nation's credit.

There is a dictatorship in Austria, a dictatorship in Poland, Russia communistic, revolutions all over South America, not because of the unbalanced budgets directly but because of the consequences flowing to commerce and trade and business from unbalanced budgets and unsettled national credit. We cannot afford, Senators, to make the distress of this moment any greater than it is.

The Senator from Indiana says the President of the United States asked for dictatorial powers. Of course he did. Why? Because Congress itself refused to do its duty, to protect the integrity of the national credit. If all will tell the truth, there will not be found a man to deny that. That is the reason why the President made his request, because Congress would not do its duty, and there was no alternative to a man sworn to protect and uphold the institutions of this country, when Congress had shown that it would not do it, but to say, "Then give the power to me. I will do it."

The Senator from Indiana demands that Congress abdicate its functions. Congress abdicated its own functions by its failure to act. It never exercised its functions to keep the credit of the country on a sound and stable basis. In the last session of Congress efforts were made to economize. My colleague the Senator from New Mexico [Mr. BRATTON] offered an amendment which would have effected a 5-percent saving in each department, 5 percent only. Did it go through? Of course, it did not go through. In the last days of the session, after we had fought and wrangled over it in this body, it was stricken out, so that saving was not effected. We saved about $125,000,000 out of $4,000,000,000 of appropriations. The amendment of the Senator from New Mexico would have saved $165,000,000, but when Congress was put up against the votes on the direct propositions concerned a majority could not be rallied to support the amendments which would have brought about those savings.

Mr. McKELLAR and Mr. BARKLEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I will yield in just a moment.

The Senator from Tennessee [Mr. McKELLAR] offered an amendment to strike out $800,000 in one subsidy contract. That was adopted by the Senate. Another Senator offered an amendment to wipe out the entire airplane subsidy. That amendment was adopted by the Senate. Another Senator offered an amendment to cut all appropriations 5 percent. That amendment was adopted. But how many of those provisions were in the bill when it was finally passed?

I yield now to the Senator from Tennessee.

Mr. McKELLAR. The Senator will recall that, so far as the Senate was concerned, it overwhelmingly voted for many of the reductions; but it was in conference with the House that the economies were stricken out. The splendid amendment of the Senator from New Mexico [Mr. BRATTON], which ought to have been adopted by all means and which passed by a considerable majority in this body, was stricken out in conference.

Mr. TYDINGS. That is true.

Mr. McKELLAR. In other words, while the Senate by a large majority was inclined to economy and even this year voted for about $230,000,000 of economies under those suggested by the President of the United States in his Budget estimate, yet when the bills got to conference those economies were voted out, I am sorry to say, by the Senate conferees, who were in the majority in the conference committee.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. TYDINGS. Certainly.

Mr. BORAH. May I ask the Senator where the pressure came from which drove those items out of the bill?

Mr. TYDINGS. The pressure came from business interests.

Mr. BORAH. Yes; and from the executive departments.

Mr. TYDINGS. That is true. In the last administration every time Congress sought to cut a single appropriation, as a general rule and insofar as I know without any exception, the Secretary of the department of the Government affected, either directly or indirectly through his friends, sought to restore all appropriations so that in effect there was very little, if any, economy at all.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Kentucky.

Mr. BARKLEY. I desire simply to emphasize the fact that our failure to function in the last Congress in any reduction of expenditures pertained only to a very modest proposal to reduce the ordinary running expenses of the Government in the departments, and if we could not function in that respect we could not be expected to function in a larger respect.

Mr. TYDINGS. In my judgment, as I said in the last Congress on numerous occasions, the Government employees and the veterans, if they had taken a smaller cut then than that which is proposed now, would have obviated or eliminated the possibility of the very legislation we are now considering. The further down the credit of the Government goes, the larger must be the cut. The sooner the cut is made, the quicker the Government's credit will respond. Five percent in the old Congress at its beginning would have been worth 10 percent now to many people who are coming to see that in some cases their own greed to keep appropriations up is going to make them take twice as much of a cut as they ordinarily would have had to take had they come forward at that time as they should have done.

The Senator from Indiana said this is the new deal. It is the new deal because we have a program instead of speeches. We have action and results instead of promises. That is the kind of a new deal the American people want. They are tired of talk and nothing to show for it after Congress adjourned in the way of putting the expenditures of the Government on a basis approximating a balancing of the Budget.

The Senator from Indiana also said that other nations were spending more on their veterans than does the United States in proportion to their income. I certainly hope they are. They were at war 2½ years before we got into it. They were at war nearly 3 years before our soldiers joined actually in the fighting. England alone had 1,000,000 men killed on the field of battle or who died of wounds. We had about 165,000. France had a million men killed in battle and another 1,500,000 who were seriously wounded. Germany had over 1,000,000 killed in battle or who died of their wounds. I certainly hope, with the many millions more of casualties which those countries had than had we, that they are spending more out of their national wealth than we are spending for this purpose.

But what the Senator from Indiana did not say is that per man this Government has treated the veterans with more liberality than any other government on the earth at any period in the world history. There is not a man who will rise to challenge the accuracy of that statement. So these comparisons of the Senator from Indiana are misleading, because we all know that the United States Government has been the most generous toward its veterans of any government under God's sun in all the history of the universe.

The Senator from Indiana said that France and England and Germany spend more of their national income than does the United States for the veterans. That is true, but he does not say that they have millions to spend it upon as compared to the smaller number upon which our expenditures are predicated.

Then the Senator from Indiana further pictures the sorry conditions in those countries, with their doles, and so on. What made the doles? Lack of confidence in government was not the only thing, but it was one of the big keystones in the arch of national security, and it is one of the things in these distressing times right now. If we had established the integrity of our governmental finance long ago, we might not have had a universal bank holiday, and, having been stung once by the bee of an unbalanced Budget and lack of national integrity, I wonder if we are going to subject our fellow humans to another stinging by failure to take action now?

Talk about doles! The Senator from Indiana said that they not only expend money on their veterans but they even pay out doles of 6 or 7 dollars a week to Englishmen who are in the United States if they are unemployed. Does not our Government do the same thing? At least, I have been voting for a good many hundreds of millions of dollars here in the last couple of years. What do the community funds do which exist in the United States as they do not exist in foreign countries? Are they not doles? What about the municipalities like Baltimore which spends $120,000 of the taxpayers' money on work every week for the unemployed, or nearly half a million dollars a month? When it comes to doles, what we spend in the form of doles would make Great Britain and France and Germany put together look like pikers.

The Senator from Indiana also spoke about the foreign bond market. I offered a resolution in this body in January 1929, calling attention to each of those individual loans, showing that the proceeds were not being invested in productive enterprises but were going into armaments and things that did not create wealth, and that they would never be paid back but default would come and the American people would lose, because there was no means of creating revenue to repay the loans. I even drew a comparison of loans and expenditures for war purposes for 1 year, the year 1927. In that 1 year Japan had borrowed $300,000,000 from the people of the United States and in that same year had spent $260,000,000 on her army and navy. In other words, we furnished her more than enough money in 1 year to pay for all the army and navy expenditures. So we have been doing over all the world.

Mr. LONG. Mr. President, will the Senator yield?

Mr. TYDINGS. Not now. I do not want to be diverted; but I will yield at the end of my remarks.

The PRESIDING OFFICER. The Senator from Maryland declines to yield at this time.

Mr. TYDINGS. Under whose auspices was this bond racket conducted? It was in connection with some of the people who now belong to the National Economy League. I admit that, but I am not going to be deterred because of that fact. I am not going to let that fact warp my best judgment upon this matter at this time. Just because the National Economy League may be supporting this program and there may be men in that organization who are hypocrites, that has nothing to do with the question here. The question is, Is it absolutely necessary that we fund our Government obligations on a sound basis or is it not necessary? If it is not necessary, I do not want to cut into these service-connected cases a penny. In my judgment, the events of the last 2 or 3 weeks show it is necessary and that the real friend of the veterans and the Federal employees is the man who votes to make these cuts now; because if they are not made, I predict that before the month goes by the condition of our Federal Treasury will be such that many Senators will regret the fact that they did not put the Government credit on a sound foundation when they had a chance through this and other measures.

I would be interested to know how the Senator from Indiana voted on a great many of these subsidies which the Roosevelts and others got. Possibly he voted against them. I know that I did, but I am just wondering whether or not the RECORD will show that when the question came to a vote he opposed them then with the vigor with which he attacks them now.

He also said the Roosevelt family was reunited to victimize the veterans. That remark is so cheap that it does not even deserve a reply, but because it may get into the papers let me say that the Roosevelt family, whatever the Senator may imply, as far as the President is concerned, has shown a humanitarianism and comprehension and desire to act such as I have not seen in national affairs since 1920. I think that the American people are with the President, because, without reflecting on any other President, they realize that he is supplanting words with action and is moving with a real definite program to defeat the army of the depression and turn our country back into happier days. I do not think that remark made by the Senator from Indiana should even appear in the RECORD, because, as he will be a candidate next year for reelection, his opponent may circularize it in his home State and he may have a mighty hard time explaining just what he meant.

Mr. President, I am going to conclude with just two or three further observations. One of them is that the future may be very dark; and, in my judgment, it will be very dark unless there shall be an end to the uncertainties surrounding Government finance and we shall cease to spend money which we have not got, borrowing it and adding it on to our indebtedness and heaping it up for future generations to pay. The experience of the last 2 weeks, when we had to pay 4½ percent to borrow—speaking from a governmental standpoint—a measly little $600,000,000 should be a warning that the veteran who is affected by this bill and the governmental employee who is affected by this bill and the retired Army and Navy officer who is affected by this bill will in all likelihood get nothing in the immediate near future if we do not make these and other cuts at this time.

On the other hand, if we do make these cuts, if we attempt to put our house in order and achieve a mild degree of success, it is my belief that we shall put an end to a great deal of the distress of these times; and it may be possible that we can be a little more lavish, particularly to the veterans suffering from service-connected disabilities as we go up the hill to brighter things than we can be at this moment. That, however, cannot happen unless we start from scratch and make up our minds to move upon the path of soundness at this time.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Michigan?

Mr. TYDINGS. I yield.

Mr. VANDENBERG. I should like to submit to the Senator a question which is disturbing me. I would be perfectly willing to apply a horizontal percentage cut to veterans' allowances of any necessary proportion to cover whatever contribution ought to be made to the situation in that direction. The thing which troubles me—and I ask the Senator to discuss it—is this: Instead of pursuing that method, are we justified in literally tearing up 12 years of statutes and proceeding through that destruction to accomplish the result which ought to be accomplished perhaps in some other way? Will the Senator give me his views as to that?

Mr. TYDINGS. That is a very sensible question. I will say to the Senator from Michigan that if I had not had, as he has had, the experience of the last 2 years in this and the other body, I would be inclined to withhold the power that this bill proposes to give to the President and attempt to write some measure which we ourselves might think best; but because I fear very much that if we open this bill too widely to amendment it may result in accomplishing nothing, I am constrained, much as I dislike to do it, to give the President the authority herein proposed. I am certain there will be injustices in the operation of this bill should it become law, but I am equally confident that when those injustices shall be called to the attention of the Chief Executive, they will be corrected as speedily as it is possible to do so.

Mr. VANDENBERG. May I pursue the question just one step farther?

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I have yielded to the Senator from Michigan.

Mr. VANDENBERG. I think the Senator from Maryland is justified in his rejoinder. I call his attention to the fact that in title II we are proposing to make emergency economies without destroying the structure, and it seems to me that it would be infinitely preferable and more consistent if we should order the economies in title I without destroying the structure, and that ought to be possible.

Mr. TYDINGS. Mr. President, the Senator from Michigan and I both remember very vividly—and certainly I have good reason to, because I was the butt of a good bit of humor on this floor for about a week because of it—a resolution which I introduced in the last Congress which seemed simple and logical and I believe common sense, which was to instruct the Appropriations Committee not to report bills appropriating more money than the Government was going to take in. That looked so simple that the taxpayers of America could not understand why Congress would not immediately take such action; but we found when it was considered by the Appropriations Committee that, owing to certain statutes on the books, notwithstanding we should cut the appropriations, the persons who would be beneficiaries of the law could come in and sue the Government and obtain judgment against the Government, which would be collectible. So that we would be right back to the same point from which we started in a great many cases. That is one of the reasons why I feel we must trust this power in one man, but only during this emergency.

Mr. BARKLEY. Mr. President——

Mr. TYDINGS. I yield to the Senator from Kentucky.

Mr. BARKLEY. I merely wanted to say, in connection with the question of the Senator from Michigan [Mr. VANDENBERG] that while, on the surface, a horizontal reduction appears to be attractive and seems to be fair, yet when you begin to apply it it may not be so fair as it appears. For instance, a horizontal reduction would affect service-connected cases in the same manner in which it would affect non-service-connected cases. It would take, for instance, an ex-service man who is totally and permanently disabled and

reduce his compensation a very considerable amount, no matter what the percentage of reduction should be, while it would not, in any way, affect very materially the compensation of a non-service-connected case or even a service-connected case where the degree of disability was small. So when we begin to apply a horizontal percentage of reduction to all veterans alike, we necessarily do greater injustice to those who are more deserving because of greater disability than we do to those with less disability, either service connected or nonservice connected.

Mr. VANDENBERG. Mr. President, may I submit one further suggestion to the Senator from Maryland?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Michigan?

Mr. TYDINGS. I yield.

Mr. VANDENBERG. The Senator said he would trust this 1-man power only during the emergency?

Mr. TYDINGS. That is right.

Mr. VANDENBERG. But is it not a fact——

Mr. TYDINGS. Let me interrupt the Senator to say that I was equally willing to trust the power to one man, as I stated at the last session, to President Hoover, because it looked to me as though the Congress could not act.

Mr. VANDENBERG. Of course, I agree to that, but I am not proposing to advert to that phase of the question, because I am not talking politics this afternoon.

Mr. TYDINGS. I understand.

Mr. VANDENBERG. The Senator says that he would trust this power to one man only in the emergency; but when the emergency shall be over, I ask the Senator whether the veteran will not find that the entire structure is destroyed and he will not revert to his status as it existed prior to the emergency?

Mr. TYDINGS. I would say in that respect there is no doubt in the world that a great many abuses have arisen under present legislation, and let us hope that the veterans will not revert 100 per cent to the old law.

Mr. VANDENBERG. I agree to that.

Mr. TYDINGS. But I do say that I believe—no matter if Congress does it, if a committee does it, or if the President does it—if we make these cuts, there will be injustices; but I am equally of the opinion that the man who is going to do the cutting, namely, the President of the United States, will act wisely and justly, and the Congress may later rectify those injustices as speedily as they are called to the attention of the one or the other.

Mr. BYRNES and Mr. McCARRAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I yield first to the Senator from South Carolina, and then I will yield to the Senator from Nevada.

Mr. BYRNES. I might suggest to the Senator from Michigan this statement of facts: The policy advocated by the Senator from Maryland would give to the Chief Executive under this bill an opportunity to correct a situation of this kind: Long after November 11, 1918, a young man who did not serve in the war may have enlisted in the Regular Army. If he were injured by falling off the piazza of a barracks at any time prior to July 2, 1921, under the veterans' legislation enacted by Congress, he is entitled to the same benefits as the boy who was injured in battle at Verdun or Chateau-Thierry. Now if a horizontal reduction were applied, it would take a small percentage away from the man who enlisted after the war, but there would be no opportunity afforded to rectify the injustice that would be imposed upon the hero of Verdun by placing him on the same footing with the man who has no disability connected with the service. An injustice such as I have referred to can be corrected, and I have abiding confidence that the Chief Executive will correct it.

Mr. VANDENBERG. I agree to the Senator's prospectus, but I submit that under this bill the hero of Verdun also loses his statutory rights.

Mr. BYRNES. No, Mr. President; I submit that under the terms of the bill, where a minimum and maximum are fixed a veteran will lose it only if the Chief Executive shall do something which the Senator from Michigan and the Senator from Maryland and I am sure he will not do.

Mr. McCARRAN. Mr. President——

Mr. TYDINGS. I now yield to the Senator from Nevada.

Mr. McCARRAN. Referring to the statement of the Senator from Maryland that injustices may be wrought, is it not true that in order to rectify the injustice, if it is wrought, it must be rectified at the expense of the veteran?

Mr. TYDINGS. That is true, but may I say that if we do not do anything, then we keep the 14,000,000 people who have been out of employment for 3 years that much longer out of employment; we keep the depreciated farm values at their present low level; and we add an additional number of banks to the 6,000 which have failed.

So, Mr. President, much as I hate to cut a single dollar off the compensation of any veteran, much as I hate to lay the way open to the possibility of injustice, I think that the man who died in France during the war died that the institutions of this Government might survive, and as nearly as we can do so now, without any injustice, we should see that the institutions of this Government shall survive in this war against the depression.

We have two roads before us, and only two. One leads to uncontrolled inflation, when the Government's credit is gone. That means ruin and chaos and shambles for America. On the other hand, we can take some of the impact now. It will hurt us all, but it is the road to security, and in the end the Government employee and the veteran are going to be infinitely better off, to say nothing of the army of the unemployed, the ruined banks, depreciated farm values, and the distress and suffering which likewise will receive more speedy relief than if we postponed this action very long.

Mr. President, it is a very unpleasant duty for me as a veteran of the World War, who luckily escaped without any serious disability, to vote to take one iota from any man who served in the war, whether he has a disability which is connected with the service or which is nonservice connected; but I think the time has come when we have got to realize that again we are at war and we should be willing "to go over the top" behind a President who has a plan, who has courage, and who has in a week revitalized the fighting spirit of our people, and keep his program of recovery moving steadily on, so that we may restore confidence everywhere and relieve the distress of our people, veteran and nonveteran alike, as speedily as possible.

Mr. LA FOLLETTE. Mr. President, I offer an additional amendment, which I ask to have printed and lie on the table.

The PRESIDING OFFICER. The amendment intended to be proposed by the Senator from Wisconsin will be printed and lie on the table.

Mr. COPELAND. Mr. President, I ask the Senator from Mississippi to turn to page 4, section 6, particularly the top of page 5. Do I understand, if this bill shall be enacted, that those who have partial disabilities or temporary disabilities will not be entitled to hospital care?

Mr. HARRISON. Of course, it leaves it within the discretion of the President, but those non-service-connected cases will be permitted to have domiciliary care though not hospitalization.

Mr. COPELAND. I dare say the Senator, in his explanation, went into this matter at some length; but, even so, I venture to call his attention to the fact that tubercular patients and mental cases—20,000 of them—are rated as having temporary disability. They would be denied care, would they not?

Mr. HARRISON. They would be denied hospitalization, but they would not be denied domiciliary care.

Mr. COPELAND. I want to call the attention of the Senator to this fact: Of course this is an economy bill, and theoretically at least, if it shall be passed, there will be great economies effectuated; but how can there be any public economy if persons with tuberculosis and persons with mental disorders will have to be looked after in public in-

stitutions? There is no economy in this feature of the bill, because the public will be called upon to care for such cases.

Mr. President, I have not at my disposal the language which should be added here to guard this particular point, but I am satisfied that in the interest of public health and in the interest of public safety there should be some provision made for those veterans now given a temporary-disability rating who have tuberculosis and who have mental diseases.

Mr. HARRISON. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Mississippi?

Mr. COPELAND. I do.

Mr. HARRISON. I am advised that cases of that character would be classed as permanent disabilities, and that they would have hospitalization treatment in the soldiers' homes.

Mr. COPELAND. I hope the Senator is right about that; but if the bill is in the interest of economy, and it can be shown that no economy can be accomplished by this restriction, certainly the Senator would agree with me that language should be used which would do away with that particular obligation on the part of the President.

Mr. HARRISON. The Veterans' Administration estimate a possible saving of $9,000,000 under this provision.

Mr. COPELAND. Yes; a saving of $9,000,000 as far as the Federal Government is concerned, but there will be a charge of $9,000,000 on the part of other divisions of government; so there will not be a saving as far as the public is concerned. There will be still a charge upon the taxpayers. So we are giving false hope to the country if we are saying that $9,000,000 will be saved here, when, as a matter of fact, it will be merely a transfer of $9,000,000 from the Federal Government to some other division of government, either State or local.

Mr. HARRISON. All of those cases are permitted to go into soldiers' homes, and there are hospitals connected with the soldiers' homes. It would not be hospitalization in the broad sense of the term as we call it in the case of veterans' hospitals generally, but the cases would have that treatment.

Mr. COPELAND. I cannot conceive it possible that in a soldiers' home there would be facilities ample to care for advanced cases of tuberculosis, or for doubtful cases of mental disturbance. I am very confident that there must be found some language to cover such cases. I shall attempt to find it if somebody else has not suggested it; but certainly, so far as this particular matter is concerned, I think there is a serious defect in the bill.

WAR CRY FOR WORLD DEMOCRACY; TODAY'S CRY FOR AMERICAN DICTATORSHIP

Mr. LONG. Mr. President, I do not wish to take any of the time of the Senate, except that I do think that the worthy efforts of certain good citizens of this country to reduce the veterans' compensation should be properly advertised.

The $35,000 contributed to the National Economy League to reduce the compensation and benefits to the veterans of the war, I think deserves specification.

Here are the people who have supplied the money for this noble effort which now culminates in this debate in the United States Senate. Here are the noble, self-sacrificing citizens who have come to the relief of the little taxpayer in order that they might take the money away from the veterans.

The contributors of $1,000 or more to the National Economy League, as shown by the testimony of Henry H. Curran, director, before the joint committee on January 9, 1933, were as follows:

Anonymous, $1,000. That is somebody who did not give his name, I understand.

Grenville Clark, $1,500.

W. R. Coe, $1,100.

Mrs. H. P. Davison, $1,000. I understand that Mr. H. P. Davison is either a banker or a partner of J. P. Morgan.

Mr. REED. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Pennsylvania?

Mr. LONG. Yes.

Mr. REED. Mr. H. P. Davison died several years ago.

Mr. LONG. Then he is dead. May I trouble the Senator to ask him who was H. P. Davison when he died?

Mr. REED. He was Mr. H. P. Davison, a man who rendered very high, patriotic service during the World War. He was a member of the firm of J. P. Morgan & Co. during his lifetime; yes.

Mr. LONG. Then the Senator and I are not quarreling over that.

Mr. ROBINSON of Indiana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Indiana?

Mr. LONG. Yes.

Mr. ROBINSON of Indiana. I assume that that is the widow of Mr. H. P. Davison.

Mr. LONG. Yes. The Senator states that Mr. Davison is dead, but when he was living he was a partner of J. P. Morgan & Co.

Mr. ROBINSON of Indiana. And this item is contributed by Mrs. Davison. This is Mrs. H. P. Davison.

Mr. LONG. And the dead liveth. "Though a man die, shall he live again?"

Mrs. E. Marshall Field, $1,000.

Mr. and Mrs. Marshall Field, 3d, $1,000. Big department-store, income, inheritance-tax payers; "patriotic service" in delivering a thousand beans in order that they might save a million!

Mr. and Mrs. Childs Frick, $1,000. Everybody knows that wealthy family.

Mrs. Daniel Guggenheim, $1,000.

Edward S. Harkness, of Standard Oil, American Telephone, United States Steel fame, $5,000.

E. Roland Harriman, $6,000.

Henry Ittleson, $1,500.

George W. Naumburg, $5,000.

Harold L. Pratt, $1,000.

John D. Rockefeller, Jr., $5,000.

H. H. Rogers, $1,000—Standard Oil, too.

Mr. and Mrs. Carll Tucker, $1,000.

Mr. and Mrs. Harrison Williams, $1,000.

Seventeen contributors, totaling $35,100.

I send this list to the desk and ask, for the sake of accuracy, that it may be printed in connection with my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The list is as follows:

Contributors of $1,000 or more to National Economy League as shown by testimony of Henry H. Curran, director, before joint committee January 9, 1933

Anonymous	$1,000
Grenville Clark	1,500
W. R. Coe	1,100
Mrs. H. P. Davison	1,000
Mrs. E. Marshall Field	1,000
Mr. and Mrs. Marshall Field, 3d	1,000
Mr. and Mrs. Childs Frick	1,000
Mrs. Daniel Guggenheim	1,000
Edward S. Harkness	5,000
E. Roland Harriman	6,000
Henry Ittleson	1,500
George W. Naumburg	5,000
Harold L. Pratt	1,000
John D. Rockefeller, Jr	5,000
H. H. Rogers	1,000
Mr. and Mrs. Carll Tucker	1,000
Mr. and Mrs. Harrison Williams	1,000
17 contributors	$35,100

Mr. LONG. Mr. President, it will do no good for me to say anything, except that my vote may be known to my constituents and to the people. I am sorry that I can be of no greater service to this country and to the men who fought for this country than simply to state how I am going to vote.

I am not going to vote this time with Mr. Morgan. I am not going to vote with Mr. Rockefeller. I was not with them

when they sent the soldiers to France. I was not with them when they sent them to Russia. I was not with them when they sent them to Italy.

I was not in favor of the war with Germany. I am not in favor of it now. Time has vindicated the position which I took then; and today, Mr. President, I am not going to be in favor of the National Economy League's program, regardless of who appears here now feeling, as no doubt he does, that it is a good thing for the country. I am not going to follow along in that kind of an effort here today.

They sent the soldiers with the brass bands playing and with the flags flying, promising them that when the camp fires had died down and they had returned home they were going to kill the fatted calf, that they were going to get the robe and put it on the back of the son returning home, and that the greatness of the land would be theirs eternally if ever they had the misfortune to suffer the slightest disability in the cause of serving democracy and humanity and America.

I did not go to that war, Mr. President. I was within the draft age. I could have gone, except for my dependents. I did not go because I did not want to go, even aside from that fact. That question was asked on the floor of the Senate. I did not go because I was not mad at anybody over there, for another reason. I did not go because it was not the first time in history that the sons of America had volunteered themselves as cannon fodder under the misguided apprehension that it was going to be a fight for humanity, when they were used in that war and in the years following, and are used today and will be in the years to follow, for the purpose of centralizing the wealth of the United States and of the world in the hands of the few.

How well did we come out of it? We went into the war with 2 percent of the people owning 60 percent of the wealth. We came out of the war with 1 percent of the people owning 60 percent of the wealth. We came out of that war and into this war with 5 percent of the people owning 85 percent of the wealth. We have come out of that war with dictatorships flowering in Italy, with dictatorships flowering in Germany, with dictatorships flowering all over the countries that we crossed 4,000 miles to "make them safe for democracy." We have come out, Mr. President, not with having made them democracies but instead to make America safe for dictatorship. They have crossed from the east to the west and made America safe for dictatorship, whereas we thought we had crossed from the west to the east to make Europe safe for democracy.

I am not going to be one of those who are going to line up with the National Economy League. I am not going to line up with the program of Mr. Rockefeller and of Mr. Harkness and of Mrs. Davison, nor of Morgan, nor of Mr. Field. If it were necessary in order to balance the Budget of this country, I would feel that I should line up with them; but it is not. I have filed in the CONGRESSIONAL RECORD, and there has been introduced in the House, a program by which we do not need to take any of the money out of the bleeding and wounded and suffering soldiers of this country. I know how little $30 a month is to a man suffering with tuberculosis, because I have had to treat a few people for tuberculosis out of my own pocket; and I want to tell you that $30 a month will not support one suffering with the fatal disease of tuberculosis.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Indiana?

Mr. LONG. I yield to the Senator from Indiana.

Mr. ROBINSON of Indiana. I only desire to observe that the great majority of those who will be victimized by this legislation, if it becomes law, receive $12 a month.

Mr. LONG. That makes the crime five times as bad. I had understood that it was an average of somewhere around $30 a month; but I am informed by my friend from Indiana that a great majority of the soldiers who are to be victimized by this legislation are actually receiving only $12 a month.

Mr. President, some of those men have come back and have had to work days and months and years to get their claims established in the United States departments and in the United States courts. In some instances they have had to hire lawyers; they have had to call on their friends; and after hours and days and years of work and litigation, when the poor devil has established that he is suffering from a fatal disease resulting from his having been incarcerated in the Army of the United States—and I use the word "incarcerated" advisedly—now he comes and finds that regardless of his service, regardless of his status, regardless of his claim, regardless of the court, regardless of law, he is the victim, even though he is receiving the slight pittance of $12 a month—this man who was sent, under the bonfires and the strains of the band, only 15 years ago to "make the world safe for democracy" in a war that has made America safe for dictatorship.

Mr. ROBINSON of Indiana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Indiana?

Mr. LONG. I yield to the Senator from Indiana.

Mr. ROBINSON of Indiana. I may observe further to my good friend from Louisiana that in order to receive $12 a month the veteran must establish the fact that he is 25 percent totally and permanently disabled; that most of them are out of work. I think a great majority of them have no income excepting this $12 a month, have families to support, and the only purchasing power they have is that $12 a month, and now it is proposed that we take that from them in the interest of prosperity.

Mr. LONG. I had understood that, and it is a fact that these men have had to establish, in most cases contradictorily, that they have a 25 percent permanent disability, in order to get $12 a month, and now it is proposed that we take that away from them.

I want to say, Mr. President, that if it were necessary in order to balance the Budget to take it away from the soldiers, we would have to do it, maybe, if that were the only course; but it is not.

I have caused to be introduced, and I have caused to be printed in the CONGRESSIONAL RECORD, a plan which would avoid doing that, and it is what was promised the people of the United States in the last national campaign. I have introduced a plan to carry out what was promised the people of the United States in the last national campaign; and if it were done, there would not be the necessity of anyone's coming here and asking us to inflict upon the veterans of any war any such dire consequences as must be contemplated by this legislation.

I have undertaken to cure this whole trouble of our national deficit and of a depression by carrying out campaign promises. The pending bill is not something that was promised in a political campaign; it was not a part of a campaign; it was not a part of a platform; and it was not a part of the promises of any candidate for President of the United States. My proposal is a part of the promises of the President and of the man against whom he was running, if we are to take his statements and read them in the light of what must be a reasonable interpretation.

I have proposed that this country embark upon a plan to let the living have a living, and to let those who have a superabundance of property contribute to the welfare of the country. I have proposed that this country be raised from this deplorable and sad state of depression. I have proposed that we go over the top and over the front-line trenches, as my friend from Maryland says, not by reaching down and taking part of the $12 from some poor, disabled veteran of the World War who is dying with tuberculosis, but I have proposed to leave that poor patriot of this country with his little insignificant $12 to eke out until the death shadow passes him on.

My remedy is a capital levy tax to pay for the war.

I can see the disastrous consequences of the bill we are now about to pass. We are going to pass it. Sure, we are going to pass it. I am going to vote against it, but that

will not make any difference. I may be here to vote a shorter time than some of those who will vote for it, but I have my ideas about the matter.

I propose that every man who owns a million dollars of property should contribute 1 percent to the Government. I propose that if a man owns $2,000,000 he contribute 2 percent to the Government. That would mean only ten thousand dollars for the man who owns a million dollars, and that would leave him $990,000. If he has $2,000,000, I would take $40,000, and that would leave him $1,960,000. I propose that if a man has $6,000,000, the Government should take 6 percent. I propose to take 1 percent from a man owning a million, and gradually go up until I would impose a capital-levy tax stopping fortunes at $100,000,000.

Mr. President, I have proposed legislation for decentralizing and redistributing the wealth of the country, which can be resorted to if anybody wants to balance the Budget. I am not going to offer that plan now, but I show that it can be had, that if there is such a dire necessity that it be had, the bills which have been offered in the House can be passed by the same power that is behind the bill now being passed, and it will necessitate no such things as reaching down into the pockets of the masses and into the pockets of the disabled and into the pockets of the men drawing $12 to $30 a month for services they rendered this country.

We might as well decide this matter. This is the first step in the program, and we must decide whether we are going the route of decentralizing wealth, or whether we are going the route of impoverishing the masses. Do not make any mistake about it. Do not let yourself be fooled. This is the initial step in deciding whether or not this country shall come out by impoverishing the masses, or by putting through a law that will decentralize wealth. We cannot get out in any other way but one of those two ways. Either we have to make peasants of the people, or we have to decentralize wealth.

I am going the way the Lord pointed out. I am going the way the Lord said to go, through the decentralization of wealth. I am going the way Daniel Webster said to go; that Thomas Jefferson said to go; that Abraham Lincoln said to go; that Bryan said to go; that Christ said to go. I am going the way that was promised by the last President of the United States and by the present President of the United States, for both of them advocated decentralizing wealth to get this country out of its distress.

We do not have to go down and take one hundred and fifty or two hundred dollars out of the pockets of the poor little devil who is dying in a hospital today, getting $12 a month, suffering with tuberculosis. We do not have to go down and get a dime out of his pocket, because if we will simply limit the fortunes so that they will not exceed $100,000,000, there will be no need in this country, and there will be no such plague as we have.

It is not necessary to do this thing, and I, for one, will not support this or any other legislation of its kind.

Mr. HARRISON. Mr. President, I ask unanimous consent to substitute for the Senate committee bill House bill 2820, to maintain the credit of the United States Government.

The VICE PRESIDENT. Is there objection?

Mr. LA FOLLETTE. Mr. President, may I ask what would become of the amendments in that case?

Mr. HARRISON. I intend to offer the amendments which the Finance Committee has to offer.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi? The Chair hears none, and it is so ordered.

House bill, H.R. 2820, was read twice by its title.

Mr. DICKINSON. Mr. President, I expect to offer an amendment to strike out title I of the bill and to substitute in lieu thereof a bill which was very carefully prepared last year by the Economy Committee of the House and carefully considered by the Economy Committee of the Senate. With the additional section which I have added thereto, which is a flat cut in compensation and pensions amounting to $124,000,000, according to the testimony before the Finance Committee last week, this would save between $175,000,000 and $200,000,000.

The Senator from Mississippi today stated, as I understood him, that the maximum amount of the savings to be made by this bill will be $383,000,000. If the savings in title II are continued and the savings I have suggested in title I are carried on it would make a balanced bill which would meet the very purpose suggested by the Senator from Maryland [Mr. TYDINGS].

Mr. President, I have not been one of those who were fearful of the entire collapse of the finances of the Government. I believe that I have favored as sincerely and have voted as consistently for economy as any Member of the Senate, and I can see that there are a number of proposals which are now in the offing having to do with a half billion dollars for a construction program or two hundred million or three hundred million dollars to rent lands to take them out of cultivation, and if those proposals come in I wonder why the necessity for clamping down here to the last cent in this bill?

On the other hand, I do believe that a lot of grave injustices have grown up in the Veterans' Bureau. There are a number of conditions down there which were not the intent of Congress, I am convinced. The interpretation of the law has brought within the provisions of the law many classes of cases that were unthought of at the time the law was passed.

I am not proposing here anything that is new, because in the report of Representative McDUFFIE, this matter was presented to the House last year; it was made an amendment to the legislative bill; it was considered in the House of Representatives; it was brought to the Senate and considered by the Economy Committee and was practically all eliminated by a vote of the House and by a vote of the Senate, who would not accept the proposal.

On the other hand, these injustices are in the law. The way to correct the law is to amend the law or to repeal it. It is not necessary to have an Executive order made that will make the law inoperative.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. McCARRAN. Apropos of the Senator's remarks, may we understand as to whether or not the committee proposes to offer amendments? I notice in the committee's report, which is a confidential report, they recommended the bill for passage with amendments. I should like to know whether or not the committee proposes to offer amendments; and if so, I ask that those amendments be offered now.

Mr. HARRISON. Mr. President, will the Senator from Iowa yield to me?

Mr. DICKINSON. I yield.

Mr. HARRISON. The Senate Committee on Finance adopted very few amendments, none of which change the structure of the bill. There were some clarifying amendments. I have just had the House bill substituted for the Senate bill. The draftsman is now preparing the amendments that were recommended by the Finance Committee, so as to have them inserted on the proper lines and pages of the House bill, and they will then be offered.

Mr. BARKLEY. Mr. President, if the Senator from Iowa will yield, the Senator from Nevada will find the amendments in the Senate committee bill as reported. They have been printed in italics, or lines have been stricken out of the bill.

Mr. HARRISON. I may say to the Senator, further, that the report he spoke of as a confidential report was the original report. The report that was filed is not confidential.

Mr. McGILL. Mr. President, will the Senator from Iowa yield to me?

Mr. DICKINSON. I yield.

Mr. McGILL. When the House bill is completed, will it be in the identical language of the Senate bill as reported by the committee?

Mr. HARRISON. By the Senate committee?

Mr. McGILL. Yes.

Mr. HARRISON. No; there is some variance between the House bill and the Senate committee bill, but the changes are very slight. The Senator from Kansas has an amendment to offer. There will not be any trouble about the Senator's amendment and the other amendments being put in the proper places in the House bill.

Mr. McGILL. The substance will be the same?

Mr. HARRISON. Yes.

Mr. LONG. Mr. President, will the Senator from Iowa yield to me?

Mr. DICKINSON. I yield.

Mr. LONG. What the Senator from Mississippi wants to do is to substitute the House bill for the Senate bill. Otherwise it would necessitate its going to a committee.

Mr. HARRISON. That is true.

Mr. LONG. It takes unanimous consent to do that, does it not?

Mr. HARRISON. That has been agreed to.

Mr. LONG. To do away with the committee report and to substitute the House bill takes unanimous consent?

Mr. HARRISON. The Senate has taken that action. The House bill is now being considered.

Mr. McKELLAR. Mr. President, will the Senator from Iowa yield to me for a moment?

Mr. DICKINSON. I yield.

Mr. McKELLAR. I hope the Senator from Mississippi will consider very carefully the impounding provision as to the entire bill when he brings in his amendment to the House bill. I think it is absolutely necessary that that impounding provision should be in the bill.

Mr. McCARRAN. Mr. President, if the Senator from Iowa will yield further——

Mr. DICKINSON. I yield.

Mr. McCARRAN. For the purpose of clarifying the record may I have a definite statement from the Chairman of the Committee on Finance that the bill as placed before us striking out certain words and inserting certain words is the committee recommendation without further amendment?

Mr. HARRISON. Yes; the bill that was taken up for consideration this morning is the bill that was introduced with a few minor recommendations of the Finance Committee. The text of the House bill has been substituted for it, and all of the amendments that were recommended by the Finance Committee will be offered as amendments to the House text as the recommendations of the Finance Committee.

Mr. McCARRAN. I am entirely new and green with reference to this procedure. I respectfully suggest that we should have before us when we vote the bill that will become the law.

Mr. HARRISON. That is a very reasonable request for the Senator from Nevada to submit, and that will be done. The draftsmen are now preparing the amendments, showing the lines and pages where they are to be inserted, and they will be offered to the Senate as recommendations of the Finance Committee. That may be done before the Senator offers his amendment.

Mr. McCARRAN. Then we will have those amendments before us?

Mr. HARRISON. Oh, yes; certainly.

Mr. DICKINSON. Mr. President, as was suggested by the Senator from Michigan [Mr. VANDENBERG], by this one act, if passed in the form in which the committee has reported it, we are destroying 12 years of accumulation of veterans' legislation. I believe there are some gross injustices that have developed in that legislation. I know of no reason why we should not correct them legislatively. The committee that brought in the report on the measure which I have submitted here now as an amendment has been a long time developing it. It was reported to the House. It was carefully considered there. It was managed by a very able Member of the House, Mr. McDUFFIE. I believe there have been better hearings, closer hearings, and better consideration given to the type of approach to veterans' legislation in this bill than in the one now pending before the Senate.

So also as to title I complying with title II. In other words, it places a limitation upon what the amount should be, how much the reduction shall be, how the reduction shall be made, and what injustices shall be removed from the legislation. As has already been stated, the one thing about the bill is that it does transfer legislative authority to the Executive. He has asked us to undo many things we have done here legislatively. It is our problem to correct those errors. If the grants are too generous, we ought to correct them. It ought not to be done by Executive order. We ought not to try to transfer the responsibility. I know of no reason why the Senate should not take up this carefully considered House bill and give it consideration in lieu of the one we now have before us.

Section 1 of my amendment affects 21,800 veterans. If enacted into law, the total saving would be about $14,000,000. It has to do with the exemptions that are allowed emergency officers. Section 1, subject to certain exceptions enumerated by law, prohibits the payment or granting of allowances, compensation, retired pay under the Emergency Officers' Retirement Act of May 24, 1928, pension, hospitalization, domiciliary care administered by the Veterans' Administration to any person whose net income, as defined by the Administrator of Veterans' Affairs, is $1,500 or more, if single, or $3,500 or more, if married, with $400 additional for each dependent for the year preceding the date of the enactment of this act. In other words, it provides that a retired officer shall waive his right to this compensation if he has that amount of income. It puts him in the same classification as does the income tax law.

In order to show that this provision does not impose any injustices, there are certain classes that are exempt:

First. Those persons who have attained the age of 65 years.

Second. Those persons who served in the active military or naval forces and actually suffered an injury or contracted a disease in line of duty as a result of and directly attributable to such service. To come within this exception the veteran must show some causative factor such as an injury or extreme exposure arising out of and in the course of the performance of his duty and directly resulting from such performance of duty.

Third. Those persons who are temporarily totally disabled or permanently and totally disabled as the result of disease or injury acquired in or aggravated by active military or naval service. To come within this exemption the veteran need only show entitlement to service connection for his disability under the general law as governing payment of compensation or pension and be actually totally disabled.

Fourth. All widows and dependents entitled to compensation or pension on account of the death of any person who served in the actual military or naval service.

Fifth. Those persons who were actually engaged in combat with the enemy, who served in a zone of hostilities, or who were actually under fire.

I do not see how that would force any injustice on any retired officer under this provision.

Section 2 would amend section 202, subdivision 7, of the World War Veterans' Act, 1924, as amended, the pension statutes, the laws governing the granting of domiciliary care by the Veterans' Administration, and the Emergency Officers' Retirement Act of May 24, 1928, so as to provide that as of the first day of the third calendar month following the date of this act, any single person in a United States soldiers' home, National or State soldiers' home, St. Elizabeths Hospital, or Veterans' Administration hospital, or who is maintained in an institution by the Veterans' Administration, for a period of 30 days or more, the compensation, pension, allowance, or retired pay of the Emergency Officers' Retirement Act of May 24, 1928, shall not exceed $20 per month so long as he shall thereafter continue with the institution.

What does that mean? Under the present law a veteran goes to the hospital. He is drawing $85 or $100 a month compensation. He draws the whole thing. He contributes nothing. He gets his medical aid, his entire care while in the hospital, without contributing a nickel to it. Under the

old law there was given to the Civil War veterans and Spanish War veterans an allowance of $20. The rest of the compensation went to the home, and in this instance would stay in the Veterans' Bureau.

It is estimated that this section would affect 5,920 persons and the saving would amount to approximately $5,370,000.

Section 3 covers the retired pay. This section of the amendment provides that payment of retirement pay under the Emergency Officers' Retirement Act of May 24, 1928, will not be authorized unless the person served as a member of the Military or Naval Establishment between April 6, 1917, and November 11, 1918. There will be 3,200 officers affected by this provision, and the saving would amount to $3,386,000 annually.

Section 4 is the per diem allowance. There are 31,000 affected, and the saving is estimated at $300,000.

Section 5 is retroactive benefit provision, there being 35,000 veterans affected and a saving of $13,694,000.

Section 6 has reference to the transfer to the pension list from the compensation list. It would affect 13,100 soldiers, and the savings would be $3,649,000.

Section 7 imposes certain restrictions on the insurance provision in the law. It has to do with the limitation of suits. There is no estimated saving, because no one knows exactly what the saving would be.

Section 8 has to do with the distribution of insurance, providing, instead of having the insurance go to remote heirs or indirect heirs, that in case there are no direct heirs it shall revert to the Government. The savings there, with 2,800 involved, would amount to $9,000,000.

Section 9 has to do with attorneys' fees, a very liberal provision.

Section 10 of the amendment has to do with the 15 per cent deduction from the compensation and pensions, the estimated saving being $124,000,000.

Mr. VANDENBERG. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Michigan?

Mr. DICKINSON. I yield.

Mr. VANDENBERG. Do I understand that all of the provisions down to section 10 are out of the economy recommendations approved by the Economy Committees of both House and Senate in the last session?

Mr. DICKINSON. That is correct. All of them were considered, the Veterans' Bureau consulted all along the line, and there is not a single provision in here but what has been recommended and presented to the House, and recommended and presented to the Senate.

Mr. VANDENBERG. It was the result, as I recall, of a rather lengthy and substantial survey and inquiry into the entire situation?

Mr. DICKINSON. That is correct.

Mr. President, the bill in its present form is a delegation of power that I cannot support. I am for economy in veterans' legislation. I believe there should be some economies there. On the other hand, I do not believe we should delegate that power to the Executive Office in order to get the savings. Therefore I know of no reason why the Senate should not consider my amendment. I believe it is more carefully prepared than the present bill. We know, if we enact it into law, what our savings are going to be. There is no estimate about it. It is not a maximum saving that may be reached. There is no possibility of a man saying, "Congress enacted this law giving me certain authority; but instead of exercising it, I will not impose the penalties on this or that class." If these are injustices, so far as the Government is concerned, we ought to be willing to say so. If they are not, we ought to find a way by which we can raise the money to pay the compensation to the veterans. This body and the body at the other end of the Capitol should determine that question, because we are the legislative representatives of the people of this country of ours.

Mr. President, I send to the desk the amendment to which I have been referring and ask that it may be printed and lie on the table.

The VICE PRESIDENT. The amendment will be printed and lie on the table.

Mr. BAILEY. Mr. President, I am for this bill wholeheartedly and without reservation or apology.

I honor the President for his courage and wisdom in proposing it. In my view, it is a national necessity and relates more directly to the problem of deliverance from our ills than any other measure proposed since they first began to beset us. It comes late, 2 years at least later than it should have come, but it does not come too late. We may begin with the passage of this bill the rebuilding of the great structure which has fallen tier after tier since November 1929—a period of more than 40 months of futile discussion, of vain undertakings, of increasing difficulty, of false prophecies, and of intensifying despair.

Its enactment will give assurance to the American people that the Congress is supporting their chosen leader, shares their faith in him, and does not hesitate to respond to his call to action at a time when every human being in the land seeks to hear from him the one clear voice of a great people's deliverance.

The bill proposes to have done by the President what has not been done, and in the nature of things could not be done, by the Congress. Our defense is not that we would not have done it, but that we could not have done it. The task is too vast, too varied, and too intricate for specific legislative action. It is a task for one brain and one will capable of prompt decision and instant action. Our Republic will not tolerate a dictator, but from the days of its beginning it has always demanded a leader. It was so in the day of Washington; it was so in the day of Lincoln; it was so in the day of Wilson; it is so in the day of Franklin Roosevelt.

I agree that to submit such a task to the President is extraordinary; but since, in its very nature it is not a practicable legislative task, we can do nothing better than to submit it to the President, elected by the people and responsible to them. I do not mean by this to diminish in any degree my own responsibilities. I, too, shall answer as he answers to them, and I shall assume my full share for every act done by him under the powers granted by my vote.

The bill proposes to lift, without delay, from the back of a struggling people the sum of $500,000,000 annual taxes. This is its justifications; and it is a consummation in which every one of us ought to be proud to have a share.

Mr. President, there can be no serious doubt as to the relation of the excessive tax burden to the depressed state of our agriculture, our wages, our unemployment, our industry, and our commerce, and to our difficulty of recovery.

Excessive debt and excessive taxes—Federal, State, and local—were the underlying causes of the depression and likewise the chief contributing factors in prolonging and intensifying it. They are no less the principal obstacles to overcoming it. This excessive debt and these excessive taxes were pyramided under the influence of a rapid and vast expansion and inflation, which were bound to culminate in disaster; and when the culmination took place, commodity prices, especially agricultural-commodity prices, under the pressure of the tax load and the debt load, fell below the 1913 level, below even the 1897 level, and below even the 50-year or 100-year average, leaving us with taxes and debts pitched upon the 1928–29 level, with an annual income so impaired that neither taxes nor debts could be paid. This is the formula of our ruin. This is the vicious cycle that must be arrested.

Each year since 1929, in which we have striven so vainly to bear the 1928–29 load of debt and taxes with 1931–32 income, has but served to make bad matters worse; and it is safe to say that so long as this situation continues, matters will continue to go from bad to worse and not stop short of utter and universal ruin, in which taxes and debt will go the way of income—to extinction.

To this downward progress this bill proposes that a halt shall be called, and that without injustice to any man; indeed, in the interest of every man, woman, and child in our land—not less to the soldiers and the public servants than to the farmers and workers, commerce, and industry. With-

out injustice, I say, to any soldiers. The compensations for war service are always within the discretion of the Government and should always be measured in terms of the general welfare. The soldiers themselves would not have it otherwise. Our pension expenditures now come to $3,000,000 per day, nearly a billion dollars per year.

A further consideration of great value is that this bill looks to the balancing of our Federal expenditures with receipts. Members of the Senate have spoken lightly about balancing the Budget. It is the most serious proposition before us. It is simple common sense that unbalanced budgets demand increased taxation and result in uncertainty in business and unstable commodity prices. They are more costly than the taxes required to balance them. Three years of deficits have taken a fearful toll from the wages of workers and the prices of farmers. We ought to have an end of this uncertainty, of this pernicious influence, at the earliest moment. It is an indispensable part of the foundation of the rebuilding, which we will further delay at our utmost peril.

I may say in passing that we may likewise reduce the excessive burden of debt, that even in the recently enacted bankruptcy act and the emergency banking act we have provided substantially for such reduction. We can and will go farther, if necessary. But our immediate opportunity is to reduce the tax burden; and not only ought the Federal Government to do this but every State and local subdivision ought to join in this task of deliverance—the task of freeing a great, struggling, and good people of burdens too great to be borne.

I read in the press of Saturday a most gratifying statement from the president of the National Federation of Federal Employees with reference to this bill, giving assurance that "the Federal employees are ready to cooperate to the fullest possible extent to bring about better conditions of life and living." That is precisely the objective of the measure. I agree that the average pay of the Federal employees has not been high in relation to normal conditions. I think it is lower than that in the States. All that is proposed now as to their salaries and wages is that they shall be adjusted to the difference in the cost of living as compared with 1928. We propose to take nothing from them that they enjoyed in the most prosperous year. We propose only that they shall not be the beneficiaries of the depression; that they shall not be the gainers by reason of the ruined condition of the taxpayers, whose servants they are and from whose depleted pockets they draw their wages and salaries; that they shall not profit at the expense of the farmers and workers, whose prices and wages have been so reduced.

Men and women in public positions ought not to seek for themselves better estate and condition than of those whom they serve and from whom their incomes are derived. And it must be observed that, even with their wages and salaries reduced by the maximum of 15 per cent, their lot will be better than that of fully 80 per cent of the people. I urge them to stand up to the high standard of the president of their organization and "carry on." And if there be one who is not satisfied to do this, he ought to resign in order to realize the condition of his fellows, whose servant he is, and give place to any one of the millions who would be happy to take his reduced salary and who would do his work quite as well. This is no time for grumblers in the Government service.

Mr. President, it has been spread abroad, even from this Chamber, that our Republic could get all the revenue it needs from the wealthy. This is not the fact. The number of the wealthy has been greatly reduced. All fortunes have been depleted. There has been a general and not unwholesome leveling of material estate throughout our population. When we could, we did derive $2,500,000,000 per year from taxes on incomes. That is a sheer impossibility now. The fact is that, with greatly increased rates, we are deriving less than half that sum, and as matters are going it is a question whether any rates, however high, will avail us to derive more.

It is quite clear that in the last Congress we reached the point of taxing the poor, of directly taxing them. We have always indirectly taxed them. All taxes bear down upon the humble—upon the wages of the worker and the prices paid the farmer. But we came last year reluctantly to the necessity of directly taxing the poor. And since the taxes levied have proved by no means sufficient to meet expenditures, we are now confronted with the alternative of still further directly taxing the poor—and they are now very poor, indeed—or enacting this bill. This is the plain alternative, and no amount of words can alter it. Those who vote against this bill must vote for measures to produce $500,000,000 of additional taxes, the burden of which will press down upon an impoverished people.

Mr. McCARRAN. Mr. President, will the Senator permit a question pertinent to the last remark he made?

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Nevada?

Mr. BAILEY. I yield.

Mr. McCARRAN. Where did that $500,000,000 come from that supplied the needs for the past two and a half years?

Mr. BAILEY. Mr. President, I think it came by way of borrowed money.

To put it plainly, not to vote for this bill is to demand at once additional taxation to the amount of $500,000,000, most of it to be imposed directly upon the poor—all of it to fall directly or indirectly upon the wages of the laborer, the activity of industry, the prices of the farmer, or to be reflected in additions to the millions of the unemployed.

So far as the war veterans are concerned, I am sure that they will welcome the revision of a system that has become characterized not only by wretched inequalities but also has been disgraced with impositions in the nature of fraud so numerous that in nearly every community men are pointed out who are drawing monthly checks from the Treasury but who have suffered disabilities so slight that their associates can not detect them. This sort of thing has done the deserving veteran infinite harm, and he will be the first to welcome the correction of it.

Nor do I suspect that in the present emergency deserving veterans will object to such reductions as may be imposed. They will trust the President. The quality of their patriotism has been proved. Those who offered their lives in obedience to their country, without question of reward, will not hesitate to yield a portion of the compensation or allowance a grateful country granted them in a more prosperous period, now that we have fallen into adversity. They will put to shame the agitators who would make capital of their title to the Republic's honor and gratitude, or found a personal cause upon their fame as soldiers.

Mr. President, I come from the land of the Confederacy, the land of Lee and Jackson, and the Confederate soldier. The generation of my youth was a generation of soldiers. My State sent more men to battle, and left more men dead on the field of honor than any State of them all, North or South. I could not be wanting in veneration for the soldier in any country or clime. I believe in this Union, and I would bring to it all I am capable of. The best gift I could ever bring to this Union is the postwar spirit of the Confederate soldier in a time like this. I venture the undertaking here.

Did they receive pensions? No. Did they seek allowances? No. Did they complain? No. Grateful and proud but impoverished States voted humble gratuities to a few; but, for the most part, they sought nothing and received nothing save the honor and glory which none could give, and none can ever take away. That they were soldiers who, in obedience to their States, had offered their lives, was sufficient. They sought only the opportunity to rebuild a civilization that had been devastated—to rebuild upon foundations of ruin and poverty, and without material possessions, or any assistance from others—nay, to rebuild upon foundations solely of their own courage, faith, and character. This opportunity they themselves created; and by endurance and industry worthy of their valor in 4 years of battle, under

conditions of unsurpassed hardship, they did rebuild a better and nobler civilization, loyal to this Union and an everlasting source of honor and power to it. It was a 30-year task—30 years of struggle against overwhelming odds. But they never flinched or faltered, nor did the flame of their faith fail them. They sought no assistance, but in self-respect, self-reliance, and high endeavor they triumphed, leaving to their sons and to this Union not only a great material heritage but also an example in which we may find, now and henceforth, everlasting inspiration.

I speak now to their sons and grandsons of more recent wars, and to their brothers in arms throughout our country. I would be the last to say that the veterans of North Carolina are unworthy of their sires, or are unmindful of the blessed heritage they have received from them. I would be the first to say that they are as ready now to make sacrifices for their country as ever their fathers were.

I have heard the demands of the lobby; but I know that the men whom they seek to represent will not hesitate to support our President and our country, will not hesitate to trust him, will not hesitate to accept the decisions he shall make in the interest of all the people, will not hesitate even to applaud his high motives and courage, as he seeks, even at the expense of their pensions, allowances, and compensations, to lay a sure foundation upon which they may rebuild here a better civilization for themselves and all who shall come after them.

If they sought reward or compensation in time of prosperity, they will nevertheless prove equal, as did their sires, to the stern necessities and the sacrifices of our present adversity.

They, too, will rebuild our civilization. They are no less now the noble company of the Republic's defense and the world's deliverance than they were 30 years ago or 15 years ago, when they gave to this Republic and all the world the assurance of America's capacity and character, when they gave the pledge of blood that the spirit of their soldier sires had not been diminished with the passage of time, or impaired by the softer experiences of peaceful and prosperous years. So far from resenting the enactment of this bill, so far from complaining, I would consider that I had done them dishonor if I intimated or suspected that they will not applaud it.

Altogether, Mr. President, I see in this bill a great opportunity of genuine service to the American people, the manifestation of the leadership and the courage that the time demands, the lifting of a load of taxes that stands in the way of rebuilding and recovery, the lifting of which will bring hope to tens of millions of men and women who now for 40 months have struggled all but vainly against forces that would have overwhelmed any other people. With unsurpassed morale, with heroic patience, with patriotic devotion they have carried on; they have endured. In them we find the foundation of our rebuilding and the hope of a better civilization than we have ever known. It is nothing less than our plain duty to reward them with measures undertaken with spirit worthy of theirs. It is as righteous as it is wise to lift from their weary shoulders the excessive burden of debt and taxes in order that they may respond to the brave spirit that animates them and go forward.

Mr. McCARRAN. Mr. President, I have offered six amendments. I have assurance from the chairman of the Committee on Finance that these amendments shall be considered. In order to protect myself, in view of my ignorance of the rules, I now offer those amendments and ask the privilege of having the closing address in furtherance of them.

Mr. HARRISON. Mr. President, that is a rather unusual request. Personally, I should be very glad to see the Senator have the closing on the matter; but I think we had better let it go in the regular order.

The VICE PRESIDENT. Objection is heard.

Mr. WALSH. Mr. President, I present some amendments to the pending bill and ask that they be printed and lie on the table.

The VICE PRESIDENT. The amendments will be printed and lie on the table.

Mr. HARRISON. Mr. President, I ask unanimous consent that the House bill which is now being considered may be printed with the committee amendments as recommended by the Committee on Finance.

The VICE PRESIDENT. Is there objection?

Mr. McCARRAN. One moment, Mr. President.

Mr. HARRISON. May I say to the Senator from Nevada that I make the request for the convenience of the Senator and of the Senate, so that the amendments will appear just as they do in the original bill that was recommended by the Finance Committee.

The VICE PRESIDENT. Is there objection?

Mr. McCARRAN. Mr. President, I do not care to object until I am thoroughly advised. When I am thoroughly advised, if the information that has come to me is correct I may object. I want to know if my amendments shall be considered, and if I shall have the opportunity of addressing the Senate in furtherance of them.

Mr. HARRISON. There would be no objection in the world to that.

Mr. McCARRAN. May I be given that assurance?

Mr. HARRISON. Personally, so far as I can assure the Senator, he may speak on each one of them, and will have the privilege of offering them. The only thing that I objected to, because it was a rather unusual request, was that on each of his amendments the Senator should have the closing argument.

Mr. McCARRAN. No; I do not care for that. I do care for the closing argument on all of them combined and would like to make one argument on all. If the Senator will consent to that, I shall have no objection to his request.

Mr. ROBINSON of Arkansas. Mr. President, I point out to the Senator from Nevada that it is not possible to make such an arrangement without entering into an agreement to limit debate or to fix a time for a vote on his amendments.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi?

Mr. McCARRAN. I object temporarily, but only for the purpose of clarification. I do not wish to be discourteous to the Senator. I may have been discourteous day before yesterday.

Mr. HARRISON. Oh, no; the Senator never is discourteous to me, and I never will be discourteous to him.

Mr. McCARRAN. True friends never are discourteous to each other.

Mr. HARRISON. Never.

Mr. McCARRAN. But if it is necessary to offer my amendments now in order to be heard on them, then I want to do so.

Mr. HARRISON. It will not be necessary. The Senator can offer his amendments now and have them printed or he can offer them tomorrow and speak on them.

The VICE PRESIDENT. The amendments of the Senator from Nevada have already been ordered to be printed and lie on the table.

Mr. McCARRAN. If a vote on this bill is to be forced tonight——

Mr. HARRISON. No; Mr. President, I intend to call for no vote tonight and force no vote tonight. There is no disposition in the world here that I can see to bring about unreasonable delay in the consideration of this bill. The Senator from Nevada has shown a fine spirit, and every other Senator has, both on the other side and on this side. I feel that we can recess pretty soon now, and go along tomorrow and probably reach a vote tomorrow. I hope so, at least.

Mr. McCARRAN. With the understanding that I may be heard in furtherance of my amendments, I shall not object.

Mr. HARRISON. The Senator will have that right.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi? The Chair hears none.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business in open session.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT laid before the Senate the following nominations from the President of the United States, which were referred as follows:

Jesse Isidor Straus, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to France; to the Committee on Foreign Relations.

Josephus Daniels, of North Carolina, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico; to the Committee on Foreign Relations.

Robert Worth Bingham, of Kentucky, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Great Britain; to the Committee on Foreign Relations.

Eugene O. Sykes, of Mississippi, to be a member of the Federal Radio Commission for a term of six years from February 24, 1933 (reappointment); to the Committee on Interstate and Foreign Commerce.

JOHN H. HOLLIDAY

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, reported back favorably, with the recommendation that the nomination be confirmed, the nomination of John H. Holliday, of Missouri, to be Vice Governor of the Philippine Islands, to which office he was originally appointed ad interim on August 13, 1932, vice George C. Butte, resigned, and was reappointed ad interim on March 7, 1933.

POST OFFICE DEPARTMENT

Mr. McKELLAR. From the Committee on Post Offices and Post Roads, I report back favorably the nominations of the four Assistant Postmasters General and ask unanimous consent for their immediate consideration.

The VICE PRESIDENT. Is there objection? The Chair hears none. The nominations will be read.

The Chief Clerk read the nomination of Joseph C. O'Mahoney, of Wyoming, to be First Assistant Postmaster General.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William W. Howes, of South Dakota, to be Second Assistant Postmaster General.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Clinton B. Eilenberger, of Pennsylvania, to be Third Assistant Postmaster General.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Silliman Evans, of Texas, to be Fourth Assistant Postmaster General.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. McKELLAR. I ask unanimous consent that the President be notified of the confirmation of these nominations.

The VICE PRESIDENT. Is there objection?

Mr. LA FOLLETTE. Mr. President, is there any necessity for that being done at this time?

Mr. McKELLAR. Except that the nominees are all in office, and, of course, they are very anxious to know whether they are going to be confirmed.

Mr. LA FOLLETTE. They will be notified in due course. Unless there is some special reason for haste, in which case I have no objection, I suggest that the matter take the usual course.

Mr. McKELLAR. Very well; I withdraw the request if the Senator objects.

The VICE PRESIDENT. The request is withdrawn.

The Senate resumed legislative session.

ADDRESS OF THE PRESIDENT ON THE BANKING SITUATION

Mr. ROBINSON of Arkansas. Mr. President, I ask to have printed in the RECORD a radio address delivered last evening by the President of the United States having relation to the conditions prevailing with respect to banking.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I want to talk for a few minutes with the people of the United States about banking—with the comparatively few who understand the mechanics of banking, but more particularly with the overwhelming majority who use banks for the making of deposits and the drawing of checks. I want to tell you what has been done in the last few days, why it was done, and what the next steps are going to be. I recognize that the many proclamations from State capitols and from Washington, the legislation, the Treasury regulations, and so forth, couched for the most part in banking and legal terms, should be explained for the benefit of the average citizen. I owe this in particular because of the fortitude and good temper with which everybody has accepted the inconvenience and hardships of the banking holiday. I know that when you understand what we in Washington have been about, I shall continue to have your cooperation as fully as I have had your sympathy and help during the past week.

First of all, let me state the simple fact that when you deposit money in a bank the bank does not put the money into a safe-deposit vault. It invests your money in many different forms of credit—bonds, commercial paper, mortgages, and many other kinds of loans. In other words, the bank puts your money to work to keep the wheels of industry and of agriculture turning around. A comparatively small part of the money you put into the bank is kept in currency—an amount which in normal times is wholly sufficient to cover the cash needs of the average citizen. In other words, the total amount of all the currency in the country is only a small fraction of the total deposits in all of the banks.

What, then, happened during the last few days of February and the first few days of March? Because of undermined confidence on the part of the public, there was a general rush by a large portion of our population to turn bank deposits into currency or gold—a rush so great that the soundest banks could not get enough currency to meet the demand. The reason for this was that on the spur of the moment it was, of course, impossible to sell perfectly sound assets of a bank and convert them into cash except at panic prices far below their real value.

By the afternoon of March 3 scarcely a bank in the country was open to do business. Proclamations temporarily closing them in whole or in part had been issued by the governors in almost all the States.

It was then that I issued the proclamation providing for the Nation-wide bank holiday, and this was the first step in the Government's reconstruction of our financial and economic fabric.

The second step was the legislation promptly and patriotically passed by the Congress confirming my proclamation and broadening my powers so that it became possible in view of the requirement of time to extend the holiday and lift the ban of that holiday gradually. This law also gave authority to develop a program of rehabilitation of our banking facilities. I want to tell our citizens in every part of the Nation that the National Congress—Republicans and Democrats alike—showed by this action a devotion to public welfare and a realization of the emergency and the necessity for speed that it is difficult to match in our history.

The third stage has been the series of regulations permitting the banks to continue their functions to take care of the distribution of food and household necessities and the payment of pay rolls.

This bank holiday, while resulting in many cases in great inconvenience, is affording us the opportunity to supply the currency necessary to meet the situation. No sound bank is a dollar worse off than it was when it closed its doors last Monday. Neither is any bank which may turn out not to be in a position for immediate opening. The new law allows the 12 Federal Reserve banks to issue additional currency on good assets, and thus the banks which reopen will be able to meet every legitimate call. The new currency is being sent out by the Bureau of Engraving and Printing in large volume to every part of the country. It is sound currency because it is backed by actual, good assets.

A question you will ask is this: Why are all the banks not to be reopened at the same time? The answer is simple. Your Government does not intend that the history of the past few years shall be repeated. We do not want and will not have another epidemic of bank failures.

As a result we start tomorrow, Monday, with the opening of banks in the 12 Federal Reserve bank cities—those banks which on first examination by the Treasury have already been found to be all right. This will be followed on Tuesday by the resumption of all their functions by banks already found to be sound in cities where there are recognized clearing houses. That means about 250 cities of the United States.

On Wednesday and succeeding days banks in smaller places all through the country will resume business, subject, of course, to the Government's physical ability to complete its survey. It is necessary that the reopening of banks be extended over a period in order to permit the banks to make applications for necessary loans, to obtain currency needed to meet their requirements, and to enable the Government to make common-sense check-ups.

Let me make it clear to you that if your bank does not open the first day, you are by no means justified in believing that it will not open. A bank that opens on one of the subsequent days is in exactly the same status as the bank that opens tomorrow.

I know that many people are worrying about State banks not members of the Federal Reserve System. These banks can and will receive assistance from member banks and from the Reconstruction Finance Corporation. These State banks are following the same course as the national banks, except that they get their licenses to resume business from the State authorities, and these authorities have been asked by the Secretary of the Treasury to permit their good banks to open up on the same schedule as the national banks. I am confident that the State banking departments will be as careful as the National Government in the policy relating to the opening of banks and will follow the same broad policy.

It is possible that when the banks resume, a very few people who have not recovered from their fear may again begin withdrawals. Let me make it clear that the banks will take care of all needs—and it is my belief that hoarding during the past week has become an exceedingly unfashionable pastime. It needs no prophet to tell you that when the people find that they can get their money—that they can get it when they want it for all legitimate purposes—the phantom of fear will soon be laid. People will again be glad to have their money where it will be safely taken care of and where they can use it conveniently at any time. I can assure you that it is safer to keep your money in a reopened bank than under the mattress.

The success of our whole great national program depends, of course, upon the cooperation of the public—on its intelligent support and use of a reliable system.

Remember that the essential accomplishment of the new legislation is that it makes it possible for banks more readily to convert their assets into cash than was the case before. More liberal provision has been made for banks to borrow on these assets at the reserve banks and more liberal provision has also been made for issuing currency on the security of these good assets. This currency is not fiat currency. It is issued only on adequate security—and every good bank has an abundance of such security.

One more point before I close. There will be, of course, some banks unable to reopen without being reorganized. The new law allows the Government to assist in making these reorganizations quickly and effectively, and even allows the Government to subscribe to at least a part of new capital which may be required.

I hope you can see from this elemental recital of what your Government is doing that there is nothing complex or radical in the process.

We had a bad banking situation. Some of our bankers had shown themselves either incompetent or dishonest in their handling of the people's funds. They had used the money intrusted to them in speculations and unwise loans. This was of course not true in the vast majority of our banks, but it was true in enough of them to shock the people for a time into a sense of insecurity and to put them into a frame of mind where they did not differentiate, but seemed to assume that the acts of a comparative few had tainted them all. It was the Government's job to straighten out this situation and do it as quickly as possible—and the job is being performed.

I do not promise you that every bank will be reopened or that individual losses will not be suffered, but there will be no losses that possibly could be avoided, and there would have been more and greater losses had we continued to drift. I can even promise you salvation for some at least of the sorely pressed banks. We shall be engaged not merely in reopening sound banks but in the creation of sound banks through reorganization.

It has been wonderful to me to catch the note of confidence from all over the country. I can never be sufficiently grateful to the people for the loyal support they have given me in their acceptance of the judgment that has dictated our course, even though all our processes may not have seemed clear to them.

After all, there is an element in the readjustment of our financial system more important than currency, more important than gold, and that is the confidence of the people. Confidence and courage are the essentials of success in carrying out our plan. You people must have faith; you must not be stampeded by rumors or guesses. Let us unite in banishing fear. We have provided the machinery to restore our financial system; it is up to you to support and make it work.

It is your problem no less than it is mine. Together we can not fail.

REDUCTION OF EXPENDITURES

The Senate resumed the consideration of the bill (H.R. 2820) to maintain the credit of the United States Government.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 5 o'clock and 43 minutes p.m.) the Senate took a recess until tomorrow, Tuesday, March 14, 1933, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 13, 1933

AMBASSADORS EXTRAORDINARY AND PLENIPOTENTIARY

Robert Worth Bingham, of Kentucky, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Great Britain.

Jesse Isidor Straus, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to France.

Josephus Daniels, of North Carolina, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico.

MEMBER OF THE FEDERAL RADIO COMMISSION

Eugene O. Sykes, of Mississippi, to be a member of the Federal Radio Commission for a term of 6 years from February 24, 1933. (Reappointment.)

CONFIRMATIONS

Executive nominations confirmed by the Senate March 13, 1933

FIRST ASSISTANT POSTMASTER GENERAL

Joseph C. O'Mahoney to be First Assistant Postmaster General.

SECOND ASSISTANT POSTMASTER GENERAL

William W. Howes to be Second Assistant Postmaster General.

THIRD ASSISTANT POSTMASTER GENERAL

Clinton B. Eilenberger to be Third Assistant Postmaster General.

FOURTH ASSISTANT POSTMASTER GENERAL

Silliman Evans to be Fourth Assistant Postmaster General.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 13, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Beneath Thy mighty hand, O God, we humble ourselves. With Thee a thousand years are as a day and a day as a thousand years. We praise Thee that back of the flight of time there is the sheltering, loving heart of our Heavenly Father. We thank Thee for Thy daily care. Holy Spirit, help us to be calm in the presence of difficulty, patient in the face of hard problems, strong and compelling in our decisions. Most earnestly impress us that the finest reach of manhood is to care and provide for the weak, the distressed, and the unfortunate. Set before us this goal, namely, high character, which is the true achievement of life. O come to this waiting, longing world all about us. May we love God, trust the Savior of the world, serve man, and fear only evil. Amen.

The Journal of the proceedings of Saturday, March 11, 1933, was read and approved.

SWEARING IN OF MEMBERS

The SPEAKER. The Chair desires to inform the House that pursuant to the authority conferred upon him by House Resolution 34 and House Resolution 36 he did, on Saturday, March 11, 1933, administer the oath of office to the Honorable ANDREW J. MONTAGUE at Garfield Memorial Hospital and the Honorable WILBURN CARTWRIGHT at Walter Reed Hospital in the city of Washington, D.C.

Mr. VINSON of Georgia. Mr. Speaker, I submit a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 37

Whereas CHARLES H. BRAND, a Representative from the State of Georgia, from the Tenth District thereof, has been unable from sickness to appear in person to be sworn as a Member of the House, and there being no contest or question as to his election: Therefore be it

Resolved, That the Speaker, or deputy named by him, be, and he is hereby, authorized to administer the oath of office to said CHARLES H. BRAND at Athens, Ga., and that the said oath, when administered as herein authorized, shall be accepted and received by the House as the oath of office of the said CHARLES H. BRAND.

The resolution was agreed to.

The SPEAKER. The Chair designates the Honorable Blanton Fortson, judge of the western judicial circuit, Athens, Ga., to administer the oath of office to the gentleman from Georgia [Mr. BRAND].

Mr. SNELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SNELL. In what way does it change the status of a Member-elect to have the oath administered to him?

The SPEAKER. He then becomes a full-fledged Member of the House of Representatives, without question.

Mr. SNELL. Is he not enjoying all the rights and privileges even at the present time?

The SPEAKER. The Chair thinks he enjoys many of the privileges, but in order to become a Member he must take the oath prescribed by law.

Mr. SNELL. It bestows on him actual membership.

The SPEAKER. He then has actually become a Member.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following date the President approved and signed a bill of the House of the following title:

On March 9, 1933:

H.R. 1491. An act to provide relief in the existing national emergency in banking, and for other purposes.

SWEARING IN OF MEMBERS

Mr. BLAND. Mr. Speaker, I present a resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 38

Whereas ANDREW J. MONTAGUE, a Representative for the State of Virginia, has been unable from sickness to appear in person to be sworn as a Member of this House, but has sworn to and subscribed the oath of office before the Speaker, authorized by resolution of this House to administer the oath, and the said oath of office has been presented in his behalf to the House, and there being no contest or question as to his election: Therefore

Resolved, That the said oath be accepted and received by the House as the oath of office of the said ANDREW J. MONTAGUE as a Member of this House.

Mr. SNELL. Mr. Speaker, just to keep the record clear, what is the need of this resolution?

The SPEAKER. It accepts the report of the Speaker advising the House that he has administered the oath to this Member.

Mr. SNELL. Has this procedure ever been followed before?

The SPEAKER. It is always done in these cases.

The resolution was agreed to.

Mr. HASTINGS. Mr. Speaker, I submit a resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 39

Whereas WILBURN CARTWRIGHT, a Representative for the State of Oklahoma, has been unable from sickness to appear in person to be sworn as a Member of this House, but has sworn to and subscribed the oath of office before the Speaker, authorized by resolution of this House to administer the oath, and the said oath of office has been presented in his behalf to the House, and there being no contest or question as to his election: Therefore

Resolved, That the said oath be accepted and received by the House as the oath of office of the said WILBURN CARTWRIGHT as a Member of this House.

The resolution was agreed to.

Mr. BRITTEN. Mr. Speaker, I offer a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 40

Whereas JOHN T. BUCKBEE, a Representative from the State of Illinois, from the Twelfth District thereof, has been unable from sickness to appear in person to be sworn as a Member of the House, and there being no contest or question as to his election: Therefore be it

Resolved, That the Speaker, or deputy named by him, be, and he is hereby, authorized to administer the oath of office to said JOHN T. BUCKBEE at Providence Hospital, Washington, D.C., and that the said oath, when administered as herein authorized, shall be accepted and received by the House as the oath of office of the said JOHN T. BUCKBEE.

The resolution was agreed to.

INCIDENTAL EXPENSES OF THE FIRST SESSION OF THE SEVENTY-THIRD CONGRESS

Mr. BUCHANAN. Mr. Speaker, I send to the Clerk's desk House Joint Resolution No. 75, to provide for certain expenses incident to the first session of the Seventy-third Congress, and ask unanimous consent for its immediate consideration.

The Clerk read the House joint resolution, as follows:

House Joint Resolution 75

Joint resolution to provide for certain expenses incident to the first session of the Seventy-third Congress

Resolved, etc., That the appropriations for mileage of Senators, Representatives, the Resident Commissioner from Puerto Rico, and the Delegate from Hawaii, and for expenses of the Delegate from Alaska and the Resident Commissioners from the Philippine Islands, contained in the Legislative Appropriation Act for the fiscal year 1934 are hereby made immediately available and authorized to be paid to Senators, Representatives, Delegates, and Resident Commissioners for attendance on the first session of the Seventy-third Congress.

The appropriation for stationery for Representatives, Delegates, and Resident Commissioners, and for the committees and officers of the House, contained in the Legislative Appropriation Act for the fiscal year 1934, is hereby made immediately available for expenditure on account of the first session of the Seventy-third Congress notwithstanding the provisions of section 304 of the act of June 30, 1932 (47 Stat. 408): *Provided*, That from such sum each Representative, Delegate, and Resident Commissioner shall be allowed $90 for stationery allowance or commutation therefor.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. SNELL. Mr. Speaker, reserving the right to object, and I may say I do not intend to object, because the gentleman from Texas advised me of this resolution, I do think that we ought to stop bringing in resolutions at this time and not do anything more than is absolutely necessary until we can follow the regular procedure of having these matters referred to regular committees. I hope that the gentleman or the majority will not present any more of them, because I feel I should have to object. I am not going to object at this time if the gentleman says this is absolutely necessary for the regular organization of the House and for regular procedure and for convenience of Members and for this reason he presents the resolution at this time.

Mr. BUCHANAN. Of course, my colleague understands there has been no organization of the committees of the House and there are 164 new Members, some of them coming from a long distance, and some of them, according to my information, have had to borrow money to get here. The banks have been closed and it is hard to get money now and the Sergeant at Arms is being bombarded with requests for $10 or $15 or $25 to pay running expenses. Therefore it is imperative that this resolution be passed.

Mr. SNELL. I appreciate the statement made by the gentleman from Texas, and I want to cooperate. However, I hope it will not be necessary to bring in any more emergency resolutions, but that we may complete the organization of the House so that all measures may be referred to committees in the proper, legal, and normal way.

Mr. BUCHANAN. The gentleman further understands that this is only making the money immediately available.

Mr. SNELL. I understand from the gentleman's statement that that is correct.

Mr. BLANTON. Mr. Speaker, did we understand that the gentleman from New York is objecting to this resolution?

Mr. SNELL. I said I would not object.

Mr. BLANTON. I reserve the right to object. I want to ask my colleague this question, so there will not be any misunderstanding in the country about it. It is understood, of course, that our new friends, the 164 new Members, who are coming in this new session for the first time, are doing just what we old Members have done, are accepting mileage

which has been reduced by 25 per cent and are accepting the stationery allowance that has been reduced 25 per cent.

Mr. BUCHANAN. That is correct.

Mr. BLANTON. Both their mileage and stationery allowance have been reduced 25 per cent, and there should not be any misapprehension in the country about the facts.

Mr. BUCHANAN. There should not be.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. BUCHANAN, a motion to reconsider the vote by which the bill was passed was laid on the table.

MESSAGE FROM THE PRESIDENT—AMENDMENT OF THE VOLSTEAD ACT (H.DOC. NO. 3)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Ways and Means and ordered printed:

To the Congress:

I recommend to the Congress the passage of legislation for the immediate modification of the Volstead Act, in order to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution; and to provide through such manufacture and sale, by substantial taxes, a proper and much-needed revenue for the Government.

I deem action at this time to be of the highest importance.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 13, 1933.*

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes in reference to the message of the President just read.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, on Thursday, the opening day of this Congress, I introduced three beer bills, which have been referred to the Committee on Ways and Means. They are H.R. 1696, H.R. 1697, and H.R. 1699.

Mr. SNELL. Which one are you for?

Mr. O'CONNOR. I am for the best that can be taken out of all of them.

My purpose in rising today is to express a hope that the Ways and Means Committee will give some consideration to the form of a beer bill before they bring it before the House. A great many Members of the House who have devoted many years to the consideration of the proper form of beer bill were not satisfied with the Collier bill, which we passed in the last session. Since then the Senate has had reported to it a bill known as the Blaine bill, which approaches the question from an entirely different standpoint.

There was another bill known as the O'Connor-Hull beer bill, which had somewhat different provisions in it than the Collier or Blaine bills.

These three methods have been introduced by me with some changes and referred to the Ways and Means Committee.

In the last session, when we discussed the Collier bill and passed it in this House, there was great haste to put it through. The advocates were anxious to pass a beer bill in any form, and to my mind and to the minds of a number of gentlemen who have given the question some study, it was unfortunate that we could not amend that bill in any way. We did have many constructive suggestions as to its improvement.

For instance, not to detain you, all these beer bills deal with a nonintoxicating beverage. It is declared to be nonintoxicating in fact, but in the Collier bill which passed the House it was required that the manufacturers of this nonintoxicating, harmless beverage should obtain from the National Prohibition Bureau the same kind of a permit which one must get to manufacture intoxicating liquor—whisky. This is inconsistency itself.

There were also imposed in the Collier bill the penalties for any violation of law in the making of this beer that were provided for a violation of the National Prohibition Act—another inconsistency.

The Senate, in the Blaine bill, prohibited the advertising of this nonintoxicating, harmless beverage. That bill also prohibited its sale or gift to minors.

I trust the Ways and Means Committee, as speedily as possible, will get together and consider the different features of these three bills and bring in a bill which is consistent, which meets the situation, which restores 3.2 percent beer to the American people, and which carries out the pledge of the Democratic Party.

Mrs. KAHN. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mrs. KAHN. Is there any provision made for light wines?

Mr. O'CONNOR. In the Blaine bill, yes; to the extent of 3.2 percent. There should be a provision in our bill, but in the hearings before the Ways and Means Committee it was thought impracticable to include wine in a beer bill. Three and two-tenths percent wine, I understand, is not very interesting. [Laughter.]

Mrs. KAHN. It may be we might be able to find a percentage that would make it interesting but not intoxicating. [Laughter and applause.]

Mr. O'CONNOR. I believe that could be done, but I believe wine should be legalized by a separate bill, permitting the manufacture and sale of naturally fermented vinous beverages.

In all my bills I provide for a tax of $6 per barrel, the present tax, instead of the $5 tax carried in the Collier and Blaine bills.

In two of my bills—not the Blaine bill—I insert the legislative declaration that such beverages are not intoxicating in fact.

In all the bills I have stricken out provisions that state that permits to manufacture beer must be obtained from the National Prohibition Bureau, it being my contention that if 3.2 percent beer is nonintoxicating in fact, it should not be classed with intoxicating liquors.

Licenses should be issued as in the days before prohibition, through the Office of the Commissioner of Internal Revenue.

I have also amended the provisions of the Collier bill, whereby persons brewing beer in their own home for their own consumption will not be compelled to take out a brewer's license and pay $1,000 per year.

H.R. 1697, introduced by me and similar to the Blaine bill, instead of using the percentage of 3.05, uses the percentage of 3.2, which was contained in the House bill. The Senate bill deals with the question of legalizing beer in a different method from the House bill. The House bill directly legalizes beer containing not more than 3.2 percent of alcohol by weight, on the theory that such beer is not intoxicating in fact, while the Senate bill adopts what is known as the "withdrawal" method. This method of handling the question has been discussed for many years and simply amends the National Prohibition Act by having no provisions for enforcement against beer and similar beverages. I have not included the provisions of the Senate bill making advertisement of such beverages unlawful or making the gift or sale to minors unlawful, because I contend that if such beverages are in fact not intoxicating such provisions are absolutely inconsistent with other provisions of the bill.

Mr. BLANTON. Mr. Speaker, I did not object to the gentleman from New York having 5 minutes. I think that was all right. I should like to ask for 5 minutes to address the House.

The SPEAKER. The gentleman from Texas asks unanimous consent to address the House for 5 minutes. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, I must confess that, though it has been stretched considerably by an untimely beer message in this crucial hour, my confidence in the President of the United States is still unshaken.

We must look the facts squarely in the face. The President has not requested Congress to take up for immediate consideration a bill to legalize beer of 3.2 or 3.05 per cent alcoholic content by weight, or of any other alcoholic content that is intoxicating. He recommends only beer of such alcoholic content as is permissible under the Constitution. Did you get that? It must be permissible under the Constitution of the United States. He has sent us no message dealing with beer that is intoxicating. He in no way refers to the old-time pre-war beer that all of us know did intoxicate. It was 3.2 alcohol by weight, which is beer of 4 percent alcoholic content by volume. So, you colleagues of mine who are thirsting for real beer, and who are thinking of giving your thirsty constituents in New York, Philadelphia, Chicago, and St. Louis real beer, have another guess coming.

It is said that our friend from New York [Mr. O'CONNOR] expects to pass a bill here tomorrow providing real beer, but having the bill recite, parrotlike, that it is not intoxicating. Would not that be funny? It would not be funny to the Supreme Court of the United States. They are under no promise to any thirsty constituents. They are under no beer platform. The only pledge they are under is a solemn oath that they will uphold and defend the Constitution of the United States. They have sworn that they will not permit it to be set aside. They have sworn that they will not permit it to be evaded. They have sworn that they will not permit it to be ignored. They are guided by sacred traditions as old as our Republic itself. Do not you lawyers in this House know what those nine black-robed justices will do with a bill that provides real, old-time, pre-war, intoxicating beer, yet declares it to be nonintoxicating? Do you imagine that they would permit such an evasion? Do you imagine that they would permit such a farcical comedy?

Whenever our Supreme Court comes to pass upon this real beer act that, well greased, is to go through this House tomorrow, I want them to have clearly before them the words of our President, which a few minutes ago came to us fresh from the White House on this 13th, jinx, day of March, which I quote:

I recommend to the Congress the passage of legislation for the immediate modification of the Volstead Act, in order to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution.

To respond to the President's recommendation, the beer must not be intoxicating in fact. If it is, it is beer that the President did not recommend. It must be nonintoxicating beer. It must not be the kind that leaves men drunk and down in the back end of beer gardens. It must not be the kind that would stimulate the drink habit in boys and girls. It must not be the kind that requires back rooms in beer joints to house away the unfortunates who stayed for just a few more too many. It must not be the kind that makes hit-and-run drivers after aged men, decrepit women, and innocent little children are murdered on fast highways by uncontrolled automobiles. It must be the nice, soft, timid, shrinking, milky, unintoxicating kind permitted by the Constitution.

I am wondering whether our 164 new Members of this House imagine for one moment that beer brought them to this Congress. If it did, then why did it at the same time leave former United States Senator Blaine and our fighting wet Congressman John Schafer at home in Wisconsin? If beer brought you here, why did it leave in Connecticut a wet Senator Bingham? Why did it leave at home in Illinois a former distiller, our good friend William E. Hull, who fought liquor's battles here daily on this floor? Why did it leave Clancy in Michigan, and Horr in Washington, and Chindblom in Chicago, and Dyer in Missouri, and Igoe in Illinois, and Stafford in Milwaukee? If beer brought you new colleagues here, just why did it deny the White House to that popular democratic Democrat, Al Smith, who in 1928 was defeated by the same vote by which Franklin D. Roosevelt was elected, and in that campaign Al Smith stood for real beer and hard liquors, while Hoover stood then for the eighteenth amendment and against saloons? Cannot you see that it was "a new deal" and unbearable economic conditions that swept you with the President into control of this Nation?

Now, let us see whether or not beer of 3.2 alcoholic content by weight, as proposed by our friend Mr. O'CONNOR and others here, is in fact intoxicating? I wonder if you 164 new colleagues know well Heartsill Ragon and Morgan G. Sanders and Jere Cooper and W. C. Hawley and Charles B. Timberlake and Dr. Frank Crowther, all honored, highly respected, experienced members of our Ways and Means Committee in the last Congress? Only two are not here now—Hawley and Timberlake. Willis Chatman Hawley is 68 years old; has been a practitioner before the Supreme Court of the United States for many years; was a Member of this Congress for 26 consecutive years and for many years was chairman of the Ways and Means Committee. Charles Bateman Timberlake is a Knight Templar, Shriner, and knight commander of the court of honor in Scottish Rite Masonry, and was a Member of Congress for 18 consecutive years. Look in your new Congressional Directory for the standing of RAGON, SANDERS, COOPER, and Doctor CROWTHER, who are still members of the Ways and Means Committee of this House at this time. Please ponder over what these outstanding statesmen said about this 3.2 alcoholic beer.

After stating that they had heard and read all of the testimony before the Ways and Means Committee relating to this proposed 3.2 beer, they stated—

that same is violative of the Constitution of the United States.

I quote the following from some of their findings:

As Members of Congress we took the following oath:

"I do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I will take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

Therefore we cannot under our oath support this legislation.

We further submit that the proposed bill is not only in violation of the Constitution of the United States but of the Democratic platform, which calls for the "sale of beer and other beverages of such alcoholic content as is permissible under the Constitution." The above quotation from the platform shows that it was not the intent of those framing the platform to declare for legislation which would be violative of the Constitution.

The very clear and definite proof before the Ways and Means Committee during the extended hearings on this bill shows conclusively that beer of alcoholic content of 3.2, which means beer of 4 percent alcohol by volume, is intoxicating in fact and is the same type of beer which was generally produced and sold prior to the Volstead Act. The sale of such beer, because of its alcoholic content, is not permissible under the Constitution.

HEARTSILL RAGON.
MORGAN G. SANDERS.
JERE COOPER.

Now, the above are three prominent, outstanding Democrats of the Ways and Means Committee. Here is what the outstanding Republicans said about it:

MINORITY VIEWS OF MESSRS. HAWLEY, TIMBERLAKE, AND CROWTHER

At the beginning of this session of Congress, in company with all my colleagues, I stood on the floor of the House and took the oath to support the Constitution of the United States, as required by Article VI of the Constitution. I quote from that oath:

"I do solemnly swear that I will support and defend the Constitution of the United States * * * bear true faith and allegiance to the same * * * without any mental reservation or purpose of evasion."

Article 18 of the amendments provides that—

"The manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all Territories subject to the jurisdiction thereof for beverage purposes is hereby prohibited."

I listened with careful attention to the evidence submitted to the committee during the hearings preceding the report of the pending bill (H.R. 13742). My observation covers a period prior to prohibition as well as under prohibition. I am convinced by the evidence submitted at the hearings and by observation and evidence extending over a period of a lifetime that beer and other liquors described in the bill are intoxicating. They were intoxicating prior to prohibition. A legislative declaration to the contrary does not overcome that fact; and if I were to support this legislation, it would require a "mental reservation" on my part

and a "purpose of evasion" of the eighteenth article of amendment to the Constitution.

I do not believe the Government should obtain revenues through the violation of the Constitution and by legalization of beverages which produce intoxication. Beer was intoxicating before prohibition. Its constituent elements remain the same and will undoubtedly produce intoxication again. I believe the Budget should be balanced, but that legitimate sources of revenue legal under the Constitution should furnish the necessary amount.

From the above, as well as from many other factors I shall not take occasion to name, it appears that we are facing a wide-open situation in the matter of the dispensation of malt liquors. Some things were said during the hearings by the brewing interests concerning the protection of the dry States from the entrance of intoxicants within their borders from wet States. With our motor system of transportation, with tens of thousands of automobiles moving continually back and forth, with trucks on the highways carrying freight brought from many sources and distributed to many destinations, with increased traffic in the air, I came to the conclusion that a dry State surrounded by wet States or adjacent to one or more wet States would find itself subject to an impossible task in maintaining its dry status.

My feeling, after listening to many discussions and the recent hearings, is that the liquor interests are planning by this measure to secure again the existence of 90 percent by volume of the liquor traffic, the repeal of the eighteenth amendment, and the return again of the sale of all intoxicating liquors with attendant and acknowledged evils. It seems to me that if we adopt the policy contained in this bill the return of the saloon is inevitable.

W. C. HAWLEY.

We concur in the above statement.

CHAS. B. TIMBERLAKE.
FRANK CROWTHER.

Mr. BLANTON. Mr. Speaker, are we attempting to fool our own hearts and consciences in passing a bill legalizing intoxicating beer and at the same time declaring it to be nonintoxicating? Is that not side-stepping? Is that not evasion? If it were beer that would satisfy the thirst of those who want it, it would be intoxicating and against the Constitution; and if it were not intoxicating beer, it would be unwanted and absolutely worthless.

Mr. PATMAN. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. PATMAN. The gentleman said on Saturday last that he would support the President in everything. I should like to ask him, if the President executes his pledge in this respect, if he will go along with him.

Mr. BLANTON. I am going to vote against 3.2 beer and against any beer bill legalizing beer with an intoxicating alcohol content, because that would be against the President's message. The President recommends beer only that is permissible under the Constitution, and the Constitution does not permit any beer that will intoxicate.

The Washington Star, which is one of the best daily newspapers in the United States, on December 18, 1932, two days before the beer bill was called up in the House, had this to say about it:

Both parties are pledged to fight the return of the saloon. Why does this bill make no mention of the beer saloon, or seek to control retail sale of beer? It is, presumably, because of the obvious inconsistency that would lie in calling a beverage nonintoxicating, and then seeking to regulate its retail sale because of its intoxicating qualities. But if the States seek to control its retail sale, they will thereby immediately recognize it as intoxicating; and if it is intoxicating, it is contrary both to the letter and the spirit of the eighteenth amendment.

This beer bill permits the return of the beer saloon. People will get drunk in those saloons on 4-percent beer. That is the truth, and it cannot be dodged.

Just why do you suppose that the United States Senate allowed that beer bill to die March 4, 1933, with the Seventy-second Congress? It was passed by the House and sent to the Senate on December 21, 1932. The Senate had over 2 months in which to pass it. Yet it killed it by letting it die unpassed.

The Senate knew that about the findings and conclusion its own investigating committee printed in the CONGRESSIONAL RECORD for June 16, 1919, before the eighteenth amendment went into effect, from which Senate findings I quote:

The subcommittee began its investigation on September 27, 1918. At the request of the subcommittee the Secretary of War very kindly detailed from the Judge Advocate General's Department, United States Army, to aid the committee, Maj. E. Lowry Humes, formerly United States district attorney for the western district of Pennsylvania, and from the Military Intelligence Division, United States Army, Capt. George B. Lester, an attorney of New York, and also the Attorney General very kindly detailed from the Department of Justice, Mr. William R. Benham, all of whom rendered most valuable assistance to the committee in the collection of evidence, the production of testimony, the examination of witnesses, and in the preparation of reports.

With regard to the conduct and activities of the brewing and liquor interests, the committee is of the opinion that the record clearly establishes the following facts:

(a) That they have furnished large sums of money for the purpose of secretly controlling newspapers and periodicals.

(b) That they have undertaken to and have frequently succeeded in controlling primaries, elections, and political organizations.

(c) That they have contributed enormous sums of money to political campaigns in violation of the Federal statutes and the statutes of several of the States.

(d) That they have exacted pledges from candidates for public office prior to the election.

(e) That for the purpose of influencing public opinion they have attempted and partly succeeded in subsidizing the public press.

(f) That to suppress and coerce persons hostile to and to compel support for them they have resorted to an extensive system of boycotting unfriendly American manufacturing and mercantile concerns.

(g) That they have created their own political organization in many States and in smaller political units for the purpose of carrying into effect their own political will, and have financed the same with large contributions and assessments.

(h) That with a view of using it for their own political purposes they contributed large sums of money to the German-American Alliance, many of the membership of which were disloyal and unpatriotic.

(i) That they organized clubs, leagues, and corporations of various kinds for the purpose of secretly carrying on their political activities without having their interest known to the public.

(j) That they improperly treated the funds expended for political purposes as a proper expenditure of their business, and consequently failed to return the same for taxation under the revenue laws of the United States.

(k) That they undertook, through a cunningly conceived plan of advertising and subsidization, to control and dominate the foreign-language press of the United States.

(l) That they have subsidized authors of recognized standing in literary circles to write articles of their selection for many standard periodicals.

(m) That for many years a working agreement existed between the brewing and distilling interests of the country, by the terms of which the brewing interests contributed two thirds and the distributing interests one third of the political expenditures made by the joint interests.

At an expense of almost a million dollars to the people of the United States, President Hoover appointed his famous Wickersham Commission and had it sit all over the United States and finally to make a voluminous report. Most of the members he appointed were fundamental wets. There were 11 members on that Commission. Ten out of the eleven members agreed upon certain conclusions, the first four of which I want to quote over their signatures from their printed report:

1. The Commission is opposed to repeal of the eighteenth amendment.

2. The Commission is opposed to the restoration in any manner of the legalized saloon.

3. The Commission is opposed to the Federal or State Governments as such going into the liquor business.

4. The Commission is opposed to the proposal to modify the National Prohibition Act so as to permit manufacture and sale of light wines or beer.

George W. Wickersham, chairman; Henry W. Anderson; Newton D. Baker; Ada L. Comstock; William I. Grubb; William S. Kenyon; Frank J. Loesch; Paul J. McCormick; Kenneth Mackintosh; Roscoe Pound.

The only member of the Wickersham Commission who refused to sign the above conclusions was Mr. Monte M. Lemann, of New Orleans, a lifelong wet. He, even, was against nullification, for from his separate signed report I quote him as follows:

I do not favor the theory of nullification; and so long as the eighteenth amendment is not repealed by constitutional methods, it seems to me to be the duty of Congress to make reasonable efforts to enforce it.

Then he said further, concerning light wines and beer:

I do not think that any improvement in enforcement of the eighteenth amendment would result from an amendment of the National Prohibition Act so as to permit the manufacture of so-called light wines and beer.

Now, gentlemen, listen; he said this, further:

If the liquor so manufactured were not intoxicating, it would not satisfy the taste of the great majority of those who are now drinking intoxicating liquors; and if it were intoxicating, it could not be permitted without violation of the Constitution.

I am one of those Members of Congress who is not in favor of this principle of nullifying our Constitution, because I know that the beer which is sought to be manufactured is to be intoxicating. If it were not intoxicating, it would not be drunk.

Now, in a separate report filed by Hon. Frank J. Loesch, of Chicago, he said:

It would be unwise to repeal the eighteenth amendment. Such repeal would cause the instant return of the open saloon in all States not having State-wide prohibition.

Furthermore, Chief Justice Kenneth Mackintosh, of the Supreme Court of Washington, also a member of the Wickersham Commission, said:

Civilization will not allow this Nation to end the long attempt to control the use of alcoholic beverages.

Federal Judge Paul J. McCormick, in his separate report on this Wickersham Commission, said:

Absolute repeal is unwise. It would, in my opinion, reopen the saloon. This would be a backward step that I hope will never be taken by the United States. The open saloon is the greatest enemy of temperance and has been a chief cause of much political corruption throughout the country in the past. These conditions should never be revived.

He said further:

The States favoring prohibition should be protected against wet Commonwealths. This right would be defeated by remitting the entire subject of liquor control and regulation to the several States exclusively.

What did Dean Roscoe Pound, of the Harvard Law School, say about the matter? He was a member of the Commission. He said:

Federal control of what had become a Nation-wide traffic and abolition of the saloon are great steps forward, which should be maintained.

Federal Judge William I. Grubb, who was a member of the Commission, said:

Prohibition is conceded to have produced two great benefits, the abolition of the open saloon and the eliminating of the liquor influence from politics. Remission to the States would assure the return of the open saloon at least in some of the States and the return of the liquor interests to the politics of all of them.

Now, Ada L. Comstock, the president of Radcliffe College, in her report—she could not even say one word for temperance, but she said this:

I favor revision of the amendment rather than its repeal.

Henry W. Anderson, of Virginia, a member of the Wickersham Commission said:

We must not lose what has been gained by the abolition of the saloon.

In summing up his own separate conclusions, Hon. George W. Wickersham, Chairman of the Wickersham Commission, said:

The older generation very largely has forgotten, and the younger never knew, the evils of the saloon and the corroding influence upon politics, both local and national, of the organized liquor interests. But the tradition of that rottenness still lingers even in the minds of the bitterest opponents of the prohibition law, substantially all of whom assert that the licensed saloon must never again be restored.

Then he added—

It is because I see no escape from its return in any of the practicable alternatives to prohibition that I unite with my colleagues in agreement that the eighteenth amendment must not be repealed.

And, Mr. Speaker, we must not forget that the fundamentally wet Monte M. Lemann, of New Orleans, was frank and honest enough to state:

That if the beer to be manufactured were not intoxicating, it would not satisfy the taste of the great majority of those who are now drinking intoxicating liquors; and if it were intoxicating, it could not be permitted without violation of the Constitution.

When you had the medicinal-liquor bill before the House the other day to take the limit off prescriptions that doctors could prescribe over the country for $3 a prescription and $4 a pint to be charged by the druggist, I called on two prominent physicians on the floor, then Members of this House, to get up here as Representatives under their oath, and they stated that in their practice they had stopped prescribing intoxicating liquor, that they thought it was not longer necessary. I am behind the President in his sane economic program for national restoration. He does not ask me to vote for a bill that would be unconstitutional, and I yet have such an abiding confidence in him that I do not believe he would send us an improper request. [Applause.]

Mr. CELLER. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker and Members of the House, I heard with interest what the gentleman from Texas stated. He is enthusiastically misguided on the subject of prohibition. He stated that, although we passed the medicinal-liquor bill recently, the Senate saw fit to bar its passage. That is not true. This House, in its wisdom, sought to take some of the burdensome restrictions from doctors in the practice of their profession. The Senate Judiciary Committee, in its wisdom, approved of the bill and urged its passage. However, there was one anachronism in the Senate—and I say anachronism advisedly, because any dry is an anachronism now—who set himself against the whole Senate, and during the dying hours of the Senate, when the bill was called up, filibustered against it, knowing that he was successfully playing against time. The gentleman from the State of Iowa, Mr. Brookhart, who is no longer a Senator of the United States, was the man who was willing to place against the honored medical profession a bar sinister by saying to the doctors and the physicians, "Although you may be allowed to prescribe without let or hindrance any amount of narcotics, morphine, cocaine, heroin, and the like, yet because of the fanaticism of the drys—and I am one of them—you members of this honored profession shall not be allowed to prescribe more than a pint of whisky every 10 days to a patient, or the equivalent of wine during that period." He was so unreasonable and unreasoning as to set his judgment against that of over 150,000 physicians—the American Medical Association. The Senate wanted the bill, but he alone did not. We shall no longer be bothered with his arbitrary objections and filibusters.

Mr. Speaker, the doctors have been complaining bitterly of these restrictions, and they must be relieved of them. The Wickersham Commission asked this Congress to give the medical profession that relief. Former President Hoover recommended it. This House has recommended it, and I am certain that Franklin D. Roosevelt in his wisdom will likewise recommend it, and I shall see him within the next 48 hours for that purpose.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. CELLER. Yes.

Mr. BLANTON. My friend passed his bill on February 24, 1933. The Senate did not pass it, but it died on March 4, with the Seventy-second Congress. When the gentleman had that bill up, he asserted, did he not, that Attorney General Mitchell had approved it?

Mr. CELLER. I asserted no such thing, and the gentleman, as usual, is mistaken on this matter as he is on all matters pertaining to prohibition.

Mr. BLANTON. Did not the gentleman say——

Mr. CELLER. Mr. Speaker, I refuse to yield. I said I made no such statement.

Mr. BLANTON. It was asserted here on the floor that it was approved by "the Department of Justice." I quote from page 4942 of that day's RECORD:

Mr. MOORE of Ohio. Does the gentleman know whether this bill in its present form has been approved by either the Department of Justice or the Treasury Department?

Mr. CELLER. Yes, indeed. The bill in its present form was approved by both these Departments.

I naturally assumed that meant the Attorney General, who is the head of the Department of Justice.

Mr. CELLER. I said this, and I repeat it, that Dr. Doran, head of the prohibition unit of the Treasury Department, and Col. Amos W. Woodcock, head of the Prohibition Enforcement Bureau of the Department of Justice under former Attorney General Mitchell, also approved this bill.

Mr. BLANTON. But Attorney General Mitchell did not do it.

Mr. CELLER. And the gentleman from Texas, if he seeks to make those erroneous statements, is welcome to do so, but they are erroneous beyond question. I am sure beyond peradventure of doubt, if the gentleman or I were to ask former Attorney General Mitchell whether he would approve it, he would answer in the affirmative, because he is a liberal man.

Mr. BLANTON. Why, he had never seen the bill. And I happen to know positively that he had not approved it when it was passed here in the House.

Mr. CELLER. And anyone who is opposed to this bill must assume the risk of being branded "illiberal." I assure the gentlemen of this House that this bill will soon be presented to it, and I am confident of its passage by this House by a great and preponderating majority, and I assure you that the Senate will likewise pass this bill beyond question. I shall do all in my power to get the Committee on the Judiciary, of which I am a member, to bring it to this House as soon as possible.

APPOINTMENT OF COMMITTEES

Mr. SNELL. Mr. Speaker, will the majority leader inform the House whether it is the policy of the majority to set up all of the standing committees at this time?

Mr. BYRNS. Mr. Speaker, I understand that that will be done, but it is not expected that they will all function.

Mr. SNELL. But it is intended to elect them all?

Mr. BYRNS. I understand that the Ways and Means Committee, so far as the Democratic members of it are concerned, are prepared to fill all of the places, and they will be proposed in a caucus at 4 o'clock this evening in this Hall. We will name all of the committees. As I say, it is not expected that they will all function at this special session.

Mr. SNELL. We did not get the division to be elected on each committee until Saturday afternoon, but we will try to be ready by tomorrow to name the minority members of the committee.

Mr. COCHRAN of Missouri. And will the gentleman be good enough to give special attention to the Committee on Ways and Means, so that we can get this beer bill passed? It means that 30,000 people will immediately go to work in my city.

Mr. SNELL. We shall try to accommodate the gentleman.

THE BANKING SITUATION

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, if I may change the subject under discussion for just a few minutes, I should like to talk about banks instead of beer. Banks are more important than beer at any time, and especially just at this critical period when we are passing through the crucial hours of the greatest economic disaster in the history of the world. In these brief hours we are enacting under whip and spur legislation of such far-reaching importance that no man dares to predict its ultimate effect. We are dealing with the central nervous system of the body politic. We are operating on the brain—we are operating on the banks of the country. And unless some amendment of the pending bill is made in conference or some supplementary legislation is enacted, we are here passing a sentence of death on the country bank. [Applause.]

Until the drastic deflation of agriculture began, the country bank was among the most prosperous of the country's financial institutions. The percentage of failures prior to the war was negligible. But when the bankruptcy of the farm began to carry them down, the city banks sat back complacently and said it was a favorable development. They sagely informed us that there were too many banks and the elimination of a large part of them was highly desirable. But when the conflagration inevitably extended to the metropolitan banks, instead of taking the medicine they had so freely prescribed for the rural bank they rushed to the Governor and pulled down this devastating moratorium on every bank in the State to save a few rotten banks in the cities.

And now that legislation is being formulated to save the national banking situation, which they precipitated, they are here ready to write the bill and leave the small country bank outside the pale to be sacrificed as soon as they are opened.

The few country banks remaining when the moratorium was declared were practically all in sound condition. They had passed through their Gethsemane. The weak banks and the incompetent bankers had been weeded out, and only the strong and efficient banks remained. The country banking situation had been largely stabilized. They were making gains, and all they asked or expected was to be let alone. But the State and national moratoriums have terrified the rural depositor, just as his faith in his home bank was being rehabilitated. The average rural depositor does not stop to reason the matter. He is not in a position to analyze the causes. All that he can understand is that there is a notice on the door of the bank in which he has deposited his life's savings notifying him that the bank has been closed by the Government. As a result of that notice men and women in every community in the Nation are today vowing that they will never again put another dollar in a bank. And they propose to demand every dollar they have on deposit as soon as it is available. The proposed panacea now before the Congress makes no effort to meet this critical situation. On the contrary, the Government is industriously aggravating the difficulty. It not only refuses to guarantee the deposits of the banks in any form, but it is sending out tons of literature advertising its postal-savings facilities. Just across the street from the bank is the post office notifying the public that the Government guarantees every dollar deposited. I have here a circular reciting that—

The faith of the United States Government is solemnly pledged to the payment of the deposits made in postal-savings depository offices.

In the present excited and inflamed condition of the public mind, where will the depositor leave his money—in the bank, without authoritative assurance of repayment, or in the post office, backed by the "solemn pledge" of the United States Government? The public is answering that question in no uncertain terms at the moment we sit here. They have on deposit in the post offices of the Nation today more than a billion dollars which otherwise would be on deposit in their local banks. The postal-savings deposits now amount to more than 5 percent of the total savings deposits of all the privately owned banks of the United States, and within the last few days this vast flow of money from the banks to the post offices has swollen to a devastating avalanche. It is siphoning from the localities in which it was earned—and in which it should remain to provide credits for local business and local enterprise, the surplus funds of the community—and the transferring them to the great financial centers of the Nation.

Of course, the Postal Savings System has its departmental champions who insist that injury to local banks is precluded by the statutory limitation to $2,500 of the accounts accepted in the name of any one person. But it is a matter of common knowledge that the substitution of the name of any member of a family, sometimes including father, mother, and a number of children, render this restriction wholly ineffectual. And there are instances within the knowledge of all in which individuals have accounts in neighboring offices as well as their own. And, in addition to these subterfuges, the option of converting deposits into Postal Savings bonds without restriction as to amounts and

with the guaranty that the Government will refund them at any time after date of issuance at par with accrued interest speaks for itself.

Likewise the argument that the money in postal-savings funds may be deposited in the local bank and thus kept in the community is a mere talking point. Experience demonstrates that the requirement that such bank purchase and deposit with the Treasurer at Washington Government bonds to secure such deposits leaves the bank no profit and in effect affords the community no more advantage than if the funds were locked in the vaults of the Treasury at Washington. The failure of this provision of the law is shown by the fact that the banks which have been misled into accepting these deposits are returning them to the Treasury at the rate of millions per day, and more would return them if they could liquidate the bonds they have pledged to secure the deposits without a heavy loss.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Now, no one objects to the Postal Savings System as such. But when by unfair competition and unfair guaranties which are denied the local bank they begin to reduce the reservoirs of local credit to the point where the home bank cannot exist they become a national menace; and they have practically reached that point now. The billion dollars which they hold today, multiplied by 10, the usual formula for measuring the purchasing power of local deposits, means 10 billions of buying power taken out of the communities in which it is owned, in which it was earned, and which are justly entitled to its use to promote home enterprise. The smaller the community the heavier the withdrawals and the greater the damage. The report of the Postmaster General for the year ending June 30, 1932, shows that this vast sum is drawn principally from rural sections. The official statistics demonstrate that it is the cities and towns with populations of from 2,000 to 15,000 and 20,000 that are the greatest sufferers from this deadly competition by the Federal Government; and it is growing at such a rapid rate that immediate action is necessary if the country banks are to be saved.

And let me say just a word for the country bank. The majority of them have assets of only a few hundred thousand dollars. Their cashiers seldom receive salaries in excess of $150 a month. But they know intimately every customer in their trade territory. Tradesmen and farmers who would have no credit under standard banking conditions and would not be entitled to borrow a dollar anywhere else may apply to them and secure funds to finance crops or business, because the cashier knows them to be men of integrity, skilled in their professions, and worthy of confidence. It is the country bank which in this way has served agriculture and developed the rural resources of the Nation from pioneer days until now.

And the country bank is the last source of credit open to such patrons. They cannot take their mules and their plows and apply to the Postal Savings Department or to the metropolitan banks. The land banks no longer serve them, protestations to the contrary notwithstanding. The insurance companies have long since ceased making rural loans. There is no place to which they can apply for a dollar but to the country bank. And when you have driven it to the wall by refusing to guarantee its deposits, while you are guaranteeing the deposits in the post office next door, you eliminate the last source from which the local patron can secure funds to finance the peak seasons of his business. You talk about the menace of the chain bank. Here you have it in its flower, a giant chain bank with 7,000 branches backed by every dollar in the United States Treasury.

Mr. MAY. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman.

Mr. MAY. Does the gentleman from Missouri understand they are now discussing the question of putting the Post Office Department into the business of banking by authorizing them to receive deposits and pay checks through the Postal Savings banks?

Mr. CANNON of Missouri. The gentleman is correct. They now propose to go still farther and authorize the post offices to engage in what practically amounts to a general banking business.

What chance has the little country bank against such hydraheaded competition in a crisis like this, with terror-stricken depositors waiting for the doors to open to transfer their funds to the protection of the Government? Unless bank deposits are guaranteed one of two alternatives awaits them when the moratorium is lifted. Either they will go down at once in a frenzied run or they will perish by slow attrition within 6 to 9 months at most. They cannot hope to survive in the face of the universal demand of the country depositor for the safety of his already pitifully meager bank balance.

Future deposits could be guaranteed under strict supervision at practically no loss to the Government. The selective process by which the banks have been culled in the last few years has been severe. Only the strong banks and the efficient bankers have survived. In my State only 1 out of 3 remains. Most of these have a monopoly of their respective fields, and the grilling experience to which they have been subjected has left them wise beyond their times. Furthermore, in every community there are untold sums of hoarded currency in hiding.

The rapid decline in the time deposits of the average bank in recent years, and especially in the last few months, gives some faint indication of the extent to which funds have been withdrawn and sequestered. Currency has flowed in a steady stream across the counters of the cashiers never to return. The saturation point has never been reached. The instant the Government agrees to do for the banks what it is doing for the Postal Savings System, this money will start back. It will again fill the bank vaults from which it has been drawn. And only a Government guaranty of deposits can put it there.

Seldom have we had so much at stake. The future of American agriculture hangs in the balance. To save the farmer you must save his bank. The Government cannot finance his seasonal operations. That must be handled by local men familiar with local conditions and in personal touch with the borrower himself. The Government must guarantee rural bank deposits. There is no alternative. It is an orderly financing of farm operations by small intimate banks or it is general farm bankruptcy and all its attendant evils with a certainty of chaos and the possibility of revolution itself.

It is to be hoped that Members of the House who are interested in preserving the local bank will make known, in quarters where it will do the most good, their position on this vital question. [Applause.]

The SPEAKER. The time of the gentleman from Missouri has again expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOYLAN. Mr. Speaker, for many years it was the usual custom for political parties to assemble in convention and adopt platforms, and almost immediately after they adopted the platforms they forgot all about them; but a new day has dawned, a new era is upon us, for we believe and our President believes that platform pledges should be kept. [Applause.]

The Democratic platform as adopted in the city of Chicago in July last declared that a platform was a sacred covenant with the people and should be kept. Farther on it stated, "We favor the immediate amendment of the Vol-

stead Act"—not in the dim and distant future, but the immediate amendment of the Volstead Act—and our heroic President this morning, although beset by many cares, trials, and difficulties, had in his mind the solemn promise made by the Democracy assembled in the city of Chicago that we should amend the Volstead Act. This morning we have from the President this message:

I recommend to the Congress the passage of legislation for the immediate modification of the Volstead Act.

Not at some future time, but the immediate modification of the Volstead Act in order to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution, and to provide through such manufacture and sale by substantial taxes a proper and much-needed revenue to the Government.

Nobody here can deny that we need the revenue. This is another step in the President's program, and I hope that the committee in charge will report to this House not later than tomorrow a bill carrying out the splendid recommendations made by the President in his message this morning. We are here prepared and we are ready to vote for this bill in order, as the President says, that we will be able to get some much-needed revenue for the support of this Government. [Applause.]

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. BOYLAN. I yield.

Mr. BLANTON. Is it the revenue the gentleman wants, or the beer?

Mr. BOYLAN. I may say to the gentleman in all honesty and all sincerity that I want both. [Applause.]

Mr. BLANTON. If this same revenue were put on Coca-Cola instead of beer would the gentleman be as much interested for its "immediate" consideration?

Mr. BOYLAN. I may say this, that my taste perhaps is plebeian. It has never been educated to Coca-Cola. [Laughter.]

Mr. BLANTON. The gentleman from New York speaks of platform pledges. I know the gentleman well enough to know that he would have the utmost contempt for any Representative who would violate his pledge to his constituents. Is not this so?

Mr. BOYLAN. Why, the gentleman from Texas is bound by the platform adopted in Chicago just as I am.

Mr. BLANTON. And if the State delegates of the gentleman's party from the State of New York had gone to Chicago and in violation of their instructions had voted against repeal, and against beer, the gentleman would not have any confidence in them, would he? The reverse of that is what my State delegates from Texas did; they violated their State instructions at Chicago.

Mr. BOYLAN. When the delegates to the national convention meet and the platform is decided on, I hold that that is a sacred pledge that all of us must follow, you from Texas as well as we from New York. [Applause.] I do not hold that I am above the platform.

[Here the gavel fell.]

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent that the gentleman be allowed to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. BOYLAN. The gentleman must wait until I answer his last question. I hold that no man is above his party platform. I hold that a platform adopted by some little congressional district in any part of this country is subordinate and secondary to the platform adopted by the national party convention. [Applause.]

Mr. BLANTON. Will the gentleman now yield?

Mr. BOYLAN. Yes.

Mr. BLANTON. Is all this beer furor here today a corollary to the Sirovich banquet last night in New York?

Mr. BOYLAN. I was not invited to attend the banquet. I stayed in the city of Washington and I know nothing about it. I cannot answer the gentleman's question.

Mr. BLANTON. It so dovetails and fits in with what appears in the newspapers this morning that I can see a great similarity of earmarks. In other words, this bill was probably approved at the Sirovich banquet in New York last night, was it not?

Mr. BOYLAN. Well, I cannot say as to that. If the gentlemen were in New York last night they would not possess the power of knowing what was in the mind of the distinguished President in Washington.

Mr. BLANTON. I recognize the crop and slit off the right ear and the under bit and swallow fork in the left ear. A Sirovich banquet takes place in New York last night. This morning press reports herald "immediate" action on a beer bill. The immediate action is now forthcoming.

Mr. BOYLAN. The gentleman certainly would not want to assume that he is graced with such power as to know what was operating in the mind of the Executive.

I know this is hard medicine for the gentleman to take. I sympathize with the gentleman in a way, because I admire his sincerity and his honesty, but the gentleman has been riding in the saddle for 12 years and has been telling men in this House what to do, and many of them have followed his leadership; but, my dear colleague, as much as I love and respect you, I say now that you must go to the rear. [Laughter and applause.] You and those of your devoted coterie have had your innings for 12 years. Now we say, "We wets are coming to the front and you retire and give us an opportunity."

Mr. BLANTON. For how long?

Mr. BOYLAN. Well, I think until the end of the days of the Republic. [Laughter and applause.]

Mr. BLANTON. Until that time we will be in the front ranks fighting against the return of beer joints and saloons. I imagine that when the Young People's Christian Endeavor Societies of the Christian and Presbyterian Churches, the Epworth League of the great Methodist Church, and the Young People's Baptist Unions all get through on Sunday afternoons and Sunday sermons are over of the numerous ministers of the thousands of churches scattered in every city, town, village, and crossroads of every State, and the various Wednesday prayer meetings are over on Wednesday nights, and the meetings of thousands of parent-teacher associations finally adjourn, and the old-time summer camp meetings get in full sway, and the ladies' federated clubs and associations get through their work, and the Christian fathers and mothers of the country begin to canvass house to house against beer dives and roadhouses that are soon going to open up, it may be that some of the rear rankers you are now attempting to wave behind you will be coming up to the front again in just a few years.

Mr. BOYLAN. Do you not know, my dear colleague, that that is the same old sob story you have been telling us for the last 12 years? Why, I almost know your words verbatim—the distressed mother, the wayward son, the unruly daughter, the roadhouse, and so forth, and so forth, and so forth, and so forth, without limitation.

I respect every church in this land, I respect every clergyman of whatever denomination, but, my dear colleague, even clergymen have seen the light. They realize the dawn of a new day, a new era, when people are looking at this question from a different angle; when they believe that you cannot legislate morality into a people, but that such morality must be inculcated in the homes and in the churches of this Nation.

Mr. BLANTON. The gentleman wants to beware of public sentiment. It is fickle, it changes overnight, and this present wet madness can change overnight. The gentleman may find a great reaction after a while, a relegation of his now fast-riding chargers to the rear, when the people finally wake up, if he does not look out. I have an abiding faith. Not for long will the people tolerate again beer joints, roadhouses, or saloons.

Mr. BOYLAN. The gentleman is willing to take the verdict of the people. You took it and you glorified in it for years. I accept the change in public opinion among the

people of America. Today I am happy that they have seen the light at last. [Applause.]

Mr. BUSBY. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. BUSBY. Mr. Speaker, my colleagues, may I ask your attention for just a moment to listen to what I have to say and then you can consider it for whatever it is worth. This is a fair proposition, is it not?

I wish that the whole country could have entered into the spirit of mirth and enjoyment that we have just had the pleasure of doing while the distinguished gentlemen, Mr. BOYLAN and Mr. BLANTON, were addressing us a moment ago, but, unfortunately, this cannot be. There are so many millions of our people who are in destitute circumstances that they would hardly feel able to laugh if you should tell them a good joke. I direct your attention by indirection to them for just a moment.

THE UNITED STATES IS WHERE GERMANY WAS IN 1931

You will remember in 1931 the bankers of the world found Germany sold short on credit. Germany had borrowed some $300,000,000 on short-term paper. The bankers of the country were demanding that the debts of the United States against foreign nations be canceled. Congress did not propose to cancel the debts and said so before we adjourned along in the spring of the year; but the bankers were not to be foiled in their attempt to get consideration. So they said to Germany, "We will not renew the short-term debts; we will throw all Europe into a financial collapse if we do not get consideration about the debts that are being collected by the United States Government from European debtors."

So they importuned the President of the United States and he declared a moratorium. We collected nothing from the European debts that year and Germany was permitted by the bankers of the country to go along.

THE UNITED STATES IS SOLD SHORT ON CREDITS

Let me direct your attention to our own situation. We have sold this country short on short-term credit by the policy of the United States Treasury until today we are faced with the problem of raising $690,000,000 in currency to refinance some loans that have been made and which become due on the 15th of this month.

What is the position of the bankers of this country? They say, "We are not going to refinance this on the old terms; you have got to increase the interest paid to us 4,000 percent before we will buy these short-term credits." So, instead of one tenth of 1 per cent they are demanding 4¼ percent interest.

We have information through the newspapers. They say this because the Treasury Department is now proposing to sell $800,000,000 worth of short-term paper at a 4,000-percent increase in interest from what the interest was on the last notes, when it has not offered such paper at any other figure. Who arranged this deal it is not clear to the Congress or to the people.

WE HAVE SURRENDERED TO WALL STREET

What is the trouble in this country? We have surrendered to the banker element as surely as you sit in your seats. This is what they demanded. They demanded that they be given the privilege of handling the expenses of this Government; and the National Economy League, with its headquarters in the financial district of New York, representing Wall Street, demanded of the present administration and of the Congress that you abdicate and give to them the absolute say as to what shall be done about the expenses of the Government or they would not furnish the credit with which to run the Government. This same selfish interest will supervise the expenditures of the Nation or they will balk at buying the Government mortgages—or bonds, if we use another term for the same thing. They treated New York City in the same way. We are in their clutches to stay.

Let me tell you what happened in Germany just after the moratorium was declared. The thing that happened there sounds just as if we were describing conditions in the United States today. I quote from a leading publication published in July, 1931:

> The principal measures adopted by the German Government were as follows:
> 1. The temporary closing of the stock exchanges throughout the country.
> 2. The closing of all banks on July 13 and 14.
> 3. The imposition of a partial moratorium on the withdrawal of deposits from all credit institutions.
> 4. The institution of a severe system of credit rationing by the Reichsbank.
> 5. The establishment of a foreign control and the forcing of German nationals to declare under oath the total amount of their holdings abroad. Under the same decree, German firms are also under obligation to sell their foreign holdings to the Reichsbank upon the request of the latter.

That is what happened in this country. We are doing exactly what Germany did and nothing else. We are off the gold standard. Why, we have passed a law declaring that a man may be sent to jail if he keeps his own gold and does not turn it into the Treasury. He may be sent to jail if he keeps a gold-coin certificate as his evidence of money or "stored-up wealth".

Are we in any better shape than Germany was when she made the settlement with the international bankers of the world?

My dear friends, we are not. We have 6 or 7 billion dollars more of bonds that mature shortly, and we will be required to deal with the international bankers of the world on their own terms. I am calling your attention to the situation with which Congress is confronted, and you can take it for what it is worth. [Applause.]

Mr. SNELL. Mr. Speaker, may I inquire if there is any other business to come before the House today except speeches by unanimous consent?

The SPEAKER. Nothing else.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to speak for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

BANKING, BUDGET, AND INTEREST

Mr. PATMAN. Mr. Speaker, ladies, and gentlemen, I was very much interested in what the gentleman from Missouri [Mr. CANNON] had to say, and also what the gentleman from Mississippi [Mr. BUSBY] had to say about the banking situation.

The banking situation today needs immediate attention. As the gentleman from Missouri suggested, if something is not done to help the small banks of the country, our country will experience more bank failures than it has ever experienced in the past. Something must be done at once.

ONE THIRD BELONG TO FEDERAL RESERVE

Very few banks belong to the Federal Reserve System. We have today 10,000 fewer banks than we had in 1921. We have at this time 18,850 banks. Of that number less than one third are members of the Federal Reserve System. Therefore any law that is passed that will help the Federal Reserve System and the national banks will help only one third of the banks of the Nation, and two thirds of the banks will go without help.

It is said that a large number of State banks are members of the Federal Reserve System. It is a fact that some of the State banks are members, but, counting all the national banks and the State banks that are members of the Federal Reserve System, that number is still less than one third of the total banks of this Nation.

Something has to be done in order to aid and assist two thirds of the banks of the Nation that cannot get assistance from the Federal Reserve System.

TWO COURSES TO PURSUE

My friends, there are two courses for us to pursue. We can take over, control, and operate all banks by the

Government and let the Government engage in the banking business.

Another way is to guarantee the deposits of banks in the future—not in the past. The Government of the United States cannot afford to guarantee the deposits that have been made in banks heretofore, for that would increase the national debt from $20,000,000,000 to $65,000,000,000.

GUARANTY OF BANK DEPOSITS

In other words, Government guaranty of present deposits in all banks would keep many bankers out of jail but would absolutely ruin the Government of the United States. We may just as well dismiss from our minds the proposition of guaranteeing present bank deposits. We cannot afford to do that, but we can afford to enact some law that will require the banks to guarantee the depositors against loss in the future. Unless that is done we are going to have more runs on banks.

FAVOR GOVERNMENTAL BANKING SYSTEM

I am in favor of a governmental banking system. I am in favor not only of Government control and operation but I am in favor of governmental ownership, control, and operation of the banking institutions of this Nation. Credit is paralyzed. The banking structure of our Nation has fallen down.

RACKETEERS DEMANDING FIRMER GRIP

Something has to be done now, and while we are clamoring to do something for the aid and benefit of the people in this crisis, the powerful bankers who have caused it and brought ruin to our country are at the doors of Congress, under the guise of promoting the general welfare, endeavoring to get a stronger grip on the throats of the American people and endeavoring to get more privileges and monopolies by reason of the distress that they have brought upon our country.

Mr. ALLGOOD. Mr. Speaker, will the gentleman yield?

PEOPLE MISLED

Mr. PATMAN. Excuse me for a moment. Why is it necessary to have Government ownership and operation of banks? Let us go back to the Constitution of the United States and follow it, and this country will be safe. Give the people the truth at all times; do not deceive them, do not keep anything from them, but at all times and under all conditions tell them the truth about economic conditions. Jefferson was right when he said, "When the people get the truth, the country is safe." The trouble is that during the last few months and years the great metropolitan daily newspapers have printed only one side of a proposition; they have not been giving the whole truth on both sides; they have failed to give the people the facts. The same criticism can be urged against the radio, screen, and stage.

CONSTITUTIONAL MANDATE

The Constitution of the United States says that Congress shall coin money and regulate its value. That does not mean, and I do not believe that anyone can construe it to mean, that the Congress of the United States, composed of the duly elected representatives of the people, have a right to farm out that great privilege of issuing money and regulating its value to a few powerful bankers residing in one city of our Nation. We have no right to do that, yet by legislative acts passed heretofore Congress has gradually released that privilege to the banking system, until today a few powerful bankers control the issuance and distribution of money—something that the Constitution of the United States says Congress shall do. Let us get back to the mandate of the Constitution of the United States.

PEOPLE IMPOSED UPON

I want to show you where the people are being imposed upon by reason of the delegation of this tremendous power. I invite your attention to the fact that section 16 of the Federal Reserve Act provides that whenever the Government of the United States issues and delivers money, Federal Reserve notes, which are based on the credit of the Nation—they represent a mortgage upon your home and my home, and upon all the property of all the people of the Nation—to the Federal Reserve agent, an interest charge shall be collected for the Government. When the Federal Reserve agent delivers the notes—currency—to the private banking institutions, the law says the Federal Reserve agent shall collect from the bank such interest charge as the Federal Reserve Board may assess. The law makes it a mandatory duty upon the Federal Reserve Board to require the payment of interest for the use of the Government's credit. The money collected on interest charges should go into the Treasury. Has that ever been done? No; it has never been done. Billions and billions and billions of dollars have been issued and are being issued every year, and they constitute a blanket mortgage upon this Nation, and they have been delivered to the private bankers without interest and without charge, and if the law had been complied with they would owe this Government billions of dollars today.

BUDGET CAN BE BALANCED

So if you want to balance your Budget, and you are really honest and conscientious about it, why do you not make the bankers who have ruined this country pay their share? [Applause.] Why place a premium and continue to place a premium upon their misdeeds by giving them hundreds of millions of dollars a year bonus, a gratuity for nothing on earth, for no service rendered, and at the same time take the purchasing power away from the people, which goes into the channels of trade and industry throughout this land?

Mr. ALLGOOD. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. ALLGOOD. In the gentleman's speech on Saturday he said:

> We are annually paying the New York bankers and other big powerful banking racketeers today something like $700,000,000 interest that should not be paid. That is a pure bonus.

Mr. PATMAN. Yes; I made that statement.

Mr. ALLGOOD. Will the gentleman please explain it?

Mr. PATMAN. Certainly; I shall be glad to explain it. We have an idiotic, imbecilic system for the issuance and distribution of money. No one within the sound of my voice will deny that. Let me show you where it is idiotic.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. For a brief question.

Mr. RICH. The gentleman says that we have an idiotic and imbecilic system of dispensing money.

Mr. PATMAN. I said an idiotic system for the issuance and distribution of money.

Mr. RICH. It seems as though the majority of the people of this country have never recognized that fact, and that the gentleman is the first man who has come to that conclusion.

Mr. PATMAN. Oh, no; I am not the first. The gentleman is the last to find it out, but the gentleman will find it out. [Laughter and applause.]

Mr. MAY. Will the gentleman yield?

Mr. PATMAN. In just a moment. You see, this has come about over a period of years. Laws are passed by Congress giving greater powers and authority and privileges to the banking group, and they are never discussed in either House. They are passed under gag rule. I can tell you about some of them.

Mr. MAY. Will the gentleman yield?

IDIOTIC SYSTEM FOR ISSUANCE OF MONEY

Mr. PATMAN. May I answer the gentleman's question before I yield further? The imbecilic and idiotic system I was speaking about is this: Suppose the Government wants $100,000,000 and the Government issues $100,000,000 in bonds bearing 3⅜ percent interest. The Chase National Bank buys those bonds. Does the Chase National Bank pay a penny for them? No; not a penny on earth. It gives the Government credit for that amount, and as the Government employees and others are paid they are paid through the Chase National Bank in New York City and no money is actually issued, but the Government gets the benefit of that

amount in credit. The Chase National Bank can come back to the Treasury of the United States with the $100,000,000 of bonds and deliver them to the Secretary of the Treasury. The Secretary of the Treasury will put them in the vaults of the United States Treasury. The Secretary of the Treasury will call up the Bureau of Engraving and Printing and have printed for the Chase National Bank $100,000,000 of new, crisp money, and it will be delivered to the Chase National Bank. At the same time the Chase National Bank uses that money it will receive interest on the bonds that it has deposited with the United States Government. Will the gentleman say that that is not an idiotic system?

Mr. RICH. Will the gentleman yield?

Mr. PATMAN. I yield for a brief question; yes.

BUSINESS DONE PARTLY ON CREDIT

Mr. RICH. Ninety-five percent of the business of this country is done upon credit.

Mr. PATMAN. Oh, at one time it was. Not now. Ninety-five percent of the business used to be done on credit. But by reason of the fact that so many banks have closed their doors and so many people do not have checking accounts any more and so many people do not do business with banks, I venture to say that not over 50 percent of business is done today through checking accounts, and there is only one way to make up for it and that is to increase the volume of the money the other one half.

Mr. RICH. If you increase the amount of money to the total amount of securities that we have in this country, what would be the necessity of such a volume of money as that?

Mr. PATMAN. I would not favor increasing the amount of money to the total of all securities but would consider issuing money to take the place of outstanding Government securities. Today we have $45,000,000,000 in deposits in all the banks of this Nation, and if the banks were locked up and the Government agents should go there to take the money out of the vaults of all banks tonight, the Government agents would not find $45,000,000,000, the amount owed to the depositors. The Government agents would not find even $900,000,000 that is owed to the postal-savings depositors at the post offices. The Government agents would find only $700,000,000, and the banks cannot do business when there is so much difference between the actual money and the amount of demand and short-time deposits that are owing to the people who have deposited their earnings and savings in those institutions.

There is only one way to have a safe and sane banking system in this country, and that is to issue a sufficient amount of money so that if the people have $45,000,000,000 on deposit there will be something like twenty or twenty-five billion dollars at least in the vaults of the banks of this Nation to pay off those depositors. In that way we can pay the national debt, and, as suggested by the gentleman from Alabama, we can save the taxpayers of this Nation $700,000,000 every year and make every bank in this Nation perfectly safe.

PUBLICITY OF GOVERNMENT LOANS

Mr. RICH. If you had not advocated that we should advertise all loans that have been granted by the Reconstruction Finance Corporation, you would have had funds enough today, and the people would not have been scared.

Mr. PATMAN. Does the gentleman mean the publicity of the Reconstruction Finance Corporation report? Is that what the gentleman refers to?

Mr. RICH. Yes, sir; that is what I refer to.

Mr. PATMAN. Does the gentleman believe in Government by secrecy? Secrecy is a badge of fraud. That is one thing that is wrong with our country now. We have a Government that is secretly administered. The taxes are paid in secret. Refunds are made in secret. I wonder if the gentleman could go down there and find out how much in taxes Mr. Mellon paid last year and how much in taxes he paid 4 years ago? I wonder if he could find out why refunds were granted to him by himself? I wish the gentleman would go down there and try to find out.

During the time Mr. Mellon was Secretary of the Treasury he refunded to himself, to his companies, and to other corporations and individuals throughout this Nation more than 3½ billion dollars, secretly refunded. Had it not been for this secret tax system we have, does the gentleman think Mr. Mitchell, of the National City Bank, would have failed to pay his income taxes in 1929? No. He would have paid them, because the public would have known about it. You will always have deficits in your Treasury as long as you have a secret tax system. Mr. Morgan wants the loans made by the Reconstruction Finance Corporation secret so the people cannot find out if he takes advantage of the Government as he did in the Missouri-Pacific Railroad case.

Mr. WEIDEMAN. Will the gentleman yield?

Mr. PATMAN. I yield.

INVESTIGATION UNITED STATES TREASURY

Mr. WEIDEMAN. Does the gentleman believe that an investigation of the United States Treasury and their accounting would show a different picture to the American public than is now presented in regard to the money that is due to it?

Mr. PATMAN. There is no question in the world but what it will show a different picture, and I thank the gentleman for his suggestion. There should be a fair investigation of the United States Treasury. There has never been an investigation of the United States Treasury.

I made this statement before the Committee on Rules last July, and Mr. Hoover's representative was sitting there across the table from me. One of the members of the committee was interested in the statement and asked Mr. Hoover's representative if it was a true statement, and he replied that it was the truth, but that the Treasury always kept an accurate account of the money received and the money disbursed. One of the members of the Committee on Rules spoke up and said, "Yes; every banking institution does the same thing, but auditors come along and audit these banking institutions in order that the people may know how it stands." But we have in this country an institution, the United States Treasury, that is paying out four and five billions of dollars a year, and has been doing it for years and years, granting refunds of billions of dollars secretly, Members of Congress not knowing the reason why they were granted, yet there has never been an investigation of this institution. We should have one. [Applause.]

For the information of the Members, permission having been granted for that purpose, I am inserting a copy of the resolution that has been introduced by me to investigate the Treasury of the United States, and the monetary, financial, banking, and currency laws of the United States.

House Resolution 31

Whereas it has been charged and there is reason to believe that a shortage of currency and a monopoly of credit exists in the United States and that the power to control the issue of the public currency, which is one of the sovereign powers of the United States Government, has been given over to private interests and that the said private interests have abused that power and have been guilty of unlawful practices in connection with it and have unlawfully extended credit to themselves and to foreigners and foreign central banks at the expense of, and to the great injury of, the people of the United States and that by reason of such practices the people and the Government of the United States have suffered great financial losses; and

Whereas, although the law requires a certain agency of the United States Government to fix an interest rate on all issues of the public currency advanced at the request of the aforesaid private interests and requires that the aforesaid private interests shall pay such interest charges to the United States Government it has been charged and there is reason to believe that this law has for 17 years been deliberately disobeyed and that the Government and the people of the United States have thereby been deliberately defrauded of immense sums of money and that such sums of money are due to the Government from the aforesaid private interests; and

Whereas it has been charged and there is reason to believe that vast profits which have been made in times past by the private interests to whom was farmed out the great privilege of controlling the currency of the United States have not been properly accounted for and that the knowledge of such profits has been concealed from the people by bookkeeping devices and that the legal share of such profits belonging to the Government has not been in its entirety set aside or paid over to the Government but has on the contrary been used speculatively by the said private

interests for their own benefit and that the published reports of the said private interests are not acceptable to the people of the United States and should be examined by the representatives of the people; and

Whereas it has been charged and there is reason to believe that although it is unlawful to expand credit without increasing reserves, the aforesaid private interests by means of their monopolistic control of United States currency have inordinately expanded credit for their own use and benefit without increasing reserves and have thereby gravely injured the United States and have inflicted immense losses upon the Government and the people; and

Whereas it has been charged and there is reason to believe that by permitting national banks to accept time drafts and bills of exchange drawn upon them, and by permitting national banks to buy and sell with their endorsement time drafts, bills of exchange, and trade acceptances, and by rulings to the effect that such circulating evidences of debt, including those drawn in dollars by foreigners for their own purposes, are rediscountable here and purchasable here in the open discount market and may be used by the aforesaid private interests as collateral security for new issues of United States currency, great losses have been inflicted upon the Government and the people of the United States, the Government having unwisely been made the guarantor of that particular kind of currency, and that such losses have been and are now being paid by the exportation of gold; and

Whereas it has been charged and there is reason to believe that although the original provision of law for the issue of currency on the security of time drafts or bills of exchange to be used in financing the importation of goods, contemplated goods, which were to be imported into or exported out of the United States, the fact that the words "United States" were omitted from the law gave excuse for a ruling which extends this provision to time drafts and bills of exchange financing goods imported and exported by foreign countries from and to foreign countries; and that this provision has been extended to cover time drafts and bills of exchange financing goods in domestic shipment or stored in domestic warehouses, and to time drafts and bills of exchange financing goods belonging to foreigners or others, which are stored in foreign warehouses, and has likewise been extended to cover time drafts and bills of exchange drawn to finance goods shipped between two or more foreign countries, and to time drafts and bills of exchange not related to goods of any character but merely designed to furnish cheap exchange to foreigners, and that all such time drafts and bills of exchange have been made collateral security for United States currency which the United States Government is obligated to redeem in gold, and that great losses have been inflicted upon the Government and the people of the United States by reason of these rulings and extensions, by the abuse of acceptance privileges, and by the use of such time drafts and bills of exchange as collateral security for United States currency; and

Whereas it has been charged and there is reason to believe that although the original provision of law under which the private interests aforesaid assumed power to control the issue of the public currency inaugurated the use of a new currency based solely on notes and bills accepted for rediscount, the private interests aforesaid had amendments added to existing laws giving them power to use each and every kind of debt paper, purchasable in the open discount market, as collateral security for new issues of United States currency, and that, by means of these and other vicious amendments to existing law the Government of the United States has been put in debt by the aforesaid private interests indiscriminately in all parts of the world as the enforced backer of private debtors, and that the Government has thus been made the backer of swindlers, smugglers, and speculators, and that low elements in all nations have been allowed to operate on the public credit of the United States Government, supplemented by the bank deposits of the American people, and that immense losses have thereby been inflicted upon the Government and the people; and

Whereas the reserves of the national banks have been confiscated and impounded in a central pool and placed under the control of the aforesaid private interests, and it has been charged and there is reason to believe that the said private interests have drawn immense sums of gold out of the said reserves belonging to our national-bank depositors and have lent such sums to foreign central banks and have lost other such sums in speculative enterprises and have transferred other such sums in gold to themselves and their foreign principals, thus requiring the continuous replenishment of the reserves in the pool at the expense of the American public and to the great injury of the Government and the people, and that the said private interests have established in connection with the said pool a discount market which they control and operate for their private benefit by means of their control of the said pool of confiscated bank reserves belonging to our national-bank depositors, and that they use United States Government obligations unlawfully in the operating of the said discount market, and that they have made the New York Stock Exchange and other exchanges adjuncts of the said discount market and that by reason of their control of the discount market they control the entire money market of the United States, all money rates, including the call-money rate, the prices of all stocks and bonds on the exchanges, the prices of all commodities, the wages of all our people, and the value of all property both real and personal; and

Whereas it has been charged and there is reason to believe that by permitting certain banks in the United States to become the agents of foreign central banks, the wealth of the United States has been conveniently placed at the disposal of the said foreign banks and their customers; and that property belonging to American citizens has been taken from them without their knowledge and consent and without due process of law and that such property has been exported to foreign lands for the benefit of foreign central banks and their customers and that such property has likewise been exported to foreign lands to satisfy debts incurred by the aforesaid private interests and that such property belonging to the bank depositors of the United States is now being exported to satisfy claims held by foreigners against other foreigners in default, the aforesaid private interests having abused their power over the public currency so as to make the United States Government the backer of the defaulters, and that other such property belonging to the people of the United States is likewise being exported to finance foreigners in competition with American producers, and for other purposes; and

Whereas it has been charged and there is reason to believe that the division of the United States into arbitrary financial areas has violated the principle of the sovereignty of the separate States of the Union and has diminished the importance and hindered the growth of certain States and threatens the financial stability of such States by making it possible for the resources of such States to be drawn outside of their borders and exported to foreign lands; and

Whereas it has been charged and there is reason to believe that the aforesaid private interests have injured our foreign trade, reduced our trade balances, adversely affected the prices of our goods and commodities, and have benefited foreigners and themselves at the expense of the Government and the people of the United States, and have financed foreign countries, cities, towns, public utilities, banks, corporations, and individuals with funds belonging to American bank depositors, and that "blocks" of bonds and stocks issued by foreign governments, cities, railroads, industrial corporations, and the like have had debentures issued against them for sale to American investors and that foreign securities of small value or of doubtful value and of no marketability abroad have thus been sold to American investors to the extent of billions of dollars at a great profit to the aforesaid private interests and to foreigners but to the great loss of American investors, and that mass credits have been opened in the United States for foreign interests and have been withdrawn from the United States by means of drafts drawn in dollars rediscountable here or purchaseable here in the open market and paid for in gold taken from our national-bank reserves or in United States currency redeemable in gold upon demand, and that corporations have been accorded extraordinary privileges, including the right to incur liabilities equal to 10 times their capital stock and surplus and that these and other corporations have been instrumental in having questionable foreign acceptances drawn in dollars rediscounted here and purchased here and used as collateral security for United States currency; and that there has been an abuse of acceptance facilities in the United States, and an abuse of open-market privileges and an abuse of Government funds and obligations and an abuse of the public currency; and

Whereas there is a decrease of business and industry in the United States and thousands of business enterprises have failed and the owners thereof been forced into bankruptcy; and thousands of banks have been obliged to close their doors with a resultant loss to American bank depositors of several billions of dollars; and wage-earners by the millions have been thrown out of employment; and a condition of widespread misery, want, and suffering has been created among the people of the United States and a breaking up of American homes and families has taken place and a dispersal of American children has occurred which has removed them from the care of their natural protectors and there is an unprecedented condition of crime and disrespect on the part of certain elements in the population for law and duly constituted authority, all of which is said to betoken an economic and financial crisis in the affairs of the Nation, and it has been charged that there is reason to believe that this crisis has been caused by the conditions set forth herein, and other graver irregularities, crimes, and abuses; and

Whereas it has been charged and there is reason to believe that the independent United States Treasury has been destroyed and its functions taken over by the private interests which control the public currency and that public moneys raised from the people by taxation have been used speculatively and that such funds have been improperly secured and losses and abuses have occurred in connection with them, and that irregularities have been disclosed in the accounts of the War Finance Corporation and that Government obligations have been unlawfully used to control the money market for the benefit of the aforesaid private interests and their foreign principals; and

Whereas there is a deficit in the estimated receipts of the United States Treasury and it has been charged and there is reason to believe that a proper scrutiny and examination of the accounts of the fiscal agents of the Government and of the United States Treasury and all related matters is necessary in order to safeguard the rights of the people; and

Whereas it has been charged and there is reason to believe that the monetary, financial, banking, and currency laws of the United States have been evaded, maladministered, disregarded, abused, and disobeyed, and that private interests have made false representations and have thereby obtained laws, and amendments to existing laws, and illegal and unfair rulings for their own benefit and financial profit at the expense of the Government and the people of the United States, and that the proper framing emenda-

tion, administration, and impartial execution of the banking and currency laws of the United States are matters of vital concern to the people of the United States; and

Whereas legislation is now pending involving important changes in our banking, currency, and monetary systems and vitally affecting the Federal Government and the United States Treasury, United States foreign trade and commerce, United States foreign relations, our national banks and other financial institutions, and bills have been introduced having for their purpose the amendment of the act generally known as the Federal antitrust law; and

Whereas it is deemed advisable to investigate the monetary, banking, currency, and fiscal affairs of the United States in their entirety and to gather the facts bearing on the aforesaid conditions and charges or in any way relating thereto or to any of the subjects above mentioned as a basis for remedial and other legislative purposes: Therefore be it

Resolved, That the Speaker of the House of Representatives be, and he is hereby, authorized to appoint a special committee consisting of five members and such substituted members as may be from time to time selected by him to fill vacancies, if any occur, in the special committee, and that the said special committee is authorized and directed to fully investigate and to inquire into each and all of the above-recited matters and into all matters and subjects connected with or appurtenant to or bearing upon the same; be it further

Resolved, That said committee as a whole or by subcommittee is authorized to sit during the sessions of the House and during the recess of Congress. Its hearings shall be open to the public. The committee as a whole or by subcommittee is authorized to hold its meetings both during the sessions of Congress and throughout the recesses and adjournment thereof and in such cities and places in the United States as it may from time to time designate; to employ counsel, experts, accountants, bookkeepers, clerical, and other assistants; may summon and compel the attendance of witnesses; may send for persons and papers, and administer oaths to witnesses. The Comptroller of the Currency, the Secretary of the Treasury, the Director of the Bureau of Engraving and Printing, the Director of the Mint, the head of the Department of Commerce, the Secretary of State, the Interstate Commerce Commission, the president of the Reconstruction Finance Corporation, and their respective assistants and subordinates are hereby respectively directed to comply with all directions of the committee for assistance in its labors, to place at the service of the committee all the data and records of their respective departments, to procure for the committee from time to time such information as is subject to their control or inspection, and to allow the use of their assistants for the making of such investigations with respect to matters under their respective jurisdictions as the committee or any subcommittee may from time to time request. Said committee shall take such testimony, have such printing and binding done, and make such expenditures as it deems necessary; and be it further

Resolved, That no person shall be excused from giving testimony or from answering any question or from otherwise disclosing any fact within his knowledge as an individual or as a member of a board, an officer or director of a bank, corporation, or otherwise, or from producing any book, paper, or document on the ground that the giving of such testimony or the production of such book, paper, or document would tend to incriminate him, or for any other reason. It shall be within the power of the committee or subcommittee to grant immunity from prosecution with respect to any matter or thing concerning which he may be interrogated and as to which he shall truthfully make answer under oath upon such investigation. The Speaker shall have authority to sign and the Clerk to attest subpenas during the recess of Congress.

I have asked the Committee on Rules for a hearing on this resolution and hope to get favorable action on it in a short time.

An investigation will disclose that our President had sufficient reasons to say that the money-changers should be driven from the temple.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J.Res. 75. Joint resolution to provide for certain expenses incident to the first session of the Seventy-third Congress.

AUTHORITY FOR COMMITTEE ON WAYS AND MEANS TO SIT DURING SESSIONS OF THE HOUSE

Mr. BYRNS. Mr. Speaker, the gentleman from North Carolina, the chairman of the Committee on Ways and Means, and those Members who have been appointed to this committee are absent from the Chamber on official business in connection with the committee work.

Mr. Speaker, I ask unanimous consent that this committee may have authority to sit during the sessions of the House for the remainder of the week.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

HOME LOAN BANK ACT

Mr. REILLY. I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. REILLY. Mr. Speaker, the closing hours of the first session of Congress passed and the President signed legislation known as the "home loan bank bill". Ever since the home loan bank bill was presented to Congress down to this day a campaign of misrepresentation as to the purposes and results of the law has been carried on by the opponents of any legislation designed to help the home-building movement in this country.

We read in newspaper items that the Home Loan Bank Board is to be abolished as one step in the administration's economy program and also because the home-loan bank system has failed to function as promised.

The Home Loan Bank Board may be abolished and the law repealed, but such a change cannot be made in the name of economy. To date the home-loan bank system has cost the National Government only about $200,000, and after July 1 next the Home Loan Bank Board and all the 12 home-loan banks will not cost the Government 1 cent.

The law provides that after June 30, 1933, the Federal Home Loan Bank Board shall assess the 12 banks for its operating expenses.

The Home Loan Bank Board will not only be self-sustaining after the first of July next but the system in a short time will be able to pay back to the Government every dollar it has put in for capital stock in the organization, with interest also, as provided by the law.

The newspaper articles telling of the army of employees on the pay roll of the home-loan bank system are all propaganda. One article stated that there was an army of 2,000 employees on the pay roll of the 12 banks, and about 500 on the pay roll of the Board in Washington.

The fact is that there are about 80 employees on the Board's pay roll and about 400 on the pay roll of the 12 banks.

Let it be understood also that the United States Treasury does not pay 1 cent of the pay roll of the 12 banks; these banks pay their own way.

The economy argument against the home-loan bank law is simply a smoke screen sent up by the opponents of the law—the big insurance companies, the American Bankers Association, and the large mortgage companies.

The home-loan bank bill did not get through the House and Senate without a fight; it met with severe and persistent opposition from selfish interests, from individuals and institutions who were not concerned or interested at all in a home-building program, which is of vital interest to the great army of the common people of our country.

Inquiry reveals that the Home Loan Bank Board is functioning and functioning quite satisfactorily.

It took the Federal Reserve System 11 months to make its first loan and the Federal farm-loan system about as long or longer to organize and to get started.

The Federal home-loan system was organized and made its first loan within 4 months, and now about 8 months after its organization it is in full operation with 12 banks functioning, and has made loans in the sum of $25,000,000, with about $25,000,000 more in process of loaning.

Prior to the banking holiday declared by President Roosevelt, the 12 home-loan banks were loaning money at the rate of about $5,000,000 a week.

One difficulty which the Home Loan Board has had to contend with in setting up the system has been the fact that when the law was passed, there were only about 12 States whose laws would permit their home-building institutions to join the system.

The past 4 weeks 30 State legislatures have passed laws so as to permit their home-financing institutions to join the

home-loan bank system. Seventeen hundred home-financing associations have made application to join the system and have subscribed $15,000,000 to its capital stock.

A substantial amount of the funds loaned by the 12 banks of the system to date has been reloaned by member institutions for repairs and remodeling of homes, the payment of taxes, the refinancing of matured mortgages, the making of new mortgages, and the payment of necessitous withdrawals from building-and-loan associations.

It was unfortunate that during the recent campaign efforts were made to lead home owners to believe that the system was enacted as a Santa Claus for those who had overfinanced their homes, and that all a home owner threatened with foreclosure had to do to stop the court proceedings was to apply to a home-loan bank and get a loan direct from the bank, no matter how large a loan he might want.

There is no machinery set up in the law for the making of direct loans to the home owner. It is true that a plausible rider suggesting direct loans by the Government was inserted in the bill in the Senate by a leading opponent of the measure in an effort to kill the legislation.

The whole theory and purpose of the act are irreconcilable to such a procedure, and such activities are not only impractical but are impossible when one studies the act as a whole. The publicity that has been given to this inoperative section of the act has made impossible any fair and considerate study and evaluation of the real purposes of the home-loan bank system.

If it should be deemed advisable for the Government to make loans directly to the home owner, the law can be so amended; but if it should be so amended, it would destroy the theory and purpose of the law.

The home-loan banking law was intended to serve existing home-financing institutions just the same as the Federal Reserve System served its member banks. The Rederal Reserve System deals with member banks and not with individuals; the home-loan banking law was designed to deal with existing home-financing institutions and not with the individual home owner.

The home loan bank law was written primarily to aid building-and-loan associations and other institutions engaged in financing homebuilding in this country.

The institutions with which the home-loan bank system is dealing are essentially small, community, thrift institutions, and peculiarly institutions of the people.

For example there are 11,000 building-and-loan associations in the United States, which have the thrift savings of over 10,000,000 people and have mortgage loans at present to over 2,000,000 people. These community institutions are largely associated with those in the humbler walks of life, such as artisans, mechanics, and so forth.

The building-and-loan associations of this country alone have mortgage investments of over $8,000,000,000, representing a home-mortgage business five times as large as the farm-mortgage business of the Federal land banks and the joint-stock land banks combined.

The essence of the Federal home-loan bank system is to band together as many as possible of the 15,000 local home-financing institutions into a reserve system. These institutions are largely mutual or cooperative concerns and today hold approximately $14,000,000,000 worth of home mortgages, which is over 70 per cent of the home loans in the country.

The 15,000 include all building-and-loan associations, all mutual savings banks, and insurance companies, all of which institutions are eligible for membership in the home-loan bank system. The home-loan bank system will give these institutions, particularly to building-and-loan associations, a way to function more normally at all times, by providing a place to go for funds, regardless of the vicissitudes of the commercial banking world.

There has never been enough long-term, low-cost mortgage money in the United States. The home-loan bank system was designed to bring added supplies of capital into this field and thus lower interest rates by increasing the funds available for home-mortgage purposes.

It is estimated that the building-and-loan associations alone could use advantageously today $1,000,000,000 additional capital, if it could be had, in providing money for necessary new-home construction, in furnishing funds for the repair and remodeling of homes, in the payment of taxes, in the rewriting of mortgages, and in the supplying of the necessary funds to meet withdrawals of investors who are in dire economic distress.

There is only one of two ways by which sufficient funds can be furnished to finance homebuilding in this country. One way is through the sale of bonds and debentures by the home-loan banks, said securities to be based on the mortgages of the members of the system, and the other way is for the Government of the United States to furnish direct from the Treasury the required funds.

The amount of money that could be advantageously used by the home-financing institutions of this country is far in excess of any sums that could be furnished for that purpose direct from the United States Treasury.

The building-and-loan associations and other like institutions have done in the past and are doing today a great work in the way of furthering home ownership in this country. The stability and future of our country depend upon the number of our citizens who own their own homes.

The homebuilding associations are the poor man's institutions. During the life of these cooperative home-financing institutions in this country, 8,000,000 homes have been constructed for the common people; and during the calendar year 1932, of the 25,600 single-family homes built in this country, 19,370 were constructed by the building-and-loan associations and other like associations.

These institutions loan to prospective home owners up to 80 percent of the sum necessary to build a home. No other loaning institution today will advance such a high percentage of the cost of a home.

The home-loan bank system is ready to render real service to the cooperative home-financing institutions in this country.

That we have the home loan bank law today is due largely, if not entirely, to the leaders of the home-financing institutions of this country, who have for many years been planning for the enactment of a law that would furnish to such institutions the same services that the Federal Reserve System furnishes to its member banks, and thereby permit the home-financing institutions to function to the best advantage of our citizens who desire to own their own homes.

As chairman of the subcommittee of the Banking and Currency Committee of the House, which framed this home-loan bank bill; it was my privilege to stand on the floor of this House and to urge the passage of that measure, because I believe it to be constructive legislation which would aid in increasing home ownership in this country.

I have not changed my mind as to the merits of the home-loan bank law, and I am not disappointed in any way with the results of an 8-month trial of the law. The fact is, I am more convinced than ever that the law will prove of great benefit to the institutions engaged in the small-home financing field.

If any disappointment as regards this law exists today, it is with the opponents of the measure who prophesied on the hearings before the committee that the law was not needed and would prove unworkable.

Mr. FORD. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes on the California wine situation.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

THE CALIFORNIA WINE SITUATION

Mr. FORD. Mr. Speaker, California has just been visited by a major catastrophe. This catastrophe is one which will strain and stress the resources of this great State for the

next 2 or 3 years to make up for the tremendous loss not only of life but of property.

This morning appeals were made from the floor of the House advocating the immediate passage of a beer bill. I most respectfully suggest and ask that the Committee on Ways and Means shall, when they take into consideration the claims of the beer interests, look very carefully into the matter of seeing what can be done for wine.

The wine industry of California is a $350,000,000 to $400,000,000 industry. It has been languishing for many years, and it is my hope that my colleagues will do everything in their power to aid this State in this its hour of tremendous trial by legalizing wine as well as beer, and thus bring back to a measure of activity one of its major industries.

Insofar as I know, the California delegation will support the beer measure, but we ask of you in return for this support that you cooperate with us in bringing back to this country the sparkling wines of the Golden State.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield.

Mr. CELLER. Does not the gentleman think that the Committee on Ways and Means might well consider the fact that claret and sauterne, or California Burgundy, is nonintoxicating in the sense that when taken with food it cannot be deemed intoxicating because it contains under 12 percent by volume of alcohol?

Mr. FORD. I hope the committee will take that into consideration.

I may say further that the State of California has, during this so-called dry period, been under the domination of what is known as the "moral forces" of the Nation. and I say "moral forces" in quotations. These forces in the last campaign battled against the repeal of the Wright Act, although it was a well-known fact that wine was being illegally manufactured and sold to the profit of the bootlegger and the ruin of the grapegrower, who had to take from the illegal wine trade any price offered. The Wright Act was repealed by the people of California by a tremendous majority. So when I say that California as a State asks that you give its wine industry support I am speaking with the backing of the entire State of California, and I think the Committee on Ways and Means will do everything in its power to bring this about. [Applause.]

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

BANKS AND BANKING

Mr. McSWAIN. Mr. Speaker, it is manifest that the American banking system has broken down and that the Federal, as well as State and municipal, fiscal systems have broken down.

I want the Members of the House to form a solemn resolution that in rebuilding the legal skeleton around which these systems may be restored to life we will do a thorough job so as to prevent a repetition of the horrors, the miseries, the sufferings, and the suicides that we have suffered and witnessed during this particular time of stress.

I have seen these panics come and go during my short life of less than 58 years. During three periods in my life have I seen money—that is, actual cash—disappear from sight and the people forced to resort to barter and exchange, or to the use of clearing-house certificates.

In 1893 in Columbia, S.C., not a single dollar bill was to be had in the commercial and mercantile institutions, and clearing-house certificates printed on a printing press in Columbia, issued by the Clearing House Association of that city, was the only medium of exchange between those who had things to sell and those who wished to buy. A man with a load of cotton who wanted to buy commodities in the store, and the storekeeper wanting to sell commodities to him, could only be brought together on a measure of value by a little yellow slip of paper printed on a printing press within a hundred yards of where they were trying to do business.

In 1903 we had the same thing. In 1907 we had the same thing; and we thought when the Federal Reserve System was established in 1913 that conditions of this sort would disappear, would no longer return to plague the American people. But today we find that the same urgent situation has arisen and that there is a commercial paralysis; there is a coagulation of the blood of trade. Money has disappeared. The people who want to sell have no measure by which they can convert their goods over to those who wish to buy, who need the goods, who are hungry, who are ragged, who are shivering, who need houses and tools.

Now, I say that we owe it not merely to ourselves—this change will hardly come to pass in time to save most of the men of my generation—but I say, for God's sake, let us go to the root of the matter and settle it so that our children and our children's children may not have to pass through this Gethsemane of suffering and perhaps to the golgotha of American skulls. [Applause.]

Now, let us do it; let us do it well, to stand on the solid rock of sound principle.

I have offered a joint resolution to provide that no more when America sells her bonds or her bills, or issues her notes, shall there be carried on the face of these obligations the requirement to pay in gold of a certain weight and fineness.

I say that whenever a debtor pays back what he gets when he borrows he has discharged his complete moral obligation.

Today the Federal Government alone, leaving aside State, county, and municipal governments, has outstanding obligations that call for the payment in gold of present weight and fineness of a sum that amounts to $20,000,000,000 and more.

Now, is this reasonable? If we say we are going to pay them in gold, do we not mean it? If we mean it, then we were a set of idiots when we promised it, because $20,000,000,000 worth of gold is twice as much as all the minted gold in all the world.

Mr. DIES. Will the gentleman yield for a question?

Mr. McSWAIN. For a question; yes.

Mr. DIES. Did the gentleman see the statement of a case in England that was decided by the highest court there involving the question as to whether or not a contract payable in gold of the present weight and fineness is enforceable, the court of England holding the contract was not enforceable and that the debtor was entitled to pay with the currency of the country?

Mr. McSWAIN. I do not know what was decided over there.

Mr. DIES. And that is going to be the law here, too.

Mr. McSWAIN. I do not want to take any chances on what a court will decide. We are those who make the law that the courts, as well as the country, ought to obey, and every bond and obligation that this country issues ought to bind the Government to repay money, nothing but money.

Now, what did we get when we borrowed this $20,000,000,000? We got nothing but bank credit. We did not get gold or silver or even paper money. We got bank credit, and yet we bound ourselves to pay in gold $20,000,000,000, or twice all the monetary gold in the world. It would be just as reasonable to bind ourselves to pay back 1,000 carloads of radium, even while there is not enough radium in the world to fill one room of this Capitol.

Mr. BUSBY. Will the gentleman yield for a question?

Mr. McSWAIN. I yield for a question.

Mr. BUSBY. Does the gentleman realize that if private individuals should collect their obligations in gold, under present law, they would be subject to a penalty if they retained the gold?

Mr. McSWAIN. Oh, yes; I understand that. I am not thinking about today; I am thinking about your children and mine and our grandchildren.

We want, if we are wise, to act and go to the root of the matter and fix this thing so that the children who come after us will not be whipsawed up and down, skinned on one side and then on the other, and have America "sold short" when things are booming and then have America bought in by

the same gambling crowd when things are in a state of depression. We want to avoid a repetition of this condition.

How can this be done? There is a committee of business men, headed by Mr. Frank A. Vanderlip, who was prominent once in active banking circles in New York, that has been studying this matter for years. It is known as the "Stable Money Association." They have recently issued a little pamphlet. It came to every one of you; and if you have not read it, I want you to read it. It is the most logical, reasonable, fair, brief statement of the money problem that I have ever come across; and if this country hereafter will follow the suggestions contained in this pamphlet, we will have a dollar with a stable purchasing power. It will be based upon the average commodity prices of 550 or more commodities, so that a dollar today will buy the same number of pounds of cotton, the same number of bushels of wheat, the same number of pounds of meat, that it bought when the obligation was created 5 or 6 or 7 years ago.

This is the measure of values—values themselves. We have suffered because we have allowed the banking system to make gold the standard of value. They have played with gold to the detriment of our people—gold shipped in and gold shipped out, and our people constantly deflated and almost destroyed.

Those who worship gold had better mind. Some chemist is today working in his laboratory to discover an economical process by which gold may be artificially made. It has already been made, but the expense of making it, of course, is now prohibitive; but it may be that tomorrow's newspaper will blast the faith of those who have worshiped gold for all these thousands of years. If gold should become cheaper than copper or steel, we could legally discharge our national debts at little cost. But it would not be fair and honest, and we would not compel our creditors to accept cheap gold. So they ought not to compel us to pay very costly gold, gold that costs us twice the bank credit they lent to us.

[Here the gavel fell.]

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRUAX. Mr. Speaker, I expect to vote for the beer bill, first, because it eliminates the colossal fraud and sham of prohibition that we have had in this country for 12 years; secondly, because it is a part of the platform upon which we were all elected.

I yield to no man in admiration and respect for our great leader, Franklin D. Roosevelt. I want to say to you that my colleague, MARTIN SWEENEY, from Ohio, and myself, in that historic Chicago convention, were out working on the floor in that convention for the nomination of our President, while the Ohio delegation was still caucusing after his nomination had been made.

I submit to you that this bill is a part of his program. I hope that it may be speedily enacted, as were the other two majority measures.

I am sorry that I was unable to go along with him in the economy bill, but a campaign pledge to me is a promissory note to be paid, and to be fulfilled. Having been elected at large, I come from a district, the great State of Ohio, where we have 7½ million people, of whom a large proportion are in distress—the land of the "forgotten man." And, gentlemen, I am opposed to taking away from those the little that they already have.

Now, I want to say a word about the banking situation. I contend that for many years in this land of ours we have had a government of the bankers, by the bankers, and for the bankers. It is time that we enacted legislation which will give some relief today to these people who deal with the bankers.

I recall the statement of the distinguished gentleman on my left, when he said that no one, apparently, knew the situation today. I want to tell you that the farmers in Ohio knew it about 10 years ago. For 10 years we have been fighting to secure the cost of production of commodities. I hope this House and the Senate will pass legislation before we recess that will cause the American farmer to look through the clouds and see a new ray of hope.

Back in Ohio we have not only money lenders, but the State banking department has been just as ruthless in the foreclosure of mortgages as any private money lender.

Three sessions of the general assembly have been held within the last 6 or 8 months, and now they are in regular session. At the opening of each session I dispatched an open letter to the governor, calling his attention to the deplorable situation of the farmers, but they were ignored.

Today, an average of 500 farmers are being evicted daily by the money lenders. What we need in our legislation is to enact a law giving the President dictatorial power to declare a national moratorium against foreclosures. [Applause.]

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOEPPEL. Mr. Speaker, Members of the House, I am going to speak to you this afternoon upon something most vital to the people of America. If my time permits, I am going to prove to you that the postal-savings law is nothing but subsidized machinery for the bankers of America. I am now going to explain to you how we can get the billions of dollars out of the socks of the American people, how we can put them into circulation, and by that means double the medium of exchange and help the poor people of America, and not the bankers.

I propose that the Post Office Department accept two kinds of deposits. One form of deposit will be savings deposits, which will bear 2 per cent interest or thereabouts. The other form of deposit will be what I term a circulating deposit. Whenever you deposit $100 at the post office in a circulating account, you will have it in your power to say, "I want receipts for this money," and you can receive either one hundred $1 receipts or one $100 receipt, which should be similar to the present travelers' checks or express money orders. As long as you keep those receipts in your sock, they are safe; and whenever you want to transfer them into collateral, you sign them and they will circulate the same as any other bank note. If you will pass a law of this nature, the American people will have confidence in their Government. They will deposit their money in the Post Office Department.

Here is the big feature. Today we have almost $1,000,000,000 on deposit in postal savings. All of that $1,000,000,000 is turned over to the banks of America at 2½ percent interest, and the banks charge you and me 7 to 12 percent for that same money that belongs to us. Under my plan the money which goes into the savings account, for which you receive 2 percent interest, will be used to redeem Government bonds now paying up to 4½ percent; or, in other words, if you adopt my idea, you will save $25,000,000 on your present deposits, which you are now giving to the banks. That is my plan. As I have indicated, you will make it possible for the American people to have confidence in their Government and in the finances of their Government.

I am a poor man, just like most of the people in the United States today, but I tell you that I am not going to put my money into the banks of the country to have these international bankers send it over to Europe and South America. On Saturday in this House we voted to give the President power to take from the veterans the gratuities justly due them. In my own city, in Arcadia, Calif., a comrade of mine was inveigled by these bankers to invest $3,000 in South American bonds, which are now in default, and these same bankers come to you today, and they came to Congress Saturday, asking us to vote away the small stipend of a pension on which this man has to live!

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. Yes.

Mr. BLANTON. Does not my friend from California think that Congress would help the people more by furnishing an absolute 100 percent guaranty for our bank deposits and taking the Government out of the postal banking business and letting the people transact, with ensuing confidence, their business with private banks?

Mr. HOEPPEL. Mr. Speaker, I am very much pleased, indeed, that the gentleman has asked me this question. On May 1, 1932, there were $59,000,000,000 on deposit in the United States, and there was less than $9,000,000,000 in the entire United States in cash. I ask the gentleman how he can guarantee $59,000,000,000 of deposits when there is less than $9,000,000,000 in cash?

Mr. BLANTON. We must find a way to guarantee all bank deposits, else the people will keep their money out of banks.

When you put money in the postal banks it is not loaned to the people. Guarantee, absolutely, all deposits; then the people will put their money into the private banks, and then it will be loaned to the people who need it. Surely a government as strong as the United States Government can provide some means for the banks to adequately guarantee their bank deposits; and unless we do we are not going to have any more banking business in the United States that is stable.

The SPEAKER. The time of the gentleman from California has expired.

Mr. KELLER. Mr. Speaker, I ask unanimous consent that the time of the gentleman from California be extended for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOEPPEL. I should like to answer the question of the gentleman. He wants the Post Office to lend the money to the people. Is any man so stupid, is any man so dumb, as to think that the people and bankers as here explained have a right prior to the Government itself? If you will examine the situation, as I explained to you, the Government is losing today $25,000,000 on my money and your money, and the bankers are making almost $45,000,000 clear profit on the money which we deposit in the postal savings.

Mr. LAMNECK. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. For a question.

Mr. LAMNECK. The money that goes into the postal-savings bank is turned over to the banks in the immediate vicinity in which the money is originally deposited. The gentleman knows that?

Mr. HOEPPEL. Is that the gentleman's question?

Mr. LAMNECK. I want to lead up to something. The money that the people deposit in the postal-savings bank by being loaned to the banks is in turn loaned to the public in the community in which the deposit is made, so that the public really does get the money.

Mr. HOEPPEL. The public really gets the money. Yes; the public gets the money, but they get the money at 7 to 12 percent interest. I want the Government to get that money and get the advantage of it at 2 percent interest, which interest they pay you on your deposit.

Mr. BLANTON. Will the gentleman yield?

Mr. HOEPPEL. Not now. Now, there is another question involved. The limitation on postal savings is too low. We cannot get the money into circulation. They cannot deposit more than $2,500. It should be raised to $10,000. This is only a temporary palliative that I am suggesting. Later on during this session I will introduce a bill making it all-wide and universal so that the Government can loan the money back to the farmers and home owners, who are bound down today with mortgages drawing 7, 9, and 12 percent interest. I contend that the home owners and farmers of America are entitled to borrow money from the Government at slightly higher rates of interest than the Government is paying to the people themselves. It is possible—and building-and-loan association presidents have so informed me—that they can take money from the Government and charge 1½ percent more than they are paying the Government and make money at it. If they can do that under our present law today, building-and-loan associations and banks of the United States should be loaning money to the home-owners and people who have mortgages in this country at 4 percent instead of 7 and 12 percent.

Mr. BLANTON. Will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. BLANTON. According to the statement made by my friend Mr. LAMNECK, before any bank can receive postal-savings deposits it must first buy and deposit with the Government as security either Government bonds or other approved bonds in equal amount; so, after all, you do not help the people much with the postal funds.

Mr. HOEPPEL. I should like the gentleman from Texas to ask me a lot of questions, because whenever he does he cuts his own throat, as I look at it. [Laughter and applause.]

Mr. BLANTON. I thought I was asking a sane, friendly question that merited the same kind of an answer.

Mr. HOEPPEL. Of what avail is it to loan money to the banks when their own currency is of no use? It is invalid. At the hotel where I am stopping they put a placard on my stand which reads, "We will not accept your check; but if you will give us a post-office money order, that is good." That is what we want. When you deposit that money in the post office you should get an absolute receipt, which is collateral and which will be acceptable throughout the United States anywhere and at all times.

That is all, Mr. Speaker. I thank you. [Applause.]

Mr. SHOEMAKER. Mr. Speaker, I ask unanimous consent to incorporate in the RECORD a resolution signed by the city officials in the city of St. Paul asking that home labor be used in the cutting of stone to be utilized in the erection of a new post-office building now under construction in the city of St. Paul.

The SPEAKER. Without objection, the resolution will be incorporated in the RECORD.

There was no objection.

The resolution is as follows:

CITY OF ST. PAUL,
OFFICE OF THE CITY CLERK.

Council resolution, general form (presented by Commissioner J. H. McDonald)

Whereas the United States of America is about to build a new post-office building in the city of St. Paul; and

Whereas there are available for employment in the city of St. Paul a large number of trained stonecutters who are at present unemployed; and

Whereas it will be of material benefit to the stonecutters and to the city if the stone to be placed in the new structure were to be fabricated in the city of St. Paul, employing residents of said city and of Ramsey County: Therefore be it

Resolved, That we do hereby earnestly request that the United States provide for the fabrication of all stone to be used in the erection of said new post office in St. Paul, and do further request that all stonecutters employed upon the job be residents of St. Paul or Ramsey County; be it further

Resolved, That the city clerk be, and he is hereby, directed to send a copy of this resolution to the Senators and Representatives in Congress from this State and to the Treasury Department.

Adopted by the council March 10, 1933.

Approved March 10, 1933.

WILLIAM MAHONEY, *Mayor*.

Mr. MONTET. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. MONTET. Mr. Speaker, my main purpose in requesting the indulgence of the House at this time is for the purpose of calling attention to certain bills introduced by me on Thursday of last week. Of course, it is no longer necessary for anyone to stand in the well of the House and attempt to point to the seriousness of this depression. The country is well aware of the unfortunate conditions existing in the country today. The only question is: What are we going to do about it? I have a few suggestions I desire to submit to the House, things I believe we can do and that we should do in an effort to save our people in their present difficulties.

Personally, I believe that one of the most necessary steps this Congress should take in order to restore confidence in

our institutions, in our Government, in our banks, is to pass some kind of a bank deposit guaranty law. [Applause.] I know of absolutely nothing that would restore confidence in our banking institutions like a law that would guarantee bank deposits. [Applause.] I feel that it is of primary importance. Nothing will completely restore confidence in our banks like a bank deposit guaranty law.

Of course, we are passing measures at this time which seek more or less to temporarily relieve the situation, but at the same time we must not lose sight of the fact and we must not overlook the proposition that this country, both in the cities and in the country, is overloaded with bonded indebtedness and mortgage indebtedness. Our farmers are unable to pay their mortgages, or the interest due thereon. For the major part, they are all past due. The same thing is true with reference to the citizens residing in the cities, the home owners. Most of them have mortgaged their homes; most of the mortgages are in default. Congress should take some step to make money available to those home owners and those farmers at a cheap rate of interest, to extend throughout a long period of years, in order to refinance mortgages which now exist on both country and city property.

It is my opinion that we should make sufficient funds available to lend money at a rate of interest not to exceed 2 percent so that our farmers will have an opportunity to pay out the mortgages now existing against their farms.

Third, I believe we should take steps to reduce railroad rates. While everything in this country has gone down, while all commodity prices have gone down, railroad rates have gone up by leaps and bounds.

Mr. ALLGOOD. Mr. Speaker, will the gentleman yield?

Mr. MONTET. I yield.

Mr. ALLGOOD. I saw a statement in the paper yesterday to the effect that the Louisville & Nashville Railroad was asking the Public Service Commission of Georgia to give them authority to apply a 2-cent rate, and the Public Service Commission of Georgia refused to do so.

Mr. MONTET. I believe the railroad was taking a step in the right direction to help restore prosperity to this country.

Mr. ALLGOOD. I was wondering why a public-service commission, which is supposed to serve the public, would refuse a request of this kind.

Mr. MONTET. I do not know what their reason was, but I do not believe their action will be conducive to the best interests of this country. There is no doubt in anybody's mind that no matter what we do, if existing freight rates are permitted to obtain we cannot restore prosperity.

Mr. LEE of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MONTET. I yield.

Mr. LEE of Missouri. Has the gentleman ever heard of a public-service commission in any State representing the interests of the people of its State? If so, I wish the gentleman would name the commission.

Mr. KELLER. So do I.

Mr. MONTET. The question probably answers itself. However, I can recall a time when the Louisiana Public Service Commission did function for the best interest of our people.

Mr. LEE of Missouri. All of them ought to be abolished.

Mr. PIERCE. I may say to the gentleman that we have a commission in Oregon that acts in behalf of the people.

Mr. LEE of Missouri. Oregon is a State that has gone Democratic recently. I beg the gentleman's pardon.

Mr. MONTET. If we are really serious in wanting to help the home owners of this country and the farmers who are already overloaded with debt, we have the power and the machinery available to provide them relief.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. MONTET. I yield.

Mr. DIES. Does the gentleman recall how he worked the latter part of the last session, together with Mr. FIESINGER, Mr. CROSS, and others, in an attempt to put more adequate money into circulation backed up by a sufficient metallic reserve, and how the bankers threw their hands up and said it would ruin the country? Yet now, under the present machinery Congress has set up, there will go out into circulation $11,000,000,000 of money not backed up by a grain of either silver or gold, but backed up by goods, drafts, and commercial paper.

Mr. MONTET. I well remember the efforts of the gentlemen from Texas [Mr. DIES and Mr. CROSS], Mr. FIESINGER, myself, and others to the end that we might have an expansion of the currency on a real, sound basis. We then advocated the proposition that is now advanced as the solution of our problems. The opposition was headed by the big bankers of this country, who opposed the remonetization of silver because they called that inflation, but now that the banks have closed the prime advocates of real inflation are these same big bankers who were opposed to the expansion of the currency by the use of a real monetary metal on a basis that would allow us still to remain on the gold standard.

I was coming to the proposition that one of the things this Congress should do is to not only assist the farmers of this country but to promote our international business through the remonetization of silver. Silver can be remonetized and still maintain this country on the gold standard. The gentleman from Texas [Mr. CROSS] had such a bill last session and reintroduced it this session. I sincerely hope the Committee on Coinage, Weights, and Measures will favorably report Mr. CROSS' bill to the House, and do this in the early future.

Mr. DIES. Does the gentleman believe that should this bill be reported out the leadership of the House will give the House an opportunity to consider and vote upon it?

Mr. MONTET. I cannot answer for the leadership of the House, but I do hope that an opportunity will be granted if and when the bill is reported.

I want to say this for Mr. CROSS' bill: While it remonetizes silver, it does not take us off the gold standard, because the bill provides for the issuance of currency against silver up to the point that an ounce of silver is equivalent in value to an ounce of gold. It supplements but maintains the gold standard. It would give us additional money. Not only would it be the best method of accomplishing the rehabilitation of business and industry in this country but it would promote our international trade. The South American countries and Mexico, China, and India are on a silver basis, and, in my opinion, our trade with these countries would increase by leaps and bounds if we were to remonetize silver.

I now wish to briefly refer to certain pending bills. I introduced House Joint Resolution No. 43, also the bill H.R. 1694, and House Joint Resolution No. 45.

House Joint Resolution No. 45 is a constitutional amendment providing that for the purpose of decentralizing wealth the Congress shall have the power to lay and collect taxes on capital, and so forth. It is an amendment to the Constitution which would grant to Congress power at all times to levy a capital tax.

[Here the gavel fell.]

Mr. MONTET. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

Mr. PATMAN. Mr. Speaker, will the gentleman withhold his request long enough to permit me to submit a unanimous-consent request?

Mr. MONTET. Certainly.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a resolution I introduced to investigate the Treasury of the United States and the monetary system.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DIES. Mr. Speaker, I make the same request in regard to a speech I made Saturday.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MONTET. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. MONTET. The bill (H.R. 1694) introduced by me is an amendment to the revenue act of 1932, providing for an increase in the income-tax rates in the higher brackets and an increase in inheritance taxes.

In short, this bill, in dealing with the income taxes, makes it impossible for any one individual in this country to earn more than $1,000,000 per year. The bill seeks to levy a tax of 100 percent on all incomes over $1,000,000 per year and also to levy an inheritance tax of 100 percent on all inheritances exceeding $5,000,000.

Both of these bills and the proposed constitutional amendment have in view the decentralization of wealth in this country. Right at this time we are reaping the harvest of the distress that concentrated wealth has heaped upon this country and upon the world. This would not only decentralize wealth but would produce many billions of dollars annually of new revenue for this country, although the main object in mind is the decentralization of wealth. Everyone knows that in the history of the world when wealth has accumulated in just a few hands it has been decentralized, but in the past it has always been decentralized as a result of revolution. I want to do this in an orderly and in a legal way, and I am using this time to call these matters to your attention, so that you may know of the general proposals contained in these various bills.

Mr. FOCHT. Will the gentleman yield for a question?

Mr. MONTET. Yes.

Mr. FOCHT. Is it not a fact that wealth in this country decentralizes itself, because there is no such thing here as entailment of estates?

Mr. MONTET. That is not true, because when we look back at conditions existing in this country, say, 17 years ago, we find that 2 percent of the people of the country owned 59 percent of the wealth of the country and 10 years thereafter 1 percent of the people owned 60 percent of the wealth of the country. I believe this shows that the gentleman's conclusion is bound to be erroneous under our system of government in the United States.

I hope the committees to which these bills have been referred will give them due and early consideration. I hope to see them enacted into law, because the time has come when the people of this country, with warehouses holding surpluses of everything produced in the country, are not going to sit idly by much longer when they see that they have no opportunity to earn enough to provide their daily bread and shelter and clothe their families.

The time has come for action. The people of this country are no longer interested in word descriptions of conditions. Everybody knows what they are. The question is what are we going to do about them, and the suggestions I have given are a few that have come to my mind in the last few months as necessary and beneficial steps toward a solution of our great economic problems, not only in this country but internationally as well.

Mr. GREEN. Will the gentleman yield?

Mr. MONTET. I yield.

Mr. GREEN. I am very much interested in the gentleman's statement and agree with the gentleman that it is not a matter of poverty of money or poverty of produce but is a matter of the distribution of produce. It also is not a matter of our people's being broke, as we might say, but it is a matter of the money's being concentrated in the hands of a few and I look upon the gentleman's suggestions in a sympathetic manner and hope he may get action in this direction.

Mr. MONTET. I thank the gentleman and also hope that the Congress will shortly take some action. [Applause.]

[Here the gavel fell.]

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LAMNECK. Mr. Speaker, I want to call your attention to the matter of a huge deficit in the Post Office Department that we ought to eliminate or at least eliminate a great portion of it. I happened to be on the Post Office Committee during the last session and when we talk about economy and balancing the Budget, here is a chance where we can save around $200,000,000 if we give the matter immediate attention.

Mr. SIROVICH. Will the gentleman yield for a question?

Mr. LAMNECK. I yield.

Mr. SIROVICH. What is the great contributing factor to this $200,000,000 deficit in the Post Office Department of the Government?

Mr. LAMNECK. My judgment is that the greatest contributing factors are the newspaper and magazines and other publications that are yelling about economy and about cutting down expenses and yet are receiving a dole to the tune of $102,000,000.

On this very subject I have an editorial here from one of the Washington papers, and I am now quoting:

> The country is anxiously awaiting to see what Congress will do in response to President Roosevelt's message. Mr. Roosevelt asked for a broad grant of powers to slash expenditures, but Congress cannot escape its responsibility. The Constitution forbids Congress to delegate its legislative power to the President or anyone else. Congress passed a law under which about $950,000,000 are paid out to veterans. If extravagant doles to veterans who suffered no injury as a result of their service are to be eliminated from this vast outlay, Congress must repeal or modify the law under which they are paid.

Now, on the question of dole, I want to read you some of these items and I want you to remember them.

On publications that are exempt from zone rates, we lost in the year 1932, ending June 30, $16,994,000; on daily newspapers we lost $36,409,000; on newspapers, other than daily, we lost $11,580,000; on all other publications we lost $28,703,000; on free publications in counties we lost $8,550,000.

The total of these items is $102,236,000, approximately.

Now, as to other services we rendered, on third-class mail we lost $28,909,000; on parcel post we lost $32,716,000; on insured mail we lost $12,185,000; on c.o.d. service we lost $2,882,000; on special-delivery service we lost $4,879,000; on money orders we lost $11,180,000.

Now, gentlemen, is it not about time that we stopped this loss in the Post Office Department—$206,000,000—when we are cutting salaries and abolishing in some cases useful Government departments? Is it not about time that we were saving a little money by making these special services pay for the cost of the service? If we do that, we will save $206,000,000 and not have to cut so much off Government expenditures. I hope the Congress and the leaders in the next session will see to it that this terrific loss is not maintained any longer. [Applause.]

Mr. MEAD. Will the gentleman yield?

Mr. LAMNECK. I yield.

Mr. MEAD. I would like to suggest to the gentleman the idea that perhaps a reduction in the first-class letter rate from 3 cents to 2 cents might increase the volume of revenue.

Mr. LAMNECK. I think that is correct, and I think it would do that.

Mr. MEAD. Based on a report by the department last October, using the figures of the current year, they lost 5,000,000 first-class letters, which at the 2-cent rate would mean a million dollars in revenue. That was lost by reason of the increase in the first-class letter mail.

Mr. LAMNECK. I think the gentleman is correct. [Applause.]

Mr. LEE of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. LEE of Missouri. Mr. Speaker and ladies and gentlemen, I am a new Member, but it tickles me to hear my friend from Louisiana talk about the redistribution of wealth. That is a joke. I am with you in that, but the big interests in this country will never let you do it, because they have more influence with the Congress than you have yourself. They have the influence, they have the telegraph wires, they have the Bell Telephone System, they have everything, and they have the lobby. They always will have it, boys. Do not fool yourselves. You may do the best you can, but you will not succeed. You can talk about doing it, and that is all. We have $11,000,000,000 coming to us from foreign countries—that we have given to them in interest and principal nearly $8,000,000,000.

There are nine billion owing and covered by farm mortgages. If we had that money we could loan it to farmers and to laborers and home owners at 2 percent interest. We should loan it by the Government directly and not let the bankers loan it, because they charge from to 8 to 10 percent. Let the Government loan it directly. That is what ought to be done. These bankers want the foreign debts canceled so that they can collect their own debts dollar for dollar.

Now, who is going to control Congress? Are the people going to control or are the bankers going to control?

Every platform of each party declares every 4 years against the banking interests. They want to put the profiteers in the penitentiary. Have you ever known of any profiteer being put in the penitentiary?

I served in the Legislature of Missouri, and the house passed my bill—just such a law—but the senate defeated it. We had a public service commission, which cost the taxpayers of my State $300,000. I introduced a bill to abolish it, and the house passed it unanimously.

I believe there was 1 vote against it, but we passed it practically unanimously. However, the interests had more influence in the Senate than the people had, and we still have that condition. We pay about 3 times as much for gas and 3 times as much for water and 3 times as much for telephone as we ever paid before, and the commission costs us now $1,100,000 a year, where it only cost $300,000 before it began collecting so much for the big interests. Of course, it had to have more employees, when it ought never to have been created.

The big interests cried and begged around here for an Interstate Commerce Commission, and they got it, and now some of them want to get rid of it, because the busses are bootlegging all the business away from them. While they are getting an order from the public service commission that they put up here in order to rob the public, the busses are going around and bootlegging their business and grabbing all their profits, and now they are squawking and they want relief. Well, I am in favor of giving them relief as I am a friend of the railroads. I want to help them anyway we can legitimately. They already owe the Government all they are worth, and we may as well take them over and operate them honestly, and take the passes away from the politicians, and if everybody paid his fare, I actually believe, Mr. Speaker, that the railroads could make a living, and instead of paying their presidents $135,000 a year for doing nothing they could raise the rate on their section men, and at least give them $1.45 a day, instead of $1.10 a day.

Mr. CARTER of California. Mr. Speaker, will the gentleman yield?

Mr. LEE of Missouri. Yes.

Mr. CARTER of California. Does the gentleman know of any politicians who are riding on passes?

Mr. LEE of Missouri. Yes; lots of them.

Mr. CARTER of California. Where are they?

Mr. LEE of Missouri. They are in my State. I do not know what your State is. What is your State?

Mr. CARTER of California. California.

Mr. LEE of Missouri. California! The Democrats have not been in long enough, but I assure you the Republicans that are in politics out there ride on them.

Mr. CARTER of California. And I assure the gentleman that they do not.

Mr. LEE of Missouri. They do it in my State, and it is just as good a State as California and a good deal better.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. MEAD. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. MEAD. Mr. Speaker, the very fine speech delivered by my colleague on the Post Office Committee, the gentleman from Ohio [Mr. LAMNECK], has inspired this speech from me. He discussed the advisability of effecting economies in the Post Office Department. He suggested a plan whereby we might eliminate the huge deficit involved in that Department. I also have a plan in mind by which we may effect economies without further reducing the wages of the laborers, the substitutes, the special-delivery messengers, and other underpaid employees in that Department. We passed a bill Saturday which in operation may take 15 percent of the few hundred dollars that a postal laborer may earn next year. If we are going to restore prosperity by reducing underpaid substitutes and laborers in the Post Office Department, we are going to do it with blood money, and that is not the economic philosophy which I stand for, nor is it the economic philosophy which our President stands for. I believe he will repudiate that section of the bill, and I hope when the bill comes back from the Senate that it will have a little humanity in it so that every sympathetic advocate of the rights of labor can give it his support.

That is not the subject I desire to discuss, however. I believe if the Post Office Department was run on a really sound business basis, we could probably save from $25,000,000 to $50,000,000 a year, without in any way diminishing the salary of any employee of that Department. I shall start at the beginning of my plan with the establishment of a post office in your town, the acquisition of the site. I want to show you the business acumen of the Federal building department in that connection. Marshall Field & Co., of Chicago, decided some time ago that they would buy a parcel of property in the Loop district for a public mart. They acquired the site at a tremendous expense, and then something happened. Something happened whereby they desired to relinquish the site, and some patriotic, inspired gentlemen immediately decided that it would be a good thing to sell that site to the Post Office Department, which they did. The Government acquired that site at an exorbitant cost. After we purchased the site it was decided that that was not the place to build a post office, and then what was done? We abandoned the site after we had relieved the Marshall Field Co. of what was probably a bad investment. What else? We went over to the Pennsylvania Railroad Co. and bought a site over their railroad tracks, and at huge expense to the Post Office Department. And on that site we are building the Chicago post office. Imagine the loss in transferring the mail to and from that post office from other railroads that enter and depart from the city of Chicago.

ANOTHER ILLUSTRATION OF WASTE

In 1915 the Federal Government acquired a site in the city of Binghamton. The citizens of that city put up $20,000 to aid the Government in the purchase of that site. The Government paid $100,000. In 1928 the present administration decided that that was not the proper site, they abandoned it, and went down on the Chenango River bank and decided to tear down a splendid building there, one owned by the Government, leaving idle the other site in which the people had an equity. They wanted to build a post office on the river bank, where no one in that city ever wanted it located. If the building was constructed on the bank of the river it would require an expenditure of $35,000 for piling, because it is filled-in land. It would be necessary to waterproof the basement, and a substation at an annual expense of $10,000 per year would have to be maintained near the

other site. All of which would be unnecessary if the proper site was selected in the first place.

The Post Office Committee, however, interfered. We investigated the matter and we ordered the building built on the site in which the people of Binghamton had an equity, which the people of Binghamton unanimously agreed was the place for the post office to be located.

Another case occurred in West New York, N.J., in the district represented by our distinguished colleague, Mr. AUF DER HEIDE. In that case the Building Commission seems to be anxious to buy a site in which the Republican leader of that town is interested, and at an exorbitant price, and in a place where the post office should not be located. The same is true in the city of Towanda, Pa., which district is ably represented by the gentleman from Pennsylvania [Mr. MCFADDEN]. The postmaster there, a Republican appointee, condemns the location selected and so does a great many of the people of that city, and yet the Federal Building Commission, ignoring the wishes of the people, ignoring the needs of the Department, intends to build the building where it is not wanted and where its cost will be exorbitant.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. COCHRAN of Missouri. Is it not proper, as long as the gentleman mentioned the name of Mr. AUF DER HEIDE, to say that he has used every means at his command to stop the selection of the site which the gentleman complains of?

Mr. MEAD. No man in Congress has been more interested in the welfare and well-being of his people, no man has done more to bring this matter to the attention of the Post Office Department and to the attention of our committee than my distinguished colleague from New Jersey [Mr. AUF DER HEIDE].

Mr. LUNDEEN. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. LUNDEEN. Who was Postmaster General when all this was going on in Chicago?

Mr. MEAD. The Postmaster General who left us on March 4 last.

Mr. BLANTON. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. BLANTON. I think the distinguished gentleman from New York [Mr. MEAD] deserves the commendation and active support of every Member of this House for the good work he is doing. The first fight is to bring back the 2-cent postage. That is what the gentleman has promised us, and I am sure that he will do it. When does the gentleman expect to get that bill up for consideration?

Mr. MEAD. That bill is H.R. 2. We are only waiting for the assembling of the Ways and Means Committee, when we shall wait upon that committee and urge the reporting of that measure; I am sure that bill will receive the support of a majority of this House.

Mr. BLANTON. I am sure the people will be glad to know it. Going along with that ought to be the bill to take the 2-cent tax off of bank checks and to take the tax off of electricity, which is hurting the poor people of the land every day.

Mr. MEAD. The Democratic Party can do nothing better than take the advice of the distinguished gentleman from Texas and eliminate those nuisance taxes which he just mentioned. [Applause.]

Now, leaving sites, we will go to the building of the building itself. We find in investigating the materials approved for the building of post offices that the manufacturers of wooden piling, piling used in the substructures of the building, are restricted to a certain class, to a certain kind of material. What has that to do with the increased cost of our building program? My friends, if it were not for the restrictions limiting the number of bidders in the use of piling for our substructures we would have saved many hundreds of thousands of dollars since we began this major building program.

In the city of Washington, I believe, I am conservative in making the statement that we could build one of the buildings at no expense to the Government with the savings we would make if it were not for the restrictions written into the specifications by the Federal Building Commission not only with regard to piling but with regard to other materials used in the building of these splendid buildings we see in the city of Washington.

Mr. LAMNECK. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. LAMNECK. I wish the gentleman would comment at this point on the patented hardwood floors that they use, at great expense.

Mr. MEAD. I am glad the gentleman brought that to my attention. For 150 years we have allowed the mill and lumber people of American widespread opportunity to bid on flooring in post offices, and only within recent years has it been decided by the postal authorities that a certain so-called wood-block flooring made by a few manufacturers and covered by patent rights would be allowed in the workrooms of our post offices. That has increased the cost of building tremendously, and it has certainly done an injustice to a reputable industry in America. I am glad the gentleman brought that to my attention.

Mr. LAMNECK. Was it not demonstrated before our committee that the patented flooring was not as good as the old flooring, and it cost a great deal more money, and did not the experts so testify?

Mr. MEAD. The experts so testified before our committee and in the strongest language they could command.

Another matter I want to bring to your attention is this: The Post Office Department is one of the largest purchasers of auto trucks in America. They do not advertise for trucks that are in production. They advertise for trucks that are designed by the so-called "technical experts" of the Department.

They call their experts and their technicians to Washington. They design a specially constructed truck, and in many instances they use obsolete parts. They then send a notice to the various manufacturers inviting them to bid on this particular truck. All the manufacturers who desire to bid must, of course, consult their engineering department, because it is not a truck now in production; it might be called an antique. The result of this procedure enables the Post Office Department to eliminate many of the bidders on some technicality. But it costs the Government a tidy sum of money.

This is what actually happened recently: The Studebaker-Pierce-Arrow Co. bid on an order of trucks. Their bid was low. Seven other bids were received on the same order, including bids from International, Mack, White, General Motors, and others.

What happened? Studebaker-Pierce-Arrow was low and lost the order. However, they made the statement before our committee that their truck came within the specifications and they were willing to back that statement with all the resources of their organization. Notwithstanding, the White people, whose bid was thousands of dollars higher in the aggregate than Studebaker, got the order, and every other bidder from top to bottom was eliminated on some technicality; the high bidder was the low bidder when the matter was finally settled.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MEAD. I shall be pleased to.

Mr. COCHRAN of Missouri. Reverting to the foundation work in connection with public buildings, the Government is constructing a new Federal building in St. Louis. When the specifications for the foundation came out they provided for caissons. I went to the Department and urged that they throw it open so that either caissons or piles could be used and let the lowest bidder do the job. In my district is the Smith-Brennan Pile Co., one of the leading pile companies in the country, which makes the finest driven pile in the United States. They were denied a right to bid on that work. The Department said that the engineer and the architect stated that caissons would be necessary, that they would run into water. I did not yield until after many conferences. The

architect was called to Washington. He insisted piles could not be used.

The work is being completed. The caissons have been installed, and in no instance have they run into water. It was a typical pile job, and if piles had been used the Government would have been saved probably $50,000. The Smith Brennan Pile Co. had driven piles on a monster building a block away from the Government building and was willing to file a bond to complete the job.

Mr. MEAD. The gentleman is no doubt correct. I have no reason to doubt the statement he has made, because similar cases have been reported to our committee time and again.

Let me state further that many of the monumental buildings of the Old World that have stood through the centuries, including the great cathedrals of Italy, Lourdes, Westminster, and the capitol buildings of Europe, were built upon wooden-pile foundations, yet here in America where we have a more perfect product, one treated by the most modern methods, we find our manufacturers barred by our Government and the specifications so written that only the favored few can participate in the bidding, to the detriment of the country and to the great loss of our Treasury.

Restrict the bidding seems to be the practice of our Building Commission.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield further?

Mr. MEAD. Certainly.

Mr. COCHRAN of Missouri. In support of the gentleman's statement, I may say that I know that the specifications for the foundations of every building in the Mall that is now being constructed were so worded that driven piles were practically outlawed and nothing but cast-in-place piles used. This work has cost the Government of the United States hundreds of thousands of dollars more than it should have cost because more than 50,000 piles were used on this work. The restrictions placed on driven piles prevented the makers from bidding. I also filed complaints on those specifications.

Mr. MEAD. The gentleman is correct in his statement.

Mr. LAMNECK. Mr. Speaker, will the gentleman yield?

Mr. MEAD. I yield.

Mr. LAMNECK. Going back to the truck question, industry throughout the United States uses standard trucks, either Packard, Ford, Chevrolet, or some other truck of standard manufacture.

Mr. MEAD. That is correct.

Mr. LAMNECK. Is there any reason in the world why the Post Office Department could not use a standard truck for hauling the mail?

Mr. MEAD. If the Post Office Department would follow the example of private business they would buy just such a truck; and in addition to the reduction which would result in the cost to the Government, the truck could be put back into service without delay if it broke down. Under existing circumstances if one of our trucks breaks down it is necessary to send to Indiana, Michigan, or some other State for an obsolete part before it can be put back into service.

Mr. Speaker, I could continue at length to discuss similar cases with regard to the acquisition of sites, the costly practice of barring wood piling, the favoritism shown in the matter of patented wood-block flooring, the selection of special trim and mill supplies, the aluminum and bronze sash and ornamentation, all of which impose a costly burden on the taxpayers of the country.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. MEAD. I yield.

Mr. BLANTON. Let me call the gentleman's attention to a telegram I got this morning from Hon. D. A. Bandeen, manager of the West Texas Chamber of Commerce, which is one of the largest organizations in Texas, which reads as follows:

Informed that specifications for post office at Big Springs, Tex., provide for Cordova cream stone exclusively. If this be so, Lueders limestone, quarried at Lueders, Jones County, can not compete. Cordova is quarried near Austin. We must have more open specifications to compete and protect west Texas industry.

The above is just one of many, many complaints I have had respecting exclusive specifications prepared by this Department, concerning many public buildings scattered over Texas. It is not fair that specifications are drawn so as to exclude legitimate competition. When competition is excluded, the Government always gets the worst of it. There are three big quarries operating at Lueders, Tex., and they produce some of the finest limestone in the South. Several beautiful residences in Dallas, Tex., are built of it.

Big Spring, in the district of my colleague [Mr. THOMASON], is where they are building a new post-office building. It is not fair to his part of Texas that the specifications require a certain stone to be used that comes from central-south Texas, about 500 miles by railroad from Big Spring, and for same to exclude his own west Texas products.

Mr. LAMNECK. Is it in KLEBERG's district?

Mr. BLANTON. No; this Cordova quarry is not in either of our territories, where this post-office building is being constructed, and that is what we are kicking about.

Right in the vicinity of this building are the great Lueders quarries of the finest stone in the world, yet the specifications eliminated these quarries from even bidding on the stone. It is an outrage! I am glad to hear the gentleman from New York [Mr. MEAD] make this speech. He is in a position to stop all this injustice. Such things ought to stop. We ought not to stand for them any longer.

Mr. MEAD. I thank the gentleman for his contribution.

Mr. LAMNECK. Mr. Speaker, will the gentleman yield?

Mr. MEAD. I shall be pleased to.

Mr. LAMNECK. On the 17th of February a contract was let for a post-office building in my home city of Columbus, Ohio. The specifications require coal-firing equipment for the boilers that absolutely eliminates all the coal produced in Ohio. A fusing temperature is specified that will permit the use of coal only from some other State, not Ohio. Our producers in Ohio, and our miners who are out of work, cannot bid for this business.

Mr. MEAD. I appreciate the statement made by the gentleman from Ohio; and, as I said a moment ago, I could go along and discuss with you sites, piling, flooring, trim—and, by the way, we are probably not the only department that has been trimmed with aluminum.

Mr. PATMAN. Will the gentleman yield?

Mr. MEAD. I shall be happy to yield to the gentleman.

Mr. PATMAN. I hope the gentleman will make it plain that the Secretary of the Treasury hired all the architects to draw the plans for all these public buildings, that he passed upon all these plans, and that he issued and published in his office in a Government building in Washington a publication which encouraged these architects to use aluminum and to prescribe aluminum in the construction of public buildings, and that he himself owned a monopoly of aluminum in America, and that the volume of aluminum used in public buildings increased thousands of percent while he was Secretary of the Treasury, and that there is no competition in bids that are offered for the furnishing of aluminum to be used in public buildings.

Mr. MEAD. Not only did he succeed in eliminating competition from within the country by reason of these specifications, but by reason of his power he also kept competition from without this country from coming in and competing with him. In my judgment, it was a case of favoritism from beginning to end, and it certainly helped very materially in building up the Mellon fortunes.

Mr. PATMAN. Would the gentleman also object to having it made plain that this was one of the reasons he fled to England at the time he did?

Mr. BLANTON. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman.

Mr. BLANTON. I am sure my friend from Texas [Mr. PATMAN] wants "to give the devil his due", and he ought to state at this time in behalf of the gentleman who is sojourning in England that through patriotism it is reported that since the President's proclamation he has lately released $5,000,000 of gold that he had theretofore earmarked for shipment to Europe and has allowed it to remain

in this country to help us out in our emergency. I am sure the gentleman ought to mention this. [Laughter.]

Mr. MEAD. There are two more subjects with regard to the activities of the Post Office Department, and particularly the activities of the last Postmaster General, that I should like to bring to your attention. They are the air mail and the ocean mail subsidies.

A few years ago we passed the Jones-White Merchant Marine Act. We passed this bill in order to rehabilitate the American merchant marine. At that time the Postmaster General informed us that an appropriation of $14,000,000 annually would be the maximum required to put this legislation into operation and to continue it in the years to come. He also said that as a result of the help it would be to American shipping, the revenues resulting from the use of faster ships would reduce this amount so that it would ultimately not cost us $14,000,000 a year.

You may also recall that the day he left office a contract was issued, but left unsigned, to subsidize the International Mercantile Marine, a contract that would give a line operating between Philadelphia and European ports a subsidy of $1,000,000 a year for 10 years. In other words, he was willing that we should reach into the Treasury for $10,000,000 to help out this line, which, I understand, is closely associated with the Morgan interests, but it was not put over fast enough. The Senate passed a resolution calling the attention of the President and the Government and the people to this expensive plan, with the result that the contract was left for the new Postmaster General to sign. The new Postmaster General, however, can be depended upon to investigate the contract before it receives his signature.

Not long ago another line was subsidized to carry the mail between Gulf ports and the Orient. If you wanted a letter delivered in the Orient by way of the Gulf of Mexico and the Panama Canal, your letter would arrive just 2 months later than a letter dropped in the mail and allowed to take its natural course, which would, of course, take it to San Francisco and to the Orient by way of one of the lines leaving that city. It was just a desire to subsidize another line, to increase the cost to the Treasury, to show favoritism—nothing but favoritism—with the result that today, instead of the amount stated by Post Office officials, that this subsidy at no time would amount to more than $14,000,000 annually, it now amounts to $25,000,000, or approximately that amount.

What else have they done? One morning a few years ago the Postmaster General came before the Post Office Committee and said, "I want an air mail bill passed, and I want it passed today. I want you to call the members of the Post Office Committee into session immediately."

That morning my distinguished predecessor on the Post Office Committee called a meeting of the subcommittee and in the presence of the Postmaster General approved the so-called "Watres measure." The Postmaster General insisted that the chairman of the committee, without written notice, immediately call the full committee into session, and the then chairman of the committee, acknowledging the authority of the bureaucrat, called the full committee into session, and on the same day the full committee reported the bill.

I took the matter up with the leadership of this House, and I filed a minority report against the measure. One of the members of our committee brought it to the attention of the Comptroller, who also opposed its passage. The distinguished gentleman from Indiana, of lamented memory, who was then the chairman of the Appropriations Committee, a man whose demise a few days ago was a shock to the Members of the Congress, denounced the legislation, and said he was sick and tired of passing bills enabling departments and bureaus of the Government to spend money without check or balance, without any other authority save their own.

The leadership, Republicans and Democrats on both sides of the aisle, objected to the bill, and our committee chairman was told to take the bill off the calendar.

It came back to our committee and was modified and was then reported and passed by the House and the Senate. We thought that the restrictions we put in the legislation would curb the activities of the Postmaster General. Did they? No; they did not. The Postmaster General has been, in my judgment, illegally administering the Watres Act ever since it became a law. He has in a high-handed way not only extended the air mail lines all over the United States without advertising for bids, but he has been forcing operators out of business while favoring others who have benefited greatly at Government expense. This czar and dictator of the industry has used his power to destroy lines, to build up favored lines. He was building a monopoly in the air mail, and that, in my judgment, contributed largely to the action taken by the Senate when that body wiped out the entire air mail appropriation. I believe that in the administration of the air mail and the ocean mail subsidies millions of dollars of the taxpayer's money have been squandered indiscriminately.

I know that if restrictions in Federal building materials and supplies are eliminated, millions can be saved; if we buy sites where post offices should be located, and without so much secrecy, much more can be saved; if we put air mail and ocean mail contracts on a real competitive or business-like basis, we will save many millions of dollars of the taxpayers' money now being squandered throughout the United States. [Applause.]

Mr. LANZETTA. Will the gentleman yield?

Mr. MEAD. Yes.

Mr. LANZETTA. Was not there something of the kind in relation to the New York central post office?

Mr. MEAD. Our committee so far has only investigated the Chicago, Binghamton, West New York, and possibly one other site. We never had an opportunity to go into the many purchases made recently by the Federal Building Commission. But I will say that we did not go into any place, we did not look into any subject, but what we found discrimination, favoritism, and waste. Republicans and Democrats alike have denounced the action taken by the Department in these cases.

It is all right to pass economy bills; it is all right to make the poor laborer, the sub, and the special-delivery messenger, who does not get $1,000 annually—it is all right to subject him to a cut of 15 percent, but what about the waste and extravagance practiced by the administrative heads of these departments?

Why waste millions in buildings and save a few dollars at the expense of the poorly paid employee? I hope the new administration will not continue the air mail or the ocean mail policy of the past administration. I am sure these air mail extensions, extensions that weaken the air mail lines, extensions that some operators opposed before accepting, will be eliminated. Most of these extensions were given out without bids, without inviting air-transport operators to figure on them. They should be eliminated from the air mail map, and the air mail service should be put on a sound business basis.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. SABATH. I did not have the pleasure of listening to the gentleman when he began his address. Has the gentleman called attention to the fact that most of these additional lines that have been granted in the last few months have been granted to Republicans as a reward for services which they have rendered the Republican Party, many times not directly, but indirectly?

Mr. MEAD. We have not inquired into the political affiliations of any of the air mail contractors, but favoritism has been shown.

Mr. SABATH. Such is the fact.

Mr. MEAD. The Postmaster General gave out many extensions in the last few days of his administration. It occurred to me that it was not a courteous act, it was not right from the standpoint of good sportsmanship, it was not right, in my judgment, from the standpoint of a good party

man. But Mr. Brown could not be stopped. It was embarrassing to the incoming administration. He was saddling them with obligations that would certainly develop a deficit. Unless certain lines are canceled, additional funds will be required before the end of the present fiscal year. I know of no other department head that acted as did the head of the Post Office Department. His actions were unwarranted, unjustified, and, in my judgment, very discourteous.

Mr. LOZIER. Mr. Speaker, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. LOZIER. I call the gentleman's attention to the fact that if you were to drop down in Vancouver, British Columbia, at this minute, you would probably find these subsidized ships being loaded with Canadian merchandise and lumber for foreign ports. In other words, these subsidized ships, instead of carrying American products, while enjoying the subsidy of the Government, derive most of their support from carrying the commerce of Canada and other nations in active competition with the products of America.

Mr. MEAD. I appreciate the interruption. You verify the position I have taken. I was just trying to point out the lack of business administration in our Post Office Department. Look at the record and you will find in it statements from the department heads assuring us that the ocean mail subsidy would not cost more than $14,000,000 annually, and yet today it has reached the sum of approximately $25,000,000. Certainly there must be some discriminations, as the gentleman pointed out.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. COCHRAN of Missouri. Are the contracts so binding that the Congress can not nullify them?

Mr. MEAD. The Postmaster General, appearing before the Committee on Appropriations, informed that committee that if they reduced the appropriations it would be necessary for him to dismiss or furlough employees, because these contracts were binding. However, I believe many of them can be canceled.

The SPEAKER. The time of the gentleman from New York has expired.

COMMITTEE ON RULES

Mr. DOUGHTON. Mr. Speaker, I offer the following resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 41

Resolved, That the following Members be, and they are hereby, elected members of the Standing Committee of the House on Rules, to wit: Edward W. Pou, chairman, North Carolina; William B. Bankhead, Alabama; John J. O'Connor, New York; Adolph J. Sabath, Illinois; Arthur H. Greenwood, Indiana; E. E. Cox, Georgia; William J. Driver, Arkansas; Howard W. Smith, Virginia.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. TABER. Mr. Speaker, at the request of the minority leader I offer the following resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 42

Resolved, That the following Members be, and they are hereby, elected as minority members of the Standing Committee on Rules of the House of Representatives, to wit: Harry C. Ransley, Pennsylvania; Joseph W. Martin, Jr., Massachusetts; Carl E. Mapes, Michigan; and Frederick R. Lehlbach, New Jersey.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent to address the House out of order, for three minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KLEBERG. Mr. Speaker, under present unprecedented conditions confronting this country, no Member of this House should fail to commend to this body and to the country as a whole, patriotic, constructive action evidenced in any section of this country. Today we are confronted with conditions which require cooperation and direct evidence of courage by every citizen in every town in our land.

I take this occasion to commend the entire citizenship of the little town of Boerne, in the northern end of my district, for a public statement which was acted upon by them, and which on this occasion I will read to the House and to the country:

As an expression of confidence in the Government of the United States, and because of our belief in the brightness of the future, and that a glorious new day is about to dawn for all our people, we request that the city of Boerne put out gala attire and that the flags be displayed and kept flying until after the present emergency. We believe that "God is in His heaven, that the Government at Washington still lives," that the American people cannot be beaten, and we beg every citizen to greet his fellow with a smile and to be all for Boerne and for America.

R. L. HICKMAN, *Mayor*.
(For city of Boerne.)
W. JANENSCH, *President*.
D. K. LANSING, *Manager*.
(For Chamber of Commerce.)
H. O. ADLER, *Scoutmaster*.
(For Boy Scouts of America.)
H. A. PALMIE, *Commander*.
(For American Legion.)
M. J. LEHMAN, *Judge*.
PAUL HOLEKAMP, *Assessor*.
(For county of Kendall.)
W. G. DAVIS.
(For press.)
H. R. HARZ.
FRED ZOELLER.
HENRY FABRA.
(For merchants.)

Mr. BLANTON. Will the gentleman yield?

Mr. KLEBERG. I yield.

Mr. BLANTON. I once had the pleasure years ago of spending a month's vacation with my family at Boerne. Some of the finest people in the world live there. Its climate is delightful. Just out of the town is the old family homestead of a former great benefactor to suffering humanity—Doctor Herff—one of the greatest physicians ever known to San Antonio and the South. I am glad to hear such patriotic expressions coming from that city, from which none other could emanate.

Mr. KLEBERG. May I say to my distinguished colleague from Texas that old Dr. Herff was my family's friend and my friend until he passed away. His son now is considered one of our leading physicians. In fact, he is one of the leading surgeons of the South, and the gentleman who wrote this note to me—Mr. Lansing—is also a friend of the Herffs and a friend of mine. He wrote this note:

Greetings from your people of Boerne. Business is better than usual, even though we do have to trade postal cards for stamps. The flags are flying, and Boerne is making holiday and will continue to do so till that time comes. Show the fellows from the North and East what your people are doing. The inclosed poster tells the story.

The SPEAKER. The time of the gentleman from Texas has expired.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 2 minutes p.m.) the House adjourned until tomorrow, Tuesday, March 14, 1933, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

3. Under clause 2 of rule XXIV, a letter from the secretary of the National Institute of Arts and Letters, transmitting a report of the activities of the National Institute of Arts and Letters for the year 1932, was taken from the Speaker's table and referred to the Committee on the Library.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PRALL: A bill (H.R. 3204) authorizing the Interboro Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across New York Bay between Brooklyn and Staten Island; to the Committee on Interstate and Foreign Commerce.

By Mr. MARTIN of Colorado: A bill (H.R. 3205) authorizing the construction of a drainage channel in the closed basin of the San Luis Valley in Colorado, authorizing investigations of reservoir sites, and for other purposes; to the Committee on Irrigation and Reclamation.

Also, a bill (H.R. 3206) for the exchange of lands adjacent to national forests in Colorado; to the Committee on the Public Lands.

Also, a bill (H.R. 3207) to authorize for the reconditioning of buildings at the United States Veterans' Administration hospital, Fort Lyon, Colo., and to authorize appropriations therefor; to the Committee on World War Veterans' Legislation.

By Mr. SWANK: A bill (H.R. 3208) to abolish the Federal Farm Board, to secure to the farmer a price for agricultural products at least equal to the cost of production thereof, and for other purposes; to the Committee on Agriculture.

By Mr. HASTINGS: A bill (H.R. 3209) to create Federal rural mortgage land banks, to provide for the supervision thereof, and for other purposes; to the Committee on Banking and Currency.

By Mr. CARPENTER of Nebraska: A bill (H.R. 3210) to provide for the recalling of $10,000,000,000 of tax-free Government bonds and the issuance of United States currency in lieu thereof; to the Committee on Ways and Means.

By Mr. BURKE of California: A bill (H.R. 3211) to increase the authority of the Reconstruction Finance Corporation to make loans for the financing of projects to repair damage resulting from earthquake, fire, flood, or other catastrophe; to the Committee on Banking and Currency.

By Mr. ROMJUE: A bill (H.R. 3212) to repeal the tax on bank checks; to the Committee on Ways and Means.

By Mr. CELLER (by request): A bill (H.R. 3213) to amend the act entitled "An act for the protection of persons furnishing materials and labor for the construction of public works", approved August 13, 1894, as amended by act approved February 24, 1905; to the Committee on the Judiciary.

By Mr. FOSS: A bill (H.R. 3214) to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 3215) to provide for weekly pay days for postal employees; to the Committee on the Post Office and Post Roads.

By Mr. SANDERS: A bill (H.R. 3216) to make husband and wife of the accused competent to testify on behalf of the accused in the United States and Territorial courts; to the Committee on the Judiciary.

By Mr. GOSS: A bill (H.R. 3217) to require contractors on public-building projects to name their subcontractors, material men, and supply men, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. McCORMACK: A bill (H.R. 3218) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes; to the Committee on Ways and Means.

By Mr. CULLEN: A bill (H.R. 3219) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes; to the Committee on Ways and Means.

By Mr. LEA of California: A bill (H.R. 3220) to provide revenue by increasing taxes on certain nonintoxicating vinous liquors and to remove the limitation of the prohibition laws upon their manufacture, transportation, and sale in certain cases; to the Committee on Ways and Means.

By Mr. CARTWRIGHT: A bill (H.R. 3221) to amend the World War Adjusted Compensation Act, as amended; to the Committee on Ways and Means.

By Mr. CARPENTER of Nebraska: A bill (H.R. 3222) authorizing loans by the Reconstruction Finance Corporation to aid in refinancing obligations of drainage districts, levee districts, irrigation districts, and similar districts, and for other purposes; to the Committee on Banking and Currency.

By Mr. GLOVER: A bill (H.R. 3223) for the purchase of a site and the erection of a public building at Benton, Saline County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3224) for the purchase of a site and the erection of a public building at Malvern, Hot Springs County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3225) to provide for the relief of farmers by making loans on lands now used for agricultural purposes for the purpose of redeeming said lands from now-existing mortgages, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 3226) for the purchase of a site and the erection of a public building at England, Lonoke County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3227) for the purchase of a site and the erection of a public building at De Witt, Arkansas County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3228) for the purchase of a site and the erection of a public building at Monticello, Drew County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3229) for the purchase of a site and the erection of a public building at Rison, Cleveland County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3230) for the purchase of a site and the erection of a public building at Sheridan, Grant County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3231) for the purchase of a site and the erection of a public building at Star City, Lincoln County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3232) for the purchase of a site and the erection of a public building at McGehee, Desha County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3233) declaring a moratorium of 5 years on all mortgages held by the Federal land banks of the United States; to the Committee on Banking and Currency.

Also, a bill (H.R. 3234) for the purchase of a site and the erection of a public building at Lonoke, Lonoke County, Ark.; to the Committee on Public Buildings and Grounds.

By Mr. CARPENTER of Nebraska: A bill (H.R. 3235) to abolish the Federal Farm Board and to authorize the Secretary of Agriculture to take over some of its functions and wind up its affairs; to the Committee on Agriculture.

By Mr. McSWAIN: Joint resolution (H.J.Res. 76) proposing a new interest rate on bonds and bills of credit; to the Committee on Ways and Means.

By Mr. CONNERY: Joint resolution (H.J.Res. 77) to reduce exorbitant interest rates paid on Government bonds with resultant savings of $175,000,000 annually; to the Committee on Ways and Means.

By Mr. SWANK: Joint resolution (H.J.Res. 78) proposing an amendment to the Constitution of the United States reducing the Membership of the House of Representatives; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. RANKIN: Joint resolution (H.J.Res. 79) to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama; and for other purposes; to the Committee on Military Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of Oregon, memorializing Congress respecting improvements of the St. Lawrence River; to the Committee on Interstate and Foreign Commerce.

Memorial of the Legislature of the State of Montana, memorializing Congress relative to suspension of payments and loans to the reclamation funds of irrigation projects; to the Committee on Irrigation and Reclamation.

Memorial of the Legislature of the State of Nevada, memorializing Congress to enact Senate bill No. 3606 of the Seventy-second Congress; to the Committee on Coinage, Weights, and Measures.

Memorial of the Legislature of the State of Nevada, memorializing Congress to enact the so-called "Wheeler bill"; to the Committee on Coinage, Weights, and Measures.

Memorial of the Legislature of the State of New York, memorializing Congress relative to banking emergency; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of Colorado, memorializing Congress to enact S. 1197 of the Seventy-second Congress; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of Nevada, requesting Congress and the President to accept silver payment from Great Britain; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAMS: A bill (H.R. 3236) for the relief of A. Randolph Holladay; to the Committee on Claims.

By Mr. BOILEAU: A bill (H.R. 3237) granting an increase of pension to Sarah Jane Bump; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3238) granting a pension to Elizabeth Ellen Barker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3239) granting a pension to Sarah A. De Gross; to the Committee on Invalid Pensions.

By Mr. CHAPMAN: A bill (H.R. 3240) granting a pension to Brooklyn Hodges; to the Committee on Pensions.

By Mr. COCHRAN of Missouri: A bill (H.R. 3241) for the relief of Julius Wurzburger; to the Committee on Military Affairs.

By Mr. DUNCAN of Missouri: A bill (H.R. 3242) granting an increase of pension to Mary E. Redman; to the Committee on Invalid Pensions.

By Mr. DURGAN of Indiana: A bill (H.R. 3243) for the relief of Harry E. Good, administrator de bonis non of the estate of Ephraim N. Good, deceased; to the Committee on Claims.

By Mr. FORD: A bill (H.R. 3244) granting a pension to Bessie Baldwin; to the Committee on Pensions.

Also, a bill (H.R. 3245) for the relief of Charles G. Lammert; to the Committee on Military Affairs.

Also, a bill (H.R. 3246) granting a pension to Susan McKay Young; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3247) granting a pension to Marie L. Mallory; to the Committee on Pensions.

Also, a bill (H.R. 3248) for the relief of Cecil Evans; to the Committee on Military Affairs.

Also, a bill (H.R. 3249) granting an increase of pension to Laura M. Davis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3250) granting a pension to Carrie D. Stuter; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3251) granting a pension to Franklin Edwin Williams; to the Committee on Pensions.

By Mr. FOSS: A bill (H.R. 3252) granting a pension to Florence G. Coombs; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3253) granting a pension to Abbie E. Rhoades; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3254) granting a pension to Charles F. Barber; to the Committee on Pensions.

Also, a bill (H.R. 3255) granting a pension to Catherine T. McNamara; to the Committee on Pensions.

Also, a bill (H.R. 3256) granting a pension to Mary Rabbitt; to the Committee on Pensions.

Also, a bill (H.R. 3257) granting a pension to Margaret Bartlett; to the Committee on Pensions.

Also, a bill (H.R. 3258) for the relief of Louis Miner; to the Committee on Military Affairs.

Also, a bill (H.R. 3259) for the relief of Wilfred Laurent; to the Committee on Military Affairs.

Also, a bill (H.R. 3260) for the relief of John Inkinen; to the Committee on Claims.

Also, a bill (H.R. 3261) for the relief of Hector J. Langelier; to the Committee on Military Affairs.

Also, a bill (H.R. 3262) for the relief of Everett P. Sheridan and Exilda Sheridan; to the Committee on Claims.

Also, a bill (H.R. 3263) for the relief of Emil Siegmund; to the Committee on Claims.

Also, a bill (H.R. 3264) granting an increase of pension to Mart T. O'Malley; to the Committee on Pensions.

Also, a bill (H.R. 3265) for the relief of Bartholomew Moynahan; to the Committee on the Civil Service.

By Mr. GIBSON: A bill (H.R. 3266) granting an increase of pension to Eva S. Manney; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3267) granting an increase of pension to Phoebe S. Decker; to the Committee on Invalid Pensions.

By Mr. GOODWIN: A bill (H.R. 3268) granting an increase of pension to Georgianna Barker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3269) granting an increase of pension to Mary J. White; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3270) granting an increase of pension to Anna Keener; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3271) granting an increase of pension to Cora E. Wadsworth; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3272) granting a pension to John Schoonmaker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3273) granting a pension to Lottie Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3274) granting a pension to Margaret Mary O'Brien; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3275) granting an increase of pension to Phinia E. Howard; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3276) granting an increase of pension to Catherine Wyms; to the Committee on Invalid Pensions.

By Mr. HENNEY: A bill (H.R. 3277) for the relief of George H. Stahl; to the Committee on Military Affairs.

Also, a bill (H.R. 3278) granting a pension to Anna Lehner; to the Committee on Invalid Pensions.

By Mr. HOEPPEL: A bill (H.R. 3279) granting a pension to Anthony W. McMoyler; to the Committee on Pensions.

By Mr. HUDDLESTON: A bill (H.R. 3280) granting a pension to Mollie G. Tomlinson; to the Committee on Pensions.

Also, a bill (H.R. 3281) granting a pension to Charlotte Dean; to the Committee on Pensions.

Also, a bill (H.R. 3282) granting a pension to Jack Page; to the Committee on Pensions.

Also, a bill (H.R. 3283) granting a pension to Mary Jane Hunter; to the Committee on Pensions.

Also, a bill (H.R. 3284) granting a pension to Vallie M. Lawrence; to the Committee on Pensions.

Also, a bill (H.R. 3285) granting a pension to Bessie L. H. Ricks; to the Committee on Pensions.

Also, a bill (H.R. 3286) granting a pension to Mary Ware; to the Committee on Pensions.

Also, a bill (H.R. 3287) granting a pension to Lether Hendrix; to the Committee on Pensions.

Also, a bill (H.R. 3288) granting a pension to Nellie Meigs; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3289) granting a pension to Frances E. Baldwin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3290) for the relief of William C. Reese; to the Committee on Claims.

Also, a bill (H.R. 3291) for the relief of Jack Page; to the Committee on Military Affairs.

By Mr. KOPPLEMANN: A bill (H.R. 3292) for the relief of Andrew M. Jeffrey; to the Committee on Military Affairs.

By Mr. LANHAM: A bill (H.R. 3293) to provide for the settlement of damage claims arising from the construction of the Petrolia-Fort Worth gas-pipe line; to the Committee on Claims.

By Mr. McREYNOLDS: A bill (H.R. 3294) for the relief of Elisha M. Levan; to the Committee on Military Affairs.

Also, a bill (H.R. 3295) for the relief of the estate of White B. Miller; to the Committee on Claims.

Also, a bill (H.R. 3296) for the relief of Carl F. Castleberry; to the Committee on Claims.

Also, a bill (H.R. 3297) granting a pension to Bell D. Qualls; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3298) granting a pension to Christine Francis Lewis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3299) granting a pension to Martha Wyatt; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3300) for the relief of George B. Beaver; to the Committee on Claims.

Also, a bill (H.R. 3301) granting a pension to Editha Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3302) for the relief of John Merrill; to the Committee on Claims.

By Mr. MARTIN of Colorado: A bill (H.R. 3303) granting a pension to Minnie Lea Crump; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3304) for the relief of Gale A. Lee; to the Committee on Claims.

Also, a bill (H.R. 3305) granting an increase of pension to Ellen Thompson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3306) granting a pension to Emma Roberts; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3307) granting an increase of pension to Clara Elenor Courtney; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3308) granting an increase of pension to Ellen Thompson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3309) granting an increase of pension to Emma G. Millis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3310) granting an increase of pension to Edeluvina G. Romero; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3311) granting an increase of pension to Elizabeth Blades; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3312) granting an increase of pension to Elizabeth R. Backus; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3313) granting an increase of pension to Sarah E. Pile; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3314) granting an increase of pension to Laura J. Pedrick; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3315) granting an increase of pension to Julia A. Hofflicker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3316) granting a pension to Clara E. Stanton; to the Committee on Pensions.

Also, a bill (H.R. 3317) granting a pension to Robert C. Sutherland, Jr.; to the Committee on Pensions.

By Mr. O'BRIEN: A bill (H.R. 3318) to reimburse Earl V. Larkin for injuries sustained by the accidental discharge of a pistol in the hands of a soldier in the United States Army; to the Committee on Claims.

By Mr. PERKINS: A bill (H.R. 3319) granting an increase of pension to Mary H. Thompson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3320) granting an increase of pension to Henrietta C. Scofield; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3321) granting an increase of pension to Mary Jane DeHart; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3322) granting an increase of pension to Louisa Conklin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3323) granting an increase of pension to Amanda Hoppock; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3324) granting an increase of pension to Lydia Springster; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3325) granting an increase of pension to Catherine E. DeWolfe; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3326) granting a pension to Mary S. Thompson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3327) granting a pension to Sadie Smith; to the Committee on Invalid Pensions.

By Mr. PEYSER: A bill (H.R. 3328) for the relief of owners of cargo aboard the steamship *Boxley*; to the Committee on Claims.

By Mr. SMITH of West Virginia: A bill (H.R. 3329) for the relief of Willie A. Rice; to the Committee on Military Affairs.

Also, a bill (H.R. 3330) granting a pension to Julian D. Haynes; to the Committee on Pensions.

By Mr. SNYDER: A bill (H.R. 3331) for the relief of Irene Dean; to the Committee on Claims.

By Mr. STALKER: A bill (H.R. 3332) granting a pension to Earl F. White; to the Committee on Pensions.

Also, a bill (H.R. 3333) for the relief of George N. Boyce; to the Committee on Military Affairs.

By Mr. WILCOX: A bill (H.R. 3334) for the relief of certain purchasers of lots in Harding townsite, Fla.; to the Committee on the Public Lands.

Also, a bill (H.R. 3335) granting a pension to Mabel L. Cook; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3336) granting a pension to Agnes Holbrook; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3337) granting a pension to Minnie F. Leach; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3338) granting a pension to Susie E. Payne; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3339) granting a pension to Mattie St. Clair; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3340) granting a pension to Elizabeth Smith; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

40. By Mr. BLOOM: Petition of the New York State Economic Council, urging that all necessary power be given to the President of the United States to enable him to reduce the expenditures of the Federal Government to the utmost extent possible; to the Committee on Economy.

41. By Mr. DELANEY: Petition of the American Fruit and Vegetable Shippers' Association, indorsing the work of the Shannon committee and urging that this investigation be pursued and that a detailed record of the findings of this committee be made public through the various newspapers and magazines of this country; to the Committee on Expenditures in the Executive Departments.

42. By Mr. KOPPLEMANN: Petition of Lieut. Caldwell Colt Robinson Auxiliary 254, Ladies' Auxiliary to the Veterans of Foreign Wars of the United States, March 3, 1933, at Hartford, Conn.; to the Committee on Economy.

43. By Mr. MARTIN of Massachusetts: Petition of Francis E. Perkins and other citizens of Holliston, Mass., urging revaluation of the gold ounce; to the Committee on Coinage, Weights, and Measures.

44. By Mr. MARTIN of Oregon: Memorial of the Thirty-seventh Legislative Assembly of the State of Oregon, pertaining to the St. Lawrence treaty; to the Committee on Foreign Affairs.

45. By Mr. SEGER: Resolutions of the John McCutcheon Republican League of Paterson, N.J., commending congressional support of the President in emergency legislation; to the Committee on Economy.

46. Also, resolutions of the Board of Commissioners of Passaic, N.J., favoring legislation honoring Gen. Thaddeus Kosciusko, hero of the Revolutionary War, by issuance of a series of commemorative postage stamps; to the Committee on the Post Office and Post Roads.

47. By the SPEAKER: Petition of James H. Kerby, suggesting a banking law whereby all banks would be required

to become members of the Federal Reserve System; to the Committee on Banking and Currency.

48. Also, petition of the Wilshire District Democratic Headquarters Club, of Los Angeles, Calif., requesting Congress to grant the President authority to act in the present emergency; to the Committee on Ways and Means.

49. Also, petition of the Socialist of Tompkins County, N.Y., requesting Congress to take immediate steps toward the socialization of the entire banking system; to the Committee on Banking and Currency.

50. Also, petition of the Society of Mayflower Descendants in the District of Columbia, opposing the recognition of the Union of Soviet Socialist Republics by the Government of the United States; to the Committee on Foreign Affairs.

51. Also, petition of the Council of Brockton, Mass., memorializing Congress to authorize a special series of postage stamps commemorating the one hundred and fiftieth anniversary of the naturalization as an American citizen of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

52. Also, memorial to the Council of West Warwick, R.I., memorializing Congress to enact House Joint Resolution 191; to the Committee on the Post Office and Post Roads.

SENATE

TUESDAY, MARCH 14, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. LEWIS. Mr. President, I suggest the absence of a quorum and ask a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Keyes	Robinson, Ark.
Ashurst	Couzens	La Follette	Robinson, Ind.
Austin	Dale	Lewis	Russell
Bachman	Dickinson	Logan	Sheppard
Bailey	Dill	Lonergan	Shipstead
Bankhead	Duffy	McAdoo	Smith
Barbour	Fess	McCarran	Steiwer
Barkley	Fletcher	McGill	Stephens
Black	Frazier	McKellar	Thomas, Utah
Bone	George	McNary	Townsend
Borah	Glass	Metcalf	Trammell
Bratton	Goldsborough	Murphy	Tydings
Brown	Gore	Neely	Vandenberg
Bulkley	Hale	Norbeck	Van Nuys
Bulow	Harrison	Nye	Wagner
Byrd	Hastings	Overton	Walcott
Byrnes	Hatfield	Patterson	Walsh
Capper	Hayden	Pittman	White
Caraway	Hebert	Pope	
Clark	Johnson	Reed	
Connally	Kean	Reynolds	

Mr. HEBERT. I desire to announce that the Senator from Nebraska [Mr. NORRIS] and the Senator from Wyoming [Mr. CAREY] are absent attending the funeral of the late Senator Howell, of Nebraska.

I also desire to announce that the junior Senator from Minnesota [Mr. SCHALL] and the junior Senator from New Mexico [Mr. CUTTING] are necessarily absent.

Mr. REED. I wish to announce that my colleague the junior Senator from Pennsylvania [Mr. DAVIS] is detained from the Senate by illness. I ask that this announcement may stand for the day.

Mr. LEWIS. Mr. President, may I have in the RECORD recorded the fact that the absence of the Senator from Colorado [Mr. COSTIGAN], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Illinois [Mr. DIETERICH] is caused by illness in their families? The absence of the Senator from Wyoming [Mr. KENDRICK] and the Senator from Montana [Mr. WHEELER] is because of attendance upon the rites of our dead Members who have now been taken to their burial.

Mr. WALSH. I wish to announce the absence of my colleague the junior Senator from Massachusetts [Mr. COOLIDGE] on account of a death in his family.

Mr. OVERTON. I desire to announce that the Senator from Louisiana [Mr. LONG] is necessarily detained from the Senate by illness. I will let this announcement stand for the day.

The VICE PRESIDENT. Eighty-one Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, returned to the Senate, in compliance with its request, the joint resolution (H.J.Res. 75) to provide for certain expenses incident to the first session of the Seventy-third Congress.

EMPLOYEES AND SALARIES OF FARMERS' SEED AND CROP PRODUCTION LOAN OFFICES (S.DOC. NO. 4)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, submitting, in accordance with the terms of section 3 of the Senate Resolution 358 (72d Cong., 2d sess.), certain information relative to the number of employees and aggregate salaries paid in the Farmers' Seed Loan Office and the Crop Production Loan Office, which was ordered to lie on the table and to be printed.

RESOLUTION OF CONDOLENCE ON DEATH OF SENATOR WALSH OF MONTANA

The VICE PRESIDENT laid before the Senate a resolution adopted by the General Assembly of the State of Rhode Island, expressing sympathy upon the death of the late Senator Walsh, of Montana, which was ordered to be printed in the RECORD, as follows:

STATE OF RHODE ISLAND,
IN GENERAL ASSEMBLY,
January Session, A.D. 1933.

Resolution of the general assembly expressing genuine sympathy upon the tragic death of Senator Thomas J. Walsh (passed Mar. 8, 1933)

Whereas this general assembly has been deeply shocked to learn of the tragedy of the sudden death of Senator Thomas J. Walsh, named as the next Attorney General in the Cabinet of President Franklin D. Roosevelt; and

Whereas the Hon. Thomas J. Walsh, a fearless and powerful figure among American leaders, has won universal respect for strength of character and indomitable courage in championing the rights of the people: Now, therefore, be it

Resolved, That this general assembly, in admiration for his sterling patriotism and his unselfish devotion to public service, now joins in expressing that genuine sympathy which this abrupt termination of his valuable career calls forth, and directs the secretary of state to transmit to the widow of the late Senator Thomas J. Walsh a duly certified copy of this resolution as a true expression of the feeling of this legislative assembly.

STATE OF RHODE ISLAND,
OFFICE OF THE SECRETARY OF STATE,
Providence, March 9, 1933.

I hereby certify the foregoing to be a true copy of the original (S. 79) resolution of the general assembly expressing genuine sympathy upon the tragic death of Senator Thomas J. Walsh, passed by the general assembly on the 8th day of March A.D. 1933, by a unanimous rising vote.

In testimony whereof I have hereunto set my hand and affixed the seal of the State of Rhode Island this 9th day of March, in the year 1933.

[SEAL] LOUIS W. CAPPELLI,
Secretary of State.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Montana, which was referred to the Committee on Banking and Currency:

UNITED STATES OF AMERICA,
State of Montana, ss:

I, Sam. W. Mitchell, secretary of state of the State of Montana, do hereby certify that the following is a true and correct copy of an act entitled "Senate Joint Memorial No. 14, a memorial to the Congress of the United States, requesting the enactment of legislation reducing the rate of interest required to be paid on loans made by the Reconstruction Finance Corporation in aid of industries," enacted by the twenty-third session of the Legislative Assembly of the State of Montana, and approved by J. E. Erickson, Governor of said State, on the 6th day of March 1933.

In testimony whereof, I have hereunto set my hand and affixed the great seal of said State.

Done at the city of Helena, the capital of said State, this 9th day of March A.D. 1933.

[SEAL] SAM. W. MITCHELL, *Secretary of State.*

Senate Joint Memorial 14

A memorial to the Congress of the United States, requesting the enactment of legislation reducing the rate of interest required to be paid on loans made by the Reconstruction Finance Corporation in aid of industries

To the Honorable Senate and House of Representatives of the United States in Congress assembled:

Your memorialists, the members of the Twenty-third Legislative Assembly of the State of Montana, the House and Senate concurring, respectfully represent:

Whereas for the purpose of aiding and assisting those engaged in various industries, Congress has created the Reconstruction Finance Corporation, and has authorized, empowered, and directed such Corporation to make loans to those engaged in various industries and pursuits; and

Whereas the funds being used by such Reconstruction Finance Corporation are being borrowed by the United States Government at low rates of interest; and

Whereas in making loans to those engaged in many industries and pursuits, the Reconstruction Finance Corporation is charging and requiring to be paid on such loans interest as high as 6½ percent per annum, which rates of interest are as high, and in many instances higher, than those engaged in such industries and pursuits have heretofore been compelled to pay when borrowing from banks and private investors engaged in the business of making similar loans; and

Whereas the sole purpose of the making of such loans by the Reconstruction Finance Corporation is to aid and assist those engaged in such industries and pursuits, and without any intention of making any profit thereon for the United States Government: Now, therefore, be it

Resolved, That it is the prayer of your memorialists, the Twenty-third Legislative Assembly of the State of Montana, that the Congress of the United States should enact such legislation, or take such action, as may be necessary to reduce the rate of interest required to be paid on loans made by the Reconstruction Finance Corporation to those engaged in industries and pursuits to such a rate as will be sufficient to pay the interest which the United States Government is required to pay on the funds borrowed by it for the purpose of making such loans and the bare cost of making and handling such loans, the rate of interest, in any event, not to exceed 4 percent per annum; be it further

Resolved, That a copy of the memorial, duly authenticated, be sent by the secretary of state to the Senate and House of Representatives of the United States, and to each of the Senators and Representatives in Congress from the State of Montana.

F. H. COONEY,
President of the Senate.
D. A. DELLWO,
Speaker of the House.

Approved March 6, 1933.

J. E. ERICKSON, *Governor.*

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Oregon, which was referred to the Committee on Foreign Relations:

House Joint Memorial 5

Whereas Congress is now considering the question of ratifying the suggested treaty between the United States and Canada respecting improvement of the St. Lawrence River, which project when completed would reduce freight rates on all commodities moving from the Northwest by rail to Atlantic ports: Now, therefore, be it

Resolved by the House of Representatives of the State of Oregon (the Senate jointly concurring therein), That we affirm our faith in the merits of the St. Lawrence waterway from the Great Lakes to the Atlantic Ocean, but insist upon the modification of the St. Lawrence treaty now pending before the United States Senate in such a way as to provide for continuation of a sufficient amount of existing diversion of water from Lake Michigan to insure a commercially navigable waterway from the Lakes to the Gulf in conformity with projects heretofore adopted by Congress; and be it further

Resolved, That the secretary of state be, and he hereby is, authorized and directed to forward one copy of this memorial to the President of the United States, and to the Congress of the United States, and to each member of the Oregon delegation in Congress.

Adopted by the house February 17, 1933.

E. W. SNELL,
Speaker of the House.

Concurred in by the senate March 6, 1933.

FRED E. KIDDLE,
President of the Senate.

Endorsed: House Joint Memorial No. 5 (introduced by Mr. Lewis).

W. F. DRAGER, *Chief Clerk.*

Filed March 7, 1933.

HAL E. HOSS, *Secretary of State.*

STATE OF OREGON,
OFFICE OF THE SECRETARY OF STATE.

I, Hal E. Hoss, secretary of state of the State of Oregon and custodian of the seal of said State, do hereby certify that I have carefully compared the annexed copy of House Joint Memorial No. 5 with the original thereof filed in the office of the secretary of state March 7, 1933, and that the same is a full, true, and correct transcript therefrom and of the whole thereof, together with all endorsements thereon.

In testimony whereof I have hereunto set my hand and affixed hereto the seal of the State of Oregon.

Done at the capitol at Salem, Oreg., this 9th day of March A.D. 1933.

[SEAL]

HAL E. HOSS,
Secretary of State.

The VICE PRESIDENT also laid before the Senate a petition of sundry citizens of Albuquerque and vicinity, in the State of New Mexico, praying for the prompt passage of legislation to refinance farm mortgages at 4 percent interest, to inflate the currency, and to reduce freight and tariff rates on agricultural products, which was referred to the Committee on Banking and Currency.

Mr. BRATTON presented the following resolution of the House of Representatives of the Legislature of New Mexico, which was referred to the Committee on the Judiciary:

House Resolution 19 (introduced by Carl F. Whittaker, chairman house committee military affairs and soldiers' legislation)

A resolution requesting a complete and thorough investigation of alleged improper disclosures of confidential information by an officer or officers in the employ of the district office of the United States Veterans' Administration, Alberquerque, N.Mex.

Be it resolved by the Legislature of the State of New Mexico:

Whereas on February 20, 1931, Edgar U. Snyder was drawn for jury service during the March, 1931, term of the district court, Bernalillo County, N.Mex., and served as a juror in several criminal cases, and on March 31, 1931, was selected as a juror by both counsel for plaintiff and defendant in case now recorded as case No. 7030, *The State* v. *C. W. Eskildson*, the defendant being a Federal prohibition officer accused of murder; and

Whereas on April 4, 1931, the jury of which Edgar U. Snyder was a member found the defendant guilty of murder; and

Whereas on April 13, 1931, defense counsel petitioned the court for a new trial, basing his plea to a large extent on and by the submission of two affidavits, dated April 13, 1931, furnished by Dr. B. J. Weigel, a Veterans' Administration physician, and W. F. Cheek, Veterans' Administration attorney, employees in the Albuquerque office, Veterans' Administration, Alburquerque, N.Mex.; and

Whereas it appears that even prior to the date of these affidavits information was furnished to the United States district attorney, Mr. Hugh B. Woodward, and his assistant, that the juror in this case was a World War veteran rated 80 percent mentally disabled; and

Whereas on April 14, 1931, an Albuquerque newspaper, the Albuquerque Journal, carried an article regarding the new motion as set forth in the petition for a new trial, wherein the United States district attorney alleged this veteran and juror to be insane and incompetent; and

Whereas on April 16, 1931, the court overruled the motion for a new trial and refused to admit testimony of a Veterans' Administration physician, ruling that the information was privileged and confidential, and therefore not admissible; the court then proceeded to instruct the press not to publish the juror's name, and sentence was passed upon the defendant. But despite admonition of the court, and due to the sensational disclosures, the name of this veteran and juror soon became public property, the result of which has resulted in widespread knowledge of this veteran's service-connected disability, which, aside from the distasteful publicity, has been detrimental to the veteran's physical and mental well-being; and

Whereas Dr. Carl O. Reed, the then medical officer in charge of this district, upon being questioned by the veteran to ascertain why he (Dr. Carl O. Reed) permitted this information to be taken from his file in direct violation of the provisions of section 30, World War Veterans' Act of June 7, 1924, as amended, and sections 5588 to 5594, regulations and procedure of the Veterans' Administration, Dr. Reed replied in part as follows: That he had refused the request and had ordered that the file be not taken to the district court, nor any disclosures of the veteran's disability be made until the file had been subpenaed by the court and the approval of the Director of the United States Veterans' Bureau be obtained, and Dr. Reed further stated that he was not aware until the morning of April 16, 1931 (2 days after the article's appearing in the Albuquerque Journal), that any affidavits concerning the veteran's condition had been furnished by any employee or officer of the Veterans' Administration, and that, in his opinion, the furnishing of this information was a direct violation of section 30, World War Veterans' Act; and Veterans' Bureau regulations and procedure; and

Whereas this alleged and unlawful procedure has reflected unfavorably upon the person of the veteran, resulting in that he is now unable to secure gainful employment, placing him at a disadvantage and reflecting undue hardships upon himself; and

Whereas it can be conclusively proven that the regional attorney and possibly others gave out confidential information from a veterans' file, without first inquiring as to the reason, proving that he did not make any effort before giving out this information to ascertain whether it could under the circumstances be properly

furnished, and it is the opinion of many World War veterans in this district that the information may have been supplied to embarrass a veteran who was merely serving as a juror in a case pending in a State court, or, further, that the information may have been volunteered by an officer of one department of government to assist or gain favor with an officer of another department of government, and without due regard to the rights of the veteran: Now, therefore, be it

Resolved, That the house of representatives, eleventh State legislature, do now go on record as respectfully requesting and petitioning the Honorable SAM G. BRATTON, the Honorable BRONSON M. CUTTING, and the Honorable DENNIS CHAVEZ, our State representatives in the National Congress, together with the Honorable Frank T. Hines, National Administrator of Veterans' Affairs, and the United States Department of Justice for an immediate and thorough investigation of the cause set forth in this resolution; and be it further

Resolved, That this resolution be spread upon the journal of the house of representatives, and that a proerly engrossed copy thereof be transmitted to the Honorable SAM G. BRATTON, the Honorable BRONSON M. CUTTING, the Honorable DENNIS CHAVEZ, the Honorable Frank T. Hines, and the United States Department of Justice.

ALBAN WHITE,
Speaker of the House of Representatives.

Attest:

GEO. W. ARMIJO,
Chief Clerk of the House of Representatives.

Approved by me this 1st day of March 1933.

ARTHUR SELIGMAN,
Governor of New Mexico.

Mr. BRATTON also presented the following joint memorial of the Legislature of the State of New Mexico, which was referred to the Committee on Finance:

Senate Joint Memorial 11 (presented by Senator Lee Brown Atwood)

A joint memorial memorializing Congress to cause to be levied an import duty on undressed skins of fur-bearing animals

Whereas many of the people of New Mexico and of other States are engaged in the business of selling the undressed skins of fur-bearing animals in domestic markets; and

Whereas this business has suffered to a large extent in recent years from foreign competition: Now, therefore, be it

Resolved by the Legislature of the State of New Mexico, That the eleventh legislature does hereby memorialize the Congress of the United States to cause to be levied an import duty on the importation of undressed skins of fur-bearing animals sufficient to protect the citizens of the United States from foreign competition; and be it further

Resolved, That copies of this memorial be forwarded by the clerk of the senate to the Representative and Senators in Congress from New Mexico.

A. W. HOCKENHULL,
President of the Senate.

Mr. BRATTON also presented the following joint memorial of the Legislature of the State of New Mexico, which was referred to the Committee on Public Lands and Surveys:

Senate Joint Memorial 10 (introduced by Senators P. B. Hendricks, T. E. Julien, C. F. Vogel, and T. E. Mears)

A joint memorial to the Congress of the United States memorializing Congress to immediately enact such legislation as will insure the immediate transfer of all public lands owned by the United States of America to the State in which such lands may be situated, the title in the States to be in fee simple, and which includes the transfer of all minerals lying in, upon, and under such lands

Whereas many millions of acres of land owned by the United States of America lie within the boundary of this and other States of the United States; and

Whereas such lands can be more profitably administered by the various States within whose boundary such lands lie; and

Whereas it is only equitable and just that the United States of America should relinquish to the various States all of its title in such lands: Now, therefore, be it

Resolved, That the Legislature of the State of New Mexico urge upon the Congress of the United States the early enactment of legislation which will transfer the title in fee simple, including minerals, of all lands of the United States of America to the various States in which such land is situated; be it further

Resolved, That a copy of this memorial be forwarded to the United States Senators and to the Congressman from New Mexico.

A. W. HOCKENHULL,
President of the Senate.

REPORT OF THE BANKING AND CURRENCY COMMITTEE

Mr. BULKLEY, from the Committee on Banking and Currency, to which was referred the bill (S. 334) to amend the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933, reported it with amendments and submitted a report (No. 2) thereon.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. METCALF:

A bill (S. 359) for the relief of Anna Ventrone; to the Committee on Claims.

A bill (S. 360) granting a pension to Viola May Snow;

A bill (S. 361) granting an increase of pension to Carrie M. Field; and

A bill (S. 362) granting an increase of pension to Sarah J. Jaegar (with accompanying papers); to the Committee on Pensions.

By Mr. NEELY:

A bill (S. 363) granting a pension to George W. Criss; and

A bill (S. 364) granting a pension to Columbus R. Fulks; to the Committee on Pensions.

By Mr. WALCOTT:

A bill (S. 365) for the relief of Archibald MacDonald; to the Committee on Claims.

A bill (S. 366) for the refund of income and profits taxes erroneously collected; to the Committee on Finance.

A bill (S. 367) for the relief of Hugh Flaherty; to the Committee on Naval Affairs.

A bill (S. 368) granting a pension to Emma J. Hayward;

A bill (S. 369) granting a pension to Ida D. Fletcher;

A bill (S. 370) granting a pension to Cora L. H. Duntz;

A bill (S. 371) granting a pension to Elmira D. Briggs; and

A bill (S. 372) granting a pension to Julia Schultz; to the Committee on Pensions.

By Mr. BULKLEY:

A bill (S. 373) for the relief of Charles W. Dworack;

A bill (S. 374) for the relief of Primo Tiburzio;

A bill (S. 375) to reimburse the estate of Mary Agnes Roden;

A bill (S. 376) for the relief of Beatrice I. Manges;

A bill (S. 377) for the relief of the Fred G. Clark Co.;

A bill (S. 378) for the relief of the Upson-Walton Co.; and

A bill (S. 379) for the relief of Frederick G. Barker; to the Committee on Claims.

A bill (S. 380) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature; to the Committee on Foreign Relations.

A bill (S. 381) to correct the military record of Samson Davis; to the Committee on Military Affairs.

A bill (S. 382) for the relief of Junius A. Bandy; and

A bill (S. 383) to correct the military record of Frank A. Post; to the Committee on Naval Affairs.

A bill (S. 384) granting a pension to Edward Brennenstuhl;

A bill (S. 385) granting a pension to Mary Ida Cox;

A bill (S. 386) granting a pension to Richard R. Denton;

A bill (S. 387) granting a pension to Fannie S. Greene;

A bill (S. 388) granting a pension to Florella Roe;

A bill (S. 389) granting a pension to Chester Shartzer;

A bill (S. 390) granting a pension to Mary C. Smith;

A bill (S. 391) granting a pension to Hazel A. Snyder and minor children;

A bill (S. 392) granting an increase of pension to Mary C. Brant;

A bill (S. 393) granting an increase of pension to Letha C. Durflinger;

A bill (S. 394) granting an increase of pension to Polly Fuller;

A bill (S. 395) granting an increase of pension to Rachel Heizeman;

A bill (S. 396) granting an increase of pension to Alice V. Keeler;

A bill (S. 397) granting an increase of pension to Margaret Jane Loar;

A bill (S. 398) granting an increase of pension to Lucy Montgomery;

A bill (S. 399) granting an increase of pension to Georgette M. Perkins;

A bill (S. 400) granting an increase of pension to Anna Robinson;

A bill (S. 401) granting an increase of pension to Amelia Shultz; and

A bill (S. 402) granting an increase of pension to Melise Wise; to the Committee on Pensions.

By Mr. FLETCHER:

A bill (S. 403) to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended and supplemented, with respect to municipalities and other political subdivisions; to the Committee on the Judiciary.

By Mr. WALSH:

A bill (S. 404) for the relief of William H. Ames;

A bill (S. 405) for the relief of Capt. Asa G. Ayer;

A bill (S. 406) for the relief of Warren J. Clear;

A bill (S. 407) for the relief of Willie B. Cleverly;

A bill (S. 408) for the relief of John J. Corcoran;

A bill (S. 409) for the relief of Edmund Glover Evans;

A bill (S. 410) for the relief of T. Perry Higgins;

A bill (S. 411) for the relief of the International Manufacturers' Sale Co. of America, Inc.;

A bill (S. 412) for the relief of Edwin C. Jenney, receiver of the First National Bank of Newton, Mass.;

A bill (S. 413) for the relief of Edith N. Lindquist;

A bill (S. 414) for the relief of Dean Scott;

A bill (S. 415) for the relief of Tom Small; and

A bill (S. 416) for the relief of Julia E. Smith; to the Committee on Claims.

A bill (S. 417) for the relief of Marino Ambrogi;

A bill (S. 418) for the relief of William H. Connors;

A bill (S. 419) for the relief of William H. Fleming;

A bill (S. 420) for the relief of Arthur B. Giroux;

A bill (S. 421) for the relief of Joseph Gorman;

A bill (S. 422) for the relief of Albert A. Marquardt;

A bill (S. 423) for the relief of Michael J. Moran;

A bill (S. 424) for the relief of Hector H. Perry;

A bill (S. 425) for the relief of William Thibeault; and

A bill (S. 426) for the relief of Robert H. Wilder; to the Committee on Military Affairs.

A bill (S. 427) for the relief of Edgar Joseph Casey;

A bill (S. 428) to place William H. Clinton on the retired list of the Navy;

A bill (S. 429) for the relief of Dominick Edward Maggio;

A bill (S. 430) for the relief of Leo James McCoy;

A bill (S. 431) for the relief of John Thomas Simpkin;

A bill (S. 432) for the relief of Albert Lawrence Sliney; and

A bill (S. 433) directing the retirement of acting assistant surgeons of the United States Navy at the age of 64 years; to the Committee on Naval Affairs.

A bill (S. 434) for the relief of Edmund L. Moore; to the Committee on Patents.

A bill (S. 435) for the relief of George E. Kenson;

A bill (S. 436) granting a pension to Elizabeth Rose Clark;

A bill (S. 437) granting a pension to Mary C. Daly;

A bill (S. 438) granting a pension to Beatrice E. Duke;

A bill (S. 439) granting a pension to Susie Fiedler;

A bill (S. 440) granting a pension to Emma J. Moore;

A bill (S. 441) granting a pension to Mary Roode;

A bill (S. 442) granting a pension to Mary J. Winslow;

A bill (S. 443) granting an increase of pension to Mary A. Ainslie (with accompanying papers);

A bill (S. 444) granting an increase of pension to Emma F. Burrell;

A bill (S. 445) granting an increase of pension to Cynthia J. A. Grant;

A bill (S. 446) granting an increase of pension to Herbert W. Leach;

A bill (S. 447) granting an increase of pension to Rose Toward; and

A bill (S. 448) granting an increase of pension to Lucy J. Whipple; to the Committee on Pensions.

By Mr. HATFIELD:

A bill (S. 449) to amend the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933, with respect to preferred stock issued by banks; to the Committee on Banking and Currency.

By Mr. CAPPER:

A bill (S. 450) to empower the health officer of the District of Columbia to authorize the opening of graves, and the disinterment and reinterment of dead bodies, in cases where death has been caused by certain contagious diseases; to the Committee on the District of Columbia.

By Mr. WALCOTT:

A joint resolution (S.J.Res. 19) to authorize the issuance of a special series of stamps commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen of Brig. Gen. Thaddeus Kosciusko; to the Committee on Post Offices and Post Roads.

By Mr. WALSH:

A joint resolution (S.J.Res. 20) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on Post Offices and Post Roads.

FUNERAL EXPENSES OF THE LATE SENATOR HOWELL

Mr. McNARY. Mr. President, in the necessary absence of the Senator from Nebraska [Mr. NORRIS] I submit a resolution for appropriate reference.

The resolution (S.Res. 26) was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of Hon. Robert B. Howell, late a Senator from the State of Nebraska, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

HEARINGS BEFORE THE COMMITTEE ON IRRIGATION AND RECLAMATION

Mr. BRATTON submitted the following resolution (S.Res. 27), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Irrigation and Reclamation, or any subcommittee thereof, is authorized during the Seventy-third Congress to send for persons, book, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per 100 words to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee or any subcommittee thereof may sit during any session or recess of the Senate.

REDUCTION OF EXPENDITURES—AMENDMENT

Mr. WALSH. I submit an amendment intended to be proposed by me to the bill (H.R. 2820) to maintain the credit of the United States Government and ask that it may lie on the table and be printed. I also present a brief statement explanatory of the amendment, which I ask to have printed in the RECORD.

There being no objection, the amendment was ordered to lie on the table and to be printed, as follows:

On page 6, line 16, before the comma following the word "Corps", to insert "during the World War".

On page 6, line 25, to strike out all after the word "duty" through "1918," in line 1 of page 7, and insert in lieu thereof the following: "during such service: *Provided*, That such person entered active service between April 6, 1917, and November 11, 1918."

The statement submitted by Mr. WALSH was ordered to be printed in the RECORD, and it is as follows:

STATEMENT

The bill before the Senate, House bill 2820, provides that all emergency officers of the World War who are receiving the benefits of the Emergency Officers' Retirement Act because of injuries or disease directly traceable to service shall continue to receive existing benefit. There is no discretion given the President to change or alter their benefits. The act itself reduces these benefits 10 percent.

The act limits the benefits of these officers to injuries or disease incurred in line of duty between April 6, 1917, and November 11, 1918. Under this act officers who were injured directly while in line of duty after November 11, 1918—for example, an aviator

who fell from his plane on November 12 or an officer who was seriously injured in cleaning up an ammunition dump—would be absolutely deprived from receiving emergency officers' retired pay.

My amendment would give the same rights to officers directly injured or diseased in line of duty before being discharged on or before July 2, 1921, whichever is the latest date, provided, of course, that they enlisted before November 11, 1918.

This amendment seeks to correct an injustice that even the President under these extensive powers cannot correct.

MESSAGE FROM THE HOUSE—AMENDMENT TO THE VOLSTEAD ACT

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, in which it requested the concurrence of the Senate.

The bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, was read twice by its title.

Mr. HARRISON. Mr. President, I ask that the bill be referred to the Committee on Finance.

The PRESIDENT pro tempore. The Senator from Mississippi requests that House bill 3341 be referred to the Committee on Finance. Is there objection? The Chair hears none, and it is so ordered.

THE NATIONAL CITY BANK

Mr. DILL. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Nation of March 8, 1933, entitled "The National City Bank Scandal."

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

THE NATIONAL CITY BANK SCANDAL

For many years these columns have recorded the wrongdoings of corporation managers, captains of industry, and bank officials, but never a more outrageous abuse of positions of trust or more flagrant misconduct of men in high fiduciary positions than have been laid bare by the testimony of officials of the National City Bank of New York before the Senate Banking Committee. These are strong words; they cannot be too strong. For brazen disregard of the rights of the lawful owners of the bank, of the depositors, and of the public generally, nothing exceeds the confession of Messrs. Mitchell, Rentschler, and Baker. More than that, they have displayed an indecent callousness in the treatment of the lesser employees of their own institution which, with their other performances, marks them as men set apart from their fellows as betrayers of their trust not merely as bankers but as human beings.

We refer, of course, to the loan in 1929 to themselves by the officers of this bank, the second largest in the world, of the sum of $2,400,000 to enable them to carry their commitments for the purchase of stock of the bank when the stock-market crash had jeopardized their personal finances. This loan was made without interest to some 100 of the leading officers of the bank and the affiliated National City Co., and only in a few cases did these officials offer adequate collateral. Only 5 percent of it has been repaid.

The utterly reprehensible character of this transaction is thrown into clearer light when one adds the deadly fact that these same officers then proceeded to sell out hundreds of the customers of the bank when the collateral advanced to cover their commitments in the stock became inadequate. Moreover, the clerks of the bank, who had been urged, and in some cases really driven, to purchasing the bank stock at 200 or 220, lest they lose the favor of their superior officers, were given and have been given no aid whatsoever by the bank in carrying the shares they bought on the installment plan. On these, thousands of them are paying today, with the result that their very existence and those of their families are being jeopardized by these continuing payments for a stock now worth less than $30 a share—payments which they dare not suspend lest they lose all their savings. No moratorium for them! No loans to help them carry on! Indeed, it was admitted that their only way of getting out of these payments was to give up their jobs. They are just clerks, and the National City Bank has plainly existed not for them or their interest or for anybody else except the insiders.

The head and front of this offending is Charles E. Mitchell, whose resignation, promptly offered, was promptly accepted by the directors. It now appears that the privilege of having him act as chairman of the bank and of the affiliated National City Co. cost the bank in bonuses about $3,500,000 for the years 1927, 1928, and 1929, in addition to his annual salary of $25,000. In other words, he drew a salary of nearly $1,200,000 a year—the President of the United States receives $75,000 a year for conducting the affairs of the great American Nation.

As we have said before in the case of President Grace, of the Bethlehem Steel Co., no man on earth is worth any such salary and to no man should it be paid. But more interesting things came out about Mr. Mitchell. In 1929 he sold to a member of his family 18,000 shares of his National City Bank stock at a loss of nearly $2,800,000, which enabled him to avoid paying any income tax whatsoever in the next year. It is this transaction which led Senator WHEELER to remark on the floor of the Senate that if it was right to send Al Capone to Atlanta jail for an income-tax fraud, "some of these crooked bank presidents" should have the same dose administered to them. But Mr. Mitchell's sale of this stock is probably not illegal in a criminal sense. The income-tax authorities have the power, however, to reopen this tax return and to invalidate the sale. It was not a genuine one in open market, since an arrangement existed to buy back the stock at the same price after the requisite period. "That sale was just a sale of convenience to reduce your income tax?" asked Senator Brookhart. "Yes," replied Mr. Mitchell. "It was a sale frankly for that purpose. * * *"

But this does not end the tale of shamelessness. It was brought out that the City Bank, finding itself in 1927 with about $31,000,000 of worthless Cuban sugar paper on its hands, proceeded to get rid of it in this way: It increased its stock by an issue of $25,000,000, which it sold for $50,000,000. Of the latter sum $25,000,000 went to the National City Co., which then purchased the stock of a newly formed General Sugar Corporation, and this dummy corporation bought the bad paper for the same amount from the National City Bank—only to lose most of the millions involved in that paper. This was high finance, indeed, with the purchasers of the bank stock holding the bag.

The value of the stock of every stockholder was lowered by that transaction without their knowledge. Finally there is one more revealing transaction to record. During the 1929 boom market the National City Co. sold its City Bank stock short. To quote Mr. Pecora, the counsel for the Senate Banking Committee: "In other words, the company sold shares of bank stock it didn't own or have on hand." More than that, in order to deliver the stock it had sold when there was none in its possession, it borrowed no less than 15,000 shares from our dear old friend, Charles Mitchell, chairman of the bank and company. In other words, it was gambling in its own stock with the aid of its head. Was there ever a worse record of conscienceless manipulation of a great banking institution? The resignations of Messrs. Mitchell and Baker should be followed by those of Mr. Rentschler and all the other officials and directors who had guilty knowledge of or profited by these transactions.

It goes without saying that the Congress of the United States will fail in its duty if, first, it does not find out what the national bank examiners were doing during these years in permitting these things to come to pass; and, secondly, if it does not immediately pass remedial legislation to make impossible the repetition of such scandals, the mere revelation of which has gravely affected an already serious banking situation. How can people have confidence in any bank when such things are disclosed? And why, indeed, should they?

We have no doubt that Messrs. Mitchell, Rentschler, and Baker are members of all the hereditary patriotic societies and are anti-socialist and anticommunist. All the 87,000 communist voters who cast their ballots for Mr. Foster at the last election could not in years possibly do as much injury to our institutions and to the capitalist society to which these banking gentlemen are so devoted as they have done by their misconduct as revealed under oath on the witness stand.

THE CITY BANK AND THE PRESS

What has been the attitude of our great and variegated metropolitan newspapers toward the National City Bank exposure? Recall the snappy way these defenders of the common weal day by day excoriated in their editorial columns the tin-box artists of Tammany Hall as their malfeasance was bared by Mr. Seabury.

On Tuesday, February 21, before the Senate Banking Committee, Mr. Pecora brought out that Charles E. Mitchell had paid no income tax in 1929 by making a "sale" to a relative and recording a $2,800,000 loss and, with his fellow officers, had floated $50,000,000 worth of additional National City capital stock to take care of worthless Cuban sugar liabilities.

Not a line of editorial comment appeared on Wednesday, February 22, in any New York morning or evening paper.

On Wednesday, February 22, Mr. Pecora brought out that the National City officers had lent themselves $2,400,000 to protect their margin gambling, appropriating this money without security, charging themselves no interest, and subsequently writing most of these loans down or off, at the same time that they sold out their customers and compelled their clerks to continue payments on stock which these lesser fry had bought.

The New York morning and evening newspapers of Thursday, February 23, were as silent as a bank vault on a holiday.

On Thursday, February 23, came the revelation that National City officials had sold their own bank stock short.

And short of editorial comment on Mr. Mitchell, Mr. Rentschler, Mr. Baker, and the National City Bank were the Friday New York morning and evening papers.

On Saturday morning, February 25, appeared the first editorial mention of this ageing scandal in—of all papers—the tabloid News. Its editorial conclusion, however, was chiefly that "we" were all largely to blame: "We were all trying to get rich without work; we were gambling to get rich by buying stocks on 10 percent margin"; and the News urged banking reform because "we may all go cuckoo again."

Emboldened by the morning tabloid's audacious stand, Cyrus H. K. Curtis' New York Evening Post on Saturday afternoon leaped into the fray editorially. Bravely it denounced—the Senate! "The Senate, at this session, has done nothing to restore public confi-

dence * * * and has chosen the worst of all possible times to throw further doubt upon banks through the explorations of its Banking and Currency Committee." The Post felt, however, that the Senate's "revelations * * * cannot be ignored," and that, alas, "they break the faith of the people in their financial leaders," and that the revelations "will lead, inevitably, to one more attempt to legislate a new honesty into the banking business." It then declares: "Legislation cannot do this"; but paradoxically prophesies that "the Glass bill will be the result." With the News, the Post feels sure that "like many of the rest of us, some of our bankers were mad enough to do then what they wouldn't dream of doing now."

Sunday's and Monday's New York Times and Herald Tribune continued mute. That brave champion of the underdog, William Randolph Hearst, while printing on his American editorial page a series of five articles on banking reform in general, appeared stricken with aphasia as far as the National City and its officials were concerned.

But surely the fearless and progressive Scripps-Howard World-Telegram had something to say! When, indeed, was that gallant palladium of our purses silent on corruption? On Wednesday, February 22, it had an editorial on Tammany Boldness. On Thursday it attacked Furniture Grafting in the city administration. On Friday it denounced Fixers in the Municipal Court. On Saturday it roundly spanked S. Howard Cohen of the board of elections. On Monday, February 27, it came out editorially against Multiple Job Holding. The reader's eye, on this day also, would gravitate to an editorial headed Bar the Speculators. But they were not the speculators of 55 Wall Street; they were only those of the Wallabout Market, Brooklyn. There was also an editorial on Bank Action. But that was merely a comment on the signing of the Couzens' national banking law.

To sum up, in 5 days the New York Times, the Herald Tribune, the American, the Evening Journal, the Sun, and the World-Telegram—all those great molders of public opinion—have had no opinion on the largest bank scandal under their noses since the failure of the Bank of United States. It all recalls that ancient music-hall quip: "If you steal $25, you're a thief. If you steal $250,000, you're an embezzler. If you steal $2,500,000, you're a financier."

REDUCTION OF EXPENDITURES

The Senate resumed the consideration of the bill (H.R. 2820) to maintain the credit of the United States Government.

Mr. BLACK. Mr. President, I desire to ask if the bill is now open to amendment?

The VICE PRESIDENT. Committee amendments are first to be considered.

Mr. BLACK. I did not understand that any committee amendments were offered. I should like to send to the desk an amendment.

The VICE PRESIDENT. The Senator from Mississippi [Mr. HARRISON], however, can give the information. The Chair was advised yesterday, or at least heard the statement made, that there are a number of committee amendments.

Mr. BLACK. I simply desire to send an amendment to the desk and have it considered as the pending amendment until the Senator from Mississippi is ready to offer his committee amendments.

Mr. HARRISON. I ask unanimous consent that committee amendments may be considered first.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. DALE. Mr. President, the Senators from Vermont have had a great many telegrams from all sections of the State respecting the bill under consideration, in which opinions have been expressed both for and against the bill. We do not ask to cumber the RECORD with the telegrams, but we do request that there may be read from the desk a telegram received this morning from the clerk of the House of Representatives of the Legislature of Vermont, which is now in session.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

MONTPELIER, VT., *March 13, 1933.*

Hon. PORTER H. DALE,
United States Senator, Senate Office Building, Washington, D.C.:

Resolved by the house of representatives:

Whereas on March 10, 1933, the President of the United States addressed a message to the Congress and fully and frankly stated therein the vital necessity of drastic governmental economy in order that the credit of the Federal Government be unimpaired; and

Whereas a bill entitled "A bill to maintain the credit of the United States Government" has been introduced into the Congress, has passed the House of Representatives, and is now pending in the United States Senate; and

Whereas the members of the House of Representatives of the State of Vermont believe that it is the duty of every patriotic citizen in this time of national crisis to support the President of the United States in his earnest and timely efforts to preserve the national credit and to compel a substantial reduction in unwarranted and unnecessary governmental expenditures: Therefore be it

Resolved, That the House of Representatives of the State of Vermont hereby request the United States Senators from Vermont, Hon. PORTER H. DALE and Hon. WARREN R. AUSTIN, as the agents and servants not only of the people of Vermont but also of the people of the United States, to do all in their power to support the President in his efforts to balance the Budget and to maintain the credit of the Nation; be it further

Resolved, That the clerk of the house of representatives be instructed to telegraph a copy of this resolution to Hon. PORTER H. DALE and Hon. WARREN R. AUSTIN and to forward a copy of this resolution to the President of the United States.

HOWARD E. ARMSTRONG,
Clerk of the House of Representatives.

Mr. FESS. Mr. President, the telegram from the Legislature of the State of Vermont which has just been read expresses, to some extent at least, my convictions and refers to a situation in the existence of which lies the explanation for the vote I shall cast on the pending bill. I want my position not to be misunderstood, and I desire to make it plain that in giving my support to this emergency proposal I do so with much reluctance. That reluctance is not because of the origination of the measure by any particular political party or by the particular head of a certain party. My reluctance would be just as great had the proposal been initiated by a party of a different political complexion from the one that is now in control of our Government. A vote in favor of the measure, which appears to me to be necessary, carries with it considerable possibilities, for if the policy now suggested should become a rule of procedure in the Senate and in the House of Representatives its seriousness would not be within our power to express.

I know how dangerous it is to make any innovation in our long-continued policy with respect to the fundamental principles of our governmental institutions, and I shall very hesitantly vote for a deviation from our well-established practice.

The greatest book that has yet been written by a foreigner on the American Government was the famous classic, the American Commonwealth, by James Bryce, former British Ambassador to the United States. In the first volume of that work he points out the fact that it had been held all along by historians, including such men as Macaulay and others of high rank, that practically every virtue embedded in the American system of government was borrowed from the British House of Commons.

It is to the statement that in the main, speaking from a parliamentary standpoint, what we have worked into our institutions was largely borrowed from the British House of Commons that Mr. Bryce takes exception. He points out that there is one distinctive feature of the American system that sharply differentiates it from any other government in history, and that is the maintenance of three separate, independent departments of government, interdependent in their organization but wholly independent in the exercise of their functions. Under our system the legislative department never takes dictation from the Supreme Court nor from the President; the President never is under the domination of either; and the Supreme Court, in all its history, has been wholly independent in the exercise of its freedom of function from both the other departments of our Government. That is as it should be from my point of view. Mr. Bryce states that that interdependence and at the same time the independence in the functions of the three coordinate departments of the Government constitute the one outstanding, distinctive feature that marks the American system as being different from any other system of government recorded in history. Mr. Bryce goes on to state that where all power—legislative, executive, and judicial—is in one man, there is a despotism, and where all power is in the legislature, as is largely true in Great Britain, there is more of democracy, a government of the people, than we have in our own country.

So, Mr. President, when I vote to give certain legislative authority to the President I realize that I am voting for a very pronounced innovation in our system.

Mr. REED. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. REED. It occurs to me that it is not a much greater innovation than that which we inaugurated in creating the Interstate Commerce Commission. When the Interstate Commerce Commission fixes a rate, subject to the very general rule of reasonableness which we have laid down, it is exercising a delegated legislative power, and what is now proposed is somewhat analogous to that.

Mr. FESS. Mr. President, in that case we simply delegated to an independent agency, which is not coordinate with the legislative, executive, and judicial departments of governments and which is not in the organic make-up of our Government, authority to perform certain functions that otherwise would be exercised by the Congress, such as rate-making, regulation of the issuance of securities by transportation companies, and so on. I think that a small body, such as the Interstate Commerce Commission, is much better adapted to do that kind of work than is the Congress of the United States, and that illustration of itself, according to my way of thinking, does not relieve my fear of going as far as we are going by the pending bill.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Idaho?

Mr. FESS. I yield.

Mr. BORAH. May I call the attention of the Senator to the fact that the rate-making power was not originally a legislative power at all? It was a judicial power.

Mr. FESS. The rate-making power grew out of private rights involving contracts made by the owners of the transportation systems with the public that used the transportation facilities, and, of course, it includes the power of making rates and of interpreting regulations and enforcing the same. That, however, does not impinge upon the question I am now discussing.

Mr. President, I have reluctantly come to the conclusion that, while we want zealously to hold and maintain the three coordinate departments of our Government, and must do it at all hazards except when an emergency arises that would seem to justify a change I should vote for the pending measure, but I do not want anyone to take my vote on the measure as indicating a loss of appreciation on my part of the value of the institutions under which we now live. I want to maintain the three departments of government absolutely independent, if it is possible so to do.

Soon after President Harding was inaugurated, a time when we had just come out of the Great War, the Government was operating on a scale of very great expenditures and much extravagance such as always grow out of war. We felt—and that feeling was shared on both sides of the political aisle—that we must inaugurate a campaign of retrenchment. So a program was announced—a 4-point program. The first feature of that program was to establish a budget system. Legislation providing for such a system was opposed in some quarters, upon the same ground that there is opposition to the pending legislation, namely, that it proposed to give too much authority to the Executive and to take away certain rights that belonged to the legislative department. The Budget System, however, was established and is now in operation.

The second feature of that program was that in all appropriations there should be a retrenchment, a "cutting to the bone." That portion of the program was followed.

Still another feature of that program was that no new legislation should be launched that would involve any great appropriation unless such legislation were emergent in character. That part of the program was carried out.

The fourth feature contemplated a reorganization of the executive departments in the interest of both economy and efficiency.

Mr. President, every Senator is quite familiar with our experience in connection with the effort to bring about the adoption of the fourth feature of that program. The first three went through without much difficulty; and as to the fourth a commission was appointed, representing the Senate and the House of Representatives and the Executive. For three years that commission labored and finally submitted a report, its recommendations being embodied in the form of a bill introduced in this body by the then Senator from Utah, Mr. Smoot. That bill never was even considered by a committee and, of course, was never brought before the body for a final vote. The reason why it was not was the intense opposition that developed to all the recommendations that had been made by the commission. That opposition came, I would not say, from the Executive, but from the executive departments, for the Executive himself was very strongly in favor of it. The executive departments, however, had sufficient influence to prevent consideration of the proposal. There was one officer then connected with the executive organization, namely, the Secretary of Commerce, who gave cordial support to that proposal, but he was the only member of the Cabinet who did give it any substantial support; and when that Secretary of Commerce became the President of the United States and the proposal again was made that we retrench in behalf of the needs of the Budget, there was a movement inaugurated both in the Senate and in the House of Representatives looking to the delegation to the President, who was of all men in public life the best fitted and most sympathetic with the idea of a reorganization of the departments, of the authority to effectuate such reorganization and ensuing economies. I am not going to enter upon any unnecessary criticism of the conduct of Democratic Members of this body or of the other House.

The truth about the matter is that the proposal, which had been introduced in the form of a bill, was supported by some on the other side of the aisle, but every Member of the Senate is quite aware that we could not get any general sympathetic consideration for such a proposal.

Mr. President, for 20 years I have watched the efforts to reduce the expenditures of the Federal Government, and I recognize the impossibility of bringing about any substantial reduction by the action of this and the other body. That is too obvious even to make comment necessary. The Congress cannot abolish a useless Army post or a naval station. If anywhere within the limits of the United States there is any kind of a governmental establishment or agency which has ceased to be of use, and an effort is made to abolish it on the floor of the Senate, that effort will not succeed. There is no use for me to elaborate on that theme; it is a truism, and everybody must concede it. If we are going to have any economies, I can see no way of assuring those economies except in the method we urged during the four years of the last administration, which I have urged over and over from my place in the Senate, and which is now being proposed by this administration. I admit, Mr. President, that this proposal goes further than I wanted to go.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Indiana?

Mr. FESS. I yield.

Mr. ROBINSON of Indiana. If matters are so bad as the Senator suggests, and the Congress is so thoroughly incapable and lacks capacity to such a degree as he suggests, then why not abolish Congress?

Mr. FESS. Mr. President, I confess with considerable humiliation that, however bad matters are in the way of cutting expenses, we are not going to cut them materially when we bring them up to be discussed here in the Senate; and I need no stronger evidence of that than the argument of the Senator from Indiana on yesterday. It matters not how obviously right a thing is, or how imperative the necessity for it is; far from having unanimity in this body, we will not even get a majority to do what is the obviously right thing to do.

I know that it is an easy thing and a very popular thing to say, "Why not abolish Congress?" Unfortunately, there

are thousands of people who think it would be a good thing to abolish Congress. I do not think it would be a wise thing. That is not because I am a Member of it; but I do not believe it would be a good thing. At the same time, I must admit and make the humiliating confession that if we depend upon the vote of this body to retrench, we are not going to retrench; and nobody knows that better than the Members who sit here within the sound of my voice at the present time.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Michigan?

Mr. FESS. I do.

Mr. VANDENBERG. If a majority of the Senate can bind itself by caucus to support the pending bill, may I ask the Senator why it cannot equally succeed in binding itself by caucus to support the direct application of legislative remedies?

Mr. FESS. Mr. President, my friend from Michigan would have the answer immediately if he would attempt to call a Republican caucus and bind the Members on this side of the Chamber on that question. As to what our friends on the other side are able to do, I have no right to speak; but let me say to my friend from Michigan, since he has brought the subject to our attention, that ever since I have been in either House of Congress I have realized that there is no possibility of effective party government unless we do have some method by which the majority can be committed to some sort of a program. The one outstanding, definite, promising result of the last election was that the Democratic majority is so large that the Democrats have no alibi; they do not need to depend upon anyone from this side of the Chamber in order to put through their measures. That is the precise situation that ought always to obtain in a legislative body where responsible party government is supposed to be in operation; for as long as the majority has the responsibility before the public, and yet is denied the power to register that responsibility in final decision, that responsibility is nullified and party government and responsibility are impossible.

I congratulate not only the Democratic Party but the country that the Democratic Party today has sufficient majority that it need not make any coalition with anybody in order to put over its program. The people can thus fix responsibility. If the members of that party see fit to go into caucus and make effective that majority, that is their business. After all, it is the sound way to proceed in responsible party government, and it puts them in this position: The party in power can say what ought to be done. The party out of power is in position to say, "We will hold you responsible for what is done." If we reach a place where we can affirm on one hand and deny on the other, and put the issue squarely to the people, then the people have an opportunity to make party responsibility a real entity; and that is what I think the American people want today, and I am convinced that it is the only effective way that popular government can exist, by making its will known and controlling.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Michigan?

Mr. FESS. I yield.

Mr. VANDENBERG. I should like to submit to the Senator this further inquiry:

The Senator has now defined the process by which the majority of the Senate will proceed on this bill. He is indicating for himself, as I understand, that he proposes to march with that majority, reluctantly, because he knows of no other way in which to meet the pending emergency. The question I desire to submit to the Senator is, Why the emergency will not be met on legislative responsibility, in response to our own oaths, if we vote for title II, which raises no question of a doubtful nature, and then accept the substitute submitted by the Senator from Iowa [Mr. DICKINSON]? Why does the Senator close his eyes to the possibility of meeting the emergency in that fashion, by direct vote of Senators acting upon their own responsibility?

Mr. FESS. Mr. President, I will ask the Senator from Michigan to read his own speeches, delivered in this body right from this seat here, all during the last session, when he indicted the other side of the Chamber because they would not do what we asked to have done, which they now propose to do. I was in favor of giving this authority to President Hoover. I am now in favor of giving it to President Roosevelt for the same reason that I was in favor of giving it to President Hoover, and I leave our Democratic friends to deal with the consistency of voting against giving it to President Hoover and now voting to give it to President Roosevelt. I believed it was the only thing that could be done, as the Senator from Michigan openly and many times stated from this floor. I still believe in it; and my vote now will be in accordance with my vote at the last session, when, with the Senator from Michigan, I was trying to get the Congress to give this authority to the President.

Mr. VANDENBERG. Mr. President, will the Senator yield further?

Mr. FESS. I yield.

Mr. VANDENBERG. Never in all of the exhortations that I ever addressed to this subject did I propose to give a President of the United States the type of authority which is involved in this grant. I believed then—and I believe now—in a maximum exercise of unfettered administrative authority over administrative departments. I repeat today that I will untie the hands of President Roosevelt to the utmost limit in respect to his administrative departments; but I respectfully submit to the Senator that when he now proposes to tear up 12 years of statutes by Executive fiat it is a totally different proposition.

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Kentucky?

Mr. FESS. In just a moment.

There is something in what the Senator from Michigan has stated about giving to the President authority which I understand him to infer to be legislative. I share his fear in that regard. In fact, during the last session we never went to the extent of saying to the President that he might modify or repeal or amend laws. It is a question just how far this authority goes in that direction. I have been not a little disturbed about what General Hines stated when he said:

> Within those limits—

Meaning the limits of $6 and $275 per month—

> Within those limits the bill gives the President authority to grant benefits and to amend existing Veterans' Bureau laws.

That feature goes further than we ever proposed to go in the last session.

Mr. VANDENBERG. And further than we can go under the Constitution.

Mr. BORAH. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Idaho?

Mr. FESS. I do.

Mr. BORAH. While the Senator is speaking of party responsibility, party solidarity, and so forth, he ought to bear in mind that this bill would not be here if it were not for Republican votes.

Mr. FESS. I have not taken a poll.

Mr. BORAH. I am not speaking of the Senate. The Senator knows that the bill would not have passed the House without Republican votes.

Mr. FESS. I think that is true.

Mr. President, I do not want to be diverted from the current that I was trying to pursue. I think it is necessary for us to give the President authority to do what we have shown we cannot do in this body. As I have stated, that is a humiliating confession. I am reluctant to take this course also because I know how power feeds upon itself; and when we once take down the bars, there is always very great danger that when they are put up again the bars

would be likely to be put up temporarily, and would be taken down the second time much more easily than the first.

All of us have watched that procedure here on the floor of the Senate in legislation. When we do what seems to be an innovation, and are forced to do it because of an emergency, the danger is that while the emergency will pass, the law will remain, and what was temporary will become permanent.

Mr. President, by giving the President authority of this kind we may be opening the way for people to say, "Since we are giving the President authority in this particular respect, we ought to give it in every respect." I have noticed in the recent recommendation on the part of certain representatives of agriculture that there is a proposal to give to a Cabinet member carte blanche authority to fix prices, to indicate what current price levels should take. If we are opening the way to pursue such fatuous courses as these, I should feel very much constrained to say, "I shall have to vote against everything of this sort"; and yet I cannot believe that an emergency, in which level-headed men in this body agree that a certain course of conduct must be pursued, opens the way for every hare-brained authority to push his views as to how we are to cure this economic evil and that economic evil. I know the invitation of it; but certainly we cannot be held responsible and be deterred from a proper course by such demands.

Mr. DICKINSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Iowa?

Mr. FESS. I yield to the Senator.

Mr. DICKINSON. When it is proposed to grant dictatorial powers in the reorganization of Government bureaus, to grant dictatorial powers in regard to the banking interests of this country, to grant dictatorial powers to fix the pensions that are to be paid all World War veterans and other veterans, to grant the President power to adjust the compensation of Federal employees within the limit of 15 percent, and when it is suggested that such powers should be granted on waste lands, and payment of rents, and processing of farm products, and marketing of farm products, does not the Senator think we are traveling a road that comes to the very end that the Senator has suggested?

Mr. FESS. Mr. President, I fear that there will be any number of people who will seize upon what we do here today as a reason for doing many other things which the Senator from Iowa and I would not think of doing. There will be plenty of such suggestions. The thing I fear is that in a state of public mind existing during a period when evidences of the emergency are all about us, there might be a yielding on things which are fundamental. For example, this is what I have in mind: It is very popular just now all through the country to demand that the President be given what we used to call the "big stock", and any symptom of the exercise of Executive authority over either body of Congress is popular. There is no body which has so few friends in the country as the Congress, as there is no one that has so many friends as the executive branch of the Government. It is the open season for attacking Congress. People do not attack the President, as a rule, because he is an individual, a personality; but when an attack is made on Congress it is impersonal, it does not hit any particular person. The people strike, but the attack is at the collective body—it does not hit any particular individual.

I recognize that in a state of public mind where it is popular in the country for attacks to be made on Congress, for them to be asked to abdicate and delegate authority to the President—it makes it dangerously easy to do that.

Mr. DICKINSON. Mr. President, may I suggest that we did meet the crisis following the Civil War, we did meet the panic of 1873, we did meet the panic of 1887, we did meet the panic of 1893, we did meet the panic of 1897, and I do not believe anyone suggested, during any of that time, that we abdicate our legislative rights to executive dictatorship.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. FESS. In a moment. I do not know of any case where there was any responsible suggestion that we should abdicate. I yield to the Senator from Alabama.

Mr. BLACK. The Senator does not think, does he, that the fixing of salaries is peculiarly a legislative function, according to our system of government?

Mr. FESS. Yes; I think that when salaries are fixed by legislative act and we authorize the Executive to amend the act, it is a matter we ought to attend to, if we could do it here, and the only reason why I am voting to give the power to the President is that we will not do it.

Mr. BLACK. I may suggest to the Senator that, in so far as the fixing of salaries is concerned, he will find in a study of the cases that that is a function which might be exercised either by the legislative or the executive, but, as a matter of fact, it is a function which has practically always been exercised by the executive. It is one of those classes of governmental functions that can be assigned either to the executive or to the legislative branch.

Mr. FESS. I recognize that. There is a very sharp distinction between administrative functions and policy-determining functions. The Congress, of course, is vested with the policy-determining function of the Government and the executive with the administrative. When it comes to determining what policy shall be written into law, the Congress wants to have the say as a coordinate branch of the Government. I make a sharp distinction between policy-determining and administrative functions, and the matter of fixing salaries is more administrative than it is policy-determining. I recognize that fact. But the Senator from Alabama will share with me the fear that when we take a step which is an innovation from what we always have followed, it is more or less dangerous, and such a step ought to be taken with a clear understanding that it is not to be a permanent change. In other words, if it were possible, this proposed act should not be indeterminate in time. There ought to be some limit on it.

Mr. BLACK. Mr. President, will the Senator yield for an observation on that point?

Mr. FESS. I yield.

Mr. BLACK. I share fully with the Senator any antagonism he may have to transferring to the Executive any function which is peculiarly legislative. Particularly would that be true in connection with the raising of taxes. But I call the Senator's attention to the fact that when the Reconstruction Finance Corporation Act was passed, there was no question, so far as I know, that we were transferring a legislative function to that body; but they were permitted authority to fix salaries. The same may be true with reference to various bureaus and activities. I am frank to say to the Senator that if the transfer proposed here were a transfer of something peculiarly a legislative function, a quite different question would be presented.

I have listened to the Senator with a great deal of interest, except when I was called out for a moment, and I share with him a great many of the views he has expressed. But I did not want to have anyone in the Senate at this time left with the impression that when the Executive is given the right to fix salaries, we are transferring to him that which, by custom or by constitutional law, is considered as a purely legislative function.

Mr. FESS. Mr. President, I hope there is not anything in the proposal which would mean the abdication to the President of the United States of legislative power reposing in this body. That I do not want to see done.

Mr. DALE. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. DALE. If the Senator will read a certain section of the pending measure, he will see that this proposed act would not only result in an abdication of the power to fix salaries, but it would also transfer not only legislative but judicial power. In section 5 it is provided that—

All decisions rendered by the Administrator of Veterans' Affairs under the provisions of this title, or the regulations issued pursuant thereto, shall be final and conclusive on all questions of

law and fact, and no other official or court of the United States shall have jurisdiction to review by mandamus or otherwise any such decision.

Mr. FESS. Mr. President, the Senator from Vermont will recall that I called attention to that section of the measure, and if that section is read in connection with section 8, which would permit the Administrator to delegate authority to make decisions, it will be found to have in it some very objectionable features. I asked one of the members of the Committee on Finance whether it was necessary to keep in the measure section 5 and section 8, suggesting that if they were not necessary they ought to come out because they are quite offensive. It looks as though we are taking away a right which ought to belong to every citizen; and unless those two sections are essential to the effectiveness of the administration of the measure, it seems to me they should not be included.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. BLACK. I may call the Senator's attention to the fact that there is a big difference in the power granted in section 5, because it relates to pensions and bounties. If the attempt had been made to provide that when a man had a claim which was a contractual claim, or based on something of that kind, no opportunity should be given to follow the regular course of judicial proceedings, then it would have been a transgression, perhaps, upon that theory, of constitutional law. If we go farther, to the question of insurance, where a contractual right has been established, and attempt there to deprive any citizen of his right to a day in court, quite a different question arises. But I do not believe it can be successfully established that, insofar as a pension or bounty is concerned, vesting a bureau with the peculiar authority to pass upon the merits of such claims necessarily would trespass on the rights of courts, because that particular class of claim, such as a pension claim, cannot be taken to a court. I think there is a big distinction there.

Mr. FESS. Does the Senator think that section 5 is essential and should be retained in the measure?

Mr. BLACK. I may state to the Senator that I know personally of very few instances in which attempts have been made to establish pension rights in the courts. Frequently there are cases where we are compelled to confer upon governmental establishments the final right to pass upon some kind of a claim. Of course, since Congress has the right to grant pensions collectively, through a bureau, it also reserves to itself the right to grant those bounties through separate legislative enactments, and to that extent it does not surrender its right at all, because it can still pass another law on that question. I am frank to state to the Senator that I think there is a very great difference when we come to the question of a right growing out of a contract of insurance, and that is provided for in section 17; and it is my intention, as soon as the opportunity presents itself, to offer an amendment covering that particular provision of the bill.

Mr. FESS. I hope the Senator will at the same time question, with me, how far we ought to amend the measure, if it is an emergency measure, and if there is no great delay, although there are some features of it which it seems to me ought to be modified. Section 5 is one, section 8 is another, and there are one or two others which seem to me rather drastic. In other words, I do not want a citizen to feel that he is being discriminated against, and I do not want rights which belong to the ordinary citizen taken away from him. That is offensive to me. I do not want Congress to write a law of that kind.

Mr. BLACK. Mr. President, if the Senator will yield, I may say that I share that view in its entirety. I share it in connection with any claim which should be recognized in a court of justice. If the Government issues an insurance policy, which is a contract, then I think every citizen should have a right to go either into the Court of Claims or some other court in order to establish his rights under the contract. But I do not think, for myself, that a transfer to the President of the right to fix salaries is a transfer of a legislative function, or that a transfer to the President of the right to deal with the matter of pensions is the transfer of a legislative function.

As the Senator stated, Congress legislates along general lines. Congress can, for instance, make an appropriation of an aggregate sum and transfer to some bureau or some other governmental agency the right to determine how much of that sum shall be used in certain ways. That is exactly what is proposed as the major object and purpose of this bill. Insofar as the major object and purpose is concerned, I cannot see that it transfers any peculiar legislative functions, although it does change for the time being the assignment of certain functions to the Executive which have heretofore been exercised by the Legislature.

Mr. FESS. Mr. President, I am very much obliged to the Senator. Now, I would like to have the attention of my friend the Senator from Iowa [Mr. DICKINSON], who is very much concerned about the tendency of this legislation, and I have a good deal of sympathy with his concern.

The Senator spoke of the necessity of balancing the Budget. I dislike to use that phrase. I would rather say, keeping our outgo within the limit of the income, if possible.

I regard that as absolutely essential. I do not believe we are going to get out of this gloom, this economic breakdown, unless we are able to keep our outgo somewhere near our income.

I stated here some days ago in discussion on the currency question that as long as we have no certainty as to our procedure or policy under the new administration there is little hope of recovery. I am glad to note that the President has been quite specific in what he is recommending, and, in a sense, is gradually dissipating the uncertainty which naturally was in the minds of the American people as to his new deal until he had spoken officially. That will go a tremendous way toward recovery. Even though what might be offered may not be the best thing, yet the mere fact that uncertainty is eliminated and certainty is substituted will have a wholesome effect. Thus far the President has moved in that direction.

But we must be able to see that our outgo is not so much greater than our income that the credit of the Government is broken down. More than that, unless we can give some assurance that we are not going to impose some new and very hurtful exorbitant taxation that is bound to come, such taxation being capable of absorbing all proper profits of business, there will be no business men to take the risk. I think the biggest thing confronting us at this moment is our ability to make our outgo tally with our income. It is that point which I want to discuss.

Mr. McCARRAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Nevada?

Mr. FESS. I yield.

Mr. McCARRAN. The Senator from Ohio now having listened to the discourse of the Senator from Alabama [Mr. BLACK], will he kindly differentiate if he can between the force and effect of section 5 with regard to pension claims and its force and effect with regard to claims under contract or otherwise?

Mr. FESS. Mr. President, I think that differentiation would be a discrimination without a difference, really. The one would be as serious to the claimant as the other, and it is the rights of the claimant about which we are talking.

Mr. FLETCHER. Mr. President, may I interrupt the Senator just at that point?

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Florida?

Mr. FESS. Certainly.

Mr. FLETCHER. The Senator recognizes that there is no right under the Constitution and laws vested in the citizen to sue the Government.

Mr. FESS. That is true. That must be cared for through the Court of Claims.

Mr. FLETCHER. The citizen has no right to sue the Government. If the Government can say to the citizen,

"You may not bring any suit against me at all by reason of any claim or contract or anything that you assert", then cannot the Government limit and restrict the claimant in the matter of the adjustment of a claim that he may set up and say to him, "You cannot have access to the court; we are going to determine this matter without giving you access to the courts of the country because you have no constitutional or legal right to resort to the court without our consent, and we do not consent that you shall do that; we are going to adjust your claim without allowing you to do that."?

Mr. FESS. The Senator will share with me the feeling that where we are operating on a great class of citizens and certain losses are coming to them, when we write in the same law what appears to be a denial to them of the right to go to the court in regular form of appeal, we do something that may be rather offensive to everybody. Unless it can be fully explained to the individual that it is not a denial of a right, it is apt to be considered very offensive.

Mr. FLETCHER. I agree with the Senator in that respect. I merely wanted to direct his thought to the other suggestion as a possible justification for the particular provision.

Mr. FESS. I thank the Senator.

Mr. President, I want to say just a word to my Republican friends who are very much distressed over the fact that some of us are going to vote for the pending measure.

The proposals in this economy bill are entirely in the direction of those proposed by President Hoover in his Budget message of last December. An examination of the proposal shows that they have adopted President Hoover's recommendation in the Budget recommendation to increase the cut in the pay of Federal employees from 8⅓ percent, which is effective under the furlough plan, to an effective 15 percent.

The problem is approached in a slightly different manner, but the effect is exactly the same.

A further provision of the bill would result in a cut of veterans' allowances by about $250,000,000 a year, as compared with the recommendation of President Hoover in his Budget message of about $130,000,000. This gives an increase of about $120,000,000 over President Hoover's proposals.

The third direction of economies proposed is in the consolidation of bureaus, so long urged by President Hoover, and the economies here could not exceed $50,000,000 per annum, and even this only gradually, to be realized over a term of years.

In any event, the only proposal in this bill increasing the economy proposed by President Hoover is the one in reference to veterans, in the amount of $120,000,000.

It is desirable that we examine at this time how far this contributes to balancing the Budget, as that was the primary question so effectively brought out in President Roosevelt's message to Congress, in which he followed President Hoover in his emphatic statement that Government credit, therefore, the credit of the entire country, depends upon a balanced Budget.

The Budget presented by President Hoover on December 5 called for appropriations of $4,195,000,000, which included the permanent appropriations and the statutory redemption of the debt; or, if given in the usual form of deducting the postal revenue in order to show the outlay from the Treasury (estimated at $627,293,000), the total appropriation expressed in that usual form would be $3,568,000,000.

The estimated revenue for the next fiscal year was given in the Budget of December 5 as $2,950,000,000, but this included the foreign debt and certain items which President Hoover, in a recent message to Congress, pointed out would not be fully realized, and that the income without the provision of more revenue would not be likely to exceed $2,650,000,000. But in President Hoover's Budget, without the new revenue which he recommended, the deficit was $918,000,000. Under President Roosevelt's new economy bill, the expenses would be reduced $120,000,000 further, so that the deficit, after accepting these economy proposals, is still $798,000,000, or practically $800,000,000, including the statutory retirement of the debt.

President Roosevelt assures us the Budget must be and will be balanced. It is obvious that the economies proposed by President Roosevelt do not balance the Budget by a very great distance, nor will it be balanced by the reimposition of the gasoline tax, or even the imposition of the beer tax; the two of which together would not, upon the report of the committees of last session, amount to more than $280,000,000. Therefore, we are still short $518,000,000 of balancing the Budget.

The American people should know this. The situation should not be obscured. We must front the facts. I am sure the Republican Members will await and support the new administration in a revenue bill which will balance the Budget.

If the Democratic Members are unable to accept the revenue measure proposed by President Hoover, we would be indeed glad to consider any measures which they bring in, but there must be a measure brought in or the Budget will not be balanced. If the Budget is not positively balanced, there will not be a restoration of confidence.

I do not wish to add any note of discord; but the country will not ignore the fact that the opposition of the Democratic Party to the economy program presented by President Hoover, which fortunately has now been confirmed by President Roosevelt, and the opposition of the Democratic Party to the imposition of new revenue, thereby breaking down the balancing of the Budget for the last session, contributed materially to the breakdown of public confidence, which brought about this panic. We, as responsible men, must see to it that this confidence is restored even if we must face increased revenue from that direction. I earnestly press upon our Democratic colleagues that they should bring in an adequate revenue bill.

Mr. DICKINSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Iowa?

Mr. FESS. I yield.

Mr. DICKINSON. Throughout the entire discussion there is somewhat of a reflection on the ability of Congress to perform its proper function of reducing expenditures. Chairman BYRNS, now the majority leader in the House, placed a statement in the RECORD a short time ago in which he showed that the total appropriations for the fiscal year ending June 30, 1932, were $5,026,098,000, while for the fiscal year ending June 30, 1933, they were $3,886,192,000, a reduction of $1,139,906,000 effected by Congress and not by anybody having an executive authority or dictatorship over our finances.

Mr. FESS. I am very familiar with that fact. Soon after we inaugurated the Budget system, we were criticized all over the country for our extravagance. The Budget system was introduced in order to avoid it. The Senator will recall that while he and I were Members of the other body, the Congress enacted a law penalizing the head of any department if he created a deficit; that is, if he spent more money than was appropriated for his department, it would be under penalty of law. We had to do that in order to prevent the expenditure of more money even after we had made the appropriation. I am very familiar with that procedure.

But I called the attention of the country, at one time when the Congress was being criticized because we were making extravagant expenditures, that when the Budget estimate came to us we cut to the amount of $60,000,000 below what the Budget had recommended. That was the action of the House of Representatives. It is true we can pick out piecemeal here and there cases where Congress has done that, as the Senator from Idaho [Mr. BORAH] called attention some time ago. That is true, but the Senator knows that when it comes to a program and schedule of expenses and we undertake to reduce what ought to be re-

duced, we simply cannot do it. When I speak of that I mean certain adjustments in some establishments, and I am not referring to anything in this bill, although I think the changes should be made that we are proposing here; but when we undertake to disestablish something that has been established, we simply cannot do it in this body or the other.

Mr. LEWIS. Mr. President——

Mr. FESS. If the Senator will permit me for a moment, I want especially to get the ear of the Republican member of the Economy Committee, who has been working upon this subject, to indicate to him that we are following very largely the recommendation of the former President, and that even when we have done all that this bill proposes to do, the expenditures of the Government will then be more than $500,000,000 greater than its income. That is the problem before us. Now I yield to my friend from Illinois.

Mr. LEWIS. Mr. President, I take the liberty of asking a question of the Senator from Ohio, who is now presenting the subject matter of the discussion with great lucidity and the weight of much thought. Conscious as I am, from his explanation and description borne in upon me, that there would still be some balance not provided for, the figures presented by the Senator from Ohio, I dare say, being much more accurate than those of my calculation, I ask the Senator, Has he had time to consider and does he now give thought whether a beer tax such as has been proposed and, as is understood, is now under consideration would in its quantity meet the deficit to which he now calls attention as being still unprovided for?

Mr. FESS. No. According to the hearings, there are two sources from which we have been anticipating income. One is a continuation of the gasoline tax, and the other is revenue to be derived from the so-called beer bill, which, it is said, is going to become a law, although I cannot give it my support. It is estimated that the two measures will produce not more than $280,000,000, which is about one third of the deficit. Including that additional revenue, there will still be about $518,000,000 which, according to my figures, will have to be made up in some way.

I always appreciate the reaction of the Senator from Illinois, and I say to him that I feel we must resort to some additional form of taxation. I do not believe there is any way out of our present difficulties unless we balance the Budget, which will not be done, as I have pointed out, by this legislation. I do not think we will ever restore confidence unless we do balance the Budget; and I think if in restoring confidence there is required legislation imposing additional taxes, my concern is that we take care that such taxes must not be of a character that will dry up the sources of revenue rather than adding to them. That is the danger. What we need to do now is to stimulate business; and if any system of taxation would retard business instead of stimulating it, it should not be considered. We want to do what it is our obvious duty to do. The only reason I am taking the time of the Senate at this juncture is to indicate my view that when we shall have passed this bill, we will not be out of the woods; we will still have before us the problem of balancing the Budget, for without doing that we are not going to restore business, and without restoring business we can not have the employment of labor, which must be assured if prosperity is to return.

Mr. LEWIS. Mr. President, in this connection I ask the able Senator from Ohio is there not a way to balance the Budget? Assuming the Senator from Ohio to be correct in that the balancing of the Budget is essential, could not the Budget be balanced without new taxes being laid upon the citizen to make up the deficiency by eliminating unessential departments, thus reducing the expenditures of the Government and making it unnecessary to increase the taxes?

Mr. FESS. Mr. President, the difficulty about that is that there are $720,000,000 of interest on the public debt, which we can not strike off; that is not possible; and if we reduce the compensation of veterans by the amount it is supposed to be reduced by this bill, we will still have to appropriate something like $600,000,000 for them, with which nobody wants to interfere.

Mr. LEWIS. Such is the estimate of the Senator?

Mr. FESS. Yes. I think we could retard the process of paying off the public debt, and instead of setting aside $400,000,000 in a sinking fund to apply to the public debt under the law, we could suspend that sinking-fund requirement for the period of the crisis. It is in the mind of a good many people that that might be done without danger, but it is not regarded as a sound principle of government. There is an element of danger when we fail to apply the funds annually collected for the gradual reduction of the public debt.

Does not the Senator agree with me that the large appropriations for the Army and Navy are rather essential at this stage of international affairs?

Mr. LEWIS. I would answer that any appropriation necessary to maintain the Army and the Navy in such a condition that they can defend this country against what may be anticipated, in view of the general attitude of antagonism in the public mind throughout the world to this Nation, should be made. Nothing ought to be done to cut down the Army and the Navy beyond the point where they can maintain an adequate defense of this Nation.

Mr. FESS. That is precisely my view.

Mr. LEWIS. But I ask the Senator, Would he not approve the thought as to the vast amount of interest that is due upon the Liberty bonds at this time, and which will be paid, for instance, tomorrow or the following day, that the citizens who hold these vast millions, we may say billions, be asked to forego for a while the full payment of their debt, while every individual citizen is being forced to forego the obligations due him? Would it not meet the situation if the Government should ask an extension of that debt and its continuance of it, paying some portion now and leaving the remaining portion to be paid at some future time?

Mr. FESS. I would be afraid, Mr. President, to launch out into that field, and I doubt whether the present administration would be willing to adopt a plan involving the suspension of the payment of interest on the public debt. What would be the effect upon the credit of the Government if we should proceed upon that basis? How would we proceed to refinance the Government's obligations?

Mr. LEWIS. My premise is upon the basis that the creditor himself should accept, in view of the condition of his Government, a partial payment, leaving the remaining payment due to be made at a later and future date. Does the Senator think that would be feasible?

Mr. FESS. I fear not, Mr. President. I would be afraid of the suggestion that $720,000,000 which are due should not be paid the people who loaned the Government money in its time of need and that that payment should be suspended either by mutual agreement or by force of law.

Mr. LEWIS. But I call the attention of the Senator from Ohio to the fact that England called upon her people who held bonds to make such a sacrifice, and by agreement and arrangement forced them to accept one half and in some instances to wipe out completely the obligations for the present, calling upon them to follow that course as a duty to preserve their country; and that action was taken. Would not the Senator give his approval to such a proposal?

Mr. FESS. I do not think, Mr. President, I could give my approval to any suggestion that would, in my judgment, break down the credit of the Government, because if we did that there would be nothing left us save to all go down together.

Mr. LEWIS. Well, may we justify, may I ask the Senator, taking away from the soldier a portion of his contract debt and breaking down the credit of the Government as to him, and yet not ask the same thing of the bondholder likewise who draws his money from taxes? Would it not be a parallel instance?

Mr. FESS. The Senator from Illinois is, in a degree, answering the question that I was going to ask in my concluding remarks.

Mr. LEWIS. I shall be glad to hear the Senator.

Mr. FESS. In closing my remarks I was going to ask what are we going to do to meet the emergency which will still exist after we shall have passed this particular bill?

Mr. LEWIS. Let me not further interrupt the Senator at this moment, then. I shall hear him with great pleasure.

Mr. FESS. I was going to make this suggestion: If our friends on the other side of the aisle, who are now in control, were to recall the fact and accept the revenue measure proposed by former President Hoover, it would include a form of modified sales tax. I am wondering whether they will not ultimately realize that we cannot hope to secure the needed income in the form of taxes from the sources we should like to tax but which, the more they are taxed the quicker they dry up. It is a very sensitive problem, with one's judgment inclining in one direction and his feelings running the other way.

I am sure that we are going to face an emergency in balancing the Budget so that additional taxation will be required. I know that our Democratic friends do not want to admit that to be so; I wish it were not so; but I am morally certain that it is; and my concern is, if we shall face new taxation, then what form of taxation are we going to inaugurate? The administration should inform the country of its purposes, both as to time and character, of this issue. Will it be such that will not dry up the sources of revenue instead of increasing the taxes made to the Government? That is the problem that is confronting this administration; and while I do not want to twit Members of the Senate on the other side—far from it—I do want to call attention to the fact that we are not yet out of the woods when we have passed this particular bill.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. HARRISON. The Senator, though, I believe, has stated that this bill will be a great step toward arriving at an equalization of the receipts of the Government with its expenditures. We cannot get a very good idea as to just how much taxes, if any, should be imposed until we shall have passed this proposed legislation, giving to the President these very broad powers. If he can effect the saving that he has indicated in his message will be realized, we can arrive almost at a balanced Budget by the passage of this measure, provided it comes up to expectations, together with the passage of a beer bill within the next 2 or 3 days from which we hope to get at least $150,000,000 plus, and the continuation for another year of the gasoline tax which will give us some $137,000,000. In other words, we might not have to face the proposition of the imposition of increased income and surtaxes or a sales tax if we can obtain what we hope for through this legislation and the other two measures.

Mr. FESS. Mr. President, the suggestion of the chairman of the Committee on Finance is along the lines I have been discussing. The Senator will find that when we take into consideration all those items we still are facing a situation that cannot be met except by additional taxation. I regret that that conviction is compulsive, and I feel certain that we will face such an eventuality.

Mr. President, I leave off where I began. I am going to vote for this measure with reluctance; I shall vote for it because I think it is the only way open to us at the present time to cut the expenses of the Government. I shall vote for it with a full realization that there is danger. I do not mean danger in giving the power to President Roosevelt; I would not have hesitated to give it to President Hoover, and I do not hesitate to give it to President Roosevelt. I think, however, it is a dangerous move when we consider it in all its implications; but we must meet this problem, and I know of no better way than this. While it will not solve the problem, it will help solve it, and I shall be willing to assist in meeting the additional problems when they shall arise.

Mr. CAPPER. Mr. President, I am going through with President Roosevelt on this program to meet this emergency. He has asked for certain powers to deal with the emergency. He offers to take the responsibility. I am going to vote to give him that responsibility. To refuse to do so at this time, in my judgment, would be unpatriotic. This is no time for petty politics. A united country and prompt approval by Congress of the President's program will restore confidence and bring prosperity to the Nation. The people want action, and action now.

In a crisis, immediate decisions are demanded. Immediate decisions and prompt action are necessary. Last November, immediately after the election, I wrote Mr. Roosevelt that I would give him my support for every sound measure he asked. When he asks the powers given him by this measure on the ground that an emergency faces the country, he is entitled to my support. He has it.

I will say frankly that I do not approve all the provisions in this bill and would not support this measure under normal conditions. I would not favor granting the extraordinary powers to the President under normal conditions. The power granted him in dealing with veterans of all wars except the Civil War is so broad that he could suspend all payments to veterans; but I hope that this power will be used in the interest of the veterans themselves, as well as in the public interest. At a critical time like this the Executive must be trusted completely or not at all on a question like this one. And I am going to give President Roosevelt my vote of confidence in his sense of justice and fair dealing.

I assume that President Roosevelt is the friend of the veterans. They themselves declared their confidence in him at the late election, and I hope that confidence was not misplaced.

But my support of this measure goes beyond my belief that broad powers to the President are necessary. I am supporting this measure as a friend of the disabled service men, as a friend of the Federal employees, above all, I am supporting it in the interest of all the people of this Nation.

It is plainly evident that the Nation cannot afford, under present conditions, the total payments of nearly a billion dollars a year to veterans. The Nation, through President Roosevelt, will give Government aid through pensions, allowances, and compensation where it is most deserved and most needed. If a discrimination is not made between the most deserving and most needy and those less in need and less entitled to payments, then all will have to suffer. It is my honest belief that the reductions proposed will result in saving benefits for many veterans who otherwise would lose out entirely within a few years, perhaps within a few months.

Mr. President, it is heartbreaking to see salaries and wages cut. I know that salary reductions bring misery and suffering. But they have been necessary in all lines of business and industry. Farmers, laborers, clerks, merchants, manufacturers—all have seen their incomes either diminish or vanish in the last few years; and the maximum of 15 percent proposed for Federal employees is not nearly as drastic as the rest of the country has taken. The taxpayers cannot afford to pay the wage scale that has prevailed.

Mr. President, this Government is spending $3,000,000 a day more than it is collecting in revenue. Continuation of this will inevitably bankrupt the Government. That means national bankruptcy. If we should continue expending Government funds through borrowing at this rate, the time would come when the Government could not pay veterans' compensation nor Federal employees' salaries at all.

So I believe I am casting a vote in the real, best interest of the service man, the real, best interest of the veterans, as well as in the best interest of the people of the country as a whole.

Summing up the situation, I want to say this:

First. I am supporting this drastic grant of power because President Roosevelt is entitled to such power if he is to accomplish the preservation of the Nation.

Second. I am supporting it because it is absolutely necessary to preserve the integrity of the Government and the welfare of the people of the United States.

Third. I am supporting it because, taking a broad view of the situation, it is in the best interest of every deserving and needy veteran.

Fourth. I am supporting it because I believe it is in the best interest of the Federal employee and is a matter of justice and fairness to the people who have to pay the salaries of the Federal employees. I hope the bill will get unanimous support in the Senate, as I believe it should get unanimous support from the entire country.

Mr. President, these are critical days—the gravest in more than half a century. The only way out of this crisis, the only way to win this war with depression, as I see it, is to have a united country expressing itself through the leadership of the man who recently became our President. I did not support him for that high position, but I recognize him now as my President, as the President of all the people.

In times like these, or in any time, it is a monstrous folly to put any obstacle in the way of the progress or the welfare of 122,000,000 people for partisan or personal advantage. I feel that it is every American's duty to stand with the President on any genuine program for national welfare and the country's good.

I care not who, or which party, gets the credit if the country will be benefited. That is good politics, good sense, good Americanism.

I am not greatly disturbed if the legislative branch of our Government gives up something of its powers in order to accelerate action during a present emergency. A vital and fast-acting leadership, with extraordinary powers, is decidedly necessary under our present circumstances. Confidence is the demand of the hour. It is no time to haggle over emergency measures. The Nation wants action, not words. Just so long as the President goes along the right and proper road his hands should be upheld.

For that reason I favor granting the President the power he thinks is necessary to restore the national welfare. I believe the people of this country still have faith in their Government. I believe they have faith in their President and will stand by him in this great emergency. With a united country, with the people unitedly loyally behind their President and their Government, nothing can stop us from winning this war.

Mr. HASTINGS. Mr. President, since the copies of this bill were furnished to the Members of the Senate I have given most careful and conscientious consideration to each and every section of it.

I think it is not surprising that Members of the Senate should be shocked at the request of the President that he be given any such powers as are given him under this bill. I have with much hesitancy made up my mind to vote for it. It may be difficult for me to explain my vote in view of the criticism that I propose to make in connection with it. I shall review briefly, and by no means fully, previous legislation with respect to the payment of pensions.

The first session of the Congress, in 1789, made Federal acknowledgment of a governmental obligation to men disabled in the Revolutionary War. At that time it merely took over the obligations that had been assumed by the individual States, and the first appropriation was $96,000. A recent authority upon this subject calls attention to the fact that the early enactment made no appropriation for determining and allowing new pension claims to veterans who had not formerly been allowed a pension by one of the several States. A later provision of Congress required a Government agency to determine the merits of new claims asked to be included on the pension list. I read from Soldiers of the D.A.V., by De Witt Law, beginning on page 58:

The trend of the time was to fear the placing of too much power in the President's hand, and the prestige of placing pensioners on the pay roll might place the Chief Executive's office in a position to destroy the principles of democracy. The placing of pensioners on the pay roll was a power concerning which Congress might well be cautious, and while the President was authorized to pay benefits awarded by Congress, the duty of determining persons to be named on the pension list was a responsibility which in the first instance was delegated to the courts of the United States. By special legislation the courts were authorized to make their recommendations to the Secretary of War, who in turn would make recommendations on the claim to Congress, and finally Congress would pass upon the recommendations of the court and Secretary, and determine whether or not the D.A.V. was entitled to be named on the pension roll.

Page 61:

Congressional supervision in the allowance of pension favors was an early nineteenth-century policy. The judicial authority of the courts to pass upon disabled American veterans' claims and render a decision to become effective upon the approval of Congress left the Chief Executive with but little to say in awarding pensions to wounded war veterans. This favor of granting pensions was finally determined by the representatives of the people, who through congressional consideration of each claim authorized the payments of pensions found by the court to be the equivalent of the injury received.

Payments of pensions were based on one-half pay of the officers and full pay of those who had served in the war as enlisted men.

Page 64:

Further reciprocation in assuming the moral obligation of caring for men or families of men killed or injured in military service found renewed expression in the awarding of pensions to persons and families of persons injured or killed in the campaign on the Wabash. The soldiers of the Wabash were not soldiers of the United States, but were in the service of the State militia. Yet their success in subduing an Indian uprising was a matter of national concern. In recognition of this service Congress in 1812 provided as follows:

"That the officers, according to the rank assigned them by Governor Harrison, and which they held on the 7th day of November, 1811, the noncommissioned officers and soldiers of the volunteers and militia, and the legal representatives of those who were killed or died of their wounds, composing the army that served in the late campaign on the Wabash against hostile Indians, shall receive the same compensation which is allowed by law to the militia of the United States when called into the actual service of the United States."

The above appears to have been the first instance in which Congress authorized the pensioning of men engaged in purely a State enterprise.

Page 68:

Throughout the early history of the United States the Government had from time to time made special provisions for the support of widows and children of men killed or dying of wounds traceable to military service, and in making provisions for the veterans of the War of 1812 Congress again recognized the families of those killed in the service of the Nation. By legislation of 1817 Congress, in specifying an equalized basis of pay for families of men killed in military service, provided that the widows and children of the deceased noncommissioned soldier should receive $48 a year and no more.

Following the War of 1812 the awarding of general pension benefits continued under close congressional supervision. By statute of 1792 the courts were authorized to take testimony on the merits of claims and forward the evidence and findings to the Secretary of War for his approval. Legislation of that date authorized the Secretary of War upon his approval to place the D. A. V. on the pension roll, or in the event of his disapproval to report the case to Congress for further consideration. In 1793 Congress altered this procedure so as to require the Secretary of War to submit all claims to Congress for final consideration, and by later legislation authorized the court, or a commissioner appointed by the court, only to take the pension applicants' testimony and forward the same to Congress without court recommendation on the merits of the claim. Under this latter procedure, as again authorized in 1813, the disposition made of disabled veterans' claims depended entirely upon the special consideration received through the mercy of Congress.

Mr. McNARY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Delaware yield to the Senator from Oregon?

Mr. HASTINGS. I yield.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Brown	Dickinson	Hastings
Ashurst	Bulkley	Dill	Hatfield
Austin	Bulow	Duffy	Hayden
Bachman	Byrd	Fess	Hebert
Bailey	Byrnes	Fletcher	Johnson
Bankhead	Capper	Frazier	Kean
Barbour	Caraway	George	Keyes
Barkley	Clark	Glass	La Follette
Black	Connally	Goldsborough	Lewis
Bone	Copeland	Gore	Logan
Borah	Couzens	Hale	Lonergan
Bratton	Dale	Harrison	McAdoo

McCarran	Overton	Sheppard	Vandenberg
McGill	Patterson	Shipstead	Van Nuys
McKellar	Pittman	Smith	Wagner
McNary	Pope	Steiwer	Walcott
Metcalf	Reed	Stephens	Walsh
Murphy	Reynolds	Thomas, Utah	White
Neely	Robinson, Ark.	Townsend	
Norbeck	Robinson, Ind.	Trammell	
Nye	Russell	Tydings	

Mr. WALSH. I wish to announce the absence of my colleague the junior Senator from Massachusetts [Mr. COOLIDGE] on account of a death in his family.

The PRESIDENT pro tempore. Eighty-one Senators having answered to their names, a quorum is present.

Mr. HASTINGS. Mr. President, I read further from the volume to which I have heretofore referred:

The 1819 law of Congress appears to have in part terminated the Government requirement of special congressional approval of all D. A. V. claims.

However, this law was ambiguous, and while those claiming under the statute of 1808 were expressly included among the disabled persons whom the Secretary of War was permitted to place on the pension roll without congressional approval, no reference was made to those claiming under the law of 1813. This omission would appear to have left uncertainty in the requirement of future congressional approval of those claiming pensions for injuries sustained in the War of 1812, but these claims may also have been authorized to be paid in conformity with legislation of Congress providing:

"That all persons entitled to pensions in conformity with the provisions of the act, entitled 'An act to provide for persons disabled by known wounds during the Revolutionary War,' passed April 18, 1806, and also the fourth section of an act, entitled 'An act concerning invalid pensioners,' passed the 25th of April, 1808, may be placed on the pension list by the Secretary of War, without reporting the same to Congress."

* * * * * * *

At the opening of the nineteenth century the citizens and States were fearful of placing too much authority in the President's office. The distrust gradually abated and more confidence was then placed in the belief that the Chief Executive would conduct himself in accordance with the ideals of democracy and constitutional government. Whether or not Congress had formerly failed to authorize the President to pass upon pension claims for reasons of political distrust cannot be determined, but the distrust of the Chief Executive's office is known to have abated closely in trend with the enactment of legislation authorizing officials appointed by the President to decide the merits of the claims of those asking to be placed on the Government pension roll.

* * * * * * *

Early in the history of American pension policies the disabled veterans were first to be considered, but by 1840 the annual appropriation to care for all living disabled American veterans only slightly exceeded $200,000, while the appropriation set aside to care for all pensioners, for whom a special fund was created, varied from two to three millions of dollars a year. This sum did not include the full-time pay pensions allowed the veterans who had served in the Revolutionary War. For many years a large portion of the Government's appropriation was set aside to relieve the distress of Revolutionary War veterans who, more than 40 years after the war had terminated, required assistance in such numbers that those establishing their claims called for an annual appropriation sufficient to distribute the authorized pay among an army of more than 10,000 men.

Mr. President, the records show that in 1827 the annual appropriations for veterans was approximately $1,500,000, while the annual expenditure was about 10 times that sum.

In 1840 the annual appropriations for veterans were in the neighborhood of $3,000,000, and the annual expenditure was $24,000,000. It thus appears that in the early decades of the Nation something like 10 percent of the annual cost of the Government was paid out for pensions of one kind or another.

Directly from 1840 to 1914, a period of 74 years, we find the annual appropriations to be $735,000,000, and the amount paid out annually for pensions of one kind or another to amount to $178,000,000, or a little more than 24 percent.

I have not any doubt that some time during those years the amount paid out for pensions amounted to more than 25 percent of the expenditures of the Federal Government.

I have hastily reviewed this history relating to pensions for the purpose of comparing them with the present situation.

The present cost to the Federal Government for pensions and other payments to the soldiers amounts to approximately 25 percent of the Federal expenditures. This has been pointed out as being a shocking thing and one which must be curbed in some fashion by the Congress of the United States.

It will be observed that this Government has recognized its moral obligation to take care of the disabled soldier and his dependents. This has been the American policy since the beginning of the Government. I am not one of those who believe that this Government is unable, even during this distressing time, to care for such disabled soldier and his dependents as we have done in the past.

I do not care to boast of the fact that in nearly every contest in the Senate since I have been a Member of this body I have been found always against the demand of the veteran. I have strongly resented the threat of the veterans' lobby or any other minority group that has done so much to distress and make ineffective the action of Congress. I have in the Senate and out of it warned the veterans that their insistence upon more liberal legislation by the Congress would ultimately turn the sentiment of the country against their organization as a whole and there would be great danger of injustice being done them. I am very much afraid that we have reached that very point today.

The great danger of a democracy is that those in control of the government will become panic-stricken when the public as a whole becomes greatly excited. Under our form of government the Senate of the United States is the only place of unlimited debate, where a minority has full opportunity to express its views, and where legislation can be delayed until the public excitement abates.

I do not fear that this Government will not be able to meet its obligations, and I know of no greater obligation resting upon it than to take care of the disabled soldier and his dependents. It is the very confidence upon which we rely as a defense. The fact that he has had an appreciative Government that would see to it that his family was not left in distress has made the courageous soldier in the past willing to lay down his life upon the battlefield. I want to do nothing that will rob any soldier of this assurance in the future.

I want it to be definitely understood that my fear of the step that is about to be taken on this bill is not based in any way upon the individual whose responsibility it will be to make the regulations required in the act. I have no reason to believe that the President of the United States is not as sympathetic with the idea that I have expressed of taking care of the disabled veteran as any other single individual whom I could name in the United States; but I am wondering whether, under our form of government, any such responsibility should be given to the most wise and the most loyal American among us.

I think it is not too much to say that most of the persons who are frantically telegraphing the United States Senators urging them to pass this bill have in the past expressed no fear of the liberal attitude of the Congress with respect to pensions. I think if the same sort of pressure had been brought upon Congress when some of these measures, which are undoubtedly unwise, were adopted, they might have saved themselves, the country, and the Congress from its present embarrassment. The truth is that in prosperous times the people generally pay little or no attention to the obligations which Congress is imposing upon them, finding contentment in the belief that they are prosperous and the country is prosperous, and it makes little or no difference how much money the Congress expends.

I do not think the President of the United States ought to be placed in the position of doing a possible injustice to the veterans of the Nation, on the one hand, or recommending to the Congress a sufficient tax to meet the necessary appropriations on the other hand. In other words, suppose it were true that it was necessary to impose a general sales tax upon the people of the Nation in order that an injustice might not be done the veterans. Would the Chief Executive give way to the great pressure that will be brought against his recommending a sales tax, or would he give way to the lesser number of people involved in the matter of pensions?

Certainly it must be apparent to everyone that the very purpose of our system of government, the very purpose of providing for a Congress, was that it should pass upon all questions of expenditures as well as the question of how the money is to be raised to meet such expenditures. But the answer is made to this argument that it is impossible to have the Congress function and do what ought to be done. I am not yet willing to admit this inability of the Congress of the United States, and I should think the dominating party of both Houses of Congress would be ashamed to admit it, if admit it they must.

Let me point out what seems to me to be the great injustice that is about to be done if this bill passes. It will be remembered that the President of the United States is given the absolute authority in disability allowances of anywhere from $6 per month to $275 per month and for death $12 to $75 per month. We have been told that this bill will save $383,000,000. The only way in which we could get that information is from the figures furnished by General Hines, and it is generally admitted that these figures are given to the committee with the permission of the President. I want to call attention to one item in particular. It is item 8, on page 40 of the hearings:

Eliminate Spanish War pension where Government can rebut service origin, $95,000,000.

The total appropriation for the Spanish War veteran is between $130,000,000 and $140,000,000, so that it will be observed, if we take the middle figure of $135,000,000 and subtract the $95,000,000 which it is proposed to save, we will have the Spanish-American War veteran getting $40,000,000, or about 30 per cent of the sum now being paid to him. This saving is proposed to be made upon the ground that the Government can rebut the fact that the disability from which they are now suffering is from service origin.

The last bill relative to the Spanish-American War veteran was passed over the President's veto on June 2, 1930. There is not a single line in that bill which undertakes to make the pension depend in any way upon service origin. It only becomes necessary under that bill to show that they are suffering from mental or physical disability which incapacitates them for any form of manual labor, and so forth. This followed the policy set up by the Congress by the act of June 27, 1890, and was followed by another act in 1907. There was a very real difference between the two because at the time of the beginning of the World War this Government undertook to make provisions for the soldier entering that war that would eliminate the necessity of paying pensions. When the matter was before the committee, the committee's report on the matter stated:

The first, second, and third features provided for the maintenance of the families of the soldiers during service and for compensation in case of death, and it is believed this is effected much more satisfactorily in this bill than in the existing pension system and will not be so expensive in the long run.

Secretary McAdoo at the same time stated:

We ought not to leave the officers and enlisted men of the Army and Navy, who must fight this great war, to the uncertain chance of future legislation upon the old and discredited pension plan.

This scientific, well-balanced, equitable, and comprehensive insurance and compensation measure will be a substitute, and should be a substitute, for the pension system as applied to the present war, and ought to make impossible, as it certainly will make unnecessary, future pension legislation, with all its inequalities and favoritism.

Those who are enjoying pensions under the present system are left undisturbed; this measure does not affect them. We do not want to deprive any old soldier of any part of the recognition which his country has already given him for valorous services rendered in the past, but we do want to make certain for the future that a more equitable and just system than the old pension system shall be provided for all those who enter the military and naval service of the country in this war.

The Spanish War veterans, or most of them, must certainly be more than 60 years of age. Many of them have been drawing these pensions for years, and for the Congress now to put the President in a position where he can say that all Spanish War veterans must be eliminated from the rolls of the Government, if the Government can show that their disability is not service-connected, seems to me to be a great injustice and one which the Congress or the President can not afford to make effective.

The act of June 2, 1930, relating to Spanish War veterans, created a new class of pensioners, namely, those who had served as much as 70 days. In addition to that it increased the pension of those who had served 90 days. The President vetoed this bill on the ground that it did not exclude persons whose disabilities arose from "vicious habits" and because it reduced the number of days from 90 to 70. In that message he called attention to the fact that under the act granting pensions to Civil War veterans, they had been compelled to show that they had served 90 days. In addition to that he insisted that the soldier applying for a pension must show the need as well as the disability.

After this bill was passed in 1930 the pensions of Spanish war veterans increased a little over $30,000,000 annually. I hope I may be pardoned if I call attention to the fact that some of the Senators here present, who are insisting upon the passage of this legislation, as late as June 2, 1930, after the depression had been on for more than 6 months, voted to override the President's veto. In that list is the present distinguished chairman of the Finance Committee [Mr. HARRISON]; the senior Senator from Tennessee [Mr. MCKELLAR], who has struggled so valiantly during the last session of Congress for reductions in appropriations; and the senior Senator from Maryland [Mr. TYDINGS], who expressed so much fear on Monday that unless this legislation was passed the Government would not be able to meet its obligations. There were 60 casting their votes to override the President's veto and the small number of 18 supporting the President.

I want to quote some of the remarks made by Senators on that occasion relative to the bill, which had been returned by the President without his approval, and see what it is that caused this change in attitude. I quote first from the senior Senator from New York [Mr. COPELAND]:

It makes no difference what may be the cause of a permanent disability—blindness, paralysis, or insanity—we have to deal with an unfortunate member of society who must be taken care of by government. If he is destitute, as the veto message indicates he must be in order to obtain a pension, under such circumstances he must be taken care of by some division of government.

Then I quote from the senior Senator from Arizona [Mr. ASHURST], as follows:

Moreover, if the Senator will indulge me further, we are inclined to forget the historical significance of the Spanish-American War. It was the Spanish-American War that made America a world power. If Senators will let their minds go back to that period, they will remember that we were not a so-called world power until the Spanish-American War.

Furthermore, it was one of the wars into which the United States entered with altruistic views, for this Nation announced in advance that it wanted no territory; it ultimately gave Cuba the status of an independent country. I have always felt, and now feel, that the veterans of the Spanish-American War have never received that complete and true meed of justice and recognition at the hands of their opulent and grateful Government to which they are entitled.

I next quote from the senior Senator from Tennessee [Mr. MCKELLAR]:

Does not the Senator think that the Spanish-American War veterans, as a matter of fact, have been treated worse than the soldiers of any other war? They have been treated more like stepchildren than like children of the Government.

Now I quote from the senior Senator from Georgia [Mr. GEORGE]:

In the second place, the veterans of the Spanish-American War have practically reached the age when they would be entitled to pensions regardless of disability, and therefore that answers satisfactorily the President's suggestion that this vicious-habits or personal-misconduct provision should be retained in this law.

Now I quote from the senior Senator from New Mexico [Mr. BRATTON], as follows:

It is my belief, Mr. President, that this measure belatedly discharges in part a long-overdue obligation on the part of the Government to the veterans of the Spanish-American War. I think they did much to establish the Nation in the sisterhood of nations and to perpetuate its standing as a world power, and have received far too meager attention at the hands of Congress. So, I repeat that this measure belatedly discharges in part an obligation that has been overdue for a long while.

Now, as to the second objection, that of reducing the period of service from 90 days to 70 days, we have already fixed periods of

service at less than that. In the case of the Mexican War veterans the minimum period has been fixed at 60 days.

From the junior Senator from Texas [Mr. CONNALLY] I quote as follows:

Mr. President, I want to observe, in reference to what the Senator from Arizona has so well suggested, that in the case of veterans of the Spanish-American War who are disabled, they can pursue no gainful occupation, they are not able to earn a livelihood, they can not fill any useful place in the economy of these times. They are disabled. Somebody has to support them. Either a wife and children must toil to support that sort of disabled husband and father, or the poorfarm out yonder can take him, or the county government or the city government or the Red Cross must support him.

I submit that if that soldier fought for the Republic in his youth and strength, the Government of the United States in his old age and illness owes a greater obligation to support him than either the county, the city, or charitable organizations of the land.

Mr. President, so much for the views at that time. I want to pass on to another provision of the bill and to General Hines' testimony. General Hines, in his testimony before the committee, at page 36 of the hearings, stated that the non-service-connected cases number 438,000, and that the total payment will run this year about $92,000,000. As I understand his testimony, these 438,000 persons would be eliminated and this $92,000,000 saved. This amounts to $210 per person per year. It must be remembered that all of these persons are at least partially disabled from one cause or another, and the chances are that most of them constitute a part of that great army of 12,500,000. In the argument in the Senate on Monday when our attention was called to the fact that the bonds of the Government were not so much in demand and that it was necessary to increase the rate of interest in order to sell them, I was reminded of the newspaper account of the President's intended proposal to put 500,000 idle men to work on reforestation and other forms of public works at a total cost to the Government of $500,000,000, the money to be raised by selling additional bonds. When I remember that the chances are that the 438,000 disabled veterans now costing the Government $92,000,000 a year are to lose under that bill any help from the Government, and then recall that 4 percent of the unemployed are to be put to work at a cost of $500,000,000 to the Government, it seems to me that consistency is lacking in the administration program. If we are to adopt any form of a dole, directly or indirectly, I am not certain that we are not on safer ground in taking care of the ex-service man in the form of a small pension than by adopting the plan suggested by the newspaper reports.

If it be so urgent to give this extraordinary power to the Executive in order to save the Nation, then we ought to close every other avenue that tends to destroy it. May I also call attention to the President's message upon this subject? He states:

We must move with a direct and resolute purpose now. The Members of the Congress and I are pledged to immediate economy. I am, therefore, assuming that you and I are in complete agreement as to the urgent necessity, and my constitutional duty is to advise you as to the methods for obtaining drastic retrenchment at this time.

I am not speaking to you in general terms. I am pointing out a definite road.

The last Congress enacted legislation relating to the reorganization and elimination of executive agencies, but the economies thus to be effected are small when viewed in the light of the great deficit for the next fiscal year. They will not meet the pressing needs of our credit situation.

The President properly calls the attention of the Congress to the fact that it and he are pledged to immediate economies, and he complains that under the authority already given him to reorganize and eliminate executive agencies the economies will be but small compared with the deficit. I think at this point it is well to call attention to the Democratic platform upon this subject, and see what the promises were which were made to the country by the successful political party at the last election. That provision is as follows:

We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 per cent in the cost of Federal Government.

I wonder if the word "extravagance" as used in this platform referred to the veterans' appropriation. If that be so, I am wondering whether any person made that clear to the veterans during the campaign? So far as I know, the President's message to the Congress is the first intimation he has given to the country that this was the extravagance referred to in the platform.

The same question might be asked with respect to the reduction of 15 percent in the salaries of the Government employees. Was this the extravagance referred to in that platform? I think it safe to say that the average person was allowed to believe that the contemplated saving could be made in the reorganization and elimination of executive agencies, but the President, in his message, finds small indeed the economies thus to be effected.

Mr. President, the one section in this act that enables some of us to support the bill is section 19 of the first title, and that section was written into the bill by the Finance Committee of the Senate. It provides that the regulations of the President which are in effect at the expiration of 2 years after the date of the approval of the act shall continue in effect until the Congress, by law, shall otherwise provide. This does at least bring the whole subject back to the Congress, where it can once more bear the burden of its own responsibility. It is true that such act of Congress, changing the regulations which the President may make under the pending bill, will be subject to his veto, but I have no particular complaint of that. It is the same principle that applies to every law.

I call attention, however, to the fact that section 19 subjects the Congress once again to the organized minority groups interested in this legislation, and this is further proof that, however much we may try to escape the responsibility which belongs to us, we shall have it once again in the short space of 2 years.

Mr. President, if the Members of the Congress believe this bill to be necessary in order that we may correct the evils that ought to be corrected and effect the economies that ought to be effected, it must be upon the theory that the Members of the Congress have not the courage to do that which they believe they ought to do. It must be upon the theory that Members of Congress can not return to their homes and face their veteran constituency. In my judgment, this bill affords them no such relief. If I understand the temper of the American veteran, he will more vigorously condemn the Member of Congress who supports this bill than he would the Member who frankly voted for the corrections which he believed ought to be made. I therefore make my decision with the full realization of the attitude of those affected by the proposed legislation.

This attitude of the majority is all the more surprising when we remember that they have a very much more effective alibi than this. I know of nothing so helpful to the weak-kneed and faint-hearted legislator than to be able to say to his loyal political supporter that he only voted for a certain measure because his political party by caucus bound him to vote for it.

I read from an item in today's press relative to the rumor of a caucus upon this subject the following language:

It was learned that some of the Senators insist on being bound, and the caucus was called at their request.

I do not know whether that be true or whether it be not true, but I should not be surprised if it were true; and I am wondering whether in this enlightened age and with our advanced thought and education the laws of this Nation can be made at the suggestion of an Executive who has a loyal party caucus in each House to support him.

With this criticism of this legislation, I appreciate that my vote in favor of it will not be particularly welcomed by those sponsoring it, and I want to say that I am supporting it solely because the administration is demanding it as an essential part of a successful program. I have endeavored

to make clear that as I understand the position of the President, notwithstanding the fact that he has an overwhelming majority of his party in the House and an overwhelming majority of his party in the Senate, his hands are tied. He is absolutely powerless, if not hopeless, unless this dictatorial power shall be given to him, and given to him promptly. It is difficult for me to understand, if he be the leader that his partisans believe him to be and if his party in the House and in the Senate has the efficient leaders that we know it to have, why he should not be able to put through any such important legislation promptly and effectively, without depriving the Congress of its power and relieving them of any of their responsibilities. But it is not for me to undertake to find the reasons that motivate his request. My loyalty to my country demands that I take him at his word and trust that his judgment in administrating this law will be equal to his sense of justice. If his judgment and his sense of justice both be accurate, my prediction is that the saving will not amount to more than 50 per cent of that which he has estimated, and I am afraid that the time will not be far distant when I shall regret that I supported this bill at all; indeed, I am wondering as I am about to cast my vote whether I am influenced by patriotism or whether, after all, I am influenced by cowardice.

We are told that it takes courage to cut the appropriation for the veterans and that, if we have an Executive who is courageous enough to do the job, we should give him the full authority. I do not deny that it takes courage; but, if I were Chief Executive and asked for this authority, my request would be based upon fear and not upon courage—fear to meet the taxpayers with a demand for more money. This is to be the test of courage in the very near future, if not in the immediate present.

Mr. President, the distinguished chairman of the committee [Mr. HARRISON] congratulated the Republicans in his opening speech because they had indicated they were about to support this bill. I think I ought not to let this opportunity pass without calling attention to the attitude of the Senate with respect to another President who vacated that great office but a few days ago, and I shall do so by calling attention to remarks of Senators on the other side of this body when veterans' legislation was being discussed.

The debate on that occasion had reference to the approval of a conference report. The distinguished Senator from Pennsylvania [Mr. REED] was chairman of the conference committee, and the debate took place on July 3, 1930. I hope I will tire no one by reading portions of the RECORD, but I think we are entitled to know what was the attitude of Senators upon this subject, as short a time ago as July 3, 1930. I read from page 12387 of the CONGRESSIONAL RECORD, under the date of July 3, 1930.

The Senator from Pennsylvania [Mr. REED] submitted the conference report. I will not refer to all the amendments but only to a portion of them. The Senator from Pennsylvania said:

> The next amendment of the Senate authorized a compromise of claims on insurance policies. At present there is nothing to do but to fight the case to a conclusion, because the Attorney General and the Director have no authority to compromise. It was thought that it might be fairer to the policyholder and to the Government if leave were given to the Attorney General to compromise. The conferees, however, finally came to the conclusion, with practical unanimity, that to put in such a provision would mean the institution of a great many "strike suits," cases brought with no idea of trial but with the purpose of getting a small compromise, and that in the end it would lead to increased litigation. The upshot was that the Senate conferees receded.
>
> The next amendment was that sponsored by the Senator from New Mexico [Mr. CUTTING] striking out the words "active tuberculosis disease" as a cause for compensation, and creating a presumption of military connection—striking out those words and substituting merely the word "tuberculosis." It was brought to the attention of the conferees that probably 75 per cent of all humanity shows evidence of pulmonary tuberculosis at some time during life, and that this Senate amendment would have the effect of giving compensation to anyone who showed a lung scar which could be ascribed to tuberculosis, although it might not have been active in any way since before the World War. The Senate receded on that amendment.
>
> * * * * * * *
>
> The next amendment of the Senate was one striking out a House provision under which the World War Veterans' Act in effect would benefit only those men who were enlisted before the date of the armistice. It was shown that there were a good many thousand men whose enlistment began after the armistice, who had never heard a hostile shot fired. Under the present law, if they served during the period of the war, which ended by declaration of Congress on July 2, 1921, they were considered to be veterans and got compensation. The House put in a proviso which would terminate that and would terminate the allowances to those veterans after 1 year more. The conferees discussed that for a long time, and finally the House receded, so the Senate action in striking out that proviso remains in the law, and those men will continue to get their compensation.
>
> The next amendment, known as the Walsh-Connally amendment, increased the amount of disability allowance to veterans suffering from non-service-connected disability and allowed compensation to such veterans if their disability was less than 25 percent but more than 10 percent. The figures showing the effect of such a provision were laid before the Senate at the time the bill was under consideration, and I need not repeat them; but after consideration, both yesterday and this morning and after the receipt of a letter from President Hoover, which I will have put in the RECORD and read in a few moments, the conferees decided that the Senate should yield, and that was done.

Let me at this point read the President's letter, which is found at page 12389, directed to the then Senator from Indiana, Mr. Watson, and dated July 3, 1930:

> MY DEAR MR. SENATOR: You request my views on the effect of the Senate amendments to the House veterans' bill.
>
> I must say at once that these amendments again reestablish injustices and discriminations between veterans, impose unwarranted burdens on the taxpayer, and perpetuate entirely wrong principles in such legislation. There are many points of criticism in this direction.
>
> For instance, under these amendments the average allowance to veterans whose disabilities were incurred in civil life subsequent to the war will work out very close to the same average payment as that given to veterans who actually suffered from battle and in the trenches. This is an injustice both to the men who suffered from the war and to the public. The amendments reverse the House action limiting allowances to men who are exempt from income tax. From this removal of the indication of necessity a wealthy veteran, if he becomes permanently disabled, either partially or wholly, as the result of an automobile next week, may draw a life allowance from the United States Treasury. The Senate amendments seriously affect the men who were enrolled after the armistice and who never heard a shot fired.

I want the Senate to bear in mind this remark and the remarks which were subsequently made with respect to it in the Senate—

They—

> The Senate amendments—
>
> seriously modify the clauses in respect to venereal diseases and impose a burden upon the Treasury therefor, which must be condemned from the point of view of family life.
>
> General Hines estimates the cost the first year of this bill as passed by the Senate will be $70,000,000, rising to about $175,000,000 in 5 years and thereafter. This represents an increase on the House bill by about 250 percent. These are sums wholly uncalled for by the need of the situation and probably imply an increase in taxes.
>
> There are many other objections to the Senate amendments, such as renewal of certain presumptions, but perhaps this will indicate my views. The bill as passed by the House before amended by the Senate was in itself a generous national action, based upon sound principles. Except for some minor technical points the House bill met the entire approval of the representatives of the American Legion and the Veterans of Foreign Wars. They did not ask for any more. They have shown a sense of responsibility not only to the country but to the veterans by unhesitatingly expressing their opposition to the major Senate amendments.

Then follows this remark by the Senator from Georgia [Mr. GEORGE], who was a member of the conference committee:

> Mr. President, to what has been said I desire to add, as a minority member of the conference on the part of the Senate, this brief statement. The junior Senator from Massachusetts [Mr. WALSH] and myself did not sign the conference report. We did not agree to the report; we do not agree to the report. I think I may say the same with reference to the minority members representing the House.

Later on, in addressing the Senate upon the subject, the senior Senator from Georgia [Mr. GEORGE] had this to say:

Mr. President, the President of the United States in his letter today and in all of his press announcements and in his veto message has seized upon extreme cases for illustrations. He has called attention to the fact that many veterans who never smelled powder, who never left the shores of the United States, who never went to France, would receive the benefits under the bill already disapproved and even under the bill which the Senate passed and upon which this conference was asked. Yet he carries the country into an outright pension system which gives allowances to all men who enlisted or were enrolled in the service prior to November 11, 1918, whether they suffer injury in automobile accidents, are bitten by snakes while fishing in the Rappahannock or the Rapidan, even upon the Sabbath day, and thereafter suffer permanent disability this year and through the years to come.

In his veto message Mr. Hoover said it was peculiarly distressing to him to veto legislation for the benefit of the soldiers. Well he might say so. But for that war, carried on by the men now broken in mind and body, Herbert Hoover would still be unknown in his native land, but would be driving pauper labor among backward peoples to add to the dividends of British syndicates.

Inequality? Every inequality which he has condemned is in his pension system, but the system has not the virtue of being adequate. Twelve dollars a month for a man 25 per cent disabled! Forty dollars for a man permanently and totally disabled, while his comrade suffering 100 per cent disability or total disability, who did establish service connection for his disability after the Veterans' Bureau had adjudicated that it was not in point of fact service connected under the presumption in the existing law, draws $100 per month, all because under one fiction, under one presumption raised in the law, the one was able to connect his disability with service and the other was not, but had to content himself with the meager and inadequate pension allowance made in the existing bill.

If we are to go to the pension system, the minority members of the conference believe—and earnestly believe—that we should go to the rates now given to the veterans of the Spanish-American War and that we should treat all of the soldiers alike. We have not been impressed, we are not now impressed, and the American people will not long be impressed with the argument that the veterans of the World War on the average are now only about 38 years of age, whereas the veterans of the Spanish-American War on the average are about 58 years old, and that the Spanish-American War veterans were themselves denied just recognition by the Government for some 20 or 22 years after the war ended.

Now I want to quote the distinguished President pro tempore of the Senate, the Senator from Nevada [Mr. PITTMAN], who made a speech on that occasion also, in which he said this:

I think, sir, that this bill having adopted a principle, we have provided an inadequate sum to carry out the principle. There is not a Senator here would say it is adequate, and no Senator has ever said so. It is merely a cheap, stingy gratuity to these broken and disabled soldiers in order to get annoying victims away from the door of the White House so that the annoyance will cease, and so as to salve the conscience of those whose chief happiness in life is to see a surplus in the Treasury of the United States.

However, when I am assured by those who know that it is either this or nothing, I have got to humiliate myself by participating in this stingy, penurious tip.

The Senator from Massachusetts [Mr. WALSH] made a speech on the same occasion, but he touched another subject; and it is important here that I call attention to it, because it proves that at that very time the depression was distressing the people of the Nation. The Senator from Massachusetts said:

I think it perhaps appropriate that I quote to the Senate from two letters written by distinguished and conservative citizens of the country in reference to general economic conditions; and I particularly call attention to the expressions of fear for the future of our country which are given voice by these observers of social conditions. One is a letter from the mayor of Evansville, Ind., a city of something less than 100,000 inhabitants. He writes:

"I have listened to more stories of real distress than I thought could possibly exist in America. This demand has been so insistent that I have but little time to give to the serious duties of my office. * * * I have callers at my home and my phone, even at home, rings almost incessantly, due to calls from men who need employment or their wives who recite their distress and needs. The whole thing is a nightmare, but I am unable to absorb scarcely any of this labor, and when I do help a man find a job, it is usually at the expense of some other fellow being thrown out of work. I have had applications from some college men, accountants, and school-teachers, who are willing to accept the lowest type of employment to earn bread and clothing for their families. * * * Evansville has quite a diversity in its industries, but all branches seem to be suffering. The relief is beyond our power to supply."

Then he reads another letter from a clergyman in New York City.

Then the Senator from Massachusetts goes on to say what is going to happen:

Now, we, the representatives of these people, custodians of the institutions of America, are about to close the doors of the one avenue through which they have a right to petition, through which they have a right to seek redress, through which they have a right at least to have it said by those in high places, "We realize, we know, we understand, we sympathize, though we are powerless to help."

Mr. President, the policy of "leave it alone" or "let time adjust conditions" will not always settle political or economic unrest.

Mr. President, among the class of economic sufferers in America today are the World War veterans. No; we are not now considering relief to mere World War veterans, but we are dealing with disabled—I emphasize the word "disabled"—veterans. Among the class of distressed citizens are tens of thousands of disabled war veterans, their wives, and their dependents, many of them unemployed, many of them in the hospital, 77,000 of them said to be suffering from chronic diseases that are steadily sapping their lives and bringing them day by day nearer to the grave, with little or no income for themselves or their families or their dependents.

In thousands of other cases—and that is the background for the relief—the disabled veterans are lying on their death cots in hospitals, while their wives and children are hungry and in need. This situation led to the other proposal which was made that Congress give the wives and children of such veterans financial allowances. I thought that did not reach an equitable solution of the question, because the veteran who is fighting the battle of life at home, who can not get into a hospital, but who, by such small effort as he may make, is endeavoring to keep his family together, would get nothing for himself or for his wife or for his children.

This situation, in brief, has led to a multiplicity of appeals to try to have our Government at this crisis express practical appreciation of our gratitude to the disabled veterans.

Now, Mr. President, I desire to call attention to the speech of the senior Senator from Tennessee [Mr. MCKELLAR], who might very well be called "the watchdog of the Treasury" in every administration. He starts out by saying:

Mr. President, the armistice came on November 11, 1918, and the presidential political campaign came on in 1920. I want to read what the Republican Party promised the American people, and especially the ex-service men, in 1920. Listen to this language, because I am going to compare it with what President Hoover has recently announced about it. This is what the Republican Party said in 1920:

And then he reads the platform.

The Senator continues:

I digress long enough to say——

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. BRATTON in the chair). Does the Senator from Delaware yield to the Senator from Idaho?

Mr. HASTINGS. I do.

Mr. BORAH. Will not the Senator read what the Republican Party said with regard to the veterans in 1920?

Mr. HASTINGS. I shall be glad to read it. This is in the RECORD, and in what the Senator from Tennessee read:

We hold in imperishable remembrance the valor and the patriotism of the soldiers and sailors of America who fought in the Great War for human liberty, and we pledge ourselves to discharge to the fullest the obligations which a grateful Nation justly should fulfill in appreciation of the services rendered by its defenders on sea and on land.

Republicans are not ungrateful. Throughout their history they have shown their gratitude toward the Nation's defenders. Liberal legislation for the care of the disabled and infirm and their dependents has ever marked Republican policy toward the soldier and sailor of all the wars in which our country has participated. The present Congress has appropriated generously for the disabled of the World War.

The amounts already applied and authorized for the fiscal year 1920–21 for this purpose reached the stupendous sum of $1,180,571,893. This legislation is significant of the party's purpose in generously caring for the maimed and disabled men of the recent war.

Then the Senator from Tennessee continues:

I digress long enough to say, see how the Republican Party boasted at that time of more than a billion dollars spent for maimed and wounded soldiers, and then remember what President Hoover said in his letter today.

I come now to the campaign of 1924. Let us see what the Republican Party promised in its national platform of that year. It is a little weaker. It is not so strong as it was right after the war. We were getting a little closer to Mr. Hoover, who never was in the war. I do not feel that I had the right not to care for these

maimed, wounded, and sick soldiers, after not having been one of them. I should think the President would feel the same way. In 1924 this is what the Republican Party said:

"We reaffirm the admiration and gratitude which we feel for our soldiers and sailors.

"The Republican Party pledges a continuing and increasing solicitude for all those suffering any disability as a result of service to the United States in time of war. No country and no administration has ever shown a more generous disposition in the care of its disabled or more thoughtful consideration in providing a sound administration for the solution of the many problems involved in making intended benefits fully, directly, and promptly available to the veterans.

* * * * * * *

"We pledge ourselves to meet the problems of the future affecting the care of our wounded and disabled in a spirit of liberality and with that thoughtful consideration which will enable the Government to give to the individual veteran that full measure of care guaranteed by an effective administration machinery to which his patriotic services and sacrifices entitle him."

I next come to the last campaign and the last pledge of the Republican Party to the war veterans made in 1928. It is not so strong as it was a little before. It seems to be getting a little weaker, perhaps anticipating President Hoover's views. In 1928 this is what the Republican Party said:

"Our country is honored whenever it bestows relief on those who have faithfully served its flag."

The last sentence of their campaign pledge in this respect reads:

"Full and adequate relief for our disabled veterans is our aim, and we commend the action of Congress in further liberalizing the laws applicable to veterans' relief."

That is what was promised the veterans in the Republican platform of 1928. That is what Mr. Hoover promised the veterans when he asked for their votes. He stood on that platform, he accepted that platform, and was elected on that platform. I want to say in justice to the Republicans in the House and in the Senate that I believe it was their intention to carry out that platform. They intended to do it. They did do it in the Spanish-American War bill. They did do it in this bill as it first passed the Senate. They carried out their pledge, and then their President came along and talked about injustice, talked about discriminations, talked about unwarranted burdens, talked about wrong principles, and then said many other points of criticism. When he was seeking office, the Republican Party was going to do its full measure of justice by the World War veterans; but when it comes down to the actual effort to do it, when great financiers gather around him and talk about the burdens of taxation, he follows another course. Let me read what he said today. Remember that the Republican Party formerly boasted that it had given to these soldiers over a billion dollars, and listen now to what President Hoover said this morning:

"General Hines estimates the cost the first year of this bill, as passed by the Senate, will be $70,000,000, rising to about $175,000,000 in 5 years and thereafter."

This is what the Senator said, and I am wondering whether his attitude has changed:

Suppose it does? If the Republican Party and Mr. Hoover, as its candidate, made the pledge to do full justice to the sick, the maimed, the wounded soldiers—and all admit they did—it is his duty and it is their duty to do it. But, Mr. President, the Republicans are not performing that duty. They undertook to do it. In the Senate and in the House they intended to do the right thing. My associates on the other side of the Chamber intended to do the right thing, but when the President comes along and sends down to them a threat of veto before the bill is even passed they change their minds. They are afraid of the party lash. They are afraid to say, "We are going to vote to carry out our pledge to the veterans." They are not willing to stand up to the "lick log." These war veterans stood up for us in 1917 and 1918. Why should not we be willing to stand up for them in 1930—

This is only 1933—

when they are suffering from being maimed and sick and wounded during that Great War?

It seems to me that the Republican majority are not carrying out their pledge, and the reason they are not doing so is because the President commands them not to do it. That is the only reason. There is not any good reason which has been given here why this conference report should be agreed to.

A little further along he said:

I have heard no argument against a bill providing proper compensation for the World War veterans except that the President is against it and has sent some excuses in this letter down here, ahead of time, in order to prevent the passage of a real bill for the relief of the maimed and sick and wounded soldiers of the country.

Mr. President, I do not want the question confused. We are talking solely and alone about the soldiers who became sick during the war or who were maimed during the war or who were wounded during the war. They are entitled to relief from the Government, and they are the ones whom the President is fighting. He is fighting them with a mighty hand; he has the greatest Government in all the world behind him; and, of course, the soldiers are at a great disadvantage. They have to take what they can get. It may be that they would rather have this than the full measure of relief to which they formerly subscribed; but they have got to take it simply because the President of the United States, who, like myself—I will put myself in the same category with him—"never heard a shot fired", says so. Those are the words which the President has used—"who never heard a shot fired"; and yet a man who himself is in that very category—he, too, is a man who has "never heard a shot fired", who never was on the firing line—is depriving by his one act, and through his influence over Republican Members of this body and the other body, sick, maimed, and wounded soldiers, who went through hades itself in defense of this country, of their just dues. The President is the last man in the United States to sneer at those "who never heard a shot fired"!

* * * * * * * *

They are constantly sending letters here that if we enact soldiers' legislation, such as the legislation we passed for the Spanish-American War veterans, or originally passed for the World War veterans, the Government is going, in effect, into bankruptcy, or that we must increase taxation; but when it comes to the war profiteers, when it comes to the gamblers struck by the panic in Wall Street, the Government has plenty of money to give out to those worthies; there is no reason in the world why it should not relieve them to the extent of $161,000,000 in one case, and, in the other, refund $200,000,000 to the war profiteers who "never heard a shot fired", as the President says.

Then again, in answer to a question:

I do not know whether or not that would be a requirement, but I want to say that I think the President is unfair and unjust and inhuman to these sick, maimed, and wounded boys who fought for us in France in 1917 and 1918. I am astonished to think that the President of my country would take this inhuman position as to the sick, maimed, and wounded soldiers of our country. My friend says it is illiberal. It is more than that; it is inhuman that our Government should not reward those who stood up and fought for it. Yet the President, under his administration, is paying out some $200,000,000 a year of the taxpayers' money to the war profiteers, who stayed behind in this country, who "never heard a shot fired", who never were out of the United States until by reason of their great wealth obtained by the services of these boys they went after the war was over. Payments are being made at the rate of $200,000,000 a year to the great war-profiteering companies and individuals who made great fortunes during the war.

It is inhuman on the part of the President to object to this legislation for the maimed and disabled soldiers. Why do I say this legislation first agreed to is just? It is just because 60 out of the 66 Senators who voted on the question voted for a proper measure. I forget what the vote was in the House, something like 350 to 25 or 30, or maybe 50. At all events there was an overwhelming vote in both Houses to do justice by the soldiers of the country—sick, maimed, and wounded soldiers, mind you; not the strong and healthy soldiers; not the soldiers who are trying to put up a job upon their country, if there are any such; but the soldiers who are sick and maimed and wounded. The Senate of the United States and the House of Representatives of the United States first thought they were entitled to reasonable compensation, and they fixed that compensation; and after they had done it, and voted for it in such overwhelming measure, the President sends down some emissary and tells them that they are wrong, that it would cost $70,000,000 the first year, and a few million more afterward, and it is unfair to the rest of the country, and we might be criticized by somebody if we agreed to treat the soldiers fairly; and you are following him. It is a fight between Mr. Hoover and the ex-service men. You are voting for the President and against the soldiers of the country. You need not make any mistake about it. You are voting against the soldiers.

Mr. President, I disagree with the Senator from Massachusetts [Mr. WALSH], who spoke a few moments ago, in attempting to put all the blame on the President of the United States. That blame is equally on you who are sustaining him in this matter. I am talking now about you on the other side who voted for it and who now have changed your minds at the behest of the President, simply because he says you will be subject to criticism, because there might be some injustices in the bill, some discriminations, some unwarranted burden on the taxpayers, some wrong principle.

"There are many points of criticism", says the President. Why did he not point them out? He has pointed out only one, and that was that it would cost the taxpayers too much. It would cost the taxpayers too much, why? I do not know whether Mr. Hoover was in this country at the time we declared war or not. I believe it was before he landed here. My recollection is that we declared war on the 6th of April, 1917.

This is the Democratic support President Hoover got in the Senate.

Does anybody know whether Mr. Hoover had become an American again by that time? He came over about that time; and I remember that to carry on the war we appropriated $7,000,000,000 at one time, and we drafted these 4,000,000 soldiers; and what did we tell them? We told them that the Government's richest

bounty would always be given to those who were maimed or wounded or sick, or to the families of those who died; and now, 12 years after hostilities ceased, we have a President who says that we ought not to give a pension or compensation to a soldier unless he heard a shot fired!

Mr. President, I am sorry that the President has taken any such position as that. I am very sorry to think that the President of the United States would be so unkind and so unjust and so inhuman to the sick, wounded, and disabled soldiers as he has shown himself in this matter.

Mr. President, the senior Senator from Tennessee was not the only one who expressed himself quite fully upon this subject. I now call attention to a speech of the senior Senator from Kentucky [Mr. BARKLEY], and I shall not read as much of it as I read of the speech of the Senator from Tennessee. It began on page 12410, and I read beginning with page 12412. Let us see what the Senator from Kentucky said about this matter something less than 3 years ago, on July 3, 1930, and this is March 1933. He said:

As far as I am concerned, I am not interested in anybody's political scalp. I am not interested in protecting any Member of Congress in either branch from the wrath of the American soldier. I am not seeking the defeat of anybody, but it has come to a sad predicament if American Congressmen can be charged with thinking more of a reelection in November than of expressing their honest convictions toward the veterans of the World War and the allowances we are to give them as a consequence of their disability.

What does it matter if the 435 Members of the House of Representatives should all go down in defeat? How do they compare with the thousands of American war veterans who are asking legislation for their relief? What does it matter if all 96 of the Members of the United States Senate should go down in defeat because they have the courage to express their views on legislation through a roll call, compared with the hundreds of thousands of war veterans, many of whom might better fill the shoes in both Houses than they are being filled now by some of us who are here? Yet in order to protect Members, in order to deceive the American voter, in order that a record may be prevented and that men may go home to their districts without the accusation being made against them that they voted against the Spanish-American War rates, we have witnessed during the last week a legislative situation which, if the American people thoroughly understood it, would create a national scandal in our legislative system.

My theory has always been that men are elected to Congress—and that means to both branches—to represent the people. It has always been my theory that the man who is afraid to go on record on any important question has no right to ask the people to send him here or to any legislative body. Yet, during the past week, we have seen the legislative machinery manipulated by three men in the United States, compared to whose processes those of Mussolini are democratic and liberal.

As I understand it, he was here referring to the members of the conference committee, who disagreed with the Senate.

Mr. President, this conference report may be adopted. We are told that it will be adopted. I make no prediction as to what will be its fate. But those who think they will be able to mollify or satisfy the disabled veteran of the World War, whose wife tonight may be without ordinary raiment, whose children tonight may be hungry or being cared for by some charitable or eleemosynary institution—

This was in July, too, when it was not so cold as it is now—

those who think that by a manipulation of the rules of any body they can force upon the World War veteran the pittance of $12 a month and a maximum of $40 a month for total disability are reckoning without their host.

If the bill becomes a law, as it is now proposed, I shall be one of those in this body, so long as it is my good fortune to remain here, to endeavor to see that legislation is enacted which will wipe out the discriminations which are about to be inflicted upon the veterans of the World War.

How can there be any justification for any discriminations as between veterans of the World War, now about to be worked through the medium of this bill, and the veterans of other wars? Speaking of discriminations and injustices, I wonder why the President did not comment upon the difference in our treatment of the World War veterans in this bill and in that which we passed recently for the Spanish-American War veterans? I can well understand why he did not call attention to it. It was because he was against that act of tardy justice to the veteran of the Spanish-American War.

And remember, my friends, it is a Democratic President today who proposes to take away $95,000,000, or 70 percent of the appropriation for the Spanish War veterans.

If he had had his way, there would have been no legislation for the Spanish-American War veteran; and if he had his way, there would be no legislation for the World War veteran. Not a recommendation has he ever made in behalf of any change in the law. He only comes here at the last hour of the session because he knows Congress is committed to some form of relief, and he hopes by reason of the power which he exercises to get for them the smallest amount that the Congress will approve or that the veterans will be willing to accept.

Mr. President, it had been my hope that when we returned to our respective homes we might at least feel within our own hearts that we had done justice to the American people; but I fear from the apparent consequences which are about to ensue that none of us will be able to carry that conviction back to the people, either to those who fought in wars or to those who have never fought in wars. Upon every man will rest the responsibility for his vote here. Upon every man will rest the duty and the obligation in the future to bring about whatever perfection and improvement we can bring about in the elimination of the discrimination and injustice to which I have referred, but which seem not to have been in the mind of the President of the United States.

I trust that when we have gone beyond the World War 30 years or 20 years the American doughboy of the World War will not have the same ground for complaint against the Government of the United States as that which has been expressed over and over again by the soldiers for whom we a few days ago attempted to do only a tardy justice. I trust that if this measure, unconsidered, ill-considered at best, which is admitted to be a makeshift, which is admitted to be a political measure to save the faces of those responsible for no legislation at all up to this date, shall be enacted into law that we will delay the justice for which we now plead only for a few months. I shall gladly join with those who may seek to bring about that end.

Mr. President, we have some more important speeches which were made on the other side of the Chamber, among them one by the distinguished and eloquent junior Senator from Texas [Mr. CONNALLY], whom we all like to hear regardless of the subject he discusses. On page 12416 of the RECORD from which I have been reading he said:

Mr. President, soldiers' relief has not seriously been considered. I charge that this piece of legislation has been shunted off into a corner. This is a contest at last, when it is narrowed down, between corporation taxpayers with pockets full of profits—because those who make profits are the only kind who have to pay taxes—it has narrowed down to a contest between taxpayers with pockets full of profits and disabled soldiers with empty pockets. That is the issue.

One of the chief figures in the House of Representatives, who has had perhaps more to do with directing the course of this legislation than anybody else in Washington, was quoted in the papers the other day to this effect; he said:

"It would be much harder to explain to an income-tax payer the failure to reduce taxes or raise taxes than it would be to explain the soldier bill."

In other words, with his practical mind, he was looking directly to the question as to which he would rather try to satisfy, the income-tax payer, who feared that his taxes might be raised or that he might not get another reduction of his taxes, or some disabled soldier.

It seems to me we might very well ask the administration which of them they dread, whether they dread the soldier the most or the taxpayer the most. It would seem that they have agreed, as charged by the junior Senator from Texas, that the taxpayer is the man to be dreaded the most.

That is the contest. Gentlemen should not delude themselves. The contest is between those who want to show a budget; who want to show a surplus. What for? For political effect. They want to go before the country with a brass-band accompaniment proclaiming how much surplus we have in the Treasury. We have $184,000,000 surplus in the Treasury. Mr. Mellon, before that Treasury surplus was determined, was predicting a deficit in case this legislation were enacted.

Senators need not fear about a deficit. We are not going to have a deficit. So, after all, it is simply a question as to whether or not we want to compensate the disabled soldiers at an adequate rate or want to pretend to compensate them with an inadequate rate. There is no dispute as to principle, no division as to the fundamentals. The administration and the leaders of the conference committee say that for a totally disabled soldier $40 is enough. They tell us that for a soldier who is disabled 25 percent, $12 is enough.

Oh, gentleman need not undertake to shift the question; that is what they are going to say, that is what they are saying now, that for a soldier disabled 25 percent, $12 a month is enough.

Mr. President, that is an important record. It is a record that is less than 3 years old. I shall not comment upon it further and shall not detain the Senate by reading other very interesting speeches contained in the RECORD to which I have referred and which I have omitted.

Mr. HEBERT. Mr. President, like other Senators I have received a very large number of appeals from citizens of my State in relation to the pending bill. Many of those have come to me from veterans and their representatives.

They express apprehension as to the treatment that is to be accorded to soldiers of past wars if this legislation be enacted.

On the other hand, a very large number of appeals have come to me from individual citizens, taxpayers large and small. They, too, are apprehensive lest some unforseen catastrophe come upon us as the result of past legislation—as the result of the depression through which we have been passing.

To all those appeals I shall make answer as fast as the facilities at my disposal will permit, but I have felt that I ought to express my views somewhat more at length than I could within the compass of correspondence with my constituents; hence what I shall say at this time upon the pending bill:

The constitutionality of the pending measure has been questioned. I am not prepared after the consideration which I have been able to give to it in the brief time that has elapsed since it came to the Senate to express an opinion on that point, but I may say that in my judgment the critical conditions now existing justify favorable action upon it at the earliest possible date.

The title of the bill is most appropriate and expresses the full intent of its sponsors. It is entitled "A bill to maintain the credit of the United States Government." To my mind, that consummation is paramount at this time. Unless the credit of our Government be maintained, it matters little what action we take here either in going through forms of spreading our munificence to any one group of our citizens, or to all groups. In any event our action will amount to no more than a gesture, for I venture to say there will be no available funds out of which to effectuate our purposes.

The bill affects the veterans to a greater extent perhaps than it does Government employees, to whom it also applies. It provides authority for a marked reduction in their present rate of compensation, it is true.

I hope during my term of service here that I shall never intentionally do an injustice to any veteran who has had the signal honor of having served in the country's wars. To my mind, denying to one who has become incapacitated in the defense of our country and its institutions a sufficient allowance for his maintenance and support is inconceivable. I shall never by my vote permit a soldier of my country, who received injury in actual service, to suffer want or distress. I go further and say I am not unwilling to assume my fair share of any added burdens of taxation to provide generously for our soldiers. But I do not conceive it to be the purpose of this legislation to deny that aid which is needed by those who have suffered disablement in the line of duty.

I realize there is a possibility, and indeed a probability, that under this bill, if it become a law, the present liberal allowances may be reduced or curtailed. I realize, too, how apprehensive the veterans are as to their future treatment at the hands of their Government.

For my part I cannot believe that this Government or that its Chief Executive will be ungenerous, much less unjust to them within the limits of our ability to pay; and after all, our ability to pay is of paramount importance at this moment.

We have exceeded our income in the past 3 years by some 5,000 millions of dollars. Our national credit is on the verge of impairment. What if it be destroyed? How then shall we provide the funds with which to meet our obligations including the provisions we have made for the soldiers?

We signed the bond, it may be said, and it should be honored. True, but how can that be done out of a depleted Treasury? To my mind it were better to promise within the limits of our ability to pay and to make good that promise.

Efforts have been made heretofore to effect economies in government, including some reductions in the compensation allowance to veterans. Recommendations to that end came to us from a Republican President. Congress refused, except to a limited extent, and not at all in respect to veterans' allowances, to follow those recommendations. Some of us on this side of the Chamber favored the proposal, but we received little, if any, support from the other side of the Chamber. That, however, is no indication that the savings were not justified. Indeed, the recommendations of a Democratic President, which are now before us for consideration, much more far-reaching in their effect than any heretofore suggested, are a clear indication of the soundness of the original proposal. That they come now from a President not of my political faith is to me not a sufficient reason to oppose them.

But, we are told, Congress will never effect this change. There is but one way to bring it about, it is said, and that is to delegate the power to the President. If that be so—and I regret I am led to the conclusion that it is—then let me add that, in a measure, Congress has abdicated its constitutional powers. Its lack of courage is to be deplored. The example it now sets will, I fear, be an evil influence upon legislation in the years to come. We are not doing the courageous thing. We are not giving our best service to our country. I, for one, am far from being proud of such an attitude. I should prefer to stand up on this floor and be counted for or against a proposition even though it be the unpopular thing, provided it be right. I should prefer to go down to political oblivion, if that be the price, rather than to shirk a responsibility simply because it happens not to be popular for the moment.

In the existing circumstances, however, there is no other course open to me than to favor the only proposal which can possibly be considered favorably. I have no other choice, though I should prefer to see this thing done in the manner outlined in our fundamental law through the channels of legislation.

Let me observe that the principle underlying this legislation is responsive to the mandate of an overwhelming majority of the voters of the country at the election of 1932. It is a part of the program of the administration in power. That administration is charged with a stupendous task. Unless it shall succeed, I hesitate to think what will follow. I am unwilling to be placed in the position of opposing any reasonable effort looking to its accomplishment. I may, in the future, find myself in disagreement with some proposals which may be submitted for our consideration; but having reached the conclusion that the passage of the pending bill is essential at this time, I shall give it my support.

Economies must be effected if we are to survive as a Nation and do honor to our obligations. They must come about because the people have willed it so. When the electorate has spoken, then the final arbiter has been heard. I bow to the will of the majority. They want economy; they want retrenchment in government. It is their Government, and their will is supreme. The present administration promised economy. The voters of the country gave it their mandate. That is now being carried out—not in the way I should do it—but, nevertheless, effectually, I hope. If the administration shall have misjudged the temper of the people in this regard, then it will surely receive their condemnation when it comes to give an account of its stewardship.

This is no time to indulge in political discussions. It is a time for action, immediate action. I am ready to cast my vote for this measure. I sincerely hope its passage will benefit the country without doing an injustice to anyone. After all, the people willed a change. They were promised a new deal. The existing order changeth; the new deal is at hand.

Mr. BORAH obtained the floor.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER (Mr. BRATTON in the chair). Does the Senator from Idaho yield to the Senator from Arkansas?

Mr. BORAH. I yield.

LOANS BY FEDERAL RESERVE BANKS TO STATE BANKS AND TRUST COMPANIES

Mr. ROBINSON of Arkansas. Mr. President, the Committee on Banking and Currency, to which was referred the bill (S. 320) to provide for direct loans by Federal Reserve

banks to State banks and trust companies in certain cases, has ordered a report on the bill without amendment. The Senator from Florida [Mr. FLETCHER] is absent for the time being but is ready to make that report. I am going to ask unanimous consent for the present consideration of the bill and for the privilege of making a brief explanation.

An additional amendment, which I think will not require discussion, will be proposed if consent to my request is granted.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas?

Mr. McCARRAN. I should like to have an explanation before consent is given.

Mr. ROBINSON of Arkansas. I am going to make an explanation of the bill; but my explanation will be very brief.

This bill proposes to make two changes in existing law. A number of statutes have been passed having relationship to the subject matter dealt with in the act of March 9, 1933, known as the "Emergency Banking Act", and also embraced within the bill to which I refer. The two changes are as follows:

First, the bill gives supplemental rights or opportunities to State banks or trust companies to obtain direct loans from the Federal Reserve banks on their time or demand notes, secured to the satisfaction of the Federal Reserve banks. Under the Emergency Banking Act, loans may be made direct to the State banks on the sole security of Government bonds, "obligations of the United States." It is believed that the change now proposed will tend to place the State banks nearer on a parity with member banks.

Section 402 of the Emergency Banking Act, passed March 9, 1933, gives member banks this right but does not extend it to State banks. The pending bill, as I have already stated, gives broader opportunities for loans to the State banks, in that the loans may be based on their time or demand notes secured as the reserve banks may require.

The second change is, in my judgment, of comparative unimportance. The Emergency Banking Act gave to bank conservators provided for under that act the same rights that are extended to receivers, but it also imposed obligations and duties that are not devolved by law upon receivers. The counsel for the Federal Reserve Board, it is said, has raised the question as to whether the Reconstruction Finance Corporation has authority to make loans to the bank conservators contemplated in certain provisions of the emergency banking act of March 9 last. The amendment that I shall offer, if consent be given for the consideration of the bill, is as follows:

Add a new section at the end to read:

"The Reconstruction Finance Corporation and the Federal Reserve banks are authorized to make loans to any conservator appointed pursuant to section 203 to aid such conservator in administering the affairs of the bank for which he was appointed. Each such loan shall be subject to the approval of the Comptroller of the Currency and shall be secured by any available sound assets of the bank."

I have stated—and I will state again for the benefit of the Senator from Florida [Mr. FLETCHER], who was necessarily out of the Chamber when the opportunity arose to bring this measure up—that I am informed that he is authorized to report the bill without amendment and that, if consent be given, I shall offer the amendment that I just read.

Mr. WALSH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Massachusetts?

Mr. ROBINSON of Arkansas. I yield.

Mr. WALSH. The amendment proposed by the Senator is an attempt to satisfy the criticism that was made of the act passed last Thursday in its relationship to the State banks?

Mr. ROBINSON of Arkansas. It broadens the power and right of State banks with respect to loans from the Federal reserve banks in the manner I have stated. Under the existing act they can secure loans only on the security of Government bonds. Under this bill, if it shall be passed, they will be able to secure loans on their time or demand notes when approved by the Federal Reserve bank and the State banking commissioner with such security as may be required.

Mr. WALSH. And, of course, the measure has the approval of the State bank authorities?

Mr. ROBINSON of Arkansas. It has not yet been submitted to them formally.

Mr. WALSH. I assume that they had representatives dealing with the committee?

Mr. HARRISON. Mr. President——

Mr. ROBINSON of Arkansas. I yield.

Mr. HARRISON. May I state that a delegation from my State, representing the banks of Mississippi, is very much in accord with the bill and is very hopeful that it will pass?

Mr. WALSH. That is what I assumed.

Mr. ROBINSON of Arkansas. It is very much desired by the representatives of many State banks, but I could not say that it has the formal approval of the State bank commissioners, because it has not been submitted to them.

Mr. WALSH. It has the approval of the State bank authorities of my State.

Mr. FLETCHER and Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Arkansas yield; and if so, to whom?

Mr. ROBINSON of Arkansas. I yield first to the Senator from Florida.

Mr. FLETCHER. On behalf of the Committee on Banking and Currency I report favorably, and without amendment, the bill (S. 320) to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases. I understand the Senator from Arkansas has asked unanimous consent to consider the bill, the unfinished business to be laid aside temporarily for that purpose.

The PRESIDING OFFICER. Without objection, the report will be received.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. ROBINSON of Arkansas. I yield first to the Senator from West Virginia.

Mr. HATFIELD. Mr. President, I wish to say in behalf of the State bank organizations of the State of West Virginia that they are very much in favor of the bill just reported and of the amendment referred to by the Senator from Arkansas.

Mr. ROBINSON of Arkansas. I thank the Senator. I now yield to the Senator from Oregon.

Mr. McNARY. Mr. President, my attention was diverted when the able Senator from Arkansas was proposing the amendment. Do I understand the amendment which he has suggested is to be proposed to the bill reported by the Senator from Florida?

Mr. ROBINSON of Arkansas. First, I am asking for the consideration of the bill reported by the Senator from Florida. Since that bill was introduced, the Treasury Department has discovered or been advised by the counsel of the Federal Reserve Board that there is some doubt as to the right of bank conservators provided for by certain provisions of the emergency banking act to secure loans, and this amendment is intended to give them that right in the operation of banks. No limitation is carried in this amendment on the aggregate amount to be loaned by the Reconstruction Finance Corporation.

Mr. McNARY. Is the Senator from Arkansas asking for present consideration of the bill?

Mr. ROBINSON of Arkansas. Yes. The reason for it is, of course, apparent.

Mr. McNARY. I have no objection; but, inasmuch as a number of Senators are absent from the floor of the Senate, I shall have to suggest the absence of a quorum before I can give consent.

Mr. ROBINSON of Arkansas. Very well.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Keyes	Robinson, Ark.
Ashurst	Couzens	La Follette	Robinson, Ind.
Austin	Dale	Lewis	Russell
Bachman	Dickinson	Logan	Sheppard
Bailey	Dill	Lonergan	Shipstead
Bankhead	Duffy	McAdoo	Smith
Barbour	Fess	McCarran	Steiwer
Barkley	Fletcher	McGill	Stephens
Black	Frazier	McKellar	Thomas, Utah
Bone	George	McNary	Townsend
Borah	Glass	Metcalf	Trammell
Bratton	Goldsborough	Murphy	Tydings
Brown	Gore	Neely	Vandenberg
Bulkley	Hale	Norbeck	Van Nuys
Bulow	Harrison	Nye	Wagner
Byrd	Hastings	Overton	Walcott
Byrnes	Hatfield	Patterson	Walsh
Capper	Hayden	Pittman	White
Caraway	Hebert	Pope	
Clark	Johnson	Reed	
Connally	Kean	Reynolds	

Mr. WALSH. I wish to announce the absence of my colleague the junior Senator from Massachusetts [Mr. COOLIDGE] on account of a death in his family.

Mr. REED. I should like the RECORD to show an announcement for the day that my colleague [Mr. DAVIS] is absent on account of illness.

Mr. LEWIS. Mr. President, I desire to repeat the announcement previously made by me, that the absence of the Senator from Colorado [Mr. COSTIGAN], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Illinois [Mr. DIETERICH] is caused by illness in their families.

The Senator from Wyoming [Mr. KENDRICK] and the Senator from Montana [Mr. WHEELER] are absent because of attendance upon the funeral corteges of our late Members.

The PRESIDING OFFICER. Eighty-one Senators have answered to the roll call. A quorum is present. Is there objection to the request of the Senator from Arkansas?

There being no objection, the Senate proceeded to consider the bill (S. 320) to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases, which was read, as follows:

Be it enacted, etc., That title IV of the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes", approved March 9, 1933, is amended by adding at the end thereof the following new section:

"SEC. 404. During the existing emergency in banking or until this section shall be declared no longer operative by proclamation of the President, but in no event beyond the period of 1 year from the date this section takes effect, any State bank or trust company not a member of the Federal Reserve System may apply to the Federal Reserve bank in the district in which it is located and obtain from said Federal Reserve bank direct loans under the terms provided in section 10 (b) of the Federal Reserve Act, as amended by section 402 of this act: *Provided*, That all applications for such loans shall be accompanied by the written approval of the State banking department or commission of the State from which the State bank or trust company has received its charter and a statement from the said State banking department or commission that in its judgment said State bank or trust company is in a sound condition."

Mr. ROBINSON of Arkansas. Mr. President, I offer the amendment which I discussed a few moments ago and ask that it be stated.

The PRESIDING OFFICER. The Senator from Arkansas offers an amendment, which will be stated.

The CHIEF CLERK. On page 2, after line 12, insert:

SEC. 2. Title II of such act is hereby amended by adding at the end thereof the following new section:

"SEC. 212. The Reconstruction Finance Corporation and the Federal Reserve banks are authorized to make loans to any conservator appointed pursuant to section 203, to aid such conservator in administering the affairs of the bank for which he was appointed. Each such loan shall be subject to the approval of the Comptroller of the Currency and shall be secured by any available sound assets of the bank."

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Arkansas.

Mr. BARKLEY. Mr. President, may I ask the Senator from Arkansas just what expansion of present law is contained in this bill?

In the committee this morning we had a brief discussion of this bill, which was authorized to be reported; but I was unable by comparison to ascertain wherein this bill extends or expands the power already existing, as contained in section 210 of the act of July 21, 1932, which authorizes the making of loans to individuals and partnerships and corporations—which, of course, must include banks, because they are corporations—and without some of the restrictions contained in this particular bill. In the bill which is now under consideration, before a State bank can obtain any such loan the State banking authority must certify that it is a sound bank and in a sound condition. I am afraid that that requirement may make it impossible for most of the banks to obtain these loans, whereas the present law does not require any such certification.

Mr. ROBINSON of Arkansas. Mr. President, I discussed the subjects to which the Senator from Kentucky has referred before the absence of a quorum was suggested; and I will repeat briefly the substance of the statement I then made, because a number of Senators, including the Senator from Kentucky, have since come into the Chamber.

The changes which the bill makes in existing law may be considered by some Senators as of relative unimportance, but I think at least one of them is a substantial broadening of the right and opportunity of State banks to secure loans from Federal Reserve banks in this particular.

Under existing law, the provisions for loans to State banks require the use of Government bonds or obligations as security. Under the proposed act amending the law, State banks may procure loans on their time or demand notes secured to the satisfaction of the Federal Reserve bank.

Mr. BARKLEY. Mr. President, will the Senator yield right there?

Mr. ROBINSON of Arkansas. If I may continue for just a moment, the reason for the requirement in the proviso for a certification that the State bank is sound is found in the fact that we are extending a rather extraordinary privilege to an outside bank—that is, a bank that is not a member of the Federal Reserve System—and it is thought wise, after much deliberation on the subject, to require, in addition to the approval of the Federal Reserve bank, the approval of the supervising authority concerning the State banks.

The amendment which has been proposed has relation only to the rights and privileges granted the so-called conservators of banks. These are provided for under the emergency banking act, and they are given the rights and privileges accorded receivers. Receivers may borrow from the Reconstruction Finance Corporation; but the counsel for the Federal Reserve Board—somewhat technically, I think—has raised the question as to the right of conservators to obtain loans from Federal Reserve banks and from the Reconstruction Finance Corporation; and this amendment is intended to make clear that right beyond any question of doubt. Moreover, there is no limit on the aggregate amount that may be loaned by the Reconstruction Finance Corporation to State banks under this amendment.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

Mr. ROBINSON of Arkansas. The Senator from Kentucky [Mr. BARKLEY] asked me to yield to him.

Mr. BARKLEY. I will yield to the Senator from Michigan.

Mr. VANDENBERG. I desire to ask the Senator from Arkansas for his own interpretation of the phrase "in a sound condition." This is what I have in mind, if the Senator will bear with me:

It seems to me that we are approaching a serious situation, in that liquidity rather than solvency is calculated to be the test of soundness. Would the Senator concede that that was a correct test?

Mr. ROBINSON of Arkansas. No; I think that "a sound condition" means a solvent condition.

Mr. VANDENBERG. I cordially agree with the Senator.

Mr. ROBINSON of Arkansas. And I do not think we ought to extend or can afford to extend the privilege of loans of this class from the Federal Reserve System to banks that are not members, except upon such a condition.

Mr. VANDENBERG. I quite agree with the Senator.

Mr. ROBINSON of Arkansas. And I am sure that is the belief of those who have suggested the legislation.

Mr. VANDENBERG. I desire to tell the Senator that, judging from my own observation in my own section of the country, I very much fear that the other law is being administered today on a basis much closer to liquidity than to solvency, and it threatens a very serious menace as a result.

Mr. ROBINSON of Arkansas. I think necessarily we must leave the administration of the statute to administrative officers.

Mr. ROBINSON of Arkansas subsequently said: Mr. President, I ask leave to insert in the RECORD in connection with my remarks certain provisions of existing law relating to the subject of loans to individuals and corporations by the Federal Reserve bank.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the act approved July 21, 1932]

SEC. 210. Section 13 of the Federal Reserve Act, as amended, is further amended by adding after the second paragraph thereof the following new paragraph:

"In unusual and exigent circumstances, the Federal Reserve Board, by the affirmative vote of not less than five members, may authorize any Federal Reserve bank, during such periods as the said Board may determine, at rates established in accordance with the provisions of section 14, subdivision (d), of this act, to discount for any individual, partnership, or corporation, notes, drafts, and bills of exchange of the kinds and maturities made eligible for discount for member banks under other provisions of this act when such notes, drafts, and bills of exchange are endorsed and otherwise secured to the satisfaction of the Federal Reserve bank: *Provided*, That before discounting any such note, draft, or bill of exchange for an individual or a partnership or corporation the Federal Reserve bank shall obtain evidence that such individual, partnership, or corporation is unable to secure adequate credit accommodations from other banking institutions. All such discounts for individuals, partnerships, or corporations shall be subject to such limitations, restrictions, and regulations as the Federal Reserve Board may prescribe."

[From the act approved February 27, 1932]

SEC. 10. (b) Until March 3, 1933, and in exceptional and exigent circumstances, and when any member bank, having a capital of not exceeding $5,000,000, has no further eligible and acceptable assets available to enable it to obtain adequate credit accommodations through rediscounting at the Federal Reserve bank or any other method provided by this act other than that provided by section 10 (a), any Federal Reserve bank, subject in each case to affirmative action by not less than five members of the Federal Reserve Board, may make advances to such member bank on its time or demand promissory notes secured to the satisfaction of such Federal Reserve bank: *Provided*, That (1) each such note shall bear interest at a rate not less than 1 percent per annum higher than the highest discount rate in effect at such Federal Reserve bank on the date of such note; (2) the Federal Reserve Board may by regulation limit and define the classes of assets which may be accepted as security for advances made under authority of this section; and (3) no note accepted for any such advance shall be eligible as collateral security for Federal Reserve notes.

Mr. ROBINSON of Arkansas. This was extended for 1 year at the end of last session, and the President was given power to further extend the provision for an additional year.

[From the act approved March 9, 1933]

"SEC. 10 (b). In exceptional and exigent circumstances, and when any member bank has no further eligible and acceptable assets available to enable it to obtain adequate credit accommodations through rediscounting at the Federal Reserve bank or any other method provided by this act other than that provided by section 10 (a), any Federal Reserve bank, under rules and regulations prescribed by the Federal Reserve Board, may make advances to such member bank on its time or demand notes secured to the satisfaction of such Federal Reserve bank. Each such note shall bear interest at a rate not less than 1 percent per annum higher than the highest discount rate in effect at such Federal Reserve bank on the date of such note. No advance shall be made under this section after March 3, 1934, or after the expiration of such additional period not exceeding 1 year as the President may prescribe."

SEC. 403. Section 13 of the Federal Reserve Act, as amended, is amended by adding at the end thereof the following new paragraph:

"Subject to such limitations, restrictions, and regulations as the Federal Reserve Board may prescribe, any Federal Reserve bank may make advances to any individual, partnership, or corporation on the promissory notes of such individual, partnership, or corporation secured by direct obligations of the United States. Such advances shall be made for periods not exceeding 90 days and shall bear interest at rates fixed from time to time by the Federal Reserve bank, subject to the review and determination of the Federal Reserve Board."

Mr. BARKLEY. Mr. President, I do not desire to take the time of the Senate, or to interpose any objection to the passage of this bill; but, merely for the RECORD, I wish to state that in my judgment it is not necessary and that it places restrictions upon the power of the Government of the United States, through the Federal Reserve Board and the Reconstruction Finance Corporation, to make these loans that are now authorized by law without the restrictions.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. BARKLEY. I want to read here the section to which I refer.

Section 210 of the Emergency Relief and Construction Act of 1932, approved July 21, 1932, provides:

In unusual and exigent circumstances, the Federal Reserve Board, by the affirmative vote of not less than five members—

That is not changed in the bill that we are considering—

may authorize any Federal Reserve bank, during such periods as the said Board may determine, at rates established in accordance with the provisions of section 14, subdivision (d), of this act, to discount for any individual, partnership, or corporation, notes, drafts, and bills of exchange of the kinds and maturities made eligible for discount for member banks under other provisions of this act when such notes, drafts, and bills of exchange are endorsed and otherwise secured to the satisfaction of the Federal Reserve bank.

It seems to me that that provision authorizes the doing of this very thing without the restrictions placed upon it in the bill under consideration.

I wanted to put that in the RECORD simply as substantiating my view that this bill is not necessary, and that it will be more difficult to borrow money under it than it will be to borrow it under the law as it now exists.

Mr. ROBINSON of Arkansas. I am familiar with the paragraph to which the Senator has referred; and after a careful study of it, I think this has relation to what is termed "eligible paper."

Mr. BARKLEY. No; if the Senator will permit me, it says the same kind of paper that would be eligible for rediscount by member banks; but I do not think it means eligibility.

Mr. ADAMS. Mr. President, if I may interrupt, the question of eligible paper in the paragraph read by the Senator from Kentucky is to be construed in the light of eligible paper as of that day; and the very things which are sought now to be brought within the definition of eligible paper, and to be made available for loans today, were not eligible, and were not eligible paper, under the banking act of that day, which is defined as section 343 of the banking statutes. Now the emergency act adds a classification of eligible paper which did not exist previously; so that the amendment to the emergency act which the Senator from Arkansas now offers refers to eligible paper as of today, which is a broader classification than eligibility at the time when the act was passed which is quoted by the Senator from Kentucky.

Mr. BARKLEY. Mr. President, if the Senator will yield, this is a continuing act, and it seems to me it would necessarily be interpreted as eligibility at any time, because it does not restrict eligibility to the date upon which the bill is passed. It is a continuing law, and applies to eligible paper at any time as long as it is in force, it seems to me.

Mr. ADAMS. There was a definition of eligibility in existence when this act was passed.

Mr. BARKLEY. All of those definitions are continuing definitions.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me? Since the Emergency Banking Act defined the exclusive security on which State banks might secure loans from Federal Reserve banks as "Government obligations," the view is taken that this amendatory statute is advisable, and probably necessary, in order to enable the

Federal Reserve bank to make loans on paper which ordinarily is not termed "eligible", as the Senator from Colorado has suggested.

Mr. ADAMS. Mr. President, I think that is unquestionably true. Section 10 (b) as it now is amended in the emergency act opens up with the same phrasing as the bill presented by the Senator from Arkansas, saying—

In exceptional and exigent circumstances, and when any member bank has no further eligible and acceptable assets available to enable it to obtain adequate credit accommodations through discounting at the Federal Reserve bank, or any other method provided by this act, other than provided by section 10.

Then it provides:

Any Federal Reserve bank, under rules and regulations provided by the Federal Reserve Board, may make advances to such member bank on its time or demand notes secured to the satisfaction of such Federal Reserve Board.

In substance, the new bill offered by the Senator from Arkansas provides for adding to the powers given by the emergency act, in this section 10 (b) as amended, the inclusion of State banks, and I think that is quite essential. I have given quite a good deal of time and a good deal of study to that matter. There are State banks in the West very much in need of this help, and it seems to me that even if there is a question of doubt, the question of doubt should be resolved in favor of aiding the banks which are so greatly in need of help at this time.

Mr. VANDENBERG. Mr. President, I quite agree that it is thoroughly wise to seek latitude in behalf of State banks with respect to the emergency banking legislation which we adopted a few days ago. As the Senator from Arkansas has said, in the final analysis the administration of the act determines its real character, and this continues to be true even with this pending amendment added.

For just a passing second, before the vote is taken, I want to plead for the wisest possible exercise of this administrative authority, because the use of the administrative authority has within it at the present hazardous hour the life and the death of thousands of American banks. That is not so important of itself; the important thing is that it has within it the life and death and integrity and vitality of hundreds of thousands of bank accounts.

Under the administration as it has thus far gone forward, today, for instance, when banks in clearing-house cities were permitted to be opened, just seven banks opened in my State of Michigan. No one can say to me that there are only seven sound banks in the clearing-house cities of the State of Michigan. There are more sound banks in that State than that, if soundness means solvency. The numbers may be small if it means absolute liquidity on the basis of today's auctioneer's values. But if banks are to be partially closed or wholly closed on the basis of today's liquidity values, we are going to have a massacre of the savings of the American people; and I want to urge, with all the vehemence at my command and all the earnestness I can summon, that, in the administration of this controlling phrase describing sound banks, we shall not be tied to the dead body of today's wrecked values, but what we shall have a wise conception of the possibilities for tomorrow.

Mr. KEAN. Mr. President, I offer an amendment to strike out beginning with the word "provided", in line 6, on page 2, and ending at the bottom of the page.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 2, line 6, after the word "act", the Senator from New Jersey moves to strike out the colon and down to the period in line 12, as follows:

Provided, That all applications for such loans shall be accompanied by the written approval of the State banking department or commission of the State from which the State bank or trust company has received its charter and a statement from the said State banking department or commission that in its judgment said State bank or trust company is in a sound condition.

Mr. KEAN. Mr. President, I offer this amendment because we are trying to help the State banks. If the bill is passed as it now stands, it will mean that every State bank will first have to be examined by one of the State bank examiners, who will report to the Federal Reserve bank; then the Federal Reserve bank will send its man down to make an examination and report again. That report will then have to be voted on by five members of the Federal Reserve Board, and by that time the bank will probably be wrecked.

Mr. President, I think that if we really want to help State banks, we will accomplish something if we leave out the clause to which I have referred.

Mr. ROBINSON of Arkansas. Mr. President, for the reasons I stated a few moments ago, I cannot approve of the amendment. I am ready for a vote on it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New Jersey.

The amendment was rejected.

The PRESIDENT pro tempore. If there be no further amendments, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases, and for other purposes."

RELIEF OF EARTHQUAKE SUFFERERS IN CALIFORNIA

Mr. GLASS. Mr. President, I report favorably from the Committee on Appropriations Senate Joint Resolution 14, authorizing the President of the United States to expend $5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933, with certain formal amendments.

Mr. JOHNSON. Mr. President, I was going to ask unanimous consent that the joint resolution be immediately considered, but it being a measure presented by my colleague, I will have to omit the request until he arrives in the Chamber.

Mr. GLASS. Mr. President, I am sure the Senator's colleague would not dissent to his request.

Mr. JOHNSON. I ask unanimous consent for the immediate consideration of the joint resolution.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Appropriations with amendments.

The amendments of the Committee on Appropriations were, on page 1, line 3, after the word "hereby", to insert "authorized to be"; in the same line, after the figures "$5,000,000", to insert "out of any money in the Treasury not otherwise appropriated"; in line 7, after the figures "1933", to strike out the period and "Be it further" and insert a colon; on page 2, line 1, before the word "That", to strike out "*Resolved*" and insert "*Provided*"; in line 7, after the word "assistance", to strike out the period and "Be it further" and insert a colon; and in line 9, before the word "That", to strike out "*Resolved*" and insert "*Provided further*," so as to make the joint resolution read:

Resolved, etc., That there is hereby authorized to be appropriated $5,000,000, out of any money in the Treasury not otherwise appropriated, as a fund for the relief of distress in those counties of the State of California which are designated by the President of the United States as having been materially damaged by earthquake in the year 1933: *Provided*, That said sum shall be disbursed by the Treasurer of the United States on the order of the President, or by such person, committee, or corporation as may be designated by him to administer such fund, to such persons, firms, or corporations as may be found by the President or his designees to be in need of relief or assistance: *Provided further*, That such sum shall be used, in such manner and under such regulations as the President may prescribe or as may be prescribed with his approval by any person, committee, or corporation designated by him, for the relief of distress occasioned by earthquake occurring in the year 1933 in such counties of the State of California as may be named by the President of the United States by Executive order.

Any unexpended balance of this appropriation shall be covered back into the Treasury.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. GLASS. Mr. President, permit me to state that it is fair to say, in the absence of the junior Senator from California [Mr. McADOO], that he appeared before the Committee on Appropriations in behalf of his joint resolution and very earnestly urged its report.

SENATORIAL CAMPAIGN EXPENDITURES

The PRESIDING OFFICER (Mr. BARKLEY) appointed the Senator from Kentucky [Mr. LOGAN] a member of the Special Committee to Investigate Senatorial Campaign Expenditures, vice the late Senator from Nebraska [Mr. Howell].

REDUCTION OF EXPENDITURES

The Senate resumed the consideration of the bill (H.R. 2820) to maintain the credit of the United States Government.

Mr. BORAH. Mr. President, I do not rise to discuss what I conceive to be the main and controlling issue in reference to the bill, so far as my vote is concerned; I may discuss that later. I want to call attention to some other features of the measure. I ask particularly the attention of the able Senator who has the bill in charge.

There seem to me to be injustices in the provisions of the bill which may be remedied. As I understand the measure as it is now before the Senate, the President is left with no discretion in the matter of the reduction of salaries or compensation. As I understand it, when he shall have ascertained, through the agencies of the Government, the percentage in the fall of prices and the cost of living, that must be applied to the person earning a salary or having a compensation of a thousand dollars, the same as it is applied to a person receiving a salary or compensation of $10,000. In other words, after the President shall have ascertained what the percentage of the cost of living is today as compared with the time which is taken as a basis for calculation, he will have no discretion but to apply that to the person of very low salary or low compensation the same as he applies it to a Cabinet officer.

Mr. President, that seems to me a matter which we ought seriously to consider. It is so inequitable and so unjust that we can afford to remedy the matter.

Let me read the provision of the bill which deals with the phase of the matter with which I am now concerned. I read from page 12, section 2:

SEC. 2. For that portion of the fiscal year 1933 beginning with the first day of the calendar month following the month during which this act is enacted, and for the fiscal year ending June 30, 1934, the compensation of every officer or employee shall be determined as follows:—

(a) The compensation which such officer or employee would receive under the provisions of any existing law, schedule, regulation, Executive order, or departmental order shall first be determined as though this title (except section 4) had not been enacted.

(b) The compensation as determined under subparagraph (a) of this section shall be reduced by the percentage, if any, determined in accordance with section 3 of this title.

SEC. 3. (a) The President is authorized to investigate through established agencies of the Government the facts relating to the cost of living in the United States during the 6 months' period ending June 30, 1928, to be known as the base period, and upon the basis of such facts and the application thereto of such principles as he may find proper, determine an index figure of the cost of living during such period. The President is further authorized to make a similar investigation and determination of an index figure of the cost of living during the 6 months' period ending December 31, 1932, and each 6 months' period thereafter.

(b) The President shall announce by Executive order the index figure for the base period and for each subsequent period determined by him under paragraph (a) of this section. The percentage, if any, by which the cost of living index for any 6 months' period, as provided in paragraph (a) of this section, is lower than such index for the base period, shall be the percentage of reduction applicable under section 2 (b) of this title in determining compensation to be paid during the following 6 months' period, or such portion thereof during which this title is in effect: *Provided*, That such percentage of reduction shall not exceed 15 percent.

I assume that I am correct in my construction of the bill that the President has no discretion, after he shall have ascertained the percentage in the reduction of the cost of living, but to apply it to all officers and all employees regardless of their income.

Mr. HARRISON. That is true.

Mr. BORAH. That being true I want earnestly to invite the attention of the Senator to the practicability of fixing a limit below which no reduction whatever shall be had.

Mr. HARRISON. That limit is fixed at 15 percent.

Mr. BORAH. I am not speaking of the percentage, but of the fact that the 15 percent would apply to a person earning $600 a year or $1,000 a year the same as it would apply to a person earning $10,000 or $12,000 a year.

Mr. HARRISON. There is no limit as to the amount of salary affected.

Mr. BORAH. Does not the Senator think there ought to be?

Mr. HARRISON. No; the Senator thinks, and the committee thought, that everyone now in the employ of the Government, where the cost of living has been reduced, should bear his proportionate share in reduced wages.

Mr. BORAH. But where a person is living on $1,000 a year a reduction of his income by 15 percent means infinite hardship and distress compared with the reduction of 15 percent in the salary of the person drawing $10,000 or $12,000 a year.

Mr. HARRISON. That is exactly the reason why we based it on the difference in the cost of living. We took the index period of 1928 and compared it with those periods where the cost of living is less. In other words, if the cost of living is 15 percent less, the man with a salary of $1,000, while he gets 15 percent less in his salary, would not be out any more proportionately.

Mr. BORAH. But the man getting $10,000 or $12,000 a year and who gets a 15 percent reduction does not feel the pinch and the hardship and the distress which will inevitably be felt by the person who is getting only $1,000 a year, which barely keeps body and soul together, and who must, of course, reduce his or her expenditure by 15 percent. That is manifestly unjust. There is no reason why that kind of injustice and inequity should remain in the bill. It is indefensible in conscience; it is grossly inequitable. Such a measure can never receive my support.

For instance, we have a number of people upon the pay roll of the Government who are receiving the small sum of $1,000 or $1,200 a year and far less. There may be a family of 2 or 3 or even more. Every single red cent taken from that family's income is aggravated into torture and distress by reason of the fact that they are now living upon the lowest round which should ever prevail as the standard of living in the United States. We could infinitely better afford to increase the percentage of reduction in all salaries above $5,000 or $6,000 in order to relieve those who are receiving the very low salaries. If the Senator from Mississippi feels, after considering the matter, that it is unwise to pursue that course and offer the amendment himself, I shall feel that I ought to do so myself. Let us cut more deeply into our own salaries. Let us cut more deeply in all the higher salaries.

Mr. HARRISON. Mr. President, we gave consideration to the matter presented by the Senator from Idaho and felt that when we reduce everybody according to the reduced cost of living we have been very fair and just to everyone, and that the person who makes $10,000 a year loses the sum of $1,500 by virtue of the 15 percent reduction and that the one who receives $1,000 might equitably bear a reduction of $150 based on the reduction in the cost of living.

Mr. BORAH. But $150 to a person receiving $1,000 a year is an infinitely different thing from $1,500 to the party who is receiving $10,000 a year. We are supposed to be legislating with the desire of assisting the Government and every person must assist in accordance with his capacity to assist. It cannot be contended for a moment that a person who contributes only $1,500 out of $10,000 is contributing to the aid of the Government in proportion to the person who contributes $150 out of $1,000 a year. The sacrifice in the latter case is out of all proportion to the former case.

A few days ago, since the bill was introduced, I was asked by a committee in the city of Washington, familiar with liv-

ing conditions here, to visit some of the apartments and some of the homes in which those people with very low salaries are living. After some hesitation I did so. I saw their homes, their apartments. I saw their budgets and the manner in which they piece out their living by the year. In looking them over it was difficult for me to restrain my feelings because of the impoverished condition of these people—how closely they have to figure in order to keep a roof over their heads and food to eat.

There is another thing we ought not to forget, and that is while some things in the city of Washington are going down to some extent and salaries are being cut or will be cut under this bill, yet a great number of items which have to do with the cost of living are not being reduced and will not be reduced. The rents of the small apartments in which these people are living are not being reduced and will not be reduced. Their doctor bills are not reduced and will not be reduced. Those items, Mr. President, are all things which must be taken into consideration by those people when making up their annual budgets. The sickness of a child may destroy their entire budget. The sickness of a child may sweep away their entire year's salary. That is not true of the person who has an income of $10,000 or $12,000 a year. Again, the person who has an income of $10,000 or $12,000 a year almost invariably has an income from some other source which enables him to meet incidents and accidents that arise in the course of life.

From any standpoint, humanitarian or economic, however it may be viewed, it is not just and equitable to reduce the salaries of those people in the same proportion as we reduce the salaries of the higher-paid people. For instance, the salary of a Senator, $10,000 a year, is reduced 15 per cent. The charwoman who washes the steps up which we walk day by day has her salary reduced 15 per cent. Mr. President, if the Senator from Mississippi is unable to see that difference and feels disinclined to offer the amendment, I shall later offer it myself.

Let us view the situation for a moment from the economic standpoint and not from the humanitarian standpoint. We are reducing the purchasing power of these people because every cent which they have now of $1,000 a year is used in making some kind of purchases for their living purposes. There is no profit laid away. None of the salary goes into a deposit in a savings bank because it is not possible to use it in that way in these days. Every cent they have in some way or another is expended and goes toward sustaining the purchasing power of the masses of the United States. We gain nothing economically by reducing the purchasing power of these people below the present standard in which we find them. Whether we consider it as an economic question or as a humanitarian question, we can afford to fix a limit beyond which we will not reduce the amount which these people are earning. I would make it applicable to those earning more than $1,000 a year, if I had my way, but I certainly would not make it applicable to anyone receiving $1,000 a year or less.

Mr. President, there is one other matter to which I would call attention. The Senator from Virginia [Mr. GLASS] asked me to act upon it today. I interposed notice to reconsider the vote by which a resolution was agreed to the other day providing for the payment of mileage to Members of Congress. I did that for the reason that the mileage was fixed in 1866, and with the exception of the reduction which took place last year it has always remained as it was established in 1866 at 20 cents a mile. In these times we cannot justify a mileage charge of 20 cents a mile. It would help tremendously as a matter of economy to reduce it, and in addition to that it is based upon fairness and justice between the Government and the Members of Congress because it does not cost 20 cents a mile to travel over the country at this time, as it may have cost in large measure in 1866.

Therefore, I thought, in the way of contributing something to the situation which might enable us to offer some concrete aid in the way of relief to the low-salaried or low-compensation employees we could afford to take the actual mileage expenditure which will be found to exist from this time on as an actual fact, rather than the mileage which was fixed in 1866. Besides it is the honest and fair thing to do. We are not entitled to 20 cents a mile at any time, much less at this time.

I shall therefore offer an amendment at the proper time. I should be glad to offer it now if it were the appropriate time, but we have committee amendments to consider first; but when we have disposed of those I shall offer an amendment providing that the mileage allowance to Members of Congress shall be reduced to 5 cents a mile.

Mr. REED. Mr. President, will the Senator permit a question?

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Pennsylvania?

Mr. BORAH. Certainly.

Mr. REED. Is it not a fact that railroad fares were lower per mile in 1866 than they are today?

Mr. BORAH. I do not know, but I would hardly suppose so. Still I have not investigated that particular matter. I do know, in investigating consideration of the question, that it was supposed that the actual expenditure for travel would amount to about the sum which they fixed at that time. At that time, in 1866, in a large part of the country, they were traveling not by railroad but by horse and buggy or by stage.

Mr. REED. If the Senator will pardon me, I think from the Rocky Mountains to the Atlantic Ocean the railroad system was pretty well completed by 1866.

Mr. BORAH. It might have been completed from the Rocky Mountains, but a very large part of the country lies beyond the Rocky Mountains from which they did not travel by railroad. But be that as it may, suppose they did fix it at 20 cents a mile in 1866, they certainly made a mistake when they fixed it at 20 cents a mile if it was based upon the theory that it cost 20 cents a mile to travel if railroads were in existence at that time. In my opinion, it was based upon a different theory, but assuming that it was based upon the theory or the fact that railroads existed, nevertheless at this particular time hundreds of thousands of dollars are taken out of the Treasury which are not expended in the way of mileage travel. We cannot defend it. We should not hesitate to cut it out. I take it that under the circumstances, at this time at least, we would not want to make the charge against the Government. Therefore I shall offer that amendment at the proper time.

The other question in which I am interested, and more particularly interested, I shall undertake to discuss later. I wanted to call this to the attention of the Senator in charge of the bill because I would much prefer that a change be initiated by the chairman of the committee than to propose it myself. It would have a better chance to be adopted.

Mr. TRAMMELL. Mr. President, I desire to express my approval and commendation of the position enunciated by the distinguished Senator from Idaho [Mr. BORAH], who has just spoken upon this question. I hope the chairman of the committee will give serious thought to his suggestion, and that, if the chairman does not act upon it, the Senator from Idaho will offer his amendment.

The whole basis of this proposed legislation is that we are in a crisis, and so we are doing extraordinary things; we are granting authority that no one would think of granting during ordinary times and under ordinary conditions. The excuse or reason for giving this blanket authority to readjust the ex-service man's compensation and to consider his right to compensation, as well as to change, if it shall be deemed necessary and proper, the compensation paid Spanish-American War veterans is that we are in the midst of a crisis and that extraordinary remedies are needed and required.

I had observed before the Senator from Idaho spoke that when it came to the question of salary reductions there had been a limitation of 15 percent. If we were merely providing a readjustment of salaries and were not actuated by a condition of distress and of disaster, which is the basis

upon which this bill is being considered and is to be enacted into law, then we might say, "We will just take 15 percent from the salary of the man who is getting ten thousand or twelve thousand or fifteen thousand dollars a year." The whole theory and idea, however, of this proposed legislation is to save all we can for the purpose of balancing the Budget.

If that be true, why should we overlook this rich source of accumulation for assisting in balancing the Budget in the way suggested by the Senator from Idaho, by levying upon the high salaries a greater percentage of reduction than is applied to the small salaries? We have a great many people in the employ of the Government who are drawing salaries of six, eight, ten, twelve, fifteen, and eighteen thousand dollars per annum. Of course, a reduction of 15 percent in those salaries will assist a little in balancing the Budget; but looking upon it from a cold business standpoint, a reduction of 15 percent in such salaries will not assist nearly so much as a reduction of 25 percent.

So far as the hardships are concerned that such a reduction might impose and so far as the deprivations are concerned that it might cause those who would have to make the contribution on account of this crisis, everybody knows that to take 15 percent off the salary of the person who is getting only fifteen hundred or eighteen hundred or two thousand dollars a year will involve a greater burden upon him and a greater sacrifice than would be involved by taking only 15 percent off the $10,000 salary or the twelve or the fifteen or twenty thousand dollar salary.

If I should take the list of the unclassified Government employees and read the salaries ranging from $5,000 to $20,000 a year that are being paid in many governmental departments and in many of the independent establishments of the Government, we would not have time for anything else to be said upon this bill this afternoon. Yet under the stress of granting extraordinary authority, of trying to gather together all the sheckels we can for the purpose of balancing the Budget, we overlook the man who gets $15,000 or $20,000 a year salary and refuse to require him to make a very substantial contribution; we overlook the official who is getting ten or twelve thousand dollars a year salary and refuse to require him to make a substantial contribution proportionate to that which we require of those who are receiving smaller salaries.

When it comes to the matter of salary reductions, I have always favored—and I offered an amendment to that effect when we had up the economy bill—the plan of making them upon a graduated basis, because those who are receiving the larger salaries are better able to stand the reduction required and necessary to readjust conditions and to bring about a balanced Budget. I have been a little astonished that the champions of the idea of the balanced Budget, as a rule, never say anything about making the burden at least proportionately greater upon those who are best able to pay.

In the levying of taxes in this country, and in considering the question of salary reductions, I believe we should look at the entire picture; and if we have got to require sacrifices, if we have to set aside long-established principles of government against a delegation of power and authority, then we should look over the whole field, consider those who are best able to pay, and require them to make a contribution based upon that standard. That, however, is not the standard which has been adopted in this bill. In this measure no consideration has been given to the persons who are best able to pay under the existing distressful circumstances, but we want to make the employees with the small salaries, I suppose, as I have heard some gentleman say, more patriotic by levying the same percentage of reduction upon them that we levy upon the employee receiving a ten, fifteen, twenty or twenty-five thousand dollar salary.

I suggest to those who maintain that idea that while we are trying to make those receiving a medium or moderate salary more patriotic by requiring this contribution of them, we also make those receiving larger salaries more patriotic by requiring of them a proportionately larger percentage of reduction in their salaries, a reduction which they may well stand and undergo without any sacrifice or hardship. I am heartily in sympathy with the views which have been expressed by the Senator from Idaho on this subject.

Mr. BYRNES. Mr. President, it is always disagreeable to oppose an amendment which is offered in behalf of the employees of the Government who are receiving lower salaries; but, in justice to the committee in charge of the pending measure, I think I should call attention to a few facts in connection with the proposal to exempt salaries of $1,000 or less.

I had nothing to do with the drafting of this bill; but last year, when this question was under consideration by the Economy Committee and an exemption of $1,000 was proposed, certain investigations were made, and I found that charwomen, for instance, who we would naturally believe would be affected by any reduction of salaries below a thousand dollars, as a matter of fact, receive more compensation, and are not included in the class to be affected by the reductions below a thousand dollars.

The total number of employees, civil and military, in the service of the Government receiving compensation under a thousand dollars is 345,000. Of that number 220,000 are enlisted men in the Army and Navy. There are 124,000 civilian employees receiving compensation less than a thousand dollars, and of the 124,000, 58,000 are temporarily employed as laborers, whose compensation has not been affected within recent years, because they receive a per diem. Therefore they have not been injured by the reduction in salaries, and the reduction now proposed would apply to them only as to the time they spend in the employ of the Government of the United States. That leaves 66,000 employees permanently or regularly employed who are receiving compensation under $1,000, and of that number 30,476 are fourth-class postmasters, whose compensation, as a general rule, does not constitute their entire income. Therefore, of those who would be affected by a reduction of salaries of less than a thousand dollars there are less than 30,000 employees.

Now, I wish to call the attention of the Senate to this fact: I say I did not draft this bill and was not consulted about it, but under its provisions the 30,000 employees referred to will not have to undergo any reduction unless the President of the United States shall find that there has been a reduction in the cost of living; there shall be a reduction in the compensation of such employees only to the extent that there has been a reduction in the cost of living; each 6 months the rate of pay shall be fixed, and if the cost of living increases, then the compensation of the employee increases. So that really it is difficult to see how the employee is going to be seriously hurt. He will not be hurt at all unless there is a reduction in the cost of living below the 1928 level, when salaries were fixed certainly on a fair basis.

That is the situation. I simply thought the Senate should know that very few permanent employees will be affected by the exemption proposed, because there are very few who receive less than a thousand dollars.

Mr. TRAMMELL. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Florida for a question?

Mr. BYRNES. Yes.

Mr. TRAMMELL. I attempted to emphasize the fact that the pending measure makes the same percentage of reduction on a $1,500 salary that it makes on a $15,000 salary. I, of course, take the position that these are all extraordinary circumstances; it is an extraordinary effort we are making to get revenue and to balance the Budget. If that be true, why do we not take a larger percentage from those drawing salaries of ten, fifteen, twenty, and twenty-five thousand dollars, who are so numerous that the list would make a volume of 50 or 100 pages?

Mr. BYRNES. I will say to the Senator I know of no more difficult task than that of determining how a reduction in compensation should be applied. There have been

many arguments made upon the floor of the Senate and of the House as to whether salary reductions should be graduated or whether the same percentage should apply alike to all salaries paid by the Government of the United States. The question that the Senator submits is, I imagine, due to the belief he entertains that the reductions should be graduated on a percentage basis, and if he desires to present such an amendment, of course, he may do so. I was simply presenting to the Senate the facts as to the number of employees who would be affected by an exemption of $1,000.

Mr. CLARK. Mr. President, I shall detain the Senate only briefly; and I would not occupy the floor at all except that, holding the views which I entertain, I would feel it a violation of the oath which I took when I became a Member of this body if I did not give the reason for my opposition to this bill.

Mr. President, it is with deepest regret that I find myself unable to agree with any recommendation of the President of the United States in this national emergency. It is an additional burden to be unable to follow the leadership of the able and distinguished Senator from Arkansas [Mr. ROBINSON], the leader of the majority in this body, and to be forced to disagree with my long-time friend, the chairman of the Finance Committee [Mr. HARRISON].

In such a crisis as now confronts the country, great deference must necessarily be paid to the policies and recommendations of the Chief Executive. Not only the duties and responsibilities of his great office but also the splendid abilities and high ideals of the present occupant of the White House entitle his views to an overwhelmingly predominant place in the formulation of our public policies.

My conception of the duty of Senators or Representatives in such a time is to give the President of the United States prompt and ungrudging support when they think he is right, to resolve all possible doubts in favor of his proposals; but if thoroughly convinced that they are wrong, to vote against them. By no other principle and by no other course of conduct can the system of government conceived by the Fathers of the Republic and practiced since the foundation of the Nation be perpetuated.

It was in pursuance of this principle that on Thursday last, in common with many other Senators, I very reluctantly cast a vote for a measure as to the wisdom of which I entertained very grave doubts, but which I supported in my desire to uphold the hands of the President. I am ready now, and will be in the future, to yield my own views to those of the President whenever I may be able conscientiously to do so.

I yield to no man in this Chamber or elsewhere in my admiration and respect for the President or in my desire to follow him in questions of policy. But, Mr. President, this bill embodies fundamental changes in our entire system of government which I cannot support, because they are abhorrent alike to my conscientious convictions, to my pledges to my constituents, and to the very oath to support and defend the Constitution of the United States which I took when I held up my hand and was sworn into this body. My opposition to the extraordinary grants of power to the Executive contained in this act has no faintest trace of lack of confidence in President Roosevelt. Holding the views of our constitutional government to which I adhere, I could not vote to confer these powers upon the Executive even if George Washington, Thomas Jefferson, Andrew Jackson, and Abraham Lincoln could return to life, their great qualities of mind and heart be combined in one person, and he be the occupant of the Presidency.

This bill, Mr. President, makes a definite, far-reaching, and fundamental change in our theory and organization of government. It is no less than the open proposal that Congress shall abdicate the duties and powers imposed upon it by the Constitution, delegate them to the Executive, and become in effect nothing but an aggregation of governmental supernumeraries, content to remain on the Federal pay roll to perform the perfunctory task of appropriating gross sums of money, in the specific expenditure of which they are to have no direction or control.

In order that there may be no possible misconception of the purpose of this measure to effectuate a drastic and fundamental change in government I quote from the President's message of March 10, 1933:

> The proper legislative function is to fix the amount of expenditure, the means by which it is to be raised, and the general principles under which the expenditures are to be made. The details of expenditure, particularly in view of the great present emergency, can be more wisely and equitably administered through the Executive.

Mr. President, with all respect to the President of the United States, I cannot agree that the drastic change in our whole form of government contemplated in this measure is either desirable or constitutional. It may be taken as a rule of universal application that that government is a free government in which control of the purse strings is in the hands of a parliamentary body elected by the people and that that government is not a free government in which control of finances and expenditures is in the hands of the Executive, free from parliamentary limitation and control.

In my view, Mr. President, no transitory emergency, no degree of confidence in the integrity and disinterestedness of the present Chief Executive can justify such a revolutionary departure from the constitutional separation of powers provided by the framers of our basic law. If the time has come when Congress has become an anachronism, when the Members of the House and Senate have become incapable or unwilling to perform their constitutional functions, when the vesting of all essential functions in the Executive has become justifiable, then the radical change should be accomplished according to the orderly processes provided by the Constitution for changes in our fundamental structure of government.

Mr. President, there has not been the slightest evidence in this Congress of any necessity for the grant of dictatorial powers in order to effect economies in government. The Congress has evinced every intention and desire to cooperate with the President in this situation, one branch even going so far the other day as to pass important legislation without even having it printed, and with only a few of its Members having the slightest conception of the meaning of the act. There is not the slightest reason to believe that if the President would present to the Congress a concrete and detailed plan for reduction of governmental expenses in accordance with the orderly practice heretofore followed, it could not be passed in a constitutional manner with a minimum of delay.

Senators attempt to pass over the very grave constitutional questions involved in the measure by saying glibly that we are at war with depression, and therefore that war-time powers should be voted. But, Mr. President, this is to completely ignore the well-recognized constitutional principle that powers which may be granted under the Constitution to the Commander in Chief of the Army and Navy may not properly be delegated in time of peace. It is for this reason that I voted on yesterday to refer this bill to the Committee on the Judiciary, not for purposes of delay but in order that changes in fundamental law so revolutionary should have the report of the Senate committee empowered to consider matters affecting the Constitution.

Speaking for myself, Mr. President, I recognize the necessity for drastic cuts in governmental expenditures. I am ready to vote for radical economies not only in veterans' appropriations and Federal salaries but in consolidation and elimination of bureaus, departments, and activities upon the recommendation of the President. In casting those votes I would be as little intimidated by the propaganda of the organizations opposing the measures as by the propaganda of organizations which favor them. For the last 2 or 3 days we have all been flooded with telegrams which any experienced man can recognize as simply the outcome of propaganda, both pro and con, on measures pending before this session of Congress. My objection to the pending measure, aside from matters of detail, is, in general principle, that it seeks to effect economies by Executive order rather than by constitutional legislation.

It is idle to say that the President is to be charged with the determination of these matters. We all know that it simply means that these legislative matters are to be determined by appointive officers and clerks rather than by the elected representatives of the people. I am unwilling to agree that the mere fact of appointment by the Executive vests an officer with infallibility and renders his judgment superior to that of the Members of Congress elected by the people. For example, one of the administrative experts who appeared before the Finance Committee in its brief hearing on this bill made a mistake of nearly $100,000,000 as to the amount now being expended by one activity of the bureau of which he is the head.

I have no fear, Mr. President, that the extraordinary grants of power contained in this act will be abused by the present President of the United States; but it is precisely such inroads upon the functions and duties of the legislative branch, granted in times of stress to executives enjoying in a high degree the confidence of the people, which are taken as precedents for bringing about a permanent dislocation in the constitutional practice of government.

In conclusion, Mr. President, I desire to add that I excused myself from the Democratic caucus this morning on the ground that this measure was contrary to pledges made to my constituents during the course of my campaign. I want to state that these pledges had nothing whatever to do with the subject matter of the reductions sought to be accomplished under this act, whether reductions in veterans' expenditures or cuts in salaries. I did, however, in the course of my campaign repeatedly and solemnly pledge my constituents that I would vote against the abdication by Congress of its duties and the grant of dictatorial power to the Executive. I feel that by these pledges, as well as by my earnest convictions, I am bound.

Mr. WALSH. Mr. President, the Senator from Delaware [Mr. HASTINGS] a short time ago indulged in an extensive speech. He quoted from statements previously made by various Members of the then minority for the purpose of indicating that the views we then entertained in regard to veterans' legislation were now to be discarded. He attempted to develop an inconsistency upon the part of the Democratic Members of this body.

Mr. President, permit me to make clear some facts. So far as I have been able to observe and to understand legislation relating to veterans of the World War, concerning which much has been said that is unfair and unjust if not libelous to these veterans, outside of a few scattered insignificant benefits extended that count for a draft upon the Public Treasury of only a few million dollars, there is scarcely a law upon the statute books today extending compensation and benefits to veterans and their dependents that can not be justified and defended by any man who entertains in his soul an appreciation of the gratitude which a free people owes to its defenders in time of war.

The indictment which the Senator from Delaware attempted to draw against those who have been liberal in the passage of laws extending benefits to veterans of the World War is likewise an indictment against every man who, when in the Senate, voted for laws which extended pensions to Civil War veterans and extended pensions to Spanish-American War veterans.

Let us take the law which is held out most of all as being unfair, as being impossible to defend from the taxpayers' point of view. I refer to the law providing for disability allowances. What is the frank, honest statement about that law?

There is one, and only one, objection that anybody can make to that law. It is that we, 5 years prior to the time following war service, enacted a law granting pensions for the benefit of World War veterans similar to the law we passed in favor of Spanish-American veterans. Practically the same rates, the same conditions, the same benefits were provided; but we did it 5 years earlier after the World War than we did in the case of the Spanish-American War. So those who criticized the enactment of the law must likewise criticize the enactment of the laws that have extended similar benefits to veterans of the Spanish-American War by earlier Congresses.

One other fact that has made the law subject to attack is this:

Unfortunately, there are hundreds of thousands of veterans of the World War who became beneficiaries where there were only a few thousand veterans of the Spanish-American War; but the principle of justice and the principle of paying a debt of gratitude is just as effective whether the veterans be merely a handful or whether they be numbered among the millions.

Mr. President, there is one other law that has been expensive to the taxpayers of the country, which has been a subject of great criticism. It is the law granting presumptions of service-connection to a large number of World War veterans. I refer to laws which we have enacted establishing, as a matter of law, the right of a veteran who has contracted and is actually suffering from certain definite diseases to have it assumed that those disease were service-connected.

Mr. President, what are those diseases? Ninety percent of the veterans who are receiving money from the public Treasury because of diseases which they have contracted, and from which they are suffering, and which are presumed to be service-connected disabilities, are tubercular and neuropsychiatric cases. Regardless of presumptions, regardless of service-connection, I inquire who but the Federal Government has an obligation to veterans who came to its defense, whose minds are deranged, whose bodies are emaciated from the dreadful white plague of tuberculosis? What should we do—abandon them, and let them travel the highways of this country knocking at the doors of the welfare organizations in their local communities? Or should we do what we have done—let it be presumed, if within a few years these veterans have contracted these diseases, that the diseases are service-connected, and that our country should compensate them?

Those are the two chief and main classes of veterans to whom we are paying money as to whom from a large number of sections of this country violent protests are coming. If there are on the pension rolls or on the rolls of those who are getting compensation, men who do not deserve it, men who are unworthy, men who are fakers and falsifiers, it is not here or in the House that the responsibility rests; and regardless of whether we pass the pending measure, it is in the power of the Chief Executive, through the Veterans' Administration, to drive off the pension rolls any liar or falsifier or any pretender, or anyone drawing a pension who is not deserving of it or entitled to it. If there are hundreds or thousands of cases that are nonmeritorious and the awards excessive, they can be eliminated under existing law. This condition, if it exists, is an administrative and not a legislative defect, and can be remedied by the new administration.

Mr. President, we are dealing with men, every one of whom has a disease, if our doctors are not false to their trust, to their oath of office, and to their profession. We must assume that they have, after examination and study, found that these men are suffering from diseases, and diseases which incapacitate them; and in the case of World War veterans, no one who is not disabled to the extent of 25 per cent, under any circumstances, unless he shows service-connection, has a right to recover in the way of pension or compensation.

Mr. President, my purpose in rising at this time was to say to the Senator from Delaware and all these others who are inferentially saying that we were unduly extravagant when our country was the richest in all the world, and when money was pouring into the Public Treasury in such proportions that we were looking around to see how we could reduce taxes, that there is not a law affecting the veterans that is not defendable in the light of the finances of the country of that day and in the light of a grateful people, willing to go to extremes and to err on the side of generosity in the care of the disabled veterans and their dependents of all wars.

Mr. President, the situation has changed. No one is changing face or front who, under present conditions, votes for this measure giving authority and power to the President of the United States to readjust and to reclassify and to reduce these allowances. I believe the soldiers themselves, realizing that the condition of the country is as it is, would gladly and willingly accept a reduction, at least the reduction which has been imposed upon all the employees of our Government.

Mr. President, there is one class of veterans to whom we cannot afford to go on record as removing our responsibilities, and I intend at the proper time to offer an amendment that will lift out of the bill the battle-scarred and diseased veterans of the World War, the men as to whose diseases there is no question, as to whose injuries there is no doubt, and as to whom there is no question raised that their disabilities came directly from actual military service. I believe such an amendment will be acceptable to those sponsoring this measure. It will be proposed in a spirit of helpfulness and in the belief the President will approve because of his repeated assertions of noninterference with compensation directly traceable to war service.

I propose that the Congress of the United States shall say to the disabled, "While we give authority to the President in every other detail in the saving in excess of $300,000,000 by way of economy, we shall not delegate or leave in a state of uncertainty our obligations and our responsibilities to you."

Better reduce the Army, better cripple the Navy, better abolish the Departments of Commerce, Agriculture, Labor, better wipe out our own salaries than make the battle-scarred veteran feel that we have abandoned him and left him and his dependent wife and children in a state of uncertainty.

I know it is said, and said correctly, that the President would not interfere with that group. That would not justify us in voting to give him the opportunity to interfere, him or his successors, in the future. I think Congress owes it to itself, owes it to the American people, to say that one group shall not be subjected to discretionary power, that one group shall not be subject to uncertainty, that the war-injured veteran shall not be driven to think that tomorrow or next week or next month a proclamation may be forthcoming to interfere with his established right, determined after medical and administrative examination, based upon laws enacted and placed upon the statute books following their service.

I, for one, do not believe we should leave that class in any state of uncertainty. The dependents of Civil War veterans, the emergency officers with service-connected disabilities, the retired officers and enlisted men of the Regular Army who are receiving retirement pay are removed from Executive discretion. Why not battle-scarred war veterans who were mere privates?

What more reasonable request could be made, and I ask the chairman of the committee and the Senator in charge of the bill that he not put us in the position, as public officials, of facing on the highways and byways of the United States crippled soldiers who could look us in the face and say, "Yes; the President has saved us but you were willing to abandon us. You did not feel the debt of obligation to us such that you would make us secure from the action that could be taken on nonservice, presumptive-service, and general-pension veterans."

Ah, Mr. President, let us put ahead of Members of Congress, let us put ahead of Government employees, before the ax of economy falls, the disabled, crippled war veterans, not behind us; and that is what we would be doing the moment we passed legislation here which would make uncertain, indefinite, insecure our obligation and our relation of gratitude to them.

Mr. President, what would it mean in dollars and cents? It would not mean a dollar, because in the estimates submitted to us there is no estimate indicating that there is planned or proposed any material changes in the status of veterans suffering from disabilities directly connected with war service.

I do not care to prolong the discussion at this time, but at the proper time I shall present an amendment which I feel certain the committee will approve. But I want to repeat, how can any Senator justify doing more than cutting the contract or compensation that we have given to veterans with service-connected disabilities, with injuries and diseases directly traceable to service? How can we do it without delegating to the President, which would be far more honorable, the right to change all the salaries of the Government employees at his own discretion, classify them, make rules and regulations? It is far more defensible than the course we will pursue without this amendment.

Mr. President, I am going to vote for this measure, notwithstanding the fact that it could be perfected by amendments. I am going to vote for it solely and only on the ground that we have been led to believe by the highest responsible financial officers of this Government that this country is on the road to bankruptcy. Only because it is declared solemnly that it is going to be impossible to finance the obligations of this country, impossible to retain the sound and essential credit this country must possess if we are to avoid complete chaos, that I shall support legislation of this kind and legislation of other kinds which has been presented to us.

Mr. President, I do plead that—though we may leave to the discretion of the wise and able and patriotic President the care and the rights of non-service connected cases and the degree and extent of pensions to those whose injuries are not traceable to service—we at least remove from any position of uncertainty that group of men, and some women, who have the right to the first place in the affections of the American people and the first place to be protected by us when it comes to practicing economy. It ought to be the last group to be touched. Every other group could well afford to make some sacrifices before this group is reached. That the President will deal with them justly and liberally under existing conditions we may all be assured without any reservations.

Mr. President, I have said all I care to say on the subject.

Mr. WAGNER. Mr. President, I do not rise to debate the pending bill but to make a brief statement explanatory of my vote.

No one who holds the views I hold can possibly approach the pending measure without heaviness in his heart. In a certain sense it does violence to convictions which have become an inseverable part of my very being. Month after month since first the cloud of depression began to hover over the horizon I have condemned and resisted the policy of wage deflation, whether practiced by Government or industry. To me it appeared that to restrict purchasing power through wage reduction was deliberately to dry up the very wellspring of recovery. Throughout the period of emergency I have acted on the theory that our major objective is to help balance the Budget of the average American family by restoring its breadwinner to a job. I adhere to that view today with even greater intensity and firmer conviction.

Had we pursued that aim, I venture the opinion we would not today be facing the most dangerous crisis in the financial and industrial life of the Nation.

However, I derive no satisfaction from threshing old straw. I do not propose to stand here today, in this moment of supreme national need, and exhaust myself in futile complaining of what might have been. We must deal with the inexorable necessities of the immediate situation, regardless of the whys and wherefores of those necessities.

Today the credit system of the Nation is in jeopardy. The financial integrity of the Government is in the balance. They must be preserved and strengthened at all costs. If they be abandoned, we shall have lost control of the last-remaining instruments by which we hope to restore the functioning of our economic system.

What could not be justified as an end in itself has through the compulsion of events become the unavoidable means of buttressing the credit of the Government so as to enable

it to carry forward the very program of recovery and rehabilitation to which I am committed.

If we are to initiate construction for the purpose of promoting employment—and I insist that we shall for that is the keystone of recovery; if we are to extend relief to the millions of needy to prevent cold, hunger, and demoralization; if we are to finance debt relief for the farmer and home owner to halt the collapse of every vital American standard, then the Federal Government must stand ready to borrow. In addition, the Government's large floating indebtedness and its maturing obligations must be refunded. And the Federal Government will not be able to borrow on reasonable terms the funds necessary to carry out these objects as long as the people of the United States are of the opinion that financially our house is not in order.

That opinion cannot be modified by proud but hollow declarations of faith in the credit of the United States. The misgivings of the public in that regard are not based on fancy but on fact. They see that for the past 3 years the national deficits have been accumulating at a frightening pace, despite increased taxation, until, according to the President's estimate, the end of the fiscal year 1934 threatens to reveal an accumulated excess of expense over income totaling $5,000,000,000. In the meantime, of course, the national income has been steadily dwindling from a peak of $85,000,000,000 in 1929 to $60,000,000,000 in 1931 and to a probable rate of $40,000,000,000 at the present time.

In the last analysis, all taxes, no matter how imposed, are derived from income. And it stands to reason that we cannot divert to governmental uses through taxation the same amount of money from a $40,000,000,000 income as we diverted from an $85,000,000,000 income without inflicting hardship upon a people already suffering from the prolonged effects of depression.

The most conservative estimates would indicate that, despite reductions in governmental expenditures during the past year or two, the total tax bill of the Nation, including Federal, State, and local, still exceeds $12,000,000,000. That represents a greater proportion of national income than the taxes collected even in the peak year of the war.

These simple bookkeeping facts cannot be glossed over or neglected. They leave us no alternative but to ask of all who have served the Nation in time of war or serve it in time of peace once again to unite patriotically in a common sacrifice for the general good.

I do not pretend to dilute my support of the pending measure with the illusion that I am but voting for a grant of authority to the President. The responsibility for the salary reduction and benefit reductions which will follow the enactment of this legislation will be ours as well as the President's. I am willing to exercise that responsibility.

In all human probability there will be some cases where the denial of the benefits of the existing laws will mean the imposition of undeserved hardship upon men who in the hour of the Nation's peril did not hesitate to tender their lives for its defense. But today our country is exposed to no less a peril than in 1917. The need for a united front, a common purpose, and a willingness to yield to the national requirement is no less urgent than in time of war.

Such is my knowledge of the President and such is my faith in him that when he assures the Congress that the authority conferred by this legislation "will be exercised in a spirit of justice to all, of sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States," I accept his declaration 100 percent.

I shall vote for this bill not because I believe in the policy of wage deflation, for I do not; not because I believe the compensation of those who faithfully serve the people of the United States is too high, for it is not; I advocate it as a temporary measure of necessity; as a sacrificial contribution by those who are or have been part of the Government for the benefit of all of the American people; as a means to the end of preserving the fiscal stability of our Government and enabling it to undertake the task of reconstructing the bases of employment and financial security upon which our recovery depends.

Mr. WALCOTT. Mr. President, I have here a very interesting letter pertinent to the consideration of the bill signed by Dr. Hugh H. Young, an eminent surgeon of Johns Hopkins Hospital, of Baltimore, with reference to the attitude of the American Medical Association. I ask that it may be made a part of the RECORD at this point.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Without objection, it is so ordered.

The letter is as follows:

BALTIMORE, MD., *March 14, 1933.*

MY DEAR SENATOR WALCOTT: You will be interested to learn that Dr. Dean Lewis, president-elect of the American Medical Association, telephoned to the executive offices of the American Medical Association in Chicago and presented to them the great desirability of the American Medical Association, showing how strongly the organized medical profession of America felt against the payment of the huge sums to veterans, particularly for nonservice disabilities and the fabulous hospital program which they have begun. As a result of this, a letter was dispatched from the executive offices of the American Medical Association strongly urging that the President be upheld in his efforts to effect these large economies, vitally important at this time in the balancing of the Budget; in particular, the great reduction of the money to be paid to nonservice veterans and for the program of excessive hospitalization.

I would like to say personally that this hospital program, if continued, will injure very greatly the established hospitals of the country, the great hospitals connected with medical schools, and will also be of incalculable injury to the medical profession of America.

Very sincerely,

HUGH H. YOUNG, M.D.

Mr. STEIWER. Mr. President, the courageous and straightforward remarks made a few moments ago by the Senator from Massachusetts [Mr. WALSH] find more than a sympathetic response from me. I desire to express my hearty approval of his suggestions to the effect that the compensation extended by the United States Government to those whose disabilities are traceable to military service ought not to be subjected to the hazard of a complete review by the Executive or by the Veterans' Bureau under the authority of this or any other enactment by the Congress.

I dissent from the view of the Senator from Massachusetts only in my belief that he did not carry far enough the logic of the position which he has so clearly outlined to the Senate. Why, Mr. President, ought we to accept the proposition that only the service-connected cases should be placed in a preferred position? What are we to say of the non-service-connected cases when we know that tens of thousands of those cases are in fact attributable to military service, when we know that tens of thousands of those cases were pending at the time the Disability Allowance Act was passed, and when we know that those veterans were not able to service-connect their cases merely because the proof was nonexistent; when we know that for convenience and possibly in furtherance of justice those cases were disposed of by allowing the claims under the disability-allowance law?

But such allowance, Mr. President, does not change the character of the cases; it does not refute the fact; it does not destroy the reality, namely, that tens of thousands of those cases were of service origin. The proof only was lacking.

If here upon this floor there are those who feel that the Senator from Massachusetts was right in his suggestion that a preferred status ought to be given to service-connected cases, what are we to say of the tens of thousands of disability-allowance cases which are in fact of service origin, and upon what ground are we to justify a discrimination against those cases which are in fact of a service-connected character?

I would ask in the same way, what of the veterans of the Spanish-American War? Their average age at this time, I think, is nearly 60 years. They are receiving pensions under an age law which does not require proof of a disability of service origin. Under the proposal now pending before this body, if service-connection can be rebutted by the Government, those pensioners go off the rolls. The testimony before the Finance Committee is that some 60 or 70 percent of them would go off the rolls. The claim was

made in the hearings that the saving would be $95,000,000 per annum. I inquire what of those cases? We know that these veterans fought in the Tropics, they fought far from hospitals, and frequently under conditions where records were at least irregular and in some cases nonexistent, and we know that those men, 35 years after their discharge from the Army of the United States cannot service-connect their cases even though they be service-connected in fact.

We know that the great percentage of those men are absolutely helpless, and under the provisions of this bill will find without fault of their own that it is utterly impossible to establish the requisite proof. Their comrades and officers are dead and gone. The records, which were irregular and insufficient possibly in the first place, have in many cases been destroyed. The proof is absolutely nonexistent, and yet we are going to say to those men, thousands of whom are suffering from disabilities that we know under every reasonable rule, and every reasonable assumption, are in fact service-connected, "If you cannot establish that connection or if the Government can rebut it and you lack proof, you are going off the rolls. Even though you be advanced in years, even though you be helpless, even though you be indigent, even though you be in the breadline, we will make a pauper out of you and strike you off the rolls."

If the Senator from Massachusetts is right, as I personally believe him to be, in the idea that veterans of the World War suffering from service-connected disabilities ought not to be subject to the hazards of unfair and unjust treatment, if he is right in his thought that Congress ought to retain the power to protect those men who have worn the uniform of our country and have served and have suffered on account of such service, then should we not extend that generous philosophy which he expressed here to the other service-connected cases of the World War, to those of the Spanish-American War, of the Indian wars, if you please, and thus be equally just to all?

Mr. President, the old soldiers who fought in the Indian wars cannot establish service-connected disabilities. In most instances there were no records, and where there were records they were lost; the witnesses are gone; there is no proof; but there are several thousands of those men, advanced in years, suffering from the disabilities, some of whom may have nothing to do with the service, but in other cases being directly attributable to the service, if we but knew the truth, and yet their claims are utterly beyond the possibility of the establishment of service-connection. Why should we discriminate against them? It seems to me that the courageous statement made by the Senator from Massachusetts [Mr. WALSH] ought to be very seriously considered by this body.

We are approaching a momentous step; we are approaching one which I personally very much disapprove. We are being asked——

Mr. WALSH. Mr. President, will the Senator yield for a moment?

Mr. STEIWER. Yes, Mr. President.

Mr. WALSH. I wonder if the Senator agrees with me in this conclusion: In both party platforms, in all the discussions, and even in the statements of the members of the Economy League and the extremists who have been attempting to change our Federal laws, it has been conceded and admitted that there was one class it was not desired to touch, and that was the veterans suffering from service-connected disabilities.

Mr. STEIWER. I agree thoroughly with the Senator's statement, Mr. President; but in making that concession they have failed to go where the logic of their own theory would naturally take them; and in failing to do so they are seeking to crowd the Congress of the United States into the commission of the most unwarranted act of injustice that has been called to my attention in the recent history of this country.

Mr. President, I was saying that we are now asked to take a definite step toward dictatorship. In the last Congress we conferred extraordinary powers upon the President in the economy rider, so called, that was written into the Treasury and Post Office appropriation bill; at the beginning of the present special session we gave to the President of the United States a czarlike authority over the entire banking system of this country, and now we have the pending bill by which we are asked to delegate to the President of the United States, to the Veterans' Bureau, and to certain unknown agents of the Veterans' Bureau the power to fix rates of compensation and to make rules and to make regulations and to make decisions under these rules and rates—this procedure to be subject to the right of administrative review in some cases and without the right of administrative review in other cases; some decisions to be made upon hearing, some of them without any warrant or guaranty of hearing. The bill would delegate the most momentous powers, boundless almost in their extent, applying directly to 700,000 of our people, and as the years go by potentially to a far greater number. We ought to bear in mind in connection with this matter that there are now living nearly 5,000,000 veterans of the World War, and we ought also to bear in mind that they represent, in their families and their connections, some fifteen or twenty or twenty-five million American citizens.

We have been appropriating for the Veterans' Bureau something like a billion dollars a year. Aside from the Post Office Department, which is the most expensive single branch of our Government, the Veterans' Bureau expends 2 or 3 times as much as any of the executive departments. I think it to be true that it expends more money than any other 2 or 3 departments combined, and in this great enterprise, in the performance of the duties which we intrust to that bureau, in the handling of the vast sums committed to it, in its contact with vast numbers of people, there is a responsibility the extent and nature of which even the best-informed Members of Congress may not fully understand. Substantially all this authority, substantially all this power, substantially all this responsibility is, by this bill, to be delegated to the President of the United States and to certain persons in the Veterans' Bureau.

Ah, Mr. President, it is not enough to say that we have confidence in the President. I share that confidence; it is proper for us to consider that in connection with this matter we ourselves do not know who will make the decisions in the review of these cases. It is obviously a physical impossibility for the Veterans' Administrator to make the decisions. The law confers upon him authority to delegate his power to make the decisions. He has over 2,000 doctors, he has many lawyers, he has agents in almost every State, if not in every State of the Union. We do not know what obscure clerk in what remote office may render a decision that will make or break hundreds of thousands of the citizens of the United States. But we do know that when the decision is made it is final. Nevertheless, we are called upon, in the name of an emergency, to make this delegation of power. I disapprove it, Mr. President, for the reasons already suggested and for some additional reasons which I shall state in just a moment.

This is a day of dictatorship. Italy is under dictatorship; Russia is under dictatorship; Germany is under dictatorship; and those who are here pressing this legislation are seeking to put the United States of America under a dictatorship just as rapidly as they can possibly bring about that result. There is no way to control a dictatorship once power is conferred. There is no way by which we may guarantee in the days to come that the extraordinary powers delegated under this bill are to be wisely used.

It was argued here yesterday—and with that argument I am in accord—that although by majority vote we may confer this power, once it is in the hands of the President of the United States we will never take it back unless in both Houses of Congress there is an affirmative strength of two thirds of all the votes in order that the power may be recalled even against an Executive veto.

I would not take the time of the Senate to discuss at length, Mr. President, the serious objection which I find to the dictatorship suggested by this bill, and which I feel is in the air at this time. So much has been said upon the

subject by authorities more eminent than any of us that I am going to content myself by reading from the declaration of a great American patriot. I read as follows:

> It is important, likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominates in the human heart is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions by the others, has been evinced by experiments ancient and modern, some of them in our country and under our own eyes. To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

It is unnecessary for me, I presume, Mr. President, to remind the Senate that the quotation I have just read is from the Farewell Address of President Washington.

Mr. President, those who are sponsoring the pending legislation tell us that it is necessary; earnestly, almost heroically, it is argued here that we are bound, in the performance of a patriotic duty, to pass this bill in order to confer further dictatorial powers upon the President of the United States. I dissent from that view, and I want to express that dissent with all the vigor I possess. I do not believe that legislation of this kind is necessary. I do not think it is necessary to balance the Budget in this manner, because we know there are other ways of balancing the Budget.

We know, Mr. President—at least we may judge by the stories in the newspapers—that we are soon going to crowd a beer tax through this body. We know that it is possible to levy a sales tax in this country; we know that there are various other ways by which revenue may be produced; and we know, moreover, that Congress can function to the extent of the enactment of those various types of legislation. I do not doubt it at all; and, with all respect to those of my colleagues who stood upon this floor today and said that the Congress could not function with respect to the matter of cutting down the veterans' disbursements, I want to enter my dissent and to say that I am entirely in disagreement with them, because I know that the Congress can function. I go so far as to say that the adverse references and the criticisms made upon the Congress I regard as but little short of slanderous.

Mr. President, there was a time when Congress was impotent. When there was a House of Representatives of one political faith and an Executive of another political faith, and when the Senate of the United States was on a coalition basis, of course, it was difficult to enact legislation. I am not denying the fact we all know, namely, that for the last two sessions it was difficult, except in unusual cases, to pass a program of legislation—and, of course, that difficulty applied to both political parties—but now, with an enormous Democratic majority in the House of Representatives, with another enormous Democratic majority in the Senate of the United States, and with a President of the same political faith in the White House, there is no longer any reason why legislation cannot be enacted. We know that it has been enacted; it is being enacted; and, as long as the Democratic majority can call its Members into caucus and bind them by the force of a majority there, it does not make any difference what the Republican minority may do. Congress is going to function; Congress is not impotent at this time; and it is both untrue and unfair to be saying to the country that Congress is so impotent that it cannot function, and so lacking in patriotic determination that it will not function. We know that it will.

Mr. President, I resented this morning those references to the asserted inability of Congress to carry on. I heard one of my colleagues say that it was with humiliation that he admitted the inability of the Congress to function. He need not feel that humiliation. The Congress can and will function. We could, through legislative processes, pass the necessary measures to cut down the veterans' disbursements. I think every man on this floor would join in that movement. I agree thoroughly with the statements made by the Senator from Massachusetts [Mr. WALSH] that we ought to make temporary cuts, even upon battle-scarred veterans who have served their country and who suffered disabilities which they incurred upon the battlefield. I think we must make the cuts upon ourselves, upon the civil employees, and upon all those who are the recipients of the bounty of our Government from pensions, allowances, or in any other way.

But I cannot yet see, and I shall have difficulty in the future in seeing, and some of us are going to have difficulty in explaining to the people of this country, why it is that we have cut our own salaries upon a temporary basis, why it is that we cut civilian employees upon a temporary basis, and then at the same time seize upon this emergency to turn over to the Executive dictatorial powers under a bill which is framed for the purpose of bringing about cuts of three or four hundred million dollars. Temporary cuts? Ah, no; permanent cuts, and with them a complete change in policy! The proposal has a relation to the emergency at this time, it is true; but after the emergency is over, those cuts continue. The new policy is to continue. It merely means that the Congress of the United States has seized upon the emergency and has used it as an excuse to take away from the veterans of this country something like one half of all the bounties and benefits and pensions which they are receiving from their Government at this time.

Mr. President, I feel that nothing is gained by detaining the Senate at length upon a proposition of this sort. I imagine that every Member of this body has finally concluded in his own mind his own relation to this legislation. I have spoken upon it at all only that I might express my heart-felt concurrence with the suggestions made by the Senator from Massachusetts [Mr. WALSH], that I might express my dissent and make my position clear with respect to the bill, to the rational upon which it proceeds, and to the whole philosophy of building up a dictatorship in this country.

There are other reasons that properly should be assigned in opposition to the bill. One is that probably it is unconstitutional. I am not so conceited that I am going to stand upon this floor and assert without any reservation that the bill is unconstitutional, because I apprehend that the legal questions involved are difficult, possibly close, and that the constitutionality of the act may be sustained. I do not hesitate to say, however, that in all possibility—indeed, in all probability—this bill, or some part of it, is unconstitutional, though not so much, in my opinion, because it permits the President of the United States to make rates. That is a legislative function, but it may also be regarded, probably, as an Executive function.

The provisions that challenge my attention on the question of constitutional invalidity are the other provisions of the law that require and permit the President to make rules and regulations under which he can determine not only as to proof and procedure but also as to matters of substantial importance with respect to the rights of the veterans, by which he can discriminate between groups and classes, and by which he can discriminate within groups. In the making of these rules and regulations I submit most earnestly that the power conferred and delegated by this bill is a power which deals with policy, and that policy is in large part a legislative policy, and is one which, in my humble opinion, the Executive cannot perform.

Mr. President, I desire now to make what I think is a practical suggestion with respect to the question of constitutionality.

If this bill be unconstitutional, and ultimately be so declared by the courts, where, then, are we in our widely heralded and much-boasted response to the patriotic duty to

balance the Budget and restore and maintain the credit of this country? Would it not be more sensible and more patriotic for this body, in the performance of its legislative duties, to take the responsibility to write a proper, just, and patriotic law, and to do so by the legislative processes which perform under the Constitution? When we have concluded, we would know that the enactment which we had made would be of some benefit to our country.

If we pass an unconstitutional law, Mr. President, it becomes merely a vainglorious gesture; and finally, when it is held invalid by the judgment of the courts, we are all going to stand in shame and humiliation by reason of our failure, of our inability to meet a great responsibility, and to deal with it in a way that will be of service to the Republic to which we are devoted.

I think that not only is the bill unconstitutional, in all probability, but also that it is unwise and unnecessary, for reasons which I have heretofore expressed.

In addition to that, I oppose the bill for another reason.

It occurs to me that, regardless of any other question which has been here suggested or debated, the bill is objectionable because it is essentially unfair. It is essentially unfair to the veterans of this country to ask them to stand a cut of something like 45 or 50 percent, and in hundreds of thousands of cases 100 percent, when there is no argument in all justice against the theory upon which these bounties were paid to them; when the only argument, in effect, expressed here is that these men ought to make a sacrifice for the benefit of their country during the emergency; and, if we are to put this legislation upon the ground of sacrifice, how are we going to justify requiring those who wore the uniform in time of war to make a sacrifice of 40 or 50 percent when we ask of the civil employees 15 percent, ask of the Congress 15 percent, and ask of some of those who have relations with the Government under contract and otherwise no sacrifice at all? How are we going to justify this discrimination against the men who have served their country during the time of the country's need? How are we going to justify upon any grounds this idea of singling out as a target the permanently disabled veterans of the wars?

Mr. President, title I of this bill affects only the disabled, save with respect to the hospitalization features. When we talk about payment of compensation, payment of allowances, and payment of pensions, we are talking about payments to those who are sick and disabled. We speak of the helpless. In many cases it is the indigent we are talking about. It is the poor and the stricken. It is the lame and the sick. It is that great group that cannot be heard here in their own defense except through us. They have no facilities such as are possessed by those who sit in the high and mighty places. They are the poor, Mr. President. Why, in God's name, are we going to pick on them to make this sacrifice, and let everybody else go practically unscathed?

It is not only outrageously unfair to those veterans but it occurs to me that it is unfair to the communities in which they live. We talk about Federal relief for the States. We talk about Federal relief for the municipalities and the counties. We seem to forget that of these 400,000 disability-allowance cases the major part are indigent except for their pensions. We seem to forget that many are living upon these allowances during the time of this emergency. We seem to forget that if we withdraw Federal aid to them at this time they are forced to go on the breadline and become the objects of charity, or will be cared for by the municipalities in which they live.

Mr. President, I say that it is not only unfair to the veterans but it is unfair to the communities in which they live that we should single out this great helpless group as the ones to make the sacrifice in order to bring about the proposed balancing of the Budget.

I have here a tabulation of figures which I should like to send to the desk and have incorporated in my remarks at this point. They are the figures of distribution between the various States of the Union of the veterans drawing non-service-connected allowances. The figures show by States the number of such veterans and exhibit to the Members of the Senate something of what it means to their own States and to their own communities if we deprive these veterans of the protection of the United States and send them back to the bounty of their local agencies.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Without objection, the tabulation will be printed in the RECORD.

The matter referred to is as follows:

Number of veterans in each State drawing non-service-connected disability compensation, June 30, 1932

Alabama	14,818
Arizona	1,919
Arkansas	14,567
California	17,558
Colorado	3,360
Connecticut	3,465
Delaware	443
District of Columbia	4,353
Florida	5,904
Georgia	15,787
Idaho	607
Illinois	16,236
Indiana	16,878
Iowa	7,775
Kansas	4,799
Kentucky	18,624
Louisiana	7,447
Maine	2,233
Maryland	3,762
Massachusetts	15,637
Michigan	10,795
Minnesota	4,805
Mississippi	18,238
Missouri	18,672
Montana	1,325
Nebraska	4,176
Nevada	410
New Hampshire	879
New Jersey	4,489
New Mexico	2,099
New York	16,041
North Carolina	5,579
North Dakota	1,192
Ohio	34,380
Oklahoma	11,362
Oregon	2,470
Pennsylvania	28,280
Rhode Island	3,783
South Carolina	9,046
South Dakota	1,427
Tennessee	11,397
Texas	15,711
Utah	741
Vermont	885
Virginia	3,960
Washington	2,834
West Virginia	4,822
Wisconsin	8,903
Wyoming	1,571
Territories and possessions	1,420
Total	407,584

Between the period of June 30, 1932, and January 1, 1933, 30,000 more veterans have come within this classification, but they have not been apportioned between the States.

Total as of January 1, 1933, 438,884.

These figures supplied by Veterans' Bureau.

Mr. STEIWER. Mr. President, it was argued yesterday that the care of these veterans is properly the burden and responsibility of the Government of the United States, and to this argument I agree. I do not care to elaborate that further except to say that in the case of practically every other obligation incurred in the defense of the Nation during the war, people everywhere regarded the obligations as the obligations of the entire Nation. In the main, Congress itself so regarded the obligations.

If we are now to assume that we have a right, either moral or equitable, to withdraw our support from cases that have been proved before our own agency as cases of disability of veterans of our wars, we are departing from our accepted theory, and we are taking the stand here today that the Government of the United States is going to shirk the responsibility that formerly was admitted. We are going to ask communities throughout the length and breadth of this land—communities that are presently bankrupt and unable to care for their indigent and unemployed—to take on new and additional obligations, and to discharge the

obligations which the great Republic ought to discharge with respect to the wars in which the Republic has engaged.

Mr. President, before I conclude I ought to add, in order that I may not be misunderstood, that I am entirely content with the idea that the allowances and pensions of veterans should be cut. I favor that cut. I had hoped by legislative processes to have that done; and I still hope that this body, in its wisdom, may consider legislative action bringing about that cut. It was exhibited before the Finance Committee that a cut in excess of $150,000,000 could be made by the action of the Congress without delegating this enormous power to the President of the United States.

Mr. DICKINSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Iowa?

Mr. STEIWER. Yes; I yield.

Mr. DICKINSON. I should like to know whether or not the Senator has the figures giving the amount of money distributed, as well as the number of soldiers benefited, in these respective States.

Mr. STEIWER. No; that is not in the tabulation that I sent to the desk. I think it may be shown by the last report of the Veterans' Administration.

Mr. President, in addition to the cut suggested before the committee, I have no doubt there are others that are possible. There are proper ways of reaching this proposition that will not tend to embarrass the Congress and will not place us in the humiliating position of discriminating against the ex-service men. There is the possibility of putting a time limitation upon this cut. If this body is to pass the bill, as I assume that it will, I should like, in due time, also to offer a proposal to bring about a fair limitation in amount upon the cut. It seems to me that if others are to suffer cuts not to exceed 15 percent, if those who enjoyed the comforts and security of home and drew big wages during the war are to suffer cuts not to exceed 15 percent, those who served under the flag ought not at least to suffer a cut of more than 25 percent.

That was the proposal contained in the so-called "Browning amendment" which was sought to be offered in the House of Representatives. I hope at the proper time to offer that, or a similar proposal, here. It seems to me that if we will forget our servile subservience to the White House, if we will lay aside for a moment the attitude of complacent satisfaction with which we have considered this proposal and awake to a realization that Congress has a duty, a trust of the highest importance, to perform toward these veterans of all the wars of our country, we can find a way without injustice to our Government and without injustice to them to enact a bill that will not create a despotism in this country, that will not be subject to a charge of unconstitutionality, that will not be offensive to us, and will not require us to stand here and apologize as man after man has done upon this occasion. Let us unite in the enactment of a bill of which we can be proud.

Mr. COUZENS. Mr. President, during the day there has been some discussion with respect to the refunding of the Government's debts tomorrow.

I have before me a statement appearing in an evening paper, as follows:

EIGHT HUNDRED MILLION DOLLAR ISSUE OF UNITED STATES SECURITIES IS OVERSUBSCRIBED—PROCEEDS OF BIG LOAN TO BE USED TO MEET MATURING OBLIGATIONS PAYABLE TOMORROW

The Federal Government has maintained its strong credit position by successfully selling $800,000,000 in short-term obligations, in spite of the troubled banking conditions which have made it almost impossible for other borrowers to obtain funds at any price.

Secretary Woodin last night announced subscription books for the 2 issues had been closed, indicating the 2 issues had been oversubscribed in less than 24 hours.

Yet we are being importuned to rush this legislation through late in the night, so that we might more readily refinance the debts due tomorrow.

Mr. WALSH. What is the rate of interest?

Mr. COUZENS. It says:

TO PAY OFF CERTIFICATES

Proceeds of the Government's bond sale will be used to pay off tomorrow $660,715,500 in certificates of indebtedness and $33,591,400 in antihoarding "baby" bonds which become due. A total of $59,000,000 will be used to pay interest falling due on the Government's $21,000,000,000 public debt, and the remaining $50,000,000 will go for current expenses.

The $800,000,000 offering consists of 4-percent 5-month Treasury certificates of indebtedness and 4¼-percent 9-month certificates of indebtedness, both dated March 15.

Mr. President, the Senator from Oregon [Mr. STEIWER] has made a most interesting speech, one which should go down in history as a masterpiece. But, of course, I doubt whether he knew of this oversubscription to this $800,000,000 for tomorrow's maturities, and, of course, did not recognize the fact that the moneylender is to receive from 1,000 to 1,800 percent increase on his money, while we take out of the hides of the veterans 45 to 50 percent of their small allowances.

Mr. President, for the purpose of paying the moneylender an increase of 1,000 to 1,800 percent over the rates he has heretofore been getting, we propose to take $385,000,000 out of the hides of veterans, which the distinguished Senator from Oregon has pointed out is a cut of from 45 to 50 percent.

I hope that any Member of this body who has the nerve to walk out of this Chamber after having voted for this iniquitous measure will hang his head in shame for having approved of an increase of 1,000 to 1,800 percent in interest rates for the moneylender while he would take away from the veterans 45 to 50 percent of their small allowances.

I agree with the Senator from Oregon, this is one of the most iniquitous measures this body ever has had to meet. Congress should be eternally ashamed of itself for reaching the conclusion that in order to save the credit of this great Nation we must take a paltry $385,000,000 away from the veterans. As the Senator from Idaho so well said this afternoon, to make good the credit of the United States we must take $150 out of the washerwoman and the scrubberwoman and all of the underpaid employees of the Federal Government.

Mr. President, the National Economy League, the big-business organizations, and the chambers of commerce ought to hang their heads in shame for driving this thing through Congress. I wonder whether this Government is not a government of the moneylenders rather than a government of the people. You may call that demagoguery. I know my friend the Senator from Louisiana is condemned because he makes these unhappy comparisons; but notwithstanding what you may think of him, notwithstanding the ridicule the great press of the country may heap on him, nevertheless the comparisons he makes from day to day, and which I have the honor to make today, are odious; and the impression on the American people will be so great that it will be years and years before any Senator who votes for this legislation will be able adequately to defend himself before the American people.

Why is this to be done? To make the credit of the United States sound, when the United States has a debt of only about $160 per person, while Great Britain has a debt of $800 per capita. Yet it is said that the little man, who is getting $30 or $40 a month because of the service he performed for the Nation, must have his compensation cut 50 percent, so that the moneylenders may get an increase of 1,000 to 1,800 percent. I wish some Senator would rise here and defend that sort of attitude on the part of the Congress.

Mr. President, I should hope to be stricken dead if I walked out of this Chamber after having voted for such an iniquitous measure to do such great injustice to the people who are least able to stand it.

Mr. SMITH. Mr. President, may I ask the Senator what interest rate is proposed on this refunding?

Mr. COUZENS. Four and four and a quarter percent.

Mr. SMITH. What was the rate paid on the initial funding of the debt?

Mr. COUZENS. I do not know what the Senator means by the "initial funding".

Mr. SMITH. When we first issued the bonds or the notes, what was the rate of interest?

Mr. COUZENS. I do not know. The press report says that it is to pay off $660,715,500 in certificates, and I want to point out that those certificates over the last year or so have gone all the way from one eighth of 1 percent up.

Mr. SMITH. Now they are what?

Mr. COUZENS. They bore as low as one eighth of 1 percent per annum, and now they are asking 4 and 4¼, and that means an increase of from a thousand to 1,800 per cent.

Mr. SMITH. And they were oversubscribed?

Mr. COUZENS. They were oversubscribed, in the face of the fact that we have not taken $383,000,000 out of the hides of the veterans.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. ROBINSON of Indiana. I have the release of the Secretary of the Treasury to the morning papers, dated March 13. It appears that 2 series were offered for subscription, 1 for 5 months bearing 4 percent interest, and the other for 9 months, bearing 4¼ percent interest. The description of the issue was released for the Sunday morning papers on March 12, 1933.

The Senator from Michigan is of course entirely correct in his statement of the amounts that have been charged, and I may point out that in this one instance alone this administration could have saved $20,000,000 had this issue been advertised as issues usually are advertised for public subscription; and as it proves now, even though they were not advertised until the last week, just yesterday and the day before, now they are oversubscribed by I do not remember how many millions of dollars. Talk about the credit of the United States being impaired, with such a situation as that!

Mr. STEIWER. Mr. President, will the Senator yield to me?

Mr. COUZENS. I yield.

Mr. STEIWER. Inasmuch as the Senator from Michigan has already been interrupted, I want to ask him if he has taken into account, in considering the credit of the Government, the fact that the dollar is advancing in foreign exchange, and on yesterday it was higher than it had been any day during the month of March, 1933?

Mr. COUZENS. Talk about the national debt; if the national debt of the United States were on a par with the national debt of Great Britain, we would have an outstanding indebtedness of $120,000,000,000. Yet Senators stand here and say that the credit of the United States is in jeopardy, when, as I have pointed out before, our debt in the United States is only $160 per capita, as against $800 in Great Britain.

O Mr. President, I know it is useless to stand here and talk. They have had the caucuses. Senators have committed themselves, and men in this body now are hanging their heads in shame because they have to vote for this bill, because they are pledged by some party caucus to do so.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. COUZENS. In just a moment. Not only that, but in the caucus held by the Democrats in the House, it was disclosed that there were some courageous citizens who resented this legislation, and between the time of the caucus and the vote in the House, Representatives were called out and told, "You vote with the party or you get no patronage," and the RECORD showed that they voted for the bill in the House.

Mr. President, if we are going to treat human beings by the millions and millions according to such a philosophy of government, then I am ashamed. I now yield to the Senator from Nevada.

Mr. McCARRAN. Mr. President, in response to the remark made by the Senator, I want to say that there are some in the majority who do not propose to be harnessed by any rule of the majority that would force us into voting against our consciences, and I for one do not propose to vote for this measure. There is something more in reply to the Senator's last remark. There is a difference between grease and gravy, and they can take all the gravy they want, but I am not going to vote for this measure, and I have so announced myself.

Mr. COUZENS. I compliment the Senator from Nevada. Of course, I did not mean that my criticism should apply to everyone. It so happens that there is a Member of the Senate on the other side of the aisle of whom perhaps I am more fond than of any other Senator in this body, and who I know is vigorously against this bill. He now advises me that he is compelled to vote for it because of the caucus action. That is not the oath of office we take.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. BLACK. I was very much interested in the Senator's remark that someone had been called up by someone else and told that patronage would be taken away from him. Can the Senator state who did that calling and who the Representative was?

Mr. COUZENS. I do not want to involve individuals in this. I am satisfied it is a fact, and I am not saying it is any more attributable to the Democratic administration than to the Republican administration.

Mr. BLACK. I am interested in it because the Senator made the statement, and I know he is usually very careful, and I think that if such a thing has occurred the Senate is entitled to know and the country is entitled to know who made such a statement and who attempted any such coercion.

Mr. COUZENS. I refuse to disclose names and personally embarrass anyone. I can verify my statement if I have to by an inquisition on the part of the Senate.

Mr. BLACK. It is not a question of an inquisition, but the Senator made that statement; and, if it is correct, I think the country should know who did it.

Mr. COUZENS. I do not rescind the statement; I stand on the statement, but I decline to use names.

Mr. BLACK. The Senator will not state who did that?

Mr. COUZENS. No.

Mr. McGILL. Mr. President, will the Senator yield to me?

Mr. COUZENS. I yield.

Mr. McGILL. The Senator in his remarks also stated that the RECORD would disclose that these men voted for the measure by virtue of the threat imposed. I think that if the Senator will examine the RECORD he will observe that some 98 Democratic Members of the House of Representatives voted in opposition to the bill.

Mr. COUZENS. I saw that in the RECORD, I will say to the Senator from Kansas, and, of course, those who voted against it are not in the category which I have just described.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. LEWIS. Acknowledging the Senator from Michigan to be always an authority on matters of financial statistics as much as one can gather such by investigation, I am attracted by the remark of the Senator from Michigan that the per capita indebtedness of the United States is a sum so much less than the per capita indebtedness of Great Britain. Did I so understand the Senator?

Mr. COUZENS. That was according to an article published by a reliable economist by the name of Max Winkler, whom I know personally and in whom I have confidence.

Mr. LEWIS. What was it the Senator indicated is the per capita indebtedness of the United States?

Mr. COUZENS. I said $160.

Mr. LEWIS. What would the Senator offer as his understanding of the per capita wealth or value of the assets and property of the United States of America subject to taxation?

Mr. COUZENS. I do not recall the figures, but somewhere between $300,000,000,000 and $400,000,000,000.

Mr. LEWIS. Would the Senator intimate how far that exceeds the assets of Great Britain?

Mr. COUZENS. I do not know what is the property value of Great Britain.

Mr. LEWIS. I was merely trying to arrive at a basis of comparison of the assets of Great Britain toward taxation and the assets of America toward taxation.

Mr. COUZENS. I do not happen to have the figures, but I have in mind the fact that notwithstanding the value of the physical assets of the country, the real assets are the people who make use of the property and the income they derive from it.

Mr. President, we talk about the United States. I want to point out that this is not economy. What we are saving or alleged to be saving in the Federal Treasury we are charging back to the States. Everyone knows that real estate is standing a greater burden of taxation than any other class of property in the United States. The $383,000,000, or nearly the entire amount, is going to be placed back on the States in the form of taxation on real estate and real property. What for? So that we can save for the inheritance taxpayers, so that we can save for the income-tax payers, so that we can have more money to pay to the moneylenders and take it out of the States and municipalities.

I have a couple of telegrams I want to read because they come from municipalities, or the officials of municipalities, showing the effect of the passage of this bill. The first one reads as follows:

DETROIT, MICH., *March 13, 1933.*

Hon. JAMES COUZENS,
United States Senator, Washington, D.C.:

This telegram is solely to bring to your attention the effect on Detroit of reduction in small compensation and disability-allowance cases. Hundreds of ex-service men's families barely maintain themselves on Federal Government allowance. To discontinue them would impose burden on local community. Welfare funds are now provided by Reconstruction Finance Corporation. It would merely be transfer of expenditure from one Federal budget to another. Detroit welfare organization heavily burdened. Doubt if additional load could be carried if suddenly imposed.

JOHN F. BALLENGER,
General Superintendent Department of Public Welfare.

I have another telegram from Grand Haven, Mich., reading as follows:

GRAND HAVEN, MICH., *March 13, 1933.*

Senator JAMES COUZENS,
Washington, D.C.:

We protest against taking away pensions, compensations, and allowances as proposed in economy bill, as this would increase our welfare expenditures 200 percent. You are aware of the tax situation in Michigan and can readily see the suffering that will result to veterans. The results of wars are national, not local, and should be taken care of by the Nation.

SOLDIERS' RELIEF COMMISSION,
GEORGE C. BORCK, *Secretary.*

Mr. President, this is either the United States or it is 48 different divisions and there is no responsibility on the Federal Government for the maintenance of wars or the prosecution of wars or the support and care of warriors who took part in them.

Mr. President, I know it is a hopeless task to talk about the matter because the die is cast, but I do want to have the opportunity in the future of holding in shame and pointing with shame to Members of Congress who support this character of legislation.

The testimony clearly showed what is going to happen. I do not know whether any Member of this body has read the testimony into the record, because I have been necessarily absent from the Chamber a great deal, but I suggest that an analysis of the hearings shows what is going to happen to the veterans.

It is said that we are to rely upon the President. I have the highest regard for the President, and I want to support him; I want to cooperate in every manner possible; but there is not a Member of Congress who does not know that the President is not going to do this job. No one man is big enough; no one man has time or energy enough to decide the details and to pass upon what shall finally be paid to veterans. We know that in the administration of the Veterans' Bureau and in the Bureau of the Budget and other bureaus which will be involved there are groups of antiveteran employees who are going to write the rules and regulations and fix the deductions that will eventually be signed by the President. I know the President cannot go into these details, and I know that he will sign what his subordinate officials present to him.

It is said we can trust him to see that the veterans are not unduly penalized. If that be true, both things cannot happen; that is to say, we cannot have lenient and fair distribution among the veterans and at the same time save the amount of money it is alleged we are to save. In other words, if we are going to be humane in the execution of this measure, we cannot cut off more than $125,000,000 or $150,000,000. If the President does that and treats the veterans in a humane way, we cannot save $383,000,000. We cannot have both, and those who use the argument do not know what the outcome is going to be.

Mr. ROBINSON of Indiana. Mr. President, I want to add my own word of endorsement, for whatever it may be worth, to what the Senator from Michigan [Mr. COUZENS] has just said. We have heard much in the last few days about the credit of the United States, about it being so severely impaired. If I remember rightly, that was the burden of the speech of the Senator from Mississippi [Mr. HARRISON], who is in charge of the measure. It has been adverted to by others—yesterday by the Senator from Maryland [Mr. TYDINGS] and today by my distinguished friend from Massachusetts [Mr. WALSH]. All of them have said in effect that the credit of the United States is about to fall; that it is so thoroughly impaired that the Government cannot continue to exist unless we pass this bill. Of course, the Senator from Michigan [Mr. COUZENS] has taken all the wind out of the sails of any such argument by simply reading briefly from the afternoon edition of the press showing that this loan of $800,000,000 has been tremendously oversubscribed.

I heard these statements made with such unanimity from the other side of the aisle, and I think repeated on this side of the Chamber in one or two instances, that I wondered just how much truth there could be back of them. So I made some inquiry myself. I inquired at the Treasury Department for the releases. I found to my surprise—and I should like to have the attention of the Senator from Mississippi [Mr. HARRISON], if he will honor me with it—that the releases had just been given to the public; that is to say, one was given on Sunday, the 12th, and the second on yesterday, the 13th. I want to be fair, of course, and mean to be, pray believe me.

I know that it was impossible, perhaps, for the Secretary of the Treasury to have given 2 weeks' notice to the public of the issue of bonds, because the administration only came into office a week ago last Saturday. But, Mr. President, that could have been provided for, because as responsible a newspaper as the New York Times said just a few days ago that overdrafts could be resorted to by the Treasury of the United States from day to day pending the time this financing was to be concluded without any injury whatever to the country or to the credit of the Government. So the customary 2 weeks' notice could have been given.

Consequently yesterday, when the Senator from Maryland [Mr. TYDINGS] made the suggestion that the credit of the Government was in dire peril of extinction, I wondered, after having read the statement, why no one stood up and challenged him. We all know today, since the Senator from Michigan has read from the press of the oversubscription of this loan without any notice to the public at all, that the statement was erroneous.

Mr. DILL. Mr. President——

The PRESIDING OFFICER (Mr. BLACK in the chair). Does the Senator from Indiana yield to the Senator from Washington?

Mr. ROBINSON of Indiana. I yield.

Mr. DILL. What does the Senator say about the comparatively high interest rate at which this loan was subscribed?

Mr. ROBINSON of Indiana. I say, Mr. President, that this refunding could have been done for three fourths of 1 per cent at the highest. Never was the Government's credit better than it is today. Never, more than today, did the people who have $40,000,000,000 or more deposited in the banks feel that they would like to have their money in Government tax-exempt bonds. They are tax-exempt, and they pay interest, and the people would jump at the chance, as the newspaper article clearly shows, to have some of their bank deposits in Government bonds. The credit of the Government is perfectly good.

Mr. DILL. Does the Senator think it is a waste of money to pay this high rate of interest?

Mr. ROBINSON of Indiana. Indeed I do—$20,000,000 on this loan alone.

Mr. DILL. What proof has the Senator to back up that sort of contention?

Mr. ROBINSON of Indiana. The proof is that we have never paid any more than a fraction of 1 percent during the past year or two to have any of this refunding done.

Mr. DILL. The Senator must know that the officials of the Treasury Department would not raise the rate of interest unless they knew it was impossible to get money at the old rate.

Mr. ROBINSON of Indiana. What I am wondering about is how they knew they could not get it? Why did they not advertise and give the American people a chance to subscribe to the bonds at the old rate instead of arranging to pay usurious rates?

Mr. COUZENS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Michigan?

Mr. ROBINSON of Indiana. I yield.

Mr. COUZENS. I want to say to the Senator from Washington that it was not necessary for the Treasury, in my judgment, to have fixed the rate of interest at all. They could have sold discount securities and let the bidders fix the interest rate. Instead of that, they fixed their own high rate of interest.

Mr. DILL. I am not arguing with the Senator from Indiana. I am only very much interested in this particular phase of the situation, because if the credit of the Government has run down in a few weeks where the interest rate on short-time obligations must be raised from one eighth or one fourth of 1 percent, or whatever it was a few weeks ago, to 4¼ percent upon this last issue, it is a most serious situation from the standpoint of the Government. I am greatly influenced by that condition in how I shall vote.

Mr. COUZENS. May I say that, of course, the moneylender always takes advantage of the situation. He knew when these bids were made of the chaotic condition of the banks and financial institutions. The Senator from Indiana has pointed out that there was no general notice published giving those who might desire to subscribe 10 days' or 2 weeks' notice that bids would be taken. Just the motive for not giving the notice I do not know, of course. I mean that there is no attack upon the Government credit because this rate is so high at this particular time.

Mr. ROBINSON of Indiana. Unfortunately I stepped out of the Chamber yesterday when the Senator from Maryland [Mr. TYDINGS] was making his statement with reference to this issue of bonds, but as I remember it now from reading the RECORD he suggested that the Government arranged two weeks ago, or some such period of time, to refund some $600,000,000 worth of bonds at rates running around 4¼ percent interest. I think he clearly meant not $600,000,000 but $800,000,000. That is the issue that was subscribed for today to take care of the refunding operations in connection with the indebtedness that falls due tomorrow, March 15. If he meant that this issue had been arranged several days ago, that all arrangements for this refunding had been perfected several days ago, then, Mr. President, it must have been done entirely through the Federal Reserve banks; the whole project must have been turned over to them; and the American people were completely in the dark about it. If it is true, as the Senator from Maryland stated—and I suppose it is—that the interest rate, namely, 4¼ percent, is usurious, especially in times like these, then I ask the Senator who interrogated me a moment ago to reply to the question, Why was the arrangement made several days ago to pay this usurious interest when the American people would be delighted, beyond a question of a doubt, to subscribe to these bonds if merely given the opportunity?

Mr. President, I think there is something wrong about that whole idea. This same subject has been touched on time and time again by those who have spoken for this outrageous bill. Everyone who has spoken, I think, has adverted to the question of what would happen if the bill is not to pass tonight—that was the question that was submitted, and my friend from Mississippi [Mr. HARRISON] sits over there waiting to pass it tonight in order to maintain the credit of the United States of America, when, as a matter of fact, long before the bill can be passed, the bond issue has been tremendously oversubscribed, as was brought out a moment ago by the Senator. So why are we remaining here any longer because of a question of that kind?

Now I want to bring to the attention of the Senate, if I may, a statement made yesterday by my able friend from New York [Mr. COPELAND]. I should like to have the attention of the Senator from Mississippi to this statement. I am sure he heard, Mr. President, as we all heard, the able presentation of the Senator from New York yesterday of the dangers to communities from throwing into the streets the veterans who are affected by tuberculosis. He warned us that there is no such thing as merely throwing them out, as the economy bill provides. He pointed out that provision must be made for them. I assume that all the Senators present were wondering how those disabled veterans were to be provided for. Listen, Mr. President. By saving $20,000,000 this week on this bond issue we could probably more than pay for taking care of all the tubercular cases among the veterans for a period of 1 year. In other words, Mr. President, this administration could save $20,000,000 by keeping this loan away from the moneylenders, as they have been designated by the able Senator from Michigan. For instance, 20,000 veterans who receive only $30 per month can be cared for for 1 year at a cost of only $7,200,000; 50,000 veterans who receive only $12 a month can be cared for for 1 year for $13,000,000.

Therefore, Mr. President, this administration could have saved, by careful financing, as the past administration saved it, $20,000,000 by tomorrow night, and with that $20,000,000 could have cared for 20,000 tubercular veterans; and 50,000 veterans who receive $12 a month. Instead of that we throw on the streets and on the local taxing units those who are unable to care for themselves.

Mr. President, let me point out the fact to Members of the Senate that there are approximately 13,000,000 men who are walking the streets tonight looking for work, with none to be found. We are not putting one of them back into employment by this bill. Instead of that we are adding thousands and thousands to the list of the unemployed, to be cared for by the local taxing units, by the local charities, back in home communities, as the Senator from Michigan well pointed out. We shall never have prosperity in this country until we put the unemployed back to work, and we shall not be doing anything in that direction by the passage of this measure. We are aggravating the situation and making it worse than it was before. We shall not have prosperity until we give the 13,000,000 people who are walking the streets the employment that will afford them purchasing power, so that they can buy the farmer's crops, his commodities, and the various manufactured products throughout the country. That is the only way we can have prosperity. I submit, Mr. President, we are proposing nothing in that direction by this measure. We are adding to the problem; we are adding to adversity; we are doing nothing here to assist the return of prosperity. Of course the bill is vicious. It is unjust to the veterans; there is no question

about that. I agree with the Senator from Michigan that those who vote for this iniquitous measure would do well to hang their heads in shame.

I now want to speak to the Senate about the underpaid Federal workers. You are decreasing their purchasing power by this bill; you are charging the depression, as far as you can, to the underpaid Government workers, who receive small wages, to begin with, and you are making those wages less and hence their purchasing power less. So how does the administration expect to bring about prosperity with any such iniquitous measure as this?

Mr. President, I submit——

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Nevada?

Mr. ROBINSON of Indiana. I will yield in just a moment. In the first place, this refunding issue of bonds should have been advertised; it should have been offered to the general public—not yesterday, not Sunday, but a week ago; that should have been the first task of the new administration. It should have given the usual 2 weeks' notice, which would have run for another week. If that had been done and the bonds had been advertised at three fourths of 1 percent, the people of the United States, who are so anxious for a guaranty of their bank deposits, would have oversubscribed the issue by millions and millions of dollars, as, indeed, the press reports indicate it was oversubscribed this very afternoon long before this bill shall have been passed. If that had been done, Mr. President, there would have been saved $20,000,000. Ah, but the moneylenders must have that $20,000,000; and they are the people who have gotten it. You are giving them $20,000,000; that is what you are doing by this financing scheme; you are giving the big moneylenders $20,000,000, and you are taking three hundred million or four hundred million dollars off the sick, maimed, wounded, and disabled veterans of the United States. That is precisely what is being done, and I want the RECORD to show that I made the statement. I feel sure that when you abdicate your powers and the Congress goes out of business and, in a cowardly and craven fashion, turns over its functions to the Chief Executive of the Nation, then Congress will be found to be deceiving nobody but itself. Therefore I hope Members of the Senate will not think for a moment they are fooling the American people.

Mr. HARRISON and Mr. McCARRAN addressed the Chair.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The Senator from Mississippi.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Nevada?

Mr. HARRISON. Only for a question; I do not yield for any other purpose.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield to me just long enough for me to yield to my friend from Nevada? I promised him I would yield when I concluded my statement.

Mr. HARRISON. I yield to the Senator so that he may yield to his friend from Nevada, provided he yields for a question and not for a call for a quorum.

Mr. McCARRAN. I ask the Senator from Indiana to yield.

Mr. ROBINSON of Indiana. I yield to the Senator from Nevada with the permission of the Senator from Mississippi.

Mr. HARRISON. I yield for a question.

Mr. McCARRAN. I ask the Senator whether he will not yield to me without limitation?

The PRESIDING OFFICER. The Senator having the floor can only yield for a question under the rule, if the rule is insisted upon.

Mr. McCARRAN. And it is not subject to motion, Mr. President?

The PRESIDING OFFICER. No; it is not.

Mr. HARRISON. Mr. President, I have refrained from speaking on this bill because of the anxiety to secure quick action upon it, and I would not now occupy the slightest time of the Senate if it were not for the speech of the distinguished Senator from Indiana [Mr. ROBINSON]. I want to congratulate his colleagues on the other side who, with the rarest exception, have raised themselves above partisanship in the discussion and consideration of this bill, as well as in the consideration of the banking bill, which meant so much to the welfare of this great country. My friend from Indiana is now a real curiosity in projecting himself into this discussion in the partisan role he has assumed. He is beginning very early in this administration——

Mr. ROBINSON of Indiana. Mr. President——

Mr. HARRISON. I do not yield.

Mr. ROBINSON of Indiana. There was no partisanship in my statement at all; I made a mere statement of facts.

Mr. HARRISON. The Senator just reeks with partisanship. He states here at this early moment, just a few days after the new administration has come into power, that the administration could have saved $20,000,000 if it had exercised diligence and caution in connection with an issue of bonds. I do not know where the Senator gets that idea.

If we were to have another Republican administration, I should like to see the Senator as Secretary of the Treasury. He would make a fine Secretary of the Treasury. [Laughter.] He would make just as good a Secretary as he has made a Senator in this body. He no doubt would be able to sell bonds, despite the peculiar conditions that today confront the country, for $20,000,000 less than they have been sold by the distinguished officers of the Government who are working night and day in an effort to preserve the credit of the United States. I have never heard anybody intimate that the Senator from Indiana was a great financier, and I do not know where he got the idea that he is a great financier. He went so far as to say that this issue of bonds, instead of bearing 4¼ percent interest, could have been sold at a rate of interest of three fourths of 1 percent. As good as the Senator is as a politician, he would be a rank failure as a financier.

Mr. TYDINGS. Mr. President, I have the Treasury figures on the question which has been adverted to, and I think they will fit into the Senator's observation.

Mr. HARRISON. I yield to the Senator from Maryland.

Mr. TYDINGS. May I say that on March 3 the then Secretary of the Treasury, Mr. Mills, announced an offering of $75,000,000 of 90-day bills. These were put out to bids; the entire country had a right to bid upon them, and they sold at a discount equal to 4.26 percent. Because the last administration by competitive bids was unable to borrow $75,000,000 for 90 days at an interest rate of less than 4.26 percent, the new administration is fearful, of course, that it can not borrow $800,000,000 at that figure.

Mr. HARRISON. The Senator anticipated what I was just coming to.

Mr. TYDINGS. I am sorry.

Mr. HARRISON. That is all right. The Senator said it better than I could have said it.

I have here the record made before the Finance Committee of these many issues of the past. It includes the last 15 issues, and it shows that in November the interest rate reached as low as one eighth of 1 percent. Other issues carried a rate of about one fifth of 1 percent. The rate began to climb up, until along in February it was much higher, and on the 3d of March it had risen until it was 4¼ percent.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. HARRISON. Yes; I yield to the Senator.

Mr. COUZENS. I desire to point out that I am not finding so much fault with the interest rate, because on March 3, as the Senator will remember, practically all of the banks of the Nation were closed, including those in New York and in Chicago.

Mr. HARRISON. Yes; the banks had closed, but it was stated by Mr. Ballantine that these notices had gone out and the proposals had come in before the banks had closed. There was trouble in Michigan. There was trouble all over the country.

This is not a matter that can be laid to the Democratic administration any more than it can be laid to the Republi-

can administration. The interest rate went up when the banking system of this country collapsed and the American people lost confidence.

The Senator from Indiana says that the administration is losing $20,000,000 on this refinancing. Mr. President, if Mr. Roosevelt had not taken the strong position he did when he came in as President; if he had not taken the prompt action that he did in sounding his notes of warning and laying before us quickly his proposals to try to cure the situation, restore confidence, and put some reviving effect in the hearts of people so that the banks might be reopened, who knows but that we would have had no proposal at all to buy these bonds or that the interest rate might not have been still higher?

No, Mr. President; let us keep politics out of the consideration of this bill. Nobody is going to follow the Senator from Indiana in that proposition at all. There never arises here a proposition into which he does not inject partisanship. I am as much of a partisan as almost any other Member of this body; but in this great crisis of the country's history I played no politics during the administration that has just ended. I went down the line for President Hoover and supported his policies in the hope that we could restore confidence in the country.

The Senator may smile cynically, he may play his little game of politics, but the American people now are in no frame of mind to receive it; and the good and progressive people in Indiana, whether Democrats, independents, or Republicans, will not sanction the attitude of a Senator who injects partisanship here in a matter that means almost the preservation of the credit of this country.

Senators may make their appeals to groups if they want to. They may think they can play upon their fancies and win their support; but the American people now want action. They want retrenchment. They want a balanced Budget. They want the credit of this country preserved. They want us to do away with politics for the time being.

There has been no caucus on this matter that bound any Democrat to support amendments. We who are intrusted with responsibility because of our positions upon the committees hope that we can be together. Senators on the other side of the aisle, with the fewest exceptions, are coming to the support of this measure. They are raising themselves high in the estimation of the people because they want to restore confidence. They want to see this banking policy go ahead, and they want to see the drooping spirits of people revived.

Over in the House the Republicans did not play politics. With the rarest exceptions, I say, Senators are not doing it. Let us leave that alone. Let us pass this bill, if we can, without binding anybody.

If Senators feel conscientiously that there are certain amendments that they should vote for, they may support them. There has been no message from the other end of Pennsylvania Avenue to any Member of Congress that patronage would be taken away from him if he should not carry out the President's proposal. The President does not play the game that way; and everyone here, whether he is for the proposal or against it, would resent any such practice as that.

I know that there are men here who are bound by pledges not to support certain provisions of this bill. They feel that they cannot do it, and they will not do it, and nobody is going to condemn them about it. It is our hope, however, that there will be enough here who are unpledged, and whose consciences will permit them so to vote, to enable us to vote down every amendment that may be offered, and go through and pass this legislation in the hope that it may help the country.

I am willing to take the consequences, so far as I am concerned. But be not deceived: The American people are with the man in the White House, who is showing courage, and who is manifesting action, and quick action, at this time.

Mr. TYDINGS and Mr. ROBINSON of Indiana addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. TYDINGS. Mr. President, I shall occupy only a moment, because I want to give the Senator from Indiana a chance to reply; but, in order to make the record complete, I think the Senator from Indiana has not stated the situation exactly as it is.

The financing which will take place on the 15th day of this month is 5 months' financing only. It is not annual financing, as was done with the obligations of the late administration. Because the interest rate is high, this administration has financed for a short period of time only, until the credit situation gets better, when the obligations of March 15 can be refinanced over a longer period of time at a lower rate of interest.

The March 15 financing is for 5-month certificates at 4 percent interest and 9-month certificates at 4¼ percent interest. These are in contrast with the last financing of $75,000,000, 93-day certificates, which sold on competitive bids for 4.26 percent. So this financing is short-time financing to bridge this gap in the stability of our national credit; and when we have written it, we will refinance it again upon a 5-month maturity, I dare say, at an interest rate at least one half that now fixed.

Mr. President, I send to the desk two telegrams, one from an American Legion post and one from a Spanish-American War Veterans' post, which I ask to have read in my time.

The PRESIDING OFFICER. Without objection, the telegrams will be read.

The Chief Clerk read as follows:

TIMONIUM, MD., *March 10, 1933.*

Hon. MILLARD E. TYDINGS,
United States Senator, Washington, D.C.:

Whereas in 1917 we offered to make the supreme sacrifice, today in a grave national crisis we are again willing to make such sacrifices as may be necessary to preserve our Government; and

Whereas we have explicit confidence in our President to deal thoroughly with all deserving veterans: Therefore be it

Resolved, That Towson Post, No. 22, American Legion, go on record as unanimously supporting the President of the United States in his economy program, especially that pertaining to veterans; and be it further

Resolved, That copies of this resolution be sent to the President of the United States, all Senators and Congressmen from Maryland, and the National and State headquarters of the American Legion.

G. L. STRYKER, *Post Commander.*

ANNAPOLIS, MD., *March 12, 1933.*

Senator TYDINGS,
United States Senate, Washington, D.C.:

The Spanish War veterans of Annapolis Camp, No. 10, in this great emergency stand behind the President and your good judgment. Those of us who in 1898 were ready to sacrifice and did sacrifice for our country are willing and ready to do so now. Our trust is in our President that the disabled veterans, their widows, and orphans will not be forgotten. We are Americans first, last, and all the time, and back of our President.

GEO. K. NEWMANN, *Adjutant.*

Mr. ROBINSON of Indiana. Mr. President, I do not desire to make any invidious comparisons. Comparisons are always odious. With utmost modesty, however, I suggest to my friend the Senator from Mississippi that I would probably make as good a Secretary of the Treasury as he.

Mr. HARRISON. I admit that.

Mr. ROBINSON of Indiana. I have never understood that the Senator from Mississippi was an authority on finance or financial matters. He is now the chairman of that powerful committee, and we shall see just whither he leads.

But I hope the Senator from Mississippi will not think that because any of us on this side fail to agree with him on every subject that may come before the Senate, we are therefore approaching the proposition in a partisan spirit. Nothing of that sort imbues me in this matter. I am undertaking solely to prevent the Senate from doing a grave injustice to the veterans of the various wars and their dependents.

Mr. President, it matters not how much the Senator from Mississippi may rave, or what tirades he may indulge himself in. I propose to stand here and vote as I choose, and

speak as I choose, without asking his consent; and I resent the attitude of mind he seems to display when he suggests that because a person has an idea that in some degree differs from an idea that he may espouse, somehow or other that person is partisan and is indulging in politics.

I invite the attention of the Senate and the country, those who may read the RECORD, to the fact that never once in that long tirade did the Senator from Mississippi answer a single question that I had asked or a single point that I made about this refinancing deal. One does not have to be a Secretary of the Treasury to understand that the Government, by saving $20,000,000 in this financing project, could care for many disabled veterans. That does not require any considerable amount of financial genius, I submit to the Senator from Mississippi; and it makes no difference what he says, I propose to go on and do my duty as I see it, and it matters not whether it may please him or not.

He spoke of partisanship, of politics. For 4 long years I sat here and saw him and others on the Democratic side bait the President of the United States constantly, and I saw them establish a poison bureau, to which I have adverted in the past, almost across from the White House, undertaking to oppose every action of his, to cause the American people to hate him, when he was down there courageously, patriotically trying to serve this great country and the people of the Nation. What help did he get from the Senator from Mississippi? None; only ridicule and abuse from morning until night. Have I not sat here and listened to one tirade of vilification after another flowing from his lips with the same facility with which the words of abuse flowed from his lips just a few minutes ago directed toward my poor head? It discourages me not a bit. I go on my way.

Patriotic? Partisan? The President of the United States is now infallible, but only yesterday nothing could be thought of mean enough to describe him in the mind of the Senator from Mississippi, and now he, of all men, talks about partisanship. Up to this point in the discussion I have not engaged in politics. I will indulge in partisanship for a moment now, since he insists on it.

Let me suggest to the Senator from Mississippi that we went into the World War at the behest of a President of his political faith, after he had promised the American people that there would be no war, and made his campaign on the slogan, "He kept us out of war," which appeared on billboards all over the land; and notwithstanding those campaign slogans and those billboard signs everywhere, he plunged us into the war within 2 months after he was inaugurated. After having won his campaign on that issue alone, he plunged 4,000,000 of these lads, and the American people, into the vortex of catastrophe.

Now some more partisanship, some more politics. For 12 years the Republican administrations have built up these benefits for the veterans. We have built up this system of doing justice to the disabled veterans of the World War and of the Spanish-American War and of the Civil War—God bless them all. We owe them all a debt of gratitude we can never repay. For 12 years we have built up those benefits. Now another Democratic President comes in, after these 12 years, succeeding the last one who put us into the war, and the first act of this new Democratic President now is to snatch away from the veterans and their dependents all the benefits the Republican administrations have given them during the past 12 years. If that be politics, let the Senator from Mississippi make the most of it. It is a statement of fact, just the same.

Mr. President, I want to talk to the question. I am sorry that I have been diverted. I am sorry the Senator from Mississippi, in injecting partisanship into this debate, has forced me in self-defense to suggest something of partisanship and politics. Let me talk about the matter I brought to his attention a while ago in the friendliest spirit. Let me talk now about that matter. Let us see whether it takes a great Secretary of the Treasury to understand these facts.

For 90-day borrowings, the Treasury has been able to get funds at one ninth of 1 percent interest on account of the idle funds throughout the country. That is a statement of fact.

Listen to this. For 1-year borrowings the Treasury has been able to get funds at less than 1 per cent. The offering of December 15, 1932, was oversubscribed by $3,878,000,000.

The report of the predecessor of the present Secretary of the Treasury, dated December 12, 1932, stated:

> Reports received from the Federal Reserve banks show that for the offering of three fourths percent Treasury certificates of series TD–1933, maturing December 15, 1933, which was for $860,000,000, or thereabouts, total subscriptions aggregated over $4,128,000,000.

These oversubscriptions to which I have heretofore referred were not isolated cases. Listen to this: it requires no great financial mind to understand it. It is shown by the records of the Treasury that every offering of the Treasury has been oversubscribed. One of the offerings, in December 1932, brought oversubscriptions aggregating the huge sum of $10,449,000,000, indicating the anxiety of the public and banks to subscribe to Government securities.

Let me give the Senator from Mississippi, as chairman of the Finance Committee, some figures which he ought to have. Following are the recent oversubscriptions to United States Treasury issues: The July, 1932, offering was oversubscribed by $4,850,000,000; the September offering was oversubscribed by $6,135,350,000; the October offering was oversubscribed by $8,368,343,000; the December offering was oversubscribed by the stupendous sum of $10,449,000,000; the January offering of only $250,000,000 5-year notes was oversubscribed by $7,802,000,000.

Talk about the credit of the United States being impaired! My friend the Senator from Massachusetts said that was the only reason why he was going to vote for this bill, because he was reliably informed that the credit of the United States was on the rocks, or words to that effect. Here is a statement indicating the condition of the credit, and we heard the statement read by the Senator from Michigan, himself distinguished in matters of finance sufficiently to speak as an authority in his own right, and to whom the Senate always gladly listens, showing that this recent bond issue was oversubscribed today, having been advertised only yesterday, instead of 2 weeks ago, as has been the custom in the past.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. ROBINSON of Indiana. I yield.

Mr. TYDINGS. I want to ask the Senator from Indiana if it is not a fact that the same administration which financed the Government obligations at an interest rate of less than 1 percent was the administration which recently, namely, on March 3, financed $75,000,000 worth of 93-day certificates at 4.26 percent? So is it not a fact that the same administration to which the Senator refers as having been financing in December and January was the administration which had to pay 4¼ percent to get $75,000,000 on March 3?

Mr. ROBINSON of Indiana. That is possible, Mr. President. I have not the figures here; they have gotten away from me. But, as I remember that March 3 financing, it was for a period of 30 days. They were temporary notes, and they were oversubscribed. I am not sure; they might have been funded through the Federal Reserve banks as an accommodation. I am not sure about that.

Mr. REED. Mr. President, will the Senator yield to me?

Mr. ROBINSON of Indiana. I yield.

Mr. REED. While it is true that they were Republican borrowings, the lenders will have nobody but the Democratic administration to look to for repayment. I think that may explain the rate of interest.

Mr. TYDINGS. Let me say to the Senator from Indiana and the Senator from Pennsylvania that the new administration will probably pay off a lot of obligations which the Republican administration has funded. But, aside from that, let me further observe that the Senator from Indiana said that my statement was "possibly" accurate. I can assure him that it is an exact fact. I hold in my hand the statement of Mr. Mills.

Mr. ROBINSON of Indiana. I am not contesting that statement at all, because I have not the figures before me. I am speaking from memory with reference to the March 3 financing. If this administration pays obligations which have accrued even subsequent to last March 4, subsequent to its assuming office, I hope that in the interest of the taxpayers of the United States they will borrow the money as cheaply as they can and not pay exorbitant, usurious rates of interest to the big moneylenders of the United States.

The PRESIDING OFFICER. The clerk will state the first amendment.

The CHIEF CLERK. The first amendment of the committee is on page 2, line 6, where the committee proposes to strike out the words "any war subsequent to the Civil" and insert the words "the Spanish-American."

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Robinson, Ark.
Ashurst	Copeland	Kean	Robinson, Ind.
Austin	Couzens	Keyes	Russell
Bachman	Dale	La Follette	Sheppard
Bailey	Dickinson	Lewis	Smith
Bankhead	Dill	Lonergan	Steiwer
Barbour	Duffy	McAdoo	Stephens
Barkley	Fess	McCarran	Thomas, Utah
Black	Fletcher	McGill	Townsend
Bone	Frazier	McKellar	Trammell
Borah	George	McNary	Tydings
Bratton	Glass	Metcalf	Vandenberg
Brown	Goldsborough	Murphy	Van Nuys
Bulkley	Gore	Neely	Wagner
Bulow	Hale	Overton	Walcott
Byrd	Harrison	Patterson	Walsh
Byrnes	Hastings	Pittman	White
Capper	Hatfield	Pope	
Caraway	Hayden	Reed	
Clark	Hebert	Reynolds	

Mr. LEWIS. May I announce that having earlier in the day called attention to the absence of certain Senators for the reasons then stated, I desire to have the same recorded now as the explanation of their absence.

Mr. GORE. I desire to announce the absence of my colleague, the senior Senator from Oklahoma [Mr. THOMAS], on account of illness.

Mr. ADAMS. I should like to advise that my colleague [Mr. COSTIGAN] is detained from the Senate today by reason of illness.

Mr. WALSH. I wish to announce the absence of my colleague, the junior Senator from Massachusetts [Mr. COOLIDGE], on account of a death in his family.

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present. The clerk will state the amendments of the Committee on Finance in their order.

The first amendment was, under the heading "Title I, Veterans," on page 2, line 6, after the word "during", to strike out "any war subsequent to the Civil" and insert "the Spanish-American"; in line 8, after the name "Philippine insurrection" to insert a comma and "or the World War"; in line 9, after the word "of", to strike out "wound" and insert "injury"; in line 16, after the word "served", to strike out "during any war subsequent to the Civil" and insert "in the active military or naval service during the Spanish-American"; and in line 19, after the name "Philippine insurrection", to strike out "and prior to the World War", so as to make the section read:

SECTION 1. That subject to such requirements and limitations as shall be contained in regulations to be issued by the President, and within the limits of appropriations made by Congress, the following classes of persons may be paid a pension:

(a) Any person who served in the active military or naval service and who is disabled as a result of disease or injury or aggravation of a preexisting disease or injury incurred in line of duty in such service.

(b) Any person who served in the active military or naval service during the Spanish-American War, including the Boxer rebellion and the Philippine insurrection, or the World War, and who is permanently disabled as a result of injury or disease.

(c) The widow, child, or children, dependent mother or father, of any person who dies as a result of disease or injury incurred or aggravated in line of duty in the active military or naval service.

(d) The widow and/or child of any deceased person who served in the active military or naval service during the Spanish-American War, including the Boxer rebellion and the Philippine insurrection.

(e) For the purpose of subparagraph (b) of this section, the World War shall be deemed to have ended November 11, 1918.

The amendment was agreed to.

The next amendment was, on page 6, line 8, after the word "allowed", to insert "No person who is entitled to any benefits under this title shall participate in any determination or decision with respect to any claim for benefits under this title", so as to make the section read:

SEC. 9. Claims for benefits under this title shall be filed with the Veterans' Administration under such regulations, including provisions for hearing, determination, and administrative review, as the President may approve, and payments shall not be made for any period prior to date of application. When a claim shall be finally disallowed under this title and the regulations issued thereunder, it may not thereafter be reopened or allowed. No person who is entitled to any benefits under this title shall participate in any determination or decision with respect to any claim for benefits under this title.

The amendment was agreed to.

The next amendment was, on page 9, line 7, after the word "compensation", to insert "and other allowances"; in line 9, after the word "veterans", to insert "and the dependents of veterans"; in line 11, before the word "the", to insert "and"; in line 14, after the word "service", to strike out "except" and insert "(except"; in line 16, after the word "Navy", to strike out "or Marine Corps" and insert "Marine Corps, or Coast Guard)"; and in line 20, after the word "the", to strike out "first" and insert "last", so as to make the section read:

SEC. 17. All public laws granting medical or hospital treatment, domiciliary care, compensation and other allowances, pension, disability allowance, or retirement pay to veterans and the dependents of veterans of the Spanish-American War, including the Boxer rebellion and the Philippine insurrection, and the World War, or to former members of the military or naval service for injury or disease incurred or aggravated in the line of duty in the military or naval service (except so far as they relate to persons who served prior to the Spanish-American War, and the retirement of officers and enlisted men of the Regular Army, Navy, Marine Corps, or Coast Guard), are hereby repealed, and all laws granting or pertaining to yearly renewable term insurance are hereby repealed, but payments in accordance with such laws shall continue to the last day of the third calendar month following the month during which this act is enacted. The Administrator of Veterans' Affairs under the general direction of the President shall immediately cause to be reviewed all allowed claims under the above-referred-to laws and, where a person is found entitled under this act, authorize payment or allowance of benefits in accordance with the provisions of this act commencing with the first day of the fourth calendar month following the month during which this act is enacted; and, notwithstanding the provisions of section 9 of this act, no further claim in such cases shall be required: *Provided*, That nothing contained in this section shall interfere with payments heretofore made or hereafter to be made under contracts of yearly renewable term insurance which have matured prior to the date of enactment of this act and under which payments have been commenced.

The amendment was agreed to.

The next amendment was, on page 10, line 14, before the word "pension", to insert "any"; in line 16, after the name "Spanish-American", to strike out "war" and insert "war, and their dependents"; and, in line 19, after the name "Navy", to strike out "or Marine Corps shall" and insert "Marine Corps, or Coast Guard, shall", so as to make the section read:

SEC. 18. For the fiscal year ending June 30, 1934, any pension, and/or any other monetary gratuity, payable to former members of the military or naval service in wars prior to the Spanish-American War, and their dependents, for service, age, disease, or injury, except retired pay of officers and enlisted men of the Regular Army, Navy, Marine Corps, or Coast Guard, shall be reduced by 10 percent of the amount payable.

The amendment was agreed to.

The next amendment was, on page 10, after line 20, to insert the following new section:

SEC. 19. The regulations issued by the President under this title which are in effect at the expiration of 2 years after the

date of enactment of this act shall continue in effect without further change or modification until the Congress by law shall otherwise provide.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Officers and Employees," on page 11, line 10, after the name "Vice President" to insert "the Speaker of the House of Representatives," and on page 12, line 9, after the word "contributions" to strike out "or" and insert "of"; so as to make the section read:

SEC. 1. When used in this title—

(a) The terms "officer" and "employee" mean any person rendering services in or under any branch or service of the United States Government or the government of the District of Columbia, but do not include (1) officers whose compensation may not, under the Constitution, be diminished during their continuance in office; (2) the Vice President, the Speaker of the House of Representatives, Senators, Representatives in Congress, Delegates, and Resident Commissioners; (3) officers and employees on the rolls of the Senate and House of Representatives; (4) any person in respect of any office, position, or employment the amount of compensation of which is expressly fixed by international agreement; and (5) any person in respect of any office, position, or employment the compensation of which is paid under the terms of any contract in effect on the date of the enactment of this title, if such compensation may not lawfully be reduced.

(b) The term "compensation" means any salary, pay, wage, allowance (except allowances for travel), or other emolument paid for services rendered in any civilian or noncivilian office, position, or employment, and includes the retired pay of judges (except judges whose compensation, prior to retirement or resignation, could not, under the Constitution, have been diminished), and the retired pay of all commissioned and other personnel of the Coast and Geodetic Survey, the Lighthouse Service, and the Public Health Service, and the retired pay of all commissioned and other personnel of the Army, Navy, Marine Corps, and Coast Guard; but does not include payments out of any retirement, disability, or relief fund made up wholly or in part of contributions of employees.

The amendment was agreed to.

The next amendment was, on page 12, line 12, after the word "for", to insert "the", so as to make the section read:

SEC. 2. For that portion of the fiscal year 1933 beginning with the first day of the calendar month following the month during which this act is enacted, and for the fiscal year ending June 30, 1934, the compensation of every officer or employee shall be determined as follows:

(a) The compensation which such officer or employee would receive under the provisions of any existing law, schedule, regulation, Executive order, or departmental order shall first be determined as though this title (except sec. 4) had not been enacted.

(b) The compensation as determined under subparagraph (a) of this section shall be reduced by the percentage, if any, determined in accordance with section 3 of this title.

The amendment was agreed to.

The next amendment was, on page 12, line 25, after the word "investigation", to insert "through established agencies of the Government", so as to make the section read:

SEC. 3. (a) The President is authorized to investigate through established agencies of the Government the facts relating to the cost of living in the United States during the 6 months' period ending June 30, 1928, to be known as the base period, and upon the basis of such facts and the application thereto of such principles as he may find proper, determine an index figure of the cost of living during such period. The President is further authorized to make a similar investigation and determination of an index figure of the cost of living during the 6 months' period ending December 31, 1932, and each 6 months' period thereafter.

(b) The President shall announce by Executive order the index figure for the base period and for each subsequent period determined by him under paragraph (a) of this section. The percentage, if any, by which the cost of living index for any 6 months' period, as provided in paragraph (a) of this section, is lower than such index for the base period shall be the percentage of reduction applicable under section 2 (b) of this title in determining compensation to be paid during the following 6 months' period, or such portion thereof during which this title is in effect: *Provided*, That such percentage of reduction shall not exceed 15 percent.

The amendment was agreed to.

The next amendment was, on page 14, line 10, before the figures "214," to strike out "211," and on page 16, line 5, after the word "sections," to strike out "105, 107, 109, or 112" and insert "105 or 107"; on page 17, line 1, before the figures "215," to strike out "Sections" and insert "Section"; in line 14, after the figures "104," to strike out "105 (except subsections (a), (b), and (c) thereof)" and insert "subsections (d) and (e) of section 105," and in line 17, after the word "thereof," to strike out "and 108" and insert "108, 112, and 211"; and on page 18, after line 2, to insert:

(f) Subsection (b) of section 105 of the Legislative Appropriation Act, fiscal year 1933, is amended to read as follows, beginning with the first day of the calendar month following the month during which this act is enacted:

"(b) The allowance for clerk hire of Representatives in Congress, Delegates, and Resident Commissioners is reduced by the percentage applicable by law to other employees on the roll of the House of Representatives, such reduced allowance to be apportioned by the Representative, Delegate, or Resident Commissioner among his clerks as he may determine, subject to the limitations of existing law, but the compensation of such clerks shall not be subject to reduction under subsection (c) of this section."

(g) Subsection (c) of section 105 of the Legislative Appropriation Act, fiscal year 1933, is amended to read as follows, beginning with the first day of the calendar month following the month during which this act is enacted:

"(c) The rate of compensation of any person on the rolls of the Senate or of the House of Representatives (other than persons included within subsection (a)), is reduced by the percentage applicable by law to employees of the Government generally."

So as to make the section read:

SEC. 4. (a) Section 4 of an act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes, approved March 3, 1933, is hereby amended to read as follows:

"SEC. 4. (a) The provisions of the following sections of part II of the Legislative Appropriation Act, fiscal year 1933, are hereby continued in full force and effect during the fiscal year ending June 30, 1934, namely sections 105 (except subsections (d) and (e) thereof), 107 (except paragraph (5) of subsection (a) thereof and subsection (b) thereof), 201, 203, 206 (except subsection (a) thereof), 214, 216, 304, 315, 317, 318, and 323, and for the purpose of continuing such sections, in the application of such sections with respect to the fiscal year ending June 30, 1934, the figures '1933' shall be read as '1934'; the figures '1934' as '1935'; and the figures '1935' as '1936'; and, in the case of section 203, the figures '1932' shall be read as '1933'; except that in the application of such sections with respect to the fiscal year ending June 30, 1934 (but not with respect to the fiscal year ending June 30, 1933), the following amendments shall apply:

"(1) Section 216 is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: '*Provided further*, That no employee under the classified civil service shall be furloughed under the provisions of this section for a total of more than 90 days during the fiscal year 1934, except after full and complete compliance with all the provisions of the civil service laws and regulations relating to reductions in personnel.'

"(2) Section 317 is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: '*Provided further*, That no part of any appropriation for "public works," nor any part of any allotment or portion available for "public works" under any appropriation, shall be transferred pursuant to the authority of this section to any appropriation for expenditure for personnel unless such personnel is required upon or in connection with "public works." "Public works" as used in this section shall comprise all projects falling in the general classes enumerated in Budget statement No. 9, pages A177 to A182, inclusive, of the Budget for the fiscal year 1934, and shall also include the procurement of new airplanes and the construction of vessels under appropriations for "Increase of the Navy." The interpretation by the Director of the Bureau of the Budget, or by the President in the case of the War Department and the Navy Department, of "public works" as defined and designated herein shall be conclusive.'

"(b) All acts or parts of acts inconsistent or in conflict with the provisions of such sections as amended, are hereby suspended during the period in which such sections, as amended, are in effect.

"(c) No court of the United States shall have jurisdiction of any suit against the United States or (unless brought by the United States) against any officer, agency, or instrumentality of the United States arising out of the application as provided in this section, of such sections 105 or 107, as amended, unless such suit involves the Constitution of the United States.

"(d) The appropriations or portions of appropriations unexpended by reason of the operation of the amendments made in subsection (a) of this section shall not be used for any purpose, but shall be impounded and returned to the Treasury.

"(e) Each permanent specific annual appropriation available during the fiscal year ending June 30, 1934, is hereby reduced for that fiscal year by such estimated amount as the Director of the Bureau of the Budget may determine will be equivalent to the savings that will be effected in such appropriation by reason of the application of this section and section 7."

(b) Section 5 of the Treasury and Post Office Appropriation Act, fiscal year 1934, is hereby repealed.

(c) Section 6 of the said Treasury and Post Office Appropriation Act, fiscal year 1934, is amended to read as follows:

"SEC. 6. Section 215 of the Legislative Appropriation Act, fiscal year 1933, shall be held applicable to the officers and employees of the Panama Canal and Panama Railroad Co. on the Isthmus of Panama, and to officers and employees of the United States (including enlisted personnel) holding official station outside the continental United States, only to the extent of depriving each of them of 1 month's leave of absence with pay during each of the fiscal years ending June 30, 1933, and June 30, 1934."

(d) The following sections of part II of the Legislative Appropriation Act, fiscal year 1933, are hereby repealed effective on the first day of the calendar month following the month in which this act is enacted; namely, sections 101, 102, 103, 104, subsections (d) and (e) of section 105, 106, 107 (except paragraphs (1), (2), (3), and (4) of subsection (a) thereof), 108, 112, and 211.

(e) Subsection (a) of section 105 of the Legislative Appropriation Act, fiscal year 1933, is amended to read as follows, beginning with the first day of the calendar month following the month during which this act is enacted:

"(a) The salaries of the Vice President and the Speaker of the House of Representatives are reduced by 15 percent; and the salaries of Senators, Representatives in Congress, Delegates, and Resident Commissioners are reduced by 15 percent."

(f) Subsection (b) of section 105 of the Legislative Appropriation Act, fiscal year 1933, is amended to read as follows, beginning with the first day of the calendar month following the month during which this act is enacted:

"(b) The allowance for clerk hire of Representatives in Congress, Delegates, and Resident Commissioners is reduced by the percentage applicable by law to other employees on the roll of the House of Representatives, such reduced allowance to be apportioned by the Representative, Delegate, or Resident Commissioner among his clerks as he may determine, subject to the limitations of existing law, but the compensation of such clerks shall not be subject to reduction under subsection (c) of this section."

(g) Subsection (c) of section 105 of the Legislative Appropriation Act, fiscal year 1933, is amended to read as follows, beginning with the first day of the calendar month following the month during which this act is enacted:

"(c) The rate of compensation of any person on the rolls of the Senate or of the House of Representatives (other than persons included within subsection (a)), is reduced by the percentage applicable by law to employees of the Government generally."

The amendment was agreed to.

The next amendment was, on page 19, line 1, after "SEC. 5," to strike out "Retirement" and insert:

The provisions of this title providing for temporary reductions in compensation and suspension in automatic increases in compensation shall not operate to reduce the rate of compensation upon which the retired pay or retirement benefits of any officer or employee would be based but for the application of such provisions, but the amount of retired pay shall be reduced as provided in this title: *Provided*, That retirement.

So as to make the section read:

SEC. 5. The provisions of this title providing for temporary reductions in compensation and suspension in automatic increases in compensation shall not operate to reduce the rate of compensation upon which the retired pay or retirement benefits of any officer or employee would be based but for the application of such provisions, but the amount of retired pay shall be reduced as provided in this title: *Provided*, That retirement deductions authorized by law to be made from the salary, pay, or compensation of officers or employees and transferred or deposited to the credit of a retirement fund shall be based on the regular rate of salary, pay, or compensation instead of on the rate as temporarily reduced under the provisions of this title.

The amendment was agreed to.

The next amendment was, under "Title III, Amendments to Legislative Appropriation Act, fiscal year 1933," on page 20, line 21, after the word "the", to strike out "legislative appropriation act" and insert "Legislative Appropriation Act"; and in line 23, after the word "the", to strike out "treasury and post office appropriation act" and insert "Treasury and Post Office Appropriation Act," so as to make the section read:

SECTION 1. Sections 407 and 409 of Title IV of Part II of the Legislative Appropriation Act, fiscal year 1933, as amended by section 17 of the Treasury and Post Office Appropriation Act, approved March 3, 1933, are amended to read as follows.

The amendment was agreed to.

The PRESIDING OFFICER. That seems to conclude the committee amendments. The bill is open to further amendment.

Mr. BLACK. Mr. President, I send to the desk an amendment, which I offer.

The PRESIDING OFFICER. The clerk will report the amendment.

The CHIEF CLERK. On page 10, line 12, after the word "commenced," insert the following:

Nor on any judgment heretofore rendered in a court of competent jurisdiction, or which may hereafter be rendered in any suit now pending.

Mr. BLACK. Mr. President, the amendment relates to the right of the veteran to maintain his suit in court.

Mr. HARRISON. Mr. President, will the Senator from Alabama yield to me before he proceeds with his explanation of his amendment?

Mr. BLACK. Certainly.

Mr. HARRISON. Not as a committee amendment, because the committee has not acted upon it, but in my individual capacity I offer as a substitute for the amendment offered by the Senator from Alabama the following. This is one of the questions that has given us a great deal of trouble. If the Senator has no objection, I should like to offer it at this time so they may both be discussed at the same time.

Mr. BLACK. I have no objection, of course.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. The Senator from Mississippi offers the following:

On page 10, line 8, after "interfere," insert "(1)"; and

On page 10, before the period at end of line 12, insert a comma and the following: "or (2) with payments hereafter to be made under contracts of yearly renewable term insurance, where suit on such insurance has been instituted and trial had prior to the enactment of this act and judgment has heretofore been or hereafter is entered and has become or becomes a final judgment: *Provided further*, That no costs shall be taxed against any plaintiff whose right to continue his suit on yearly renewable term insurance is abrogated by this section."

The PRESIDING OFFICER. The Chair desires to suggest that this is not applicable to the amendment of the Senator from Alabama because it deals with a different portion of the section.

Mr. BLACK. The issue can be drawn upon the two very clearly, whether the Senator offers his amendment as a substitute or as a separate amendment. I can explain the difference between the two.

I desire to congratulate the Senator upon offering the amendment, however. It is a great step forward and is a vast improvement over the bill as it was read in the Senate on yesterday. Let us see what is the issue.

Mr. WALSH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Massachusetts?

Mr. BLACK. I yield.

Mr. WALSH. Of course, the Senator's proposal deals with tens of thousands of cases, while the amendment of the Senator from Mississippi deals only with a very few cases that have reached judgment but have not yet been given their award.

Mr. BLACK. The Senator is correct. My amendment does not relate to compensation; it does not relate to pensions; it does not relate to bounty. It relates solely and singly to a contract of the United States Government made with the veterans who served in the World War.

Mr. WALSH. I think the Senator would emphasize and strengthen his amendment if he said at this time, too, that it does not relate to any power of presumption. It is lawmaking.

Mr. BLACK. The Senator is correct.

Mr. WALSH. The President has nothing to do with it.

Mr. BLACK. It relates to no presumption. It relates to no pension. It relates to no compensation. It relates to but one thing only and that is, Shall the Congress of the United States, at the time it is passing a bill to maintain the credit of the United States, also maintain the contracts of the United States?

Under the bill as it came here yesterday—and I shall explain the difference by beginning then and bringing it down to the last proposal of the Senator from Mississippi—if

a soldier had filed a suit in a Federal court against the Federal Government on a contract of insurance for which the soldier had paid his money, and if that soldier had already obtained a judgment in the court, then under this provision he would not be paid that judgment. In other words, it deprives every American soldier who obtained a judgment in the court, upon which judgment no payment had been made, of that judgment which had been rendered based upon a solemn contract of insurance made between the soldier and the United States Government.

The amendment which the Senator from Mississippi now proposes, and which I shall favor if my amendment shall not be agreed to, provides that if a judgment has already been obtained the soldier can proceed to collect the judgment irrespective of the law. But it does not save the thousands of other contractural obligations upon which suits have already been filed in the Federal courts of the United States on policies of insurance bought and paid for by the veterans of the World War.

Mr. President, I desire to explain what that insurance was. I am thoroughly familiar with it. I was chairman of the committee, in the battery in which I served, charged with the duty of selling these insurance policies to the members of the battery. I had the advertisements sent by the Government. I had the information given which was to be carried to the soldiers with reference to the kind of policy they were buying. The soldiers were told that if they would pay a part of their salary each month they would have a contract of insurance which would pay to their beneficiary in case of their death and which would pay to themselves in case of total and permanent disability.

Not only were they asked to buy these policies, but they were coerced into buying them. Every member of the battery to which I belonged who declined to purchase that insurance upon the persuasion which the committee made—and I was a member of the committee—was reported to the captain of the company. When he reported to the captain of the company he was informed that it would be better for him to buy the policy. The value of the policy was stated to him. We told him, of course, that the full faith and credit of the United States was behind it. The full faith and credit of the Government which he had enlisted to serve was behind the policy he was called upon to purchase. There was no bounty in the policy. I have seen men buy that policy and pay more than one fourth of their monthly wages in order to maintain it. Some of them paid that one fourth and then in addition to that sent their allowance back home, and many of them at the end of the month would have only $6 left for their expenses during the month.

We start out, therefore, with a contract of insurance signed by the Government of the United States promising to pay to the man who bought the insurance, a World War soldier, in case of total and permanent disability, a certain stipulated sum monthly for a period of years. That was no bounty; it would make no difference if every court in the world should hold it was a bounty; it was a legitimate, honest contract made by the United States Government with the men who were drafted into the service and who volunteered to fight the battles of democracy.

The policies were issued; the men continued to pay for those policies from month to month. The policies remained in effect, of course, during the time the payments were made. Since that time a number of men have brought suits on those policies; but the statement has been made that because suits were not brought within a certain period of years that is an argument against their recovery. It is not. The Government has made money by the delay; it has saved the interest that would have been paid on the money if suits had been brought promptly.

However, suits were brought. In order to recover, the soldier must prove that while the policy was in force and effect—in other words, while the monthly consideration was being paid—he became totally and permanently disabled. That cannot be proved by affidavit. It must be proved as all other cases are proved in court; it must be proven by witnesses who are subjected to cross-examination. The soldier is entitled to a jury trial. If the verdict shall be improper, on the evidence, the Federal judge has the right to set the verdict aside. If the district judge does not set the verdict aside, and it goes to the United States circuit court of appeals, the United States circuit court of appeals may set it aside if there has been any injustice.

If a private insurance company had issued a policy of that kind and we were to attempt by legislation to relieve such private insurance company against any suit on the policy, we would be faced by the constitutional provision which says that the courts shall remain open to the citizens of this Republic. Not only that, we would be faced by another constitutional provision which says that the obligation of contracts shall not be impaired.

The amendment which I offer does not add a dollar to any compensation; it does not give a single additional right to an American soldier. It simply provides where suits have been filed on contractual obligations, on these policies, that the courts shall be permitted to pass upon the claims based upon the contracts of insurance.

Someone said to me that it was necessary that the Government be relieved in order that it might maintain its credit. For what purpose? The purpose being to pay its debts. I wonder if there is anyone who believes that the debt of the Government by reason of a bond representing borrowed money is any more sacred or any more binding upon this Republic than the obligation of this Government, signed, sealed, and delivered to the American soldiers, for a consideration in money and with its express promise that the full faith and credit of the United States Government would be behind the contract of insurance? So, Mr. President, I am pleading with the Senate to carry out the Government's obligation.

The statement has been made upon the floor, Mr. President, that the President of the United States desires this bill to be passed. I deny that the President of the United States, with his generous heart and his sense of fairness and justice, if the facts had been presented to him with reference to these insurance contracts, would ever have permitted such a provision to be placed in this bill.

I feel a personal obligation in this matter. I sold some of these policies; I persuaded men to buy them. I feel it so keenly that, strongly as I favor the major objective of this bill, strongly as I favor reducing Government expenses, in order that we may maintain the faith and credit of the United States, so far as I am concerned, I state here and now that I shall vote against the whole measure if it contains a provision striking down the sacred contractual obligations entered into by the Government of the United States with its soldiers who were called upon to fight its battles.

I desire to ask what excuse any man can give for doing this. It is a contract; it is a legitimate contract. It is based upon a legitimate money consideration; it is based upon more than that; it is based upon the promise of the United States Government made to the men, many of whom shortly thereafter went to the battlefront and some of whom have suffered disabilities on account of their war service from which they can never recover. They were told in this contract of insurance, which was signed by the duly authorized agents of the United States, that if they suffered injury within the life of the policy the Government would pay them. What is proposed here? It is intended to do something which evidently the Veterans' Bureau attorney does not think he can do in the courts. The cases are pending in the courts. If they were pending against the New York Life Insurance Co., against the Penn Mutual Life Insurance Co., against the Equitable Life Insurance Co., the Congress would have no right, under the Constitution, to pass a law to prohibit pursuing those cases. What right has the Government in the face of such an obligation to attempt, on the plea of economy and of maintaining the credit of the Government, to deprive the veterans of their contractual rights?

Let me show what would happen if that should occur. A number of men have already brought suit and recovered

on their policies. Some of the others have received their payments without bringing suit.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER (Mr. BRATTON in the chair). Does the Senator from Alabama yield to the Senator from Nevada?

Mr. BLACK. I yield to the Senator.

Mr. McCARRAN. Referring to the Senator's last remark, is it not true that the Government has won practically four fifths of the suits and the veterans have won about one fifth of the suits?

Mr. BLACK. The record at the present time shows that the Government is winning four fifths of the suits and the veterans are winning one fifth of them. But, Mr. President, let me show what will result: All those who have already brought suit and have recovered judgment will get their money; those who have been allowed their money by the Veterans' Bureau will be paid on their policies; but, unless this amendment shall be adopted, those who now have suits pending in the courts will get nothing, whether a jury would give it to them or not, because this provision of the bill serves exactly as would a demurrer if filed to the entire evidence in the case, and they are all deprived of their rights under their contracts, whether they are entitled to a verdict as a matter of law and justice or not. I deny that the Congress has any moral right to enact such legislation; I deny that, in the name of economy and in the name of maintaining the credit of the United States for the bondholders, we have a right to strike down the contractual obligations made to the soldiers who fought to preserve this country in the time of its greatest peril.

So, Mr. President, that is the amendment which I offer. I cannot believe it possible if all the Senate could know the facts——

Mr. FLETCHER. Mr. President, will the Senator read the amendment again.

Mr. BLACK. I shall be glad to read it. I will read first beginning with the proviso, and then I will indicate where the amendment begins.

Provided, That nothing contained in this section shall interfere with payments heretofore made or hereafter to be made under contracts of yearly renewable term insurance which have matured prior to the date of the enactment of this act and under which payments have been commenced.

That is the law as it is now and as written in this bill. My amendment would add this:

Nor on any judgment heretofore rendered in a court of competent jurisdiction—

I place that in there because under the bill, even as it is written, a man could not recover on his judgment. Then I would add—

or which may hereafter be rendered in any suit now pending.

So the entire effect of the amendment is simply to give those who have legitimate binding contracts with the Government, for which they have paid, the right to their day in court. It is true that there are a number of suits pending; I do not know exactly how many; but that is immaterial. If they are not entitled to recover, they cannot.

The statement was made today that although only $500,000,000 in premiums had been paid—I believe that was the statement—a larger amount than that in liabilities could possibly be fastened upon the Government. That is true.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. CLARK. General Hines made the statement before the Finance Committee that at the present time the Government is winning 80 percent of those cases before juries in the Federal courts.

Mr. BLACK. That is correct. So it is immaterial as to whether the premiums paid would fully reimburse the Government or not. Here is what the men were told and here is what we gave to them as facts that were sent to us from Washington to give to them when they bought their insurance.

The statement was made that the men were in the Army, that it was impossible for them to get insurance on the outside because of the extra hazard, that they would be charged a premium right in line with what the premium would be in civil life, and that the Government itself would assume the extra hazard.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Idaho?

Mr. BLACK. I yield to the Senator.

Mr. BORAH. The Senator is now discussing a contract.

Mr. BLACK. That is correct.

Mr. BORAH. And the question is whether or not a legislature can terminate a contract without affording a hearing in a proper tribunal to the parties to the contract.

I do not think it is within the power of the legislature to terminate the binding effect of a contract. It is not due process of law under any theory that has ever been announced. Of course a government, a sovereign, can brutally repudiate a contract.

Mr. BLACK. I am thoroughly in accord with the Senator's idea insofar as contracts between private parties are concerned. I have not here gone into the legal question as to the right of the Government to cancel its own contracts. If the Government has that right, I say that it would be immoral for it to do it. I say that it would be an improper example for the Government to set to tell the people, "We expect all of you to live up to your contracts, but we will not," especially if the contracts were made with soldiers who were fighting to preserve the liberties of the Republic.

Mr. BORAH. Mr. President, a government might repudiate its contract; but, under our process now, the parties to the contract have a right to go into the Court of Claims and get a hearing on it, just the same.

Mr. BLACK. The Senator may be correct. I hope he is, if this measure passes. It is immaterial to me what court tries the matter; but I do say that the Senate has no right, under the sacred name of maintaining the integrity of the Government, to maintain it by repudiating its contracts with one group in order to maintain its contracts with another group.

I assert, without fear of successful contradiction, that, if there is one group that should not have its contracts repudiated, it is the group that served in the World War.

Mr. FLETCHER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Florida?

Mr. BLACK. I yield to the Senator.

Mr. FLETCHER. I am not disagreeing with the Senator on moral grounds; but the authorities hold that by the tenth section of article I of the Federal Constitution the States are prohibited from passing laws impairing the obligation of contracts, but it is to be noted that no similar restriction is imposed by the Constitution upon the Congress of the United States.

Mr. BLACK. Well, Mr. President, I will forego all idea of whether this is constitutional or unconstitutional. So far as I am concerned, I am not interested in that at the present time. That question can be raised in the courts when the occasion arises. I am vitally interested, however, in whether or not Congress will bring about a repudiation of a contract made for a valuable consideration with the men who were under its command and under its orders at the time.

I know that those policies were bought whether the men wanted to buy them or not. I know they were bought because the men were ordered to buy them. I know how proud we were, and how we boasted of the fact that we had sold policies of insurance 100 percent to the men in our regiment. Now, a few years after that, to my astonishment, in the supreme lawmaking body of this land, I find a proposal to repudiate the contract made with the soldiers on the ground that it will save money!

Mr. TRAMMELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Florida?

Mr. BLACK. I yield to the Senator.

Mr. TRAMMELL. The Senator from Alabama has been a Member of the Senate for a great many years. He is an able lawyer. I should like to ask him if he has known of any instance during his experience here where Congress has enacted a law to repudiate a contract?

Mr. BLACK. I do not know about repudiating a contract; no.

Mr. TRAMMELL. This is the exceptional case, as I remember.

Mr. BLACK. Unquestionably.

Mr. TRAMMELL. We start out on our exception by applying this harsh, this immoral remedy to the men who defended our country during its hour of peril.

Mr. BLACK. Yes. We want to save money, in other words, by repudiating a contract.

Mr. TRAMMELL. We want to start out on them.

Mr. BLACK. I am perfectly willing to admit that we would save money by repudiating this contract. We can save money by repudiating the contracts with the bondholders who have loaned their money to the United States. If the only object is to save money, and the only way to do it is to repudiate indebtedness, why not repudiate them all at one time?

Mr. TRAMMELL. May I ask the Senator another question or two? He and I, off and on, have served upon the Claims Committee for a great many years. Have we ever gone into the question of saving money by denying a just and an honest claim before the Claims Committee?

Mr. BLACK. On the contrary, we have endeavored to pay every claim that had a moral sanction behind it.

Mr. TRAMMELL. And if we questioned the legality of the claim we sent it to the Court of Claims, so that the claimants could have an adjudication in the Court of Claims. This measure proposes to take away from them all legal remedy, absolutely.

Mr. BLACK. That is correct.

Mr. CLARK. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Missouri?

Mr. BLACK. I yield to the Senator.

Mr. CLARK. Is it not a fact that finally a regulation was adopted during the war under which a man who had not bought a policy was automatically insured and the premium was taken out of his pay? That is my recollection of the matter.

Mr. BLACK. It was not necessary to do that in my regiment, because we simply sent the men to the captain, and when they came back they had their insurance.

Mr. President, I do not want my attitude on this legislation misunderstood. I recognize the great emergency which faces this country at the present time. I do not agree, however, with those on this floor who have taken the position that because of an emergency we should abdicate legislative functions. I disagree with that entirely. Insofar as I am concerned, I do not intend to vote to abdicate any legislative function. I wish to state, however, that insofar as this measure is concerned I do not think it abdicates any legislative function. I think that the functions turned over to the President here are purely legislative or administrative. I think some of them could be assigned to either one of the two groups of powers—either legislative or executive.

As I see this bill, it does not turn over to the President any legislative functions. I am of the opinion, however, that if any effort should be made to transfer to the Executive any taxing power, directly or indirectly, it would be a violation not only of the Constitution but of the most sacred traditions upon which this Government is based.

I am in favor of a drastic reduction of expenses at this time. I think it is essentially necessary.

I am in favor of lopping off the abuses that have occurred in connection with the Veterans' Administration, and I know of many of them. If I had been consulted with reference to this particular bill I believe I could have suggested some methods by which some could have been cut off the Government pay roll who ought to be cut off, but who will be left on the Government pay roll under the terms of this measure. Those abuses must be stopped; so I do not want it understood that on account of my opposition to this bill by reason of this provision I am not in sympathy with the idea of curtailing Government expenses.

I am frankly of the opinion that we could have done it by an act of this Congress at this time under these circumstances. I do not subscribe to the doctrine that because the past Congress failed to pass some kind of legislation that is a sure indication that this Congress would follow the same course; but I see nothing fatal to the perpetuity of the Republic in turning over to the President the right to adjust salaries as provided in this bill, nor with reference to the adjustment of compensation. There are some amendments that I shall vote for in connection with this measure; and then, if the rights of those who have purchased insurance under contract are protected, I shall vote for the measure. But I shall, without any hesitation and without any apologies to anybody in the world, vote against this bill if it takes away from the veterans of this country the right to file a suit on a contract for which they paid their money, when I myself was instrumental in part in securing their names to the contracts of insurance which they purchased.

Just one other thing:

I do not want to leave the impression that I do not believe that this bill trespasses upon the judicial functions of the courts. I think it does. I do not believe that the President himself should be given the right to act as an appellate court regarding a judgment rendered by a court of competent jurisdiction; nor do I believe that the Executive should be substituted for the courts in the determination of facts which, according to our established principles of law, are left to the judiciary. Let us see just what that division is.

The legislative function is to provide laws and regulations to govern future contingencies. The Executive function is to administer those laws after they have been passed. The judicial function is to interpret and apply the laws with reference to past circumstances and conditions.

This insurance contract was taken in the past. If it has been breached, it was breached in the past. If there is any tribunal before which the questions of fact and law should be determined, it is in the judicial division and department of this Government. It was never intended to turn it over to the Executive function.

Insofar as I am concerned, I shall not vote to turn over to the executive department the right to exercise judicial functions, believing as I do, as was so well expressed by the able Senator from Missouri [Mr. CLARK] this afternoon, in keeping separate and distinct the three branches of Government. I do not concur in his idea that with reference to this particular bill there is an invasion of the legislative functions by the Executive; but I do think that if the bill passes in its present form it takes away from those who have a contractual obligation the right to file a suit in court, and deprives the judiciary of that with which it was vested by the Constitution of this country. So far as I am concerned, I cannot support the measure with such an invasion of constitutional rights in it.

Mr. President, I do not desire to detain the Senate long, but I want to explain two or three statements made by the Senator from Kentucky.

In the first place, the question of whether or not the policies are lapsed has nothing to do with this controversy. Insofar as this controversy is concerned, not a single policy has lapsed. I make that reference insofar as this controversy is concerned, and here is the reason:

This was a yearly contract of insurance. The plaintiffs in these cases allege that during the year their premium was paid they became permanently and totally incapacitated. The policy provided that if they did become totally and permanently incapacitated they could recover; so they come into court and allege that during the year their premium was paid they became totally and permanently incapacitated. It makes no difference if 4 or 5 years later

they let that policy lapse. As a matter of fact, if they are to be treated in this way, I think they all ought to let them lapse. I see no reason why any soldier should keep the policy he has if he is to be denied the right of going into court. So the Senate had just as well understand that the question of lapsing and the question of converting have nothing to do with it. The charge is in court, that while the policy was in force and effect and while the premium was paid the insured became permanently and totally incapacitated. I wanted to make that perfectly clear so that no one will vote for this and say he did it because the policy had lapsed.

Mr. BARKLEY. Mr. President, will the Senator from Alabama yield?

Mr. BLACK. I yield to the Senator.

Mr. BARKLEY. Of course, what the Senator says about the claim is technically true, but I think he will agree that in most of these cases the claim that during the year for which the premium had been paid total and permanent disability had occurred was not made at that time, but that it was made years later. It has been made, in most cases, since the expiration of the term for conversion.

Mr. BLACK. Perhaps the best way to answer the Senator is to give the Senate a concrete illustration. What the Senator from Kentucky states is true, but a number of years after the war a statement was published throughout the country that these soldiers, if they were permanently and totally incapacitated during the life of the policy, had a right to recover. About 4 years ago a young country boy came down to see me at Birmingham, my home. He had seen that article in the newspapers. He said, "I have tuberculosis; I have had it ever since I left the Army; I was discharged from the Army with tuberculosis." "Well," I said, "have you any proof of that?" He said, "Yes." And he showed me his discharge. He not only showed me his discharge but he showed me the papers proving that he had been treated in the hospitals by the United States Government intermittently ever since the World War. "Well," I said, "of course, if you had a policy in force and effect, and your premiums were paid at the time you became totally and permanently disabled, you have the right to recover." "Well," he said, "I paid my premiums for several years until I was in the hospital suffering from tuberculosis which I had contracted in the war and was unable to pay them; then my policy lapsed." That boy's policy did lapse.

It may be a crime that the policy lapsed; it may be that that boy ought not now to go into court and sue on that policy because of the tuberculosis that he contracted at the time when his policy was in force and effect. However, he did sue; and that very suit, which no lawyer sought, but which, when he came to me, I, as a Senator, sent to a lawyer, is now pending. The Veterans' Bureau declined to pay the claim. I told him to get a lawyer, that the law provided that a lawyer could handle the suit for 10 percent. Suit was filed on that very claim, but it has not yet been tried. What is the result, if you defeat this amendment not only with reference to that case but with reference to others? Somebody else's case probably was tried last week; he got a judgment; he will get his money; but this young boy from the country who knew nothing in the world about the technical rights pertaining to policies and was not familiar with the terms "lapsing" and "convertible insurance" gets nothing. He paid his money; he paid it while he was in the war. He went over to France and served in the Army in the front-line trenches and came back with tuberculosis. He continued to pay his premiums until he was unable to do so because of the fact that he had contracted tuberculosis while serving in the war.

What will be the result if this amendment shall be defeated? We shall tell that soldier the Government of the United States did not mean it when it told him it would compensate him if he became totally and permanently incapacitated during the life of his policy. At the same time we shall tell some soldier who got a judgment last week—and it may be that he got a wrong judgment, I do not know—we shall tell some soldier who got a judgment last week that he can recover on his policy. That may be right; that may be moral; that may be a "new deal"; but I do not believe it. Nor do I believe that the President of the United States, elected by the upstanding people of this country who wanted a man in the White House who stood for the "under dog," and who dared to tell the people that he would champion the cause of "the forgotten man"—I do not believe that when the President knows these facts he will say that any Senator here ought to have voted to cut that boy off from receiving a judgment in the court if the jury found he was entitled to get it. This is what you are about to do. I assume that you will.

The Senators do not know what this is about; very few of them are here. There is no way to tell them if they will not come into the Senate Chamber. I wish I could get them here. I do not believe that if they knew the facts they would vote such an injustice as this bill proposes.

The man about whom I told the Senate is only one of many; there are 14,000 claims pending in the courts. It is proposed by this bill to pay all those who were alert and got their judgments in advance, perhaps those that the lawyers went after—and that has been talked about—it may be they were more alert; but I have heard this talk about lawyers getting cases before; I have heard that said about people whose legs were mangled; I have heard it said of widows in whose behalf suits were brought when their husbands perhaps have been killed, that they ought not to have anything because some lawyer had chased down a damage suit. That, however, has nothing to do with this case; it is a question of whether we are going to cut off 14,000 men at one time from a chance to have tried in a court of justice—your court, Mr. President, the court of the defendant, the court controlled by the defendant, the judge appointed by the defendant, the jury selected by the defendant—it is a question whether the Senate thinks that these men should have a right to have their cases decided there or whether it believes that in the name, the holy name of economy, it will tell these 14,000 soldiers, who paid their money for insurance, that they can have no right to recover.

All right; when the Senate does that, when it repudiates that contract, let us put something else in this bill; let us repudiate the other contracts made by the Government. I desire to ask if the contract made with investment bankers for the sale of bonds is any more sacred or any more binding than a contract made with the soldiers of the United States Government, upon whom many of us depended back at home to protect us and our country in the time of its greatest peril?

Ah, Mr. President, there have been many crimes committed in the name of economy, but if we commit this one it stands on a pinnacle; let it be elevated so that all may understand that in the sacred name of economy we have taken away from 14,000 American soldiers the right to have a jury of their peers pass upon whether they are entitled to recover on policies of insurance paid for by them when they were receiving $30 a month while many back home—many who have started the movement against them—were making their millions and their millions. Senators, I want to vote for this measure. I desire to do so; I wish to do my best to uphold the hands of the President of the United States in the great crisis which confronts this country; I desire to do it——

Mr. TRAMMELL. Mr. President——

The PRESIDING OFFICER (Mr. BRATTON in the chair). Does the Senator from Alabama yield to the Senator from Florida?

Mr. BLACK. I yield.

Mr. TRAMMELL. The Senator is speaking of those who were back at home enriching themselves when these men were at the front fighting the battles of their country. Does he not also recall that the Government was so accommodating in behalf of those who enriched themselves, going to the extent of profiteering, that it set up a special commission to settle their claims and to see that they were properly settled instead of requiring them to use their privilege in the

courts? That is what happened to the other class of claimants.

Mr. BLACK. The Senator is correct, and yet here we propose at this time to commit this crime in the name of economy.

Mr. President, it may be that this will be done; it may be done by those who do not even know what the amendment is. I hope it will not be done by any who will simply vote for this measure because the President asked for an economy bill. What the President was asking for, as I understand, was the reduction of wages and compensation by reason of the critical period in which we live. I have never read a word in anything he wrote, I have never heard a word fall from his lips, to the effect that he favored reducing the contractual obligations of the Government in the sacred and holy name of economy.

So, Mr. President, there is the amendment. I have presented it as best I could. I have done so in the interest of men whose voices cannot be heard here unless through Members of the Senate. There are very few of these men who have these suits filed, perhaps, who ever have been anywhere about the city of Washington. No Economy League represents their viewpoint; they have no spokesman unless we are their spokesmen; but I served by their side; I learned to love them in the Army; I saw their upstanding manhood; I saw how they responded to every call that was made upon them; I saw how they would take practically their last dollar and buy Liberty bonds after they had paid for their insurance and after they had sent their allotments back home; and now, after the years have passed, when the hysteria of the moment has reached its peak against the veterans, we actually find the tide swinging so far that some, in the name of economy, would take away from them, not merely the bounty or the pension which has been granted but would actually reach their hands into their pockets and take out the money which is the insurance for which they paid. If that is economy, Mr. President, I am against it.

Mr. McCARRAN. Mr. President, I desire to address myself to the amendment of the Senator from Alabama, but I do so not alone along the lines he has so forcefully suggested but I do so out of reverence for the courts of the land, which have been revered and respected by every real American citizen.

The citizenry of America may shoot their darts and their arrows and their vitriolic expressions at this body. They may criticize the Chief Executive. They may condemn the policy of the administration. Almost without exception, however, save in rare cases, you will find the citizenry of this country supporting, admiring, and respecting the courts; and when a court says, "This is the judgment of this tribunal," even though it be against the litigant, you will find him, though he may for a time chafe under the decision, eventually yielding to the results of the decision.

But this bill, as it now stands, seeks to take away from the citizenry of this country the very thing on which the citizenry rely. It is the safeguard of our Government. It is the thing that our people have looked to, and do look to now; and why? Because they know that political exigencies and political contingencies govern these legislative bodies, but they believe that a man or a group of men sitting in high places on a judicial tribunal is or are free from political alinements, and in most cases they are.

So, with that in mind, the citizenry is willing to abide by the decisions of the courts; and I ask those who propose this measure, why are they unwilling to abide by the decisions of the very courts that are constituted by the organic law of this land? I should like to ask the leader of my own party, I should like to ask the chairman of the Committee on Finance, why it is that they are unwilling to say that after the Administrator, after the President has passed upon a claim, the claimant shall not have the right to appeal to the final tribunal from whence he may obtain that solace and that entire consolation that he would have even though he might lose? Why, I ask the leaders of my own party, will we relegate to obscurity, if you please, one branch of the Government of this country, instituted and organized and maintained through all the years and through all the time that this Government has endured; and why will we do it at a time when its doing points at the most sacred thing this country has ever known—the soldier, or the ex-soldier?

I ask my leaders of the majority here, why do we not say that those who hold the bonds that were sold during the time when these boys were bleeding and dying abroad, "You will not have the right to go into court to determine whether or not you have a right to the interest on those bonds"? And why do we not go a little farther and say that the right of mandamus or other equitable right shall be denied to everyone whom the Executive may say is not to have interest on the bonds tomorrow?

But they say that this is an emergency; that it is something that depends on tomorrow; it must be enacted tonight. They say that it comes from the Chief Executive whom the people of this country chose on the 8th of November. But does it come from him? Let us see about it.

At this time, Mr. President, I respectfully refer to a document that I have in my hand, purporting to be a brief issued and published by the National Economy League; and I refer to and ask now to have published in the RECORD, in order that I may not take the time of the Senate to read them, pages 37, 38, 39, and 40 of that brief.

The PRESIDING OFFICER. Without objection, the matter will be printed in the RECORD.

The matter referred to is as follows:

RECOMMENDATIONS

1. The pension list should be arranged geographically and alphabetically and made available to public inspection at all times in the post offices throughout the country. The published list should be revised at least annually.

2. The disability allowance law of July 3, 1930, should be forthwith repealed and all allowances paid under it immediately discontinued.

3. The Spanish War pension acts of July 16, 1918, and June 5, 1920, as amended, should be forthwith repealed and all pensions being paid thereunder should be immediately discontinued. Those veterans disabled as a result of military service and the dependents of those veterans who died as a result of military service and who are now receiving pensions under said acts should be granted pensions under the statutes in force prior to July 16, 1918, and applicable to such veterans and dependents.

4. Section 202 (10) of the World War Veterans' Act of June 7, 1924, as amended, allowing free hospitalization to veterans of all wars without regard to the nature or origin of their disabilities should be repealed and all such hospitalization should be discontinued.

5. All hospital and domiciliary-home construction should be forthwith discontinued and no further appropriation for hospital or domiciliary-home construction or alteration should be made. All superfluous hospitals should be closed and disposed of as rapidly as possible.

6. The provisions of section 200 of the World War Veterans' Act of June 7, 1924, as amended, regarding diseases being presumed to be service connected, should be forthwith repealed, and all disability compensation paid thereunder should be discontinued except in cases where the disability was in truth incurred as a result of service. The conclusive presumption of soundness on induction into service should be amended in order that the Government may show what was the true condition of the veteran.

7. Sections 305 and 309 of the World War Veterans' Act of June 7, 1924, as amended, providing for the reinstatement of lapsed and post-mortem life insurance should be forthwith repealed.

8. The act of June 7, 1924, section 202 (2), as amended, insofar as it grants pensions to veterans with arrested or cured tuberculosis, should be repealed. Veterans in truth disabled from tuberculosis resulting from service should receive disability compensation under other provisions of law.

9. Section 202 (7) of the World War Veterans' Act of June 7, 1924, as amended, insofar as it grants substantial compensation to veterans in hospitals for service-connected disabilities should be forthwith repealed, but their dependents should be granted suitable compensation.

10. The Emergency Officers' Retirement Act of May 24, 1928, should be forwith repealed and all payments being made under it immediately discontinued. All emergency officers who are in truth disabled as a result of military service should be granted the same pensions and aids as the emergency enlisted men.

11. Section 203 of the World War Veterans' Act of June 7, 1924, as amended by the act of July 2, 1926, insofar as it grants a per diem allowance to veterans while traveling and under observation in order to establish a claim to disability compensation or allowance, should be repealed.

12. Section 200 of the amendatory act of March 4, 1925, as amended, insofar as it allows compensation in certain cases where a disability was caused by the veteran's own willful misconduct—often the exposure to venereal disease—should be forthwith repealed.

13. All statutes and parts of statutes which in effect allow the prepayment of any part of the bonus should be repealed.

14. The act of July 11, 1919, granting civil-service preferences to veterans, should be repealed.

15. The Executive orders of March 2, 1929, and of April 24, 1931, under which veterans who fail to pass the civil-service examinations are, under certain circumstances, deemed to have passed, should be rescinded.

16. The act of August 9, 1921, as amended, insofar as it orders the Director of the Veterans' Bureau (now the Administrator of Veterans' Affairs) to establish regional administrative offices throughout the United States, should be repealed.

17. All statutes establishing particular rates or percentages of compensation for specific injuries or diseases should be repealed. All that should be prescribed by statute is the maximum rates of compensation for total disability and for any given percentage of disability. The determination of the percentage of disability in each particular case should be left to impartial medical, surgical, and psychiatric experts. The disability rating schedule should be free from legislative control or interference. It should be revised forthwith under the direction of such experts and thereafter whenever necessary.

18. All statutes and parts of statutes which direct or allow any expenditure for living veterans, except hospitalization, vocational rehabilitation, and compensation for disabilities, in truth, resulting from military service, should be repealed.

19. All statutes and parts of statutes which direct or allow any expenditure with regard to deceased veterans, except in respect of the death of veterans which, in truth, resulted from or was hastened by military service, should be repealed.

20. Legislation should be enacted placing the Veterans' Administration within an established department of the Government under the direction of a Cabinet officer, namely, the Secretary of the Treasury.

21. There should be a review of the cases of all pensioners now on the roll whose claims are not justified by the Army or Navy records as being founded on death or disability incurred as a result of military service. To this end there should be established an impartial and permanent board of review and award composed of 9 men appointed by the President, to serve during good behavior, 3 to be medical men, 3 to be lawyers, and 3 to be citizens of neither profession. For the assistance of the President of the United States in making the appointments, the president of the American Medical Association should recommend to the President of the United States a list of 9 medical men, 3 of whom should be physicians, 3 surgeons, and 3 psychiatrists. The president of the American Bar Association should recommend to the President of the United States nine lawyers. The Board of Review and Award, so constituted, should not only have power to review existing awards, but should have power to review the denial of any application heretofore made. Any future application should be submitted to and be preliminarily examined by the Administrator of Veterans' Affairs, who should then make his decision. Such decision, if the claim on which it is based be justified by the Army or Navy records as being founded on death or disability incurred as a result of military service, should be final, except in case of appeal to the board of review and award by the claimant or the Government. In cases where the claim is not justified by the Army or Navy records, it should be submitted to, and be preliminarily examined by, the Administrator of Veterans' Affairs, who should make no decision but should report his recommendation to the board of review and award for decision, from which decision there should be no appeal, judicial or otherwise. In all proceedings before the board of review and award the Government should be represented by the Attorney General of the United States.

22. The present jumble of pension legislation should be replaced by a comprehensive and permanent statute drawn in accordance with the above-mentioned basic principles and recommendations and applicable to the future as well as to the past.

THE NATIONAL ECONOMY LEAGUE.

Prepared by Tompkins McIlvaine (of the executive committee). Assisted by Alphonse A. Laporte, Robert C. Bryan, Graham D. Mattison, and Henry W. Whitney.

Mr. McCARRAN. My reason for referring to those pages is to draw to the attention of this body the fact that every section of the bill now pending, and upon which we are called upon to vote, upon which we are pressed to vote—why, they would not stand for an adjournment here now—every section of that bill reflects into that brief of the National Economy League, and finds its seat there. And who are the members of the National Economy League?

This bill is to take away from the men who fought and died or who fought and lived—some of them living, perchance, a living death—the little pittance that was granted to them when the Nation was in the exigencies of war. If, on tomorrow, war were to be declared—and I think it is only in the tomorrow or tomorrows—I wonder if there is one here, even under the guise of an emergency, who would not vote to give to the soldiers who would be called to the colors the pittance that they received in the late war and are receiving now?

But how do those figures compare with the emoluments that are being received by the officers of the National Economy League? Let us see.

Mr. Archie Roosevelt, ship subsidies, 1932, $792,246. His percentage out of that, of course, by way of salary, must be somewhat less than the amount received by his organization, but much in excess of the veteran.

Admiral Byrd, $4,125. Compare that with the $12 a month that some of the veterans receive now, that they are depending upon, that their families depend upon, that they are living upon—oh, if you could only see them out in the sticks where they are living.

Mr. President, I hope I may with propriety refer to a surrounding that comes home to me, and may with propriety come home to you, because you, as the august Senate, as members of the legislative body, created the appropriation that made the great Boulder Dam in my State; and that great appropriation extended an invitation to the laboring world to come in there and seek employment. I wish you could come with me and see the veterans that are down there, camped in the mesquite bush, living in huts, if you please, and begging for a sustenance; going farther than that, they are going into the garbage cans in the alleyways of Las Vegas just to live on the invitation of their Government to come to a place where employment was available. Compare their lot, and their little $12 or $15 or $30 a month, with $4,125. There is no deduction from that, as I understand. I may be in error with regard to that. If I am, I want to stand corrected.

General Pershing, another member of the Economy League, receives $19,880.

General Harbord receives $5,500.

These are some of the aggressive, determined officials of the so-called National Economy League. They are the ones and this organization is the organization behind a movement now that strikes at something that pertains to my particular training and to the training of every lawyer on this floor, and that is that the courts of the land shall no longer be the final arbiters.

But they say, "Leave all of this to the Executive who was chosen last November, because the people of the country have confidence in him." I might say, "Yes", if that could be done, but it is not to be done by the terms of this bill. By the terms of this bill that power is to be delegated to one whom he will appoint, and neither he nor we will have a right to review his final decisions.

Coming back now to the amendment to which I desire to address myself, if this amendment is not adopted every suit pending—and they had a right to institute those suits—must of necessity be dismissed. Every judgment that has been obtained and not satisfied will be immediately canceled. Those suits instituted under a lawful right, those judgments obtained after a trial, will be set aside, and the honor of this Government, the integrity of this Government to support its contracts and its courts to the extent that it will submit those contracts to a fair arbiter and abide by the decision, will have been forever relegated; and for that reason I am supporting the amendment offered by the Senator from Alabama [Mr. BLACK].

Mr. GEORGE. Mr. President, I feel that I should make a statement about this particular amendment, because I do not believe that the Senate wants to do an injustice, and I am profoundly convinced that we are likely to do an injustice to many honorable soldiers.

It is useless to recount the history of the yearly renewable term-insurance provision of the World War Veterans Act. That has been stated with a high degree of accuracy here this afternoon and tonight. But it is a fact that the Government wrote this insurance for the veterans during the war. It is a fact that the premium paid the Government was for the ordinary peace-time risk, the Government itself assuming the extra hazards due to war.

It also is a fact that this insurance was temporary in character, and it was provided that it should be converted within 5 years after the declaration of peace into another form of insurance, which, of course, would carry a higher premium rate.

When the date for conversion arrived, there was an extension of the time for an additional year, as I recall, in which these renewable term policies might be, and, indeed, should be, converted into another form of insurance.

The cases which are pending against the Government in the courts of the country, some 11,400 or 11,500, are based upon the allegation that during the life of the contract, during the year in which the soldier paid the Government the premium asked of him, he became permanently and totally disabled. The contract provided that it would mature upon the death of the soldier, or upon the permanent and total disability of the soldier.

Some of these suits are based upon the allegation that an amount due by the Government, but uncollected, in the form of compensation for disability suffered, or the uncollected $60 bonus premium, was sufficient to carry the policy beyond the day of its lapse, or was sufficient to carry, pro tanto, a portion of the policy issued to the soldier by the Government.

Mr. President, I grant that many of these claims may not be founded upon substantial facts, and it may be that many of the suits pending and claims now before the bureau are based upon fictitious allegations. I do not make that assertion, but when it is remembered that the Government itself has prevailed in approximately 80 percent of the cases actually brought to suit within the last year, I think it must be assumed that many of these claims are unfounded, or else the veteran has been unable to make out his case.

Suppose it be true that out of 11,500 cases pending, and twenty thousand and odd other claims filed with the bureau, thirty thousand and odd altogether, only 6,000 of them are well founded; that is, that 6,000 of them are based upon this fact, that while the soldier was in life—some of them are dead—during the time in which the soldier paid every cent the Government exacted of him for the policy he became permanently and totally disabled, or, at the time it is claimed the policy lapsed, there was due to the soldier from the Government itself for an uncollected bonus or an uncollected balance on a compensation claim a sum sufficient to carry the whole face of the policy, or a pro rata part thereof.

Let it be assumed that out of these thirty thousand and odd suits only 6,000 are good. How can we justify the passage now of an act which would cut these 6,000 men off, literally wipe out the law under which they paid their money and accepted their contracts in good faith?

Is the Government of the United States to say that thirty thousand and odd veterans are guilty of fraud, that they come before the courts of the land with fraudulent purpose and intent? Would it not be a better course for the Government to say, "These thirty thousand and odd veterans may not have good cases, but we will leave it to the courts of the land," rather than by legislative act to wipe out the very foundation on which these veterans are basing their claims?

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. LA FOLLETTE. I hope the Senator, before he concludes, will analyze the difference between the amendment offered by the Senator from Alabama and the substitute offered by the Senator from Mississippi.

Mr. GEORGE. Mr. President, I do not know that I am familiar with the amendment offered by the Senator from Alabama. I do not know whether he seeks to preserve all of these claims and have them adjudicated, or only the pending suits. The substitute offered by the Senator from Mississippi provides merely that those cases which have actually gone to judgment should be paid; that is, that the monthly payments should be carried on by the Government, and that no costs should be taxed against the plaintiffs in the suits dismissed.

Mr. LA FOLLETTE. Mr. President, it is my understanding that the amendment offered by the Senator from Alabama would preserve the rights of all those who have now brought suit.

Mr. BLACK. Mr. President, if the Senator will yield, that is correct.

Mr. GEORGE. I am not familiar with the exact terms of the amendment. What I wish to say is this, that all of us desire, of course, to deal fairly with the veterans, and this is one provision in the bill, in my judgment, where it is most difficult for anyone who desires to do justice to justify the legislative action we are asked to take.

If it be conceded, let me repeat, that many of these claims have been filed in recent years based upon the allegation that, for instance, in 1919, 1920, 1921, or 1922, and while the premiums were still being paid, the veteran became totally and permanently disabled—if it be conceded that many of those claims are not based upon fact, and that the Government has been put to considerable cost to defend the cases, nevertheless it would be most difficult to say, and I would be unwilling to say, and I do not believe any Senator would say, that all of these claims are without foundation in fact.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. McKELLAR. By passing a law the Congress virtually invited these claimants to come into court. Does the Senator think that after inviting the claimants to come into court to have their claims adjudicated, it would be fair or just, or even wise, to have these cases dismissed?

Mr. GEORGE. I do not, and I do not think the Senate wants to go on record in affirmation of the question propounded by the Senator from Tennessee.

Mr. McCARRAN. Mr. President, is it not true that in place of being an invitation, it was permission?

Mr. GEORGE. That is quite true; the Government, of course, gave its express consent. The Government itself has recognized this particular class of claims as being suable. It is the only class of claims in favor of soldiers of the World War in which suit is permitted. The only other right of action the veteran has in the courts of his country is the right of mandamus, where, in the adjudication of his claim for compensation or other benefits provided by the acts of the Congress, he alleges that the decision of the administrator was arbitrary or capricious. Of course, the veteran loses that kind of a case ordinarily; rarely could he prevail, and I dare say rarely should be rightfully prevail against the Veterans' Administrator. There is no other right to bring suit against the Government given the veteran, but the Government has provided expressly for suits against the Government on these insurance policies, but not until the administrator has formally adjudicated the claim against the veteran.

Mr. FESS. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. FESS. Earlier in the day I commented upon certain phases of the bill which seemed to deny rights to citizens, which were quite offensive when one first read the suggestion. This is one of them. If we were prejudging these cases by this act, if we were finding judgment, it would be different; but here we are asked to refuse to allow a person to have his day in court. While I want to go along with the bill whole-heartedly, I should like to see some changes made along this line, especially. I do not want to say I would not vote for the bill as it is drawn, but I would vote for it more hesitantly if we denied to these citizens a right which seems to me to be theirs.

Mr. GEORGE. Mr. President, I concur in what the Senator says. It has been said that lawyers have sought out these cases and brought them against the Government. I do not deny that that has been done in some instances, but not in all cases. The truth is that some lawyer, frequently a veteran, has been willing to take such cases and has been willing to prosecute them in the courts. The lawyer's fee at most is only 10 percent, and it is 10 percent upon the deferred payments, month by month, as judgments in these insurance cases are made payable. Even after judgment the lawyer gets only 10 percent of a small payment. It is not a very profitable field of litigation.

Under existing conditions, when so many defendants are perhaps insolvent, it may be more or less inviting to a lawyer who is not altogether ethical, but I do not intend to

say that lawyers who are not altogether ethical have exploited this field of litigation. Many very honorable lawyers have brought suits upon these term-insurance contracts, lawyers who represent the highest and best in character and culture at the American bar, and a general condemnation of these lawyers is unworthy of the Senate of the United States.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. LEWIS. Conscious as I am that the distinguished Senator from Georgia was an eminent judge in two different tribunals, as well as an eminent lawyer, I put to him this question: Where is there any disrespect or contempt to be visited upon these lawyers who represented the claims of these veterans distinct from other classes of lawyers who gathered together the claims upon the retroactive features of the income tax laws and the inheritance tax and managed to maintain their judgments and actions in the departments from hundreds of thousands to millions of dollars, enriching themselves in millions of dollars of fees?

Mr. GEORGE. I think the Senator's question answers itself. Hardly anyone would dare hazard the suggestion that the ethics in the one case are below the ethics in the other case or that the ethics in the one case are superior to the code of ethics in the other case. The eminent lawyer from Illinois is quite right in propounding the question.

It is quite natural for the Government, when it has lost a few cases, to feel rather keenly that suits ought not to be maintained against it. I do not say that the Veterans' Administration or any officer or agent of the Government is not justified from his standpoint in complaining that the cases are carried into the courts and that in at least one-fifth of them, or about that number, a decision adverse to the Government is rendered.

I think we should pause long enough to do substantial justice to the thirty and odd thousands of men who now have either brought their suits or filed their claims. As I recall, no claim can now be filed, perhaps, since July of 1932, so that the cases now before the Senate, so to speak, are limited. I am not concerned that the veterans be permitted to go into the courts necessarily. That is not the right that concerns me. It may be that the Congress can well say, "We will take away the right of appeal to the courts, but we will place in the President or in some agency of the Government the power to settle in equity and justice these thirty-odd thousand claims based upon these insurance contracts existing between the veterans and the Government."

At most we would be justified and, I think, amply sustained if but 1,000 of the veterans brought before the President of the United States a case which appealed to him as a just case to be fairly settled by his Government. I think the amendment should be superseded by some general substitute providing that these contracts are henceforth at an end, but that all claims pending in the courts or before the bureau should be adjusted under such regulations and rules as the President might prescribe upon principles of equity and justice.

I am not concerned whether the contracts are called gratuities. The fact is that the soldiers have paid some $500,000,000 out of their salaries or earnings on the contracts. It is true that the liability of the Government, if the face of the policies should be asserted—which it cannot be—would be some 3½ times the actual premiums paid. Even if the decision of the Supreme Court is to the effect that these contracts are gratuities, the question is not necessarily at an end. They are based upon an actual valid consideration. They are gratuities only in the sense that the Government has given additional rights not actually paid for by the soldier and to that extent only. It is a question of morals; and the fair question of morality involved is whether the Government of the United States should not adjust these thirty-odd thousand claims upon some basis of equity and justice rather than wipe them out, dismiss them from the courts, and leave to the veterans no recourse whatever.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Kentucky?

Mr. GEORGE. I yield.

Mr. BARKLEY. Does the Senator have in mind the possibility, in connection with his last remark, of leaving the Veterans' Bureau the jurisdiction which it has now to pass upon these cases, but simply denying the right to go into court or appeal from the decision of the bureau? Is that what the Senator has in mind as the possibility, or some other agency set up by the President? I do not suppose he had in mind the setting up of some independent commission or bureau.

Mr. GEORGE. No; I did not have that in mind; but twenty and odd thousand of the claims have not yet been finally determined even by the bureau.

Mr. BARKLEY. That is true.

Mr. GEORGE. Undoubtedly the bureau will allow some of those claims. I say undoubtedly. We must assume that out of twenty and odd thousand claims some of them will be allowed even by the bureau.

Mr. BARKLEY. Yes; I think that is a fair assumption.

Mr. GEORGE. I think it is a fair assumption, and certainly I think the 20,000 claims ought to proceed to final adjudication before the bureau, if the right of appeal to the courts is taken away. I am not so much concerned about that, because I believe that when any tribunal feels that it has the final decision between the veteran and the Government, the veteran is going to get substantial justice. But I also think that of the 11,500 suits which have been filed some provision should be made for reexamination by the President if they are going to be dismissed, and that the President be given the authority to adjust the claims, under such regulations and rules as he might adopt. I am not contending for the right of the soldier to go into court of necessity, but what I think we should do is to preserve the right of the soldier to have his claim actually passed upon by some tribunal.

Mr. BLACK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Alabama?

Mr. GEORGE. I yield.

Mr. BLACK. My amendment provides that these cases, where the suits have already been filed, shall proceed to trial. If they are sent back, they go back all the way through the bureau, at extra expense, and the men are deprived of the right of trial in court, when, if the case happens to have been tried today, it is completed. I see no earthly reason why these suits should be dismissed except, as the Senator has indicated, that the lawyers for the Veterans' Bureau prefer to win their cases by legislation rather than by trial.

Mr. GEORGE. I see no good reason why they should be dismissed, but I think it is far more important that some fair method of adjustment be preserved to the soldier, because these particular claims stand on an altogether different basis from the claims for compensation or disability allowance or any other claim which is permitted merely as a matter of grace by the Government to the veteran.

Mr. BLACK. Does the Senator see any just reason that can be advanced why the trial should not go on that has not already been had and the case given trial before a tribunal selected by the Government?

Mr. GEORGE. I see no just reason, but the expense of trying the cases is very considerable, and under ordinary conditions I do not think we should count that cost or expense. But even if we do not want to go on at considerable cost with court trials and long delays incident to trials, I think we should certainly make some provision for the preservation of the rights of the veterans in these insurance contracts.

Mr. BLACK. I agree with the Senator fully, and that is what I have been talking about, but I think the preferable way is to let them be tried in court where they can cross-examine witnesses. Of course, they would have no right to cross-examine witnesses before the bureau.

Mr. TRAMMELL. Mr. President, if that course is not pursued and the cases in court are dismissed by the Congress and we throw them back into the Veterans' Bureau, practically all of the cases that are now in the courts today will go back to the tribunal which has already passed upon them. An appeal was taken from the Veterans' Bureau to the courts, so we would have to set up in that event at least some new court or commission in the Veterans' Bureau by which the cases could be tried. All the cases in court at the present time, or practically all of them, are cases where the Veterans' Administration has denied that the soldier has any right, and that is the reason why the cases are in the courts. I do not think it would be advisable to refer them back to the bureau that has once decided against the veteran.

The PRESIDING OFFICER. The question is on the substitute offered by the Senator from Mississippi.

Mr. BLACK. Mr. President, I think the pending question is my amendment.

The PRESIDING OFFICER. The understanding of the Chair is that the Senator from Mississippi offered a substitute.

Mr. BLACK. I understood the substitute was held to be out of order.

Mr. HARRISON. I understood the Chair had reversed that ruling. There was some misunderstanding about it.

The PRESIDING OFFICER. The present occupant of the chair is of the opinion that the substitute is in order. The question is on the substitute offered by the Senator from Mississippi.

Mr. DILL. Mr. President, I wish the Senator from Alabama would explain in plain and brief language just what the difference is between the amendment of the Senator from Alabama and the substitute of the Senator from Mississippi. I should like to get that difference drawn clearly and concisely.

Mr. BLACK. Mr. President, I have already explained it, but I shall be glad to do it again in an exceedingly brief manner.

My amendment provides that judgments that have heretofore been rendered shall be paid. The substitute of the Senator from Mississippi would provide the same thing.

My amendment further provides that cases which have been filed in the Federal courts and are now pending shall be tried. The substitute of the Senator from Mississippi would dismiss those cases at the cost of the Government, and they would be denied the right of trial. My amendment would give them the right to go on with their trial in the courts. I might add that in each instance the Veterans' Bureau has already declined the payment or they could not have gone into court at all.

Mr. BORAH. Mr. President, may I ask how it is proposed that the legislature shall go into court and dismiss cases?

Mr. BLACK. In my judgment, the legislature has no right to do it and should not do it.

Mr. BORAH. I do not know the modus operandi by which we could do it.

Mr. BLACK. It is proposed that we shall repeal the jurisdiction of the court. We have a right to provide that the court shall not have jurisdiction in those cases. Of course, we have no right to do it except by taking away the jurisdiction of the court.

Mr. BORAH. Perhaps I misunderstood the substitute of the Senator from Mississippi. I understood he proposes to take away the jurisdiction of the court to hear these cases.

Mr. BLACK. That is the effect of it.

Mr. BARKLEY. The language of the bill does that. The substitute of the Senator from Mississippi provides that where there has been a trial and judgment entered, the judgment shall be paid, but where there has been a trial and no judgment entered, it shall be paid when entered.

Mr. BLACK. The difference is this: My amendment preserves the judgment. The substitute of the Senator from Mississippi preserves the judgment. His substitute effects dismissal of all pending cases on the contract. My amendment allows them to go on with their suit; and if they have a good suit they win, and if they have no case they lose.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BLACK. Certainly.

Mr. BARKLEY. If I understand the Senator's amendment, it makes no provision for the 20,000 cases now pending in the bureau.

Mr. BLACK. Neither does the Senator's substitute. They would be left. That is the difference in the two amendments. Is that clear? Is there anyone who does not understand it?

Mr. BARKLEY. Would the 20,000 cases have the right to go on to final action of award or rejection by the bureau, or are they shut off now under the language of the Senator's amendment?

Mr. BLACK. My amendment does not affect them at all. It has no effect upon them.

Mr. BARKLEY. Then, as I understand, the language of the bill would include them, with the result that they would be denied further consideration.

Mr. BLACK. I am afraid it would. The only reason why I did not add it was because I did not want to take on too much at this time. I am frank to state that I expect if it is held that they have no right to have the cases tried, to offer to amend this bill later; but if there is any Senator who does not understand the difference now, I should like for him to know it before the vote is taken, because the difference is that my amendment permits these men to have their cases tried before a Federal court and a jury while the Senator's amendment requires the dismissal of the cases. That is correct.

Mr. HARRISON. I think the Senator has stated the case correctly. The bill that is now being considered dismisses all the cases.

Mr. BLACK. That is correct.

Mr. HARRISON. It denies the right to all.

Mr. BLACK. That is correct.

Mr. HARRISON. It appeared to some of us that in instances where the cases have gone to judgment there was a great deal of force in the argument that they should not be disturbed, and I offered the substitute for the Senator's amendment in the hope that we might compromise upon that proposition.

Mr. BLACK. I objected to that compromise, because, while it took care of some of those who have judgments, some of the others have just as valid claims; and it is an unfair discrimination because a man's case happens to have been tried during the last few days or few weeks to let him recover and cut all the others off.

Mr. President, I send the perfected amendment to the desk and ask that it may be read. Then I shall ask for the yeas and nays.

The PRESIDING OFFICER. The amendment as perfected will be stated.

The CHIEF CLERK. The Senator from Alabama offers the following modified amendment: On page 10, line 12, after the word "commenced", insert "or on any judgment heretofore rendered in a court of competent jurisdiction in any suit on a contract of yearly renewable term insurance, or which may hereafter be rendered in any such suit now pending."

Mr. FESS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Ohio will state it.

Mr. FESS. As I understand, the Senator from Alabama has offered his amendment to the bill and the Senator from Mississippi has offered a substitute for the amendment of the Senator from Alabama?

The PRESIDING OFFICER. That is correct. The pending question is on the amendment, in the nature of a substitute, offered by the Senator from Mississippi.

Mr. BLACK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alabama will state it.

Mr. BLACK. A vote "yea" would be a vote for the amendment of the Senator from Mississippi, and a vote "nay" would be a vote for my amendment?

The PRESIDING OFFICER. There would be a separate vote on the amendment of the Senator from Alabama later.

Mr. BLACK. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LEWIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will propound it.

Mr. LEWIS. Is not the vote upon the substitute offered by the Senator from Mississippi?

The PRESIDING OFFICER. That is correct.

The Chief Clerk proceeded to call the roll.

Mr. LEWIS (when Mr. DIETERICH's name was called). My colleague [Mr. DIETERICH] is absent because of illness. He is paired with the Senator from New Mexico [Mr. CUTTING]. I ask that this announcement apply to all other roll calls this evening.

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from Oklahoma [Mr. THOMAS]. I am informed that if he were present he would vote as I intend to vote. I therefore feel at liberty to vote, and vote "nay."

Mr. OVERTON (when his name was called). On this question I have a pair with the Senator from Virginia [Mr. GLASS], who is necessarily absent. If I were permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. NEELY. I wish to announce that the Senator from Colorado [Mr. COSTIGAN] is absent because of illness. If present, he would vote "nay."

Mr. BARKLEY. My colleague [Mr. LOGAN] is unavoidably absent. He is paired with the Senator from Pennsylvania [Mr. DAVIS], who is also absent.

Mr. HEBERT. I desire to announce the following general pairs:

The Senator from Wyoming [Mr. CAREY] with the Senator from Ohio [Mr. BULKLEY];

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Wyoming [Mr. KENDRICK]; and

The Senator from Minnesota [Mr. SCHALL] with the Senator from North Carolina [Mr. BAILEY].

I am not advised as to how any of these Senators would, if present, vote on this question.

I desire further to announce that the Senator from Minnesota [Mr. SCHALL] is necessarily absent.

I also desire to announce that the Senator from Nebraska [Mr. NORRIS] and the Senator from Wyoming [Mr. CAREY] are absent in attendance on the funeral of the late Senator from Nebraska, Mr. Howell.

Mr. REED. I desire to announce that my colleague [Mr. DAVIS] is absent on account of illness.

Mr. WALSH. I wish to announce the absence of my colleague the junior Senator from Massachusetts [Mr. COOLIDGE] on account of a death in his family.

Mr. LEWIS. I desire to announce that the Senator from Montana [Mr. WHEELER] is necessarily detained from the Senate, having been in attendance upon the funeral of the late Senator Walsh, of Montana.

I also desire to announce the following general pairs on this question:

The Senator from Utah [Mr. KING] with the Senator from Colorado [Mr. COSTIGAN]. I am informed that if present the Senator from Utah would vote "yea", and the Senator from Colorado would vote "nay."

The result was announced—yeas 18, nays 56, as follows:

YEAS—18

Austin	Byrnes	Lewis	Sheppard
Bankhead	Dickinson	McNary	Stephens
Barbour	Fletcher	Metcalf	Tydings
Barkley	Gore	Reed	
Byrd	Harrison	Robinson, Ark.	

NAYS—56

Adams	Bone	Bulow	Connally
Ashurst	Borah	Capper	Copeland
Bachman	Bratton	Caraway	Couzens
Black	Brown	Clark	Dale
Dill	Hebert	Murphy	Steiwer
Duffy	Johnson	Neely	Thomas, Utah
Fess	Kean	Nye	Townsend
Frazier	Keyes	Patterson	Trammell
George	La Follette	Pittman	Vandenberg
Goldsborough	Lonergan	Pope	Van Nuys
Hale	Long	Reynolds	Wagner
Hastings	McCarran	Robinson, Ind.	Walcott
Hatfield	McGill	Russell	Walsh
Hayden	McKellar	Smith	White

NOT VOTING—20

Bailey	Cutting	King	Overton
Bulkley	Davis	Logan	Schall
Carey	Dieterich	McAdoo	Shipstead
Coolidge	Glass	Norbeck	Thomas, Okla.
Costigan	Kendrick	Norris	Wheeler

So the amendment of Mr. HARRISON, in the nature of a substitute for the amendment of the Senator from Alabama [Mr. BLACK], was rejected.

The PRESIDING OFFICER. The question recurs on the amendment offered by the Senator from Alabama [Mr. BLACK].

Mr. LONG. I ask for the yeas and nays, Mr. President.

The VICE PRESIDENT. The yeas and nays have been requested. Is the demand seconded?

SEVERAL SENATORS. Oh, no.

Mr. LONG. I withdraw the request.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Alabama.

The amendment was agreed to.

Mr. ASHURST. Mr. President, I have been requested to announce that the junior Senator from California [Mr. MCADOO] was unavoidably absent on the vote just taken, being called from the Senate for a couple of hours on a very important matter, and that if present he would have voted for the so-called Black amendment.

Mr. WALSH. Mr. President, I send an amendment to the desk and ask that it may be read.

The PRESIDING OFFICER. The clerk will read the amendment submitted by the Senator from Massachusetts.

The CHIEF CLERK. On page 6, line 16, before the comma following the word "Corps", it is proposed to insert "during the World War", and on page 6, line 25, to strike out all after the word "duty" through the numerals "1918", in line 1, page 7, and insert in lieu thereof "during such service: *Provided*, That such person entered active service between April 6, 1917, and November 11, 1918."

Mr. WALSH. Mr. President, section 10 deals with emergency officers. It provides that any emergency officer who suffered a disability directly traceable to service prior to November 11, 1918, and who is now actually receiving retirement pay shall be entitled to continue to receive such pay. By fixing the limit when an emergency officer became incapacitated as of November 11, 1918, it is possible that an emergency officer who had served all during the war but who on November 12, 1918, while flying over the battlefields met with an injury which incapacitated him for life may be removed from the roll. Furthermore, officers on duty in France who were assigned to the removal of ammunition and who met with injury to their bodies in the performance of their duty would be removed from the enjoyment of the benefits that are granted to those who received the same kind of injuries prior to November 11, 1918.

The amendment I have offered provides that an emergency officer who was actually injured in the line of duty following November 11, 1918, shall retain the same benefits enjoyed by those who were injured prior to November 11, 1918. It requires, however, such an officer to have enlisted and to have been actually engaged in the service prior to November 11, 1918.

I am informed that this provision will take care of about 100 cases of officers who were actually disabled following November 11, 1918, while in the service. I understand that there is no objection to this amendment, and that it is acceptable to the Senator who is in charge of the pending bill.

Mr. TYDINGS. Mr. President, will the Senator yield for a question?

Mr. WALSH. Yes.

Mr. TYDINGS. Does the Senator's amendment comprehend only those who are totally disabled?

Mr. WALSH. No; it comprehends those who, under the emergency officers' law, have received a disability of at least 30 percent directly traceable to service.

Mr. TYDINGS. Of the 100 men who will be particularly benefited by this amendment, does the Senator know how many of them are totally disabled and how many of them are partially disabled?

Mr. WALSH. I do not know. I only know that an emergency officer injured in line of duty, and who enlisted and served during the war, will receive the same benefits as an emergency officer who has been retired and who was injured prior to November 11, 1918. These officers are already on the list. They would be removed if it were not for this amendment; and, of course, the bill does remove many emergency officers from the benefits of this law whose injuries are not traceable to service.

Mr. TYDINGS. Mr. President, will the Senator yield for another question?

Mr. WALSH. I yield.

Mr. TYDINGS. Assume that an officer coming within the class to which the Senator has referred is only 30 or 35 or 40 percent disabled; but, notwithstanding his disability—for example, assume that he was a lawyer, and lost a leg, but is still able to practice his profession—if he is able to make a sufficient sum of money in the ordinary practice of the profession in which he was engaged prior to his injury, would the amendment of the Senator from Massachusetts permit him to draw compensation notwithstanding the fact that he may be making five or ten thousand dollars a year in the normal practice of his profession?

Mr. WALSH. The amendment I have proposed would not deal with that limitation.

Mr. TYDINGS. Then, Mr. President, I should like to ask this further question, with the Senator's permission: I understand that in the bill there is a provision authorizing the President to reduce compensation in this case where the beneficiary is able to practice his profession or business without serious handicap, and to make his normal income. While I should be inclined, if the Senator will permit me a moment further, to support the spirit of his amendment, if the man's injury is such that his normal earning capacity is not curtailed I think we ought to extend this benefit very, very cautiously.

Mr. HARRISON. May I say to the Senator that this bill does give the President jurisdiction, where these special favors are shown, and the beneficiaries have employment in the Government, to take that into consideration and eliminate them.

Mr. WALSH. I understand that a provision of the bill gives the President the right to pass regulations limiting the benefits of all veterans' laws, depending upon income, applies to emergency officers.

Mr. HARRISON. The provision to which I was calling the Senator's attention is on page 7:

Provided, That the disease or injury or aggravation of the disease or injury directly resulted from the performance of military or naval duty, and that such person otherwise meets the requirements of the regulations which may be issued under the provisions of this act.

In other words, the President can make the regulations.

Mr. WALSH. Yes; my attention was not called to that provision in connection with emergency officers. I do know that in all other cases the President has the right to make regulations restricting the benefits or extending the benefits with relationship to the income of the veteran.

Mr. TYDINGS. Mr. President, will the Senator yield to me there, in order that I may make my position clear?

I do not want it to be understood that I oppose the Senator's amendment. If a man is disabled, and unable to pursue his usual vocation, I should want to see the provision apply that the Senator seeks to obtain. If, on the other hand, his injury is of such a character that it has not affected his earnings, I should like to see this Government compensation given only to those who really need it. I think the question of need ought to be uppermost in our minds.

Mr. WALSH. I am asking for this group no different treatment whatever than is granted under this bill to emergency officers who happened to be injured prior to November 11, 1918. The restrictions and limitations that have been referred to by the Senator from Mississippi would, of course, apply to the few officers who were injured after November 11, 1918, after long and faithful service, and who ought not to be removed from the rolls simply because the misfortune of losing an arm or a leg did not come prior to November 11, 1918, but did occur before their discharge.

Mr. BYRNES. Mr. President, will the Senator yield there?

Mr. WALSH. I yield to the Senator from South Carolina.

Mr. BYRNES. I desire to ask the Senator from Massachusetts whether his amendment changes the existing law, which now provides that a man is entitled to retirement pay only where he has served a period of 90 days or more between April 6, 1917, and November 11, 1918?

Mr. WALSH. It does not.

Mr. REED. Mr. President——

Mr. WALSH. I yield to the Senator from Pennsylvania.

Mr. REED. I hope the Senator's amendment will be adopted; and may I suggest one additional reason why it should be adopted?

We all assume that fighting stopped on November 11, 1918, and that is true of the western front; but it was not true of Archangel, and it was not true of Siberia. We had men injured in actual combat there after the armistice was signed in France. That is an additional reason why the Senator's amendment is proper.

Mr. WALSH. I appreciate that addition to what I have said.

I understand that the Senator from Mississippi does not object to the adoption of this amendment.

Mr. HARRISON. I have collaborated with the Senator; and, so far as I am concerned, and I think other members of the committee with whom I have talked, we have not any objection to it.

Mr. WALSH. After this amendment is voted on I have one other amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Massachusetts [Mr. WALSH].

The amendment was agreed to.

Mr. WALSH. Mr. President, I now send to the desk another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 10, after line 12, it is proposed to insert the following paragraph:

The provisions of this title shall not apply to compensation or pension (except as to rates, time of entry into active service, and special statutory allowances) being paid to veterans disabled, or dependents of veterans who died, as the result of disease or injury directly connected with active military or naval service (without benefit of statutory or regulatory presumption of service connection) pursuant to the provisions of the laws in effect on the date of enactment of this act. The term "compensation or pension" as used in this paragraph shall not be construed to include emergency officers' retired pay referred to in section 10 of this title.

Mr. WALSH. Mr. President, this amendment I discussed this afternoon. Briefly stated, it obviates the possibility of removal from the compensation rolls of veterans whose disabilities are actually and directly traceable to service. It does give the President discretion in regard to readjusting rates in particular cases and special statutory allowances.

After consultation with the Senator in charge of the bill and discussing the matter at length, he has accepted the amendment, and is of the opinion that the amendment has merit and that we should lift out of this bill any possibility of removal from the compensation rolls of any veteran whose disability is directly connected with service.

I ought to add that this amendment still leaves to the discretion of the President the power and right to deal differently with that class of service-connected cases that have been established through presumptive laws adopted by Con-

gress. It does assure the directly disabled veteran who incurred disease or injury in line of duty that his compensation shall be secure.

Mr. HARRISON. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Mississippi?

Mr. WALSH. I yield.

Mr. HARRISON. This was one of the propositions that were advanced by the Senator from Oklahoma in the Committee on Finance, that those who were injured in actual combat should not be excluded. Some of us did not believe that the President, after the passage of this law, would ever exclude that group of soldiers.

Mr. WALSH. I am of the same opinion.

Mr. HARRISON. So, personally, I shall be very glad to accept the amendment and get this controversial proposition out of the way.

Mr. BYRNES. Mr. President, will the Senator from Mississippi yield? The amendment does not confine its provisions, as I understand the Senator, to one injured in actual combat but to service origin.

Mr. WALSH. That is true—direct-service origin.

Mr. HARRISON. That is true.

Mr. GORE. Mr. President, the Senate of Oklahoma on yesterday adopted a resolution favoring the passage of the pending bill. I need not say that I have the highest respect and deference for such a high and responsible authority. I shall vote for the pending measure in accordance with that resolution. I should have voted, however, had it been contested, for the amendment submitted by the Senator from Massachusetts [Mr. WALSH].

I agree, as all other Senators agree, that the man who was disabled in line of duty, who was injured in combat, who sustained injury at the hands of the enemy on land or sea, occupies a preferred status. That is beyond discussion.

The first pension law of modern times, passed in the reign of Queen Elizabeth, was passed especially for the relief of—

such as have * * * adventured their lives and lost their limbs or disabled their bodies * * * in the defense and service of Her Majesty and the State.

The senior Senator from Indiana, during the course of the debate, made mention of the fact that this country was inducted into the World War under the leadership of a Democratic President, under the leadership of a Democratic administration. That leads me to a digression which the Senate may not pardon.

Mr. President, I was a Member of this body when this country entered the World War. I was among the few Senators who did not favor the war, but I never found fault with those who did. That was the most tragic issue the public men of our generation were ever called upon to decide.

Among other reasons which impelled me to oppose our entrance into the war was the fact that I could foresee the evils of this day. It required no spirit of prophecy to foretell the evils of this hour. I said then that the war would place burdens on the bended backs of our people which would prove too grievous to be borne. I do not quarrel with those who contend that the blessings of war outweigh the burdens of war.

I agree with those who regard the war as the primary, as the proximate cause of the present depression—as the remote but efficient cause of our prevailing distress. You cannot destroy 330 billions of actual and potential wealth, the accumulated savings of centuries—you cannot create an indebtedness of $200,000,000,000 in as brief a time as 4 years, on as small a globe as this planet, without bringing the most terrific economic consequences in its train. We are in the midst of those consequences today. Our soldiers paid the blood price in France. Our people are paying the money price today. They have been paying the money price ever since the was was ended. Our people will continue to pay the money price for generations yet to come.

Mr. President, up to this date the war has cost us nearly $50,000,000,000. It will cost us $100,000,000,000 more before we can say that we have paid in full. We are paying now, and these are among the disastrous consequences of that conflict.

Mr. President, upon this point Senators will disagree. They will regard me as a pessimist. Sir, I am only a realist. Congress might as well pass a law to raise the dead who fell in France as to pass bills and resolutions in an attempt to avert the inevitable consequences, to escape the inescapable consequences, of that terrific struggle. It cannot be done, and the hope is but a cheating, a mocking illusion.

Time is the only physician, a stern physician. Time, and toil, and thrift, and self-denial, and sacrifice, and the agony of all these, are the price that must be paid. They bristle like thorns along the trails that lead us back to the paths of prosperity.

Mr. President, I was among those who opposed the draft. I preferred our traditional volunteer policy in the first instance rather than having recourse in the first instance to conscription. I may have adhered with too much tenacity to the ancient ideals of the Republic. I could not even then forget that among the most memorable struggles in the history of English liberty was the struggle between the English King and the English people over the asserted right of the king to draft his subjects for military service over the sea, and King Edward III, with all his power, and all his prestige, and all the King's horses, could not conquer the spirit of the English people. The King lost. The people won that struggle. The Parliament declared that the King had no power, that the King had no right to draft his subjects for service over the sea.

Mr. President, however that may be, we sent 2,000,000 men, we sent 2,000,000 soldiers, over the sea. We sent 2,000,000 soldiers to France. Many of those soldiers stayed in France. Many of them are still sleeping beneath alien skies. We cannot help the dead.

Many of those young men have been broken in body, are suffering loss of limb, loss of health; their earning capacity has been impaired. Their lives were ruined—ruined in the morningtide of existence. We cannot make restitution. We cannot repair these losses. But to some extent we can compensate these losses. That obligation is a debt resting upon this Government. It is a debt of honor which admits neither of repudiation nor moratorium.

I am willing to vote to tax our people to discharge that debt. I think the Government ought to be just to these battle-scarred veterans; and when these war-worn soldiers close their eyes for the last time, close their eyes upon those for whose existence they are responsible, they ought not to be haunted with the fear that their dependents may come to want, come to want as the result of their services and their sacrifices in defense of their country. Their services, their sacrifices, should rather be an assurance to them, be a consolation in that tragic, in that final, hour.

I think the Government should be just, even to the point of generosity, in behalf of the men who bear the scars of battle on their bodies. If I may say so, their scars are their title deeds. I think the Government has been just. I think the Government has been generous.

We have a charge upon the taxpayers and the Treasury of this country amounting to a billion dollars a year in behalf of the veterans of our various wars. Every time the sun rises and sets the American people cash in $3,000,000 for the veterans of our various wars and their dependents. Every time the sun rises and sets our people part with $2,000,000 to pay allowances and compensation to veterans of the World War and their dependents.

Mr. President, I think the soldiers should be just and should be reasonable in the exactions which they make of their Government, of their fellow citizens, of their constituents. I am not in the councils of the veterans' organization. If I had been so, I would have counseled them not only to acquiesce in a reduction but to favor a reduction which would correspond with the decline of prices and the reduction in the cost of living. How splendid would such a demand on their part have been. It would have exemplified a heroism of peace not unsurpassed by the heroism of war. I am bound to believe that many of those soldiers

who faced death upon the field of battle without blanching will face a cut in their pay without writhing and without wincing. I trust that will be true.

Mr. President, I shall vote for the pending bill, although I am pleased to see the amendment adopted. I shall vote for the bill because I appreciate the overpowering necessity that we should maintain the credit of this Republic. I said in the Senate a few days ago that credit is to a nation what honor is to a man and what chastity is to a woman. We cannot compromise these without sacrificing everything that is worth having.

Mr. President, we cannot balance the Budget by raising taxes alone. That burden cannot be borne. We must reduce expenses. Perhaps expenses ought to have been reduced in some other way, in some other fashion. I allow you that.

I believe in constitutional government, but I know and Senators know why parliamentary government broke down in Italy; why parliamentary government collapsed in Italy and was succeeded by a dictatorship. Parliamentary government failed to function in Italy. Parliamentary government failed or refused to do for society what the needs of society rendered indispensable, to do things which had to be done; and when government fails to discharge its supreme function and meet the requirements of necessity, society will discard one form of government and will find an agency that will answer its supreme necessity.

It may be true, Mr. President, that we have crossed the Rubicon; I do not know. Governments may juggle with necessity, society cannot. Governments may come and governments may go, but society goes on—must go on. I do not agree with those who underestimate the importance of balancing the Budget. Many there are who do place too low an estimate upon that supreme duty. Our national credit is the keystone in the arch of our entire credit structure. Destroy that and the whole structure will come tumbling down about our ears.

If the credit of the United States becomes impaired, the price of the bonds of the United States will decline. The man in the street may say that he has no bonds of the United States, that he is not concerned, but when the price of United States bonds declines, being the leader in the bond market, all other bonds will follow in their train.

The man in the street may say that he has no bonds of any kind and that he is not concerned. When bonds decline in times like these stocks decline.

The man in the street may say that he has neither stocks nor bonds and that he is indifferent to the course of prices. Mr. President, in times like these, when bonds and stocks and securities decline and continue to decline, the price of commodities continues to decline or refuses to advance; if not, the man in the street, the man in the field, is concerned as to the price of commodities, the price of wheat and corn and cotton and livestock.

The man in the street may say that he is indifferent to those prices, but every citizen of the Republic, whether soldier or not, is concerned in the revival of business, in the advance of prices, in the return of employment, in the restoration of prosperity. In these objects we are all supremely concerned. As I see it, Mr. President, we are all embarked in the same bottom. Citizens and soldiers alike are embarked in the ship of state. The ship of state is on fire. The ship of state is in a raging tempest. It is threatened by double disaster. If it comes to wreck, soldiers and citizens alike perish in the wreck. All must be concerned in the safety and in the destination of this voyage. Soldiers and citizens alike should be willing to make the sacrifice at this time.

Sacrifice by each for all and sacrifice by all for each—that is the course that may lead us out of this hurricane. It is the lifeboat that may rescue soldier and citizen alike.

Senators do not like the form of this legislation; I do not. Senators do not like the spirit of this legislation; I do not. Senators do not like the speed of this legislation; I do not. But it is of no avail to parley with necessity. We must treat with her upon her own terms. She sometimes exacts unconditional surrender. I do not like to capitulate upon those terms, but under pressure of imperious necessity, under pressure of the prevailing emergency, I feel constrained to waive these objections upon this urgent occasion. I deem it my duty to cast my vote for the pending measure, and I will, of course, yield to that overpowering duty.

Mr. President, I ask permission to have printed in connection with my remarks two letters which I send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letters are as follows:

FEBRUARY 20, 1933.

Mr. F. HECKART,
Mutual, Okla.

MY DEAR SIR: I have just read with keen interest your letter of late date. I agree with you that the farmer is the backbone of the Nation, and it does look like the backbone is about to be broken, if, indeed, it is not already broken.

As far as I am concerned, I am ready to support any practical measure that will do more good than harm. I think that a great many of the measures proposed here have done more harm than good, and some of those still pending will do more harm than good. I do not like to support legislation of that kind. I have never thought that the captain of a ship ought to scuttle the ship to escape the fury of the storm.

I also agree with you when you say that there is "too much Farm Board, too much international bankers, too many not paying their just taxes," etc.

I have striven night and day to cut down expenses in order to cut down taxes, but organized groups come here and exert pressure on Congress and Congress refuses to cut down taxes, refuses to cut down expenses, or reduce the burdens of the taxpayer. I am much concerned about the future because I am afraid that worse days lie ahead of us, and we may remember these—evil as they are—as the "good old days."

Yours very truly,

T. P. GORE.

FEBRUARY 20, 1933.

Mr. C. E. FAIRES,
Stonewall, Okla.

MY DEAR SIR: I beg to acknowledge your note of late date, which I have read with keen interest.

I may say that I have voted for every motion, measure, and amendment to cut down expenses, except only two. I voted against eliminating the appropriation to carry on a fight against the cattle tick because that would have lost the 13 millions already spent and would have allowed the tick to recapture the South. I voted against eliminating the appropriation to carry on the fight against the grasshopper in the Northwest, because local farmers, communities, or even States could not in my judgment carry on that war successfully; but it is practically impossible to reduce expenses. Organized groups here fight every suggestion and defeat nearly every suggestion to reduce expenses.

Many of your proposals meet with my hearty approval. The situation, as I see it, is desperate and it is getting worse. I am afraid that evil days lie ahead of us which may possibly make these times—bad as they are—be remembered as the "good old days." You will think that I am blue, and I am.

With best wishes, yours very truly,

T. P. GORE.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Massachusetts [Mr. WALSH].

Mr. DICKINSON. Mr. President, I would like to know what the estimated saving is.

Mr. WALSH. Mr. President, there has been practically no estimate made of the saving in connection with this item. It has been assumed that the President would make no cut and no reduction of any appreciable amount in connection with the veteran whose compensation is based upon disability as the result of direct service. Therefore, what we are doing is merely to remove any possibility of discretionary action by the President. If he had it, he has practically said he would not disturb the rates, anyway. We are simply incorporating in the bill the provision that this group of veterans shall not be removed from the rolls.

Mr. DICKINSON. It is my understanding that there was a certain rating table made and a certain percentage of the reductions shown in that table was taken for disability allowances. What reason has the Senator for assuming that in making up the estimate of $101,000,000 of saving there would not be some of the savings in the very item of $100,000,000 that he says is being taken out from under the provisions of the bill?

Mr. WALSH. I have the assurance of representatives of the President that he never intended to disturb this group of veterans.

Mr. DICKINSON. The thing I have in mind is that if there is to be a 15 percent reduction and we eliminate $100,000,000 in this way, we must make it up in some other way.

Mr. WALSH. The table from which the Senator is reading is a table prepared by General Hines, not approved by the President, not approved by anybody, showing the maximum of the limit to which he could go in any attempt to ruthlessly reduce the benefits extended to the veterans of the war.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Massachusetts [Mr. WALSH].

The amendment was agreed to.

Mr. DILL. Mr. President, I offer the following amendment.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 2, line 10 after the word "disease" and the period, insert the following proviso:

Provided, That nothing contained in this section shall deny a pension to a Spanish-American War veteran past the age of 62 years entitled to a pension under existing law; but the President may reduce the rate of pension as he may deem proper.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. DILL. I yield.

Mr. HARRISON. I have conferred with several Senators and learn that there are going to be some speeches at length. It is very evident that we cannot finish the consideration of the bill tonight. There are 1 or 2 amendments that I very much hope we can get out of the way, because I do not think there will be much discussion of them. This amendment pertains to the Spanish-American War veterans and I think meets the general approval of everybody. I have no objection to its adoption; and if there is no other objection, it can be readily disposed of.

Mr. McGILL. Mr. President, I desire to offer a substitute for the amendment of the Senator from Washington.

The PRESIDENT pro tempore. The substitute will be read for the information of the Senate.

The CHIEF CLERK. The Senator from Kansas offers the following substitute for the amendment of the Senator from Washington:

On page 2, line 6, commencing with the word "the," strike out through the word "or" in line 8, as follows: "The Spanish-American War, including the Boxer rebellion and the Philippine insurrection, or," so the paragraph would read:

"(b) Any person who served in the active military or naval service during the World War and who is permanently disabled as a result of injury or disease."

The PRESIDENT pro tempore. That is not a substitute for the amendment of the Senator from Washington.

Mr. McGILL. Mr. President, I think if the Chair will examine the text of the bill he will find that it is a substitute. The amendment offered by the Senator from Washington is identical with the portion intended to be amended by my substitute. I think it is a substitute and should be so held. It deals with the same subject matter.

Mr. STEIWER. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Kansas yield to the Senator from Oregon?

Mr. McGILL. Certainly.

Mr. STEIWER. I do not presume to tell the Senator the meaning of his own amendment, but I would suggest in connection with the proposal that the amendment which is offered as a substitute seeks to strike out certain language in subdivision (b). It must be remembered that the language of subdivision (b) is affirmative language, that it creates a right of a veteran of the Spanish-American War to a pension, provided he was permanently disabled. If we strike out that language we remove and extinguish the right, even though he is permanently disabled. It occurs to me that is not exactly what the Senator is striving to do.

Mr. McGILL. What I am striving to do is to place the Spanish-American War veteran in exactly the same category with the Civil War veteran under this bill, and that is that he shall remain on the pension roll and that his pension shall be reduced during the fiscal year 1934 by only 10 percent. That is the sum and substance of my substitute.

Mr. STEIWER. I would suggest that the Senator seek to reach the result in a different way. I am sure upon reflection and examination of the language he will come to the conclusion that instead of aiding the Spanish-American War veteran by his substitute, he actually takes away from him a right.

Mr. McGILL. What right?

Mr. STEIWER. The right to a pension, provided he was permanently disabled.

Mr. McGILL. Oh, no; he is entitled to a pension under my substitute by virtue of the law now existing. I am not repealing any law. If the Senator will go further and read it, he will find that that portion which repeals the law relative to the Spanish-American War veterans is stricken out, insofar as they are concerned, by the substitute.

Mr. BORAH. Mr. President, if the Senator from Mississippi is going to ask for a recess, may I suggest that he do so now, in order that we may know what we are going to do about this matter.

Mr. HARRISON. Mr. President——

The PRESIDENT pro tempore. The Senator from Mississippi is recognized.

Mr. HARRISON. I had understood that those who were pressing the Spanish-American War proposition had agreed upon an amendment. If there is some controversy about it, then I hope Senators will withdraw their amendments for the present. There are one or two other amendments that are not controversial in their character which I had hoped we could have adopted and get them out of the way. I thought this was one of them.

I desire to submit a unanimous-consent request.

Mr. LEWIS. Mr. President, before the Senator does so will he yield to me?

Mr. HARRISON. Certainly.

Mr. LEWIS. I merely want to say that I am one of those to whom the Senator from Mississippi correctly alludes who sought to reach an amendment touching the Spanish-American War soldiers and their rights, and the statement that we had reached a conclusion as to the amendment tendered by the Senator from Washington [Mr. DILL] was correct. We felt that the amendment most aptly and most correctly sets forth the position and that we could accomplish the desired purpose without further addresses. For that reason all other amendments were withdrawn by Senators.

Mr. McKELLAR. Mr. President, will the Senator from Mississippi yield?

Mr. HARRISON. Certainly.

Mr. McKELLAR. There seems to be some confusion, but I would like to have the Senator from Washington [Mr. DILL] explain his amendment and see if it means what those of us who believe there should be an amendment in favor of the Spanish-American War soldiers actually want to put in the bill.

Mr. BORAH. Mr. President, if the Senator from Washington is going to explain his amendment, I suggest that we take a recess at this time.

Mr. HARRISON. If the Senator from Kansas will permit, I think we can get at the proposition and let it go over until tomorrow and examine it in the meantime. We can not adopt the amendment tonight, evidently, in the existing state of confusion.

Mr. DILL. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Washington?

Mr. HARRISON. I yield.

Mr. DILL. The amendment of the Senator from Kansas does not relate to the same matter that my amendment relates to. My amendment relates only to those who are on the rolls because of age. The amendment of the Senator from Kansas relates to all Spanish-American War veterans and therefore is not properly a substitute for my amendment.

The PRESIDENT pro tempore. The Chair has held that it is not a substitute.

Mr. HARRISON. Mr. President, in view of the fact that there are several Senators who want to discuss at length some amendments, I want to submit a unanimous-consent request that when the Senate concludes its business tonight it shall recess until 12 o'clock noon tomorrow; that the bill be taken up at that hour and that no Senator shall speak longer than 30 minutes on the bill or longer than 15 minutes on any amendment to the bill, and that no Senator shall speak more than once on the bill.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request?

Mr. LONG. I object.

Mr. McCARRAN. I object to the request.

Mr. BORAH. Mr. President, may I be permitted to say that I have no objection to the request for unanimous consent which the Senator has preferred, if he will not include the restriction as to speaking more than once.

Mr. HARRISON. I withdraw that part of the request.

The PRESIDENT pro tempore. The Senator from Mississippi will please state his request in the form he now desires to present it.

Mr. HARRISON. I ask unanimous consent that tomorrow no Senator shall speak longer than 30 minutes on the bill or longer than 15 on any amendment thereto.

Mr. JOHNSON. Mr. President, may I inquire what the withdrawal of the suggestion that no Senator speak more than once means? Does that mean that a Senator can speak 20 times on the bill?

Mr. HARRISON. No; I think a Senator could not speak more than once on any amendment; but I imagine, in view of the objection which has been made that a Senator could speak more than once in occupying his 30 minutes of time on the bill.

Mr. JOHNSON. I beg pardon.

Mr. BORAH. A Senator could divide his 30 minutes to suit himself.

Mr. JOHNSON. I understood that there was objection to the request.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Mississippi as now submitted?

Mr. LONG. Mr. President, I will ask what the request was.

The PRESIDENT pro tempore. The request was that on the convening of the Senate tomorrow, speeches shall be limited to 30 minutes on the part of each Senator on the bill and 15 minutes on each amendment.

Mr. LONG. Reserving the right to object, would the Senator from Mississippi permit me to offer an amendment in order that it may be printed so as to be available tomorrow morning?

Mr. HARRISON. I have no objection to that whatever.

Mr. LONG. I present the amendment and ask that it may be printed and lie on the table.

The PRESIDENT pro tempore. Without objection, the proposed amendment will be received, printed, and lie on the table. Is there objection to the request for unanimous consent preferred by the Senator from Mississippi? The Chair hears none, and it is so ordered.

Mr. DILL. Mr. President, I think that my amendment may be agreed to without much discussion if I may be permitted for just a moment to explain it.

Under the terms of the bill as it is now written the veterans of the Spanish-American War who are receiving pensions because they have reached the age of 62 years cannot when once removed be placed back on the rolls by the President; they are out completely and finally. The amendment will require that they be kept on the rolls, but will permit the President to cut their compensation.

It seems to me, in view of the rule that has been established so long in this country, that when a veteran reaches the age of 62 years he shall have a service pension, if we take the Spanish-American War veterans who are now past 62 years off the roll, we will simply transfer 90 percent of them from the pension roll to the charity rolls of the country. The amendment I have suggested will keep them on the roll, but will give the President the power to reduce their compensation.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. DILL. I yield.

Mr. McKELLAR. I call the Senator's attention to the last words of his amendment:

> But the President may reduce the rate of pension as he may deem proper.

That would mean that he could reduce it to any sum that he might deem proper.

Mr. DILL. Yes.

Mr. McKELLAR. When we apply the rule of 15 percent to other reductions, why should we make a distinction by allowing the President to reduce to any amount he might see fit or to cut off entirely the pensions received by Spanish-American War veterans?

Mr. DILL. I thought the President could be trusted in this matter, and I did not want to fix a percentage because I did not want to get into an argument over it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington.

Mr. BORAH. One moment, Mr. President. Is it proposed to have a vote on this amendment tonight?

Mr. HARRISON. If there is no objection, I think we might vote on it.

Mr. BORAH. There has been so much conversation carried on on the other side that it was impossible to understand the discussion and I insist that this matter go over until the morning.

Mr. HARRISON. Very well.

ADDITIONAL BILLS AND JOINT RESOLUTION INTRODUCED

Mr. COPELAND, by unanimous consent, introduced bills and a joint resolution, which were severally read twice by their titles and referred as follows:

A bill (S. 451) to amend section 3 of the act of May 28, 1928, relating to salary rates of certain civil-service positions; to the Committee on Civil Service.

A bill (S. 452) for the relief of the owners of cargo laden aboard the United States transport *Florence Luckenbach* on or about December 27, 1918; and

A bill (S. 453) for the relief of owners of cargo aboard the steamship *Boxley;* to the Committee on Claims.

A bill (S. 454) to amend section 24 of the Trading with the Enemy Act, as amended; to the Committee on Finance.

A bill (S. 455) for the relief of James W. Kelly; to the Committee on Naval Affairs.

A bill (S. 456) granting a pension to Juan Lopez; to the Committee on Pensions.

A joint resolution (S.J.Res. 21) authorizing the erection in Washington, D. C., of a monument in memory of Col. Robert Ingersoll; to the Committee on the Library.

RECESS

Mr. HARRISON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 10 o'clock and 20 minutes p.m.) the Senate took a recess until tomorrow, Wednesday, March 15, 1933, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 14, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

O Father, Lord of heaven and earth, Thou who didst build the world in order and the atoms that march in tune, condescend to us, we beseech Thee. Enable us to take up the labors of these hours with earnest, sincere, and generous hearts and minds. Saturate our very breasts with the atmosphere, light, and courage of patriotic devotion. On the altar of every heart may there flame forth the spirit of a genuine, mutual cooperation; in every way may we protect

the claims, just and righteous, of a free people. May the golden rule of the Master be the climax of our hopes, the height of our ambitions, and the ideal of what we would like to practice. In the silent moments at the close of the day let us recognize the voice that has been with us since the morning. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had ordered that the House of Representatives be requested to return to the Senate the joint resolution (H.J.Res. 75) entitled "Joint resolution to provide for certain expenses incident to the first session of the Seventy-third Congress."

SWEARING IN OF MEMBERS

Hon. MARTIN A. BRENNAN, of Illinois, and Hon. JOSEPH P. MONAGHAN, of Montana, appeared at the bar of the House and took the oath of office.

RULES OF THE HOUSE

Mr. POU. Mr. Speaker, I present a privileged report from the Committee on Rules, and ask for its present consideration.

The Clerk read as follows:

House Resolution 43

Resolved, That Rule X of the House of Representatives be amended as follows:

1. Clause 4: Strike out "23" and insert "25."
2. Clause 5: Strike out "21" and insert "25."
3. Clause 6: Strike out "18" and insert "21."
4. Clause 7: Strike out "23" and insert "25."
5. Clause 8: Strike out "23" and insert "25."
6. Clause 10: Strike out "23" and insert "25."
7. Clause 11: Strike out "21" and insert "25."
8. Clause 12: Strike out "21" and insert "25."
9. Clause 13: Strike out "21" and insert "25."
10. Clause 14: Strike out "21" and insert "25."
11. Clause 19: Strike out "16" and insert "21."
12. Clause 32: Strike out "17" and insert "21."

Mr. SNELL. Mr. Speaker, will the gentleman from North Carolina yield for a question?

Mr. POU. Certainly.

Mr. SNELL. As I understand, not being able to tell exactly from the reading, these are exactly the same changes that the gentleman from California [Mr. LEA] gave me this morning.

Mr. POU. Yes.

Mr. Speaker, I do not care to discuss the resolution. I may say that it is in accordance, as I understand it, with an agreement reached by both sides of the Chamber, and that this resolution is a unanimous report from the Committee on Rules.

The resolution was agreed to.

ASSIGNMENT OF MEMBERS TO COMMITTEES

Mr. BYRNS. Mr. Speaker, I offer the following resolution and move its adoption.

The Clerk read as follows:

Resolved, That the following Members be, and they are hereby, elected members of the following standing committees of the House of Representatives, to wit:

Accounts: Lindsay Warren (chairman), North Carolina; John J. Cochran, Missouri; Mell G. Underwood, Ohio; Edward C. Moran, Jr., Maine; Sterling P. Strong, Texas; Charles Kramer, California; Edwin M. Schaefer, Illinois.

Agriculture: Marvin Jones (chairman), Texas; Hampton P. Fulmer, South Carolina; Wall Doxey, Mississippi; D. D. Glover, Arkansas; John R. Mitchell, Tennessee; Cap R. Carden, Kentucky; John W. Flanagan, Jr., Virginia; Harry P. Beam, Illinois; James G. Polk, Ohio; Richard M. Kleberg, Texas; Fred Cummings, Colorado; Frank K. Buck, California; John G. Utterback, Maine; Walter M. Pierce, Oregon; Fred Biermann, Iowa; George Foulkes, Michigan; Einar Hoidale, Minnesota; Lincoln L. McCandless, Hawaii.

Appropriations: James P. Buchanan (chairman), Texas; Edward T. Taylor, Colorado; William B. Oliver, Alabama; Anthony J. Griffin, New York; John N. Sandlin, Louisiana; William A. Ayres, Kansas; Ross A. Collins, Mississippi; William W. Hastings, Oklahoma; Clarence Cannon, Missouri; Clifton A. Woodrum, Virginia; William W. Arnold, Illinois; John J. Boylan, New York; Tilman B. Parks, Arkansas; Charles L. Abernethy, North Carolina; Louis Ludlow, Indiana; William J. Granfield, Massachusetts; Thomas L. Blanton, Texas; Michael J. Hart, Michigan; Thomas S. McMillan, South Carolina; Glover H. Cary, Kentucky; Bernard M. Jacobsen, Iowa.

Banking and Currency: Henry B. Steagall (chairman), Alabama; Charles H. Brand, Georgia; T. Alan Goldsborough, Maryland; Anning S. Prall, New York; Jeff Busby, Mississippi; Michael K. Reilly, Wisconsin; Frank Hancock, North Carolina; Clyde Williams, Missouri; Wesley E. Disney, Oklahoma; O. H. Cross, Texas; Brent Spence, Kentucky; Denver S. Church, California; Prentiss M. Brown, Michigan; Fred J. Sisson, New York; James I. Farley, Indiana; James A. Meeks, Illinois; Herman P. Kopplemann, Connecticut.

Census: Ralph F. Lozier (chairman), Missouri; John E. Rankin, Mississippi; John H. Kerr, North Carolina; William H. Larrabee, Indiana; William L. Fiesinger, Ohio; Lynn S. Hornor, West Virginia; Edward H. Crump, Tennessee; Brooks Fletcher, Ohio; J. Mark Wilcox, Florida; Sterling P. Strong, Texas; Cleveland Dear, Louisiana; Martin A. Brennan, Illinois; Finley Hamilton, Kentucky; Matthew A. Dunn, Pennsylvania; W. M. Colmer, Mississippi.

Civil Service: Lamar Jeffers (chairman), Alabama; William I. Sirovich, New York; Robert Ramspeck, Georgia; Russell Elizey, Mississippi; Edward C. Eicher, Iowa; Jennings Randolph, West Virginia; John D. Dingell, Michigan; Frank Gillespie, Illinois; Robert T. Secrest, Ohio; Wilbur L. Adams, Delaware; John Fitzgibbons, New York; Francis E. Walter, Pennsylvania; Virginia E. Jenckes, Indiana; Cleveland Dear, Louisiana; F. H. Shoemaker, Minnesota.

Claims: Loring M. Black, Jr. (chairman), New York; J. Bayard Clark, North Carolina; Robert Ramspeck, Georgia; Samuel Dickstein, New York; Fletcher B. Swank, Oklahoma; Russell Elizey, Mississippi; Ambrose J. Kennedy, Maryland; William R. Thom, Ohio; John Young Brown, Kentucky; Martin F. Smith, Washington; William T. Schulte, Indiana; Thomas J. O'Brien, Illinois; E. M. Owen, Georgia; Edward C. Eicher, Iowa; Francis E. Walter, Pennsylvania.

Coinage, Weights, and Measures: Andrew L. Somers (chairman), New York; John J. Douglass, Massachusetts; Bolivar E. Kemp, Louisiana; John J. Cochran, Missouri; William H. Larrabee, Indiana; William L. Fiesinger, Ohio; Martin Dies, Texas; Fletcher B. Swank, Oklahoma; Compton I. White, Idaho; Edward R. Burke, Nebraska; J. Leroy Adair, Illinois; Abe Murdock, Utah; Terry M. Carpenter, Nebraska; William M. Berlin, Pennsylvania; James G. Scrugham, Nevada.

Disposition of Useless Executive Papers: Robert A. Green (chairman), Florida.

District of Columbia: Mary T. Norton (chairman), New Jersey; Vincent L. Palmisano, Maryland; Wright Patman, Texas; Loring M. Black, Jr., New York; J. Bayard Clark, North Carolina; Lynn S. Hornor, West Virginia; Byron B. Harlan, Ohio; Ambrose J. Kennedy, Maryland; Thomas J. O'Brien, Illinois; Carl M. Weideman, Michigan; E. M. Owen, Georgia; Jennings Randolph, West Virginia; Virginia Jenckes, Indiana.

Education: John J. Douglass (chairman), Massachusetts; Loring M. Black, Jr., New York; Vincent L. Palmisano, Maryland; René L. DeRouen, Louisiana; Martin J. Kennedy, New York; William H. Larrabee, Indiana; Russell Elizey, Mississippi; Brooks Fletcher, Ohio; Martin A. Brennan, Illinois; Braswell Deen, Georgia; Joseph W. Bailey, Jr., Texas; James Hughes, Wisconsin; William M. Berlin, Pennsylvania; John Lesinski, Michigan.

Election of President, Vice President, and Representatives in Congress: Patrick J. Carley (chairman), New York; Lamar Jeffers, Alabama; Ralph F. Lozier, Missouri; Wilburn Cartwright, Oklahoma; Brooks Fletcher, Ohio; Kathryn O'Loughlin McCarthy, Kansas; J. Leroy Adair, Illinois; Henry Arens, Minnesota.

Elections No. 1: J. Bayard Clark (chairman), North Carolina; Claude A. Fuller, Arkansas; Homer C. Parker, Georgia; Joseph W. Bailey, Jr., Texas; Cleveland Dear, Louisiana; Martin A. Brennan, Illinois.

Elections No. 2: Joseph A. Gavagan (chairman), New York; John J. Douglass, Massachusetts; Edward R. Burke, Nebraska; Walter Nesbit, Illinois; William B. Umstead, North Carolina; Raymond J. Cannon, Wisconsin.

Elections No. 3: John H. Kerr (chairman), North Carolina; John McDuffie, Alabama; Ben Cravens, Arkansas; Alfred F. Beiter, New York; Lawrence E. Imhoff, Ohio; E. M. Owen, Georgia.

Enrolled Bills: Claude V. Parsons (chairman), Illinois; James J. Lanzetta, New York; Charles J. Colden, California; Charles N. Crosby, Pennsylvania; Albert C. Willford, Iowa.

Expenditures in the Executive Departments: John J. Cochran (chairman), Missouri; Allard H. Gasque, South Carolina; Riley J. Wilson, Louisiana; William M. Whittington, Mississippi; Glenn Griswold, Indiana; Lindsay C. Warren, North Carolina; William R. Thom, Ohio; Randolph Carpenter, Kansas; J. Twing Brooks, Pennsylvania; Edwin M. Schaefer, Illinois; Francis E. Walter, Pennsylvania; Edward C. Eicher, Iowa; A. Willis Robertson, Virginia; Wilbur L. Adams, Delaware; Joseph W. Bailey, Jr., Texas.

Flood Control: Riley J. Wilson (chairman), Louisiana; William M. Whittington, Mississippi; Fletcher B. Swank, Oklahoma; Glenn Griswold, Indiana; Edward H. Crump, Tennessee; Homer C. Parker, Georgia; Joe H. Eagle, Texas; Ben Cravens, Arkansas; Edward R. Burke, Nebraska; J. R. Claiborne, Missouri; Cleveland Dear, Louisiana; Otha D. Wearin, Iowa; Edwin M. Schaefer, Illinois; Monrad C. Wallgren, Washington; Ernest Lundeen, Minnesota.

Foreign Affairs: Sam D. McReynolds (chairman), Tennessee; Sol Bloom, New York; Luther A. Johnson, Texas; J. Walter Lambeth, North Carolina; Stephen A. Rudd, New York; Bryant T. Castellow, Georgia; Finly H. Gray, Indiana; John A. Martin, Colo-

rado; Frank L. Kloeb, Ohio; Millard F. Caldwell, Florida; William E. Richardson, Pennsylvania; Thomas F. Ford, California; John Kee, West Virginia; Guy M. Gillette, Iowa; Charles W. Henney, Wisconsin.

Immigration and Naturalization: Samuel Dickstein (chairman), New York; John H. Kerr, North Carolina; Lamar Jeffers, Alabama; Mell G. Underwood, Ohio; Vincent L. Palmisano, Maryland; Eugene B. Crowe, Indiana; Martin Dies, Texas; Joe H. Eagle, Texas; W. M. Colmer, Mississippi; Carl M. Weideman, Michigan; A. Willis Robertson, Virginia; E. M. Owen, Georgia; William T. Schulte, Indiana; James J. Lanzetta, New York; Charles Kramer, California; Lincoln L. McCandless, Hawaii.

Indian Affairs: Edgar Howard (chairman), Nebraska; Wilburn Cartwright, Oklahoma; Joe L. Smith, West Virginia; Samuel Dickstein, New York; Dennis Chavez, New Mexico; Will Rogers, Oklahoma; Roy E. Ayers, Montana; Thomas O'Malley, Wisconsin; Henry E. Stubbs, California; Randolph Carpenter, Kansas; Knute Hill, Washington; Abe Murdock, Utah; Theo. B. Werner, South Dakota; Frank H. Lee, Missouri; Ernest Lundeen, Minnesota; Anthony J. Dimond, Alaska.

Insular Affairs: John McDuffie (chairman), Alabama; Joe L. Smith, West Virginia; Ralph F. Lozier, Missouri; Wilburn Cartwright, Oklahoma; John D. Dingell, Michigan; Leo Kocialkowski, Illinois; Charles Kramer, California; Robert T. Secrest, Ohio; Kathryn O'Loughlin McCarthy, Kansas; A. Willis Robertson, Virginia; John Young Brown, Kentucky; James J. Lanzetta, New York; J. Buell Snyder, Pennsylvania; James G. Scrugham, Nevada; F. H. Shoemaker, Minnesota.

Interstate and Foreign Commerce: Sam Rayburn (chairman), Texas; George Huddleston, Alabama; Clarence F. Lea, California; Robert Crosser, Ohio; Parker Corning, New York; Jacob L. Milligan, Missouri; Alfred L. Bulwinkle, North Carolina; Virgil Chapman, Kentucky; Paul H. Maloney, Louisiana; William P. Cole, Jr., Maryland; Samuel B. Pettengill, Indiana; Edward A. Kelly, Illinois; E. W. Marland, Oklahoma; Edward A. Kenney, New Jersey; George G. Sadowski, Michigan; Joseph P. Monaghan, Montana; Francis T. Maloney, Connecticut.

Invalid pensions: Mell G. Underwood (chairman), Ohio; Ralph F. Lozier, Missouri; Andrew L. Somers, New York; Joe L. Smith, West Virginia; Edgar Howard, Nebraska; Kent E. Keller, Illinois; Martin J. Kennedy, New York; J. Buell Snyder, Pennsylvania; Edward C. Eicher, Iowa; Theo. B. Werner, South Dakota; Finley Hamilton, Kentucky; George R. Durgan, Indiana; John Lesinski, Michigan; Robert L. Ramsay, West Virginia; F. H. Shoemaker, Minnesota.

Irrigation and reclamation: Dennis Chavez (chairman), New Mexico; Miles C. Allgood, Alabama; Allard H. Gasque, South Carolina; Charles H. Martin, Oregon; Terry M. Carpenter, Nebraska; Compton I. White, Idaho; Roy E. Ayers, Montana; Knute Hill, Washington; Henry E. Stubbs, California; Claude E. Cady, Michigan; James G. Scrugham, Nevada; J. W. Robinson, Utah; Joseph W. Bailey, Jr., Texas; J. Hardin Peterson, Florida; Theo. B. Werner, South Dakota.

Judiciary: Hatton W. Sumners (chairman), Texas; Andrew J. Montague, Virginia; Tom D. McKeown, Oklahoma; Gordon Browning, Tennessee; Emanuel Celler, New York; Frank Oliver, New York; William V. Gregory, Kentucky; Malcolm C. Tarver, Georgia; Francis B. Condon, Rhode Island; Zebulon Weaver, North Carolina; J. Earl Major, Illinois; John E. Miller, Arkansas; Arthur D. Healey, Massachusetts; Warren J. Duffey, Ohio; James E. Ruffin, Missouri; Lawrence Lewis, Colorado; John C. Lehr, Michigan.

Labor: William P. Connery, Jr. (chairman), Massachusetts; Mary T. Norton, New Jersey; Robert Ramspeck, Georgia; Martin J. Kennedy, New York; Glenn Griswold, Indiana; Kent E. Keller, Illinois; Russell Ellzey, Mississippi; John Fitzgibbons, New York; Matthew A. Dunn, Pennsylvania; Reuben T. Wood, Missouri; Jennings Randolph, West Virginia; James Hughes, Wisconsin; Walter Nesbit, Illinois; John Lesinski, Michigan; Ernest Lundeen, Minnesota.

Library: Kent E. Keller (chairman), Illinois; Lindsay C. Warren, North Carolina; Robert T. Secrest, Ohio.

Memorials: John H. Morehead (chairman), Nebraska; Mary T. Norton, New Jersey.

Merchant Marine, Radio, and Fisheries: Schuyler Otis Bland (chairman), Virginia; Clay Stone Briggs, Texas; George W. Lindsay, New York; Oscar L. Auf der Heide, New Jersey; Bolivar E. Kemp, Louisiana; William I. Sirovich, New York; Robert Ramspeck, Georgia; Ambrose J. Kennedy, Maryland; Charles N. Crosby, Pennsylvania; A. C. Willford, Iowa; Monrad C. Wallgren, Washington; Lawrence E. Imhoff, Ohio; John Young Brown, Kentucky; Edward C. Moran, Jr., Maine; William B. Umstead, North Carolina; Lincoln L. McCandless, Hawaii; Anthony J. Dimond, Alaska.

Military Affairs: John J. McSwain (chairman), South Carolina; Lister Hill, Alabama; James M. Fitzpatrick, New York; Jed Johnson, Oklahoma; Numa F. Montet, Louisiana; Andrew J. May, Kentucky; R. Ewing Thomason, Texas; William N. Rogers, New Hampshire; Thomas C. Coffin, Idaho; Chester Thompson, Illinois; Dow W. Harter, Ohio; Wesley Lloyd, Washington; Charles I. Faddis, Pennsylvania; Clarence W. Turner, Tennessee; Richard M. Duncan, Missouri; Theodore A. Peyser, New York; Paul J. Kvale, Minnesota; Lincoln L. McCandless, Hawaii.

Mines and Mining: Joe L. Smith (chairman), West Virginia; Andrew L. Somers, New York; Lynn S. Hornor, West Virginia; Ben Cravens, Arkansas; Virginia E. Jenckes, Indiana; Finley Hamilton, Kentucky; Abe Murdock, Utah; Frank H. Lee, Missouri; William M. Berlin, Pennsylvania; Frank Gillespie, Illinois; J. Hardin Peterson, Florida; Will Rogers, Oklahoma; William R. Thom, Ohio; Alfred F. Beiter, New York; Anthony J. Dimond, Alaska.

Naval Affairs: Carl Vinson (chairman), Georgia; Patrick Henry Drewry, Virginia; Stephen W. Gambrill, Maryland; John J. Delaney, New York; Frank C. Kniffin, Ohio; Joachim O. Fernandez, Louisiana; Patrick J. Boland, Pennsylvania; Leonard W. Schuetz, Illinois; William H. Sutphin, New Jersey; Joseph B. Shannon, Missouri; William J. Sears, Florida; John J. McGrath, California; Colgate W. Darden, Jr., Virginia; W. D. McFarlane, Texas; John H. Burke, California; Marion A. Zioncheck, Washington; John M. O'Connell, Rhode Island; Lincoln L. McCandless, Hawaii.

Patents: William I. Sirovich (chairman), New York; Fritz G. Lanham, Texas; Charles V. Truax, Ohio; George R. Durgan, Indiana; Braswell Deen, Georgia; Thomas O'Malley, Wisconsin; Robert L. Ramsay, West Virginia; Matthew A. Dunn, Pennsylvania; J. Leroy Adair, Illinois; James P. Richards, South Carolina; Charles J. Colden, California; John D. Dingell, Michigan; ———; ———; Henry Arens, Minnesota.

Pensions: Allard H. Gasque (chairman), South Carolina; Patrick J. Carley, New York; Edward B. Almon, Alabama; Riley J. Wilson, Louisiana; Will Rogers, Oklahoma; Sterling P. Strong, Texas; Raymond J. Cannon, Wisconsin; Martin F. Smith, Washington; John H. Hoeppel, California; Thomas J. O'Brien, Illinois; William T. Schulte, Indiana; Reuben T. Wood, Missouri; Fred H. Hildebrandt, South Dakota; Twing Brooks, Pennsylvania; Charles V. Truax, Ohio.

The Post Office and Post Roads: James M. Mead (chairman), New York; Milton A. Romjue, Missouri; John H. Morehead, Nebraska; William F. Brunner, New York; Harry L. Haines, Pennsylvania; John S. Wood, Georgia; Thomas G. Burch, Virginia; Arthur P. Lamneck, Ohio; Martin L. Sweeney, Ohio; George W. Johnson, West Virginia; Elmer E. Studley, New York; George B. Terrell, Texas; Harry W. Musselwhite, Michigan; John C. Taylor, South Carolina; D. C. Dobbins, Illinois; John F. Dockweiler, California; Magnus Johnson, Minnesota; Lincoln L. McCandless, Hawaii.

Printing: J. Walter Lambeth (chairman), North Carolina; Patrick J. Carley, New York.

Public Buildings and Grounds: Fritz G. Lanham (chairman), Texas; Edward B. Almon, Alabama; John H. Kerr, North Carolina; Eugene B. Crowe, Indiana; Ben Cravens, Arkansas; Otha D. Wearin, Iowa; Claude E. Cady, Michigan; Wilbur L. Adams, Delaware; Kathryn O'Loughlin McCarthy, Kansas; Stephen M. Young, Ohio; Robert L. Ramsay, West Virginia; J. Mark Wilcox, Florida; Edward R. Burke, Nebraska; Leo Kocialkowski, Illinois; J. Buell Snyder, Pennsylvania.

Public Lands: René L. DeRouen (chairman), Louisiana; Claude A. Fuller, Arkansas; Fletcher B. Swank, Oklahoma; Dennis Chavez, New Mexico; Fritz G. Lanham, Texas; J. W. Robinson, Utah; George R. Durgan, Indiana; Roy E. Ayers, Montana; Knute Hill, Washington; Claude E. Cady, Michigan; Otha D. Wearin, Iowa; Fred H. Hildebrandt, South Dakota; Compton I. White, Idaho; Henry E. Stubbs, California; J. Hardin Peterson, Florida; Lincoln L. McCandless, Hawaii; Anthony J. Dimond, Alaska.

Revision of the Laws: Byron B. Harlan (chairman), Ohio; William P. Connery, Jr., Massachusetts; Samuel Dickstein, New York; Raymond J. Cannon, Wisconsin; J. R. Claiborne, Missouri; Charles N. Crosby, Pennsylvania; Leo Kocialkowski, Illinois; J. Mark Wilcox, Florida.

Rivers and Harbors: Joseph J. Mansfield (chairman), Texas; John McDuffie, Alabama; Joseph A. Gavagan, New York; René L. DeRouen, Louisiana; Charles H. Martin, Oregon; William L. Fiesinger, Ohio; Martin Dies, Texas; Robert A. Green, Florida; Claude V. Parsons, Illinois; Edward H. Crump, Tennessee; Homer C. Parker, Georgia; James Hughes, Wisconsin; W. M. Colmer, Mississippi; J. R. Claiborne, Missouri; Charles J. Colden, California; Alfred F. Beiter, New York; Martin F. Smith, Washington.

Roads: Edward B. Almon (chairman), Alabama; Bolivar E. Kemp, Louisiana; Lindsay C. Warren, North Carolina; Wilburn Cartwright, Oklahoma; Claude A. Fuller, Arkansas; William M. Whittington, Mississippi; Wright Patman, Texas; Charles H. Martin, Oregon; Thomas O'Malley, Wisconsin; Terry M. Carpenter, Nebraska; Monrad C. Wallgren, Washington; Finley Hamilton, Kentucky; F. H. Lee, Missouri; J. Will Robinson, Utah; Martin A. Brennan, Illinois.

Territories: Bolivar E. Kemp (chairman), Louisiana; John E. Rankin, Mississippi; John McDuffie, Alabama; Robert A. Green, Florida; John J. Douglass, Massachusetts; Eugene B. Crowe, Indiana; Claude V. Parsons, Illinois; Raymond J. Cannon, Wisconsin; Charles V. Truax, Ohio; Fred H. Hildebrandt, South Dakota; John Fitzgibbons, New York; Sterling P. Strong, Texas; J. Twing Brooks, Pennsylvania; Carl M. Weideman, Michigan; Henry Arens, Minnesota; Lincoln L. McCandless, Hawaii; Anthony J. Dimond, Alaska.

War Claims: Miles C. Allgood (chairman), Alabama; Wilburn Cartwright, Oklahoma; Joseph A. Gavagan, New York; John H. Hoeppel, California; Alfred F. Beiter, New York; Lawrence E. Imhoff, Ohio; A. C. Willford, Iowa; Frank Gillespie, Illinois; James P. Richards, South Carolina; Braswell Deen, Georgia; William B. Umstead, North Carolina; Reuben T. Wood, Missouri; Stephen M. Young, Ohio; Robert L. Ramsay, West Virginia; ———; ———.

World War Veterans' Legislation: John E. Rankin (chairman), Mississippi; Lamar Jeffers, Alabama; William P. Connery, Jr., Massachusetts; Mary T. Norton, New Jersey; Edgar Howard, Nebraska; Wright Patman, Texas; Claude A. Fuller, Arkansas; Glenn Griswold, Indiana; Joe H. Eagle, Texas; Stephen M. Young, Ohio; Walter Nesbit, Illinois; Edward C. Moran, Jr., Maine; James P. Richards, South Carolina; Randolph Carpenter, Kansas; John H. Hoeppel, California.

Mr. BLANTON (interrupting the reading of the resolution). Mr. Speaker, the further reading of this long list,

with which we are all familiar, is useless. I ask unanimous consent that its further reading be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The resolution was agreed to.

Mr. SNELL. Mr. Speaker, I present a resolution which is a partial list of minority members of committees and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 45

Resolved, That the following Members be, and they are hereby, elected to the standing committees of the House, to wit:

Ways and Means: Allen Treadway, Massachusetts; Isaac Bacharach, New Jersey; Henry W. Watson, Pennsylvania; Frank Crowther, New York; James A. Frear, Wisconsin; Harold Knutson, Minnesota; Daniel A. Reed, New York; Roy O. Woodruff, Michigan; Thomas A. Jenkins, Ohio; William E. Evans, California.

Agriculture: John D. Clarke, New York; Clifford R. Hope, Kansas; J. Roland Kinzer, Pennsylvania; Gerald J. Boileau, Wisconsin; Fred C. Gilchrist, Iowa; Ray P. Chase, Minnesota; Charles W. Tobey, New Hampshire; L. T. Marshall, Ohio.

Appropriations: John Taber, New York; Robert L. Bacon, New York; Richard B. Wigglesworth, Massachusetts; James H. Sinclair, North Dakota; Clarence J. McLeod, Michigan; Lloyd Thurston, Iowa; Mrs. Florence P. Kahn, California; John T. Buckbee, Illinois; J. Howard Swick, Pennsylvania; Chester C. Bolton, Ohio; W. P. Lambertson, Kansas; Edward W. Goss, Connecticut; D. Lane Powers, New Jersey; J. William Ditter, Pennsylvania.

Banking and Currency: Robert Luce, Massachusetts; Carroll L. Beedy, Maine; Edward L. Stokes, Pennsylvania; John B. Hollister, Ohio; Jesse P. Wolcott, Michigan; Peter A. Cavicchia, New Jersey; James W. Wadsworth, New York; James Simpson, Jr., Illinois.

Foreign Affairs: Hamilton Fish, Jr., New York; Joseph W. Martin, Jr., Massachusetts; Charles A. Eaton, New Jersey; George Holden Tinkham, Massachusetts; George F. Brumm, Pennsylvania; Leo E. Allen, Illinois; George Burnham, California; Charles M. Bakewell, Connecticut.

Interstate and Foreign Commerce: James S. Parker, New York; John G. Cooper, Ohio; Carl E. Mapes, Michigan; Charles A. Wolverton, New Jersey; James Wolfenden, Pennsylvania; Pehr G. Holmes, Massachusetts; Schuyler Merritt, Connecticut; B. Carroll Reece, Tennessee.

Judiciary: J. Banks Kurtz, Pennsylvania; Cassius C. Dowell, Iowa; Randolph Perkins, New Jersey; Joseph L. Hooper, Michigan; U. S. Guyer, Kansas; Clarence E. Hancock, New York; James M. Beck, Pennsylvania; William E. Hess, Ohio.

Mr. BLANTON. Mr. Speaker, may I ask the gentleman from New York a question?

I would like to know whether or not the former chairman of the Committee on Banking and Currency [Mr. MCFADDEN] is still a member of the Committee of the Whole House on the state of the Union?

Mr. SNELL. Mr. Speaker, I am not yielding for any statement of that sort. I move the adoption of the resolution.

The resolution was agreed to.

EXPENSES OF THE FIRST SESSION OF THE SEVENTY-THIRD CONGRESS

The SPEAKER. The Chair lays before the House the following request from the Senate of the United States.

The Clerk read as follows:

IN THE SENATE OF THE UNITED STATES,
March 13, 1933.

Ordered, That the House of Representatives be requested to return to the Senate the joint resolution (H.J.Res. 75) entitled "Joint resolution to provide for certain expenses incident to the first session of the Seventy-third Congress."

The SPEAKER. Without objection, the request of the Senate will be agreed to.

There was no objection.

ANNOUNCEMENT

Mr. DOUGHTON. Mr. Speaker, I desire to announce that there will be a meeting of the Ways and Means Committee immediately in the committee room in the Capitol.

RECESS

Mr. BYRNS. Mr. Speaker, I move that the House stand in recess subject to the call of the Speaker, the Members to be notified 15 minutes in advance by the ringing of the bells.

Mr. SNELL. Mr. Speaker, may I inquire of the gentleman if there has been a change in his request in any way?

Mr. BYRNS. No; I have simply asked that the House stand in recess subject to the call of the Speaker, and that the Members be notified 15 minutes in advance by the ringing of the bells.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Accordingly (at 12:17 p.m.) the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, at 12:47 p.m., the House was called to order by the Speaker.

THE BEER BILL

Mr. BYRNS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 3341) to provide revenue by taxation of certain nonintoxicating liquor, and for other purposes, and that general debate be limited to 3 hours, one half to be controlled by the gentleman from New York [Mr. CULLEN] and the other half by the gentleman from Massachusetts [Mr. TREADWAY], and that at the conclusion of general debate the previous question be considered as ordered.

Mr. RAGON. Reserving the right to object, Mr. Speaker, and I shall not object, it is understood that the gentleman from New York [Mr. CULLEN], in favor of the bill, will yield half of his time to me in opposition to the bill and that the gentleman from Massachusetts [Mr. TREADWAY] will yield half of his time to the gentleman from New York [Mr. CROWTHER]. I simply want to confirm this agreement.

Mr. CULLEN. That has been agreed upon, Mr. Speaker.

Mr. TREADWAY. Mr. Speaker, supplementing what the gentleman from Arkansas has just said, let me add that the time allotted to this side being controlled by myself, I shall yield one half of it to the gentleman from New York [Mr. CROWTHER] in order that he may recognize such Republican Members as want to oppose the bill, and I shall recognize Republican Members who want to speak in favor of the bill.

Mr. CULLEN. There is no objection to that, Mr. Speaker.

Mr. BLANTON. Mr. Speaker, reserving the right to object, if this bill could be stopped by objecting to the unanimous-consent request at this time, it would be stopped. I would unhesitatingly object and stop it. I realize, however, that you could not stop it by objecting to the request. It would be promptly called up under a rule, for I realize that the Rules Committee is now functioning, and they would have a rule here in 15 minutes making it in order, and probably giving us only 20 minutes to the side for debate, while we will get 3 hours for general debate under the present unanimous-consent request. Since half of the time is given to those opposing the bill, I shall not throw any monkey wrench into the procedure, because I realize this bill cannot be stopped. The time on our side against the bill is to be controlled by the gentleman from Arkansas, who has agreed to distribute his time to opponents of the bill, and it is understood by the gentleman from New York that the gentleman from Arkansas [Mr. RAGON] may distribute the one fourth of the time allowed him. Is not that true?

Mr. CULLEN. That is right.

Mr. BLANTON. The gentleman from Arkansas has promised me time, and under the circumstances I shall not object, as an objection would avail nothing. I realize full well that it is ordained here by the powers that be that this beer bill is to be passed in the House today. Debate on it will not change a vote. But before this bill passes, that will inflict beer saloons again upon the country, we who oppose saloons must have the opportunity of placing in the RECORD our everlasting condemnation of them.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, have the Members in control of this bill considered this situation, which is parallel with the way the economy bill was handled the other day? The time is being divided equally between those in favor of the bill and those opposed to the bill, while probably two thirds, if not three fourths,

of the Members are in favor of the bill. I submit a fair division of the time would be that 1 hour on this side be yielded to those in favor of the bill and one half hour to those opposed to the bill.

Mr. BLANTON. That is not in accordance with the rules of debate. There must be an equal division of time. It has been agreed that the 3 hours are to be equally divided, 1 hour and 30 minutes to be used by those favoring the bill and one hour and a half to be used by those opposing the bill. I would not agree to any arrangement other than an equal division of time.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. CULLEN. Mr. Speaker, by direction of the Committee on Ways and Means, I report the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes.

The Clerk read the bill as follows:

Be it enacted, etc. That (a) there shall be levied and collected on all beer, lager beer, ale, porter, and other similar fermented liquor, containing one half of 1 percent or more of alcohol by volume, and not more than 3.2 percent of alcohol by weight, brewed or manufactured, and, on or after the effective date of this act, sold, or removed for consumption or sale, within the United States by whatever name such liquors may be called, a tax of $5 for every barrel containing not more than 31 gallons, and at a like rate for any other quantity or for the fractional parts of a barrel authorized and defined by law, to be collected under the provisions of existing law. The tax imposed by this section upon any beverage shall, if any tax is now imposed thereon by law, be in lieu of such tax from the time the tax imposed by this section takes effect. Nothing in this section shall in any manner affect the internal-revenue tax on beer, lager beer, ale, porter, or other similar fermented liquor containing more than 3.2 percent of alcohol by weight or less than one half of 1 percent of alcohol by volume. As used in this section the term "United States" includes only the States, the Territories of Alaska and Hawaii, and the District of Columbia.

(b) Paragraph "First" of section 3244 of the Revised Statutes (U.S.C., title 26, sec. 202) is amended to read as follows:

"First. Brewers shall pay $1,000 in respect of each brewery. Every person who manufactures fermented liquors of any name or description for sale, from malt, wholly or in part, or from any substitute therefor, containing one half of 1 percent or more of alcohol by volume, shall be deemed a brewer."

(c) All special tax and administrative provisions of the internal-revenue laws in respect of beer, ale, porter, or other similar fermented liquor shall be applicable in respect of the liquor taxable under subsection (a).

SEC. 2. The following portions of the National Prohibition Act, as amended and supplemented, in so far as they relate to beer, ale, porter, or other similar fermented liquor, are hereby repealed:

(a) The second paragraph of section 37 of title II (U.S.C., title 27, sec. 58).

(b) The fourth or last paragraph of section 37 of title II (U.S.C., title 27, sec. 60).

SEC. 3. (a) Nothing in the National Prohibition Act, as amended and supplemented, shall apply to any of the following, or to any act or failure to act in respect of any of the following, containing not more than 3.2 percent of alcohol by weight: beer, ale, porter, or other similar fermented liquor; but the National Prohibition Act, as amended and supplemented, shall apply to any of the foregoing, or to any act or failure to act in respect of any of the foregoing, contained in bottles, casks, barrels, kegs, or other containers, not labeled and sealed as may be prescribed by regulations.

(b) The following acts and parts of acts shall be subject to a like limitation as to their application:

(1) The act entitled "An act to prohibit the sale, manufacture, and importation of intoxicating liquors in the Territory of Hawaii during the period of the war, except as hereinafter provided," approved May 23, 1918 (U.S.C., title 48, sec. 520);

(2) Section 2 of the act entitled "An act to provide a civil government for Puerto Rico, and for other purposes," approved March 2, 1917;

(3) The act entitled "An act to prohibit the manufacture or sale of alcoholic liquors in the Territory of Alaska, and for other purposes," approved February 14, 1917 (U.S.C., title 48, secs. 261 to 291, both inclusive).

(c) Nothing in section 5 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1918, and for other purposes," approved March 3, 1917, as amended and supplemented (U.S.C., title 18, sec. 341; supp. VI, title 18, sec. 341), shall prohibit the deposit in or carriage by the mails of the United States, or the delivery by any postmaster or letter carrier, of any mail matter containing any advertisement of, or any solicitation of an order or orders for, any of the following containing not more than 3.2 percent of alcohol by weight: beer, ale, porter, or other similar fermented liquor.

SEC. 4. (a) The manufacturer for sale of beer, ale, porter, or other similar fermented liquor, containing one half of 1 percent of alcohol by volume and not more than 3.2 percent of alcohol by weight, shall, before engaging in business, secure a permit authorizing him to engage in such manufacture, which permit shall be obtained in the same manner as a permit under the National Prohibition Act, as amended and supplemented, to manufacture intoxicating liquor, and be subject to all the provisions of law relating to such a permit. Such permit may be issued to a manufacturer for sale of any such fermented liquor, containing less than one half of 1 percent of alcohol by volume, if he desires to take advantage of the provisions of paragraph (2) of subsection (b) of this section. No permit shall be issued under this section for the manufacture of fermented liquor in any State, Territory, or the District of Columbia, or political subdivision of any State or Territory, if such manufacture is prohibited by the law thereof.

(b) (1) Such permit shall specify a maximum alcoholic content permissible for such fermented liquor at the time of withdrawal from the factory or other disposition, which shall not be greater than 3.2 percent of alcohol by weight, nor greater than the maximum alcoholic content permissible under the law of the State, Territory, or the District of Columbia, or the political subdivision of a State or Territory, in which such liquor is manufactured.

(2) In such permit may be included permission to develop in the manufacture of such fermented liquor by the usual methods of fermentation or otherwise a liquid such as beer, ale, or porter, of an alcoholic content in excess of the maximum specified in the permit; but before any such liquid is withdrawn from the factory or otherwise disposed of the alcoholic content shall, if in excess of the maximum specified in the permit, be reduced, under such regulations as may be prescribed, to or below such maximum; but such liquid may be removed and transported, under bond and under such regulations as may be prescribed, from one bonded plant or warehouse to another for the purpose of having the percentage of alcohol reduced to the maximum specified in the permit by dilution or extraction. The alcohol removed from such liquid, if evaporated, and not condensed and saved, shall not be subject to tax; if saved, it shall be subject to the same law as other alcoholic liquors.

(3) In any case where the manufacturer is charged with manufacturing or selling for beverage purposes any beer, ale, porter, or other similar fermented liquor, containing more than 3.2 percent of alcohol by weight, the burden of proof shall be on such manufacturer to show that the liquid so manufactured or sold contained not more than 3.2 percent of alcohol by weight. In any case where a manufacturer, who has been permitted to develop a liquid such as beer, ale, or porter, containing more than the maximum alcoholic content specified in the permit, is charged with failure to reduce the alcoholic content to or below such maximum before such liquid was withdrawn from the factory or otherwise disposed of, then the burden of proof shall be on such manufacturer to show that the alcoholic content of such liquid so manufactured, sold, withdrawn, or otherwise disposed of did not exceed the maximum specified in the permit. In any suit or proceeding involving the alcoholic content of any beverage, the reasonable expense of analysis of such beverage shall be taxed as costs in the case.

(c) Whoever engages in the manufacture for sale of beer, ale, porter, or other similar fermented liquor, without such permit if such permit is required, or violates any permit issued to him, shall be subject to the penalties and proceedings provided by law in the case of similar violations of the National Prohibition Act, as amended and supplemented.

(d) This section shall have the same geographical application as the National Prohibition Act, as amended and supplemented.

SEC. 5. Except to the extent provided in section 4 (b) (2), nothing in section 1 or 4 of this act shall be construed as in any manner authorizing or making lawful the manufacture of any beer, ale, porter, or other similar fermented liquor, which at the time of sale or removal for consumption or sale contains more than 3.2 per cent of alcohol by weight.

SEC. 6. In order that beer, ale, porter, or other similar fermented liquor, containing 3.2 per cent or less of alcohol by weight, may be divested of their interstate character in certain cases, the shipment or transportation thereof in any manner or by any means whatsoever, from one State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, or from any foreign country, into any State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, which fermented liquor is intended, by any person interested therein, to be received, possessed, sold, or in any manner used, either in the original package or otherwise, in violation of any law of such State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, is hereby prohibited. Nothing in this section shall be construed as making lawful the shipment or transportation of any liquor the shipment or transportation of which is prohibited by the act of March 1, 1913, entitled "An act divesting intoxicating liquors of their interstate character in certain cases" (U. S. C., supp. VI, title 27, sec. 122).

SEC. 7. Whoever orders, purchases, or causes beer, ale, porter, or other similar fermented liquor, containing 3.2 per cent or less of alcohol by weight, to be transported in interstate commerce, except for scientific, sacramental, medicinal, or mechanical purposes, into any State, Territory, or the District of Columbia, the laws of which State, Territory, or District prohibit the manufacture or sale therein of such fermented liquors for beverage purposes, shall be fined not more than $1,000 or imprisoned not more than 6 months, or both; and for any subsequent offense shall be imprisoned for not more than 1 year. If any person

is convicted under this section, any permit issued to him shall be revoked. Nothing in this section shall be construed as making lawful the shipment or transportation of any liquor the shipment or transportation of which is prohibited by section 5 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1918, and for other purposes," approved March 3, 1917, as amended and supplemented (U.S.C., supp. VI, title 27, sec. 123).

SEC. 8. Any offense committed, or any right accrued, or any penalty or obligation incurred, or any seizure or forfeiture made, prior to the effective date of this act, under the provisions of the National Prohibition Act, as amended and supplemented, or under any permit or regulation issued thereunder, may be prosecuted or enforced in the same manner and with the same effect as if this act had not been enacted.

SEC. 9. This act shall take effect on the expiration of 15 days after the date of its enactment, except that permits referred to under section 4 may be issued at any time after the date of enactment, and except that liquor taxable under section 1 may be removed prior to the effective date of this act for bottling and storage on the permit premises until such date, and, when so removed, shall be subject to tax at the rate provided by section 1.

SEC. 10. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

During the reading of the bill the following occurred:

Mr. O'CONNOR. Mr. Speaker, the Clerk is evidently reading a bill which differs from the printed bill we have here.

Mr. CULLEN. It is true; the bill the Clerk is reading differs in a few minor respects from the one before the House. The differences are of a minor character. On page 2, line 20, it provides, "First. Brewers shall pay $1,000." We have inserted "in respect of each brewery."

On page 6, line 16, it provides, "Such liquids may be developed, under permits under the National Prohibition Act, as amended and supplemented, by persons other than manufacturers of beverages containing not more than 3.2 per cent of alcohol by weight and sold to such manufacturers for conversion into such beverages."

That language has been stricken out as not necessary.

The Clerk completed the reading of the bill.

Mr. CULLEN. Mr. Speaker, I yield myself 5 minutes. Mr. Speaker and Members of the House, we listened yesterday to a message from President Roosevelt, in which, in his vigorous and characteristic manner, he startled even his closest friends and admirers when he delivered a message to Congress advocating the immediate modification of the Volstead Act and permitting the manufacture and sale of beer.

The President in his message made it emphatic that he deemed it highly important that legislation be passed by Congress immediately in order to provide for additional revenue. In my judgment, the country and Congress is with him unanimously.

This bill H.R. 3341 comes from the Committee on Ways and Means and has received very careful and conscientious consideration by the subcommittee of the Democratic members of the Ways and Means Committee. There is not the slightest doubt in my mind that this worthy measure merits the approval of the entire Membership of this House.

It conforms in every respect with the platform approved by the Democratic National Convention at Chicago. [Applause.] And the President referred to it as one of the foremost campaign pledges to the people. I hardly think that anyone will take issue with me when I have the temerity to state that this measure was overwhelmingly endorsed by the American people in the national election on November last.

I stand here, Mr. Speaker, advocating the balancing of the Budget during this special session of Congress. The President has already impressed upon the Congress the urgency of such a step, and the passage of a beer bill will go a long way toward helping alleviate the distress and suffering in the country.

It has been conservatively estimated by Treasury experts, and the testimony is before the committee, that we can raise between $125,000,000 and $150,000,000 in revenue if this bill becomes a law in the first year. If the House will adopt this bill, we will also, in my opinion, be performing our duty to the electorate of the country, and assist in raising this much-needed revenue, to place the Nation's credit on a sound financial basis.

Needless to say, it will be a boon to agriculture as well as to various manufacturing interests, at a time when business is practically at a standstill. It will help to revive many dormant industries. Besides, the thing of most importance is to take into consideration the fact that it will give employment to a half million people throughout our land. For the information of the House, I shall now enumerate the number of industries which will benefit from the passage of this bill and also information showing the amount of revenue which will be derived therefrom.

IN SUPPORT OF THE BEER BILL—THE AMOUNT OF REVENUE TO BE OBTAINED

H. A. Huber, vice president of the Anheuser-Busch, St. Louis, Mo., and also vice president of the United States Brewers' Association, testified that the revenue from barrel beer was as follows:

Year	Number of barrels	Amount of revenue
1915	58, 808, 000	$78, 328, 000
1916	58, 633, 000	88, 771, 000
1917	60, 817, 000	91, 897, 000
1918	50, 266, 000	126, 285, 000
1919	27, 712	117, 839, 000
1920	9, 231, 000	41, 966, 000

The tax per barrel of 31 gallons in 1914 was $1, and became $6 July 1, 1919. Prior it was $3 per barrel. There was an additional retail malt revenue tax of 25 cents per establishment where malt liquor was sold. Mr. Huber testified that under the instant act the brewing industry would soon be manufacturing and distributing 40,000,000 barrels of beer per year. At the rate of $5 per barrel, this would give a revenue of $200,000,000. It must be remembered that it would take some months before the brewing industry would get into those strides, but when it does it will be an easy matter to produce and sell 40,000,000 barrels of beer a year.

NUMBER OF PLANTS

In 1914 there were 1,392 operating brewers; in 1930 all that was left was 231. They are still in existence and operate under permits from the Government.

AMOUNT OF MONEY INVESTED

In 1914 $858,000,000 was invested in the brewing business, when there was made and manufactured 66,000,000 barrels. This bill would soon put this capital and more to work again.

ECONOMIC BENEFITS

According to the Department of Census, in 1914 there was 76,893 men employed in the brewing business. It has been estimated there was a total of 400,000 more men employed in the production of materials and in the sale and distribution. These estimates are the estimates of Mr. Huber. On the other hand, Matthew Woll, of the American Federation of Labor, stated that in 1919, 1,250,000 workers were engaged in the brewing and allied industries which supplied machinery, material, and supplies to the brewing industries, employing workers in the following trades and callings: Coopers, hoopmakers, boxmakers, lumberjacks, carton workers, glass-bottle blowers, plumbers, plumber's helpers, steamfitters, steamfitter's helpers, electrical workers, machinists, molders, patternmakers, boilermakers, boilermaker's helpers, elevator constructions, automobile mechanics, carpenters, painters, bricklayers, ironworkers, steelworkers, cement-finishers, engineers, firemen, oilers, coal-passers, laborers, brewers, bottlers, teamsters, printers, pressmen, photoengravers, lithographers, bookkeepers, stenographers, clerks, salesmen, and so forth.

In addition to these must be added the thousands of workers engaged in coal mining, in the transportation industry, and agricultural workers. Mining, transportation, and agriculture are three of the basic industries of our country.

The brewing industry from June, 1916, to June, 1917, consumed 3,220,000 tons of coal. These figures are taken from a statement attributed to the coal administrator and published by the Anti-Saloon League in its offical organ in 1918. To transport that coal it required 180,000 freight cars.

It required thousands of teamsters to transport the coal and grain from the railroad yards to the respective plants. Thousands of automobile trucks were used for this work.

During the same period the brewing industry consumed 3,924,585,831 pounds of grain and other farm products. This amounts, in round figures, to 83,501,911 bushels of grain annually.

These statistics were issued by the Prohibition Bureau.

There are no records available as to the number of men required to mine the coal and harvest the grain, or how many railroad workers it required to transport the coal and grain to the breweries. It is safe to estimate that it required many thousands of coal miners, farmers, and transportation workers to mine the coal, harvest the grain, and transport these products.

RELIEF TO THE FARMERS

To manufacture 40,000,000 barrels of beer the following farm products are used: 44,000,000 bushels of malt; 800,000,000 pounds of other cereals, such as rice, corn, sugar, and so forth; 30,000,000 pounds of hops.

BENEFITS FROM THE TAXES

There would be a great increase in municipal and State taxes, income taxes, gasoline and automobile taxes.

CONCLUSION

In conclusion, it is estimated that there would have to be a new expenditure of $360,000,000 within the next year—new money—to rehabilitate the brewing plants of the United States in order to produce 40,000,000 barrels of beer.

This would involve new equipment, machinery, buildings, refrigeration, new cases, new barrels, labels, packing materials, cooperage, automobiles, trucks, advertising, stationery, and so forth.

Mr. TREADWAY. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. BRITTEN].

The SPEAKER pro tempore (Mr. REILLY). The gentleman from Illinois [Mr. BRITTEN] is recognized for 5 minutes.

Mr. BRITTEN. I am satisfied that anything that might be said on the floor of the House today will not influence any votes, nor will it change a single vote. My idea is that we are wasting 3 hours of very valuable Government time in debating this question. [Applause.] Every man and woman on the floor of the House has his or her mind definitely made up that this legislation should be enacted or defeated in the shortest possible time. I think it should be passed at once in the best interests of the National Treasury. We need the $150,000,000 a year or more that will be collected immediately this bill passes. There are other elements I would call to your attention. Illinois, for instance, yesterday repealed all of its prohibition enforcement laws. We have no prohibition laws in Illinois. We need this modification of the Volstead Act to guide us in the development of our plans for the regulation of the traffic in alcoholic beverages.

The President last Friday requested the House to pass very important economic legislation. He did so because the Treasury is depleted. The Treasury needs the money, and this is the easiest way and the most practical way to get $150,000,000 to $200,000,000 a year. It will be paid cheerfully by those only who wish to pay it. I have every sympathy for States like Kansas and Oklahoma that desire to be dry. There is nothing in this legislation that makes them wet. They may do as they please about their alcoholic beverage traffic, and it should be so. I know that you will agree with me that those States which wish to be wet or partially wet are entitled to that same consideration. I said to my friend from Texas [Mr. BLANTON] a year and a half ago that unless we passed a beer bill we would be putting stamps on commercial checks and enacting all sorts of nuisance-tax legislation. He stood on the floor of the House and said it would not be done, but it has been done. We will have to go farther than that, unless some legislation of this character prevails, because the economy bill which we passed last week will not begin to balance the Budget. We have to have revenue-collecting measures as well, and if we are successful in balancing the Budget and collecting revenue from bills like this one, we can then give serious consideration to removing all of the nuisance taxes which have been enacted in our quest for revenue-producing measures.

I hope this bill will pass immediately. It is not necessary to waste 3 hours' debate upon it. On the Republican side we have many so-called "wets" who are not even asking for time, and we have a number of drys on this side also who are not asking for time. Let us vote this bill up or down, without wasting 3 hours of Government time. [Applause.]

Mr. Speaker, this is the third time within a week that a great majority of the Republican side of this House will support President Roosevelt in his request for important legislation looking toward the balancing of the National Budget. It is by far the finest demonstration of nonpartisan politics that has been presented during my more than 20 years' service. It is a distinct evidence that Republicans and Democrats alike feel that the country is back of the new President and that he should be given every possible assistance from Capitol Hill.

In his request for a modification of the Volstead law, President Roosevelt is meeting a popular demand for a wholesome, healthful beverage, while at the same time striking a deathblow to the speak-easy, the beer racketeer, and those who are selling a poor near-beer under circumstances that would make this beverage appear to be real beer, and at an extortionate price. The city of Chicago will undoubtedly, immediately upon the passage of this bill, license such places where real beer may be sold and consumed. This act will put a large amount of money into the city treasury and will at the same time put under positive control every place or location where beer might be sold. My city is whole-heartedly in favor of the bill which is now before you.

Mr. TREADWAY. Mr. Speaker, I yield 45 minutes to the gentleman from New York [Mr. CROWTHER].

Mr. CULLEN. Mr. Speaker, I yield 45 minutes to the gentleman from Arkansas [Mr. RAGON].

Mr. RAGON. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, this is, indeed, a strange period of time. When in 1917 I first came to Congress, even before I took the oath of office, I attended here in this Chamber a Democratic caucus. I never shall forget that caucus. There arose and stood over yonder near that door a man of statesmanlike appearance who made a wonderful speech. Every word of it pertained to serious problems. It impressed me deeply. He was Hon. HENRY T. RAINEY, of Illinois, who has become our Speaker of the House of Representatives. I have never forgotten what he said on that occasion. There was nothing trivial or unimportant in his speech.

Sixteen years have passed. Knott, a cartoonist little inferior to the great Berryman, has recently made a most disgusting portrayal of our distinguished Speaker. On the editorial page of the Dallas News, published at Dallas, Tex., on Tuesday, March 7, 1933, is Knott's ridiculous cartoon headed, "What This Country Needs Is Liquid Assets," attributed to the Speaker. Below is a caricature of Hon. HENRY T. RAINEY, the great statesman, the great Speaker, next in power to the President of the United States, pictured as a smiling bartender, with his white apron tied around him, and in his shirt sleeves, busily serving, with waiter in his hands, a huge mug overflowing with foaming beer. And across the white apron of this bartender are the words "Speaker RAINEY."

I resent the implication of this cartoon. Just under it is the admonition, "Read editorial, 'Something Besides Beer.'" And attached to this cartoon is the following editorial, written by the editor of the Dallas News:

SOMETHING BESIDES BEER

The contribution of Speaker RAINEY to the situation which is rapidly centering war-time powers upon the shoulders of the new

President is that he hopes to see beer legalized. The banks need steadying, and Mr. Roosevelt and the financiers of the country are bending every thought to that end, but Speaker RAINEY is interested in beer. While the whole country hangs upon the solution of matters of moment that embarrass commerce and hinder the ordinary routine of daily existence, the Speaker recommends beer. Millions ask for a safe, available, and stable medium of exchange whereby they can keep business going, build up the structure of industry, and maintain American homes, but the parrot voice of RAINEY pipes up with the repetitious cry of "beer"!

The President, however, does not seem to believe that the key to the situation is a bungstarter. Promptly calling Congress to convene on Thursday next—as, indeed, he was almost bound to do—he set about submitting a program for immediate and effective action. In short, he proposes to provide that Executive leadership which the country has lacked these 4 years gone.

The framework of American Government was designed to restrain a strong Executive, it is true, but it was built also for an Executive strong enough to need restraint. Our high days as a Republic have come under our strong Presidents. When weak men dwell in the White House the checks and balances of the Constitution become something out of which to build an alibi. The constitutional inabilities of such men are largely of their own confessing. Franklin Roosevelt is ready to exercise power to the full—and to be held accountable for it. Any other spirit would be futile; indeed it might be almost fatal. In the courage of the President, America takes heart.

The Dallas Morning News is the greatest outstanding daily newspaper in the State of Texas. It has never been dry. It has always been wet. It assumed, as I did, that no beer message would come from the White House in this crucial hour. It assumed, as I did, that business of more importance than beer would come before this House. But neither our President nor our Speaker must be censured too severely. They have been overwhelmed with this frenzied cyclonic clamor for beer. It must run its course. Then former drys, now voting wet, will resume dry voting and help us to repair the damage.

It is just such cartoons and editorials which have caused the people to have contempt for Congress. They are thus influenced to believe that Congress is fiddling while America burns. The ones who distinctly remember believe that beer just now is the worst curse Congress could bring upon the people. I resent such pictures as we see in this morning's press of my good friend, the great chief from New York [Mr. CULLEN], the present leader, who today has bodily taken over the great Ways and Means Committee, whom we all love—the author of this bill. He has not only deposed our friend DOUGHTON, chairman of the Ways and Means Committee, but he has also taken the floor away from our Democratic majority leader, who ought to be handling all emergency legislation from this floor. Thus in the press today Mr. CULLEN, with our good friend, that eminent scientist, Dr. SIROVICH, who not long ago admitted here that he could improve on God Almighty's formula for milk, are pictured, bungstarter in hand, opening a keg of real beer. Thus they were pictured as presenting a glass of beer as the paramount thing of greatest importance to the American public.

My friend from New York [Mr. CULLEN] brought in this bill this morning that was not even numbered. If he had not been high up in the councils, he could not have gotten it printed, because you cannot print a bill until it has been introduced. His bill was printed before it was introduced—introduced here this morning out of his hip pocket. There was a hurried meeting of the Committee on Ways and Means, and "immediately" he had that committee report it out. Good heavens, they did not even have time to read it! But in behalf of my friend from New York [Mr. CULLEN] let me say he did not have the effrontery to insult the American people with any declaration in this bill that the beer that is intended to be manufactured by this legislation is not to be intoxicating. He did not declare in this bill that this beer is not intoxicating. That would have been a farcical comedy.

Mr. O'CONNOR. Did the gentleman read the title of the bill?

Mr. BLANTON. Oh, the title does not count and is no part of the legislation. It is what is in the bill.

Mr. CULLEN. Of course, the bill was read, every line of it, by the Clerk.

Mr. BLANTON. Oh, yes; scientifically, just as our reading clerk sometimes hurriedly reads a bill. It was not carefully considered. But I must commend him for the gentleman did not declare it was not intoxicating. That would have been the last straw.

Mr. CULLEN. The language is what is in the bill.

Mr. BLANTON. But the gentleman knows it is to be intoxicating, does he not?

Mr. CULLEN. Mr. Speaker, in answer to the gentleman——

Mr. BLANTON. The gentleman knows it is to have plenty of thrill in it, does he not? [Laughter.]

Mr. CULLEN. I want to say the bill speaks for itself.

Mr. BLANTON. Certainly. Why did you leave the District of Columbia out? Why did you not provide this foamy, 3.2, nonintoxicating, innocent beer for the District of Columbia?

O Mr. Speaker, I want to say to my new friends here—164 of them—do I appear to be a fanatic because I am fighting a beer bill? Am I a fanatic because I am opposing a beer bill? Has the time come in the history of this Nation when a man cannot stand against intoxicating-beer saloons without being called a fanatic? I want to say to you 164 new Members of this House, do not ever get it into your heads for one minute that beer sent you to this Congress. It did not send you here. If it sent you here, why did it leave that great wet leader, Senator Bingham, in Connecticut? Why did it leave the author of this bill in the Senate, wet Senator Blaine, at home in Wisconsin? Why did it put the servant of the liquor interests here, who every time he opened his mouth spoke in their behalf, John Schafer, back in Milwaukee? Why did it leave Chindblom back in Chicago and Igoe in Illinois?

Mr. BRITTEN. Will the gentleman yield?

Mr. BLANTON. Why did it almost leave the great wet leader, FRED BRITTEN, in Chicago? [Laughter and applause.] Why did it deny the White House to that great democratic Democrat, Al Smith, in 1928? Did he not stand for beer? Did he not stand for hard liquor? President Hoover stood for the eighteenth amendment and against the saloons, and this country went for him and against Al Smith by as great a majority as it recently went for Franklin D. Roosevelt.

Mr. CELLER. And where did it leave Hoover?

Mr. BLANTON. Oh, it was not beer. It was "the new deal."

Mr. BRITTEN. Will the gentleman yield?

Mr. BLANTON. In just a moment, please. I know this bill is going to pass. [Laughter.] If I could have stopped this bill by objecting this morning, it would have been stopped, and you know it. A man who has held well-defined principles upon which he has spent his whole life does not change them overnight.

I respect your views. I know that many of you think just the opposite from my views on this question. I believe you are in earnest. I respect your views, just as I want you to respect mine, but I want to say to you this: The same public sentiment that is now behind this beer, as you think, coming, as you think, from most of the people of the United States, can change overnight. Whenever you begin to put the beer saloons back, whenever you begin to put beer gardens over the country, whenever you begin to put road houses along 60-mile highways, you are going to find that the fathers and mothers of this country are going to wake up and sentiment is going to change. Then other things may change.

Mr. BOYLAN. Will the gentleman yield?

Mr. BLANTON. I always yield to my friend from New York, because he is a squareshooter. He thinks just the opposite from my views on this question, but he is fair, and he is Irish and I am Irish, so I yield.

Mr. BOYLAN. The gentleman knows I respect him and respect his views.

Mr. BLANTON. As I do the gentleman's.

Mr. BOYLAN. The gentleman knows that the regulation as to the sale of beer, as to the places, and so forth, will be entirely in the hands of the respective States.

Mr. BLANTON. The gentleman knows that if he did not have an opportunity of walking up to the rail and putting

his foot upon it and taking a few with his friends, and then, "Oh, let's have another one before we go," and "Oh, let's have another one," the gentleman knows he would not want this bill, and if it did not intoxicate he would not have it. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. CULLEN. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. HEALEY].

Mr. HEALEY. Mr. Speaker, on November 8 this country from coast to coast, from the Atlantic to the Pacific, from Canada to Texas, delivered a mandate to the President and Congress in clear-cut and unequivocal language, and that mandate was that the American people are definitely through with prohibition.

Both major parties contained planks in their platforms based upon existing sentiment; yes, dictated by the existing sentiment in America calling for repeal of the eighteenth amendment. The phraseology of the Republican platform was ambiguous, but the Democratic platform in clear and concise language contained the plank of that great Democrat and great American, Alfred E. Smith, calling for the repeal of the eighteenth amendment and in the interim the modification of the Volstead Act. [Applause.]

That straightforward plank committing this great political party to definite action, in my opinion, more than anything else resulted in the seating in this House of the unprecedented majority of the members of my party. [Applause.] That time is now here to redeem that pledge, and I trust that the Members of this Congress will make the proposed legislation a law with the same alacrity with which they responded to the two first bills proposed by the President of the United States. [Applause.]

This is the first revenue-bearing act offered to this Congress. We have passed legislation to correct the banking situation. We have passed emergency economy legislation. But this is the first legislation to be presented to Congress which points out the way for sorely needed revenue for our National Treasury. The proposed legislation would tax the products of beer at $5 a barrel. Based upon corrected and compensated statistics, the annual production of beer would amount to 40,000,000 barrels. This would bring in an annual revenue of $200,000,000 from the direct manufacture of beer alone. This would become quite an appreciable assistance in the herculean task of balancing the Budget.

Not only that, my friends; it would also bear a State tax and, eventually, a municipal tax. Sitting here in Congress, I wonder if these gentlemen fully realize the situations in our respective States back home. I represent four cities and two large wards of another city for the metropolitan district of Boston. These are largely residential communities, where the basic and almost sole burden of taxation is borne primarily by the home owner. The average tax rate in those cities is between $35 and $40, and the assessments are high, although it is fair to estimate that real estate has depreciated about 50 percent. Still assessments have not fallen but have tended to go up, because struggling municipalities have had no other recourse but to this in order to raise the immense revenue demanded by the present abnormal conditions. Revenue of any form will assist these municipalities and consequently reduce the burden of taxation being carried by these small-home owners. Hundreds of foreclosures because of inability to pay taxes, water rates, municipal service rates, and interest on mortgages are being effected every day with the consequent centralization of real estate into the hands of banks and mortgagees. This bill will not only increase the actual value of some real estate and produce a revenue therefrom; it will also draw out a revenue from the fees for licensing and permits for those places that will eventually be authorized to retail this product.

Moreover, this bill will tend to lift from the backs of the overburdened taxpayer some of the millions of dollars annually spent by our Government in a vain endeavor to enforce an unenforceable act.

Few of the breweries now in existence are in a position to operate immediately when this law is passed. It means rebuilding of plants, renovating, overhauling, the installation of new machinery, and immense expenditures for rehabilitation of plants. On the most reliable information I am informed that in my own section of the country, New England, there are 16 breweries ready and 59 getting ready to go into operation at an estimated expenditure of $70,000,000, and that they will be prepared to employ in a short time some 15,000 workers.

Three hundred and sixty millions of dollars will be spent within 1 or 2 years on this development. It would mean spending $75,000,000 for materials, $12,000,000 for new beer cases, $15,000,000 for bottle manufacture, $5,000,000 for labels, crowns, and packing cases, $40,000,000 to $50,000,000 for new cooperage, $15,000,000 for new automobiles and trucks, and $16,000,000 to $20,000,000 for advertising annually. This is the estimated expense of the brewing trade alone. It is, of course, unnecessary to remind the Members of the tremendous stimulus to business this expenditure would mean and the pronounced effect on economic recovery which it would produce. The production of materials for beer is almost as broad as the expanse of this Nation. Eight hundred million pounds of barley and rice from the Dakotas, Minnesota, and Iowa would be required; 30,000,000 pounds of hops from Washington, Oregon, California, and New York State would be required; oak timber from Arkansas and the Southern States would be needed—oh, my friends, it is impossible to realize the tremendous and far-reaching effects which would be produced by this legislation.

I have referred to the revenue-producing aspect of this bill for the State, city, and Nation. But the most compelling reason for the passage of this legislation is to send away the word that Congress has taken the first step to provide employment to a portion of those 11,000,000 men who are idle, not because of their own volition, not because of their incapacity to work, but because of a disordered society whose victims they are.

It is estimated that the opening up of the breweries and the retail distributing houses will put to work 300,000 men. But that does not take into account the coopers, railroad men, farmers, coal miners, and hosts of others that will be furnished employment. Mr. Woll, the labor committee's representative for the modification of the eighteenth amendment, has estimated that this legislation will put to work, not immediately but before long, 1,000,000 of those 11,000,000,000 unemployed men and women in brewing and associated industries. There is no corner of this Nation so small that it will not be benefited by this legislation, nor is there any city so large that it will not feel the beneficial effects of this change.

The Ways and Means Committee has heard physiologists, scientists, toxicologists, chemists, and other noted men of science and medicine who have testified upon matters relating to the constitutionality of this proposed bill. It is reasonable to assume from their testimony that 3.2 per cent beer is nonintoxicating in fact and that the passage of this act will not violate existing law and will not be interfered with by any court in our country, including the United States Supreme Court.

It is true that passage of this legislation will not constitute a panacea for the unemployment problem and the panic conditions, nor will it eliminate all of the evils that have been brought about by the Volstead Act. But it is fair to assume that it will go a long way toward ameliorating the present critical conditions.

Give to the people beer made under properly controlled and hygienic laboratory conditions. Add to the Nation's revenue the $200,000,000 that would be collected from this source. Create a better social and moral atmosphere by, if not the elimination, at least the control to a degree, of the law violator, the thug, and the racketeer who are today engaged in the beer business, placing it back into responsible, legitimate hands under Government supervision and

control. Give to the people the honest employment to which they are entitled so that they may be freed from the demoralizing effects of the public-welfare lists. Put an honest week's wages in their pockets so that they may again acquire renewed courage, hope, and self-respect. Give the Nation's industries and workers this opportunity to again stand on a sound and stable basis and allow the vast benefits of this legislation to accrue immediately to the benefit of our common country. [Applause.]

Mr. CROWTHER. I yield 15 minutes to the gentleman from Kansas [Mr. GUYER.]

Mr. GUYER. Mr. Speaker, I was just thinking what a tragedy it was that so fine a young man with a ringing voice like that of the gentleman who just stood here should make his maiden speech upon this floor in behalf of beer. He spoke of the mandate of the American people upon liquor. I want to tell you that Mr. Roosevelt or anyone else on the Democratic ticket could have been elected this year upon a platform that declared for the repeal of the law of gravitation.

He talked about the clear-cut platforms. There was one thing clear-cut in both platforms. The Democratic platform promised to "effectively prevent the saloon." The Republican platform declared to "safeguard our citizens everywhere from the return of the saloon."

The passage of this bill insures the return of the saloon in New York, in New Jersey, and all of these States where it will take effect at once. What if it does not? I think it would be better for the beer to be sold in a saloon than to be sold in drug stores, restaurants, and filling stations, but there is nothing in this bill that guides or controls the distribution or sale of liquor. That makes the saloon inevitable.

I want to call the attention of this House again to two fundamental principles involved in this bill. One of them should attract the attention of every man upon this floor—because the men upon this floor have more than ordinary intelligence, notwithstanding what has been said about us in the newspapers now and then—and that is that this bill is contrary to the fundamental law of this land, the Constitution of the United States, and this law nullifies the Constitution by act of Congress.

You remember what your great Democrat, Andrew Jackson, said to John C. Calhoun down here at the old Southern Hotel 101 years ago. This law goes further than John C. Calhoun ever went upon nullification, and John C. Calhoun was standing back of great principles—the principles of great political leaders. That question was settled long ago. This is a nullification of the Constitution. As has been said here again and again, the beer provided by this bill is intoxicating. No sincere man will contend that intoxicating beer will not be sold. The Constitution forbids the manufacture and sale of intoxicating liquor. This bill provides for that very thing, hence means nullification.

Another thing to which I desire to call attention is the oath we take as Members of this House. I do not think any man here, any more than myself, would knowingly and intentionally violate his oath of office; but we took a solemn oath to support and uphold the Constitution of the United States, and if you vote for a bill that nullifies a part of the Constitution you are, in my opinion, not observing your oath of office.

We say we need the money. Abraham Lincoln, in 1862, signed a bill which imposed an excise tax on liquor; and when he came to sign the bill he held his pen up and hesitated, saying, that if he believed it would not be repealed after the necessity for it was gone, he would never sign it because he had seen so much of the degradation produced by whisky and liquor in his time that he did not think the Government of the United States should share in crime for a price, to sell a poison to its citizens that degrades manhood and condemns women and children to lives of wretchedness and despair.

Mr. MAY. Mr. Speaker, will the gentleman yield for a question?

Mr. GUYER. Yes.

Mr. MAY. Would the gentleman prefer that the revenue from the liquor traffic should go to the bootleggers of the country rather than to the Government of the United States?

Mr. GUYER. I would rather it would not go to anybody. Because some bootlegger makes money out of this is no reason why the Government of the United States should divide the swag with the outlawed liquor traffic in contravention of the Constitution of the United States.

Mr. CROWTHER. The answer to that is that if there were no customers there would be no bootleggers.

Mr. GUYER. Yes.

Mr. LEE of Missouri. Is it not true that the principal industry in that part of the gentleman's State contiguous to my State is the manufacture of bootleg whisky for sale to the people of Missouri, Oklahoma, and Arkansas?

Mr. GUYER. No; the gentleman knows very well that is not so. I was mayor of a city of 100,000 people, and we were right up against Kansas City, Mo., which had 32 saloons in one block, and know how much Missouri depends upon Kansas for booze.

Mr. LEE of Missouri. It is your chief product today.

Mr. GUYER. The gentleman either does not know what he is talking about, or he is depending upon utterly false information. The part of my district contiguous to his does not produce liquor enough to supply one Missouri bootlegger.

Mr. LEE of Missouri. I assure the gentleman I do know what I am talking about.

Mr. GUYER. Mr. Speaker, I do not yield further. My district is right on the border, and I defy any man when he says that the chief occupation of my district is the manufacture of bootleg whisky. It is not true, and every intelligent person who is informed knows it.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

Mr. GUYER. I yield.

Mr. BRITTEN. I realize fully from my experience with the gentleman from Kansas that he is a sincere dry. With this knowledge in mind, how does the gentleman know whether 3.2 percent beer is intoxicating and how does the gentleman know whether any liquor is being sold in his district or not? The gentleman would not know liquor if he saw it in a glass.

Mr. GUYER. I know the effects of it [laughter], and I can observe those who use it; and I know that the officers in the State of Kansas enforce the law in the counties that are along the Kansas border in my district.

Mr. BRITTEN. Will the gentleman yield again?

Mr. GUYER. Yes.

Mr. BRITTEN. Is the gentleman suggesting to the House that liquor cannot be purchased in Kansas?

Mr. GUYER. No; you can commit murder in Kansas in 15 minutes any place, and you can break any law there, including the prohibition law, but few laws are better enforced.

Mr. BRITTEN. That is not an answer to my question as to whether liquor is sold in Kansas.

Mr. GUYER. Certainly; it is sold in every State in the Union to some degree. All laws are violated, but every day men are arrested for violations of the prohibitory law as they are for other violations.

Mr. BRITTEN. Yes; and it is sold all over the State of Kansas.

Mr. GUYER. Not all over the State of Kansas. It is enforced as well as other laws in Kansas.

Mr. BRITTEN. And the gentleman knows it.

Mr. GUYER. No; I do not.

I am utterly surprised at the stupidity of you wets. [Laughter.] Let me tell you something. From the day when you pass this beer bill the repeal of the eighteenth amendment is doomed [applause], because the excesses under it will so disgust the people that even those who are inclined to favor repeal will not do so; and you watch the history of this matter now.

Now, you say we want the revenue and we want it for the good of the people of the United States. I have the greatest admiration for the President of the United States.

I believe he is sincere, I believe he wants to help the poor people of this country, but I can not understand his logic when in this great crisis, with all the banks of the country closed, he comes here and asks us to pass a beer bill for the relief of the country.

Who is going to pay the tax on this beer of $150,000,000? Why, you see it is the poor man's drink. The laboring man is going to drink this beer. Who is going to pay at least two thirds of this tax? Why, it is the laboring man. Two out of every three nickels that go into the brewer's big box are going to come from the laboring man—the man above all others who needs this money at this time.

I do not think I ever lost very much sleep worrying about the future or the perpetuity of the Democratic Party. I could not truthfully say that I have. But I want to call the attention of the Democrats here to something that was told you by one of the greatest of Democrats, I think, who served in this House during my time. He told you this at the Houston convention in 1928. I know that every man on this floor has profound respect for our beloved colleague of a few years ago, Mr. Crisp, and I want to tell you what he said to the Democratic convention at Huston, and you had better remember what he said. I do not know whether I can read this very well or not. I am not very much used to reading Democratic speeches, but I will try to do the best I can.

Mr. PALMISANO. Will the gentleman yield?

Mr. GUYER. Not now; do not interrupt Mr. Crisp;

Democracy will not compromise with error.

He is talking about prohibition:

Ladies and gentlemen, since the birth of the Nation there have been two great moral issues before our people. One of them was slavery. I am a southern man. My forebears were slave owners, which was authorized under the law. Therefore, what I say is intended in no way to be a stricture on the gentlemen of those old days. The party to which I belong and its predecessor—

He means the Whig Party and the Democratic Party—

and the Republican Party for years prior to 1860 endeavored to compromise with the great moral question of slavery. In 1860 the Republican Party assumed the responsibility of denouncing slavery and took a bold stand on slavery. They did not compromise and they won the election; and from that time to this only two Democrats have been elected to the White House—Grover Cleveland and Woodrow Wilson—and history will record them as two of the greatest Presidents of the United States. [Applause.]

I add my sentiments to those of Mr. Crisp:

Today another moral question is before the American people, and the Democratic Party, as I understand it, cannot afford to compromise with this question.

Mr. O'CONNOR. Will the gentleman yield?

Mr. GUYER. Yes.

Mr. O'CONNOR. The gentleman would not say that the Democratic Party is compromising with the prohibition question when we are about to repeal the eighteenth amendment?

Mr. GUYER. You are doing worse than compromising—you are absolutely, whole-heartedly on the side of repeal and the saloon; and if the Democratic Party wants to change its emblem from the old, venerable jackass to the beer keg, it can do it as far as I am concerned. [Laughter and applause.]

Mr. CELLER. Will the gentleman yield?

Mr. GUYER. No; I have not time now.

Every Sunday evening the President has a kind of vespers service over the radio, and I am glad he is doing this. He inspired great confidence in the people last Sunday night. You know, I did not vote for him, but when he was elected he became my President, and when he speaks, he speaks to me with the voice of 120,000,000 American people. I suggest that at the vespers service on next Sunday night, he talk about beer.

[Here the gavel fell.]

Mr. CROWTHER. Mr. Speaker, I yield the gentleman 2 minutes.

Mr. GUYER. I know how his ringing voice will come to the people as he says, "O ye that thirst, come and drink of this Democratic water. Eat at the free-lunch counter, drink, and be merry, because we need the revenue."

Now, seriously, I do not believe that this bill should pass, but "God moves in a mysterious way His wonders to perform," and I am sure of this one thing, that if you pass this beer bill today the repeal of the eighteenth amendment will never occur.

Mr. CELLER. Will the gentleman yield?

Mr. GUYER. Yes; I will yield.

Mr. CELLER. If the passage of this bill will prevent the repeal of the eighteenth amendment, why is the gentleman against it?

Mr. GUYER. First, because it is in violation of the Constitution of the United States, and I believe it to be in violation also of my oath of office.

Mr. ADAMS. Will the gentleman yield? In order to enable me to cast an intelligent vote, I would like the gentleman's opinion as to what alcoholic content would be permissible under the Constitution.

Mr. GUYER. Anything that does not intoxicate, and that is up to the courts.

Mr. ADAMS. What right have the courts to fix the alcoholic content?

Mr. GUYER. The courts do not fix the alcoholic content but they may decide whether the sale of a liquor violates the provisions of the Constitution.

Again I say I am surprised at the monumental stupidity of the liquor interests that press with breathless haste this measure of nullification. Their stupidity was responsible for the eighteenth amendment and their stupidity at this time in pressing this measure will forever prevent the repeal of the eighteenth amendment. The excesses and the flouting of the Constitution and laws will end in the disgust of the people with lawlessness. For example, this bill makes no provision for the sale and distribution of beer. Of course, that means that it will be sold in saloons. The saloon with its excesses forced the enactment of the eighteenth amendment to the Constitution, and now this beer measure will in its turn prevent its repeal. There is in the mind of the people a deep-seated hatred for the saloon and this will be a most powerful argument against the repeal of the eighteenth amendment. [Applause.]

Mr. CULLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. LEE].

Mr. LEE of Missouri. Mr. Speaker and ladies and gentlemen of the House, I have been much amused at the speech of the gentleman from Kansas. If I were to take the Representative of the biggest part of Kansas, I would take Mr. McGUGIN. But if we took the industry that brings in the most money, I should say it was the bootleg-liquor industry.

Mr. GUYER. Will the gentleman yield?

Mr. LEE of Missouri. I yield.

Mr. GUYER. The report is that Bourbon County produces $1,000,000 worth of milk a year. Does the gentleman mean to claim that bootleggers produce more than $1,000,000 worth of bootleg liquor?

Mr. LEE of Missouri. If you bring them up here they would sell $10,000,000 worth, and if the milk was put out by the dairies in Washington, D. C., it would bring in ten millions, too. Now, I want to state what happened in Kansas, where the gentleman is from. In Crawford County, where Girard is the county seat, actually less than 3 years ago they had liquor for sale in the jail to the prisoners. I saw that myself.

Mr. SIROVICH. Will the gentleman yield?

Mr. LEE of Missouri. Yes.

Mr. SIROVICH. Was not that sale of liquor to the prisoners to keep up their spirits? [Laughter.]

Mr. LEE of Missouri. They have a law there which provides that if a man is put in jail and he does not pay his fine, he stays on and on, and the longer he is there the longer he has to stay.

Now, I want to answer the gentleman who spoke of the jackass as our emblem. The jackass is our emblem, and it has filled a long-felt want in this country; but your party is represented by the elephant, and he never did anything

but go on dress parade at 50 cents per. I thank you. [Applause.]

Mr. TREADWAY. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. BECK].

Mr. BECK. Mr. Speaker, I ask the indulgence of the House, as I am just recovering from an attack of flu which has kept me in my house for over 10 days. I doubt very much whether I shall have the strength to take the time allotted to me, but I have been identified with this movement that is now reaching its culmination from the time I first had the privilege of coming into the House, and I should dislike to have a debate on this measure concluded without an opportunity again to state my credo in respect to the particular measure.

In the first place, I take issue with one statement that our esteemed colleague, Mr. BRITTEN, of Illinois, made when he regretted that there should be any debate upon this question. I hope the time will never come when any important measure comes before this House, even though the result of the vote is clearly foreshadowed, that opportunity for debate by both the majority and the minority in respect to the question shall be denied. After all, this is a deliberative body, and nothing is gained by jamming anything through on the theory that the result of the vote is clearly foreshadowed. There is a value in such discussions, for we are the great forum of the Nation in discussing public policies.

Mr. Speaker, I quite agree that if this is a nullification of the eighteenth amendment, no revenue necessities of the Government can justify a vote on the part of any Member in favor of the passage of the bill; but I think the contention that it is such a nullification, in the sense that it is an exercise of power contrary to the Constitution, is a superficial view of what the eighteenth amendment provided. If the eighteenth amendment, in its second section, had said "Congress shall enforce this provision by appropriate legislation", then there would be much force in the argument that a mandate had been imposed upon Congress, which no Member of the House could ignore without a palpable violation of his oath of office. But the proponents of the eighteenth amendment, for reasons that I have elsewhere explained and have not the time today to explain again, did not make such a provision.

On the contrary they said, "Congress shall have power", and so forth, and those were the apt words consistently employed in the Constitution to vest a legislative discretion in Congress as to how it should be enforced; and the extent, if any, of such enforcement and this legislative discretion involves the power to define what was not defined in the eighteenth amendment, and that is what is in fact and from practical usage an intoxicating liquor. That view of the Constitution was sustained by the Supreme Court in the case of Rupert against Caffey, where in a very illuminating opinion of Justice Brandeis it was clearly held that the Congress has a legislative discretion to mark the line of alcoholic content above which a liquor cannot be manufactured or sold and below which it can be manufactured or sold; and if, therefore, we are exercising a legislative discretion vested in us by the eighteenth amendment to the Constitution itself, then it is wholly misleading to talk of "nullification" or to accuse Members who are trying to do their duty as they are permitted to see the light of violating their oath of office.

I will call attention to what Justice Brandeis said:

> The decisions of courts as well as the acts of the legislature make it clear, or at least furnish good proof, that Congress reasonably might conclude that a rigid classification of beverages is an essential of either effective regulation or effective prohibition of intoxicating liquors.

That is, that the legislature not only had the right but it was essential to the enforcement of the law that there should be a rigid classification. Then he goes on to say, discussing the point in Rupert against Caffey that—

> even though the beer in that case was nonintoxicating in fact, there was this field of legislative discretion where, if it were essential to enforce the prohibition, they could go below what was nonintoxicating in fact.

Finally, Justice Brandeis, speaking for the great Court, said:

> It is, therefore, clear both that Congress might reasonably have considered some legislative definition of intoxicating liquor to be essential to effective enforcement of prohibition but also that the definition provided by the Volstead law was not an arbitrary one.

I do submit that bears out my thought, not merely as to this field of legislative discretion, free from judicial interference within its boundaries, but also that the limit of judicial power is simply to forbid such abuse of that legislative discretion as might be conceived to be arbitrary.

With respect to the bill that is now brought before us, I am in entire sympathy with its objective. I think it is unfortunate that in form it did not plainly and affirmatively exercise this legislative discretion to validate beer or malted liquors whose alcoholic content is not in excess of 3.2 percent on the theory that it was nonintoxicating in fact. In that event there could be little or no doubt, if the case reached the Supreme Court, that the Court would again sustain the Congress in the exercise of a legislative discretion. However, the authors of the bill preferred to take another course, which I think is less tenable, but is nevertheless justified, because if it be true that the expression "Congress shall have power", vests in the Congress the power to determine to what extent, if any, the objective of the first section of the eighteenth amendment shall be carried out, then the method adopted in the proposed bill is also within the legislative discretion of the Congress, because it simply repeals the enforcing statutes in respect to any malted liquor that is not in excess of 3.2 percent in alcoholic content. Congress could, if it so deemed it expedient, repeal the entire Volstead law. Thus it can repeal it in part.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BECK. Yes.

Mr. O'CONNOR. Even if the so-called withdrawal method is used, does not the gentleman think that a legislative declaration would have helped the bill a great deal?

Mr. BECK. If a case should reach the Supreme Court to test the validity of this law, I think it would have been very helpful if the bill had done that. Such a declaration was in the bill drawn by the gentleman from New York [Mr. O'CONNOR], and in which I collaborated, for it contained a clear declaration of this Congress that 3.2 percent beer was not intoxicating in fact. To such a declaration the Supreme Court would give great respect, and it would not reject unless it was clearly arbitrary.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. BECK. Yes.

Mr. CELLER. To ask the gentleman whether or not he could enlighten the House as to how this question could be tested in the Supreme Court at all.

Mr. BECK. That is a very difficult question. It would not be easy to test it, but if it is tested, I venture the prophecy that the Supreme Court will not invalidate the act which this House will soon pass.

Mr. CELLER. Could the act be tested upon the criminal side at all?

Mr. BECK. I think it could be tested in a collateral way in a civil proceeding and the Executive could institute a prosecution, which could reach the Supreme Court. As to the civil proceeding, if A sued B for the purchase value of some beer, and B defends it on the ground that the sale is against public morals, and the contract is thus nonenforcible, the validity of the statute could be called in question, and it might conceivably reach the Supreme Court. We have not come to that bridge yet.

Mr. BLANTON. Would the gentleman yield for one dry question?

Mr. BECK. Yes, I yield.

Mr. BLANTON. On the declaration of legislative intent, does the gentleman hold that if Congress were to declare in this bill that pure rye whisky, 20 years olds, is nonintoxicating, the Supreme Court would pay any attention to that declaration?

Mr. BECK. Certainly not. Certainly not. I thought I had made my meaning perfectly clear, even to my good and very dry friend from Texas—that this field of legislative discretion has boundaries and is one in which arbitrary power cannot be exercised. In the quotation from Rupert against Caffey it was there stated that as long as the act of Congress was not arbitrary", its decision as to what was and what was not intoxicating would be accepted by the Supreme Court.

Mr. BLANTON. Will the gentleman yield for another question?

Mr. BECK. No; I cannot yield any further. I would like to. I have great esteem for the gentleman from Texas. I hold him in so high a regard that I think he is a man of exceptional courage in this House, and it delights me always when he arises as he sometimes does, when he is in a minority of one. Another Athanasius contra mundum. He always has the manhood to stand up for his convictions, and if I had time, I should like Mr. BLANTON to interrogate me to the very end, although I am not unappreciative how sharp and possibly unanswerable some of his questions might well be.

I was about to say that this question of what is intoxicating liquor is necessarily a legislative question, because it turns upon a consideration of relativity. By "relativity" I mean that the alcoholic content that would intoxicate a child would never intoxicate a grown man, so that legislative wisdom must take the usual uses by normal men under normal circumstances, and then determine what is within the mischief of the first section of the eighteenth amendment, as a difficult and very practical question. Beer at 3.2 might conceivably intoxicate some people, and especially if used to great excess. I will illustrate, if you will allow me to break up the seriousness of this debate, with a little story which so illustrates the point of the intoxicating character of the beer, that with that I can rest my argument that this Congress is constitutionally competent to pass upon it.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania [Mr. BECK] has expired.

Mr. CROWTHER. I yield 3 additional minutes to the gentleman from Pennsylvania, Mr. Speaker.

Mr. BECK. The story deals with the case of a man who was on trial in a criminal court, and the defense was that he was intoxicated, and therefore irresponsible; and the proof was that he had taken a couple of bottles of beer. Its intoxicating power was denied. The issue then came whether taking a couple of bottles of beer would make a man intoxicated so that he would be mentally irresponsible. They put a brewer on the stand as an expert on that question. Thereupon the district attorney interrogated him as follows:

Q. What is your name?—A. My name is Jacob Schmidt.

I use an imaginary name.

Q. What is your business?—A. I am a brewer.

Q. Do you know anything about the qualities of beer?—A. Vell, I told you I was a brewer.

Q. How many bottles of beer do you drink?—A. Vell, I get up in the morning and at breakfast I may take 3 or 4 liters of beer. Then after breakfast I go down to my brewery and I sample my goods with the customers. Vell, I may take 8 or 10 liters of beer in the morning. I go home for lunch and I have some beer with the soup, some beer with the salad, beer with the meat, some with the cheese, and with the dessert. I sit down for some pinochle, and I might drink 5 or 6 liters of beer. Then I go back to the brewery, and I might drink some more liters of beer. I come home to dinner and I have some more beer at the dinner, and after dinner I play some more pinochle. Vell, I may drink 8 or 10 liters of beer.

The district attorney interrupted by saying:

Now, stop a minute. I have been checking up on you, and I find you drink, according to your statement, about 48 liters of beer a day.

The brewer replied:

Vell, it might be more or it might be less, but I drink about 48 or 50 liters a day.

Q. Now, with that knowledge, will you kindly tell his honor and the jury whether a man could get drunk on beer?

After some moments of deliberation, Mr. Schmidt solemnly replied:

Vell, he might, but he would have to make a hog of himself.

[Laughter.]

I am very confident that the Supreme Court would not disturb 3.2 beer, and would accept it out of respect to a branch of the Government that had investigated it.

Leaving that argument aside, the term "intoxicating liquors" being the expression chosen, requires obviously a legislative definition. What do we mean by it? I gave one possible interpretation which carries the thing to such extremes—I mean in prohibiting even the slightest trace of alcohol. I do not think that would ever be adopted. The fact is like the drawing of the deadline; the question of what is intoxicating liquor is a question of practical statesmanship. As a question of practical statesmanship, what do we mean by it? Do we mean every pathological reaction to a glass of wine or beer, or do we mean something that goes much farther in disturbing the responsibility of a man who drinks it?

The difference between the two I can illustrate by one quotation from the Scriptures, and by another from another form of scripture to me, and that is Shakespeare.

The Scriptures say, "Wine that maketh glad the heart of man." Everybody knows, if you take a glass of wine, unless you are not normal, there is a sense of well-being. If you felt unkindly to the world, if you take a glass of wine you will have a little more kindly view afterwards. You can see that in any public banquet.

Tired business men in the big cities came in in the old days. They would be silent and morose in having to come out to a public dinner; but by the time they had a glass of wine, there was a crescendo in the conversation; and by the time the speakers arose, their auditors could follow with a quickened intelligence what the speakers were saying, and the joke that might not have seemed so funny before they drank champagne suddenly became witty.

It is the attitude embodied in the scriptural phrase, "Wine that maketh glad the heart of man."

It has had that recognized effect from the dawn of history down. Nothing is so amazing to me that whereas in Syria and Palestine the wine vintage was the glad celebration of the year, we should take the Puritanical ground that wine is so bad that one is subject to the danger of going to jail for merely possessing it. But that is another question.

What was the Shakespearean quotation to which I desire to call your attention? It was that pathetic scene in Shakespeare's Othello, where Iago got Cassio drunk and that part of the story turned the whole story of Othello and Desdemona in a tragic channel. Cassio, at a pathetic moment, said:

O God! that men should put an enemy in their mouths, to steal away their brains!

You cannot misunderstand what that means. That means that intoxication has taken away a man's brain and he is no longer responsible. He may be maudlin, silly, provoking quarrels, or dead to the world. Now, I do not say that intoxicating liquors mean only that which carries to the full Cassio's lament. I say as a measure of practical statesmanship, in defining intoxicating liquor, you must somehow draw a line as a practical matter between that which really will abate the great mischief which the eighteenth amendment has done and which will leave men to lead their lives in their own way, without undue interference of government. You cannot define that. That is one of my illustrations. You cannot put in words a line of demarcation. It has to be by exclusion and inclusion. Of course, I am not contending now that intoxicating liquors mean only liquors that would not intoxicate if used by a normal man in a normal way.

I was about to say—and I am almost through, because I have trespassed too long upon your patience—I was about to say that when you come to the question of malted liquors

of a percentage of 3.2, I have already indicated my opinion that it is within the field of legislative discretion.

The question then is, Within the field of legislative discretion, what should the individual legislator do under his obligation to support the eighteenth amendment? You cannot argue from the extreme case, whether a 1-month-old infant would be affected by one half of 1 percent, or in another case a man would have such a prodigious absorbing capacity he could drink many bottles of beer without being affected at all. You cannot take extreme cases. As a matter of practical statesmanship, you must take the problem as a whole, you must reasonably consider that which is within the mischief and that which is without it; and as to that I think it is a matter of common knowledge that beer of that content has been used all over the world by large numbers of people without any possible harm, and all of this talk as to the terrible toxic character is contradicted by a volume of medical testimony. The fact of the matter is that wholesome beer is a nutritious and valuable food to the human body.

In a beer with a moderate alcoholic content, like 3.2 percent, you can imagine a very extreme case where a man could drink so excessively that he might be visibly affected, but you cannot legislate for a nation of 120,000,000 people upon remote and supposititious cases. You must strike a fair balance of human experience, and in that balance 3.2 percent, in my judgment, is not intoxicating within the meaning of the eighteenth amendment. At all events, it is within the field of the legislative power of Congress and would be respected as such by the courts.

Let me say a final word. I am sorry that two Members are not here to share in this triumph of the great American ideal of individual freedom from excessive governmental interference with the right of a man to order his own life. When I first came into the House, only a little group of about 30 men were vainly attempting to abate the drastic excesses of the Volstead law. We have seen a great change. But of that little group of 30 that fought an apparently hopeless fight, there were two, who are not here today, to whose great service I want to pay my tribute. One is the late Member from Maryland, Mr. Linthicum, who was always foremost in the fight, even when the fight seemed to be hopeless. The other was our former colleague, who fortunately is still among the living, Mr. LaGuardia, of New York. [Applause.] The victory for a greater freedom is also due in no small measure to him.

I have not had time to confer with my colleagues on the Republican wet side, but I hazard, without any hesitation, the statement that all Republican wets will loyally support this measure. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has again expired.

Mr. CROWTHER. Mr. Speaker, I may state in explanation that it was out of courtesy I extended time to the gentleman from Pennsylvania, because it was not my turn to extend; but the gentleman from Massachusetts [Mr. TREADWAY] having left the room, I wanted the gentleman from Pennsylvania to tell that delightful beer story, so I extended him the time.

Mr. BECK. I thank the gentleman.

Mr. CROWTHER. At this time, Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, yesterday the President sent a message to Congress for the purpose of raising revenue for our much-depleted Treasury by legalizing beer which would be in conformity to the Volstead Act and the eighteenth amendment.

I think when the President sent that message to Congress he felt a bill would be presented for the particular purpose of legalizing beer which would be in conformity with the eighteenth amendment and the Volstead Act.

I have made up my mind since I have been in Congress that I would do the right thing so far as our country was concerned. I have tried to vote independently since I have been here. I wanted to support the President of the United States at this particular time in things that were necessary; but I believe, Mr. Speaker, a mistake is being made today in the submission to Congress of a bill legalizing 3.2 beer by weight or 4 percent by volume.

Previous to my coming to Congress at this last session I discussed this matter quite fully with men who had previously been engaged in the brewing of beer. They told me that never in the history of brewing during their time did they find it necessary to have legalized beer with an alcoholic content greater than 2.75 percent, believing that that was essential to meet the wants, desires, and wishes of the people who liked beer.

During the last session of Congress we discussed the matter of what the legal content of beer should be, and I do not believe that more than 2.75 beer was requested by those who were desirous of having real beer. They also suggested that it be taxed $8 and $10 a barrel.

Notwithstanding the statement just made about alcoholic content and tax, what do we find ourselves confronted with at this time?

That wise, deliberate, and judicious body, the Committee on Ways and Means, at the last session of Congress, came to the conclusion that beer with an alcoholic content of 3.2 by weight, or 4 percent by volume, was not intoxicating when in fact the people engaged in the manufacture of beer caused the law to be enacted which declared one-half of 1 percent beer was intoxicating in fact in bygone years. Where did the Ways and Means Committee attain the wisdom and knowledge in such a short time that 4 percent beer was not intoxicating?

Just because in olden days the brewers and saloon keepers did not obey the law is the reason the eighteenth amendment was enacted into law.

If the Members of this House today are going to try to give the people of this country a better place in which to live through the medium of this bill, they are not using good common sense. Such legislation will only tend to make of this country a debauched nation and cause its people to become drunkards again. With conditions in this country such as they are today, with the automobiles and the trucks that are on the highways, great loss of life is bound to result. When a truck driver gets 3 or 4 glasses of this beer inside him and then tries to wiggle a big truck up and down the highway, he is going to kill more people than you have any idea of, and this will be a reflection on you fellows who vote for a beer bill of this kind. I tell you if you are going to try to help make this country a better place in which to live, you ought to get some real good common sense and try to put through a bill different from this one. You must see that the people do not become drunkards. Limit the alcoholic content to 2.75 percent.

I believe this bill is absolutely wrong, and I say this not because I do not want to see a bill of this kind enacted if it would be the right thing to do, but I do not believe it is the right thing to do, and I shall certainly oppose it.

During President Wilson's administration, and because of the war emergency, saloons were done away with and the eighteenth amendment was enacted into law, yet today when we are in as great an emergency you are going to put back into the Constitution language that will legalize beer that is going to make for drunkards, that is going to ruin homes, that is going to make mothers and children weep because their fathers are out drinking this damnable stuff.

Now, you know it is wrong. Use a little more common sense and a little more good, sound-business principle. I feel sure the Supreme Court will declare this bill unconstitutional. Try to do the thing that is going to help our country instead of trying to do the thing that will damn it. [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. CULLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. O'MALLEY].

Mr. O'MALLEY. Mr. Speaker, I consider this the greatest moment of my life, coming from Milwaukee, as I do, that I am able to make my first appearance on the floor of the House in favor of good beer.

It was stated today that beer was one of the things the American people did not want. I know that beer was the sole issue in my State on which the Democratic Party carried the State. In my district I believe there were 95 votes cast for the prohibition ticket out of a total of 160,000.

I do not believe I am old enough to recall the saloon. We have heard a lot of remarks about the saloon. I do not know what the saloon was, but I do know that whatever the saloon was it is far preferable to me than the brothels, speak-easies, crime, and racketeering that we have had under prohibition. [Applause.]

This is the first measure that has come before this extraordinary session that has to do with employment. This is the first measure we have been asked to pass upon by the President of the United States that will restore employment not only in my district but in a great many other districts in the United States.

Everything that is to be said about beer has been said by men far abler than myself. I grew up with beer. I have not sufficient time to talk about it, but I know that if this bill is passed it will restore employment in Wisconsin and a great many other States of the Union. Not only will it restore employment, but it will give us prosperity.

Mr. TREADWAY. Mr. Speaker, I yield 10 minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Speaker, three of President Roosevelt's messages, accompanied by tentative bills, have reached the House within the first week following his induction into office. All are measures of vital importance in an effort to conquer the unprecedented business depression; all will be passed without a shadow of partisanship, a relief from the spirit evidenced throughout last session, and all will pass with an expedition never before known in legislative history.

The bank holiday and gold embargo bill was passed without a dissenting vote on the same day it was introduced, an unheard-of proceeding. The economy and bureau consolidation bill in the House was refused any right to needed amendments, but these amendments should be added in the Senate. The two bills will become laws this week. A third message with accompanying bill asking for an estimated $200,000,000 annual license and tax fee from sale of "nonintoxicating" beer will pass Congress this same week. Two distinguished colleagues of my committee will join me in their first vote for a measure of this character.

Within the past 30 days three important reversals in Government policy have occurred with the liquor problem, second in importance only to that of business depression. They have forcibly brought to notice a Nation-wide breakdown in law enforcement that threatens to throw away the last barriers against existing lawlessness. Overwhelming passage by Congress of the repeal of the eighteenth amendment was closely followed a week ago by official announcement from the Federal enforcement bureau it would refuse any longer to curb speak-easies, successors of the old-time saloon, and lastly comes a legalizing bill for 3.2 percent beer that is before us today.

This so-called "beer bill", aided by both Federal and State licenses, should aid in eliminating the speak-easy and give far better law enforcement than now exists. That is the only hope for law enforcement, since a new Government policy of "hands off" has been undertaken, and it is this new policy I desire briefly to discuss because of the responsibility it places on the lawmaking body of the Nation.

The repeal measure passed the House on February 20; the others followed as a natural sequence.

ABANDONMENT OF FEDERAL ENFORCEMENT AGAINST SPEAK-EASIES

On March 8 the Federal Prohibition Bureau "transferred" to local authorities in the States the problem of speak-easies. Many States to date, with more to follow after voting for repeal of the eighteenth amendment, will refuse any liquor enforcement laws.

I quote from an Associated Press report:

WASHINGTON.—The Bureau of Prohibition directed its agents today to specialize on eradicating the sources of liquor supply and to leave the problem of speak-easies to the States.

In making this known, the Director of the Prohibition Bureau, Amos W. W. Woodcock, said it was made necessary by the fact that the appropriation bill for the next fiscal year provided no funds for the purchase of evidence against speak-easies.

ACTIVITIES RESTRICTED

Restrictions on activities of prohibition agents were written into the supply bill for the Justice Department by Congress at the recent session.

In addition, the amount for prohibition enforcement was reduced from $10,250,000 for the present fiscal year to $8,440,000 for the 12-month period beginning July 1.

"The great bulk of complaints which reach this office and reach the field office are in regard to speak-easies," Woodcock said.

"In the future the officials of this bureau must refer such complaints, in the main, to the local authorities. It is to make this fact clear that this statement is made."

A letter from the bureau confirms the above statement.

WISCONSIN HAS NO ENFORCEMENT LAWS—MAY RUN WIDE OPEN

Ray Nye, head of the local prohibition office, had not received the Woodcock order this morning.

Since Wisconsin and Madison have no enforcement law, it is believed that the order means, in effect, that speak-easies can run wide open without Federal interference in this city. (Capital Times, Madison, Wis.)

In the Nation's Capital the Herald, carrying the bureau announcement, says:

Washington's speak-easies can run wide open unless the District of Columbia Commissioners, meeting in special session with police officials, can find funds for spying and evidence purposes. The commissioners themselves privately admit that they believe such funds to be nonexistent.

This was the effect here of the Federal Prohibition Bureau's action in placing the machinery for enforcing prohibition, so far as speak-easies are concerned, entirely in the hands of local authorities. This virtually amounts to local option throughout the Nation.

Among States voting for repeal I quote from this morning's Post to indicate repeal of State enforcement laws will now be the rule:

STATE OF ILLINOIS ENDS ITS DRY ENFORCEMENT

SPRINGFIELD, ILL., March 13.—State enforcement of prohibition in Illinois ceased today.

Gov. Henry Horner signed bills repealing State search and seizure act and the Illinois prohibition law, putting the duty of regulating liquor traffic in the State upon the Federal Government until such time as the legislature adopts new regulations.

That means practically no Federal nor State enforcement hereafter against speak-easies, which, according to the bureau, include "the great bulk of complaints" and are the worst offenders.

PRESIDENT ROOSEVELT URGES PASSAGE OF A NONINTOXICATING BEER BILL

On March 13 President Roosevelt sent the following message to the Congress:

I recommend to the Congress the passage of legislation for the immediate modification of the Volstead Act in order to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution; and to provide through such manufacture and sale, by substantial taxes, a proper and much-needed revenue for the Government.

I deem action at this time to be of the highest importance.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 13, 1933.*

That message was sent to Congress yesterday. The House will pass the bill today, pursuant to the President's demand.

Mr. Speaker, by sweeping passage of the eighteenth-amendment-repeal resolution in both branches of Congress, above stated, the country faces a bitter and often-losing battle regularly urged for Federal law-enforcement funds. States ratifying repeal, including my own State of Wisconsin, because of public sentiment presumably will have no State or local enforcement laws with which to prohibit the manufacture and sale of intoxicating liquors or control of speak-easies.

During the pending repeal campaign in 48 States, one side to secure, the other to prevent 36 States from ratifying repeal of the eighteenth amendment, State enforcement in dry States alone will be possible. In other States for a number of years speak-easies, bootleggers, racketeers, gangsters, and lawlessness will rapidly increase.

LAW ENFORCEMENT COMES WITH LICENSE

A licensed system for legally found nonintoxicants is the only proposed method of securing Federal and local enforce-

ment laws to control a traffic of world-wide experimentation for centuries. That is the pronouncement of Colonel Woodcock, Director of Prohibition. A letter from the Federal enforcement officer says:

It is an interesting fact * * * as bearing on the help licensed places may give against unlicensed places, that there has been one group most earnest in its desire for better enforcement against speak-easies, and that is the legitimate sellers of legitimate medicinal liquor.

That was the experience of prosecuting officers with driving out "blind pigs" and other unlicensed sellers prior to the eighteenth amendment. Help came from licensed dealers.

Based on experience as a public prosecutor for many years prior to passage of the eighteenth amendment, and as a Member of the House before and ever since the amendment was passed, and with knowledge of many battles waged in Congress over repeal, I submit there is but one course left, during the interim, to insure enforcement of law. That is by licensing "permissible under the Constitution", to use the words of the President.

My own record is known to my colleagues. Now that Congress has spoken on repeal, and the President has urged the licensing of nonintoxicating beer, what is our duty when confronted with an abandonment of prosecutions against speak-easies, the country's worst lawbreakers? I can not believe that the President of the United States is going to violate his oath of office when he signs his name to this bill. I think he is just as conscientious as any Member. This is certainly to be assumed.

Mr. ROGERS of Oklahoma. Will the gentleman yield?

Mr. FREAR. I cannot yield now. I want to make a statement and when I get through I shall yield. My colleagues on the floor of the House, on the Democratic as well as the Republican side, know I am always willing to yield when I have the time, but until I make my point on law enforcement understood, I cannot yield.

I understand the position of the gentleman from Texas, I know he is sincere and honest, but I would like to ask him, What could you accomplish by defeating this bill? It is legislation to help wipe out the speak-easy.

Mr. BRITTEN. Will the gentleman yield?

Mr. FREAR. Briefly; certainly.

Mr. BRITTEN. Mr. Woodcock the other day indicated that he was not going to enforce the prohibition laws against the hotels or clubs, and other places where liquor can be had at any time during the hours of the day and night.

Mr. FREAR. I understand. The speak-easies that dispense hard liquor will not be worried over Federal interference and I understand there are a hundred thousand speak-easies running without danger of interference.

I have in mind another never-to-be-forgotten occasion when we had to decide an issue of vast importance.

OPPOSED TO WORLD WAR BUT ONCE IN WE HAD TO WIN

Representatives in Congress represent their Nation, State, and district, and that obligation is more solemn than any personal consideration. During the hectic period 16 years ago when war was declared, I voted against embroiling 100,000,000 Americans in that foreign war. Ready to support with the last life and last dollar against foreign invasion, I refused to plunge our country into a World War conflict on the hypocritical pretense it was a war "to end all wars." "Freedom of the seas" when traveling in a closely policed war zone was fiercely demanded by men certain to be exempted from personal injury in battle, and our desks were piled high with demands, threats, and arguments voiced by professedly 100 percent patriots, who professed fear of capture by the German Kaiser but frequently were moved by international mercenary powers here and abroad, financially interested in that war. Others were honestly sincere for war, but I believe 80 percent of our people were opposed to that war declaration by Congress during a war hysteria.

General Sherwood, hero of 45 battles during the Civil War, Democratic leader Kitchin, and others, frequently of more marked army experience than my own 16 years of military service, joined in opposition to that declaration of war. Superpolitical patriots then, as "superhonest" opportunists of today, were on duty pointing the finger of scorn. Unjust denunciation then, as now, directed at Members of Congress served to destroy faith and confidence in officials and in effect divided efforts that should have been united.

Washington's protests against foreign entanglements and their certain consequences predicted a century and a half ago were verified during the European war by enormous losses to our people of more than $35,000,000,000 in money and proportionate losses in suffering and in men. Without gaining 1 foot of territory, or 1 word of world friendship, the United States, now in distress, is heavily in debt, yet greeted by condemnation and repudiation of their debts by our European allies.

ANOTHER WARCLOUD HANGS OVER EUROPE TODAY, WE SHOULD KEEP OUT

Once in war we had to win and I supported every measure to bring about that result in 1917. Today this country is suffering the logical results of that war declaration. Another critical chapter in our history is about to be rewritten because of the repeal resolution passed by Congress last session, and virtual abandonment of law enforcement.

Unpopularity of an issue today may be welcomed by the people of tomorrow and the reverse is true, and often it requires intestinal strength to face abuse and public misunderstanding.

I voted against war. Some Members said it took courage to do it. I have never claimed credit for so doing nor have I ever apologized for that vote. When once in war we had to win. When law enforcement is withdrawn because of lack of public sentiment we have to take the responsibility and act.

I can see only one way to bring about law enforcement, and this is the way.

Mr. GREEN. Will the gentleman yield?

Mr. FREAR. I yield.

Mr. GREEN. I wonder if the gentleman shares the view, as I know some do, that if beer is permitted it will be in fact a vote toward temperance, in that the public may become aroused so that they will not repeal the eighteenth amendment?

Mr. FREAR. I do not know what effect it may have in that direction any more than any other Member on the floor of the House. One can easily make predictions, but if it should have that effect I believe it would be fortunate.

Mr. ROGERS of Oklahoma. Will the gentleman yield?

Mr. FREAR. I yield.

Mr. ROGERS of Oklahoma. Granting that what the gentleman says is true——

Mr. FREAR. It is true.

Mr. ROGERS of Oklahoma. Then why pass this bill?

Mr. FREAR. In order to limit rights of sales to those having licenses from the Federal and local governments. This bill proposes to legalize sale of nonintoxicants, to prevent the return of the old-time saloon. Everyone possessing a license will, for his own protection, seek to drive out the lawless speak-easy. That has been the experience of every prosecutor.

Next to war and world-wide depression we are confronted with a Nation-wide solution of the liquor problem and breakdown of law enforcement. After long struggles and acrimonious debates Congress voted overwhelmingly for repeal of the eighteenth amendment. Irrespective of the merits of that issue, in which all other are conceded equal sincerity, the course to be taken must now be determined.

PAST EXPERIENCE AND FUTURE COURSE

What is the situation after about 15 years of endeavor to enforce the prohibition amendment? With every legal facility afforded, the problem of enforcement has continued to be ineffective. Without future enforcement funds or strong laws supported by public sentiment, State or National, Congress is faced with a grave responsibility. Bootleggers, highjackers, racketeers, gangsters, and other criminals now find

headquarters in thousands of speak-easies in practically every State. Not content with open, flagrant violations of law, these criminals, through fear, bribes, and other influences, frequently control law officers and public sentiment. Enforcement officers and others familiar with the facts say these speak-easies are frequented by boys and girls of tender age, mingling with old rounders of both sexes. Hip-pocket flasks, drunkeness, immoralities, lawlessness never before encountered by American youth undermines the standards and character of millions of future citizens. Now that enforcement is to be practically abandoned and restraint thrown to the winds in criminal speak-easies, what will occur during years of campaigning for repeal of the amendment?

Speaking personally, my support has been given to all law-enforcement measures in the past and as consistently against weakening of the law. By its sweeping repeal vote Congress practically serves notice it largely nullifies future adequate appropriations for Federal law enforcement. Many States supporting repeal of the eighteenth amendment will take like action, or have already done so, leaving enforcement to a few scattered States.

What will occur when local enforcement and Federal enforcement are both abandoned? If 36 States do not favor repeal, what course is to be taken during the years of waiting without enforcement laws or without public sentiment to relieve existing conditions? Ratification of repeal is for the States to determine, but Congress has its own responsibility for law enforcement.

PRESIDENT ROOSEVELT URGES THIS BILL

The President asks Congress to enact a bill to aid revenues, by legalizing and licensing nonintoxicating beer. Malt liquors, it is urged, are separated from spirituous drinks in use and by laws of many countries of the world. Our own people, with habits formed abroad or possibly here, see no evil and feel no more harmful results from beer and wine than do we from coffee or tea.

Laws cannot be made effective against both buyer and seller, nor can they be enforced when limited to either one. An inherent weakness of the eighteenth amendment lies in finding crime exists with manufacturers and sellers of liquors but not with equally responsible purchasers. The law of demand and supply in the liquor traffic is as fixed as that of supply and demand in other cases. If it is a crime to supply, it is a crime to accept. World-wide experience has so proven.

Arguments over 3.2 percent beer as a nonintoxicant have been frequently presented in the House. Spirituous liquors have 50 per cent alcohol or sixteen times 3 per cent.

Speaking from a fairly long experience as public prosecutor, I well remember that more than one half of the many lawbreakers convicted of crime claimed it was committed under the influence of spirituous liquors. None ever attributed crime to malt beverages.

Expert evidence has been offered to prove that a nominal alcoholic content is not intoxicating. I am not authority for or against that contention but firmly believe no court of last resort will hold that a slight content in either beer, wine, or cider will be unconstitutional. High courts do not strain at a gnat and swallow a camel.

Courts have common and judicial knowledge of well-known facts. They know that both national political parties spoke for repeal of the eighteenth amendment at their conventions last year; that, whether wisely or not, by an overwhelming vote both Houses of Congress, a coordinate branch of the Government, recently expressed their will by an overwhelming majority for repeal of the eighteenth amendment; that due to present nation-wide liquor violations a large majority of the States will ratify repeal; that in these States and also other States countless thousands of speak-easies are now unlawfully vending 100 percent or 50 percent alcoholic moonshine and other hard liquors; that another coordinate branch of the Government—the executive—has asked Congress to enact a bill legalizing and licensing beer.

CONSTITUTIONALITY OF A BEER BILL

Irrespective of technical expert opinions courts cannot ignore a repeal law recently passed by Congress and urged by the Executive. Nor will they ignore possibly hundreds of thousands of unlicensed, lawless speak-easies or the effect of lawfully declared nonintoxicants in bringing about law enforcement. Courts do not set aside laws enacted by Congress excepting where clearly unconstitutional.

In the RECORD of January 27, 1923, I cited many decisions to the House illustrative of this fact. Mr. Justice Chase declared:

If the court have such power (to set aside laws), I am free to declare I will never exercise it but in a very clear case.

Justice Miller, one of my old-time university law professors, while a member of the Supreme Court, said in the *Legal Tender cases*:

A due respect for the coordinate branch of Government requires that we shall decide it has transcended its powers only when it is so plain we cannot avoid the duty.

Former Chief Justice Waite, in Ninety-ninth United States Reports, page 718, said significantly:

Every possible presumption is in favor of a statute and this continues until the contrary is shown beyond a rational doubt. One branch of the Government cannot encroach on the domain of another without danger. The safety of our institutions depends in no small degree on a strict observance of this salutory rule.

Back in the days when the court had a high respect for Congress Chief Justice Marshall, in Fletcher against Beck, laid down the rule that—

The question whether a law is void for its repugnancy to the Constitution is at all times a quest'on of much delicacy which ought seldom, if ever, to be decided in the affirmative in a doubtful case.

These brief extracts from among Supreme Court decisions indicate the trend of opinions by members of our highest court. I am not interested in proving the case—that is for others to undertake; but from knowledge of other like decisions I believe the Supreme Court will accept the judgment of Congress, a coordinate branch of the Government, on this 3.2 alcoholic-content bill.

REVENUE TO BE DERIVED FROM LICENSING

With mounting taxes a proposed new annual beer-license Federal revenue of between one and two hundred million dollars, according to estimates, will be collected from a beer bill. That revenue feature urged by the Executive will help relieve present distress but, far more important, it will necessarily bring local support from those licensed to sell to drive out speak-easies with all their demoralizing influence on society in general and especially on our youth.

Education and instruction as to intemperance evils will give understanding against modern speak-easies and old-time saloons which have been condemned by the Wickersham report and by two national conventions that pledged they will not return. Punishing sellers and not receivers has failed in enforcement. Personally, I believe control by law and legal protection for dry States should be substituted for existing lawlessness certain to occur during the interim of the pending struggle among the States for and against repeal.

I am aware that sincere men and women declare that 36 States will never consent to repeal, that for years to come no law enforcement will be had in possibly two thirds or more of the 48 States because of that belief. The admonition of Lincoln is well to remember that this Government cannot long exist half slave and half free, and that a house divided against itself will fall. I do not apprehend such results with a country that has weathered many storms, but I do believe, without any liquor enforcement laws, no government like ours can exist in peace because of the consequent reign of crime certain to result. That warning comes to us during this unlimited period of repeal discussions by the States.

It is the duty of all to use their influence, whether great or small in securing passage of active enforcement laws to con-

trol the crime wave and place our country on the road to recovery. The passage of this bill, in effect, should make licenseees enforcement agents against speak-easies and other nonlicensed places.

Ours is the only Government left with prohibitory laws. Governments depend for existence on law enforcement, for without enforcement comes chaos. Lack of laws and of existing police power will confront this country until public sentiment supports enforcement. When the declaration of war occurred all thereafter joined to win the war. In a war against crime, laws and authorized enforcement must be had during the campaign for repeal of the eighteenth amendment. Passage of the bill asked by the President will bring licenses, and licenses will aid to prevent lawlessness. That is the issue here presented.

Mr. CULLEN. Mr. Speaker, I yield to the gentleman from Maine [Mr. UTTERBACK].

Mr. UTTERBACK. Mr. Speaker and ladies and gentlemen of the House, my election in Maine was the result of my declaration on April 4 that I stood absolutely for the repeal of the eighteenth amendment, and I further made this statement, that I would rather go down to defeat with a statement honestly made on the prohibition issue than be elected on a side-stepping-issue campaign.

My opponent had been Governor of Maine for 4 years, and was a pronounced dry, and yet during the 4 years of his administration he never made even a gesture toward enforcing prohibition.

Prohibition has been written into the Constitution of the State of Maine for 80 years, and it has always been referred to by temperance people as "What a wonderful situation exists in Maine." May I say to the distinguished gentleman from Kansas that when, as a traveling man, I went through Kansas 30 and 35 years ago, there was not a hotel in the length or breadth of that State where you could not procure liquor. [Applause.]

The only difference was that in Maine it was hard stuff, and in Kansas, because of its close proximity to St. Louis, they had beer. I am voting here today in favor of this bill because it expresses the will of my constituents in Maine. And let me say this, that I represent a district that is normally over 30,000 Republican, and I won out on this prohibition issue. [Applause.]

Believing now that the cause of temperance can best be served by control rather than by prohibition, I am taking you back to 1914 and 1915, when, as mayor of Bangor, I fought earnestly for the enforcement of the Maine prohibition law. I will first mention briefly conditions as they existed in 1914 to show that prohibition in Maine was then as much of a farce as it is at the present time with nationwide prohibition. When I assumed office as mayor, regulations that had been exercised over the liquor business in Bangor by the police and sheriff's department for many years under the so-called "Bangor plan" had become lax. Restaurants were building private dining rooms for the liquor trade, gambling places were everywhere, and dives were flourishing, with the result that a very serious and almost uncontrollable condition had developed. Every appeal made to people known to be behind this illegitimate business fell on deaf ears. The so-called "political bosses", in league with this crime element in 1914, told me, as mayor, "to go to hell," that they would do as they pleased. I accepted their challenge and found at that time that the police listed 181 places of all sorts and conditions where liquor was being sold. Raids were made, and improved conditions were eventually brought about, but for a short time only, for with a change of administration the liquor interests again ruled, and Bangor again became a wide-open town, despite our almost century-old Maine prohibition law. May I briefly tell you of my efforts for enforcement of the prohibition law as reported by Bangor papers at that time? I quote from the News, under date of July 9, 1914. "Mayor Replies to Bangor's Ministers' Conference" is the headline:

If city council will appropriate $5,000 for the work, he will enforce prohibitory law through a special police squad.

Again I quote, from the News of July 24. The headlines—

City council refuses money for enforcement; 27 opposed to granting the request of ministers' conference and 1 in favor.

From the article itself I quote:

The appropriation was asked by the ministers' conference, which was represented by Prof. Calvin M. Clark, of the Bangor Theological Seminary. He almost literally stood alone, arguing his case with quiet dignity to a council that gave him no encouragement and to a crowd that was obviously hostile. Professor Clark stated, in answer to a question, that the ministers had previously appealed to the Governor and also the sheriff of the county to enforce the prohibitory law, but without success.

You can see from this article that then, as now, prohibition as on the statute books was not a popular law. A law, however, was on the books, and I felt that a concerted drive would go a long way toward remedying conditions as they existed, so I quote from the News of October 26. The article was headlined "Saloons Must Close." I quote:

Without the slightest preliminary hint that anything of the kind was contemplated Mayor Utterback assembled the members of the police force on Sunday afternoon and informed them that on and after next Sunday, November 1, all saloons of Bangor must close and remain closed. There are to be no exceptions. His order applied equally to the lowest dive and the most elaborate and expensive bar. He had no interests to protect, and he was prepared to carry out this policy of absolute enforcement to the last day of his administration. The city must be as dry as human effort and ingenuity could make it.

At about this time, on a Tuesday night, before a great throng of delegates to the Forty-sixth Annual Convention of the Maine State Sunday School Association, the sessions of which were held in the Columbia Street Baptist Church, I repeated my statement that the saloons of Bangor must close November 1. During this address I made this statement, which I wish to quote:

I wish to assure you of one thing, and I believe it is something the liquor dealers all know; just so long as I hold office I am going to use every effort to enforce the prohibition of the sale of liquor.

Despite the applause with which this statement was met, despite the rising vote then taken to lend every support to my efforts as mayor of Bangor to enforce prohibition, my request for a compromise appropriation of $3,000, the council having denied me the first request of $5,000, was presented to the council, with practically no outside support or aid, and the council again refused this appropriation. I quote from Bangor Daily News under date of November 8, headlines of—

Council smothers the rum budget. Mayor's $3,000 war fund quickly nailed to the table in lower board. Hot replies to reform speech from throne.

I quote:

On mayor's $3,000 resolve for liquor enforcement some pointed remarks were made to the effect that the money could be much better expended among the city's poor. The resolve did not reach the upper board, having been strangled in the lower board, with only five voting in its favor.

I quote from Bangor Commercial, January 19, 1915, headlines of—

Aldermen say special enforcement should stop. Pass resolve asking mayor to discontinue expense of work.

I quote:

With but one dissenting voice the board of aldermen passed a resolve at the special meeting of the city council Monday evening expressing its opinion that any further expense to the city by special enforcement of the prohibitory law is entirely unnecessary.

Without the support of the city council, with both Bangor newspapers bitterly assailing me, I fought alone the battle of Maine's prohibition law to the end of my term—even the ministers and church people lost their courage. I could have gracefully declined to attempt enforcement, when in July the council refused the $5,000 appropriation, or again in November, when they refused the $3,000 appropriation, or later in January, when the aldermen passed a resolution demanding that I discontinue the battle against illegal rum. During the heat of this battle there appeared in the Bangor Commercial, under date of November 13, 1914, an editorial referring to my address at a mass meeting which I called

at the city hall to discuss the liquor-enforcement problem. This editorial said in part:

One statement that the mayor makes is true, and that is that the prohibitory law is a farce. In the past 60 years and more that it has been in force it has brought its continual crazes for fanatical enforcement, and of late years it has seemed the chief aim of the fanatical prohibitionist to crucify someone and put him in jail. Although Maine is a strict prohibition State by law, the statistics prove that as large a percentage of intoxicating liquor is used in Maine as in other States. Rigid enforcement shuts off the use of light beers, and consequently we have the vile concoctions that are offered as substitutes in the dives that flourish under enforcement, where the men who come from foreign countries for work in the woods and such labor get the horrible stuff that sets them crazy, it being shown by the figures given at the meeting in city hall that nearly all the arrests for intoxication are those of people who are not citizens of Bangor. For more than 60 years prohibition has failed to prohibit, with conditions continually getting worse. The time is coming when Maine will fall into line with her wiser sisters of the New England States and will enact a law for regulation, under which light beers will be sold and under which the dives will cease to flourish, as they have ceased to flourish in other States where they have regulation.

This editorial referred to Maine prohibition. It could be written today referring to Nation-wide prohibition, and is, to my mind, in the light of my experiences during my term as mayor of Bangor, the most convincing evidence that control supported by truly popular legislation is nearer to the solution of the liquor problem than is an unenforceable prohibition law on the statute books of the State or the Nation.

I take no issue with sincere drys, but I do take exception to the political leaders who have not the courage of their convictions. They dare not take the stand on prohibition that they know to be right. There are altogether too many of our lawmakers who do not dare follow their convictions or their conscience. Fear of losing an office prevents them from speaking the truth.

I am no champion of the saloon, never have been, and never will be, and I hope it never returns. I do know, however, from years of personal observation that the saloon under proper regulation would be a paradise in any community as compared with the speak-easy and dives existing at the present time, under no control, with everybody, including law-enforcement officers, reconciled to the fact that prohibition is but a myth. I have faith in the future of Maine and in the future of our Nation. To my mind there is a real ray of hope in the fact that the American people to-day are doing a lot of serious thinking on the wisdom of prohibition as it now stands in the Constitution. I am, too, impressed with the fact that one can not deny—a most serious problem exists, affecting our boys and girls, with no control of the liquor situation under present prohibitionary law conditions.

Therefore why are we not honest with ourselves in admitting that prohibition, as actually operated, is a failure, that more liquor is being used and sold today than ever before, that despite the efforts of the Federal Government the eighteenth amendment is not being enforced, that the bootleggers are prospering, that respect for law and order has never been at such a low ebb; and that crime and the reign of the racketeer have never been so pronounced. I think every student of our national problems will agree that it is strange, at least, for Senators and Congressmen to be playing political football with a Budget-balancing program, taxing the workingman and the farmer until they can be taxed no more, while millions of possible revenue from the manufacture of liquor go into the coffers of the underworld, and, on top of that, the Federal Government is paying out millions more for the upkeep of the prohibition army, their spotters, go-betweens, and underworld, undercover men. It has been my purpose to try to bring to you the fact that the general unpopularity of a prohibition act is in itself the defeat of that act.

I am devoted to the cause of honest temperance but not to the hypocritical temperance as found in the operation of the eighteenth amendment. Personally, I believe that with liquor under proper control we can educate our children in the home, the school, and the church to a willing stand for the temperance cause and to a respect for the law.

Mr. RAGON. Mr. Speaker, I yield 10 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Speaker, the wet wave rolls again. High on its crest there is carried the flotsam and jetsam of professed principles to which some public men have always claimed adherence—carried as strength carries weakness, as power directed by purposeful force always overcomes vacillation and indecision, carried as the mere fragments of structures built upon the sands and which were never intended as anything else than fair-weather conveniences. The strength to resist its onslaught is quite evidently not to be found in Congress. In the face of its advance men have unhesitatingly abandoned stands upon which their entire political careers have been based.

I was one of those who, publicly and privately, urged the people of my State to support the Democratic candidate for President in 1928, assuring them that, notwithstanding his views, the prohibition question would be determined by Congress, and asserting my faith that Congress was dry and would remain dry and that their own representatives would continue to vote dry. I meant it then, and while my expressed faith has been destroyed, yet so far as I am individually concerned I mean to be true to what I said then. I am one of those who supported, as strongly as I was able, President Roosevelt, just as I have always supported Democratic candidates and always expect to, urging upon my constituents the viewpoint that both parties had wet platforms and promising that I would represent what I conceived to be the viewpoint of my people and what I knew and expressed as my viewpoint on this great question. I meant it then and I mean it now. No party platform can absolve me from a promise to my people nor from an obligation to be true to my convictions.

This bill is not only in violation of the Constitution but proposes to bring back the open saloon, although the Democratic platform carries as strong a protest against the return of the saloon as it does an appeal for the repeal of the eighteenth amendment and modification of the Volstead Act. Those who advocate rigid adherence to platforms made by politicians under the influence of yelling galleries in Chicago have turned thumbs down on all efforts to ban the saloon. They have forgotten that pledge, just as they have forgotten other pledges in that platform that have received no attention from Congress as yet.

There are strong forces behind the movement for prohibition repeal. There are millions of well-meaning but mistaken people, but behind the movement, furnishing its strength, its sinews of war, are those who wish to make profits from the debauchery of their fellow men or save themselves from taxes at the expense of the poor. Should the movement succeed, there will be set up again in most States the criminal oligarchies which formerly controlled the politics of those States and which centered around the liquor business, and the National Capitol itself will be filled with their representatives. In my judgment, it will never be. The wave rolls high, but it will spend its force on the rock of a sound national opinion which may at times be swayed by paid propaganda, but which will recover its equilibrium and utterly destroy a thing which is itself calculated to destroy and not to build, to impoverish and not to relieve poverty, and to increase immeasurably the sufferings of our people.

Something has been said about the attitude of the Director of Prohibition, Mr. Woodcock, who it appears has now abandoned his efforts to bring about enforcement of the prohibition laws insofar as they relate to speak-easies, because this House placed upon the appropriations made for his Bureau certain salutary and reasonable restrictions, intended to bring about respectable enforcement of the law. One of the troubles with prohibition enforcement today is the attitude of the Director of Prohibition, Mr. Woodcock, toward the enforcement of our prohibition laws. If he had been at all times in good faith sincerely endeavoring to

bring about respect for those laws, the sentiment which has arisen in this country in favor of repeal would not have reached the proportions it has today.

The moving forces behind repeal of prohibition are in the main not the forces of law and order.

Mr. Speaker, whenever men and women who have in good faith obeyed prohibition since its enactment, and who have sought to have others obey prohibition, come to Congress with what they conceive to be a better plan to deal with a recognized evil, I for one am willing to listen to them, but I am not willing to listen to those who have defied the laws of their country, rebelled against its Constitution, sought to have others disregard those laws, and who now come to Congress asking that we in effect throw around them a cloak of respectability that they do not deserve, by repealing the laws of which they have been the violators. The speakeasies of which gentlemen complain are not evils of prohibition. They are liquor evils; and their proprietors unanimously join with other advocates of prohibition repeal.

Mr. CULLEN. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Speaker and Members of the House, this is a memorable occasion for me—a happy one as well. It was on October 27, 1919, after the Clerk had read that historic message vetoing the Volstead law, sent to us by our great war President, that 55 men stood up in this House to sustain that veto. Only seven of those men are here today, and I am happy to tell you that I am one of them. [Applause.] I opposed prohibition from that day to this. It took 13 years to vindicate the stand that we took that day, following as we were the lead of that great Democrat, philosopher, and idealist, Woodrow Wilson; and after 13 years his message, too, is vindicated. [Applause.] Woodrow Wilson was right then, and President Roosevelt is right today.

This is a good bill. It is a consistent measure. When we passed the first war-time prohibitory law we were informed that it was necessary because there was a shortage of crops over all the country, crops needed to feed our soldiers overseas. Today the elevators of the Nation are jammed to capacity, with surplus crops that burden even the Treasury of the United States with interest and carrying charges. It is a timely measure designed to lighten the burden that is placed upon our Government. If prohibition was necessary then to conserve our crops, modification and repeal are necessary today to reduce our huge surplus.

As to the question of its constitutionality, I think we can dismiss that feature of the discussion. The committee that reported the measure was guided by common sense, by human experience, by public opinion. These three influences not only guided the committee, but they will guide this Congress—yes; they will sway this Congress. These influences guide and sway the destinies of nations. They leave their impression even upon the courts of every land. Public opinion is a tremendous force. It is most powerful. It was public opinion that swayed the great Democratic convention at Chicago, which by an overwhelming majority adopted as one of its major planks a ringing condemnation of the Volstead law and all of its evil ramifications. Today we are keeping faith with the American people. Today we are keeping faith with Democratic principles, and today, my friends, we enhance the standing and reputation of the Congress in the estimate of the American people. Today we are enacting a measure that is fundamentally sound, one that stands foursquare with the Democratic doctrine of State rights, a measure that will have a beneficial effect upon the economics of our day and time. Personal liberty will be a reality in America again.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. CROWTHER. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. ELTSE].

Mr. ELTSE of California. Mr. Speaker, lest my position be misunderstood, let me say that in my campaign I stood for a resubmission of the prohibition issue to the people, but I do oppose this bill at this time for these reasons. I oppose it because the Nation at this time is in an economic crisis, and I do not believe that the low purchasing power of the masses of people should be diverted from the purchase of things that are the common necessaries of life to those which are nonessentials.

In the second place, I oppose the bill because if 3.2 beer is not intoxicating, it will not satisfy those who have an appetite for something of greater alcoholic content.

In the third place, I oppose it because my conviction is that 3.2 beer is in fact intoxicating; and if it is, this measure is unconstitutional, and any measure designed to withdraw penalties from its manufacture and sale would constitute an indefensible repeal of the eighteenth amendment by indirection.

Furthermore, I oppose this bill because the passage of it will invite the return of the saloon, even in the face of planks in both the Republican and Democratic platforms. Much has been spoken for it as being a cure for the speakeasy. I take the position that it will open the speak-easy wide open. We will have a hundred of them where we have one today. We will not have any control of the speak-easy. They will be able to hide behind this act.

In the last place, I oppose this bill because I have a profound respect for the Constitution of the United States. The other day I stood on this floor, in common with the rest of you, and swore to support that Constitution. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from California [Mr. ELTSE] has expired.

Mr. CULLEN. I yield 2 minutes to the gentleman from Wisconsin [Mr. CANNON].

Mr. CANNON of Wisconsin. Members of the House, I represent probably the greatest beer city in all the world. The beer that made Milwaukee famous, that was wholesomely brewed a few years ago, is known and was drunk by people in every corner of the earth.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. CANNON of Wisconsin. I yield.

Mr. COCHRAN of Missouri. Did the gentleman ever hear of St. Louis?

Mr. CANNON of Wisconsin. Only in this way, when it comes to making beer St. Louis is known as a suburb of Milwaukee. [Laughter.] I still say that the beer brewed in Milwaukee is the greatest and most wholesome beer that has ever been brewed on the face of the earth [applause and laughter], and I do not back up for anybody on that question.

If this beer bill is passed today, my friends, it will mean that between twenty and thirty thousand men in the county of Milwaukee will immediately be put back to work, and it will mean that the farmers in every State of this Nation will profit because they will immediately have a ready market for their products. [Applause.]

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. CANNON of Wisconsin. I yield.

Mr. COCHRAN of Missouri. With reference to the greatest beer ever put on earth, I advise the gentleman in about 3 weeks to taste Budweiser.

Mr. CANNON of Wisconsin. Yes; but the gentleman should try Schlitz first and he would never drink Budweiser. [Laughter and applause.]

My friend from Texas [Mr. BLANTON] made a remark a few moments ago, "Look what happened to Mr. Schafer, of Milwaukee, because he advocated the passage of a beer bill. Where is he today?"

Well, I defeated Mr. Schafer, my friends. [Applause.] One of the reasons why I defeated him was because I advocated a stronger beer than he did. [Laughter and applause.]

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has expired.

Mr. COOPER of Tennessee. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. CANNON of Wisconsin. The gentleman from Texas [Mr. BLANTON] said he was an Irishman. I am glad he is.

He should be proud of it, but if he were a real Irishman—and I do not say this with any disrespect to him—he would be standing here advocating a stronger beer than is called for in this bill. [Laughter.]

My friends, the American people by their mandate last November have spoken, and it is the duty of this Congress to stand by the mandate of the people and not be guided by the hypocrisy that has swept over this country today, which seems to be here in Congress on one side of the aisle. [Applause and laughter.]

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has again expired.

Mr. CULLEN. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I am in hearty sympathy with this bill, although there are some provisions in it that I should like to have changed. My purpose in taking the floor at this time is to keep the record clear, so that when the question arises in the future, if there is any opportunity to change it, those changes will be made.

This bill is practically identical with the Blaine bill, which was reported to the Senate. It is patterned on my bill, H.R. 1697, which was introduced last Thursday, the day the Congress convened. It follows the method of approaching the subject by what is known as the "withdrawal method." That is, there is no enforcement under the National Prohibition Act against beer and similar beverages up to 3.2 percent. I should like to see in the bill a declaration of this legislative body that the beer was not intoxicating in fact, although that is not as necessary in such a bill as it was in the Collier bill, which adopted the other method of direct legalization of such beer as the distinguished gentleman from Pennsylvania has said he preferred.

The title of this bill does say that the beer is nonintoxicating. The bill contains provisions I have fought to have changed, unsuccessfully, as those on page 5, section 4. I believe it is unfortunate that the manufacturers of this nonintoxicating, harmless beverage must apply to the National Prohibition Bureau for a permit to manufacture it, and obtain the same kind of permit that must be obtained to manufacture whisky. I believe that is an inconsistency that should not be in the bill. It may not work any harm in the issuing of permits. I do not like the permit system, however, because I fear the brewers may attempt to obtain a monopoly in the issuance of permits, and I want the RECORD to show to those who will issue permits that it is the intent of this Congress not to grant a monopoly such as existed with the brewers in the old days.

Pursuing that inconsistency, the bill also contains a provision that violations of this act are punished under the National Prohibition Act in the same manner that the violations of the manufacture of whisky are punished. I hope those inconsistencies will be taken out in the Senate or in conference, or that they will not work out any detriment to the bill.

I am glad to see that the provision in the Collier bill requiring even a homebrewer for his own use to secure a brewer's license and pay a fee of $1,000 has been corrected.

I am also glad to see that the silly provisions of the Blaine bill prohibiting the advertising of this nonintoxicating harmless beverage have been eliminated.

I have heard talk today about the return of the saloon. I have listened to the same wail during the 10 years I have been fighting for a beer bill or fighting for the repeal of the eighteenth amendment. I know the gentleman from Kansas [Mr. GUYER], who said this bill permits the return of the saloon, would be no more of an advocate of a bill containing every prohibition in the world against the saloon. He would still be opposed to the bill even though we usurped the powers of the States and provided for the abolition of the saloon. If his State is against the saloon, the legislature of that State can easily prohibit the saloon. A bill is now being considered in the Legislature of the State of New York to handle this beer problem when this bill becomes a law, and, in my opinion, that bill will prohibit the return of what we used to know as the saloon.

This bill fully protects the dry States, as all the beer bills introduced in this Congress in my time have protected the dry States.

This is a measure which we have long hoped to see enacted into law. During the years we have struggled to accomplish this result we have listened to countless forms of alibis. In renewing the struggle to drive out prohibition, some day when I have time I may collate all the forms of alibis which have been advanced against beer bills and the repeal of the eighteenth amendment or the submission of the question to the States. The last remaining alibi that is used against the enactment of a beer bill is the "constitutional" alibi that "the bill is unconstitutional." In spite of the hearings held 2 years ago before the Committee on the Judiciary, in spite of the hearings held before the Committee on Ways and Means, in spite of the overwhelming weight of the testimony from experts that beer of 3.2 per cent alcoholic content by weight is not intoxicating, Members still rise in their places and use that old "constitutional" alibi as an excuse for not voting for this bill. [Applause.]

[Here the gavel fell.]

Mr. WATSON. Mr. Speaker, I yield myself 5 minutes.

The SPEAKER pro tempore. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. WATSON. Mr. Speaker, I voted against the eighteenth amendment and have lived to discover that my judgment was correct.

The eighteenth amendment was a war measure. Every country of the world at war had prohibition, and today America is the only country that has continued prohibition and informs the people what they shall drink and what they shall not.

When the time comes in any country that the Government attempts to dictate to the people what they shall do morally, that country becomes weaker and weaker, and I make the statement today that the Americans, as a class, are mentally weaker than they were previous to the amendment.

Since civilization has been recognized, people have been fighting intemperance, and there is no period in the history of our country when the American people were so free from intemperance as the day before we passed the eighteenth amendment.

Since its passage the people have been teaching children intemperance.

Temperance, Mr. Speaker, is a slow growth. It cannot be accomplished overnight. By the passage of the eighteenth amendment the cause of temperance was thrown back nearly half a century. It will take years and years before we become a temperate nation.

I can well remember before the passage of the eighteenth amendment the young men of the day did not care as a rule for strong drink. I recall at the social clubs some 40 years ago that previous to dinner it was the custom to drink cocktails, but this custom gradually abated previous to the ban of the amendment but increased after the amendment.

I am an advocate of this bill because I believe in temperance. Intemperance is decried, but we cannot bring about temperance by forcing the people to forego their rights.

The question has been raised whether beer of 3.2 percent alcoholic content by weight is intoxicating. Members have attempted to prove that 3.2 percent beer is intoxicating. Neither this House nor any assembly in the world, not even the Supreme Court, all-powerful, can rule that 3.2 percent beer is intoxicating to all men. I recall that witnesses appeared before our committee when we held hearings and said that 1 percent alcohol was intoxicating. Mr. Speaker, the word "intoxicating" is not understood. It depends upon the temperament of the individual. No one can say that 3.2 percent beer is intoxicating. I therefore appeal to you in the interest of temperance, in the interest of the boys and girls of our country, and in the interest of humanity to pass this bill. [Applause.]

[Here the gavel fell.]

Mr. CULLEN. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I had occasion to go to a place called Dodge City, in Kansas. When I got there, I asked a member of the police force more or less facetiously where I could get something strong to drink. He said, "You go down two blocks and turn to your left. There, you will find a barber shop. That is the only place in Dodge City where you cannot get it." [Laughter.]

This story could be told of every city in the United States. It could be told of the district of the gentleman from Texas [Mr. BLANTON] as it could be told of the district of the gentleman from Kansas [Mr. GUYER]. That is why I am going to vote for the bill before us this afternoon. That is why I have been "wet" for 10 years; why I have battled with veterans of this House to bring sanity back into the United States, and particularly to vote to give the workingman a palatable, 5-cent, sizeable glass of beer which will be accomplished, if I read correctly the testimony of the experts, by the passage of this bill.

I am for the bill because it will banish the beer highjackers and racketeers, will take from them ill-gotten gains and place this money in legitimate industry and in the coffers of the United States in the form of taxes.

I am in favor of this bill because it involves a depression-proof tax. In all our depressions the beer tax held up whenever all other taxes fell away. We need this beer tax badly. The income tax for 1932 is 43 percent less than that of 1931. The yield from the nuisance taxes has been most disappointing. We must have this beer tax to help balance our Budget.

In 1873, during the depression, the ordinary Government revenues dwindled 26 percent. During the panic of 1893 they fell off 25 percent. Not so the beer tax. It held up majestically.

Usually people seek to avoid taxes. Not so the beer tax. There was always a veritable parade to pay it. It is a steady, dependable tax, paid with pleasure.

This bill will insure to the myriads of workingmen a palatable, fair-sized glass of beer. With the tax of $5, upon which there will be superimposed, doubtlessly, a tax of $1 by the States, making a total tax of $6, it will be possible for the retailer to sell a 5-cent glass of beer.

Each barrel contains 31 gallons. The following is a table showing the ounce glasses, the number of glasses in a barrel, and the number of net glasses in a barrel after a 10 percent loss.

Ounce glass	Number of glasses per barrel	Less 10 percent
16	248	224
15	264	238
14	283	255
13	385	347
12	330	297
11	360	324
10	396	357
9	440	396
8	496	447
7	566	510
6	661	595
5	793	714

The brewer will sell his beer at about from $12 to $14 a barrel to the retailer. If the retailer uses an 8-ounce glass, he will get 496 glasses, less 10 percent for wastage, making a final yield of 447 glasses. At 5 cents per glass, this will make a gross intake of $22.25 per barrel. This will give the distributor a fair profit and insure the workman 5-cent beer. We hear much about the saloons and the return thereto. This is quite impossible. Social conditions have so changed since 1920 as to change, well-nigh entirely, that which was formerly called a saloon. People will not and cannot go to saloons as before. The radio, the movie, and the auto have changed conditions decidedly. They are, in a way, the saloon substitutes.

In 1919 there were no radios. In 1932 there were 16,000,000 sets of radios, with 80,000,000 listeners. Since 1919 movie attendance has tripled; in 1919 there were 6,771,000 passenger autos; in 1932 there were 22,347,000. During the same period gasoline consumption rose 339 percent. Gasoline has probably in part replaced whisky. Daylight saving has played its part in bringing people into the open, away from the saloon. Thus the radio, the movie, the auto, and daylight saving have all conspired to help changes for the better and make impossible a return of the old conditions. At the moment there are 24 States in which the sale of beer will be presently permissible upon the modification of the Volstead Act, contemplated by this bill: Arizona, California, Colorado, Connecticut, Illinois, Indiana, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nevada, New Jersey, New York, North Dakota, Oregon, Pennsylvania, Rhode Island, Washington, West Virginia, Wisconsin, and Wyoming.

Two States, Ohio and Delaware, are about to legalize beer after this bill passes. This will make 26 States ready for beer. They represent about 95 per cent of the 1914 beer production.

It must be stated that of the above-mentioned States, Pennsylvania, Missouri, and Minnesota have laws which provide that such alcoholic beverages are permissible as are legal in pursuance of the Federal statute. I have rated Minnesota as a beer State. I am unable at this writing to check definitely that it is so, but I am quite sure it is. When I prepared the figures some days ago, there was a bill pending in the Minnesota State Legislature. I believe it has passed and beer would be legal.

We thus have a veritable wet parade of States taking in almost two thirds of the country geographically, and approximately one half in population.

As to whether or not 3.2 percent by volume is intoxicating, I repeat the evidence given by Prof. Yandell Henderson, professor of Yale University, who was also consulting physiologist to the United States Bureau of Mines from 1912 to 1922, and during the war was chairman of the Medical Research Board of the Chemical Warfare Service of the Army. He is a renowned authority on toxic qualities in beverages. His testimony before the Committee on Ways and Means of the House of Representatives appears in part as follows:

> Four-percent beer should not be regarded and should not be defined by law as intoxicating. * * * A 4-percent beer contains 3.2 percent of alcohol by volume. It is a light beer. A beer containing appreciably less alcohol than 3.2 percent by weight is called temperance beer, and it is properly so called. Some of the Danish and English beer containing 6 or 8 percent of alcohol may be drunk in such quantities as to be definitely intoxicating. But a 4-percent beer is so diluted as to be virtually nonintoxicating. It would require a considerable effort to drink enough to get drunk on it. If no alcoholic beverage other than 4-percent beer were known, the alcohol problem would be no more serious than the problem of tobacco.

[Applause.]

[Here the gavel fell.]

Mr. CROWTHER. Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts [Mr. TREADWAY].

The SPEAKER pro tempore (Mr. ABERNETHY). The gentleman yields back 16 minutes.

Mr. COOPER of Tennessee. Mr. Speaker, I yield 3 minutes to the gentleman from Nebraska [Mr. MOREHEAD].

Mr. MOREHEAD. Mr. Speaker, talk is useless here today. I am sure in my own mind, at least, that every Member has his mind made up as to how he is going to vote upon this important question.

I admit it is a little chilly and lonesome for me here today. Ten years ago when I came to the House of Representatives Nebraska's membership stood 5 to 1, 5 in favor of our State law and the eighteenth amendment. Today, with the membership reduced by 1, I find it stands 4 to 1—4 for the beer bill and 1 against.

Sixteen years ago Nebraska voted upon this prohibition question. Prohibition was adopted there by some 30,000 majority, and we have a bone dry law written into our statute and also an amendment in our State constitution that forbids the manufacture, transportation, and sale of liquor or alcoholic beverages.

Sixteen years have passed, and the people, under the initiative and referendum law of the State of Nebraska, have the right to initiate and refer laws that are passed by the legislature and signed by the Government for final action by a vote of the people of our State. During this time the people have never asked to have this important question referred to the voters of our State. Eight sessions of the legislature have never made an effort to refer to the voters the question of the repeal of this bone dry law or State amendment.

[Here the gavel fell.]

Mr. COOPER of Tennessee. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. MOREHEAD. At the State convention of the Democrats of Nebraska last year they defeated a resolution to have the people vote upon this important question.

I have always felt that I come here as a Representative of the State of Nebraska. I believe in the democratic idea that when you know what the majority of the people want, a Representative should carry out the wishes of the people of his State. I try to be a Representative of Nebraska and not of some other State. I took an oath to support my State constitution and the Constitution of the United States; and with my vote I make no declaration that I am expressing my private views, but I have never broken faith; and I told the people 16 years ago when I was Governor that it was a question whether we could enforce this law, but that whenever the people passed upon the question that I would carry out the mandate of the majority of the voters of my State. I intended to keep faith with them.

This is the first occasion I have had to even express my thoughts or to make a statement, but I am going to have the benefit of my own conscience that I have kept faith with the people who have trusted me for so many years and shall vote here today against anything that would tend toward the repeal or the changing of the liquor laws which I took an oath to support. [Applause.]

Mr. CULLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. EAGLE].

Mr. EAGLE. Mr. Speaker, I had the honor to be a Member of this body for 8 years, from 1913 to 1921. I voluntarily retired, and, besides attending to my personal business, I have put in most of this time in trying to persuade my people down in the Houston, Tex., section to help do away with this monstrosity known as the eighteenth amendment.

The district has been represented ably by a splendid gentleman, politically dry, for the last 12 years. Upon his recent death 33 persons ran against me and I received 61 percent of all the votes in my home county—the other 32 candidates receiving 39 percent—and I come here with a mandate to help wipe out this monstrosity known as "national prohibition."

I voted in 1914 against the Hobson prohibition amendment, now the eighteenth amendment, upon the ground that it violated individual liberty, local self-government, and the sovereign right of the people of each State to regulate their own domestic concerns to suit themselves. This is the foundation principle upon which Anglo-Saxon civilization is founded. It is the foundation principle upon which this Government rests. Recently I have voted to submit the question of the repeal of the eighteenth amendment.

Pending the repeal of the eighteenth amendment we now have the opportunity to amend that legal lie known as the Volstead Act, which declares beer having one half of 1 percent alcoholic content to be intoxicating. I find deep satisfaction so to amend it as to legalize 3.2 percent beer and to tax it so as to yield one hundred and fifty to three hundred millions per annum revenue to the Federal Treasury.

During the 13 years since the adoption of the eighteenth amendment there has been spent some $30,000,000 per annum in futile attempt to enforce it—that is, some $400,000,000 waste. During that same time the Treasury has been denied revenue of $500,000,000 per annum—a total during 11 years of practically $6,000,000,000. But for this national legislative folly there would be no deficit in the Treasury now, whereas there is at this time an aggregate of $5,000,000,000 deficit.

National prohibition has totally failed as a panacea or a blessing. The Government has broken up nearly 2,000,000 illicit distilleries. It has imprisoned hundreds of thousands of victims. I am tired of the hundreds of thousands of illicit distilleries. I am tired of the 100,000 speak-easies. I am tired of the unspeakable bootlegger. I am tired of the unspeakable racketeer. I am tired of seeing this revenue of billions used to finance organized crime. I am tired of the spirit of intolerance and bigotry and hatred the prohibition regime has developed.

Fortunately, the country is nearly at the end of this folly.

By this bill we do not increase manufacture or consumption; we legalize a nonintoxicating beverage and turn the flow of its revenue into the Treasury, rather than into the hands of criminals.

The Federal Government never had any legitimate right to regulate the morals or the habits of the people, and the Federal Constitution should never have contained the eighteenth amendment that conferred a strictly police power on the Federal Government.

By amending the Volstead Act in this sensible way and by repealing the eighteenth amendment dry States and Territories will be protected, tolerance and fellowship practiced, and revenues derived, and individual liberty and local government and State sovereignty again enthroned.

Mr. CULLEN. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Speaker, I rise, chiefly, because I feel that no discussion of this question would be complete unless there was heard the voice of the pioneers in the movement against the prohibition laws—the people of my State, the State of New Jersey—the State that gave to this country a man than whom there is no greater here, one who was indisputably opposed to the enactment of national prohibition, the self-same person referred to on the floor this afternoon, the revered Woodrow Wilson, of New Jersey. [Applause.]

To give effect to the will of the people of my State and of the Nation, I, with the other Democratic Members from New Jersey, will vote for this bill, and by so doing we, together with an overwhelming majority of this House, will presently pass a measure which, when enacted into law, will give help to our Nation and return to the individual States of the Union the right and liberty to say for themselves whether or not they shall permit the manufacture and sale of beer. By this course, and only by this course, shall we reestablish obedience to law and respect—genuine respect—for the Constitution of the United States.

Mr. CULLEN. Mr. Speaker, I yield to the gentleman from Maryland [Mr. PALMISANO].

Mr. PALMISANO. Mr. Speaker, the eighteenth amendment was adopted when this country was at war and notwithstanding the mandate of the people of Maryland, who had voted prior to the entering of the war against prohibition. The members of the Legislature of the State of Maryland violated their oath by ratifying the eighteenth amendment.

I can readily understand why they did it at that time, because our aim was to win the war. We have now internal war. The eighteenth amendment came in during the war with foreign countries, and it is now going out while we have war in our internal affairs.

There is one regret that I have, however, Mr. Speaker, and that is, that the tax on beer has been increased. In my mind it is taxed beyond the reach of the workingman. Never in the history of the country has beer been taxed more than $1 a barrel, except in an emergency.

In 1862, during the Civil War, and in 1901, after the Spanish-American War, beer was taxed $2, and $3 during 1914, and then finally advanced to $6. But in normal times the tax has always been a dollar, and now they have advanced it to $5.

I regret that this bill is not open to amendment. If it were, I would offer an amendment making it $2 a barrel.

Mr. Speaker and Members of the House, you are putting a tax of a cent and a half on every bottle of beer. That

is a Federal tax and does not include the local tax that the States and cities will require for permitting the sale of beer.

[Here the gavel fell.]

Mr. CULLEN. Mr. Speaker, I yield to the gentleman from Michigan [Mr. SADOWSKI].

Mr. SADOWSKI. Mr. Speaker, I have had the satisfaction of voting with the President on two of his messages, and now I have the supreme satisfaction of voting on the third for the beer bill.

This bill means work; it means jobs for the unemployed in my district. We have eight breweries, which will give employment to a large number of men.

I was somewhat amused at the colloquy between the gentleman from St. Louis and the gentleman from Milwaukee as to the quality of their beer. I desire to say that Detroit has just as good beer as theirs, and we are ready to go. We want this bill put through. It does not mean employment for men in my district only, but all over the country—the barrel factory, the grain men, everything together.

[Here the gavel fell.]

Mr. COOPER of Tennessee. Mr. Speaker, I yield to the gentleman from Texas [Mr. MCFARLANE].

Mr. McFARLANE. Mr. Speaker, I am thoroughly convinced that this Congress has shown that bread and not booze is the serious need confronting the people of this country; that a drunken citizenship cannot drink its way to prosperity.

If we analyze the situation before us, we find that the wildest claims of those who seem to be so deeply interested in the question of taxes derived from this measure are that the total will amount to $150,000,000. They tell us that our country is in such a destitute condition that we must have this revenue, derived largely from the working people of this country, who are not now prosperous. There are more than 12,000,000 people out of work. Men cannot find honest employment; and yet you would have us believe that our country is in such a deplorable condition that we must have this revenue off the unfortunate habits of men and women.

MY PLATFORM

To explain my position, let me say that I am personally and politically dry. I became a candidate on the platform to resubmit the eighteenth amendment. I believe the people, when there is sufficient agitation on any question, should have the right to pass on the question. Had the last Congress not voted to submit the question of repeal to the people, I would have been glad to vote to submit that question to the people for their determination.

THE PRESIDENT'S VIEWS ON THE DEMOCRATIC PLATFORM

Permit me to quote now the President of the United States. On September 12, 1932, he wrote a letter to Mr. Christian F. Reisner, of New York, in which he concisely stated his views. The letter appears in the hearings before the Committee on Ways and Means of the Seventy-second Congress on the question of modification of the Volstead Act. The letter is as follows:

EXECUTIVE MANSION,
Albany, N.Y., September 12, 1932.

Mr. CHRISTIAN F. REISNER,
New York, N.Y.

MY DEAR MR. REISNER: I am always glad to hear from you. I believe that my talks so far on the prohibition plank of the Democratic platform outline my views on this subject. Regarding the last question, I might say that Democratic Senators and Congressmen are duty bound to vote in accordance with the views of their constituents regardless of their personal opinions.

I would suggest that you read my speech made at Sea Girt, N.Y., on August 27, copy of which I am enclosing.

Yours very sincerely,

FRANKLIN D. ROOSEVELT.

That being true, being pledged to the people of my district to vote against any beer or wine measure until the people have spoken on this question, I shall vote against this measure.

THE DEPRESSION AND THE SEVENTY-SECOND CONGRESS

It is hard for one trying to do the best for his people to treat seriously questions like this. In the last 4 years, economically, our people and the Nation have been going from bad to worse. When Congress met in December 1931, it was heralded that the bottom had been reached in the depression and that hasty measures had been worked out by the wiseacres which, when enacted into law, would put us on the high road toward recovery. Sectionalism and politics were decried, and by unity of Democrats and Republicans the measures thus proposed were enacted into law. You all know the program sponsored by Mr. Hoover that was hastily rushed through—the moratorium, the Reconstruction Finance Corporation, and other measures. Let us look at the result. Then we had 6,000,000 unemployed and commodity prices were lower than they had been for years. Now we have more than 12,000,000 unemployed. These unemployed and their dependents number more than 40,000,000, and commodity prices are the lowest in the history of our country. Our currency is disturbed, more than 10,000 of our banks have been closed in the past 10 years, a banking "moratorium" has sent a shiver not only through this Nation but all over the civilized world. Where is the bottom? Where will this holocaust of misery end?

THE REMEDY OFFERED—BEER

In the presence of this cataclysmic condition, sane and seemingly sensible statesmen offer us the remedy "Give us beer." As the height of folly it is often cited that Nero fiddled while Rome burned.

THE PROHIBITION MOVEMENT

More than 50 years ago the lovers of peace and progress in this Nation became convinced that one great step toward betterment of our people would be to promote temperance in the Nation. It was begun by exhortation, propaganda, mostly by the church people, the women leading to save their boys from the drink evil. They soon saw that exhortation was futile in the face of those led by greed who plied their boys with liquor, so the "3-mile law", local option, was enacted. With this law as leverage they drove it from the churches and schoolhouses, from the counties, and then the battle royal was on. It was urged by the wets that it was useless to drive liquor from the units, that as long as it was sold in the State or Nation the betterment of conditions was impossible, that they were for temperance if it was feasible, and so forth. Well, we drove it from State to State, tried every measure of State control in vain, and at the beginning of the World War there were 36 dry States. Then the eighteenth amendment was enacted into law.

THE DRYS' MISTAKE

The drys then made the mistake of their lives—they stopped the agitation, stopped keeping up information to the young, the rising citizenship. Without counterpropaganda, this mistake of the drys, perhaps, would not have been disastrous; but the income and inheritance taxes pressing heavily upon the rich, caused by the expense of the World War, aggravated the situation. To get rid of these taxes it was necessary to find some other class upon whose shoulders to place the tax burden. To do so it was necessary to place it upon the backs of the poor, because there are so many of them; it is a "wider tax base."

OPPOSITION TO ENFORCEMENT

The wets organized the Association Against the Enforcement of the Eighteenth Amendment and financed its propaganda campaign. It is now seen that any cause, though a very bad one, may succeed if properly financed and vigorously prosecuted. It cannot be successfully said that the eighteenth amendment has not decreased the drink habit or that the temperance produced has not been of immense benefit, but it is urged that the eighteenth amendment cannot be successfully enforced.

The wets certainly have not aided in its enforcement nor attempted to. Conditions in Chicago, New York, and other wet centers attest that fact. The amendment providing for emancipation of slaves was considered of sufficient importance to enforce it with the bayonet; that was satisfactorily achieved. The forces behind the prohibition movement are not willing to use so drastic a remedy. Will no other remedy succeed? Time will tell.

I prefer to aline myself with the Christian people of the Nation. The 30 churches of the Nation are behind the prohibition movement. They will not stop, they do not hesitate, they will not falter, they will not quibble. They are behind the movement to the end and will ultimately succeed because their cause is right and just.

UNCONSTITUTIONAL

Every lawyer in this House and in the Nation knows that this bill is unconstitutional. It is designed to turn loose the minions of evil, to increase the number of those who will profit by the "battle for booze", repeal of the eighteenth amendment.

I enlisted on the side of the battle for right and justice in early manhood. I have not changed sides; odds make no difference. One man and a just cause are a million. I have four children, hostages in the battle. I want for them a dry Nation. On bended knee in the Christian homes of this land, millions of them, prayers are going up to the God of Justice and Right for the success of this battle. Such a course has never failed yet; it will not fail this time.

MAJORITY RULE

I prefer to stand on the side of the Constitution and uphold the law. If the wets succeed in repealing the eighteenth amendment, I will abide by the will of the majority and uphold the law and Constitution as it is written. I have lived in a wet State and a wet county. I have seen the change and prefer a dry State and Nation. Changed circumstances and conditions favor the dry cause.

OUR MODERN AGE

We now have a highly mechanized Nation. We have spent billions to build good roads for our comfort and convenience. Our people use the most highly developed electrically driven machinery in trade, in the air, on our highly improved railroads, and on our highways. It is unthinkable that we will increase the hazards by placing all this highly improved machinery in the hands of booze-soaked operators.

You may succeed for a time, but sane second thought will again overturn it; you cannot fool all the people all the time. Call a meeting to propagandize the repeal of the eighteenth amendment and look at your crowd shouting "hurrah"; then go to a meeting called to uphold the constitutional amendment; it is composed of the thoughtful business men who have at heart the welfare of their employees, the fathers and mothers who have sons and daughters whose welfare they have at heart.

Think it over.

Mr. CULLEN. Mr. Speaker, I yield 1 minute to the gentlewoman from Kansas [Mrs. McCARTHY].

Mrs. McCARTHY. Mr. Speaker, unlike one of the other Representatives from Kansas, I am not going to deny the fact that a great deal of liquor is being sold in the State of Kansas. In fact, I come from one of the wet counties in the State of Kansas, and merely because I came from that county I had a great deal of unfair persecution during this campaign. You may expect me to be an ardent supporter of this bill; but I think this bill is premature, will not accomplish its purpose, and will not raise the revenue desired. It is a discrimination in favor of big business. I have already said that my county is a wet county; however, I do not think all of the homebrewers in my county could raise the $1,000 license fee, and illicit liquor will continue regardless of any measure of this kind. I am for control and regulation, but I do not think this bill will accomplish its purpose; and no revision of the Volstead Act should be made until the people of 36 States have expressed their opinion in regard to the repeal of the eighteenth amendment. [Applause.]

Mr. CULLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Speaker, when this bill becomes a law, the people of my city, St. Louis, will be singing "Happy Days Are Here Again", and why? Because the outstanding industry of that city was destroyed 13 years ago by the enactment of the Volstead law over the veto of Woodrow Wilson. Thousands of men will go back to work.

This law becomes effective 15 days after it is signed by the President. On that day from the city of St. Louis to the four corners of the country, wherever it is permitted to be sold, beer will be shipped. The vats of the breweries of the country are filled today with cereal beverages, sealed, under the jurisdiction of the Treasury Department, which contain acoholic content of 3.2 percent. If this bill should not pass, that beverage will have to be dealcoholized, but I believe it will not be dealcoholized. It is aged and ready for consumption. [Applause.] And I might add, despite the statement of the gentleman from Milwaukee, it is the finest beer brewed in this country. It will go on the market immediately. It will be shipped to ports on both the Atlantic and Pacific and be sent throughout the world, as it was before the enactment of the Volstead law.

Something has been said about the District of Columbia. The assistant corporation counsel, Mr. West, told me that he was of the opinion this bill will apply to the District of Columbia and will permit the sale of beer in the District. He says that the National Prohibition Act repealed the Sheppard Act, and when the National Prohibition Act is repealed by this law, then it will permit the sale of beer in the District of Columbia. I hope he is right, because the people of the District are entitled to beer, and we as their legislators should permit them to have it. If it is good enough for our constituents, then it should be good enough for those whom we represent who have no voice in this body.

This is a bill to divest the bootlegger of his income. It is a bill to enrich the Treasury, to relieve the taxpayers of the country of some of the burdens that bear heavily upon their shoulders. We have waited 13 long years for this opportunity, and on behalf of the people of my city I thank the Members of the House for the action it is about to take. [Applause.]

Mr. COOPER of Tennessee. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. STRONG].

Mr. STRONG of Texas. Mr. Speaker, it is not necessary for me to state that I am new in this body. Recently I stood in this Hall and held up my hand and took a solemn oath that I would stand by the Constitution and the laws of this Nation. If I were to vote for this bill, I conscientiously believe that I would be a perjurer today. Therefore, I am not going to vote for it.

One phase of this matter has not been mentioned. It is claimed this will put many thousands of people to work and will bring revenue into the Treasury. I say that it will put more people out of employment than it will give employment to. Since the eighteenth amendment has been in effect the dairy business and the manufacture of milk products has increased several hundred percent. The grocery business has increased several hundred percent. The soft-drink business has increased several hundred percent. All of these industries employ many more people than the brewery business. If the bill should pass, it would put thousands of those people out of employment, and it will not raise the revenue that is anticipated.

Speakeasies have been talked about. This bill will encourage speakeasies and will double the number of bars wherever it is put into effect.

I make this proposition: If the wet newspapers, the wet magazines, and the wet organizations of this country will join in the enforcement of the law instead of trying to nullify the Constitution and laws of this country, then if prohibition is a failure, I will vote to repeal it. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Texas [Mr. STRONG] has expired.

Mr. TREADWAY. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Speaker, as a Member of the Congress which enacted the eighteenth amendment, I was a supporter of the measure. I am ready to confess today that the enforcement of that law has been a great disappointment to me, but I am sure that what is proposed here now, and what is proposed to be enacted in the future, in the form of

the repeal of the eighteenth amendment, will be even a greater disappointment to you Members who have the power to pass this bill, but will not have the power, if you do pass it, in my judgment, to repeal the eighteenth amendment.

If I have time, I will try to tell you why, from my experience in listening to all the debate as we approached the enactment of the great eighteenth amendment, and what has occurred in the 10 years that have followed, why I oppose this beer bill. Drawing the sentiment of the public as I have, in many campaigns, particularly the last one, when I was opposed by a prohibitionist, or many of them because they thought I was wet, I make that statement. They thought I was wet because I was not radically dry. While I was opposed by a very ardent minister of the gospel and a very able Democrat, in fact two of them, the result is shown in the fact that I am here today.

There are two things I want to say in this short time I have to address you, the first time since 10 years ago, when I was a Member of this House, and then 15 years before that. We approached the war; we won the war; we supported the President in his great purpose. We saw him go to defeat, lied to and cheated by the chicancery of the diplomacy of Europe; saw him sicken and die, and lamented it all because he had a greater proposition for peace than was ever before offered by anyone in the world [applause], and that was that there should be no conquest. You can readily see how war for all time would be averted if the treaty of Versailles, in which they promised Woodrow Wilson there would be no conquest, had been lived up to. You see what is happening. You observe what has become of the German colonies. You see what Italy has done, and you will see what Germany is going to do to recover the eagles that were taken from her colonies in Africa and the islands of the sea. That is a prediction.

I say I am not a radical prohibitionist. I am liberal on everything, on account of the very population that we have here, and the right given under the Constitution in the matter of religion and even as to this matter; but we must protect our country. I am saying to you that I am for prohibition, if you would call it that, or restraint or control of this thing, for an entirely different reason than prohibitionists or preachers usually are; not only because in the platform of the party of my choice is written a pledge that we are to have no saloon, still you are going to write out that pledge today, my Republican friends, when you vote for this measure and repudiate our platform. I have never yet done that.

Now, why am I against this bill? I am against this bill, Mr. Speaker, because there is growing up in this country an element which will control the saloons, which is increasing at the ratio of 9 to 3, and in two generations they will dominate the country, and that is the reason we want to control this thing and save something of our Sunday.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. TREADWAY. I yield to the gentleman from Pennsylvania 1 additional minute, Mr. Speaker.

Mr. FOCHT. One minute is all I want. I have been looking upon you with all admiration from a distance and admiring your ability to get through all kinds of trials and tribulations. I did not get through all of mine, but nevertheless we are here and want to work together. I like to see the splendid good humor on the part of everybody. My friend [Mr. WATSON] with whom I will dine tonight, just made a wet speech. I am trying to make one measurably dry.

Now, you talk about raising revenue. It is the strangest thing, as I stand off behind the lines and watch you struggle to raise revenue. Why do you not do the one thing that was proposed by a Democratic Speaker, Mr. Garner, and a Republican President, Mr. Hoover, and pass a sales tax? Oh, I know you are against it. There are two fundamental principles of taxation, equality of levy and judicious expenditure, and there is only one way to have equal taxes, and that is by a sales tax, under which we will get our relative share, but never know anything about it.

The SPEAKER. The time of the gentleman from Pennsylvania has again expired.

Mr. COOPER of Tennessee. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. ROGERS].

Mr. ROGERS of Oklahoma. Mr. Speaker, this is my first appearance. I feel as if I am in a hole. I want to say at the outset that I intend to vote against this measure. One of my colleagues here said he had about 30 opponents in the last election. Well, I had half a dozen more than he had, but mine were all wet and could not swim, so I won. My namesake, the humorist, supports the other side of the proposition, so I got all the votes.

Someone said the other day that it takes courage to support measures such as we have been considering. I want to say that it takes more courage to stand by yourself than it does to stand with the majority. Someone said we are going to raise $150,000,000 in revenue. In my humble opinion, we will not raise one third that amount. Now, you will wonder why I am opposed to this measure. Ladies and gentlemen, I have been a school teacher all my life—just a little country school teacher—but I could not go back to my State and look in the face the boys and girls that have been under my supervision if I voted for a measure such as this. [Applause.]

One Member stood here in the well and said we wanted to do the right thing by the boys and girls of the country. Yes, we do; but if we do, we will have to vote against this measure.

Another Member said we cannot enforce the law; that we have not been able to enforce the prohibition law; so let us repeal it. Why not repeal all laws that cannot be enforced? We have a law on the statute books against murder. It does not prevent murder. Why not repeal this law?

At this time I do not raise the question as to whether the provisions of this bill are constitutional, as some of my colleagues have. I raise only one question in considering any measure: Is it right? If it is right, I am for it. If it is wrong, I am not for it.

It was said on the floor that as soon as this bill is passed the people will be singing "Happy Days are Here Again." Let me make the observation that people under the influence of intoxicating liquor usually sing, and usually they do not know what they are singing.

In conclusion let me say, particularly to the Democrats, that if this measure passes, you will in the future mark my words as I ask you today to remember this text: "As ye sow, so shall ye also reap." [Applause.]

Mr. CULLEN. Mr. Speaker, I yield one half minute to the gentleman from Arkansas [Mr. RAGON].

Mr. RAGON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks by inserting at this point in the RECORD a short minority report on the Collier bill in the last session of Congress.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The matter referred to follows:

MINORITY VIEWS OF MESSRS. RAGON, SANDERS, AND COOPER

We have heard and read all of the testimony before the Ways and Means Committee relating to the proposed legislation on beer. Taking all of this testimony as a whole and duly considering same, we are of the opinion that the proposed bill is violative of the Constitution of the United States, which in this regard reads as follows:

"After 1 year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited."

As Members of Congress we took the following oath:

"I do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I will take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

Therefore we cannot under our oath support this legislation.

We further submit that the proposed bill is not only in violation of the Constitution of the United States but of the Democratic platform, which calls for the "sale of beer and other beverages of such alcoholic content as is permissible under the Constitution." The above quotation from the platform shows that it was not the intent of those framing the platform to declare for legislation which would be violative of the Constitution.

The very clear and definite proof before the Ways and Means Committee during the extended hearings on this bill shows conclusively that beer of alcoholic content of 3.2, which means beer of 4 percent alcohol by volume, is intoxicating in fact and is the same type of beer which was generally produced and sold prior to the Volstead Act. The sale of such beer because of its alcoholic content is not permissible under the Constitution.

HEARTSILL RAGON.
MORGAN G. SANDERS.
JERE COOPER.

Mr. CULLEN. Mr. Speaker, I yield one half minute to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Speaker, I wish at this point to secure unanimous consent to revise and extend my remarks by discussing paragraph 7 of this bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HARLAN. Mr. Speaker, it would seem to one having heard the question of prohibition discussed on the floors of Congress on 4 or 5 different occasions that about everything pertinent to the merits of that question has been said, and it is not my desire at this time to enlarge upon this subject, but I should like to direct some remarks as to the advisability either of the amendment of section 7 of the bill as submitted or of the absolute deletion of that paragraph.

The paragraph reads as follows:

SEC. 7. Whoever orders, purchases, or causes beer, ale, porter, or other similar fermented liquor, containing 3.2 percent or less of alcohol by weight, to be transported in interstate commerce, except for scientific, sacramental, medicinal, or mechanical purposes, into any State, Territory, or the District of Columbia, the laws of which State, Territory, or District prohibit the manufacture or sale therein of such fermented liquors for beverage purposes, shall be fined not more than $1,000 or imprisoned not more than 6 months, or both; and for any subsequent offense shall be imprisoned for not more than 1 year. If any person is convicted under this section, any permit issued to him shall be revoked. Nothing in this section shall be construed as making lawful the shipment or transportation of any liquor the shipment or transportation of which is prohibited by section 5 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1918, and for other purposes," approved March 3, 1917, as amended and supplemented (U.S.C., supp. V, title 27, sec. 123).

With the exception of the latter part thereof, this is a reenactment of the old Reed amendment to the Webb-Kenyon Act. It was originally passed in 1917, not to procure the real enforcement of prohibitory laws but to put such strict restrictions on the States that had voted for prohibition that other States would be discouraged from following in their footsteps.

The Webb-Kenyon law provided that no intoxicating beverage could be shipped into any State or Territory contrary to the law of that State or Territory, and is set forth in paragraph 6 of the bill before the House, which reads as follows:

SEC. 6. In order that beer, ale, porter, or other similar fermented liquor, containing 3.2 percent or less of alcohol by weight, may be divested of their interstate character in certain cases, the shipment or transportation thereof in any manner or by any means whatsoever, from one State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, or from any foreign country, into any State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, which fermented liquor is intended by any person interested therein, to be received, possessed, sold, or in any manner used, either in the original package or otherwise, in violation of any law of such State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, is hereby prohibited. Nothing in this section shall be construed as making lawful the shipment or transportation of any liquor the shipment or transportation of which is prohibited by the act of March 1, 1913, entitled "An act divesting intoxicating liquors of their interstate character in certain cases" (U.S.C., supp. V, title 27, sec. 122).

Senator Reed by his amendment, instead of prohibiting the shipping of intoxicating liquors into the State or Territory contrary to the laws thereof, prohibited the shipping of intoxicating liquors into a State or Territory "where the manufacture or sale therein" was prohibited. In other words, the desire of Senator Reed was to place such restrictions on the citizens of the dry States that if they desired to prohibit the manufacture of intoxicants in their own States they could not by any possibility procure intoxicants from any other State, even though the State adopting the prohibitory laws expressly permitted its citizens to purchase intoxicants in other States.

At the time the Reed amendment was adopted, 26 States had declared for prohibition, and 13 of these States expressly pressly permitted their citizens to purchase intoxicants manufactured in other States.

Senator Reed hoped by his amendment to prevent other States from taking this drastic step. He hoped to stop prohibition, not to favor it.

I shall take second place to no Member of this House in my opposition to prohibition. I am opposed to it on a great many grounds, but foremost among those grounds is that I believe that the people of every State should have the right to adopt and enforce the laws of that State as long as they are not infringing the rights of the people of other States; and I now believe, at the beginning of this era when prohibition is to be repealed, that the people of the various States who desire to prohibit the manufacture and sale of intoxicants within their own borders ought to be encouraged to do so without the United States Government saying to them, as it does in section 7 of this bill, "If you prohibit the manufacture and sale within your borders we will prohibit your citizens from purchasing outside of your jurisdiction." The State itself ought to be empowered to make this law if it so desires, and section 6 of this bill protects the State in this right, because it provides that the importation of liquor into any State is prohibited only where such importation is contrary to the laws of that State.

Manifestly, then, either the whole of section 7 should be stricken out, or at least the words "manufacture or sale", between the words "herein" and "the", should be stricken out and the word "purchase" inserted.

We can well conceive that a State might not wish to have intoxicants or, if you please, 3.2 beer manufactured or sold in its borders, and yet would have no objection to its citizens buying these products manufactured and sold in other States.

As I stated above, prior to our prohibition era 13 States had expressly so provided in their laws. We are now liberalizing our laws in the interest of State rights. Let us carry out this as a principle and not simply as a matter of procuring beer and whisky. Let us adopt this principle to the protection of those States that wish to become or continue to be prohibition States.

If this country should desire to adopt prohibition based upon the State units, as much as I am opposed to the present prohibitory laws, I should be the first to hail such an effort on the part of the States to overcome the evils attendant upon the abuse of intoxicating liquors. We have just completed a noble experiment. We might profit by our experience and desire to try a more rational one.

Mr. CULLEN. Mr. Speaker, I yield one half minute to the gentleman from New York [Mr. LANZETTA].

Mr. LANZETTA. Mr. Speaker, under the leave to extend my remarks in the RECORD, I cannot conceive how any Member of this House can with honesty and sincerity vote against the beer bill (H.R. 3341), which is before this body today. I am in favor of this bill because it is another step in the annihilation of that gruesome law, the eighteenth amendment, which wrought so much disaster and havoc in this country, both from an economic and moral standpoint.

The facts are too well known and it would be a waste of time to again review them. To the opponents of this bill, I say they are either insincere or too lazy to find out what the actual conditions were and have been under this law. We all know that since the advent of prohibition there never has been a dry spot in the United States, and that liquor flowed more freely during this period, only at a higher price and of an inferior quality. Furthermore, it was also avail-

able to everyone who wanted it, including boys and girls of tender years who prior to prohibition would have found it practically impossible to obtain it.

The challenge by the gentleman from Missouri of the statement by the gentleman from Kansas that his State was upholding the law and that its citizens had benefited thereunder is an example of the insincerity or lack of knowledge on the part of the advocates of prohibition. I have no hesitancy in saying that if we were to go into the States, cities, counties, and hamlets of all the opponents of this bill that we would find the same or similar conditions which have prevailed in the State of Kansas.

Last Saturday we found many of the opponents of this bill in favor of the President's economy bill and in voting for that measure they stated that the President should be supported at all costs on any emergency measures he sent to the House. Of course, that bill involved only the rights of helpless veterans and underpaid Federal employees and those rights could be easily cast aside with impunity. The bill now before the House is also an emergency measure because of the revenue our Government will derive from its passage. Let us now see if the opponents of this bill are just as willing to uphold the President of the United States in this emergency measure and if they can just as easily forget the rights of the Anti-Saloon League and other prohibition organizations whose edicts they have followed in the past.

As for the tax on beer proposed in this bill, I concur with my friend, Mr. PALMISANO, of Maryland. I too feel that the tax is too high and that it puts beer out of reach of most of the working people of this country. While I shall not oppose the bill on this ground at this time, I hope and trust that when this economic crisis has passed and when our Government has no more need for this additional revenue Congress will then revise this tax and establish it at an amount which will make the cost of beer sufficiently low so as to bring it within the reach of every adult in this country who desires it.

Mr. CULLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. CLAIBORNE].

Mr. CLAIBORNE. Mr. Speaker, what I have to say at this time is not to be charged against the delegation from Missouri. It is my own view. As a drinking man I am interested in the beer bill. I like a good drink. [Applause.] Not only do I like a good drink of beer, 3.2, but a good drink of whisky; and I hope the time will come when I can walk into a good saloon in my city, stand at the bar, and buy a good drink of liquor and pay for it. [Applause.]

Mr. Speaker, it is not that we of Missouri are devoid of liquor. We have been riding white mule for years and have come to love it like Lee loved Traveler; but in my district there are many brewing interests, among them Anheuser-Busch. I say to Detroit, to Milwaukee, and to Germany that nowhere are people better prepared to furnish America with good beer, give work to many, and pay large taxes than we in St. Louis. I thank you. [Applause.]

Mr. CULLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. YOUNG].

Mr. YOUNG. Mr. Speaker, in 1917 and 1918, at a time many of us were away from our homes and loved ones, forming the grandest army ever gathered together under the bending sky of God, offering lives as sacrifices on the altars of freedom, an argument advanced was that closing breweries would release thousands of men from industry for military and other service in winning the war. Now, after 13 years of futile attempts to enforce this experimental legislation by the expenditure of more than $325,000,000 of public money, I use the same argument. We should pass this measure immediately. The American people have spoken, and in no uncertain terms. The water wagon met its Waterloo on November 8. Legalization of beer—reopening of breweries—will give needed employment now to many men and will bring into the coffers of our Government many million dollars additional revenue. It will provide an electrical thrill and stimulus to some 60 industries. I am in favor of immediate liberalization of the Volstead Act, which Woodrow Wilson had the courage to veto and which was enacted over his veto by a hostile Congress. Let us have temperance instead of prohibition! Let the Government profit instead of the beer racketeer profiteer! Let us put America to work! [Applause.]

Mr. COOPER of Tennessee. Mr. Speaker, I yield the remainder of my time to the gentleman from New York [Mr. CULLEN].

Mr. CULLEN. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. SWEENEY].

Mr. SWEENEY. Mr. Speaker, there is an old adage which says, "Whom the gods would destroy they first make mad."

Today the wets are out to destroy the drys; the liberals to destroy the grip and power the fanatics have exercised in this legislation for the past 12 years. It is but a handful of die-hard prohibitionists who will today defy the will of the American people by refusing to support modification.

The passage of this measure is resultant of the pledge incorporated in the Democratic national platform of the Chicago convention, June, 1932. President Roosevelt courageously proclaimed to the American public in his speech of acceptance that, in the event the Volstead Act was not modified in the lame-duck session of the Seventy-second Congress, he would assemble the new Congress in extraordinary session to secure the mandate of the people of the United States.

Mr. Speaker, in my opinion this is the beginning of the end of fanaticism, bigotry, intolerance, and lawlessness in our beloved country. It is the opening wedge of the restoration of personal liberty, and it will give opportunity to the racketeer, obsessed preachers of this country to return to their pulpits, once more open their Bibles closed for a dozen years, and preach the doctrine of Christ crucified instead of Volstead deified.

As a citizen of my community, and as a jurist for 8 years before I came to this Congress, I lived close to the prohibition operations. All of us, except those who are so blind that they will not see, know full well the tremendous cost of attempted enforcement, and the billions of dollars in revenue lost to the Nation and its subdivisions of government. The unnatural law of prohibition has filled our jails to overflowing. It is incredible that this great Nation of ours, a nation of liberty-loving people, would endure for so long a period the devastating results of this sumptuary legislation.

In reviewing the pages of history we are amused to discover that in the early days of New England, during the period of blue-law legislation, it was a crime for a man to kiss his wife on a Sunday. I wonder what the historian of tomorrow will think when he writes the history of the last 12 years, the history of madness unsurpassed in any nation of the world; what will he think of the spectacle of men rising in this very Chamber and applauding the act of a prohibition officer shooting an innocent victim; what will he think of the conduct of a sovereign State in sentencing to jail for life the mother of seven children because she had in her possession a pint of liquor, in violation of the blue law of that State; and what will he think of a law on the statute books of Ohio, a miniature Volstead Act, permitting the imposition for a first offense of a $1,000 fine for the mere possession of a bottle of beer, or a few ounces of wine, whose alcoholic content was in excess of one half of 1 percent, and which made possible a penitentiary sentence for the third violation of such an offense?

The old cry that this legislation would bring back the saloon, as far as I am concerned, falls upon deaf ears. For every saloon operating during the preprohibition era, we now have a hundred speak-easies—uncontrolled, unlicensed rendezvous for criminals and denizens of the underworld. Prohibition has made the youth of our land a Nation of hard drinkers. Our dry friends preached that the Volstead Act was created for the protection of the children then in grade schools, but today these children are its chief violators.

Testifying before the Senate committee, the first session of the Seventy-second Congress, in support of Senator Bingham's 4-percent beer bill, I recited the fact that in 1929 in the city of Cleveland 32,000 were brought before the bar of justice to answer to the charge of being intoxicated,

and the average age of these offenders was 25 years. These youths were addicted to canned heat, corn, and other illicit poisonous liquors, and they admitted that if wholesome palatable beer was available they would probably not resort to drinking hard liquor.

The passage of this legislation is a step in the right direction. It permits the manufacture and sale under State control of wholesome beer of an alcoholic content which I personally believe the Supreme Court will declare, if the controversy be brought before that distinguished body, a nonintoxicant in fact.

Hundreds of thousands of our citizens can now discontinue the pastime of making homebrew in the basement. I have visited many a cellar, but never have I found the by-product of such institutions comparable to the beverage produced by a skilled brewer, and especially the great industrial brewers of this country.

I believe that the advent of this legislation will allow law-enforcement officials to devote their time and talent to the destruction of the racketeer and kidnaper, who arose from the ashes of prohibition and are the offspring of this unsound legislation. Last year, 2 weeks before the kidnaping of the Lindbergh baby, before the Committee on the Post Office and Post Roads of the House, of which I am a member, a group of business and commercial men appeared in an effort to secure more stringent legislation respecting the crime of kidnaping. They revealed a gruesome tale of over 114 kidnapings which took place in this country during the past 2 years without knowledge of the newspapers or police officials where these crimes were committed. In response to an inquiry by a member of the committee to the president of the Chamber of Commerce of St. Louis, Mo., as to what, in his opinion, caused this epidemic of kidnapings, the president of this reputable organization unhesitatingly stated, "Congressman, nothing else but national prohibition." Mr. Speaker, I thank God I have lived to see the day when this measure will pass the House by an overwhelming majority. Its successful passage in the Senate is inevitable. Its enactment vindicates our faith in Democracy and the sound judgment of the American people, who have suffered quietly for many years because of the cowardly acts of spineless legislators in refusing to allow full debate and discussion of the question of modification of the law we are seeking to change today. With the exception, perhaps, of a measure looking toward further modification permitting the manufacture and sale of light wines, the next and final deathknell to national prohibition will be the ratification by constitutional majority of the sovereign States of the Union, ending forever this cursed law of prohibition.

[Here the gavel fell.]

Mr. CULLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, ladies and gentlemen of the House, sound arguments made on this floor should at once convince every reasonable Member that there should be no further delay in the passage of this bill to amend the Volstead Act and permit the manufacture and sale of beer and malt products that do not contain more than 3.2 percent of alcohol, which content the most outstanding chemists and physicians testify is nonintoxicating.

The few prohibitionists who seem still to be controlled by the long-ago discredited Anti-Saloon League have today utilized the same worn-out arguments that have been used in favor of prohibition for more than 20 years. Those arguments are thoroughly untenable. While I feel that the bill I introduced would have been accepted by the Senate without amendment, this bill shall have my support, as I feel that the millions of people who have been for years deprived of their rights by the prohibition law should no longer be deprived of those rights, and that speedy action should be had.

We passed a similar bill in the last session of the Congress, and, had the Senate been more considerate of the unequivocally expressed wishes of the people, and had President Hoover been less obstinate and not dominated by the fanatical prohibition interests, beer could have been legalized long before this and the country would be receiving a large revenue from the manufacture and sale of beer, which revenue would contribute very materially to balancing the Budget.

I fully recognize and concede that at this time the revenue from the sale of beer will not be so great as was originally anticipated. This is due to the deplorable economic conditions—15,000,000 of people out of employment, business at a standstill, banks closed, and hardly any money available to the masses of our people. Nevertheless, this bill will immediately bring a revenue, directly and indirectly, to the United States Government of approximately $100,000,000 a year and will also bring to the States and municipalities much-needed revenue.

This bill, moreover, will be most helpful to the country at large by reducing the surplus of barley and wheat, which will, no doubt, result in higher prices for these commodities, and which will inure especially to the benefit of the farmers.

I am confident that by the adoption of this bill we shall see the laws of the land complied with and crime reduced. It will not, as has been charged by the gentlemen from Ohio and Kansas, educate the young people to drink intoxicating liquor and encourage drunkenness. The contrary is true. It will aid in eliminating the hip-pocket flasks of men and the private flasks of young girls, which have been in evidence for the last few years. I feel that the enactment of this bill will make for sobriety, decent temperance, and, as I have said, real law and order. The present arguments against the passage of this bill, as stated before, are arguments that were used effectively by the prohibitionists when they unfairly forced this crime-breeding, fatuous, destructive prohibition law upon the American people by a minority vote.

I only too well remember the promises that by prohibition we would eliminate crime, bring about law and order, reduce taxation, bring about prosperity, effect a millennium, and that we would have a really sober Nation. It was by these sophistic arguments that many well-meaning, sincere persons were misled.

As chairman of the Committee on Alcoholic Liquor Traffic nearly 25 years ago, I studied the prohibition question in the States of Maine, Alabama, Kansas, and Iowa, as well as in foreign lands, and, after many years of study, I came to the conclusion that prohibition is an abject failure anywhere; that it does not tend to bring about real temperance, but in fact engenders and promotes a disregard not only for the prohibition law but for all other laws. Therefore I have at all times opposed the enactment of prohibition legislation and have, ever since its unwarranted, untenable, and foolish adoption, aimed at effecting its repeal. Therefore, after these many years, I am today indeed gratified by the turn of recent events, and if conditions were not so deplorable and serious, and if it were possible for anyone to be happy under existing conditions, I assure you that I would be happy today to aid in passing legislation that will decisively and beneficially modify the unreasonable and harsh Volstead Act and shortly bring about a repeal of the eighteenth amendment, which made the Volstead Act possible.

This bill would return to the respective States the rights that have been ruthlessly taken from them and restore to the people, as I have often said, their personal liberties.

I have always maintained and still maintain that when the facts are brought to the people they will soberly and wisely declare against an existing evil; and this prohibition legislation is a most tangible evil. That I am and have been right in my contention and belief is proved by the vote last November, when more than 24 millions of American freeman, with the wisdom of 13 years' experience, voted in favor of a party whose candidate courageously, unequivocally, unhesitatingly declared for immediate repeal of the eighteenth amendment and modification of the Volstead Act.

There can no longer be any question as to how the people of the Nation feel about prohibition, and it is my honest, mature opinion that it is our clear duty to carry out the

mandate and the wishes of that great majority of American citizens; and I hope that the membership of this House will without further delay vote in favor of this bill, so that we may again, in good conscience, enjoy our wholesome, nutritious beverage without violating the law of the land.

That it is within the power of the Congress to pass this law, that it is constitutional, no one will deny.

In conclusion I want to thank the many sincere men and women who, under the most adverse conditions, supported me in my fight. To them I extend my hearty thanks and appreciation. Those who opposed my efforts in this connection will, I hope, come to the conclusion that their views and beliefs were not justified and that it is for the best interests of the Nation, after 13 years of sad experience, to pass this bill, because no law, such as the prohibition law, can be enforced unless it meets the approval of a majority of our citizens. That we have paid dearly for this sad experience everybody must concede; and let us hope that in the future we will carefully weigh any action that would change the habits, customs, and mode of living of American citizens. I hope and expect that within a few days the wishes and mandate of the American people will be complied with. [Applause.]

[Here the gavel fell.]

Mr. CULLEN. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Speaker, this is indeed an auspicious day. In the Sixty-eighth Congress there were about 26 men on both sides of the aisle who were in favor of amending the Volstead Act. I congratulate these pioneers. One of them has just addressed you, the gentleman from New York [Mr. CULLEN], who is in charge of this bill. [Applause.]

There was this valiant little band of warriors that kept this question alive during all the years; although overwhelmed in great numbers, yet we never lost heart. We carried on. We kept the question alive in order that the American people some day might realize the iniquity thrust upon the people of this country by the adoption of the eighteenth amendment.

Today I have listened to most of the arguments, and we only have the same two advanced against the bill that have been used during all the years, and what are they?

First, that it brings back the saloon. Everybody knows that whether or not the saloon comes back is within the province of each individual State. Each State can regulate the method of selling this beverage within its own boundaries. So much for the saloon.

The other argument that is advanced is that of nullification. Who is there in this House today who will rise in his place and say that the President of the United States is in favor of nullifying the Constitution? Who is there that would dare to make this assertion, and who can rise here and point his finger at any man, at present a Member of this House, and say that he is trying to nullify the Constitution of the United States?

Mr. McFARLANE. Will the gentleman yield?

Mr. BOYLAN. I yield.

Mr. McFARLANE. Does the gentleman say that 4-percent beer by volume is not intoxicating?

Mr. BOYLAN. As I know it, the content of the beer under this bill is 3.2 percent and not 4 percent.

I need not tell you the benefits that will accrue to our people through the passage of this bill. Among the many, I will recite just a few. It will help the farmer by restoring his barley crop and increase his sales a hundred million bushels a year. It will help the cooperage industry, as 12,000,000 new barrels will be needed.

It will help the steel industry; it will help the motor industry. The glass industry will be benefited, also the electrical and metal industries.

Millions of dollars' worth of refrigeration units will be called for. The wooden-box manufacturers will get a large volume of work. The bottle-making-machinery manufacturers will be kept busy. The railroads will benefit to the extent of $50,000,000 per year in freight charges.

In addition to all these items the Government would be saved the staggering cost expended for the arrest, trying, and convicting of violators of the Volstead Act.

Finally, in passing this bill, we will simply keep faith with the people as promised in the platform adopted by the National Democratic Convention in Chicago in July last. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, for the third time in less than a week I find myself voting in support of the recommendations of the President of the United States. [Applause.] I am inclined to think I am beginning to qualify as a nonpartisan. [Laughter.] I have always rather prided myself on being a pretty strict Republican partisan, but here today I am about to vote for the third recommendation of President Roosevelt. [Applause.]

The first measure I gladly voted for in that, as President of the United States, he informed us that in his opinion a great emergency existed which called for our patriotic support of whatever recommendations the President of the United States saw fit to make.

On Saturday the President asked us again to support an economy measure. For a long time I have advocated economy in appropriations, so I was pleased to follow again the request and suggestion and advice of the President of the United States.

Yesterday the President submitted to the Congress what I think is the briefest presidential message that has ever been read here, certainly within the 20 years that I have been a Member of this House, and I do not think it will do any harm for a Republican Member to read this brief message of the President. He said to the Congress:

> I recommend to the Congress the passage of legislation for the immediate modification of the Volstead Act, in order to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution; and to provide through such manufacture and sale, by substantial taxes, a proper and much-needed revenue for the Government.
>
> I deem action at this time to be of the highest importance.

There are two outstanding features in this brief message that I desire to call again to the attention of the House; namely, the manufacture and sale of beer of such alcoholic content as is permissible under the Constitution. It is not for us to say, Mr. Speaker, what the alcoholic content is that is permissible under the Constitution. I have not the slightest doubt that eventually this question will be tried out before the Supreme Court of the United States, which, of course, has final jurisdiction as to the interpretation of the Constitution; and certainly Mr. Roosevelt, as President of the United States, is within his rights in offering us advice about manufacturing an article that will not be contrary to the provisions of the Constitution.

The other item of this brief message that I wish to refer to is the one wherein he says it will provide us with a proper and a much-needed revenue.

It is on this point that I wish to say a word, because originally I felt that this so-called "beer bill" had no place within the jurisdiction of the Ways and Means Committee. We are a revenue-raising committee and not a committee to pass on legal or constitutional questions, in my opinion; but under the provisions of the rule with respect to the reference of measures to committees this measure was submitted to the Ways and Means Committee in the last Congress, and has been resubmitted to the committee in this session of the Congress. Therefore it is, to my mind, so far as our committee is concerned, a question of revenue, to which the President referred in his message. Accordingly I desire to call attention to the two features of the bill now before us having to do with revenue.

On page 2, line 2, there is provided a tax of $5 per barrel on every barrel containing not more than 31 gallons.

On line 20, page 2, there is a tax of a thousand dollars for every brewery. One is an occupational tax and the other a direct tax levy.

Now, this first item of $5 per barrel is estimated to bring into the Treasury a revenue of not less than $150,000,000 per annum.

Mr. McFARLANE. Will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. McFARLANE. Under the economic conditions of the country today, does the gentleman think it will bring in anywhere near that amount?

Mr. TREADWAY. A year ago we had experts of the Government before us in hearings on the revenue law, and they said it would bring in anywhere from $125,000,000 to $150,000,000 per annum, and it is further stated that $125,000,000 is the lowest amount.

Now, we have heard a great deal in previous debates as to the possibility of getting a glass of good beer. The brewery people testified that with a tax of $5 per barrel you would still be able to get a good 5-cent glass of beer. Therefore, I think it would be very foolish for Congress to raise the rate as has been suggested. It should remain at $5 a barrel, which, as I have said, will bring in $150,000,000 per annum.

Mr. FREAR. That amount is for the first year.

Mr. TREADWAY. Yes; and the advocates of the resumption of the manufacture of beer inform us that the amount will increase as the taste of the people again is cultivated for good beer.

Mr. WEIDEMAN. Will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. WEIDEMAN. As a matter of fact, the resources of the Government will be increased, for instead of going to Canada to get a glass of beer, they can get it right here.

Mr. TREADWAY. I think it would save boat fare across the river from Detroit for some patrons. [Laughter.]

At a thousand-dollar tax on a brewery, the testimony before our committee was that we will receive in the neighborhood of $200,000 the first year. In other words, there will be at least 200 breweries at $1,000 apiece. Therefore, the President's recommendation that the revenue is obtainable certainly is in itself convincing, and I believe that we should adopt the recommendation of the President by the passage of this bill.

Mr. McFARLANE. Will the gentleman yield again?

Mr. TREADWAY. I yield.

Mr. McFARLANE. Would the gentleman be in favor of increasing the inheritance-tax rate to that comparable with France and England?

Mr. TREADWAY. Oh, the question of the income, inheritance, and various other taxes has been so extensively threshed out on the floor and before the Ways and Means Committee; let them rest for the time being and pass the beer bill. [Applause.]

Mr. Speaker, I yield back the remainder of the time allotted to the Republican side.

Mr. CULLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, as chairman of the subcommittee of the Democratic members of the Committee on Ways and Means, which drafted the bill, based upon the Cullen bill, I want to convey to the Membership of the House the fact that the main purpose of the Committee on Ways and Means was to keep this bill strictly a revenue measure and to take the Federal Government out of the control and regulation of the sale and distribution of any beverage containing 3.2 percent or less. The bill that we are voting on leaves to the several States the power to regulate and control beer, porter, ale, and such other drinks as may be provided for therein.

There were two provisions in the bill that the subcommittee considered yesterday which carried the jurisdiction of the Federal Government into several States. Those provisions were stricken from the bill. So we have a clear-cut bill presented to the House which, when it passes and passes the Senate and becomes a law, leaves to every State in the Union absolute jurisdiction over the matter of beer containing not over 3.2 percent of alcoholic content.

The tax phase of this bill is of great importance. The present Democratic administration has inherited a deficit of over $5,000,000,000 from the last Republican administration. When I sit here and see Members of the Republican Party urge the defeat of this bill, with knowledge on their part that the Democratic administration is inheriting a deficit of over $5,000,000,000 from the Republican administration of the past 4 years, I wonder how they can refrain from helping the present Democratic administration to balance the Budget by voting for this bill, so essential to business recovery as a result of the huge deficits inherited.

The gentleman from Oklahoma [Mr. ROGERS] has expressed great concern about the boys and girls in his State. I thoroughly agree with him. Every Member of this House entertains the same thought that he does, and one of the reasons I am voting for this bill is because it is going to help remove the condition that he has in mind and about which he is so concerned.

Reference has been made previously during the debate to the fact that provision is not made in this bill for the immediate manufacture, sale, and distribution of the beverage provided in the bill in the District of Columbia. The reason for this is very simple. It is not the purpose of this bill to provide for anything other than the raising of revenue and the indirect amending of the Volstead Act to permit the several States and Territories to manufacture, distribute, and sell a beverage containing not more than 3.2 percent of alcohol. It is the purpose of this bill to leave to the several States and to the Territories the power to pass enabling legislation relative to their own jurisdiction. By adopting this method we are taking the Federal Government completely out of this field and divesting the jurisdiction of the Federal Government to that extent. While it is true that the Congress of the United States passes all legislation relating to the District of Columbia, nevertheless we do so in the capacity of legislators of the District of Columbia. The usual procedure of a bill being introduced and referred to the Committee on the District of Columbia will be taken. It would be improper for the Committee on Ways and Means to undertake to report out in this bill a provision relating to the manufacture, distribution, and sale of a beverage containing 3.2 percent of alcohol in the District of Columbia. Such enabling legislation after this bill becomes a law will be passed. To incorporate any such provisions in the present bill would interfere with its passage. So far as I am concerned, I shall do everything in my power to see to it that such legislation is enacted as quickly as possible after the pending bill becomes law.

It is unnecessary to refer in detail to the many arguments which could be advanced in support of this bill, as speakers who have preceded me have ably presented such arguments. The real influence which brought about the state of mind which existed in the closing days of the last Congress, and which still exists today, on the prohibition question is the voice of public opinion. Many Members have changed and will change their votes on this question, due to the fact that the people in their districts have changed their views with reference to the prohibition question. In the final analysis, public opinion is the influence which will bring about the passage of this bill.

One of the most serious problems confronting the American people today is the intensive and extensive use of machinery in business, with its accompanying displacement of human labor. This is a problem which I have referred to on previous occasions, and which is more acute today than it has been in the past. Of the 12,000,000 unemployed, it is safe to say that at least 3,000,000 are unemployed as a result of the extensive use of machinery in business during the past 10 years. In the abnormal days preceding the collapse of the stock market in October, 1929, the abuses arising from the machine era were not recognized. The abnormal business activities of the 7 years preceding the present depression were such as to reabsorb into business men and women who would ordinarily be displaced as a result of the machinery problem. The present depression has clearly evidenced to us that while machinery has brought about many benefits to mankind, it has brought an evil which we must recognize and control in some way. Displaced labor must be reabsorbed into industry or taken care of in some way, thereby not becoming a burden upon society. Unless employment is assured

them, where their numbers are constantly increasing, discontent and dissatisfaction are created, with other harmful conditions following. The creation of a new industry or a new business is the best way to reabsorb labor displaced by the use of machinery. The reestablishment of the basic industry provided for in this bill will constitute in a sense a new legal industry, capable of reabsorbing directly or indirectly at least 500,000 of our displaced workers into a legitimate enterprise. From this angle alone the passage of this bill is of extreme importance.

As the debate is now to close, I hope that when the vote is recorded it will show an overwhelming victory for liberalism on this question, and that three quarters of the States of the Union will as quickly as possible ratify the repeal of the eighteenth amendment, thereby leaving behind forever the dark days of fanatical prohibition. We have had 13 years' experience with prohibition. We may rest content that the future generations of Americans will never want to undergo a similar experience. While this generation has suffered from prohibition, it has been an experience which will be useful and of service to future generations of Americans. We at least have the satisfaction of having undergone the so-called "noble experiment," and the probability of its return in any form in this or any future generation is very remote. We have again returned to the journey of true temperance, the influences of religion and of the higher things of life exerting themselves upon the mind of the individual and the voluntary and permanent response of the mind of the individual thereto, with the individual's exercise of his or her will power. [Applause.]

SWEARING IN OF JOHN T. BUCKBEE, A REPRESENTATIVE FROM ILLINOIS

The SPEAKER. The Chair desires to inform the House that by reason of the authority conferred upon him by House Resolution 40 he did on this day administer the oath of office to the Hon. JOHN T. BUCKBEE at Providence Hospital, District of Columbia.

Mr. BRITTEN. Mr. Speaker, I offer the following resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 46

Whereas JOHN B. BUCKBEE, a Representative for the State of Illinois, has been unable from sickness to appear in person to be sworn as a Member of this House but has sworn to and subscribed the oath of office before the Speaker, authorized by resolution of this House to administer the oath, and that said oath of office has been presented in his behalf to the House, and there being no contest or question as to his election: Therefore

Resolved, That said oath be accepted and received by the House as the oath of office of the said JOHN T. BUCKBEE as a Member of this House.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

THE BEER BILL

The SPEAKER. All time has expired on the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes. Under the unanimous-consent agreement entered into, the previous question is ordered. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question now is on the passage of the bill.

Mr. CULLEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 316, nays 97, not voting 17, as follows:

[Roll No. 5]

YEAS—316

Adair	Andrews, N.Y.	Auf der Heide	Bacon
Adams	Arens	Ayers, Mont.	Bailey
Andrew, Mass.	Arnold	Bacharach	Bakewell
Beam	Doutrich	Kleberg	Ransley
Beck	Drewry	Kloeb	Reilly
Beiter	Duffey	Kniffin	Richards
Berlin	Duncan, Mo.	Knutson	Richardson
Biermann	Dunn	Kocialkowski	Robertson
Black	Durgan, Ind.	Kopplemann	Robinson
Blanchard	Eagle	Kvale	Rogers, Mass.
Bloom	Eaton	Lamneck	Romjue
Boehne	Edmonds	Lanzetta	Rudd
Boileau	Eicher	Larrabee	Ruffin
Boland	Englebright	Lea, Calif.	Sabath
Bolton	Faddis	Lee, Mo.	Sadowski
Boylan	Farley	Lehlbach	Schuetz
Brennan	Fernandez	Lehr	Schulte
Britten	Fiesinger	Lemke	Scrugham
Brooks	Fish	Lesinski	Seger
Brown, Ky.	Fitzgibbons	Lewis, Colo.	Shallenberger
Brown, Mich.	Fitzpatrick	Lewis, Md.	Shannon
Brumm	Fletcher	Lindsay	Shoemaker
Brunner	Ford	Lloyd	Simpson
Buchanan	Foss	Lozier	Sirovich
Buck	Foulkes	Lundeen	Sisson
Bulwinkle	Frear	McCormack	Smith, Va.
Burch	Fuller	McDuffie	Smith, Wash.
Burke, Calif.	Fulmer	McGrath	Smith, W.Va.
Burnham	Gambrill	McKeown	Snyder
Byrns	Gavagan	McLean	Somers, N.Y.
Cady	Gibson	McLeod	Spence
Caldwell	Gifford	McMillan	Steagall
Cannon, Mo.	Gillespie	McReynolds	Stokes
Cannon, Wis.	Gillette	McSwain	Stubbs
Carden	Goodwin	Major	Studley
Carley	Goss	Maloney, Conn.	Sullivan
Carpenter, Nebr.	Granfield	Maloney, La.	Sutphin
Carter, Calif.	Gray	Mansfield	Sweeney
Carter, Wyo.	Green	Marland	Terrell
Cary	Griffin	Martin, Colo.	Thom
Cavicchia	Griswold	Martin, Mass.	Thomason, Tex.
Celler	Haines	Martin, Oreg.	Thompson, Ill.
Chapman	Hamilton	May	Tinkham
Chavez	Hancock, N.Y.	Mead	Traeger
Church	Hancock, N.C.	Meeks	Treadway
Claiborne	Harlan	Merritt	Truax
Cochran, Mo.	Hart	Millard	Turner
Coffin	Harter	Milligan	Turpin
Colden	Hartley	Mitchell	Umstead
Cole	Healey	Monaghan	Underwood
Colmer	Henney	Montet	Utterback
Condon	Hess	Moran	Vinson, Ga.
Connery	Higgins	Mott	Vinson, Ky.
Connolly	Hildebrandt	Moynihan	Waldron
Corning	Hill, Ala.	Muldowney	Wallgren
Crosby	Hill, Knute	Murdock	Walter
Cross	Hill, Sam B.	Musselwhite	Warren
Crosser	Hoeppel	Nesbit	Watson
Crowe	Holdale	Norton	Wearin
Crump	Hollister	O'Brien	Weideman
Cullen	Holmes	O'Connell	Welch
Darden	Howard	O'Connor	Werner
Darrow	Hughes	O'Malley	West
Dear	Imhoff	Oliver, N.Y.	White
Delaney	Jacobsen	Palmisano	Whitley
De Priest	James	Parker, Ga.	Wigglesworth
DeRouen	Jeffers	Parker, N.Y.	Wilcox
Dickinson	Jenckes	Parsons	Williford
Dickstein	Johnson, Minn.	Perkins	Williams
Dies	Johnson, W.Va.	Peterson	Withrow
Dingell	Kahn	Pettengill	Wolcott
Dirksen	Kee	Peyser	Wolfenden
Disney	Keller	Pierce	Wolverton
Ditter	Kelly, Ill.	Polk	Wood, Mo.
Dobbins	Kemp	Pou	Woodruff
Dockweiler	Kennedy, Md.	Powers	Woodrum
Dondero	Kennedy, N.Y.	Prall	Young
Doughton	Kenney	Ramsay	Zioncheck
Douglass	Kerr	Randolph	The Speaker

NAYS—97

Allen	Deen	Lambertson	Rogers, Okla.
Allgood	Dowell	Lambeth	Sanders
Ayres, Kans.	Doxey	Lanham	Sandlin
Bankhead	Driver	Luce	Secrest
Beedy	Elzey, Miss.	Ludlow	Sinclair
Bland	Eltse, Calif.	McCarthy	Snell
Blanton	Evans	McClintic	Stalker
Briggs	Flannagan	McFadden	Strong, Pa.
Browning	Focht	McFarlane	Strong, Tex.
Busby	Gilchrist	McGugin	Sumners, Tex.
Carpenter, Kans.	Glover	Mapes	Swank
Castellow	Goldsborough	Marshall	Swick
Chase	Greenwood	Miller	Taber
Christianson	Guyer	Morehead	Tarver
Clark, N.C.	Hastings	Oliver, Ala.	Taylor, S.C.
Cochran, Pa.	Hooper	Owen	Taylor, Tenn.
Collins, Calif.	Hope	Parks	Thurston
Collins, Miss.	Huddleston	Patman	Tobey
Cooper, Ohio	Jenkins	Ragon	Weaver
Cooper, Tenn.	Johnson, Okla.	Ramspeck	Whittington
Cox	Johnson, Tex.	Rankin	Wilson
Cravens	Jones	Rayburn	Wood, Ga.
Crowther	Kelly, Pa.	Reece	
Culkin	Kinzer	Reed, N.Y.	
Cummings	Kurtz	Rich	

NOT VOTING—17

Abernethy	Clarke, N.Y.	Peavey	Taylor, Colo.
Almon	Gasque	Reid, Ill.	Wadsworth
Buckbee	Gregory	Rogers, N.H.	
Burke, Nebr.	Kramer	Schaefer	
Cartwright	Montague	Sears	

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. RAINEY, and he answered "yea."

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Rogers of New Hampshire (for) with Mr. Cartwright (against).
Mr. Wadsworth (for) with Mr. Reid of Illinois (against).

General pairs:

Mr. Abernethy with Mr. Peavey.
Mr. Almon with Mr. Buckbee.
Mr. Gregory with Mr. Clarke of New York.

Mr. BYRNS. Mr. Speaker, the following Members are unavoidably absent, either on account of illness or important business. If present, they would vote "aye";

Messrs. MONTAGUE, SCHAEFER, TAYLOR of Colorado, SEARS, BURKE of Nebraska, and KRAMER.

Mr. McMILLAN. Mr. Speaker, I wish to announce the absence of my colleague, Mr. GASQUE, on account of illness. If present, he would vote "aye."

Mr. BECK. Mr. Speaker, our colleague the gentleman from New York, Mr. WADSWORTH, is unavoidably absent, and, to his very great regret, unable to be present today, but I am authorized to say that if present, he would vote "aye."

Mr. ENGLEBRIGHT. Mr. Speaker, the gentleman from Illinois, Mr. BUCKBEE, is absent on account of being confined in a hospital. If he had been present, I am informed that he would have voted "aye."

Mr. McCORMACK. Mr. Speaker, the gentleman from New Hampshire, Mr. ROGERS, is unavoidably absent. If present, he would vote "aye."

The result of the vote was announced as above recorded.

On motion by Mr. CULLEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS

Mr. CULLEN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to extend their own remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'MALLEY. Mr. Speaker, I am more than happy to be able to stand upon the floor of this House today to favor the passage of the beer measure which is now before us. For more than 6 years I have campaigned in my district for the legalization of good beer as a measure which would not only restore the morality of the people of my own State but of the United States, and as a measure which would hasten the return of prosperity and employment in these United States. The record of my humble political activity, should any Member of this House desire to inspect it, will show that in the campaign of 1928 I was the only candidate for Congress in the State of Wisconsin on any party ticket who favored the outright repeal of the eighteenth amendment. Again in 1930, when I was again a candidate for Congress in the Fifth District of Wisconsin, I likewise followed this consistent course of campaigning upon the single platform of a return to sanity through the repeal of the eighteenth amendment and the abolition of the infamous and fanatical Volstead law. I have been accused of having a 1-track mind because of my persistency upon this issue, and that may be true; but that one track which I have followed has been based upon the belief that you cannot legislate successfully in the matter of harmless personal habits for the American people, and that you cannot make people good by law.

Everything that could be said about beer has been said by men in this House far abler than myself. I have had little time in which to inspect the provisions of this bill, but I feel that the alcoholic content which it specifies will be sufficient to enable the brewmasters of my own city of Milwaukee, skilled for generations in their art, to give again legally to the people of the United States a palatable, healthful, harmless, and enjoyable beverage.

This is the first step toward the destruction of the reign of terror fastened upon the American people by the prohibition law. The passage of this measure is the first step in this speedily moving drama of the restoration of personal liberty. It is likewise the first official act of this extraordinary session of Congress toward the relief of unemployment and the relief of agriculture. Never before was a great industry upon which so many people depended, from farmers to laborers, wiped out with such ruthless and hasty action as brought about the ill-fated and unfortunate passage of the eighteenth amendment over the presidential veto of that great Democrat, Woodrow Wilson.

It is useless for any lady or gentleman in this House to parade across this floor in my view the bogey-man of the saloon. I have said that, as a younger Member of this House, I was not at an age before prohibition wherein experience with the saloon came very definitely to my attention. I wish to repeat, however, that no matter what the saloon was—and I know little about it—it is far preferable to the brothels, speakeasies, bootleggers, racketeers, drug-store gin palaces, beer flats, and hidden dens of crime and iniquity brought upon not only my own city but all the big cities of the country through the advent of prohibition.

I feel that I can speak for a younger generation today upon this important measure, a generation that with a knowledge of the mistakes of its elders is ready and determined to wipe out the evils which the iniquitous and fanatical prohibition enactment has fastened upon us, The people of the United States and of my district are anxiously watching this Congress in the hope of an era of prosperity. I am happy, indeed, to be able to support this measure introduced here today. To date, this House in a hectic extraordinary session of the Seventy-third Congress has adopted two measures, neither of which, to my mind, bears any relation to their greatest problem of all, that of unemployment. This measure you are asked to pass upon today will relieve unemployment, relieve it in my district and throughout the State and the Nation in a satisfactory and truly American way—of restoration of liberty to a liberty-loving people. I believe I can safely estimate that thousands of good, stable, honest, and reliable citizens of my city of Milwaukee will be restored to gainful employment through the passage of this bill. It will bring revenue into the Federal Treasury which now is being diverted to the ends of crime, and it will carry out the one and only section of the Democratic platform in the campaign of 1932 which uses the word "immediate" in its call for action to the majority of this House pledged to the new deal and the relief of misery and suffering borne so heroically today upon the heavily laden shoulders of the forgotten men and women whom our President championed so nobly. Let me conclude with this plea: That today we give our unanimous, immediate approval to the legalization of good beer, worrying not about technical questions such as alcoholic content, and so forth, but leaving that always, as it should be left, to those who know more about what good beer really is than we do.

When I cast my vote in favor of this measure I cast it with the fullest knowledge that it is a vote which restores to my district life, liberty, and the pursuit of happiness, while restoring employment and prosperity, not only to my city and my State but throughout the Nation.

Mr. LESINSKI. Mr. Speaker, ladies and gentlemen of the House, being a new Member of this body, I appreciate the courtesy which has been extended to me in permitting me to say a few words in favor of the pending legislation to legalize the manufacture and sale of beer.

A few moments ago my colleague from Kansas made the statement that if the sale of beer was legalized that it would mean the immediate return of the saloon, and that all chances of seeing the repeal of the eighteenth amendment ratified by the several States would be killed.

I should like to call to his attention the fact that I come from a section of the country that is made up of some of the largest manufacturing establishments in the world, including the Ford Motor Co. Before the advent of prohibition we had saloons where the laboring man could go and get his glass of beer for a nickel. Since prohibition these saloons have gone entirely out of business, and for each saloon a dozen blind pigs have sprung up; and instead of selling a pure glass of beer they now sell everything and anything manufactured in basements, alleys, and goodness knows where.

The people who formerly enjoyed their glass of beer are now drinking the poorest of bootleg drinks, and they are paying five times what it cost them in former years. No; my friends, the saloon is not going to return; it has never left us. We are going to pull it out in the open and place a sign on it; we are going to get it out of the attic and the cellar and give it a little sunlight, so that those who do desire a refreshing beverage may make use of it, knowing that the beer that they purchase will be manufactured under sanitary conditions at least.

My colleague also stated that there was not a man on the floor of this House who had been elected on the liquor question, and that President Roosevelt would have been elected had he run on a platform advocating the repeal of the laws of gravitation. I would call to my colleague's attention the fact that one of the main planks in my platform was the repeal of the eighteenth amendment and the modification of the Volstead Act, and I would consider myself a traitor to my constituents if I did not lend my whole-hearted support to this measure.

Mr. WEIDEMAN. Mr. Speaker, it is with pleasure that I vote affirmatively in compliance with the request of President Roosevelt in favor of this so-called beer bill. In casting my vote in favor of this bill I sincerely believe it means a new era of law enforcement and prosperity throughout our country, and particularly in my native city of Detroit, situated just across the Detroit River from Canada, which has been selling beer legally and profitably not only to their people but to Americans for many years.

The legal sale of beer will keep millions of dollars annually in Detroit and in the United States which heretofore has been spent in Canada. It will mean an end of debauchery of school children and young men and women in my city who have been victims of the lures of dives and speak-easies for years. In many instances their morals have been ruined, their health jeopardized, and their respect for law lessened by the unspeakable conditions that arise when beer and liquor are sold illicitly and in places not recognized by law or society.

STATE RIGHTS PROTECTED

Those States not desiring the sale of beer are not bound by this act to legalize the sale of beer; the right of the States to legislate for themselves is again restored to the individual States.

The bringing of the sale of beer out in the open will tend to instill into the minds and hearts of the people a respect for all laws. The general disobedience of the prohibition laws has brought about a more or less general disrespect for all laws. By the passage of the beer bill the Government of the United States will reaffirm its confidence in the people and their right to regulate its manner of living and tend to develop a more wholesome respect for all law.

So it is with great pleasure that I join our President in reaching toward one of the milestones which I believe will return this country to a balanced Budget, better law enforcement, better morals, and more respect for all laws.

Mr. DEEN. Mr. Speaker, although I realize this bill will pass by an overwhelmingly large vote, I cannot vote for it, and wish to make clear my reasons.

When the President of the United States sent us his first special message regarding the banking situation, and the banking bill, along with his message, was under consideration, I voted for the bill. In fact, there was not a dissenting vote on either side of the House. Again, when he sent us another special message relative to his economy bill, I supported the President, and gladly did so.

There are several reasons why I cannot vote for this beer bill. The first one is that I can not see how a poverty-stricken Nation can drink itself to prosperity or how we can forget that millions are crying for bread instead of beer. Again, the proponents of beer several months ago predicted and believed, so they say, that the revenue obtained from the sale of beer would be around a half billion dollars annually. Later they said it will probably be around a quarter of a billion, and now the conservative prediction by the leaders is that the sale of beer will bring into the Treasury only around $150,000,000 to $200,000,000.

I think passage of this bill is entirely premature. The Seventy-second Congress voted to submit the repeal of the eighteenth amendment to the States by conventions, and it is my conviction that the people ought to have an opportunity to express themselves before we pass any beer bill that modifies the Volstead Act and thereby destroys that part of the Constitution.

The final reason why I cannot and will not vote for this bill is based on my platform on which I was elected. I pledged to the people of my district, in writing, that I would be willing to submit the eighteenth amendment before casting a vote to repeal or modify the Volstead Act. Since the last Congress submitted the eighteenth amendment, the people of my district and State will have an opportunity to register their wishes on this question of repeal.

If the necessary majority of the States ratify the twenty-first amendment, repealing the eighteenth amendment, then will be time enough to modify the Volstead Act. It is my conviction that this 3.2 percent beer is intoxicating; and, until the eighteenth amendment is repealed, it is still a part of the Constitution. If the passage of this bill insures intoxication, it will only add to the greater disrespect for the Constitution and the laws of the country.

Mr. ZIONCHECK. Mr. Speaker, I am voting "yes" on this so-called "beer bill", although I do not share the optimism of many of my colleagues concerning the amount of revenue which will pour into the governmental coffers by reason of its enactment. I am reasonably certain that it is an illusion that beer will in any manner alleviate the depression or create employment to any appreciable extent. I am aware that large income-tax payers are favorable to the passage of this measure in a hope to thereby transfer onto the backs of the thirsty poor a large share of their tax burden. Nevertheless, I vote as I do for the following reasons:

First. Campaign promise to vote for the immediate modification of the Volstead Act to legalize light wines and beer.

Second. Mandate of the voters of the State of Washington on the 8th day of November 1932, when they wiped clean from our statute books every prohibition law by 2 to 1 upon an initiative measure for this purpose known as "Initiative Measure No. 61."

Third. Personal opposition to sumptuary legislation as a matter of principle.

Fourth. To some extent at least to do away with crime, racketeering, and lawlessness.

Fifth. Wholesome hatred of professional drys and prohibition agents.

Sixth. To eliminate what I believe to be the popular illusion that beer will bring back prosperity, and thus to some degree direct attention to the fundamental causes of the depression that the problem be recognized before it is too late to solve it in a peaceful, orderly, American manner.

Allow me to state that if opportunity is given this body—which I feel certain it will not—to vote as to the "mode and manner", I would cast my vote for governmental manufacture, sale, and distribution so that not one cent of private profit would be derived therefrom, for then, and only then, would many of the so-called "inherent abuses" be brought within relatively rational control. It is my humble guess, however, that we shall soon have Anheuser-Busch, Pilsner, Blue Ribbon, and what-not hours on the radio.

It is my hope now that the question of beer has been disposed of that we immediately proceed to the sane solution of the pressing emergencies which confront the unemployed as well as the debt-ridden farmers, who are being ground in a ruthless and unmerciful manner into veritable paupers.

These problems present the real emergencies, the solution of which is not a matter of choice—it is a matter of necessity.

Mr. SADOWSKI. Mr. Speaker, I have had the pleasure of voting with the President on two of his measures, and now I have the supreme satisfaction of voting for the third—the beer bill.

This bill means work; it means jobs for the unemployed in my district. It will give employment to a large number of men.

I was somewhat amused at the colloquy between the gentleman from St. Louis and the gentleman from Milwaukee as to the quality of their beer. I desire to say that Detroit has just as good beer as theirs, and we are ready to go. We want this bill put through. It does not mean employment for men in my district alone, but all over the country. I am interested in this bill particularly, because it is the first step to provide employment to a portion of those 11,000,000 men who are out of work. Mr. Woll, the labor committee representative for the modification of the eighteenth amendment, has estimated that this legislation will put to work at least 1,000,000 men and women in the brewing and associated industries.

This beer bill will not only be a benefit to my district or any particular district, but it will be of benefit to every part of the Nation. This bill is not only a bill to create employment, but it is also a revenue-raising measure. It will bring in at least $200,000,000 annually in revenue to the United States Treasury.

In addition to creating employment and raising revenue, this bill will create a better social and moral condition in the Nation. It will eliminate the law violator—the thug and the racketeer—who is today engaged in the beer business, and place it back into responsible legitimate hands under Government supervision and control.

In my district we have nine large breweries, namely: The Zynda Brewing Co., the Pfeiffer Brewing Co., the Wayne Products Co., the Auto City Brewing Co., the Schmidt Brewery, the Union Brewery, Stroh's Brewery, C. & K. Products Co., and Creamee Malt Brewery that are ready for business and ready to employ the idle men in my district. This, in my opinion, will be the second largest industry, superseded only by the automobile industry. My district, being made up entirely of factory workers, was hit harder than any other district in Michigan during this depression, and I can frankly state that no district in the United States received the President's message recommending the passage of this bill for the immediate modification of the Volstead Act in order to legalize the manufacture and sale of beer with greater joy, than people of my district, the First Congressional District of Michigan. They are today satisfied that the confidence reposed in our President, Franklin D. Roosevelt, when they gave him a 32,000 majority, was well placed, and they are grateful to him for the fearless and vigorous leadership that he has shown in breaking this depression.

Personally, I am proud and pleased to have the opportunity to come up here today and vote to carry out one of the campaign pledges of the Democratic Party to the people of the United States of America.

Mr. ADAMS. Mr. Speaker and Members of the House, I desire to state why I am going to vote for the passage of the beer bill. In the campaign just passed, in which all of the Members of this branch of Congress were elected, the Democratic Party in its platform advocated the repeal of the eighteenth amendment to the Constitution and favored the immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution and to derive therefrom a proper and needed revenue.

I was nominated by the Democratic Party of the State of Delaware as its candidate for the office of Representative in Congress. The convention at which I was nominated adopted the national party's platform. I accepted the nomination and publicly announced that I stood 100 percent—a popular phrase—upon that platform. I appealed for votes upon an expressed promise to carry out so far as I could my party's platform pledges. I was elected; and I am happy indeed that our Chief Executive, who led his and my party to victory, looks upon a platform pledge as a solemn promise to or a covenant with the people not to be trifled with or made light of. He believes it should be carried out and performed, and that, at the earliest possible moment. The word "immediate" as used in that platform means to him just what the dictionary states it to mean, "not distant." Hence, on the ninth day of his administration he sent a short, clear, and concise message to this Congress which is a reminder to the Democratic Members of their party's platform pledge and a request to carry it out by proper legislation, by legalizing the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution, and to provide through such manufacture and sale, by substantial taxes, a proper and much-needed revenue for the Government. He further says that he deems action at this time to be of the highest importance. It is true he did not say what the alcoholic content should be. It is likewise true that he did not limit the legalization of the manufacture and sale to beer. Those matters he left to the Congress. This branch of the Congress has this morning had presented to it a bill which I have termed a "beer bill." It does, however, also include ale, porter, and other similar fermented liquor containing one half of 1 percent or more of alcohol by volume and not more than 3.2 percent of alcohol by weight.

In deciding to vote for the passage of that bill, I feel that I am following the greatest leadership that has arisen in America since the administration of the great Wilson. I believe that Franklin Delano Roosevelt has in the last 10 days done more for this country than has any other Chief Executive since the World War in the whole period of his service. Our President has awakened a sleeping nation; he has put fresh hope in the hearts of his countrymen; he has started to build anew upon the wreck and ruin of the last Republican administration. I am going to vote him the ways and means. This bill, I believe, will raise a proper and much-needed revenue. And, too, I am not fearful of its being declared unconstitutional by the Supreme Court. It is, as its title states it to be, "A bill to provide revenue by the taxation of certain nonintoxicating liquor."

True, it permits and legalizes the manufacture and sale of beer containing 3.2 percent of alcohol by weight, and I will admit that for some time I pondered the meaning and full significance of those words contained in the Democratic Party platform and in the President's message, "as is permissible under the Constitution." I concluded that to be a question for and the function of the Supreme Court, and that a congressional determination of 3.2 percent of alcoholic content as nonintoxicating will be upheld by that Court should the question of what alcoholic content is permissible under the Constitution therein arise. If I am mistaken and do vote for this act which will hereafter be declared unconstitutional, I will not be the first or the last Member of Congress to make the mistake of having innocently voted for the passage of an unconstitutional measure, and I assure you it will have been a mistake of the head and not of the heart.

It has been mentioned by some here today that the passage of this bill will bring the saloons back. I am not doing that by my vote. This Congress is not doing that in passing this bill. Under the terms of this bill the manufacture and sale of this beverage is to be regulated by the respective States. It is for each State to say whether it shall permit the manufacture and sale of beer and to prescribe the manner in which it shall be dispensed. I vote today in the performance of my promise to help carry out my party's platform pledge and also in obedience to the wishes of the President. In doing so, I am not disregarding the oath I took on the opening day, when I swore to support and defend the Constitution of the United States * * * to bear full

faith and allegiance to the same * * * without any mental reservation or purpose of evasion. Never do I intend to violate that solemn obligation.

Mr. PEYSER. Mr. Speaker, for the third time within a period of 5 days we have been called upon by the President to support a measure intended to sweep away the clouds and open up the skies that the sun may shine again. The people of our country have been waiting for several years to smile again, and it is my honest and sincere belief that the action of this body, on the two previous measures suggested by our President, has contributed more in that direction than anything that has happened in the past few years.

We are face to face with another measure intended, primarily, to remove an evil that has been hovering over this country for over 13 years, namely, the prohibition measure. The principal part of this measure is now in the process of removal as machinery is being set up in various States to ratify a repeal measure passed in the last hours of the Seventy-second Congress.

The Democratic platform not only advocated the repeal of the eighteenth amendment, but also a modification of the Volstead Act which would permit the manufacture of nonintoxicating liquor, and the bill that is before us today comes under that classification. During my campaign I promised the voters of my district that I would not only support such a measure, but that I would use all of the power at my command to bring it to a vote at the earliest possible moment. This is indeed a happy day for me, to know that in the 5 days of the Seventy-third Congress we are privileged to vote on that measure. From the point of view of revenue I look upon it as one of the economic measures which will help to balance the Budget. Aside from the millions of dollars of revenue which I feel sure it will provide, it is my belief that its principal contribution to the best interests of the Nation is the mental attitude of the people when they know that in part, at least, their freedom has been returned to them. I feel sure—as some of my constituents that opposed this measure fear—that it will pass, beyond the question of a doubt; and I do not criticize their stand on this measure if it is an honest conviction in their mind that they should oppose it, but, in a like manner, I feel so sincere and so honest in the belief that this measure should pass that I want to add my few remarks in an endeavor to see that it is passed.

During my campaign, when I spoke for the repeal and the modification, I stated to my constituents that it was my belief that one of the first things to bring happiness and revenue to the country would be such a measure as we are now discussing, and, in that connection, I might add an expression that I used at that time, and that is, "Tax the thirsty and thereby help to feed the hungry." I thank you.

Mr. STRONG of Texas. Mr. Speaker, in entering upon the duties of Congressman, I stood in this Hall and took the solemn oath to uphold the Constitution and laws of the United States. I firmly believe it would be a violation of that oath, placing me on the roll as a perjurer, if I voted for the passage of this bill, for there is not the least doubt in my mind that the quantity of alcohol permitted in beer by this bill will cause such beer to be intoxicating, and therefore is a violation of the Constitution and laws of this Nation. This alone is sufficient reason for the defeat of this measure, but an investigation of the record and history of the liquor traffic in this country will establish many other reasons why this bill should be defeated, for the liquor traffic has been a menace to civilization and a violator of the Constitution and all laws of our Nation since the founding of this Government.

Soon after our Government was established there occurred what is known in history as the "Whisky Rebellion." History also states this is the first instance in which the authority of our Government was questioned. The cause of this uprising was the levying of a tax upon the distilling of intoxicating liquor. The distillers refused to pay this tax; and when Government officials undertook to collect same, some of these officials were murdered, while others were assaulted in a very unlawful manner. President Washington dealt with this criminal uprising very promptly by sending 15,000 soldiers into the rebellious district, whereby the outlawry was promptly abated. Many of the perpetrators of these crimes were arrested and convicted for treason, while others fled from the country. History tells us that the promptness with which President Washington dealt with these outlaws thoroughly established the authority of Government, and from that day forward our laws were respected by all citizens.

I might pause here to compare the acts of President Washington concerning liquor outlaws to that of another national administration which came into power soon after the eighteenth amendment was adopted and the Volstead law enacted. I refer to President Harding's administration, which performed the unheard-of and unprecedented act of placing the enforcement of a general law in the hands of the Secretary of the Treasury, while it should have been the duty of the law department of this Government to enforce. I feel I am stating the truth when I say the administration of the Volstead law by the Secretary of the Treasury during President Harding's administration is largely responsible for all the outlawry in this Nation for the past 12 years. The Secretary of the Treasury was opposed to the eighteenth amendment and the Volstead law and practically said to the bootlegger, the speak-easy, and the illicit distiller of intoxicating liquor: "The United States of America is open unto you, depredate to the fullest extent." The wonder is there has been a semblance of enforcement of the Volstead law, for the violators of same were encouraged by the officers whose duty it was to uphold the law.

I am unwilling to admit the criminal element of this country is more powerful than the United States Government, but I do believe, with officers in power who recognize the solemnity of their oath of office wherein they swear to respect and obey the Constitution and laws of our country and enforce same, all laws, including the Volstead Act, would be properly enforced. I have faith in the people of this Nation to believe they will soon demand of their officers in power that the Constitution and all laws must be respected. No individual or organization has the right under the Constitution of our Nation to select the laws they will obey or the laws they will disregard. That would destroy the Government and cause anarchy to reign. Therefore, the only means through which our Government can properly function and render proper protection to life and property is the sincere, active, militant enforcement of all our laws; and, as I have said, I have faith that the people of this Nation are going to demand this. In this connection I will state if the wet organizations, the wet newspapers, and wet magazines will actively and sincerely aid in the enforcement of the Volstead law for 1 year, then if it is not enforced as well as any law upon the statute books, I will advocate the repeal of same and guarantee all prohibitionists of the Nation will stand by this agreement.

It is claimed the passage of this bill will cause the employment of several thousand laborers and produce revenue to aid in balancing the Budget. This claim is clearly visionary; and if this bill becomes a law, it will be a sad disappointment to the people concerning employment of labor and production of revenue. The administration will be woefully embarrassed, for the facts can be established that the passage of this bill will greatly add to the number of unemployed and the revenue derived therefrom will be so insignificant that it will have little effect upon balancing the Budget.

Since the adoption of the eighteenth amendment the dairy business and the manufacture of milk products have increased several hundred percent. The same can be said concerning the soft-drink business, the grocery business, and the drygoods business, besides many other institutions of industry which employ many thousands of people—more than have ever been employed in the manufacture of beer. The passage of this bill then, I say, will cause more people to become unemployed than it will furnish employment. These facts can be readily substantiated by the records in the Government departments in Washington. To illustrate, these records show during the year 1914, before the manu-

facture of beer had been restricted, there were 86 men employed to each $1,000,000 invested in the brewery business, while in the manufacture of food and kindred products 228 men were employed to $1,000,000 invested. Under the same investment 531 men were employed in the manufacture of textiles and their products; 247 men employed for iron, steel and their products; 483 men employed by lumber and its manufactures; 413 were employed for leather and its finished products; while for all other industries the average was 308 men employed for each $1,000,000 invested. It can further be shown from the records mentioned that the brewery business consumed only about 2 percent of the grain crop produced in the United States annually. Therefore, I maintain that the destruction which would be caused to other industries by the enactment of this bill would eliminate the collection of much more revenue than the bill will produce.

As further substantiation of the facts, I quote from a paragraph in a statement issued by the master of the National Grange in which he says the grain required to produce the increased quantities of these dairy products amounts to 10,067,196,000 pounds. This is approximately three times as much grain as was used all told in the manufacture of fermented liquors in 1917. In addition to these figures given, 25,461,084,000 pounds of roughage were required to produce the increased dairy products consumed in 1929. In explanation of these figures it should be stated that 34 pounds of grain and 86 pounds of roughage are required to produce 100 pounds of milk. There has been a pronounced increase in recent years in the use of eggs and dairy products, in the manufacture of bread, cakes, pastries, and candy. If, because of the resumption of brewing beer, the per capita consumption of dairy and poultry products should drop to the level as in the days prior to the eighteenth amendment, agriculture would sustain a tremendous loss, and one which it could ill afford to bear. The grand master of the Grange further states that comparing the saloonless year of 1929 with the pre-Volstead year of 1917, the per capita consumption of dairy products alone increased 242.7 pounds.

Many pages of such truths herein set forth can be furnished, but time and space forbid at this time. The facts mentioned clearly show to any unprejudiced mind that this bill, if enacted into law, will increase the unemployed, while the amount of revenue produced will be trifling.

In connection herewith I will add, the warfare against the liquor traffic was won by the greatest weapon known to mankind—truth—and by this same weapon the eighteenth amendment and Volstead law will be retained. Of course, the enemies of the Constitution and laws of the Nation will win an occasional battle, but in the end the Constitution and laws will reign supreme in this great country of ours.

There are three institutions which must prevail and prosper if a government is to continue of the people, by the people, and for the people. These institutions are the home, the school, and the church, and I have never known the most enthusiastic advocate of the liquor traffic who would deny that that traffic does not stand in opposition to these three great institutions. We must bring people comfort, and prosperity to the home. If this bill becomes law, it will instead bring ruin, disaster, and starvation. We must instill in the youth of this Nation ability and patriotism. This bill will lead thousands to ruin, degradation, and shame. I am a firm believer in the doctrine of the separation of church and state, but earnestly desire more religion in politics. The church of the living God should not be hindered by the passage of laws by the Congress of the United States. The provisions of this bill will greatly interfere with the onward march of the church. Before the adoption of the eighteenth amendment there could be seen at the resorts in our coast cities and towns and many other places throughout the Nation thousands of young men and young women drinking beer and many becoming beastly intoxicated on the holy Sabbath day. This will again occur if this bill is enacted.

We will also sit in our homes, if this bill becomes a law, and hear over the radio all kinds of beer advertising promulgated by Pabst, Schlitz, Anheuser, Budweiser, and so forth, telling just how much you should drink each day; the hour to begin in the morning with these health-restoring (?) beverages; just how much to take before each meal; and the number of glasses before retiring. And instead of saying "not a cough in a carload", they will say "no heart disease from alcoholic contents." Since the adoption of the eighteenth amendment the malicious propaganda which has been imposed upon the people of the Nation in order to destroy our Constitution and laws will be tame as compared with the advertising with which the homes of this Nation will be afflicted should this bill be enacted.

No one will deny that a citizen or organization of citizens has the right to demand the repeal or the amendment of any law; but when laws are enacted, they should be respected and obeyed by all citizens. Therefore as long as the Volstead law remains upon the statutes of this Nation, each citizen who believes in the protection of the home, life, and property should use all efforts possible for the enforcement of same.

Mr. SMITH of Washington. Mr. Speaker, I cheerfully cast my vote for this bill to modify the Volstead Act and legalize the manufacture of 3.2 percent beer and other beverages and the sale thereof, under supervision and control of the several States, and prohibiting the transportation of such fermented liquors into a dry State.

The enactment of this bill into law will constitute the faithful and honorable fulfillment of the pledges of the platform of the Democratic Party adopted at Chicago:

> We advocate the repeal of the eighteenth amendment.
>
> Pending repeal, we favor immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution and to provide therefrom a proper and needed revenue.
>
> We urge the enactment of such measures by the several States as will actually promote temperance, effectively prevent the return of the saloon and bring the liquor traffic into the open under complete supervision and control by the States.
>
> We demand that the Federal Government effectively exercise its power to enable the States to protect themselves against importation of intoxicating liquors in violation of their laws.

To the argument that the passage of this bill will mean the return of the saloon, I answer that it will not unless the people of your State desire it to have that effect. If they do not want the saloon, they can exclude it; and if they wish to wholly prohibit the sale of beer, they can do that, also. It will be the province of the people of your State to decide for themselves what kind of regulatory liquor laws they desire.

Repeal of the eighteenth amendment and modification of the Volstead Act to regulate the manufacture and sale of beer were one of the important issues in the campaign, which resulted in my election to this body by an overwhelming majority over a veteran Republican Member, who had served here with distinction for the past 20 years, and always voted in favor of prohibition, and I told the people of the third Washington district that, if elected, I would cast the kind of vote that I am about to do on this roll call.

Ladies and gentlemen of the House, my State, Washington, was the first State in the Union to pass a bone-dry law, and on November 8 last the electors of Washington by a vote of 341,450 to 208,211 repealed that bone-dry law and all other prohibition enforcement laws in our State, and in the nine counties in my district the vote was 44,408 to 31,083 for repeal, clearly indicating the great change in public sentiment in my State and district on this momentous moral and economic issue.

My friends, my experiences as a practicing lawyer and public official have convinced me that the eighteenth amendment and the Volstead Act have utterly failed, cannot be enforced, are a source of enormous expense to the taxpayers and a loss of revenue to the Government, have caused unemployment, decreased the domestic market for the products of the farm, the forest, and the mine, are responsible for more drinking among young people and adults, and have brought about a reign of lawlessness, crime, and corruption in this country.

Mr. Speaker and Members of the House, I shall, therefore, vote "aye" in response to the mandate of the good people of southwestern Washington, who have elected me to this high office, and because I am by that token also expressing my own personal convictions in regard to the subject matter of this bill.

Mr. RANKIN. Mr. Speaker, it is not my purpose to quarrel with anyone who differs from me on the great moral issues involved in this bill to legalize the manufacture and sale of beer. I cannot vote for it. If the Constitution means anything, then the bill is unconstitutional. If this beer is not intoxicating, nobody wants it. If it is intoxicating, then its manufacture or sale would be in violation of the eighteenth amendment.

Men talk about "settling" this question. This issue will probably never be settled. It has been a subject of controversy since the feast of Belshazzar, and it will be one long after you and I have passed away.

If this bill becomes a law and then three fourths of the States ratify the resolution to repeal the eighteenth amendment, we will have the return of the saloon, with all its attendant evils, magnified and multiplied by the rapid changes in our transportation system, which would virtually place at the mercy of the liquor traffic the people of every community in the United States. Those evils would also be intensified by the great influx of irresponsible aliens with which our country has been flooded for the last 15 years, as well as by the evil tendencies of the times.

Men tell you that the people have changed and that the last election indicated that they wanted a return to the old system that was discarded more than 10 years ago, when America entered upon a new experiment in the advancing civilization of mankind. When she turned, as it were, from the dead past to the living future, caught the step, and took the lead in the onward march of modern progress.

Because the people at the polls last year repudiated an old and worn-out political regime which had permitted our country to be dominated to her own detriment by the greedy and irresponsible moneychangers of the earth, men misunderstood the verdict of that election and read in it a demand for beer, instead of a plea for bread. They seem to see in it a mandate for the legalization of the liquor traffic, instead of a mandate for a "new deal" in the conduct of our economic, political, and financial affairs.

I realize that I am hopelessly in the minority in this House when it comes to voting on this all-important subject, but my attitude represents the wishes and convictions of approximately 10,000,000 dry Democratic voters who supported the ticket, not because of the wet plank, but in spite of it. I am not willing to see them driven from the party which their fathers founded and which they have maintained and supported during all the years of its struggle for existence.

The wets have been clamoring for State rights, as if the liquor traffic ever respected State rights, or any other rights. It has come down the ages hand in hand with every vice and in collusion with every crime. It has paused at no Rubicon, it has halted at no Delaware. It has invaded every territory; it has covered every land, undermined the manhood, and wrecked the homes of people of every clime.

The passage of this bill and the ratification by the States of the resolution to repeal the eighteenth amendment would not mean the return of State control of liquor, as some misguided individuals seem to think. It would mean liquor control of the States. The bootlegger of today would be the bartender of tomorrow. The racketeer of today, who now does his mischief under cover, would become the "ward boss" or the "city boss", or possibly the "State boss", and maybe the "national boss", under the new regime of beer and booze. Their "shanghai" methods of punishing competitors in their present world of crime might then be used to destroy God-fearing, law-abiding Christian men and women who refuse to bow to their impious wills.

It would mean the wiping out of the moral progress of a hundred years, and would greatly intensify the suffering and distress through which our people are now passing, without giving any of the relief its proponents claim.

As Members of the House know, I do not pose as a religious leader. I am a member of the church and believe in it, and so far as I know, I am in good standing. I am just one of the millions in the rank and file in what I conceive to be a constant battle for the moral betterment of mankind. I am not a preacher or the son of a preacher, but I remember we are told in Holy Writ that when the Savior cried out from the cross in all the agony of his distressed soul and tortured body, his enemies administered bitter applications of vinegar to his lips.

In this hour of distress, when our people are suffering as they have never suffered before; when bread lines are stretching down the streets of our cities; when farmers are losing the meager savings of a lifetime, seeing their homes swept away for debts or confiscated for taxes; when men and women and children of the best families of America are forced to beg their bread from door to door; when a crimson wave of suicide is sweeping over the land; when mothers are killing their children to keep from seeing them starve and then are committing suicide across their dead bodies—when all these suffering elements of humanity are appealing to me as a Congressman to assist them in obtaining relief from these horrible conditions, I refuse to join the mob and help to crucify the moral forces of my country upon a keg of beer or commend this poison chalice to the lips of their children.

Mr. BOLAND. Mr. Speaker, ladies and gentlemen of the House, I wish to state that I am heartily in favor of Congress passing this legislation that is contained in this bill (H.R. 3341), which legalizes the manufacture and sale of beer with the alcoholic content of 3.2 by weight. I am no expert upon the alcoholic content of this beer—as to whether it is intoxicating or nonintoxicating. I have talked to many doctors in my district who are very pronounced in their statements that beer up to 4 percent is not intoxicating, particularly to those who work in the mines, the mills, and the factories.

Dr. Warren Coleman, of New York City, who represented the New York Academy of Medicine—and I consider him an authority upon this subject—stated and proved to my satisfaction that beer is more a food and a benefit to the human system than a detriment. Dr. Coleman stated:

> It is a food value. It is valuable in health; it is even more valuable in disease.

He also stated that there is much less danger in using a bottle of beer or a bottle of ale at bedtime than there is in taking one of the many acid preparations.

There is no question about the benefit that beer is to men who work in laborious positions, such as stokers in ocean liners, miners in deep mines, or people who work in high temperatures. They sweat very heavily. The sweat is heavily charged with salts of various kinds. This matter has been investigated scientifically in England. When these men who work in these high temperatures drink water, they are poisoned by it. They develop cramps. Beer, containing salts, prevents development of these cramps in men under those conditions.

There is another phase of this question that appeals to me very strongly at this time. The many, many industries that will be benefited by the opening of the breweries and the placing of many of our now idle men back to work. This is true particularly of the district that I represent, because of the many miners and mill hands and those employed in other industries who would be affected by the passage of this bill. I am perfectly satisfied that there are many, many barrels of illegal beer going through Pennsylvania at the present time from which the country is getting no revenue whatsoever. This bill will immediately correct this evil and give our country the much-needed revenue that is now going to bootleggers and would bring us out of the chaos.

The evidence points very strongly to the supposition that we shall be able to raise between one hundred and fifty and two hundred million dollars annually from this revenue.

It is surely a step in the right direction from every viewpoint—first, eliminating a very disastrous evil that we are so familiar with; second, raising a much-needed revenue which is so necessary at this time; and most important of all is that men will be put back to work and the wheels of industry will start to revolve.

I can recall quite vividly the time previous to the enactment of the eighteenth amendment and the Volstead Act, particularly in reference to Pennsylvania. The people at that time were contented and happy. The breweries were operating in the manufacturing of good beer at 5 cents a large glass. The men working in the mines, in the mills, in the factories, on the railroads, the mechanics, and in many other forms of employment enjoyed this beverage because of years of being accustomed to it. In my opinion, although I have no personal knowledge of its taste, it was an unwise piece of legislation that excluded these workmen from this form of enjoyment, and at the same time forced a different method of living upon them which they have never been able to adjust themselves to satisfactorily. There is no doubt in my mind that if Congress will legalize beer so that the people may again feel free, independent, and unafraid of racketeers and overofficious and obnoxious prohibition agents, contentment and happiness will again reign in these United States.

Mr. DINGELL. Mr. Speaker and ladies and gentlemen of the House, I arise at this time to put on record, as a spokesman for my constituency, the fact that we of the Fifteenth Congressional District of Michigan desire the earliest possible enactment of the beer bill. I know it is the prevailing sentiment of the people of my district that the bill should provide for a beer that is wholesome and palatable with an alcoholic content of not less than 3.2 percent by weight. We, who live in close proximity to Canada, have had an opportunity to observe the unpopularity of beer with a lesser alcoholic content than 3.2 percent. The Canadian experiment has shown conclusively the total worthlessness of a malt beverage that does not contain the proper amount of alcohol.

My personal opinion is that inasmuch as beer is a workingman's drink that the question of a beer tax is of vital importance. I feel certain that the House will not permit the levy of an excessive tax as a result of which beer would be available only to the rich and excluded from the table of the poor man. I am opposed to a tax of $5 per barrel because I feel that it is excessive. Certain taxes applicable to the beer traffic might belong, at least in part, to the States and an excessive Federal tax would deprive the States of a source of revenue which is so sorely needed by the States and which we demand in part for the State of Michigan at the present time.

We have heard a great deal of discussion as to whether or not the saloon would be brought back into being should we adopt this bill. I want to anwser this question by saying that I would rather see the open, well-regulated saloon with the lights turned on, licensed and supervised by the authorities, than I would see the present condition prevail. It is no concern of the gentleman from Texas [Mr. BLANTON] whether or not Michigan wants to have the saloon or whether or not 3.2 percent beer is intoxicating. That is a question for Michigan and the people of Michigan to determine, and as Democrats, believing in State rights, we should grant that right to Michigan, just as Michigan is willing to permit the State of Texas to remain dry if the people of Texas so ordain. The State of Kansas can continue to drink Peruna if the people of that State wish; and if the State of Ohio should perchance choose the Ontario liquor system, that should be Ohio's privilege; Indiana might, on the other hand, undertake a plan of local option, and that likewise should be conceded; while the State of Arkansas may continue the experiment of remaining constitutionally dry, though I know the temper and the good judgment of their people to recognize that experimenting is a thing of the past.

The Federal Government should aid the sovereign States that choose to remain dry to the extent of restricting liquor shipments and by cooperating to the greatest possible extent in the protection of the expressed sentiments of the people residing therein. I might say also that dry States which manufacture liquor should be prevented from dumping their surplus production on wet States. It may be possible, Mr. Speaker, as time goes on to provide proper legislation to protect defenseless Missouri from the encroachment of the liquor exporters from the dry State of Kansas who dispose of their exportable surplus, causing hardship among the producing farmers of Mr. LEE's district.

I believe, Mr. Speaker, that when this vote on the beer question is finally taken, the Anti-Saloon League will be definitely repudiated, and the yoke which this body has for so many years carried about its neck will be cast off forever.

It must be said in everlasting tribute to the Members of former sessions of the House that their courage in the face of tremendous odds was the only thing that saved the situation as we of the Seventy-third Congress know it today. I remember distinctly when the number of votes cast for beer was less than the opposition cast against it today. This test of strength occurred repeatedly in the past sessions, and yet, in spite of it, they fought courageously for that which we have gained at this time.

I want to say in passing that I never entertained the idea that prohibition was an issue that was fostered by and sustained through fanaticism alone. As a matter of fact, I am the first to concede that the bulk of the advocates of prohibition are a devoted, loyal, and sincere part of our American people. It is true that the question has been agitated by a limited number of professional drys who were fanatical in their zeal to keep the issue alive at all times. This element has been repudiated by the sincere temperance element within the ranks of the prohibition forces. It has taken considerable time to convince the opposition of the utter futility of prohibition, but once they were convinced, prohibition was doomed.

SESSIONS OF COMMITTEE ON APPROPRIATIONS

Mr. BUCHANAN. Mr. Speaker, I offer a resolution which I have sent to the desk.

The Clerk read as follows:

House Resolution 47

Resolved, That the Committee on Appropriations and subcommittees thereof be authorized to sit during the sessions and recesses of the Seventy-third Congress.

The resolution was agreed to.

RECESS

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the House stand in recess subject to the call of the Chair.

Mr. SNELL. Will the gentleman explain what is going to take place?

Mr. BYRNS. There is a banking bill that has just passed the Senate and is on its way here, and I am told it will be here probably within half an hour. It is relative to State banks, and one that is considered very important to State banks about to open.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. BYRNS]?

There was no objection.

Accordingly (at 4 o'clock and 32 minutes p.m.) the House stood in recess subject to the call of the Speaker.

AFTER RECESS

The recess having expired, at 6 p.m. the House was called to order by the Speaker.

FURTHER MESSAGE FROM THE SENATE

A further mesage from the Senate, by Mr. Craven, its principal clerk, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J.Res. 14. Joint resolution authorizing the President of the United States to expend $5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J.Res. 14. Joint resolution authorizing the President of the United States to expend $5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933; to the Committee on Appropriations.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 2 minutes p.m.) the House adjourned until tomorrow, Wednesday, March 15, 1933, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. POU: Committee on Rules. A resolution (H.Res. 43) amending rule X of the House of Representatives; without amendment (Rept. No. 2). Referred to the House Calendar.

Mr. CULLEN: Committee on Ways and Means. A bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes; without amendment (Rept. No. 3). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CULLEN: A bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes; to the Committee on Ways and Means.

By Mr. PALMISANO: A bill (H.R. 3342) to provide revenue for the District of Columbia by the taxation of beverages, and for other purposes; to the Committee on the District of Columbia.

By Mr. DISNEY: A bill (H.R. 3343) providing for loans or advances by the Reconstruction Finance Corporation for the purpose of securing the postponement of the foreclosure of certain mortgages for a period of 2 years, and for other purposes; to the Committee on Banking and Currency.

Also, a bill (H.R. 3344) to amend section 14, subdivision 3, of the Federal Farm Loan Act; to the Committee on Banking and Currency.

By Mr. DOXEY: A bill (H.R. 3345) to authorize the Department of Agriculture to issue a duplicate check in favor of the Mississippi State treasurer, the original check having been lost; to the Committee on Claims.

By Mr. JAMES: A bill (H.R. 3346) to authorize appropriations for construction of buildings, utilities, and appurtenances thereto at Bolling Field, D.C.; to the Committee on Military Affairs.

Also, a bill (H.R. 3347) to authorize appropriations for the construction of buildings, utilities, and appurtenances thereto at Langley Field, Va.; to the Committee on Military Affairs.

By Mr. SWEENEY: A bill (H.R. 3348) to amend the act entitled "An act to amend the act of March 3, 1913, entitled 'An act to regulate the officering and manning of vessels subject to the inspection laws of the United States,'" approved May 11, 1918; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. CARPENTER of Nebraska: A bill (H.R. 3349) to establish a bimetallic system of currency, employing gold and silver, to fix the relative value of gold and silver, authorizing the Secretary of the Treasury to maintain the gold and silver reserve, to redeem Government obligations in both gold and silver at the option of the Secretary of the Treasury, providing that gold and silver shall be legal tender for payment of public and private debts, to provide for the free coinage of silver as well as gold, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. BROWN of Kentucky: A bill (H.R. 3350) to establish a bimetallic system of currency employing gold and silver, to fix the relative value of gold and silver, authorizing the Secretary of the Treasury to maintain the gold and silver reserve, to redeem Government obligations in both gold and silver at the option of the Secretary of the Treasury, providing that gold and silver shall be legal tender for payment of public and private debts, to provide for the free coinage of silver as well as gold, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. SOMERS of New York: A bill (H.R. 3351) relating to educational requirements of applicants for citizenships; to the Committee on Immigration and Naturalization.

By Mr. SWEENEY: A bill (H.R. 3352) to amend the act approved June 25, 1910, entitled "An act to establish postal-savings depositories for depositing savings at interest with the security of the Government for repayment thereof, and for other purposes"; to the Committee on the Post Office and Post Roads.

By Mr. WALLGREN: A bill (H.R. 3353) to provide a preliminary examination of Stilaguamish River and its tributaries in the State of Washington, with a view to the control of its floods; to the Committee on Flood Control.

Also, a bill (H.R. 3354) to provide a preliminary examination of Snohomish River and its tributaries in the State of Washington, with a view to the control of its floods; to the Committee on Flood Control.

By Mr. BANKHEAD: A bill (H.R. 3355) to authorize the purchase by the Government of silver, to provide for the issuance of silver certificates in payment therefor ,and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. DISNEY: A bill (H.R. 3356) authorizing the Secretary of the Interior to purchase certain lands in Ottawa County, Okla.; to the Committee on Indian Affairs.

By Mr. SINCLAIR: A bill (H.R. 3357) to amend section 99 of the Judicial Code (U.S.C., title 28, sec. 180), as amended; to the Committee on the Judiciary.

By Mr. DOCKWEILER: A bill (H.R. 3358) to extend the mining laws of the United States to the Death Valley National Monument in California, and for other purposes; to the Committee on the Public Lands.

By Mr. HASTINGS: A bill (H.R. 3359) to provide for the furnishing of bonds by National and State banks and trust companies, which are members of the Federal Reserve System, for the protection of the depositors; to the Committee on Banking and Currency.

Also, a bill (H.R. 3360) granting consent to the several States to tax property employed and business done in interstate commerce; to the Committee on Ways and Means.

Also, a bill (H.R. 3361) to provide for the construction of a military road at the United States cemetery at Fort Gibson, Okla.; to the Committee on Military Affairs.

By Mr. WALLGREN: A bill (H.R. 3362) to provide a preliminary examination of the Nooksack River and its tributaries in the State of Washington with a view to the control of its floods; to the Committee on Flood Control.

Also, a bill (H.R. 3363) to provide a preliminary examination of Skagit River and its tributaries in the State of Washington, with a view to the control of its floods; to the Committee on Flood Control.

By Mr. McFARLANE: A bill (H.R. 3364) to reduce salaries, pay, and wages received from the United States during the calendar year 1933; to the Committee on Expenditures in the Executive Departments.

Also, a bill (H.R. 3365) to repeal section 1001 (a) of the Revenue Act of 1932, which increased the rate of postage on certain mail matter of the first class; to the Committee on Ways and Means.

By Mr. McLEOD: A bill (H.R. 3366) to prevent loss of their Government insurance policies by veterans who have been unable to make their monthly premium payments because of the bank holiday; to the Committee on World War Veterans' Legislation.

By Mr. JOHNSON of Texas: A bill (H.R. 3367) to authorize the acceptance by the Treasury of silver bullion and the issuance therefor of silver certificates for the purpose of expanding the currency and elevating the price level, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. SMITH of West Virginia: A bill (H.R. 3368) to amend section 113 of the Judicial Code, as amended (U.S.C., title 28, sec. 194); to the Committee on the Judiciary.

By Mr. JOHNSON of Texas: A bill (H.R. 3369) to amend the National Banking Act and the Federal Reserve Act, and to provide a guaranty fund for depositors in banks; to the Committee on Banking and Currency.

By Mr. SMITH of Virginia: A bill (H.R. 3370) to confer jurisdiction on the Court of Claims to hear and determine the claim of Mount Vernon, Alexandria & Washington Railway Co., a corporation; to the Committee on Claims.

Also, a bill (H.R. 3371) to revive and reenact the act entitled "An act authorizing the Great Falls Bridge Co. to construct, maintain, and operate a bridge across the Potomac River at or near Great Falls," approved April 21, 1928; to the Committee on Interstate and Foreign Commerce.

By Mr. WALLGREN: A bill (H.R. 3372) for the refunding of certain countervailing customs duties collected upon logs imported from British Columbia; to the Committee on the Judiciary.

By Mr. DIES: A bill (H.R. 3373) to authorize the Secretary of Commerce to offer for sale to foreign buyers the 1933 crop of wheat and cotton and to accept as payment therefor silver coin or bullion at the value of 75 cents an ounce, and to authorize the Secretary of Agriculture to purchase the 1933 cotton and wheat crops from American producers at three times the world market price and to pay for same with silver certificates redeemable in silver bullion; to the Committee on Coinage, Weights, and Measures.

By Mr. SNELL: Resolution (H.Res. 48) amending rule XXXIII, paragraph 1, of the House of Representatives; to the Committee on Rules.

By Mr. POU: Resolution (H.Res. 49) amending clause 44 of rules X and XI of the House of Representatives; to the Committee on Rules.

By Mr. DICKSTEIN: Resolution (H.Res. 50) to provide for a select committee to investigate practices used in deportation of aliens, and to study extent of alien smuggling from Cuba; to the Committee on Rules.

By Mr. BURKE of California: Joint resolution (H.J.Res. 80) to authorize the President to make expenditures for the relief of hardship, suffering, and distress occasioned by earthquake in the State of California; to the Committee on Appropriations.

By Mr. BOLAND: Joint resolution (H.J.Res. 81) authorizing the President of the United States to issue a proclamation designating October 11 of each year a day to display the United States flag, with appropriate ceremonies; to the Committee on the Judiciary.

By Mr. BURKE of California: Joint resolution (H.J.Res. 82) authorizing the President of the United States to expend $5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933; to the Committee on Appropriations.

By Mr. DISNEY: Joint resolution (H.J.Res. 83) to provide protection and relief to farmers by aiding them to conserve and liquefy their mineral rights through recognized and established cooperative agencies engaged in the pooling of mineral rights underlying farm lands; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COCHRAN of Missouri: A bill (H.R. 3374) granting a pension to Gustav Gumpertz; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3375) granting a pension to Emma Springer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3376) granting a pension to Sarah Stephenson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3377) granting a pension to Julia C. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3378) granting an increase of pension to Anna Barfield; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3379) granting an increase of pension to Margaret Holden; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3380) granting an increase of pension to Margaret A. Kelly; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3381) granting an increase of pension to Sarah A. Maack; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3382) granting a pension to Gertrude Storck; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3383) for the relief of Herman Schierhoff; to the Committee on Claims.

By Mr. COLLINS of California: A bill (H.R. 3384) for the relief of Ralph C. Irwin; to the Committee on the Post Office and Post Roads.

By Mr. DE PRIEST: A bill (H.R. 3385) for the relief of Robert Taylor; to the Committee on Military Affairs.

Mr. DOCKWEILER: A bill (H.R. 3386) granting a pension to Norman Stephens; to the Committee on Pensions.

Also, a bill (H.R. 3387) for the relief of Walter E. Sharon; to the Committee on Naval Affairs.

Also, a bill (H.R. 3388) granting a pension to Dorsey C. Blakeley; to the Committee on Pensions.

Also, a bill (H.R. 3389) granting a pension to Cornelius S. Holcombe; to the Committee on Pensions.

Also, a bill (H.R. 3390) granting a pension to Mary P. Paul; to the Committee on Pensions.

Also, a bill (H.R. 3391) granting an increase of pension to Arthur Plank; to the Committee on Pensions.

Also, a bill (H.R. 3392) granting a pension to George McMullen; to the Committee on Pensions.

Also, a bill (H.R. 3393) granting a pension to Alice Mitchell; to the Committee on Pensions.

Also, a bill (H.R. 3394) granting a pension to Lloyd O. Taylor; to the Committee on Pensions.

Also, a bill (H.R. 3395) granting a pension to William Dunn; to the Committee on Pensions.

Also, a bill (H.R. 3396) granting a pension to Albert M. Barden; to the Committee on Pensions.

By Mr. DOWELL: A bill (H.R. 3397) granting an increase of pension to Nancy Shawhan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3398) granting an increase of pension to Emily A. Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3399) granting an increase of pension to Harriett Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3400) granting an increase of pension to Martha A. McDole; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3401) granting an increase of pension to Mary E. Lemmon; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3402) granting an increase of pension to Mary Ann Holland; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3403) granting an increase of pension to Emma L. Gossard; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3404) granting a pension to Ida E. Downey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3405) granting an increase of pension to Mary E. Campbell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3406) granting an increase of pension to Amy Barns; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3407) granting a pension to Mary Frances Culbertson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3408) granting a pension to John H. Andrews; to the Committee on Pensions.

Also, a bill (H.R. 3409) granting a pension to Jessie D. Wheat; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3410) granting an increase of pension to Mary J. Walton; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3411) granting a pension to Katie White; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3412) granting a pension to Lillie Watson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3413) granting an increase of pension to Sarah E. Westlake; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3414) granting an increase of pension to Annie B. Chedester; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3415) granting an increase of pension to Hannah P. Walling; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3416) granting a pension to Mary Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3417) granting an increase of pension to Lucinda C. Spencer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3418) granting an increase of pension to Sarah J. Starbuck; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3419) granting an increase of pension to Anise Musselman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3420) granting an increase of pension to Rebecca A. Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3421) for the relief of Louis A. Carr; to the Committee on Military Affairs.

Also, a bill (H.R. 3422) for the relief of G. W. Bauserman; to the Committee on Claims.

By Mr. DOXEY: A bill (H.R. 3423) for the relief of Benjamin Wright, deceased; to the Committee on Naval Affairs.

By Mr. GAMBRILL: A bill (H.R. 3424) for the relief of William G. Fulton; to the Committee on Claims.

By Mr. GUYER: A bill (H.R. 3425) granting an increase of pension to Lydia Effie Chace; to the Committee on Invalid Pensions.

By Mr. HAMILTON: A bill (H.R. 3426) granting an increase of pension to Cynthia E. Roberts; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3427) granting an increase of pension to Rhoda Ellis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3428) granting an increase of pension to Mary C. Davis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3429) granting an increase of pension to Rachel Gibson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3430) granting an increase of pension to Mary A. Deaton; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3431) granting an increase of pension to Mary A. Choate; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3432) granting an increase of pension to Martha A. Bowman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3433) granting an increase of pension to Martha J. Alcorn; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3434) granting an increase of pension to Mary Perry; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3435) granting an increase of pension to Charity Wilson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3436) granting a pension to Ada Simpson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3437) granting a pension to Sarah Farmer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3438) granting a pension to Josephine Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3439) granting a pension to John C. Camden; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3440) granting a pension to Sarah L. Hadley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3441) granting a pension to Ruth E. Simpson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3442) granting a pension to Hector O. Downey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3443) granting a pension to Amanda Sumner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3444) granting a pension to Amanda Jarvis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3445) granting a pension to Sarah Nantz; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3446) granting a pension to Joshua S. Mullins; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3447) granting a pension to Ella Abney; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3448) granting a pension to Nancy Triplet; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3449) granting a pension to Jane Burns; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3450) granting a pension to Kate Couch; to the Committee on Invalid Pensions.

By Mr. HASTINGS: A bill (H.R. 3451) granting an increase of pension to Peggy Shade; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3452) granting a pension to Francis M. Weddle; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3453) granting an increase of pension to Eulie Beedle; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3454) for the relief of Mary McCutcheon; to the Committee on Claims.

By Mr. HOWARD: A bill (H.R. 3455) to enroll on the citizenship rolls certain persons of the Choctaw and Chickasaw Nations or Tribes; to the Committee on Indian Affairs.

By Mr. KENNEDY of Maryland: A bill (H.R. 3456) for the relief of Ellis Duke, also known as Elias Duke; to the Committee on Claims.

By Mr. KNUTSON: A bill (H.R. 3457) granting a pension to Joseph R. Hills; to the Committee on Pensions.

By Mr. McCORMACK: A bill (H.R. 3458) for the relief of Thomas Kirwan; to the Committee on Military Affairs.

By Mr. O'CONNOR: A bill (H.R. 3459) for the relief of the Franklin Surety Co.; to the Committee on Claims.

Also, a bill (H.R. 3460) for the relief of the International Manufacturers' Sales Co. of America, Inc.; to the Committee on Claims.

By Mr. PARKER of Georgia: A bill (H.R. 3461) granting a pension to William F. Clohessy; to the Committee on Pensions.

By Mr. PARSONS: A bill (H.R. 3462) granting a pension to Kelly Rister; to the Committee on Pensions.

By Mr. RICH: A bill (H.R. 3463) for the relief of Walter E. Switzer; to the Committee on Claims.

Also, a bill (H.R. 3464) for the relief of Muncy Valley Private Hospital; to the Committee on Claims.

Also, a bill (H.R. 3465) granting an increase of pension to Eva E. Mussina; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3466) granting a pension to Hazel Stover; to the Committee on Pensions.

Also, a bill (H.R. 3467) granting an increase of pension to Marietta Love; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3468) granting a pension to Frank M. Peasley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3469) granting an increase of pension to Elizabeth Hayes; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3470) granting a pension to Mary E. Lomison; to the Committee on Pensions.

Also, a bill (H.R. 3471) granting an increase of pension to Martin V. Stanton; to the Committee on Pensions.

Also, a bill (H.R. 3472) granting an increase of pension to Mary A. Minihan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3473) granting an increase of pension to Elizabeth L. Crist; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3474) granting a pension to Anna L. Harman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3475) granting an increase of pension to Kate L. Rodimer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3476) granting an increase of pension to Mary E. Grange; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3477) granting an increase of pension to Susan A. Miller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3478) granting an increase of pension to Mary Jane Sherwood; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3479) granting a pension to Lulu Maude Williams; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3480) granting an increase of pension to Ellen E. Miller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3481) granting an increase of pension to Elizabeth S. Simpson; to the Committee on Invalid Pensions.

By Mr. ROBERTSON: A bill (H.R. 3482) for the relief of Samuel Irick; to the Committee on Invalid Pensions.

By Mr. SADOWSKI: A bill (H.R. 3483) for the relief of Anthony Nowakowski; to the Committee on Claims.

By Mr. SMITH of West Virginia: A bill (H.R. 3484) granting an increase of pension to Margaret Gallacher Simpson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3485) granting a pension to John Wesley Smailes; to the Committee on Pensions.

Also, a bill (H.R. 3486) granting a pension to Sarah M. Williams; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3487) for the relief of Richard H. Bowman; to the Committee on Military Affairs.

Also, a bill (H.R. 3488) granting a pension to William B. Mullins; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3489) granting an increase of pension to Nancy Rollyson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3490) granting a pension to Alice B. Cook; to the Committee on Pensions.

Also, a bill (H.R. 3491) for the relief of Louis C. Runyon; to the Committee on Military Affairs.

Also, a bill (H.R. 3492) for the relief of Harry C. Anderson; to the Committee on Military Affairs.

By Mr. SOMERS of New York: A bill (H.R. 3493) granting an increase of pension to Georgiana Furey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3494) to correct the naval record of Francis T. Cavanagh; to the Committee on Naval Affairs.

Also, a bill (H.R. 3495) to change the military record of Harry Lewis; to the Committee on Military Affairs.

Also, a bill (H.R. 3496) for the relief of Frank J. Kenny; to the Committee on Naval Affairs.

Also, a bill (H.R. 3497) for the relief of James Dillon; to the Committee on Military Affairs.

Also, a bill (H.R. 3498) for the relief of Peter Burns; to the Committee on Military Affairs.

Also, a bill (H.R. 3499) for the relief of the Union Shipping & Trading Co., Ltd.; to the Committee on War Claims.

Also, a bill (H.R. 3500) to correct the military record of Everett S. Pillion; to the Committee on Military Affairs.

Also, a bill (H.R. 3501) for the relief of Edward Brooks; to the Committee on Naval Affairs.

Also, a bill (H.R. 3502) for the relief of the estate of William Bardel; to the Committee on Claims.

Also, a bill (H.R. 3503) granting a pension to James Dillon; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3504) for the relief of Jose O. Enslew; to the Committee on Claims.

Also, a bill (H.R. 3505) for the relief of William Rogers; to the Committee on Naval Affairs.

By Mr. THOMASON of Texas: A bill (H.R. 3506) for the relief of Arthur DeWitt Locke; to the Committee on Naval Affairs.

By Mr. THURSTON: A bill (H.R. 3507) for the relief of W. G. Wood; to the Committee on Claims.

Also, a bill (H.R. 3508) for the relief of William N. Fishburn; to the Committee on Military Affairs.

By Mr. WELCH: A bill (H.R. 3509) for the relief of Catherine Wright; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

53. By Mr. AYERS of Montana: Memorial of the Legislature of the State of Montana, memorializing Congress to enact legislation reducing the rate of interest required to be paid on loans made by the Reconstruction Finance Corporation in aid of industries; to the Committee on Banking and Currency.

54. By Mr. CUMMINGS: Petition of the Board of Aldermen of Denver, Colo., urging that a law be passed providing for the free and unlimited coinage of silver on a correct ratio with gold; to the Committee on Coinage, Weights, and Measures.

55. Also, petition in the nature of a senate joint memorial of the Colorado Legislature, urging enactment of the Frazier bill, providing for existing farm indebtedness; to the Committee on Agriculture.

56. Also, petition signed by Louise S. Booth and other members of the Woman's Christian Temperance Union of Sterling, Colo., urging the enactment of a law which will establish a Federal motion-picture commission; to the Committee on Education.

57. By Mr. JOHNSON of Texas: Senate Concurrent Resolution No. 24 of the Senate of Texas, favoring a greater use of granite in Federal construction; to the Committee on Public Buildings and Grounds.

58. By Mr. LINDSAY: Petition of the National Association of Railroad and Utilities Commissioners, New York City, urging support of the Johnson bill; to the Committee on Interstate and Foreign Commerce.

59. Also, petition of S. Winterbourne & Co., varnish manufacturers, New York City, favoring passage of House bill 235; to the Committee on Expenditures in the Executive Departments.

60. Also, petition of Valentine & Co., varnish manufacturers, New York City, favoring House bill 235; to the Committee on Expenditures in the Executive Departments.

61. By Mr. LLOYD: Memorial of the White Center Local Unemployed Citizens' League of the State of Washington, calling attention to the deprivations faced by members of that league and indorsing the program set forth by President Roosevelt in his inaugural address; to the Committee on Ways and Means.

62. By Mr. MORAN: Petition of citizens of Somerset County, Me., favoring legislation providing for the revaluation of the gold ounce; to the Committee on Banking and Currency.

63. By Mr. O'MALLEY: Memorial of the Legislature of the State of Wisconsin, relating to agricultural relief and urging Congress to promptly enact the definite pledges for agricultural relief as set forth in the Democratic national platform; to the Committee on Agriculture.

64. Also, memorial of the Legislature of Wisconsin, seeking protection for American producers of wood pulp against unfair competition of foreign producers brought about largely by the depreciation of foreign currencies; to the Committee on Interstate and Foreign Commerce.

65. Also, memorial of the Legislature of the State of Wisconsin, advocating a reduction of officers' retirement pay so that no such payment shall be allowed officers receiving an income of $4,800 or in excess thereof, the saving resulting from such reduction to be disbursed among unemployed and needy veterans; to the Committee on Military Affairs.

66. By Mr. RUDD: Petition of Valentine & Co., New York City, favoring the discontinuance of the manufacture of paints and varnishes in Government navy yards; to the Committee on Expenditures in the Executive Departments.

67. By Mr. THOMASON of Texas: Petition of Texas Senate, urging greater use of granite in Federal construction; to the Committee on Public Buildings and Grounds.

68. Also, petition of the Senate of Texas, asking that Fort D. A. Russell at Marfa, Tex., be regarrisoned; to the Committee on Military Affairs.

SENATE

WEDNESDAY, MARCH 15, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

BURTON K. WHEELER, Senator from the State of Montana, appeared in his seat today.

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Bailey	Black	Brown
Ashurst	Bankhead	Bone	Bulkley
Austin	Barbour	Borah	Bulow
Bachman	Barkley	Bratton	Byrd

Byrnes	Gore	McGill	Sheppard
Capper	Hale	McKellar	Smith
Caraway	Harrison	McNary	Stelwer
Clark	Hastings	Metcalf	Stephens
Connally	Hatfield	Murphy	Thomas, Okla.
Copeland	Hayden	Neely	Thomas, Utah
Couzens	Hebert	Norbeck	Townsend
Dale	Johnson	Nye	Trammell
Dickinson	Kean	Overton	Tydings
Dieterich	Keyes	Patterson	Vandenberg
Dill	La Follette	Pittman	Van Nuys
Duffy	Lewis	Pope	Wagner
Fess	Logan	Reed	Walcott
Fletcher	Lonergan	Reynolds	Walsh
Frazier	Long	Robinson, Ark.	Wheeler
George	McAdoo	Robinson, Ind.	White
Goldsborough	McCarran	Russell	

Mr. HEBERT. I desire to announce that the Senator from Nebraska [Mr. NORRIS] and the Senator from Wyoming [Mr. CAREY] are detained from the Senate, having been in attendance upon the funeral of the late Senator Howell, of Nebraska.

Mr. WALSH. I wish to announce that my colleague the junior Senator from Massachusetts [Mr. COOLIDGE] is absent owing to a death in his family.

Mr. LEWIS. Please let me announce that the Senator from Colorado [Mr. COSTIGAN], the Senator from Utah [Mr. KING], and the Senator from Virginia [Mr. GLASS] are detained from the Chamber by personal illness. I wish this announcement to stand for the day.

I also wish to announce that the Senator from Wyoming [Mr. KENDRICK] is absent, having been in attendance upon the funeral of the late Senator Howell, of Nebraska.

Mr. REED. My colleague the junior Senator from Pennsylvania [Mr. DAVIS] is necessarily detained from the Senate by reason of illness.

The VICE PRESIDENT. Eighty-three Senators having answered to their names, a quorum is present.

THE JOURNAL

Mr. ROBINSON of Arkansas. Mr. President, for the convenience of the Journal clerk and others at the desk, I ask that the reading of the Journal for the calendar days of Monday, March 13, and Tuesday, March 14, be dispensed with, and that the Journal for those days be approved.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Journal is approved for the 2 calendar days.

MEMBER OF THE FEDERAL RADIO COMMISSION

Mr. DILL. Mr. President, out of order and as in executive session, I ask unanimous consent to report from the Committee on Interstate Commerce the nomination of Eugene O. Sykes, of Mississippi, to be a member of the Federal Radio Commission.

Mr. REED. Mr. President, may I inquire if this is a reappointment?

Mr. DILL. It is a reappointment.

The VICE PRESIDENT. Is there objection? The Chair hears none. The nomination will go to the Executive Calendar.

AMENDMENT OF THE VOLSTEAD ACT—REPORT OF FINANCE COMMITTEE

Mr. HARRISON, from the Committee on Finance, to which was referred the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, reported it with amendments and submitted a report (No. 3) thereon.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FRAZIER:

A bill (S. 457) to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Federal farm-loan system, the Federal Reserve Banking System, and creating a Board of Agriculture to supervise the same; to the Committee on Agriculture and Forestry.

By Mr. HALE:

A bill (S. 458) for the relief of Lyman I. Collins; to the Committee on Military Affairs.

A bill (S. 459) for the relief of Thomas A. Sears; to the Committee on Naval Affairs.

A bill (S. 460) granting a pension to Elsie Blanchard;

A bill (S. 461) granting a pension to Hannah Collins;

A bill (S. 462) granting a pension to William M. Forrest;

A bill (S. 463) granting a pension to Nellie Fredericks;

A bill (S. 464) granting a pension to Lillian M. Johnson;

A bill (S. 465) granting a pension to Martha W. Keeler;

A bill (S. 466) granting a pension to Nellie B. Leighton;

A bill (S. 467) granting a pension to Angie L. Moulton;

A bill (S. 468) granting a pension to Roy M. Osborne;

A bill (S. 469) granting a pension to Alice L. Preston;

A bill (S. 470) granting a pension to Warren A. Small;

A bill (S. 471) granting an increase of pension to Elizabeth Burrell;

A bill (S. 472) granting an increase of pension to Clara A. Colby;

A bill (S. 473) granting an increase of pension to Mary Coles;

A bill (S. 474) granting an increase of pension to Susie D. Hanscome;

A bill (S. 475) granting an increase of pension to Mary M. Joy;

A bill (S. 476) granting an increase of pension to Frances V. Morrill;

A bill (S. 477) granting an increase of pension to Julia L. Morrison;

A bill (S. 478) granting an increase of pension to George Neill;

A bill (S. 479) granting an increase of pension to Joanna A. Small;

A bill (S. 480) granting an increase of pension to Josie M. Smart;

A bill (S. 481) granting an increase of pension to Charlotte W. Stevens;

A bill (S. 482) granting an increase of pension to Margaret Thompson;

A bill (S. 483) granting an increase of pension to Martha L. Trefethen;

A bill (S. 484) granting an increase of pension to Mary G. Walsh; and

A bill (S. 485) granting an increase of pension to James D. Wilder; to the Committee on Pensions.

Mr. COPELAND:

A bill (S. 486) for the relief of the owners of the barge *Consolidation Coastwise No. 24;*

A bill (S. 487) for the relief of the owner of the barge *Consolidation Coastwise No. 10;*

A bill (S. 488) for the relief of Norman Beier;

A bill (S. 489) for the relief of the J. M. Dooley Fireproof Warehouse Corporation, of Brooklyn, N.Y.; and

A bill (S. 490) for the relief of certain Army officers whose household and other effects were damaged on Government property; to the Committee on Claims.

By Mr. DILL:

A bill (S. 491) to require the employment of American citizens on observation cars, club cars, dining cars, and sleeping cars used by railroads in interstate commerce; to the Committee on Interstate Commerce.

A bill (S. 492) to fix the date of meeting for the second session of Congress; to the Committee on the Judiciary.

A bill (S. 493) to protect labor in its old age; to the Committee on Pensions.

By Mr. McGILL:

A bill (S. 494) granting an increase of pension to Catherine E. Elliott; and

A bill (S. 495) granting an increase of pension to Nancy McAllister; to the Committee on Pensions.

A bill (S. 496) for the relief of Percy C. Wright; to the Committee on Military Affairs.

By Mr. CAPPER:

A bill (S. 497) to define the intent of the antitrust laws as to certain agreements; to the Committee on Interstate Commerce.

By Mr. NORBECK:

A bill (S. 498) to repeal section 2 of chapter 333, Forty-fifth Statutes; to the Committee on the Judiciary.

By Mr. DILL:

A joint resolution (S. J. Res. 22) proposing an amendment to the Constitution of the United States authorizing Congress to take private property for public use during time of war with or without compensation; to the Committee on the Judiciary.

By Mr. CAPPER:

A joint resolution (S.J.Res. 23) providing that it shall be unlawful, unless otherwise provided by act of Congress or by proclamation of the President, to export to any country violating the terms of the pact of Paris arms, munitions, implements of war, or other articles for use in war, or make any such trade or financial arrangements with the violating country or its nationals as in the judgment of the President may be used to strengthen or maintain the violation; to the Committee on Foreign Relations.

AMENDMENT OF VOLSTEAD ACT—AMENDMENT RELATING TO THE DISTRICT OF COLUMBIA

Mr. TYDINGS. Mr. President, I submit an amendment intended to be proposed by me to the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, which I ask may lie on the table, be printed, and printed in the RECORD, so that Senators may see it. It applies to the District of Columbia.

There being no objection, the amendment was ordered to lie on the table, to be printed, and printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. TYDINGS to the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, viz: at the end of the bill to insert the following new section:

"SEC. —. (a). The term 'beverages' as used in this section shall include beer, lager beer, ale, porter, and other brewed or fermented beverages containing one half of 1 percent or more of alcohol by volume but not more than 3.2 percent of alcohol by weight.

"(b) The Commissioners of the District of Columbia are authorized to issue licenses to persons, firms, corporations, or associations on application duly made therefor for the sale of beverages within the District of Columbia, subject, however, to the limitations and restrictions imposed by this section. The Commissioners shall keep a full record of all applications for licenses, of all recommendations for and remonstrances against the granting of licenses, and of the action taken thereon. The Commissioners may employ such clerical and other assistants as may be necessary to properly inspect and supervise the operations of licensees under this section. The salaries and expenses incident to such work shall be fixed by the Commissioners and paid from the funds arising from license fees under this section.

"(c) It shall be lawful for any brewer or manufacturer to brew within the District of Columbia and sell to licensees any beverage or beverages authorized to be manufactured or brewed by the laws of the United States of America.

"(d) Any person, firm, corporation, or association desiring a license for the sale of beverages under this section shall file with the Commissioners of the District of Columbia an application therefor in such form as the Commissioners may prescribe. The application shall designate the kind of license desired. Before the license is issued the Commissioners shall satisfy themselves of the moral character and financial responsibility of the applicant, appropriateness of the location where such licensed business is to be conducted, taking into consideration the number of such licenses already issued, and generally as to the applicant's fitness for the trust to be reposed. Before any license is issued under this section the Commissioners shall determine the whole number of licenses to be issued within the District. Each license shall designate the place of business of the licensee. Each application for a license shall contain:

"First. The name and residence of the applicant and how long he has resided within the District of Columbia.

"Second. The particular place for which a licene is desired, designating the same by street and number, if practicable, if not, by such other apt description as definitely locates it.

"Third. The name of the owner of the premises upon which the business licensed is to be carried on.

"Fourth. A statement that the applicant is a citizen of the United States and not less than 21 years of age, and that such applicant has never been convicted of a felony or been adjudged guilty of violating the laws governing the sale of intoxicating liquors or for the prevention of gambling in the District of Columbia.

"Fifth. This application must be verified by the affidavit of the petitioner made before a notary public or other person duly authorized by law to administer oaths. If any false statement is made in any part of said application, the applicant or applicants shall be deemed guilty of perjury, and upon conviction thereof the license shall be revoked and the applicant subjected to the penalties provided by law for that crime.

"Sixth. That the applicant is not the owner of or licensee named in any license then in force.

"Seventh. That he intends to carry on the business authorized by the license for himself and not as an agent of any other person and that if licensed he will carry on such for himself and not as the agent for any other person.

"Eighth. That the applicant intends to superintend in person the management of the business licensed and that if so licensed he will superintend in person the management of the business.

"(e) Licenses issued under authority of this section shall be of two kinds: (1) 'On sale' licenses, which shall permit the licensee to sell beverages for consumption on the premises only; and (2) 'off sale' licenses, which shall permit the licensee to sell beverages in original packages for consumption off the premises only.

"(f) All applicants for 'on sale' licenses shall pay to the District of Columbia a license fee of $100 per annum, the same to be paid before the license is issued. 'Off sale' license fees shall be $25 per annum, payable in like manner. Each kind of license shall be good for 1 year from its date unless sooner revoked by the Commissioners of the District of Columbia.

"(g) 'On sale' licenses shall be granted only to bona fide restaurants, incorporated clubs, and/or hotels. 'On sale' licensees may serve beverages to bona fide guests only, to be consumed at regular public tables, or, in case of hotels, may be served in guests' rooms. It shall be the duty of the Commissioners to have frequent inspections made of premises of 'on sale' licensees and if it is found that any such licensee is violating any of the provisions of this section or the regulations of the Commissioners promulgated hereunder or is failing to observe in good faith the purposes of the section, such license may be revoked after the licensee is given an opportunity to be heard in his defense.

"(h) There shall be levied and collected from each licensee by the District of Columbia on all beverages sold within said District as authorized by this section a tax of $1.20 for every barrel containing not more than 31 gallons, and a like rate for any other quantity or fractional part. Said tax shall be paid on or before the 15th day of each month for beverages sold to or purchased by the licensee during the preceding calendar month.

"(i) No person, firm, association, or corporation shall sell or offer for sale by retail within the District of Columbia any beverage without having first obtained a license so to do. No brewer, wholesaler, or distributor shall sell or deliver any beverage within the District of Columbia to any person other than a licensee.

"(j) No manufacturer of beverages outside the District of Columbia shall bring into the District and sell or offer for sale to licensees any beverage without a permit having first been obtained from the Commissioners of the District of Columbia, and an agreement on the part of the permittee that a monthly report, under oath, of the quantity of beverages shipped into the District of Columbia and to whom sold and delivered will be submitted to the assessor of the District of Columbia.

"(k) Each licensee shall on or before the 10th day of each month submit on forms to be prescribed by the Commissioners a statement showing the quantity of beverages purchased during the preceding calendar month.

"(l) No brewer, manufacturer, wholesaler, or distributor shall have any direct or indirect financial interest in the business of any licensee.

"(m) All brewers, wholesalers, or distributors of beverages within the District of Columbia shall furnish to the assessor of the District of Columbia on or before the 10th day of each month a statement under oath showing the quantity of beverages sold during the preceding calendar month to each and every licensee within the District of Columbia.

"(n) The Commissioners of the District of Columbia are hereby authorized to promulgate rules and regulations, not inconsistent with law, for the issuance of licenses, and for the operation of all businesses by licensees. Said regulations may be modified from time to time as the Commissioners may deem desirable.

"(o) Any person who shall violate any of the provisions of this section shall, upon conviction by a court of competent jurisdiction, be punished by a fine not exceeding $1,000 or imprisonment in jail for 1 year, or both fine and imprisonment, in the discretion of the court, and in case of a licensee his license shall be revoked for a period of 1 year. If any licensee shall willfully violate the regulations duly issued and promulgated by the Commissioners of the District of Columbia, the Commissioners may, after proper hearing, revoke the license for the period of 1 year. In case any licensee is convicted of the violation of the terms of this section the court shall immediately declare his license revoked and notify the Commissioners accordingly. Any licensee who shall sell or permit the sale of any alcoholic beverages not authorized under the terms of this section on his premises or in connection with his business or otherwise shall, upon conviction, forfeit his license and shall in addition thereto be fined $1,000 or imprisoned for 1 year, or both fine and imprisonment, in the discretion of the court.

"(p) The act of Congress approved March 3, 1917, entitled 'An act to prohibit the manufacture and sale of alcoholic liquors in the District of Columbia, and for other purposes', with the exception of sections 11 and 20 thereof, is hereby repealed."

HEARINGS BEFORE THE INTERSTATE COMMERCE COMMITTEE

Mr. DILL submitted the following resolution (S.Res. 28) which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Interstate Commerce, or any subcommittee thereof, is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

BROADCASTING PROCEEDINGS OF THE SENATE

Mr. DILL submitted the following resolution (S.Res. 29), which was referred to the Committee on Rules:

Resolved, That the Sergeant at Arms of the Senate is hereby directed, at as early a date as practicable, to equip the Senate Chamber with the proper electrical connections to which microphones for radiobroadcasting may be attached, and also to install microphones, control switchboards, and all other apparatus necessary for connection of microphones with any broadcasting station or stations for the purpose of broadcasting speeches, debates, or proceedings of the Senate as may be decided from time to time by the Senate Committee on Rules, and the necessary expense for such installation of electrical connections and equipment and for the maintenance and operation of the same is hereby authorized to be paid out of the contingent fund of the Senate.

The Committee on Rules of the Senate is hereby authorized to make arrangements for the broadcasting of such proceedings of the Senate as the committee may determine through such radiobroadcasting stations as it may be possible to arrange for broadcasting without expense to the Senate or the Government.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

REDUCTION OF EXPENDITURES

The Senate resumed the consideration of the bill (H.R. 2820) to maintain the credit of the United States Government.

Mr. DILL. Mr. President, when we recessed last night my amendment was pending. I desire to modify it by changing the word "section" to the word "title."

The VICE PRESIDENT. The clerk will report the modification.

The CHIEF CLERK. The Senator from Washington proposes to modify his amendment, in line 3, by striking out the word "section" and inserting the word "title," so as to read:

Provided, That nothing contained in this title shall deny a pension to a Spanish-American War veteran past the age of 62 years entitled to a pension under existing law, but the President may reduce the rate of pension as he may deem proper.

The VICE PRESIDENT. The question is on the amendment as modified.

Mr. McKELLAR. Mr. President, for months, nay, for years, I have stood in my place here and pleaded for reduction in expenditures of the Federal Government. Probably more than 100 times have I stated on this floor that our Federal Budget could never be balanced by increasing taxes, but could be balanced only by decreasing expenditures.

I had hoped that we might balance our Budget without reduction of compensation to our ex-service men. We earnestly tried to do this; and if my plan had been followed and if the plan of the Senator from New Mexico [Mr. BRATTON] had been followed, we might have gotten through this depression without cutting down our disabled ex-service men's compensation. Last year, it will be recalled, I felt that all expenditures should be cut down 10 percent. At that time I could not get the Congress to agree with me, except in part. This year the Senator from New Mexico [Mr. BRATTON] undertook to effect a horizontal reduction of 5 percent. It passed the Senate, but was lost in conference. The result was that when the new administration came in on March 4 it found the greatest deficit ever known to any government in all history. Three years ago our deficit was, in round numbers, a billion dollars; two years ago it reached the enormous proportions of nearly $3,000,000,000; and this year it is nearly 1½ billion more, although we increased taxes last year by a billion dollars. With this condition confronting the new administration, with the banks of our country virtually all closed on the 3d of March, it was inevitable that the new administration must cut down the expenditures of government.

Mr. DICKINSON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Iowa?

Mr. McKELLAR. I yield.

Mr. DICKINSON. I should like to inquire if the effort to reduce expenses to which the Senator refers is the effort which was made to effect a 10-percent reduction in all appropriation bills?

Mr. McKELLAR. It was.

Mr. DICKINSON. Was it not the veterans' item of some $900,000,000 in the independent offices appropriation bill, and the further fact that had we adopted that policy with reference to the Army and Navy the difficulties involved therein were so great as to cause the abandonment of the program?

Mr. McKELLAR. I do not know what caused it. I know that we adopted that policy in 5 of our appropriation bills, and it was voted down as to the other 5. If it had been carried through all the appropriation bills, in my judgment, with the additional cut provided for in the Bratton amendment, we would have been saved the necessity of making a cut now.

Mr. DICKINSON. Let me ask the further question whether or not, if the independent offices appropriation bill had been reduced 10 percent, it would not have been mandatory to reduce pensions allowed veterans?

Mr. McKELLAR. It might have been. If the reduction had been made, they would not have had to be reduced by the amount by which it will now be necessary to reduce them.

Mr. President, I am going to support the pending bill. It grants extraordinary powers, it is true; but from our experience here in the Senate in the last 2 years in trying to secure reductions in expenditures, it seems to me that the plan outlined in the bill is the only way a real reduction can be brought about. It is not a theory but a condition that confronts us. We must maintain the financial integrity of this Government, and the only way it can be maintained is by reducing expenditures to balance income.

Mr. President, these are extraordinary powers that we are giving the President. Ordinarily they would not be granted. Ordinarily I would not favor them, but in this crisis, with the experience as to reductions that we have had in the Congress in the last 2 years, we all know it is the only way to restore the financial integrity of this Government, especially with the experience the Economy Committee of this body has had in endeavoring to bring about a reduction in expenditures, especially when we remember that when that committee this year secured a reduction in this body of about $230,000,000 under what President Hoover had recommended, those reductions were swept aside in conference; so it would seem that there is nothing we can do but to pass a measure of this kind. It is the only way, it seems to me, to restore the financial credit of the Government.

Mr. President, necessarily this bill was hastily drawn. It had to be. Necessarily there must be some amendments. The two amendments adopted last night were most proper amendments. One of these, the amendment offered by Senator WALSH, makes it absolutely certain that the soldier disabled in line of duty shall not be removed from the compensation rolls.

It was a very proper amendment. The Government should be meticulously mindful of its duty toward these disabled men, disabled in the line of duty; and I know our President, following out the intent of this amendment, will carefully guard the interests of these men in every proper way.

Again, Mr. President, the amendment offered by the Senator from Alabama [Mr. BLACK] upholding the insurance contracts of the Government is a most proper amendment and adds greatly to the strength and justice of this bill. If a soldier has a contract with the Government, and a court upholds that contract and grants a judgment to the soldier, it should be paid beyond the question of a doubt.

And now, Mr. President, there is another amendment, and that is the Spanish-American War veterans amendment offered by the Senator from Washington [Mr. DILL]. I am glad the Senate is going to accept that amendment, as I understand it will, and I congratulate the chairman of the committee on being willing to accept it. The Spanish-American veterans were not pensioned until 1920; indeed, they did not secure substantial pensions until 1928. Many of them are now old men. They ought not to be stricken from the rolls en masse, as the original bill provides. Their rights and interests are safeguarded in the amendment of the Senator from Washington, and that amendment, as I have said, will, I presume, be agreed to; it certainly ought to be agreed to.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. McKELLAR. Yes; I yield.

Mr. ROBINSON of Arkansas. Can the Senator state why the age of 62 was inserted in the bill? Perhaps the Senator from Washington [Mr. DILL] can advise me.

Mr. McKELLAR. The reference to 62 years of age is in the present law.

Mr. ROBINSON of Arkansas. Very well.

Mr. DILL. That is the age limit provided by the present law.

Mr. ROBINSON of Arkansas. How many are affected by this provision?

Mr. DILL. Mr. President, I have the figures here.

Mr. McKELLAR. I shall be glad to yield to the Senator from Washington in order that he may give them.

Mr. DILL. There are about 15,000 who are now on the rolls solely because of age. Then there are a considerable number of the 104,000 who have disabilities which are not connected with the service. It is impossible to determine just how many of those—but several thousand, probably, will be kept on the rolls as a result of the amendment.

Mr. ROBINSON of Arkansas. Can the Senator state approximately the amount involved in this amendment?

Mr. DILL. It is impossible to do that, because we do not know the number affected. I have left it open for the President to make the percentage of cut as he shall decide. I only want to say in this connection that probably 90 percent of these men who have passed 62 years of age and who are on the roll because of age and disabilities not connected with the service are unable to make a livelihood in this situation; and if we do not do this, we would transfer these men from the pension rolls and, by denying the mthe small amount they will receive under this amendment, transfer them to the charity rolls of the country.

Mr. WALSH. Mr. President——

Mr. McKELLAR. Mr. President, I will yield to the Senator from Massachusetts in just a moment. I want to say here that from the testimony taken before the committee it was ascertained, according to the statement of General Hines, that the aggregate amount of pensions now being paid to Spanish-American War veterans is about $130,000,000, in round numbers. If the proposal of the original bill should go through, it would take off that sum, in round numbers, $95,000,000; so that it would take away from the Spanish-American War veterans, in round numbers, nearly three fourths of the entire compensation now paid them. It seems to me this is a tremendous reduction to apply to the pensions of these men, most of whom are now old; it would be unfair and unjust, and for that reason it will give me the greatest pleasure to vote for the amendment offered by the Senator from Washington [Mr. DILL]. I am confident that under the amendment our President will so regulate and adjust the pensions of Spanish-American War veterans that they will be treated on a parity with other veterans. I now yield to the Senator from Massachusetts.

Mr. WALSH. I presume the Senator does not mean to imply because General Hines suggests the possibility of a reduction of $95,000,000 in the payments to Spanish-American War veterans that such a reduction will actually be made?

Mr. McKELLAR. No; I am quite sure, knowing the President of the United States as I do know him, that he would not make any such reduction; but it seems to me that it is right and proper for the Congress absolutely to insure a more moderate result. I am sure the very adoption of this amendment as to the Spanish War veterans will meet the entire approval—though I have not talked to him—of the President, who will have to administer this law.

Mr. WALSH. Mr. President, will the Senator yield further?

Mr. McKELLAR. I yield.

Mr. WALSH. As I understand, the amendment provides that the restriction imposed in the pending bill, which would result in the removal from the rolls of groups of Spanish-American War veterans, shall not apply and that they shall all be retained on the rolls?

Mr. DILL. Those who have passed 62 years of age.

Mr. WALSH. In other words, the Senator's amendment proposes to permit the President, at his discretion, to change or modify any of the payments made to Spanish-American War veterans under existing law, but does not permit him, as the bill does, to eliminate certain classes of such veterans?

Mr. DILL. That is correct. The bill as now written makes it impossible for the President to put them back on the rolls.

Mr. WALSH. Yes.

Mr. VANDENBERG. Mr. President, will the Senator from Tennessee yield for a question?

Mr. McKELLAR. I am almost through, but I shall be delighted to yield to the Senator, of course.

Mr. VANDENBERG. The Senator has very appropriately indorsed the amendment submitted by the Senator from Massachusetts [Mr. WALSH]; I cordially agree with him in respect to it; but I want to get some information, if I can, as to the Senator's estimate of what that amendment really does.

Mr. McKELLAR. Of course, it will be absolutely impossible without a careful examination to make an accurate estimate. I imagine that we would have to have General Hines examine the record before an accurate estimate or anything like an accurate estimate could be made. However, I feel sure that the amendment of the Senator from Massachusetts will enable the President to do equal and exact justice to these men.

Mr. VANDENBERG. I call the Senator's attention to the fact that on Saturday I interrogated the chairman of the committee, the Senator from Mississippi [Mr. HARRISON], and, at page 256 of the RECORD, he replied to me that the elimination of service-connected reductions would amount to $101,000,000. I am wondering if the amendment which has been adopted approximates that figure.

Mr. McKELLAR. I refer the Senator to the chairman of the committee, because I have not that information.

Mr. HARRISON. The information, may I say to the Senator from Michigan, that we obtained from those who are close to the administration of veterans' affairs, and who have consulted with the President with reference to this matter, was that there was in the minds of many Senators the possibility that by the language written in the bill some of these veterans might be stricken from the rolls. It was not believed that they would be, however. We did not believe that the President, in the exercise of his discretion, would eliminate them, but this merely safeguards the provision; and the information that comes from those who are close to the administration of affairs is that it will not affect the saving that was anticipated when the bill was written.

Mr. VANDENBERG. I am glad to have the Senator's assurance, but, if I may be permitted to pursue the point

for just a second, there is an estimate of $383,000,000 of saving. That estimate must be made up of certain specific factors, and my understanding is that one of those factors is $101,000,000 in the case of veterans suffering from service-connected disabilities.

The VICE PRESIDENT. The time of the Senator from Tennessee has expired.

Mr. McKELLAR. Mr. President, in view of the interruptions, I ask unanimous consent to conclude what I have to say. It will only take me a moment.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Tennessee will proceed.

Mr. McKELLAR. Mr. President, this bill means reductions for all of us. It does not apply to one class, but to all classes of employees. It will cut down our Federal expenditures enormously. It will sustain our national credit. It will prevent another increase in our Federal taxes. It will help restore confidence. It will prove a hardship to many of us, but with our country in the condition in which we find it, all of us should be willing to make sacrifices. The bill has been greatly improved by amendments, and I believe that President Roosevelt will carry out its provisions fearlessly, honestly, sympathetically, justly, and fairly.

Our first thought in these times should be to uphold the integrity of our Government itself. For the reasons I have heretofore stated, Mr. President, I shall vote for the bill.

Mr. BORAH. Mr. President, I am in favor of this amendment, but I want to take a few moments on this amendment to speak to a more general subject. I am not quite willing, Mr. President, to leave this record in the condition in which it has been made up as to the reasons why we should pass this bill.

The sole reason as yet assigned for the passage of this measure in the form and terms in which it is now offered is that the Congress of the United States has broken down; that it can no longer function; that we, as a legislative body, have failed, and for that reason we must surrender our legislative power to the executive branch of the Government.

Mr. McKELLAR. Mr. President, will the Senator yield to me for a moment?

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Tennessee?

Mr. BORAH. I have only a few moments.

Mr. McKELLAR. I know the Senator has only a few moments, but I call his attention to the mammoth failure that we made in the case of the Bratton amendment, which would have reduced expenditures.

Mr. BORAH. Yes; and I am going to refer to that also. I want this record to speak the truth. I am not willing that the Congress of the United States shall take all the blame for this situation. Doubtless it must bear a portion of the blame. The "summer is not as bad as it has been painted." I refer particularly to the language used by the Senator from Ohio [Mr. FESS] upon yesterday. He said:

> Mr. President, I have reluctantly come to the conclusion that, while we want zealously to hold and maintain the three coordinate departments of our Government, and must do it at all hazards except when an emergency arises that would seem to justify a change I should vote for the pending measure, but I do not want anyone to take my vote on the measure as indicating a loss of appreciation on my part of the value of the institutions under which we now live. I want to maintain the three departments of government absolutely independent, if it is possible so to do.

Again he says:

> That bill never was even considered by a committee—

Referring to the economy bill of some years ago—

> and, of course, was never brought before the body for a final vote. The reason why it was not was the intense opposition that developed to all the recommendations that had been made by the Commission. That opposition came, I would not say from the Executive, but from the executive departments, for the Executive himself was very strongly in favor of it.

The absurdity of saying to the people of the United States that the opposition did not come from the Executive but from the executive departments! It came from the executive department of the Government, and it has come from that place and from that source during all this long fight for economy.

Again the Senator from Ohio says:

> Mr. President, I confess with considerable humiliation that, however bad matters are in the way of cutting expenses, we are not going to cut them materially when we bring them up to be discussed here in the Senate; and I need no stronger evidence of that than the argument of the Senator from Indiana on yesterday.

Again the distinguished Senator from Ohio says:

> At the same time, I must admit and make the humiliating confession that if we depend upon the vote of this body to retrench we are not going to retrench; and nobody knows that better than the Members who sit here within the sound of my voice at the present time.

Mr. President, I challenge the statement.

The Senator from Ohio is a distinguished member of the Republican Party. He has long been a Member of Congress. He has been an instructor and teacher of the youth of the United States. He has been a defender of our institutions upon numerous occasions as the perfection of human reason, and as necessary for the preservation of human liberty, and as an essential factor in the whole scheme of humanitarian development. He now says to the people of the United States and to the Congress that one of the most essential bodies of the Government has broken down, has caved in, is incapable of functioning; and that goes out to the country from so distinguished and scholarly a gentleman as the Senator from Ohio!

What are the facts in regard to this matter?

I desire to call the attention of the Senate and the country to the fact that the Congress of the United States has been running below the Budget of the executive department of the Government almost constantly in recent years. Time after time the Congress of the United States has reduced the appropriations below the estimates sent to us by the executive department. That has not only been true in exceptional instances, but it has been the general rule; and I maintain that the record will disclose that the real point of extravagance in this Government, the place where the money has been demanded and where it has been expended, is and has been the executive department of this Government.

Of course, we have not at all times agreed with the Executive as to a particular item. We have still retained some individuality, some judgment of our own, as to details. Nevertheless, as the sum total has been made up, we have fallen below, in our expenditures, the estimates of the executive department.

Secondly, Mr. President, the twenty-six and odd commissions and bureaucratic creations of the last few years have not been created upon the initiative of the Congress of the United States. They did not come from either body of Congress. They have been submitted to us and sent to us and urged upon us by the executive departments of the Government. Those expenditures, Mr. President, are the real source of the extravagance of this Government, and the real source of the great burden which has been laid upon the taxpayers of the United States. The most extravagant, the most demoralizing instrumentality of government that was ever created by the mind of man is a bureaucracy. It feeds upon the public money, and it has been increasing by reason of its own initiative and by reason of its own demands, and not by reason of the initiative and demands of the Congress of the United States. Congress is to be criticized rather for cooperation than in refusing to cooperate.

Have any of the bills which we have passed to take care of those commissions and like things been vetoed? Have they not originated in the executive department? Let us give the Congress of the United States at least a fair deal before the American people at least. There may be reason for doing extraordinary things in extraordinary times; but there is no reason for perverting American history in order to justify our doing so.

Again, Mr. President, it is said that we have been too liberal with the veterans; and so we have. Outside of those who suffered in battle, who received injuries, and their dependents, outside of those who contracted diseases in the service and were disabled for life, we have been more liberal than we should have been; but was the Congress alone responsible for that?

Who was it that was not demanding that we be liberal with the veterans who fought the war? The newspapers of the country almost universally were demanding that they be liberally treated. Both political parties were demanding it. Our constituents were demanding it. It was an expression of the popular will of the United States. Shall Congress now be singled out as the only culprit in this expenditure and condemned because it followed the overwhelming public opinion of the United States?

If it was an evil, if it was a mistake, it was a mistake of the country. It was a mistake of public opinion. It was because public opinion insisted upon these things being done.

Mr. REED. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Pennsylvania?

Mr. BORAH. I yield.

Mr. REED. Does not the Senator remember that over his own almost inspired opposition Congress persisted in passing over the President's veto a bonus bill which is at least partly at the root of our troubles? Can Congress escape the blame for that?

Mr. BORAH. Let me go back a little before the Congress alone is condemned upon that ground.

When the bonus bill first came before the Congress of the United States there was the place to determine our policy. Where was the Executive at that time? I remember distinctly that when I cast my first vote against the bonus I was called in by high authority and advised that it would be ruinous to the Republican Party if action was not taken in regard to it. There is where the mischief was initiated. There is where the policy was determined.

Mr. REED. Did not President Harding veto the bonus bill?

Mr. BORAH. Did he?

Mr. REED. I think so.

SEVERAL SENATORS. Yes.

Mr. BORAH. That was the second one. It was vetoed because of details as I recall.

Mr. FESS. No; the first one.

Mr. REED. He vetoed the first one that passed.

Mr. FESS. And President Coolidge vetoed it.

Mr. BORAH. I remember that Mr. Coolidge vetoed it, but I know that Mr. Harding in the first instance was for the bonus bill. He declared for it in his campaign.

Mr. BARKLEY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. BORAH. I do.

Mr. BARKLEY. It was the second bonus bill that President Harding signed, according to my recollection. I may be mistaken about that.

Mr. REED. If the Senator will pardon me, President Harding never signed one.

Mr. BARKLEY. President Coolidge signed the second one.

Mr. REED. No, no; pardon me. President Harding vetoed the only one that came to him. President Coolidge vetoed the only one that came to him.

Mr. BARKLEY. The first bill that was passed, that was sent to the White House, was not the bill that finally became law.

Mr. REED. No.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. ROBINSON of Arkansas. Undoubtedly both President Harding and President Coolidge vetoed bonus bills.

Mr. BORAH. I recall, of course, that President Coolidge vetoed the bonus bill.

Mr. FESS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Ohio?

Mr. BORAH. I yield.

Mr. FESS. The bill that President Harding spoke of in the campaign as indicating that he might be for it was the bill that passed the House originally, and came over to the Senate, and was hung up here in the Senate, as the Senator will remember. Then it was modified; and, instead of carrying the five parts, it cut out all except the insurance plan. Then, when the bill went to the President a committee of the House went down to see the President, headed by Martin Madden—I was with him, and Mr. Mondell was with him; and we pleaded with the President not to veto the bill, but he insisted that he could not permit it to pass, and he did veto it.

Mr. BORAH. If the President vetoed the bill, it was on account of the details, because in the campaign the President advocated a bonus. He was for the compensation principle. He vetoed it on account of details.

Mr. FESS. The Senator is correct; in his speech in Cincinnati.

Mr. BORAH. He advocated a bonus in the campaign, and he advocated a bonus after he became President of the United States. The terms might not have suited him. Nevertheless, he was an advocate of a bonus, of compensation, based not upon injuries but upon the general principle that the men had served in the Army.

Mr. FESS. If the Senator will permit me, so that the RECORD may be clear, I had opposed the bonus in the House and voted against it. That is the measure which came over to the Senate and was defeated here. Then the other bonus measure came up, and that was the one I voted for, because there was only one item in it, the insurance; and that is the one that President Harding vetoed.

Mr. BORAH. It is doubtless correct to say that the President vetoed a certain measure. Nevertheless, the President stood for a bonus or for compensation.

Mr. FESS. Of some form.

Mr. BORAH. Yes; of some form. He advocated it in the campaign, and he advocated it after he became President.

Mr. FESS. The Senator is correct.

The VICE PRESIDENT. The time of the Senator from Idaho has expired.

Mr. BORAH. I will finish my remarks on another amendment.

Mr. LONG. Mr. President——

Mr. WALSH. Mr. President, in view of the interruptions of the Senator from Idaho, I ask unanimous consent that he be given 10 minutes more.

Mr. BORAH. No; I thank the Senator.

Mr. DILL. The Senator has 30 minutes on the bill.

Mr. BORAH. I thank the Senator very much, but I will finish my remarks under another amendment.

Mr. BORAH subsequently concluded his remarks, as follows:

Mr. President, I hesitate to occupy any time, although I think the Senate will concede that I have occupied very little time in the consideration of the measure. The Senator from Mississippi looked so wistfully toward me when I rose that I hardly have the heart to proceed.

Mr. HARRISON. I may say that the Senator has occupied very little time, and he has acted beautifully in the consideration of the bill.

Mr. BORAH. I thank the Senator. Now I want to return to a matter which I was discussing this morning. I am not interested in criticizing the administration, but I do feel considerable interest in criticism which has been lodged against the body of which I am a Member.

I wish to complete some remarks which I did not have time to conclude this morning. In the first place, I find upon further investigation, as I stated this morning, that President Harding was an advocate of the bonus. I have read his veto message, and in my opinion it sustains the view which I entertained this morning, that his objection to that particular bill was with reference to details, and not to the general principle of the bonus. He said:

With the avowed purpose of the bill to give expression of a nation's gratitude to those who served in its defense in the World War, I am in accord, but to its provisions I do not subscribe. * * *

When the bill was under consideration in the House I expressed the conviction that any grant of bonus ought to provide the means of paying it, and I was unable to suggest any plan other than that of a general sales tax. Such a plan was unacceptable to the Congress.

That, in my opinion, states the position of the President. I do not think he ever changed his mind as being in favor of the bonus, but he did insist that a specific method of raising the means of payment be provided in the bill; and because it was not so provided, he vetoed the bill.

Whether there was a mistake as to details or not, there could be no question of the fact that the general attitude of the country at that time, including the press and public opinion, as organized, was in favor of compensation to the soldiers. I have not time to read them, but I am going to ask permission to put into the RECORD the planks of the platforms of the two parties in 1924 and 1928 with reference to the matter which is under discussion.

The PRESIDING OFFICER (Mr. TYDINGS in the chair). Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

1924

[Republican platform]

The World War veterans

We reaffirm the admiration and gratitude which we feel for our soldiers and sailors.

The Republican Party pledges a continuing and increasing solicitude for all those suffering any disability as a result of service to the United States in time of war. No country and no administration has ever shown a more generous disposition in the care of its disabled, or more thoughtful consideration in providing a sound administration for the solution of the many problems involved in making intended benefits fully, directly, and promptly available to the veterans.

The confusion, inefficiency, and maladministration existing heretofore since the establishment of a Government agency for administering such benefits have in the main been cured by new legislation, and plans are being actively made looking to a further improvement in the operation of the bureau. The basic statutes have been so liberalized as to bring within their terms 100,000 additional beneficiaries. The privilege of hospitalization in Government hospitals, as recommended by President Coolidge, has been granted to all veterans irrespective of the origin of disability, and over $50,000,000 has been appropriated for hospital construction which will provide sufficient beds to care for all. Appropriations totaling over $1,100,000,000 made by the Republican Congress for the care of the disabled evidence the unmistakable purpose of the Government not to consider costs when the welfare of these men is concerned. No legislation for the benefit of the disabled soldier proposed during the last 4 years by veterans' organizations has failed to receive consideration.

We pledge ourselves to meet the problems of the future affecting the care of our wounded and disabled in a spirit of liberality and with that thoughtful consideration which will enable the Government to give to the individual veteran that full measure of care guaranteed by an effective administration machinery to which his patriotic services and sacrifices entitle him.

[Democratic platform]

Veterans of wars

We favor generous appropriations, honest management, and sympathetic care and assistance in the hospitalization, rehabilitation, and compensation of the veterans of all wars and their dependents. The humanizing of the Veterans' Bureau is imperatively required.

1928

[Republican platform]

Veterans

Our country is honored whenever it bestows relief on those who have faithfully served its flag. The Republican Party, appreciative of this solemn obligation and honor, has made its sentiments evident in Congress. Our expenditures for the benefit of all our veterans now aggregate $750,000,000 annually. Increased hospital facilities have been provided, payments in compensation have more than doubled, and in the matter of rehabilitations, pensions, and insurance generous provision has been made. The administration of laws dealing with the relief of veterans and their dependents has been a difficult task, but every effort has been made to carry service to the veteran and bring about not only a better and generous interpretation of the law, but a sympathetic consideration of the many problems of the veteran. Full and adequate relief for our disabled veterans is our aim, and we commend the action of Congress in further liberalizing the laws applicable to veterans' relief.

[Democratic platform]

Veterans

Through Democratic votes, and in spite of two Republican Presidents' opposition, the Congress has maintained America's traditional policy to generously care for the veterans of the World War. In extending them free hospitalization, a statutory award for tuberculosis, a program of progressive hospital construction, and provisions for compensation for the disabled, the widows, and orphans, America has surpassed the record of any nation in the history of the world. We pledge the veterans that none of the benefits heretofore accorded by the Wilson administration and the votes of Democrat Members of Congress shall be withdrawn; that these will be added to more in accordance with the veterans' and their dependents' actual needs. Generous appropriations, honest management, the removal of vexatious administration delays, and sympathetic assistance for the veterans of all wars is what the Democratic Party demands and promises.

Mr. BORAH. Mr. President, something has been said since I rose this morning about the Bratton amendment as being evidence of the fact that the Congress of the United States could not function with reference to reducing expenditures.

The Senate adopted the Bratton amendment. It was immediately attacked, viciously attacked, by the executive departments of the Government. They went so far as to advertise to the country that it would cause practically the breakdown of the Navy and cripple a number of the departments to such an extent that they could not function. There can be no possible doubt but that that amendment was defeated by reason of the attitude assumed upon the part of the executive departments.

I am not contending that Congress is wholly excusable for the things which it has done in regard to these expenditures, but I contend that the record of the Congress, taken in connection with the executive department and the other department of the Government, does not justify the Congress being assailed as having failed to function as a department of the Government.

It has also been said that Congress is unwilling to cooperate with the executive department with regard to important measures. I cannot recall any important measure which came before the Congress recommended by the President in recent years which did not speedily receive the support of the Congress when it was called an emergency measure.

Senators will remember that, when we came into the Congress immediately upon the induction into office of President Hoover, the great and overpowering question was that of farm relief. The Congress had some views of its own relative to the debenture, the equalization fee, and other matters. The President of the United States recommended and urged the Farm Marketing Act. I doubt whether that act would really have had the support of a majority of the Members of this body had they been permitted to follow their own convictions, uninfluenced by the assertion upon the part of the President that with it and through and by means of it he could solve the problem. It was passed, and the result everybody knows. The Congress cooperated with the President in passing his first great emergency measure.

We came later to what is known as "the moratorium", a most extraordinary measure, viewed from the stand which the Congress had taken on previous occasions. But the President sent to the Congress of the United States a message insisting that it was necessary for us to change our policy in order that world conditions might possibly be improved. I know that Senators yielded their views upon that matter because of the message and because of the statements of the President with reference to the great exigency which confronted us. That was another one of the great emergency measures which the Congress readily and speedily assisted the Executive in putting into the form of law.

Then came the Reconstruction Finance Corporation Act, a measure which the able Senator from Virginia [Mr. GLASS] declared upon the floor the other day was not a constructive measure but a destructive measure. But it came here as an emergency measure; and both parties, without regard to party lines, because it was presented as an emergency measure and because it seemed to be the only plan by which to

relieve the situation, with very little debate, and with great speed, enacted it into law.

Then we had what is known as "the home-loan bank measure." I am referring now only to emergency measures. The home loan bank bill was believed and declared on the floor of the Senate to be ineffective for the purposes for which it was being proposed. It has, in my judgment, turned out to be wholly ineffective. It has been a failure thus far unmistakably. But the Congress passed it. If the Congress is to be criticized for failing to meet the situation, if the Congress of the United States is to be criticized for failing to follow the President in those emergency measures, I am unable to find in the record any evidence of that failure.

I think criticism, if any is to be lodged, is by reason of the fact that the Congress has not more often asserted its view and recorded its own convictions. I think it is to be criticized, if at all, for taking measures with which it had nothing to do practically in the framing thereof. I do not believe it is in the interest of government, in the interest of sound legislation, in the interest of the welfare of the people of the United States for the Congress not candidly to consider the measures which come before it and to record its convictions upon them.

I do not find fault with those who see in this bill a remedy for the situation. I do not find fault with them for accepting the measure as it has been presented to us. I do say that when they base their justification on the proposition that the Congress has failed to do its duty in the past, it is not in accordance with history and it is not in accordance with the record.

May I say, too, that if the position taken by the able and adroit Senator from Illinois [Mr. LEWIS] were taken with regard to this bill I should have less hesitancy in supporting the bill than I have. What has startled me upon this floor is that it has been stated by such able men as the Senator from Ohio [Mr. FESS] and the distinguished Senator from Maryland [Mr. TYDINGS] that this is a bestowal of dictatorial power, that it is a bestowal of unconstitutional power. The Senator from Illinois said that precedents can be found that it is not a delegation of legislative power. That may be a debatable proposition. I cannot agree with the views which he expressed. But certainly, when told that it is a bestowal of unconstitutional powers, it naturally brings one to a halt and to a hesitation with reference to his vote upon it.

I only rose today, Mr. President, to try to state the facts as between the executive department heretofore and the Congress of the United States. We have all made mistakes. No one seemed to be able to comprehend and diagnose or to find a plan of relief for the great crisis which came to us some 3½ years ago. The bankers of the United States were without a remedy. The press of the United States was without a remedy. The executive department was without a remedy. The Congress, in my judgment, was without a remedy. It was a situation which seemed to be beyond the ability of men to comprehend and to control. But I am unwilling myself, in the midst of this awful calamity and the failure to meet the situation as we would like to have seen it met, to single out the Congress of the United States and say that that body, of all who were concerned in the matter, has been the signal failure, and therefore we are called upon to abandon our function of seriously considering and passing such measures as we in our judgment feel are necessary for the situation. I can never admit that we cannot find ample power within the Constitution to meet all emergencies. I am unwilling to vote for dictatorial powers. I am not willing to disregard the most fundamental principles of this blessed old Republic.

Mr. REED. Mr. President, so that the RECORD may be accurate, I should like to state that President Harding vetoed the bonus bill which was sent to him in September 1922. His veto message is dated September 19, 1922. I will not put the whole message in the RECORD; but I want to read the last paragraph as showing President Harding's attitude toward the bonus question in general—not to matters of detail.

The President said:

> I confess a regret that I must sound a note of disappointment to the many ex-service men who have the impression that it is as simple a matter for the Government to bestow billions in peace as it was to expend billions in war. I regret to stand between them and the pitiably small compensation proposed. I dislike to be out of accord with the majority of Congress which has voted the bestowal. The simple truth is that this bill proposes a Government obligation of more than four billions without a provision of funds for the extraordinary expenditure, which the executive branch of the Government must finance in the face of difficult financial problems, and the complete defeat of our commitment to effect economies. I would rather appeal, therefore, to the candid reflections of Congress and the country, and to the ex-service men in particular, as to the course better suited to further the welfare of our country. These ex-soldiers who served so gallantly in war, and who are to be so conspicuous in the progress of the Republic in the half century before us, must know that nations can only survive where taxation is restrained from the limits of oppression, where the Public Treasury is locked against class legislation, but ever open to public necessity and prepared to meet all essential obligations. Such a policy makes a better country for which to fight, or to have fought, and affords a surer abiding place in which to live and attain.

Mr. BORAH. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Idaho?

Mr. REED. Certainly.

Mr. BORAH. Is it not a fact that President Harding advocated compensation in the way of a bonus in the campaign?

Mr. REED. I believe he did, in some such form.

Mr. BORAH. And is it not a fact that Mr. Mellon threatened to resign if Mr. Harding did not veto that bill?

Mr. REED. If that is so, I never heard of it until this minute.

Mr. BORAH. I did.

Mr. REED. In fairness to President Harding and to the Executive, we must say that both Harding and Coolidge opposed every bonus bill that came to them, and vetoed every bonus bill that came to them. Mr. Harding's veto was sustained by a comparatively ample majority; and no one in the Senate did more to have that veto sustained than did the able Senator from Idaho.

Mr. FESS. Mr. President, will the Senator yield there?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Ohio?

Mr. REED. I yield.

Mr. FESS. In order that there may be no confusion in regard to President Harding's view, in the campaign of 1920, in the city of Cincinnati, where he was making a political address, he was asked from the floor, from the audience, about the bonus.

He stated in his reply that he was not opposed to the principle of the bonus, that he was rather in favor of it, but that he could not see his way clear to go on with the particular measure which had been proposed. He embarrassed me very much, because I had voted against the measure, and he seemed to favor the principle. I voted against the measure on principle, and I was greatly embarrassed because of the statement of the President at Cincinnati.

Mr. REED. Mr. President, I remember this pretty vividly, because I myself was running for election to the Senate 6 weeks after the veto message came up here, and the manifestations of disapproval that followed my vote to sustain the veto were enough, in my inexperience at that time, to give me a good deal of concern. I have learned better since then.

Mr. BORAH. Mr. President, may I say that Mr. Harding advocated the bonus principle in the campaign. That was the position of the party. He spoke in favor of it in different places, and I think I know why he vetoed that particular measure.

Mr. REED. Perhaps the Senator knows reasons the rest of us do not know.

Mr. BORAH. No; I think if the Senator will refresh his recollection, the Senator from Pennsylvania in all probability knows the reason.

Mr. REED. The Senator has to take my assurance on that. I do not know that Mr. Mellon had anything to do with it by threatening to resign. I do know he was very much opposed to it, as were the Senator from Idaho and myself.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. REED. I yield.

Mr. ROBINSON of Arkansas. The Senator from Idaho has just stated that he knows, and thinks the Senator from Pennsylvania knows, why Mr. Harding vetoed the bonus bill, implying some secret knowledge about the matter.

Mr. REED. I have no secret knowledge.

Mr. ROBINSON of Arkansas. It would be interesting to have the information.

Mr. BORAH. It was at the time not so very secret. It was an open secret in Washington that Mr. Mellon was absolutely opposed to it, and that he would not stay in the Cabinet if it was signed.

Mr. REED. Mr. Mellon has probably been the victim of more open secrets than any other person in public life in recent years. I received a letter this morning telling me the interesting and open secret that Mr. Mellon last week exported $5,000,000 in gold coin to himself in London, and the further open secret that he did not dare to come back to this country for fear of arrest. He did not export any gold to London, I am advised by people who know, and he sails the day after tomorrow for America. So that open secret, like this other one, is probably not wholly accurate.

Very well; but let us not waste time on nonessentials. If I wanted to hold people up to their campaign declarations by contrast with their subsequent action, I should ask nothing more as a fine illustration than the evasiveness with which Mr. Roosevelt, our present President, refused to commit himself on the immediate cashing of the soldiers' bonus during the past campaign. I ask nothing finer than the attitude he has taken in the last week on the subject of governmental economies, including veterans' allowances. I prefer to judge him by what he does in office rather than by his campaign speeches when he is trying to get into office, and if we judge Mr. Harding the same way, we must admit that he faced the music beautifully, and he sent us a veto which we sustained.

Mr. PITTMAN. Mr. President, is the Senator referring to the attitude of the President, then a candidate for election, on the bonus question?

Mr. REED. Yes. He was chased all over the Nation by that question, and he refused to answer it, or pay any attention to it, until he came to the city of Pittsburgh, late in the campaign, and then he gave out a cryptic utterance, which all of us tried to understand, but most of us could not.

Mr. PITTMAN. Let us get the facts.

Mr. REED. Very well.

Mr. PITTMAN. The facts were that in April prior to the election he gave out a public statement, which was published in the Associated Press of this country, as to his exact position upon the cashing of those certificates.

Mr. REED. I heard that rumored, but I never saw the statement, and I noticed that he refused to reaffirm it after he was nominated.

Mr. PITTMAN. I beg the Senator's pardon; he reaffirmed it absolutely. The statement was published in the Associated Press of the country; it was published in the New York Times, and in the statement he said that when this country was facing a deficit which would probably be $2,000,000,000, it was no time to consider taxing the Treasury of this country to cash these certificates, nor would it be time until there was a surplus in the Treasury. That was his statement in April, and that was the statement he repeated before the election.

Mr. REED. In his Pittsburgh speech.

Mr. PITTMAN. And the fact that the Senator, or someone else, did not read the Associated Press or other dispatches was an excuse in a political campaign, but is not an excuse now.

Mr. LEWIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Illinois?

Mr. REED. I yield for a question, but I should like to have time to answer questions in between questions.

Mr. LEWIS. May I call the attention of the honorable Senator, and of my esteemed friend and colleague from Nevada, to the fact that President Hoover in two speeches began to bait the candidate of the Democracy, then Governor Roosevelt, in that he had not stated his position as to the bonus, and after his second attempt at his baiting the Governor came out and called the attention of the President himself to the fact that the President had ignored the truth, which was that he, Governor Roosevelt, had, at the date to which the Senator from Nevada alludes, specifically called attention to his attitude upon the bonus, and there recited his position, and brought forth the record showing where it had been published to the people.

Mr. REED. I saw that, but it is one thing for the Governor of New York, long before the convention, to make some such statement, and another thing for the candidate for the Presidency who refuses week after week to so much as mention the matter, until finally he was goaded into mentioning it at Pittsburgh.

Mr. LEWIS. May I say to the able Senator that it was while a candidate for the Presidency that he met the audacious assertion of the then candidate of the Republican administration by disclosing that he was either ignorant of the ordinary public history of the time or, being conscious of it, was deliberately perverting it.

Mr. REED. I doubt whether the President has to take notice of the statements of 48 Governors before they are nominated for the Presidency. But that is by the way. I give full credit to Mr. Roosevelt for his firmness and courage since his inauguration. I merely ask for President Harding the same consideration that I cheerfully extend to President Roosevelt.

Mr. President, when we are considering whether Congress is to blame for our plight, let us remember what we did in President Coolidge's day. Congress passed a bonus bill and Mr. Coolidge promptly and firmly vetoed it.

The House passed it over his veto, with cheers, and it came over here to the Senate, and again the Senator from Idaho rose to what he considered to be the defense of his country, and did it most ably. I shall never forget that vote on overriding the Coolidge veto. It hung finally on the votes of two men, two men who had given assurance to our then leader that they would vote to sustain the veto, and at the last moment, without explanation or apology, changed their votes. I remember Senator Greene, of Vermont, paralyzed as he was, being held up on his feet so that, in spite of his aphasia, he might repeat the word "No" that one of us was whispering in his ear, the last time he ever stood erect on the floor of the Senate Chamber, as I recall it.

Those were vivid days. But when we say that the Executive is responsible for all economies, let us remember that while we have done cheeseparing of the Budget, the great extravagances of the past decade have been forced upon the Executive, have been forced upon the Budget, by such action as that on the part of Congress. The bonus is the conspicuous illustration, but I could name a dozen others if there were time or necessity for doing so.

The VICE PRESIDENT. The time of the Senator has expired.

STATE BANK BILL HELD

Mr. LONG. Mr. President, we have 15 minutes on amendments and 30 minutes on the bill. Do I understand the Chair's ruling to be as it has been heretofore, that a Senator may take 15 minutes on a pending amendment and 30 minutes on the bill at such time as he sees fit? That is the ruling we have had in the past.

The VICE PRESIDENT. The Chair understands that has been the custom of the Senate; and if so, the Chair will adhere to that custom.

Mr. LONG. However, I do not wish to take up 15 minutes or 30 minutes. I have risen at this time to ask what has become of our State banking amendment which passed the Senate yesterday. I get it out in the newspaper corridors that there is some "hook-a-ma-crook" message from Garcia, or something, as to our amendment that passed the Senate yesterday evening. I am reading the RECORD, and it seems the bill passed yesterday, included the State banks in the benefits to be received from some of the beneficient provisions of the banking bill. I am informed over in the House that they have not received the bill. I am referring to the bill introduced by the senior Senator from Arkansas [Mr. ROBINSON], Senate bill 320. What has become of that bill?

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Arkansas?

Mr. LONG. I yield.

Mr. ROBINSON of Arkansas. I can supply the information requested by the Senator from Louisiana.

After the bill had passed, the Senator from Virginia [Mr. GLASS], I am informed, requested that it be held at the desk for the time being. I myself received a request from the Secretary of the Treasury and from others this morning that no action be taken this day looking toward the final disposition of the bill. I consented to that request, with the understanding that tomorrow or next day in all probability the matter may be finally disposed of.

It is my information that just subsequent to the passage of the bill the Federal Reserve Board raised some question as to the true interpretation of the measure and asked for time to study it.

Mr. LONG. In view of what the Senator from Arkansas has seen fit to disclose on the floor of the Senate, I do not suppose I am violating any confidence when I say that this bill was read to me over the telephone from the White House, I believe day before yesterday morning, and I was asked if the bill to be introduced by the Senator from Arkansas would suit me and the purposes of the amendment which I had previously offered here, which I had incorporated in a resolution. I told them that it would, and I was assured that the matter was finished business.

On yesterday I was ill and did not get here until last night, and I was telephoned that the bill had passed and that it was on its way over to the House. I took it on myself to ring the chairman of the Committee on Banking and Currency and tell him that the bill had passed the Senate and was on its way over, and asked him if he could not get immediate action, that the people were crying for it and needed it. He told me that it would pass in 10 minutes after it reached there, he thought.

Last evening I thought probably everything was going through early today, if it had not already gone through, but I come to find out—and I got my news from the corridors, the newspaper men—that some gentleman on the Federal Reserve Board had poked his bill into the business and had stopped the bill from going to the House.

If we are going to mess around here waiting for Eugene Meyer, of the Federal Reserve Board, to pass on this thing, we might as well understand "where we are at," in the words of the poet, because we are dead and cannot be anything else but buried, and the sooner we have the incarceration, or whatever else is necessary, for the State banks, we might as well have it. If we have to wait to get permission of this gang—and I use the word "gang" advisedly; I refer by the word "gang" to that crowd that is permitted to operate without being within the confines of the four walls, or under any compulsion of Federal or State authority—if we have to depend upon that gang to wait and deliberate on this thing, then we are in the hands of a very bad set of doctors.

I had understood that this matter was all finished and was going through. We cannot wait here from day to day and from night to night. If the bill is going through, we want it to go through. If we have to wait on the Federal Reserve Board for something for the State banks of the country, we ought to know it. We know they have been trying to put the State banks out of business, and have said so for the last 4 or 5 years. Eugene Meyer, after having finished up his famous bond operations through the War Finance Corporation and other material performances there are equally creditable to the gentleman, has had the courage to come here before a Senate committee and boldly state that he was out to destroy the State banks. When we made a fight to try to keep the State banks alive in this emergency that is being taken advantage of by these political and financial pirates who put themselves on these boards, we have understood that they have had the nerve to put themselves in the way and ask that they be considered before anything further be done about banking legislation.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield?

Mr. LONG. Certainly.

Mr. ROBINSON of Indiana. What is the status of the bill now? Has the Federal Reserve Board asked the Senate to hold up the bill?

Mr. LONG. They have seen fit to have instructed the Senate. I do not understand that they have asked for anything. We passed the bill and they have told us what to do with it—to hold it up until they pass on it. That is what I understand.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Arkansas?

Mr. LONG. I yield.

Mr. ROBINSON of Arkansas. Subsequent to the passage of the bill the Senator from Virginia [Mr. GLASS] announced to me—I think he did not announce it on the floor—his intention to move a reconsideration in order to look into some questions that had been raised. I asked him not to make the motion then but to first satisfy himself whether he believed such motion was necessary. He said he would do so. No other action was taken yesterday.

This morning, as already stated, I was requested, as I have said, by the Secretary of the Treasury, who stated he favored the provisions of the bill, but desired to have some conferences concerning the matter before final action is taken, and it was indicated that some further amendment might be suggested.

Mr. COUZENS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. COUZENS. I should like to ask on what authority a clerk of the Senate may hold up a bill that has passed this body and is ready for messaging to the other House.

Mr. LONG. By authority of the Federal Reserve Board. [Laughter.]

Mr. COUZENS. I am asking the Chair.

The VICE PRESIDENT. The Chair knows of no method by which a bill can be held up from being messaged to the other branch of Congress. The clerk advises the Chair that the other branch of the Congress had adjourned yesterday and naturally the bill could not be messaged over until today. Why it is messaged over today the Chair does not know.

Mr. COUZENS. I suggest that we have an investigation, because I do not understand that is the proper way to legislate.

The VICE PRESIDENT. The Chair is advised by the Parliamentarian—and being new to the Senate, he takes that advice—that there is a precedent for the Secretary holding up the messaging of a bill at the request of a Senator. Whether that request has been made of the Secretary, of course, the Chair has no knowledge.

Mr. COUZENS. Mr. President, a further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. COUZENS. Will the Vice President please tell us where that precedent is of record holding that a single Senator who wants to hold up a bill of which he does not approve may hold it up in that way and for how long?

The VICE PRESIDENT. The Parliamentarian informs the Chair that a Senator has the right to make a motion

to reconsider within 2 days; and that in order to facilitate the making of the motion to reconsider, the Senator would be granted the right to request that the Secretary refrain from sending the bill to the other body until the time for reconsideration had expired.

Mr. FLETCHER. Mr. President, that is what I was about to suggest.

Mr. COUZENS. In other words, there is no real precedent for that action?

The VICE PRESIDENT. The Parliamentarian will find the authority for the Senator.

Mr. FLETCHER. Mr. President, the Senator from Virginia [Mr. GLASS] having voted for the bill, had the right to move to reconsider and could exercise that right within 2 days. Instead of doing that, as stated by the Senator from Arkansas [Mr. ROBINSON], he refrained from making the motion to reconsider with the understanding that the bill would not immediately be sent over to the House. I think that is the situation.

Mr. LONG. Mr. President, I want to state that the Senator from Arkansas [Mr. ROBINSON] has performed very nobly in this matter. I have not any advice from him except what he has given here. My advice, however, is to some extent confirmed by what he said. I am told, and I think very reliably, and I am rather confirmed by what my friend from Arkansas said, that the supreme council, the nonpartisan league, the Federal Reserve Board—that ran both of these things in past days and would like to run them now, which I do not think they are going to be able to do—let the Senate act on the bill and then they met and passed on the thing, and that is why the bill is here yet.

What I want to know is this: There is nothing here holding up the bill. If any Senator moves to reconsider it, then we can move to lay that motion on the table and go ahead with the bill. The State banks are closed, and the State banks are going to stay closed if they do not get some help. The amendment offered by the Senator from Arkansas will help them some if properly administered, and will cover everything that I had in mind in my amendment which I offered the other day and possibly a great deal more, because it incorporated a provision allowing the conservators to participate in the loans in trying to wind up the business of the banks.

We might as well know where and under whom we are legislating. I was telephoned and told that this bill was going through. On the floor of the Senate I confirmed what I had said over the telephone—that the bill of the Senator from Arkansas [Mr. ROBINSON] was entirely satisfactory to me as a substitute for everything I had offered on the preceding day or possibly the day before. Now, when the bill is passed and the House is waiting to get the bill, the news comes to me from newspapers—and from what the Senator from Arkansas said it must be true—that the Federal Feserve Board was called into hurried session to consider what the Senate had done. Then and there they issued some kind of a pronunciamento, edict, or what might be termed a "papal bull", ordering proceedings suspended until they could get the thing in hand.

Mr. President, I want to get the status of the bill. If anybody moves to reconsider it, I want to move to lay that motion on the table and get the bill to the House. I want to get the bill through the hands of the Senate and get it to the House in parliamentary manner, because these poor people at the forks of the creeks and in the little communities are absolutely paralyzed for want of banking facilities.

Mr. ROBINSON of Arkansas. Mr. President, I have, so far as I am concerned, consented that the matter shall go over for the day. I intend to keep faith with that consent, and I shall object to proceeding with the matter now for the reason that I did state to the Secretary of the Treasury that I would not insist upon action today. The House is not in session. To take the action now would not speed final action on the measure.

I wish to say that it is desirable from my standpoint to dispose of the subject matter as soon as possible. It was taken up in the Senate at my request by unanimous consent and, as will be remembered by all Senators who were present, it was discussed at some length by a number of Senators. In that view of the matter, when the Senator from Virginia [Mr. GLASS] stated that he intended to submit the motion to reconsider, I requested him not to make the motion until he had satisfied himself whether he desired the Senate to recede from its action on the bill. He did not make the motion. He is ill today and unable to be in attendance in the Senate. It is my expectation that when the House meets again tomorrow the bill may be messaged to the House unless some other satisfactory arrangement is made.

The VICE PRESIDENT. Will the Senate permit the Chair to call attention to the rule and the precedent with reference to why the bill was not messaged to the House of Representatives? The Chair holds in his hand the precedents and decisions on points of order in the United States Senate, 1789 to 1913, by Mr. Gilfry, from which he desires to read.

In the Forty-fourth Congress, first session, February 1, 1876—

> Mr. Ingalls rose to a question of order and stated that a bill which passed the Senate on Thursday last had not been sent to the House of Representatives, but had been retained by the Secretary for 2 days, at the request of a Senator who desired to enter a motion to reconsider the vote on its passage; and asked the ruling of the Chair upon the question whether under the rules of the Senate it was competent for the Secretary to retain the bill, after its passage by the Senate, at the request of a Senator, for the purpose of making a motion for reconsideration within the 2 days that are allowed by the rules for that purpose.
>
> The President pro tempore (Thomas W. Ferry) stated that such had been the uniform usage of the Senate, inasmuch as the rule gives the right to reconsider within 2 days next following the day of the passage of the bill; but would submit to the Senate the question whether the passage hereafter shall be in conformity with prior usage or shall strictly conform to the rule. No further action.

So it would seem that the Senate, so far as a vote of the Senate is concerned, has not passed definitely on the question of whether or not a Senator has the right to hold up a bill. It seems that the rule does not give any Senator the right to hold up a bill, but the uniform custom of the Senate seems to have been to hold up a bill at the request of a Senator.

Mr. COUZENS. Mr. President, a further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. COUZENS. I assume, under what the Chair just read, that I would have been in order on March 9, when we passed the emergency banking bill, if I had quietly gone to the desk and said to the clerk, "Just hold this up," and the clerk, under that procedure, would have held it up. Tonight, if we pass the emergency economy bill, it would be perfectly proper for me to walk up to the desk after we adjourn and say to the clerk, "Hold this up because 2 or 3 days hence I desire to file a motion to reconsider."

That kind of thing is entirely reprehensible and improper. In a case such as that of yesterday, following the passage of the emergency banking bill, with nearly everyone in the Senate unanimously agreeing to it, one Senator could have gone to the clerk and had the bill held up. I insist if that is the practice that I shall, after the passage of this bill, go to the clerk and ask him to hold up the bill until I have time to file a motion to reconsider.

Mr. LONG. Mr. President, the Senator from Michigan is out of order because the Federal Reserve Board had not said to hold up the other bill.

The VICE PRESIDENT. The time of the Senator from Louisiana has expired.

Mr. LONG. I want my 30 minutes until I get through with this thing.

Mr. FESS. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. LONG. I yield for a question, but only for a question.

Mr. FESS. I want to go to a parliamentary question.

Mr. LONG. Go ahead.

Mr. FESS. It appears to me that we have put the clerks at the desk in rather an unfavorable position, which I am sure none of us want to do. Constantly Senators are going to the desk and saying, "Count me for a quorum. I will be just outside" or "I will be down in the restaurant." Because it is the custom, the clerks do that; but if anybody called attention to it officially, they would be subject to very severe criticism, no doubt.

The same practice prevails when a message comes from the House. A Senator will go to the desk and say, "I would like to have this held at the desk and not referred to a committee. I would like to have it held until a certain time, when it can be called up." So a Senator will ask the clerk to hold it a while.

I think the same thing occurred in this case. I think it is a practice which is entirely out of order. For the sake of the clerks at the desk it would seem to me we ought to pass a resolution one way or the other and not put them in a position where they can be criticized for violating a custom that has heretofore been observed.

Mr. LEWIS rose.

Mr. LONG. Would my friend from Illinois wish to ask me a question?

Mr. LEWIS. No. I rose with a view of taking the floor, thinking the Senator from Louisiana had reached a conclusion.

Mr. LONG. No; I was about to get to that conclusion.

Mr. President, I wish to say in answer to the Senator from Michigan [Mr. COUZENS] that the only difference between holding up a war bill and an economy bill and a Wall Street bank bill, as I will call it in order to segregate them, is that the Wall Street bank bill had to go through. It was not held up. The only difference between them is that the Federal Reserve Board edict was not issued in the one case as it was in this case. That is all the difference there is. Of course, it is a ridiculous proposition. I am not criticizing any clerk or anybody else, and I am not criticizing the action taken by the Senator from Arkansas; I am entirely too grateful to him for introducing the measure designed to afford help to the State banks; but I say it is a ridiculous proposition that we are held up here now as we are.

I am not going to make any motion at this time. I brought this matter to the attention of the Senate, and during the day I hope that I will receive some advice regarding it; otherwise I may find it necessary to bring it again to the attention of the Senate and to the attention of the Senator from Arkansas and try to secure some action, because it is a whole lot more important to my people, who are starving and needing some help, that they be accommodated than that Mr. Eugene Meyer, following his next dinner engagement and his next call at the Federal Reserve Board, may decide to do something about this question.

Furthermore, it is very important to find out whether the Federal Reserve Board, which is a very successful Board, is to intervene every time Congress undertakes to pass a law, because that is the Board that succeeded in closing all the banks of the United States on the same day, the first time, as I said the other day, since Columbus discovered America that such a thing has happened. We have never had a Government function performed so successfully as has been done in this instance by the Federal Reserve Board. They fought inflation, and they fought the little banks, and now are we going to allow the set that closed up the banks of this country to sit in here? They have been trying to close down the State banks, and in their efforts to break the State banks they broke big banks with them. Are we going to allow that set to come in here and hold up an act of Congress and keep these banks closed throughout the length and breadth of this country?

I want to say right here, by way of advice to my friend, the President, that he had better get that set away from here if he expects to do any good for the American people. If he wants something good done for the American people, a public contribution, he had better ride Eugene Meyer out of this town as well as Ogden L. Mills, and everybody else connected with that set.

You can pass all the laws you want to, but with that set sitting around here, the American people would be like a guinea sitting on a nest, for as long as you take the eggs out with a long-handled spoon they will not know who has been there. You can pass all the laws you want through Congress, but with Eugene Meyer sitting up there and running the Federal Reserve Board, and the rest of the gang, they can wreck, ruin, and absolutely destroy the finances of this country and the common people. I resent their coming here and putting their bill into the work of Congress and holding up this legislation.

Mr. LEWIS. Mr. President, I do not address myself to what appears to be some complication touching the procedure affecting the banking bill. I address myself to the measure that is before the Senate, entitled the "economy bill." I am anxious to have the attention of the Senator from Indiana [Mr. ROBINSON] and that of the eminent Senator from Michigan [Mr. COUZENS]. I heard with increased interest this morning the record of defense tendered by the eminent Senator from Pennsylvania [Mr. REED] in reply to the query and the record produced by the Senator from Idaho [Mr. BORAH]. There seems to have been an inclination by these Senators to clear the record of certain eminent officials whom we speak of as past Presidents of the United States—Harding, Coolidge, and Hoover. I am very anxious that statements appearing in the RECORD this morning that touch the reputation and make reflection upon the official record of the present President and that of his coadjutors and aides be either correctly understood as being no accusation or as being an intentional indictment. I desire that the charges be followed to where they will either be proven or at once disproven, dislodged, and repudiated.

Mr. President, while this measure looking to the question of the economy of Government, and partaking, of course, in part, of something of a modification and readjustment of the compensation of soldiers is pending, it is charged upon the floor that those of the administration dare to indicate to, if not to threaten, Members of the House of Representatives that if they did not support the bill they would be punished by withdrawal of favor and denial of what is called political patronage. I wish to present at this moment that if the time has come when at the very beginning of this administration there are those who will lend themselves to give circulation from anonymous characters in our country these libels upon the Government, these slanders upon its officials, with a view to defeating a measure by impugning the character and the eminence of those holding office in the Republic, we might as well understand now that such is to be the tactics. Here I say that it is to be met as gentlemen would meet it, on the one hand, and as courageous statesmen would defeat and overthrow it. If, on the other hand, these are but idle gossips without durability of substance, they ought to be promptly repudiated and cast out of this body as a place where no one will be tolerated to bring an anonymous slander upon the officials of this great Government exercising great office with great authority and weaken the administration before the public mind of our own country and disgrace it in the estimate of the world.

Mr. President, I took it upon myself to make some inquiry as to whence came the charge. I am unable to locate the authority. The eminent Senator from Michigan [Mr. COUZENS] denied yesterday that it was his intention to recite the names of those who, it is said, had made this charge, but refrained from further details.

Mr. President, we cannot defeat legislation that is honorable and just by smirching it with a slander nor should we oppose legislation by characterizing the head of the Government with the intention of perpetrating a bold act of public bribery. If there has been a movement afoot by any of the officials of this Government to attempt to bribe the members of the legislative body, either with the offer of patronage as payment or the withdrawal of it as punish-

ment, this is the place to speak the names. This is the place to reveal the individuals. This is the place to visit the castigation upon those who either make the false charge or those who offer to have visited such penalty upon any Member of either House for exercising his conscientious duty.

I will not believe that any member of this administration has ever made any such threat to either Member of the House or Member of the Senate, but we cannot leave the statement, published through the press, as is their privilege, to go out to the country that we are now seeking legislation which in itself is so lacking in merit that we are compelled to stoop to the low and contemptible level of bribery in order to secure the votes for its passage. I denounce the authority, whoever it is, and I demand the designation of the names of those who, it is said, make the accusation. I ask for proof of the accusation if the accusation will now longer be indulged. I am deeply sorrowful that at the very outset of this administration it is now to be met by such methods, ancient in their origin, long in their practice, but contemptible in their indulgence. We recall with great interest, sir, that it was a great king, as is recorded by the wondrous bard, who expressed that which here we repeat:

> No might nor greatness in mortality
> Can censure 'scape; back-wounding calumny
> The whitest virtue strikes. What king so strong,
> Can tie the gall up in the slanderous tongue?

Mr. President, if we had nothing but silence as against the call for the detail of this accusation, then we are compelled to conclude that it is because there is a lack of proof, or a want of courage on the part of the accuser. Here and now we will await further developments to see if this shall be the habit continuously, when to defeat honest legislation on the part of the new President in his undertakings, or those of his followers, there will be those in the legislative body or members of this Government who are content to send their own country before the world as disgraceful for the purpose of defiling the effort on the part of the President or defeating legislation which his opponents may oppose.

Mr. President, we listened with considerable interest to the distinguished and brilliant Senator from Indiana, who, as he gravitated to the schedule of the Treasury, adverted—in accusation inferred—to the large interest rate which he assumed had been paid through some form of exaction by this Government in its new refinancing. The Senator from Indiana invites us to the consideration that whereas in previous instances for the very small rate of 1 percent or a half of a percent a financial scheme had been perfected, that now a very large interest rate had been charged by those who purchased the securities, thus making the loan to the very great loss and possibly to the embarrassment of the Treasury and of the Government. I ask the able Senator from Indiana if he will not concede that if such conduct has transpired as he charges that it was the financial powers, whoever they are and wherever they may be, that have taken advantage of the exigency of our Government, the emergency of their own country, and held it up and bled it in the form of excessive interest, forcing the payment to meet the conditions which surround us, which all regret and everyone is compelled to meet. And if it be true——

Mr. ROBINSON of Indiana. Mr. President——

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Indiana?

Mr. LEWIS. In a moment it will be my pleasure to yield. And, if it be true that the excessive rate has been exacted and has been paid, may I ask the Senator from Indiana in what manner could his own Government have defended itself and how as against the exaction this new administration now entering upon its duties could oppose this oppression, where the old administration with all its power could not?

Sirs, the former administration has granted great favoritism in behalf of the financial masters of the East; yet these powers, notwithstanding the reciprocity which was due the Government for the constant favors they had bestowed, had to yield to this, the same form of operation such as the Senator recites as against the present administration. I ask the Senator from Indiana what bankers will he charge with the offense, what financiers will he name as having perpetrated the infamy and outrage which he correctly defined in his remarks as against the Treasury, and the momentous oppression he describes upon the Republic of the United States in the hour of its peril? I yield now to the Senator from Indiana.

Mr. ROBINSON of Indiana. Mr. President, I said yesterday that I thought the interest rates for the refinancing were outrageous at 4 and 4¼ per cent interest. The Senator from Illinois certainly knows that Treasury certificates, such as today's issue, can be offered at a stipulated rate, and that the Secretary of the Treasury stipulates the rate. He could offer them at three quarters of 1 percent, and, in my opinion, they would have been oversubscribed a billion dollars and more. Instead of that, however, for some unaccountable reason no notice is given; they are offered at 4¼ percent, and that rate was designated by the Senator from Maryland the day before as usurious. I agree with that characterization of such a rate. It was usurious. As a matter of fact, he could have offered bills for discount at a competitive rate; but, for some reason or other, the general public was not given an opportunity to bid on this issue.

Let me read to the Senator from the New York Times in answer to his question.

Mr. LEWIS. Is the Senator addressing an inquiry to me, or interpolating a speech in my remarks?

Mr. ROBINSON of Indiana. No; I am answering the Senator's question.

Mr. LEWIS. Then I yield for that purpose.

Mr. ROBINSON of Indiana. But since the Senator asks me directly, let me give it to him in detail.

Mr. LEWIS. Let me hear the Senator in anything he would desire to say, in detail or in general.

Mr. ROBINSON of Indiana. I thank the Senator so much. He is so kind.

In the New York Times of March 12, last Sunday, appeared this article:

> In addition to being Federal tax day, the 15th of March, in A.D. 1933, and of the independence of the United States the 157th, will be the day for meeting Treasury maturities of approximately $700,000,000. Apparently, at this writing, the Treasury maturities will be taken care of through the Federal Reserve regional banks instead of through the general market as customarily.

Now, I ask the Senator if he knows—I am not, of course, in a position to act or speak with authority for this administration, for very obvious reasons——

Mr. LEWIS. Very obvious, indeed. [Laughter.]

Mr. ROBINSON of Indiana. I ask the Senator if he knows why the public was not given an opportunity to subscribe for this issue, and why such usurious rates were set as 4 and 4½ percent, when the new administration that now seeks to take money away from the veterans could have thereby saved $20,000,000 in interest alone. That is my answer to the Senator's question.

Mr. LEWIS. To which I answer that it is not the answer to the Senator's question. It is the observation of confusion, without intelligence, financial or personal. [Laughter.]

Mr. ROBINSON of Indiana. What is the Senator's question? Will the Senator state his question again?

Mr. LEWIS. I ask the Senator, since he denounced what he called the interest rate which we are compelled to pay—I ask what banking and financial institutions does he have in his mind as those that imposed this charge upon this Government and forced us in the emergency to pay it, without regard to the question of advertisement, or without regard to any procedure? What is the institution that has charged this unjust, usurious rate upon the Government?

Mr. ROBINSON of Indiana. Mr. President, I never made any such charge as the Senator suggests. I said that, in my opinion—I may be wrong—the Treasury Department could

have financed this issue of bonds for less than 1 percent interest instead of being forced to pay 4 and 4¼ percent. I do not know how it was arranged, but someone on the floor mentioned the day before that 2 weeks ago it had been arranged. Arranged with whom, I ask the Senator in return? I answer his question by asking him one. A Member on the other side said the loan had been arranged two weeks ago. I asked the Senator, with whom was it arranged.

Mr. LEWIS. Then, as I understand the Senator from Indiana, what he indulged in yesterday with his accusation against the administration was the general deduction of his own presumptions upon the audacious assumption that he knew something about finance. [Laughter in the galleries.]

Mr. ROBINSON of Indiana. No, no, no, Mr. President.

The VICE PRESIDENT. The occupants of the galleries will refrain from manifestations of approval or disapproval.

Mr. ROBINSON of Indiana. The facts are very patent. Here they are:

We have always paid less than 1 percent, in the past year, on all of these issues. This administration starts by paying 4¼ percent. That is the whole story. Why did the administration do it? I do not know. The Senator will have to answer his own question. With whom was it arranged? I presume with the Federal Reserve Board.

Mr. LEWIS. Mr. President, it is apparent, then, from the statement that there does appear to be some condition where, under another administration preceding the present one, certain loans, as the Senator from Indiana must know, or he would not have made the allusion, were obtained for so small a sum as 1 percent interest; and when the Democracy comes into power, the representative of the masses, and seeks justice to the great, common mass what is known as the "forgotten man", the powers who control the finances, through the favoritism and privileges which have been granted them by the previous administration, promptly seize upon the disadvantage of the Republic under the present hour—caused by the act of a previous administration of power—and hold it to this excessive interest to which the Senator alludes and this because of its lacking in capacity or opportunity wherein it may serve the immediate needs of the country save by yielding to these inexorable demands and this oppressive rate.

The VICE PRESIDENT. The time of the Senator from Illinois has expired.

Mr. LEWIS. I am addressing myself to the bill, Mr. President.

The VICE PRESIDENT. The Senator is recognized for 30 minutes.

Mr. LEWIS. Mr. President, I have been hearing for some time, while this bill has been in process, the threat that the method of opposition to the measures that will be advocated by the administration in power is first to make such charge or accusation against those who advocate them as having a motive beneath the honor of the legislator; and foreign from all justice and decency of any political administration. These indirect and subterranean accusers know that when they have gone to the country with such charges in sufficient repetition, then through the press or from the mouths of the false advocates they have convinced the public mind that there are underground and disguised methods being pursued on this side of the Democracy—or in the heart of the administration. This process of insinuation robs the measure of its due high credit, and takes from it, sir, the just reputation of a measure of relief of the people. The opponents by this devious course can defeat the measure by having it slandered by a press that misunderstands it—merely quoting the charge—thus the whole legislation is doubted and accused by a public that has been misled and misinformed.

At the very outset, let it be understood that, so far as my humble voice may reach, I shall not permit these beginnings of an old system which shall have for its purpose the denying of a just hearing to the administration in behalf of these measures by anticipating them first with a slander of accusation, then seeking to sustain it by hearsay testimony or the anonymous authorship of the unknown whose positions, if known at all, would be so insignificant that it would be contemptible on the part of intelligence to recognize them or to quote them.

Mr. President, I therefore arose at this moment to meet these two things: First, I want the country to know that if these exactions have been put upon this administration as the eminent Senator from Indiana charged, and if there be a record of such, this is the hour when the American public who sent this official servant to office should know who it is that has now taken advantage of the moment to rob the American public and place it under immediate obligation of these excessive interest rates and drain the life-blood of the Republic when they find it powerless, like a poor victim who lies upon the highway who has been beaten down by a robber; sir, in the hour of this exigency I would ascertain who are these who have done this thing; I would demand their names, be it banking house or personal financier; I would find out to whom we have been forced to yield, if such be the fact, as the eminent Senator from Indiana charges.

I would go further. If the time has come when any set of men in this Republic holding the power of finance and taking advantage of the Republic and of those we speak of as the soldier and his dependents for the purpose of draining them to the dregs, and shall have done so by a process of combination which prevents competition or the appeal to the public with any hope of result, I will arraign them before the bar and charge them with criminal conspiracy. Then I would hold them up to the bar of justice, where they may be tried first before the courts upon the law; second, by public opinion from the sense of justice of the human heart. I will not allow the members of this administration to bear before the public the ignominy and contumely following from the act when they in their innocence were powerless to defend against it and were made the victims of the oppression, of the conspiracy which has been perpetrated.

Mr. LONG. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Louisiana?

Mr. LEWIS. I yield to the Senator from Louisiana for a question. My time is limited.

Mr. LONG. I am very much impressed with what the Senator is saying. I wonder how we are going to get out of this morass with the Republican comptroller, Mr. Awalt, and with the head of the Federal Reserve Board, Mr. Eugene Meyer, sitting in the saddle, running this thing as they have been running it. How are we going to get out until we get that gang out of there?

Mr. LEWIS. I do not exactly understand whom the Senator alludes to as "these individuals"; but there is one part of his question that attracts me very much when he speaks about getting out of this morass. That is the trouble; there is all about us too much more-ass. [Laughter in the galleries and on the floor.]

The VICE PRESIDENT. The occupants of the galleries will be in order.

Mr. LEWIS. Mr. President, I likewise am compelled to ask the occupants of the galleries if they will be considerate enough to remember the regulations, upon the enforcement of which it is part of my duty to insist. I am taking more time than is my object. I answer the Senator from Louisiana more directly to the point: Whoever is responsible for these conditions, those to whom he alludes—which I do not understand, neither the persons to whom he refers nor the act to which he alludes—but, wherever they are and whoever they are, I say as to those the time has come when this administration shall tell the people, by whatever name you call them, Republican or Democrat, that if they shall reveal to the country the authors of the act—and as to them—we will not tolerate the conspiracy from any such. This, sirs, we say, will be done whether it shall be from those who repeat the confessed tragedy of conduct on the part of the National City Bank and its officials in New York, the

Chase National Bank of New York City, or those of the farther west wherein I live, and their master conspirators who join them in the amalgamation for the destruction of the credit of America. Particularly do we do this to protect the administration because it has fallen into the hands of those who, instead of aiding this administration to distribute rightfulness and adjust righteousness to the common people, would destroy hope and honor as they rob the Nation, if they shall. Sir, I assert that there will be at once, so far as we are able to invoke it, that power that shall bring the highest to book and make them bear the consequences that the lowliest and defenseless have been compelled to bear in the hour of their offenses or their infirmity.

Mr. LONG. Mr. President, will the Senator permit me to ask him one more question?

Mr. LEWIS. Yes; I yield to the Senator from Louisiana.

Mr. LONG. Are you going to do that, with Eugene Meyer and Awalt running the thing as they have been running it? How are we going to do it with the same gang running it that has been running it?

I want to get an answer from the Senator, because I know he is learned on the subject. How are we going to get an administration that is going to do the people any good with Eugene Meyer sitting there running it, and with Awalt sitting there running it—that the Senator and I have been complaining about? How are we going to do it? I just want to get information.

Mr. LEWIS. I am willing to concede to myself, however flattering, that I am able to impart information to my able friend from Louisiana [laughter]; but as to this particular subject, whether I can or not I have serious doubts. I do not understand what it is that my able friend from Louisiana charges as to the gentleman called Mr. Meyer, or what particular conduct he alludes to as "the gange". I do not know which particular "gang" he alludes to, or what particular things have been committed by those whom he characterizes as "the gang". I have no doubt that something must have transpired to enable so eminent a statesman and so skillful a philologist as my eminent friend to characterize them as "the gang"; but I will say to him that if it is his opinion, whoever they are as to whom he makes the charge that are responsible for these conditions, it behooves him, in the enterprise and energy which he discloses on this floor, to bring them to book by accusation by which we may know in detail their offenses, and by which we collectively can punish their crimes.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Louisiana?

Mr. LEWIS. I do.

Mr. LONG. I thought we brought them to book by the election in which we promised the people of the United States that we were going to put that crowd out of there. Did we not do that, or what did we have this election for? We did not have to elect anybody to keep him in. They were in there, running things, as it was. Why have an election to change this financial set-up if Meyer is going to remain there, running the Federal Reserve Board, and Awalt is going to sit there running the banking system? Why have me go out and beg my people to give $40,000 to a campaign fund to put that gang out of there when we could have kept the money, and they would have stayed in there anyway?

Mr. LEWIS. Mr. President, I am not conscious of any particular issue as to these particular individuals, and I do not know any particular issue touching this particular "gang" to which my friend refers, or any particular pledge that is putting any particular individual out of place, but, if there was such, and it was made in the campaign, in the election of the honorable gentleman now President and the distinguished gentleman presiding over this body, the Vice President, the Senator from Louisiana may rest secure that if the pledge went forth and the promise prevailed, it will be carried out and in proper time wholly fulfilled.

I am compelled to reply to him, though, in one other respect. I should like some details, so far as the eminent Senator from Louisiana is concerned, when it meets his pleasure and propriety, to detail in what way, if these individuals are responsible, their responsibility arose, and wherein the offense is committed. I am very anxious to see, with the Senator from Indiana—representing an opposite political theory, but in this particular matter with the same object in view— the cleaning of the house of the culprits who, in the name of the offensive interests, are assailing the rights of humanity in America. Also I include all those who are responsible for having foisted upon this Republic this overwhelming calamity, driving this Nation upon the verge of bankruptcy and to bear the disgrace of a nation charged with repudiating its debts and dishonoring its credit.

Mr. President, I conclude. It is to say, sir, that here is a measure before the Senate the purpose of which we should understand. This Government has been brought to the unhappy destiny and emergency which all concede, and the fate which it now suffers is part of the inheritance of an administration previous and that which is the result of it.

The question is, What can be done? The President of the United States and the administration for which he speaks is called again to borrow. The Senator from Indiana alludes to one set of borrowings—the one from the banks. We take the other. We are turning to the soldiers, and seeking to borrow from them for a little while something of that which heretofore they have enjoyed as income. We are asking them to forego for a little while that that which is theirs may be used again in money for the needs of their country, as once before they lent their life for the life of their Nation. We are conscious that under the bill and its provisions the method is still preserved where every penny taken from them temporarily will be returned justly, without regard to partisanship or politicial designation. That when this is done it will be done under the privileges accorded under the bill, through the regulations of the department in which there will be invested the authority.

Let this be understood. There are those who criticize features in this bill, and two sections of it, as if it were something that drained the soldier of his rights and perpetrated some oppression upon the people in its practices. Sirs, let me say to those who have made these accusations that this is a copy, literally, verbatim, of a law which heretofore existed under the McKinley administration and the Taft and Roosevelt administrations which succeeded. Under these the laws of administration gave authority to the Commissioner of Pensions to carry out literally that which is now transferred to whatever may be the board that this Congress may create. Where is there even a change in a comma, in the cross of a "t", the dot of an "i"? So that it appears that for years the same provision was vested as a privilege and power and authority in the Commissioner of Pensions. Now, suddenly, the same regulations and authority have become anathema when merely repeated and vested in the President of the United States under this act to transmit to his Commissioner of Pensions, by whatever name he may be called, a board or commissioner to be created, or to whom the measure is committed for administration.

Mr. President, under these conditions, duplicating the past, well-encrusted in honorably history, the Senate of the United States merely asks that opportunity be given to carry the legislation by the President through such means as will accomplish the end, do no wrong to anyone, reserving within himself at the proper time the return of all of that which may have been temporarily withdrawn, and under no circumstances to leave any permanent disability upon any human being.

It has been said, sir, by eminent Senators on the floor whose judgment I so greatly respect—I allude, as in illustration, to the eminent junior Senator from Missouri [Mr. CLARK], whose splendid career in war, as in that of legislation, is a credit to his constituency—that we are proceeding, as he sees it, to entrench upon constitutional privileges and the liberty of the Government. My eminent friends over on the other side in one or two instances have asserted

that the bill extends itself to where we are bestowing dictatorial powers on the President, in violation both of the policy of the country and the Constitution of the United States.

Senators, it is overlooked there is no such thing in such a bill. There is no such bill before the Senate. There is no such bill anywhere before the American Congress.

Here is a bill in which the Congress of the United States would temporarily authorize the President of the United States, as the mere agent and executioner, to take upon himself certain powers to be carried out. In the meantime the measure reserves, as the Congress does, the right of repeal of the measure in any hour or any day when any effort of oppression should be undertaken or any privilege conferred under the bill is abused.

Congress, with its reservations, with a measure in its hands, with the interest of the people in its heart, holds the power as well as the privilege of ever controlling the administration of the measure, as it does the privilege of passing it.

If this were a dictatorial power, as in the days past were voted from the Roman senate sometimes to the emperor, by which the power passed out of the legislative branch, there would be basis for some of the fears expressed by these eminent authors and eminent advocates of the Constitution. There is no insistence on this point more ably put forth than from the eminent Senator from Nevada, lately distinguished judge of the highest court, Senator McCARRAN. These fears, as expressed by him, serve a great purpose. They invite serious attention, and call to the attention, not only of the country but of this body, as to what seems to be a sincere fright and one which should be examined into to ascertain if it is real or if it is one that is born of unfounded apprehension.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LEWIS. I yield.

Mr. CLARK. Will the Senator be kind enough to point out the section of this bill which makes this a temporary grant of power? I have been unable to find any limitation making it a temporary grant.

Mr. LEWIS. I answer my able friend, there is no such thing as permanent legislation in the United States. A bill passes; it can pass today, and the inherent power of this body may repeal it tomorrow. There is never any yielding on the part of Congress of the power to control either its legislation, by repealing it or modifying it, or withdrawing its power from the officer who has been intrusted to execute it.

Mr. CLARK. Is it not true that in granting this power to the Executive the power to repeal necessarily involves a willingness on the part of the Executive to relinquish the power which we are granting by this measure?

Mr. LEWIS. It would involve, not his willingness but it would carry, of course, necessarily the duty of a signature from the President to the repeal bill. It cannot be presumed by me that there could arise an officer in the American Government who would so dare defy the will of the public that he would seek to hold an authority against the expression of the Legislature. If there was such a one, the very attempt of doing so would arouse such revolt that the two thirds necessary to overcome the presidential veto would be cast with an overflowing rush, to the utter demolition of measure and destruction of the official.

Mr. CLARK. The Senator certainly does not mean to suggest that it is by any means unprecedented for the Executive of this country to veto an act of Congress which he claimed was taking power away from the Executive?

Mr. LEWIS. I yield my friend that no doubt such has happened, but not by such a Democrat as occupies the White House in this administration. I would not believe that any Republican believing in the Constitution and loving his country would ever commit such an affront against the liberties of the Republic. I have no doubt that the eminent Senator himself has some example when something of the kind may have transpired, but for myself I cannot accept such as a precedent that will be any guide, much less authority, to those who now have heard the voice of the people and taken their direction at the ballot box. Those now put in the Presidency are executing it for the needs of humanity and the righteousness of the laws of the country, the preservation of its people, the Constitution, and the restoration of prosperity in the Republic.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LEWIS. I yield.

Mr. BARKLEY. I merely wanted to suggest to the Senator from Illinois that if we now were considering a bill in detail of such a nature as may be the regulations issued by the President, if we could anticipate that, we would encounter the same difficulty after the enactment of such a law if we should repeal it and have it vetoed by a President. It would still require two thirds to overcome that veto, just as it will require two thirds to overcome any veto that may be the result of an act we might pass at the end of 4 years, beyond which the President cannot exercise the power conferred upon him in this measure.

Mr. LEWIS. It is well, Mr. President, from time to time to be refreshed by these items of information from able statesmen such as the eminent Senator from Kentucky.

I therefore say, sir, that as we reflect upon the situation we must not be misled into this terror which possesses many able minds upon this floor nor feel for a moment that we are on the eve of committing some great assault upon the Constitution and a violation of some fundamental doctrine of liberty of our Government merely because there are some who honestly fear the precedents and others from the outside falsely accuse for the purpose of defeating an honest end.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LEWIS. I yield.

Mr. McCARRAN. Referring to section 5 of the bill, the Senator having stated that there are no arbitrary powers conferred by the bill, is it not true that that section itself takes from the present law all of the rights that individuals have in the courts of this country to determine any controversy they might have, so far as a soldier's claim is concerned?

Mr. LEWIS. Mr. President, I have heard the able Senator from Nevada advert to this feature. I am unable to agree to the construction that has been placed upon the paragraph. The fact that we transferred to the administrative department certain work that heretofore has been undertaken by the courts is one which is not without precedent. We have done it in the matter of taxation by creating a Board of Tax Appeals to consider cases instead of the courts. We have done it in the Department of Agriculture by allowing the Secretary of Agriculture to pass and judge upon matters of administration. We now have it, sir, in every department of the Government. We have it sustained by the United States Supreme Court, from *Field* v. *Clark* (143 U.S.) to *Butterfield* v. *Stranahan* (192 U.S.)—all leading to the *McKinley case* (249 U.S.).

Therefore, I answer my friend, conscious of his great ability both as a judge and as a Senator, that there are no dictatorial powers in the bill. The powers are permissive. The bill authorizes certain conduct, but it vests no dictatorship. The powers may be changed by either repeal by Congress at once or immediately after the act, and any course the President may take Congress has ever the power, the reserved power, of revising and repealing it; and the provision to which my able friend the Senator from Nevada alludes is a mere transfer of administration.

Finally, Mr. President, I must insist that the provision that is assumed to take away from the courts the privilege of any soldier does not operate in that way. The provision merely takes away such matter that is then before the court and transfers it to the administrative board, but that administrative board is still subject to such course as will be taken by a court over any other administrative board that attempts to exceed its jurisdiction or to violate constitutional rights.

Mr. LONG and Mr. McCARRAN addressed the Chair.

The VICE PRESIDENT. Does the Senator from Illinois yield; and if so, to whom?

Mr. LEWIS. The Senator from Louisiana having taken the floor first, I yield to him, and then I will yield to the Senator from Nevada.

Mr. LONG. I have the "dope" on Eugene Meyer, to prove that he is a crook, if the Senator wants it. [Laughter in the galleries.]

The VICE PRESIDENT. The Chair may call the attention of the occupants of the galleries once more to the fact that they are guests of the Senate; and, as guests of the Senate, they undoubtedly desire to comply with the Senate rules. The rules of the Senate require that there shall be no demonstrations whatever in the galleries concerning the proceedings of the Senate. I hope the guests of the Senate will observe that rule.

Mr. LONG. Mr. President, I want to say to the Senator——

Mr. LEWIS. If the Senator from Louisiana will possess his patience for a second while I yield to the able Senator from Nevada upon the measure which we are now discussing, I will then see if I may yield to the Senator from Louisiana upon the important mission which he speaks of as "the dope." [Laughter.] I yield first to the Senator from Nevada for whatever information or inspiration I may obtain from that source.

Mr. McCARRAN. I do not want to have anything to do with or to say about Eugene Meyer because I do not know anything about him. I want to address my question to the Senator from Illinois on the far-reaching effect of section 5 of the bill and pursuant to his statement just made wherein he said—and if I am in error in quoting him I wish to be corrected, of course—that the act of any board and the act of the Administrator under this bill, if it becomes a law, would be reviewable by the court. Is it not true that the language of section 5 is specific in denying that very right and privilege?

Mr. LEWIS. I am compelled to say to the able Senator from Nevada, and I hesitate to differ with him on a matter of law both because of his capacity as a lawyer and his proven ability as a judge, that section 5 is similar to one of the provisions that prevails in the Department of Agriculture as to the administration of the regulations touching agriculture or that which applies to the Reclamation Bureau, and is a specific copy of that which applies to the Interior Department, to oleomargarine and to the regulations touching oleomargarine which have obtained heretofore and are now administered by that Department.

It is intended to mean that decisions rendered by the Administrator of Veterans' Affairs, under the provisions of this title or the regulations issued pursuant thereof, shall be final and conclusive on all questions of law and fact—meaning within the jurisdiction of the Administrator. It does not mean all questions, I must say to my able friend. It means those specific things described which are mere matters of routine in the Department which, if there were not a word in the bill, any court would hold are mere matters of procedure and, therefore, wholly vested in it by the act of Congress and not subject to mere review upon some construction of the law apart from mere regulation. If the bill meant that this individual, whoever he is, deciding the right of an individual under the general law, could not be reviewed, the eminent Senator from Nevada could not be questioned then in contesting it.

But the provision is only one specifically prescribing that in those specific matters vested in this officer, which are but administrative regulations, they and they only are to be passed upon by him, and the court is not to review them, because that would put the court to where the court would be administering the act instead of the Administrator to whom it is intrusted by the act of Congress.

Mr. McCARRAN. Mr. President, will the Senator yield further?

The VICE PRESIDENT. The Senator from Illinois has only half a minute remaining.

Mr. LEWIS. I should like to employ that unless the Senator from Nevada feels that the half minute is of more value to himself.

Mr. LONG. Mr. President, may I give the Senator from Illinois part of my time so he may get through?

Mr. LEWIS. I would imagine the Senator would need all his time in view of the undertaking upon which I just heard him protest that he wishes to enter. [Laughter.]

The VICE PRESIDENT. The Chair understands that the custom of the Senate is that no Senator may yield his time to another.

Mr. LEWIS. Let me conclude, as I prefer not to take the time of others.

The VICE PRESIDENT. The time of the Senator from Illinois has expired.

Mr. LEWIS. I believe I have some time on the amendment, have I not?

The VICE PRESIDENT. No. The Senator addressed himself to the amendment in the beginning.

Mr. LEWIS. No; I think I announced that I addressed myself to the bill. I anticipated this very hiatus occasioned by the questions of my colleagues.

The VICE PRESIDENT. The Chair is always governed by the time clerk. The time clerk advises the Chair that the Senator has occupied 15 minutes on the amendment and 30 minutes on the bill.

Mr. LEWIS. If such has been occupied, then I have exhausted my time and I yield the floor, graciously thanking my colleagues for indulging me to press to the Senate the duty of obeying the will of the people expressed in the election of the present President, and to multiply to content and happiness the now awakened and revived confidence displayed by all our people and our Nation in the new administration and its promises of performance.

And here it is that we repeat, with the Apostle Paul, that we "thank God and take courage."

Mr. ROBINSON of Indiana obtained the floor.

Mr. LONG. Mr. President, will the Senator yield to me? I will take only about 10 minutes.

Mr. ROBINSON of Indiana. If the Senator desires to take that much time, permit me to say that I can probably conclude in 10 minutes and then the Senator can go right ahead. I want to answer the Senator from Illinois [Mr. LEWIS], because he challenged me on some things that took place yesterday.

Mr. LONG. All right; go ahead.

Mr. ROBINSON of Indiana. Mr. President, I hesitate to take issue with my esteemed friend from Illinois, himself a gallant soldier of the Spanish-American War, but he has made two or three statements that I think should be answered.

The Senator from Illinois suggested among other things that the times in which we find ourselves now are dire, very difficult to bear, and very largely due to the rule of the last administration. In other words, one would assume from the Senator's statement that the panic in which we now find ourselves, the depression, is entirely the work of the last administration. That in itself is a species of slander. The Senator inveighs against slander. He is shocked because anyone on this side of the Chamber would even suggest anything about anyone connected with the present Democratic administration critical in any degree whatever, because it would seem to be slander, and in the same breath he himself slanders the recent administration by calling it responsible for conditions existing now, which the Senator, as he sits there in his seat, must know is not true.

Mr. President, the situation in which we find ourselves is the aftermath of the great World War. Every Member of this body knows that to be true. You cannot destroy $200,000,000,000 worth of material wealth and 40,000,000 human beings without paying for it. We are paying for that war today. I hardly suppose the Senator from Illinois in the wildest flight of his imagination would charge that the Republican Party was responsible for our entering the World War.

Mr. LEWIS. Mr. President, I should love to give it the credit that Democracy has for itself, but I cannot transfer the privilege.

Mr. ROBINSON of Indiana. Mr. President, not in the wildest flight of anyone's imagination can the Republican Party or any member of it be charged with responsibility for America's going into the World War; the part performed by the American people was noble in the extreme, and the 4,000,000 soldiers who went there so ably performed their part that some of us are now interested in them to the extent of desiring that their benefits be not taken from them. It was a splendid part, well performed. But the Republican Party did not get us into the war, and in my judgment we never should have entered the war. I hope the Senator understands now the position I take.

The depression in which we find ourselves is the direct aftermath of that very war. The man who got us into the war I mentioned yesterday—I hope the Senator will not call this slander—was the President, the member of the Senator's own party who sent the country into war within 2 months after he was inaugurated after having made a campaign before the American people on the issue that "he kept us out of war," that "he protected me and mine," that he preserved your home and mine. That issue was the issue in that campaign, and on that issue he won a victory and became President of the United States. But within 2 months after he was inaugurated those campaign promises and pledges meant nothing and we were in the war. We have been in every since.

Thousands and hundreds of thousands of those lads who were wounded and maimed over there, many of them made mentally blind, will never be rehabilitated. This is the aftermath of that war. The depression in which we find ourselves is the aftermath of the World War and the Senator from Illinois must know it. The administration which just went out of office was not responsible for that war and the administration that just went out of office therefore could not be responsible for the present depression. When the Senator from Illinois, himself inveighing against the slandering of public officials, deliberately charges that administration with the results that have flowed out of the World War and are crystallized in this the worst depression the world has ever known, he himself perpetrates the very offense against which he inveighs.

Mr. LEWIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Indiana yield to the Senator from Illinois?

Mr. LEWIS. I should like to correct the Senator.

Mr. ROBINSON of Indiana. Mr. President, I will yield in a moment to my distinguished friend, but let me finish what I was about to say.

The Senator from Illinois need not be so much concerned about critical statements that may be made about the present administration. I fancy many critical statements will be made, not only on this side of the Chamber but over on the other side of the Chamber as well before the next 4 years are ended. But listen, Mr. President: If the Senator knows anything at all, he knows that Herbert Hoover during the entire 4 years of his administration was the victim of organized slander, not only slandered here upon this floor by Democratic Senators across the aisle but slandered in the most organized fashion by the Democratic National Committee, which established its bureau for the purpose of slander, organized slander, and libel.

The Senator from Illinois would talk to me now about slander. Why? Because I dared say yesterday that this financing, in my judgment, if the people had been given an opportunity to subscribe to the bond issue, could have been done for less than 1 percent. As a matter of fact 4¼ percent is to be paid and the bond issue was oversubscribed $1,800,000,000; and, in my opinion, the Treasury lost $20,000,000 in that one transaction alone. That still is my opinion. If that be slander, let the Senator make the most of it.

I yield now to the Senator from Illinois.

Mr. LEWIS. I wish to say to the Senator that he is apparently suffering from some dreams that have been disturbing his intellect, and he is now reproducing a repercussion of the address he delivered against the Senator from Arkansas [Mr. ROBINSON] and the same address against the Senator from Mississippi [Mr. HARRISON], and——

Mr. ROBINSON of Indiana. O Mr. President, I refuse to yield to any diatribe of abuse. If the Senator means now to abuse me in my own time, I refuse to yield.

Mr. President, I made those statements because every Member on the other side of the Chamber makes similar statements day after day, and I propose to continue stating the truth. I reiterate the facts for emphasis.

Mr. LEWIS. Impossible! [Laughter.]

Mr. ROBINSON of Indiana. It will be done for the benefit of the Senator from Illinois and everybody else with reference to this war in which we now find ourselves.

Mr. LEWIS. I wish to say to my friend that he is wrong. My friend is in error. I wish to correct my friend. He is in error. He is laboring under a misapprehension. I have never alluded to Mr. Hoover; I have never alluded to the administration or anyone else as being responsible for the panic. I was alluding to the condition of the Treasury; the condition in which we found it. The slander to which my friend alludes I wish to make specific. It was those who said that the administration was seeking to bribe by offers for votes, and my able friend must try to be accurate if he wishes to be accepted. I do not wish to interrupt him further, but a delirium of judgment has possessed him which calls for my mercy in his behalf.

Mr. ROBINSON of Indiana. I think I understood the Senator aright. I think he said—as I think the transcript of the record will show and the reporter's notes will show—that the condition in which we find ourselves, in which the administration finds itself, and in which the country finds itself, is due to the last administration. I think the notes of the reporter will show that to be his statement. But in any event such statements have been made and repeated time and again by other high-placed Democrats, if not by the Senator himself. I resented that, and I said if the Senator made that statement, that in itself was a species of slander. So the Senator need not be horrified—nor need any other Member on his side of the Chamber be horrified—to hear some of us on this side, from time to time, criticize the present administration.

Mr. LEWIS. That is to be hoped and to be expected.

Mr. ROBINSON of Indiana. And I assure the Senator that we shall not shrink from doing so when the occasion may require. I hope to go along with the administration as far as I can, and to support the present President in everything that I think is constructive and for the good of the American people. I am opposing him in the case of the measure that is now before the Senate, because it will not put one single man or woman back to work. Thirteen million men are out of employment, and this bill will only add to our misery and to our taxes in the districts throughout the country whence all of us come. So, of course, I will not support the President in this matter, but I hope we may differ with the President and with Members on the other side of the Chamber without being charged with treason; and if we criticize the administration I hope we may not be called slanderers just because we do so.

Mr. President, I made the statement yesterday that the recent refinancing could have been done at a rate of less than 1 percent, in my opinion, and I still think so. Treasury certificates like those of today's issue must be offered at a stipulated interest rate. I think if the rate stipulated had been less than 1 percent, this refinancing could have been done for less than 1 percent. That, I submit to the Senator, is not slander; I still believe it to be so. I think if the people had been given an opportunity to subscribe to these bonds at a rate of three fourths of 1 percent, they are so anxious to have their bank deposits guaranteed in these days and to have the Government back of them, that they would have invested their deposits in this bond issue and been delighted to have done so, and it would have been oversubscribed by more than a billion dollars, and, as it is, with practically no public notice, it was oversubscribed $1,800,000,000.

Now, Mr. President, if the Senator from Louisiana will give me his attention for a moment, if he has not any time left, I will yield to him in my time.

Mr. LONG. I have time in my own right.

Mr. LEWIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield, and, if so, to whom?

Mr. ROBINSON of Indiana. I yield to the Senator from Illinois.

Mr. LEWIS. Mr. President, I again say to the Senator from Indiana that some strange malady seems to possess his conception.

Mr. ROBINSON of Indiana. O Mr. President, there is no "strange malady" about it; I have merely stated the facts.

Mr. LEWIS. I never referred to his statement concerning the Treasury as being slander. I believe he was honestly stating his belief regarding the method of refinancing, but I again refer and I again repeat that those who intimate that the administration was seeking votes by the exchange of jobs or threatening to withhold jobs if the measure should not be voted for, were those of whom I spoke, and as the Senator is not one of them my reference can have no application to him. If he feels he was one of them, I apply it to him.

Mr. ROBINSON of Indiana. No, Mr. President; I did not make any such statement as the Senator suggests, and I wondered if he had reference to me in that connection. I made no such charge at any time. The only thing I referred to yesterday in connection with the subject I discussed was the new refinancing arrangement by the Treasury.

EUGENE MEYER'S OPERATIONS

Mr. LONG. Mr. President, I rise to agree with the Senator from Illinois. We are not in disagreement; to the contrary, the Senator from Illinois has made a very eloquent speech in which he has said that we should stop all the financial plunder that has been affecting our people. That financial plunder or whatever has been done through the banks has been done under the surveillance of the Federal Reserve Banking System and the Comptroller of the Currency, for, as the Senator knows and as I know, our financial system has been under the Federal Reserve Board, the Comptroller of the Currency, and the Treasury Department of the United States.

I was asked by the Senator from Illinois, who agrees with me in these principles, or, rather, I should say that I agree with him, to give the proof, if I have any, regarding the character of pursuits of the gentlemen whom I mentioned. First, I desire to quote from the Democratic platform. Speaking of the Republican administration controlling our finances, speaking of the Treasury Department under Ogden Mills and his crew, speaking of the Federal Reserve Board under Eugene Meyer, and speaking of the Comptroller of the Currency controlling the banks, the Democrats in their last platform said this:

> They have ruined our foreign trade, destroyed the values of our commodities and products, crippled our banking system, robbed millions of our people of their life savings and thrown millions of more out of work, produced widespread poverty, and brought the Government to a state of financial distress unprecedented in time of peace.

Those condemnations, Mr. President, as to the ruination of our banks, as to the destruction of our credit, could only be directed, and were only directed, at the Republican administration, at that time in charge of Ogden L. Mills and his crew in the Treasury Department and Eugene Meyer and his crew on the Federal Reserve Board and the Comptroller of the Currency working with them; and therefore, among other promises, we promised the people—

> further restriction of Federal Reserve banks in permitting the use of Federal Reserve facilities for speculative purposes.

In other words, our party condemned such practices.

Mr. President, I want to go just one further step in stating what we were trying to condemn. A further thing that we are suffering from today is that the Federal Reserve Board and the Comptroller's office and the Treasury Department were in a conspiracy until we had the election and almost until now to wreck the little banks of the United States and openly said so in the hearings before the Senate committee.

I go farther as to Eugene Meyer. Mr. President, I have here the only undestroyed typewritten copy of Eugene Meyer's confession. He may think that all the copies have been destroyed, as some of them have been destroyed in a very mysterious manner, but here is one that has remained under the stove leg, that is now going into the CONGRESSIONAL RECORD, containing this gentleman's confession as to his operations when he was head of the War Finance Corporation of the United States. The witness, Mr. President, is Eugene Meyer. I will state, in order that the testimony may be understood by the lay mind which was not aware of it before, that when Eugene Meyer went on the War Finance Corporation he had a little bond house, known as "Eugene Meyer, Jr., Brokerage House", which was in process of liquidation. He went on the War Finance Corporation Board under a law that forbade him to market any of the bonds that were handled by the War Finance Corporation. The minute he went on the board, while he had this bond house in liquidation, he reopened that bond house, in violation of law, in order that he might manipulate transactions in bonds of the War Finance Corporation, in the teeth of the law, as confessed by him. He was closing out the bond house until he got on the War Finance Corporation, whereupon he opened up the bond house and financed the bonds of the War Finance Corporation—and how?

Mr. President, at the time when they were selling United States Government bonds for 80 and 85 and 88 cents on the dollar Mr. Eugene Meyer was buying back Government bonds at near 100 cents on the dollar. On the same day when he sold bonds at 85 and 88 he bought back other issues of United States Government bonds at near 100 cents on the dollar. How did he justify that operation? He justified it, Mr. President, because he retained other issues of Government bonds at the average price, and that every time he sold one at 20 cents below par that raised the value of those he had on hand. I will read the testimony of his confession from one of the copies that will not be destroyed or lost.

HOUSE OF REPRESENTATIVES.

SPECIAL COMMITTEE TO INVESTIGATE THE PREPARATION, DISTRIBUTION, SALE, PAYMENT, RETIREMENT, SURRENDER, CANCELATION, AND THE DESTRUCTION OF GOVERNMENT BONDS AND OTHER SECURITIES

TESTIMONY OF MR. EUGENE MEYER, JR., MANAGING DIRECTOR WAR FINANCE CORPORATION, OCTOBER 25, 1924

(The witness was sworn by the chairman.)

Mr. KING. Will you repeat your last remark about the orders from the Treasury? I did not quite get it.

Mr. MEYER. Yes, sir. These transactions of sales on the market in the second Liberty Loan issue, to which reference is being made at this time, were conducted by order of the Treasury for the following purposes:

The sinking fund had a limited amount to buy—not in the aggregate, but of each issue; not over 5 percent. In the second Liberty 4 percent bond issue, owing to the fact that it gave to the Government a large option in the time in which the Government might pay, having been issued as a second loan only by Mr. MCADOO, he was able to retain for the Government the right to repay at the end of 10 years, or, if it did not suit the Government, at the end of 25 years, or at any interest period in between. Then subsequent issues had to be made under more difficult conditions, and Mr. MCADOO—and by the way, I want to say that the second Liberty Loan originally was issued as a 4 percent bond——

Mr. KING (interposing). You do not mean to say that Mr. MCADOO personally was issuing these orders to you, do you?

Mr. MEYER. Oh, no. Mr. MCADOO was out of the Treasury in 1920. I am talking about the time of the issue of the bonds. Mr. MCADOO was Secretary of the Treasury at the time of the issue.

It will be seen as I read further that he undertook to hide himself behind someone else, but they dragged him out into the open and made him admit that his operations were not in such manner to be hidden behind anybody except himself.

Mr. KING. Who was the particular individual who issued the orders?

Mr. MEYER. May I continue this line of thought?

Mr. KING. Oh, yes.

Mr. MEYER. The individual is not of any particular importance. I am discussing the bonds, the terms, and the reasons for this.

In other words, when he was called upon to say who had given him any such orders he said that the individual was not important and that McAdoo had passed out of the Treasury a long time ago.

Mr. KING. The investigation of the personnel is important.

Mr. STEAGALL. Mr. Chairman, if the witness is going to take the stand and exclude the other witness, it is going to bring more or less confusion and disorder into the record.

Mr. MEYER. I just want to finish one line of thought.

Mr. STEAGALL. I merely want to ask you how long you expect to take.

Mr. MEYER. Five minutes will explain this.

Mr. STEAGALL. Our thought was to proceed in an orderly manner and let you hear this, and explain after we had finished.

Mr. MEYER. I know; but, gentlemen, these things, if they are taken up at the time, are readily understood, but if they are strung along at the end of a long line of discussion——

Mr. STEAGALL. Well, you will understand when we get through.

Mr. MEYER. I think so. Will you not permit me, then, to explain for a moment?

Mr. STEAGALL. Go ahead. We want to proceed in an orderly way, but I shall not interpose any objection if you want to finish on that line.

Mr. MEYER. This is so simple that it will not take me very long, and I think you will understand it as well as I. There is nothing mysterious about it.

Mr. KING. Is the gentleman going to explain each and every item as it comes up today?

Mr. MEYER. No; no. I merely want to explain what the Treasury had in mind when it gave instructions to make these transactions.

Mr. STEVENSON. I want to know who conducted those transactions.

Mr. MEYER. Mr. Leffingwell was Under Secretary for Mr. McAdoo, for Mr. GLASS, and for Mr. Houston up to the time that I resigned on June 1.

These transactions, which represent, as they appear when you consider only one of the issues, sales of Government bonds in the market, were balanced in all these cases at that time by purchases of other issues, either thirds or fourths, for the reason that the bond-purchase fund at that time was overbought on the second Liberty bonds and underbought on some of the other issues.

Now, on the same day that this $100,000, let us say—where is that item that you referred to, Mr. Brewer. It is the 26th–29th.

Mr. KING. What page is that?

Mr. MEYER. It is not paged. It is marked here "May 26–29."

Mr. BREWER. Of 1920.

Mr. MEYER. Yes. Now, at the same date there was a purchase of $300,000 of the third Liberty bonds at $88.85. I imagine that you will find that that is the result of an order to sell one issue and buy another of which the sinking fund did not have enough bonds, whereas they had too many of the seconds, and the Treasury at that time did not want to spend additional money to buy additional bonds where the sinking fund had not been filled up, and therefore gave orders to exchange the seconds, of which they had too many, for the other issues, of which they did not have the full sinking fund.

Mr. STEVENSON. Mr. Meyer, I want to ask a question right in connection with that, before you get away from it.

Mr. MEYER. Yes, sir.

Mr. STEVENSON. You say you bought on that same date how many thousand of these thirds?

Mr. MEYER. Three hundred thousand is here.

Mr. STEVENSON. At $88.45?

Mr. MEYER. Yes.

Mr. STEVENSON. What does your column show was the average cost of the issue?

Mr. MEYER. The bonds of the third always sold higher at that time.

Mr. STEVENSON. But have you not the average price here?

Mr. MEYER. Yes; and the bonds were bought at $88.45.

Mr. STEVENSON. And $94.57½?

Mr. MEYER. Yes.

Mr. STEVENSON. And on the same day you sold the others at $84.40 on the market?

Mr. MEYER. Yes.

Now I am getting right down to where they explain this thing. He first said that he bought those bonds at $88.45. Mr. Stevenson made him admit that he paid $94.57½, and he admitted that he did; and Mr. Stevenson said:

And on the same day you sold the others at $84.40 on the market?

He said:

Yes.

Mr. STEVENSON. And that brought the cost up to $91.90, and you sold them to the Government the same day at $92.13?

Mr. MEYER. Well, the sales to the Government, as you have heard from Mr. Brewer, had nothing to do with the market price. They were sometimes above the market and sometimes below the market.

Now, all through these transactions in the latter part of May, it is well to bear in mind that the War Finance Corporation had discontinued the purchase of bonds in the regular course, in accordance with the public statement issued by the Secretary of the Treasury, Mr. Houston, on the 18th of April. I think that is the exact date. And after that we did nothing in connection with these issues except these transactions which were carried out by order of the Treasury; so that without using additional funds of the Government, which were hard to raise at that time on short-term money—because that is what they had to do; it was what was redeemed in the market; of course, it did not take any funds to buy them from the War Finance Corporation, because whatever they bought from us were credited; but——

The CHAIRMAN (interposing). Mr. Meyer, do I understand correctly that all orders to buy and sell came to you from the Treasury?

Mr. MEYER. All of these orders were specifically from the Treasury. All orders at all times previously were under the direction and supervision of the Secretary of the Treasury, in accordance with the law, section 11 of the War Finance Corporation Act, and a daily report of all the transactions was made to the Treasury Department of each individual issue separately.

Mr. STEAGALL. What happened to the market following those operations, Mr. Meyer?

Mr. MEYER. Following which operations?

Mr. STEAGALL. Those that we are talking about. What was the effect on the market?

Mr. MEYER. Of these sales, purchases, and exchanges?

Mr. STEAGALL. Yes.

Mr. MEYER. It did not affect the market, because it did not change the quantity of bonds. For instance, there was a sale of seconds and a purchase of fourths, I remember, at that time. You will see here, on May 26–29, $312,000 fourths bought at $85.14, and on the same day you will find $320,000 of these bonds sold at $84.44.

Mr. STEAGALL. Did not the market go down?

Mr. MEYER. No. It did not affect the market, because it was an exchange of one bond for another.

I want to give you the reason why the Treasury was exchanging one issue for another, because the sinking fund had not been filled up on some of the issues and it was overbought on some of the other issues, and if they had bought in the open market without selling at a small difference, it would have taken fresh money, fresh Treasury certificate issues, and they did not want to use the money. That enabled them to buy for the sinking fund without using a lot of money and without any appreciable difference.

Here is where we not only already have the admission that he bought the bonds on the same day he sold them, paying as much as $10 a bond more than he was selling them for, but here is the last part, and here is the confession of Mr. Meyer:

Mr. STEVENSON. I just want to get clear as to one item. The average price means average cost of the bonds left on hand, does it not?

Mr. MEYER. On the books.

Mr. STEVENSON. The average cost of the bonds you had left on hand?

Mr. MEYER. Yes.

Mr. STEVENSON. When you made a sale of $100,000, the average cost of what was left on hand jumped from 91.827 to 91.837, which is 1 cent on a hundred?

Mr. MEYER. Yes.

In other words, as I pause to explain to the Senate, he says that every time he sold one below, it jumped the price of the average cost of the bonds on hand. It other words, when he went out and sold them, as Mr. Stevenson says, at a lower price, it increased the cost of those remaining on hand.

Mr. STEVENSON. In other words, you got less than the average cost for that $100,000 worth of bonds that you sold, and you added that loss to the average price, which was reflected in an increased average price. Then you sold to the Government for a little above that average and the next average price came down a little because you had made some profit out of the Government.

Mr. MEYER. We made no profit.

Mr. STEVENSON. Each one of these increases represents a loss that has been made on some sale of bonds, does it not?

Mr. MEYER. No; because all of these bonds ultimately went to the United States Treasury at cost.

Mr. STEVENSON. How did the average cost of the bonds increase after a sale, if you had not lost some money on that sale? The average cost of what was left was increased by the loss you had on any one sale, was it not?

Mr. MEYER. Yes.

Mr. STEVENSON. Then all the loss that was had by selling these bonds on the market was added to the average cost which the Government finally had to pay when it bought, was it not?

I wonder if Senators are getting this. In other words, every time he sold those bonds at a loss, the Government not only lost the money on the bonds being sold at a loss, but that loss was added on to the average price for the bonds

that he had on hand, and at that price the Government bought bonds.

In other words, all that Mr. Meyer had to do was to sell the bonds at 80 cents on the dollar, and that meant that the total bonds left on hand cost a great deal more on account of this loss, and therefore the Government reflected this in the average price of the bonds it had on hand when it bought other bonds back in.

I am going to read that statement of Mr. Stevenson again, because Mr. Meyer quibbles a good little distance until he is made to admit this.

Then all the loss that was had by selling those bonds on the market was added to the average cost which the Government finally had to pay when it bought, was it not?

Mr. MEYER. In the first place, I would like to say——

Mr. STEVENSON (interposing). I would like to know what your answer to that is?

Mr. MEYER. The loss on the seconds was more than compensated for by the profits on the purchases on the thirds and fourths.

Mr. STEVENSON. That is a matter that the books will show.

Mr. MEYER. Yes. I am showing it in the books. Let me just show you——

Oh, he struggled hard to get away from this question. He wanted to go and show them that a year or two before or a year or two after he did a good deal somewhere; but old Stevenson held him right down to the lick law, and he made him come through with the answer. He quibbled and he quaked and he quacked, and he did everything he could to get out from under admitting that he was a party, that he was the manipulator of this financial chicanery—this man who still sits at the head of the Federal Reserve Board and condemns the country—bank depositors and the country banker to his grave today; this high light and apostle of financialdom who still sits at the head of the mighty. Now I will read you, after he quibbles through two pages of testimony, what he was finally made and compelled to admit under oath:

Mr. STEVENSON (interposing). I just want this question answered.

Mr. MEYER. I answered that.

He says he answered it. As you see, however, he did not answer it. Mr. Stevenson put the question back to him:

Whenever you sold on the market at a loss, the loss was added to the average cost of those that were retained, and when the Government bought them it had to pay that average cost, which included the loss had on those sold on the market, did it not?

Mr. MEYER. As I said, the transactions at that time—you show 1-cent increase in the cost of the seconds. Here is 1½-cent decrease on the same day in the cost of the fourths.

He could not make him answer. He went into another stump speech. Says he, going on:

You cannot consider—

He made about three stump speeches here to keep from being pinned down. He did not have any idea that they had the wool right between his teeth. There was no way of getting out of it. He says, making his further stump speech:

You cannot consider any one of these accounts separately, because these transactions at this time were merely exchanges of one issue for another.

Yes; they were exchanges of one issue for the other—exchanging a bond out of the Government portfolio at 85 cents and buying it back at 95 cents on another issue. But Mr. Stevenson says:

I want my question answered yes or no.

Mr. MEYER. Now, wait a minute, Mr. Stevenson.

Mr. STEVENSON. I am asking this question, and I want to know if you can answer it yes or no. When you sold bonds on the market at a loss, was not the loss added to the cost of the bonds you retained and absorbed when the Government bought those bonds?

Mr. MEYER. Yes—

Finally he was made to admit it—

Yes; and when we sold bonds at a profit it was reducing the cost and increasing the profit of the Government.

He was made to admit, Mr. President, that on the same day he was selling bonds at one price he was buying them back at an inflated price.

How much time have I left, Mr. President?

The VICE PRESIDENT. The Senator has 1½ minutes.

Mr. LONG. I have only time to skip, Mr. President.

Mr. STEAGALL says:

There is one thing that we might bear in mind, for whatever it is worth, and it is probably proper that it be said in this connection. The law very explicitly prohibits any member of the board of directors of the War Finance Corporation from transacting any bond sales or purchases with any firm or corporation in which it is interested or with himself and provides penalties accordingly. There is no distinction raised in the law in any such transaction as to whether a commission was paid or not. There seems to be some apprehension here about that, and I thought I would call attention to it.

Mr. KING. What penalty is fixed?

Mr. STEAGALL. I read it here once. I do not have it before me.

Mr. MEYER. There are plenty of penalties—fines and jail sentences.

Mr. KING. It is a jail sentence, is it not?

Mr. MEYER. No; there are fines, too.

Here was Mr. Eugene Meyer, who confessed to this financial manipulation, the like of which even Charles E. Mitchell has not himself confessed before the Senate committee, right in the bank of the United States Government. Here he is, having confessed that in the teeth of the law he opened up and financed these bond transactions through a house that he was at that time putting in liquidation; and he is today sitting up at the head of the Federal Reserve System undertaking to keep legislation from going through the Senate. Nay, he even sends his word down here and tries to stop the consideration in the House of a bill that has already passed the Senate—this man who has announced his intention to destroy the little State banks in the sovereign States of the United States, who, despite this confession, yet sits here over the lives and destinies, financially speaking, of the 120,000,000 people of America.

The VICE PRESIDENT. The time of the Senator from Louisiana has expired.

Mr. HARRISON. Mr. President, there is no opposition to this amendment offered by the Senator from Washington [Mr. DILL]. I am wondering if we cannot agree to that, and then have another amendment offered.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. DILL].

The amendment was agreed to.

Mr. REED. Mr. President, I send to the desk an amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. The Senator from Pennsylvania offers the following amendment:

On page 13, line 21, after the word "reduction", insert "including reductions made under any existing law, regulation, or Executive order in the case of subsistence and rental allowances for the services mentioned in the pay act of June 10, 1922."

Mr. HARRISON. Mr. President, that is a clarifying amendment, and there is no objection to it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Pennsylvania.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, on page 20, line 8, at the end of the line, I move to strike out the word "title" and insert the word "act" as a clarifying amendment.

The VICE PRESIDENT. The Senator from Kentucky offers an amendment which will be stated.

The CHIEF CLERK. On page 20, line 8, the Senator from Kentucky moves to strike out the word "title" and to insert the word "act."

Mr. HARRISON. Mr. President, that is another clarifying amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. COPELAND. Mr. President, I send an amendment to the desk which I desire to offer.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 5, line 1, after the word "disabilities", add a comma and the following: "tuberculosis or neuropsychiatric ailments."

Mr. COPELAND. Mr. President, this covers the matter I discussed.

Mr. HARRISON. There is no objection to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McCARRAN. Mr. President, I offer an amendment, which I send to the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 10, after line 20, the Senator from Nevada proposes to insert:

SEC. 18. (a) Notwithstanding any of the provisions contained in this title, under the authority herein granted, in no event shall the compensation, disability allowance, or pension of any beneficiary be discontinued or reduced more than 25 percent of the amount thereof, except for fraud, glaring error, or proof of a diminution in the degree of disability.

Mr. McCARRAN. Mr. President, I should like to hear from the chairman of the Committee on Finance whether or not this amendment, which was approved by the Democratic majority of the House, will be acceptable to the committee.

Mr. HARRISON. No; it will not be. I may say that it would destroy the whole structure of the bill, and I very much hope it will not be accepted.

Mr. McCARRAN. Mr. President, addressing myself to the amendment which I have offered, likewise to the entire bill, I shall not take more time than that which is by rule adopted here allowed for a Senator to address himself to the bill.

We are considering legislation here the nature of which and the like of which have seldom passed the Congress of the United States. The law is not the people. The people are not the law. The law is the spirit of justice governing the people; and its application to individuals, to associations, to every form of civil life, should be so hedged around with reverence and security that the civil courts may, in an hour of popular passion, if you please, protect all the people from the tyranny of what might be a lawless majority; and in that spirit, and not in a spirit of criticizing the administration or anyone connected with the administration, but in the spirit of applying that thought and that idea, I have on two occasions before addressed myself to this body, to the end that no individual, however humble he might be, in whatever humble station he might be in life, might be deprived of the right to appeal to the court for a just right if he believed it to be just. But by the terms of the pending bill, if it goes through, by the provisions of this measure, if it becomes a law, there will be no question but that the individual veteran or association of veterans will be deprived of any right of appeal from the mandate and conclusion of the Director of Veterans' Affairs.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. BARKLEY. There is nothing new in that, I will say to the Senator. There is no appeal now from the decisions of the bureau except in insurance cases, which I discussed last night, with reference to compensation and other benefits. It is possible that any veteran might go into court by mandamus and show unusual, arbitrary action on the part of the bureau and receive some remedy, and that remedy is not taken away in this bill. But ordinary decisions of the bureau are not appealable to the courts, and there is no real change in this bill from the law as it is now in the administration of the Veterans' Bureau.

Mr. McCARRAN. Mr. President, I would ask the learned Senator what is meant by the language of section 5, wherein the very remedy of which he makes mention, to wit, the writ of mandamus, is specifically mentioned and denied?

Mr. BARKLEY. I say, with the exception of the mandamus proceeding, which has been sought in isolated cases. In all cases where a petition for mandamus has been filed up to this date, the petition has been dismissed by the courts, and not a single case has been won. This language does, of course, specifically point that out.

Mr. McCARRAN. That is correct, and it is to that equitable writ, that extraordinary writ, that I address myself. It is something that has come down the avenue of ages that men might have the right to resort to these writs in order to protect individual human liberty and individual human rights. But this bill strikes specifically at one of the extraordinary writs that was created before the early courts of chancery. It is said that this right shall no longer be available to the individual who feels himself aggrieved, and it goes further than that.

It was by the dint of the eloquence and the power and the strength and the persuasiveness of the learned Senator from Alabama [Mr. BLACK] that there was put through last night an amendment which will save at least a few of those who have gotten into court with their cases. But those who may have cases, who believe they have just rights but have not yet filed them in the courts, will find their day in court gone. Yet the learned Senator from Illinois says this is not an arbitrary measure. He says there are no drastic powers or privileges granted by the measure. He says that this measure is in keeping with other legislation that has passed the Congress granting similar powers to other boards. But where has there been a measure that strikes so vitally at the heart of the little man as does this one? Where in all the history of legislation has there been a measure which goes down into the realm of the forgotten individual such as this one does? Shall we say to the millions who are looking for justice from this Government, "You are deprived of a right of appealing to the courts of the land," a right that was instituted by the founders of this country, the one remedy of the Government that had its initial stage in the founders of this country when they created a government with three branches, the legislative, the executive, and the judicial? The one branch in which every man, whether he be rich or poor, had a right to go with his cause has been taken from the man who went abroad to fight and die, if need be, for the safety of this Government.

In all the history of legislation, when was there more drastic power demanded? In all the history of legislation in this country, when was the individual struck at more seriously than when you say to him, "You cannot have the courts. You cannot go farther than the Administrator of Veterans' Affairs. When he says, 'Your cause is lost', even though you may have been maimed and wounded on the Marne—when he says your cause is lost—it is lost."

Mr. President, I have heard the most eloquent pleas made here from my own side of this Chamber, appealing to me and to others here, "Can you not rely upon the President whom you helped to elect?" The people of America have confidence in President Roosevelt. I am not going to take from that statement. I hope they have, because I have, and I helped to elect him, and I am happy at his election. But this power does not go to the President. It cannot, in the nature of things, ever come into the consideration of the President. Of necessity he must assign this very thing which we are granting now to someone who will act under him pursuant to his appointment.

Mr. President, if this bill passes with section 5 in it, if it passes but does not include the amendment I have just sent to the desk, we will require 20 more secretaries to attend to the demands which will be made upon us, "For God's sake go to the Administrator, go to the President, do something for me. My case has been turned down. Take it there." If we do not, they will say when we go home, "You have neglected your sworn duties." There will not be office room enough in the Senate Office Building to accommodate the secretaries who will be needed to attend to these cases, because of the arbitrary powers, and we can no longer say to one who may be in our State, "Take your case to the courts. The courts are open to you. Take your case there." That answer will be gone forever when this bill becomes the law.

Mr. President, I have heard many statements here, some of them exceedingly cogent, many of them pregnant with

the truth, but none have yet attempted to justify the arbitrary provisions of this bill, taking from the helpless and lowly the right to have their cause presented to an impartial tribunal, to wit, the courts of the land.

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Massachusetts?

Mr. McCARRAN. I yield.

Mr. WALSH. In connection with the section the Senator is discussing, I should like to read to him from the hearings on this bill what General Hines said, and how he interpreted this section.

Senator WALSH. Would it deny to the Comptroller General the right to review, as he does now?

Mr. DOUGLAS. No; I don't think it would.

Mr. ROBERTS. I think it covers that.

Mr. DOUGLAS. Yes. It says "and no other official." The Comptroller General, I do not believe, has any power now to review the decisions.

Senator WALSH. Yes, he has; and he has made a lot of trouble in that regard.

General HINES. The Comptroller General has no authority on findings of fact and law that pertain to compensation or disability allowance. But there are some titles under the present act that go to the Comptroller General. As I understand the bill, this leaves the decision of the Administrator exactly as it now is under the same provisions of law. Only on claims is a finding of fact—well, both of fact and law—binding.

Mr. McCARRAN. To that I make reply that where there is no specific or direct declaration depriving one of law, then the presumption is, and the courts will so hold, that he has those privileges. But where a statute says specifically that he has not those privileges, neither the interpretation of the Director nor the interpretation of anyone else will bind the courts save and except the letter of the statute.

Mr. WALSH. Does the Senator claim that under existing law a decision of fact or of law by the Administrator is subject to appeal to the courts?

Mr. McCARRAN. I say it is subject to appeal.

Mr. WALSH. The Administrator's decisions on pensions are not subject to review by the courts but are final, and as a matter of fact the Senator cannot cite a single instance where a veteran has maintained an appeal to the court on a finding of fact or law by the Administrator in claims for pensions.

The VICE PRESIDENT. The time of the Senator from Nevada has expired. The question is on the amendment of the Senator from Nevada.

On a division, the amendment was rejected.

Mr. BARKLEY. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be read.

The CHIEF CLERK. On page 9, line 15, before the comma, insert the words "and to the dependents of such persons."

Mr. HARRISON. Mr. President, that is a clarifying amendment, to which I have no objection.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. BONE. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. At the end of title I insert the following new section:

SEC. 20. (a) The second sentence of subsection (a) of section 409 of the Merchant Marine Act, 1928, is amended to read as follows: "Such rate shall not exceed: For vessels of class 7, 37½ cents per nautical mile; for vessels of class 6, 62½ cents per nautical mile; for vessels of class 5, $1 per nautical mile; for vessels of class 4, $1.50 per nautical mile; for vessels of class 3, $2 per nautical mile; for vessels of class 2, $2.50 per nautical mile; and for vessels of class 1, $3 per nautical mile."

(b) Subsection (b) of such section 409 is amended by striking out "$12" and inserting in lieu thereof "$3."

Mr. BONE. Mr. President, the amendment I have proposed to the pending legislation is not an amendment that in anywise adversely affects the form of the measure or the purpose for which it is intended. I have listened for several days to discussion of the bill. I have tried to understand it as well as I could from the discussion and a reading of the measure. I have heard Senators, including the Senator from Maryland [Mr. TYDINGS], say that we are now approaching—and not only approaching but we are in the most serious crisis in the history of the country; that we have reached the point where, unless we are able to balance the Budget and put our financial house in order, chaos stares us in the face. I am assuming that to be absolutely true, and I am not going to attempt to argue the question. I am assuming that the country stands at the financial crossroads, and that unless real sacrifices are made, there is going to be serious trouble which involves the financial integrity of the Republic itself. We must assume that we face that danger right now.

The amendment which I suggest will compel certain favored people now in this country, who are the recipients of favors at the hands of the Republic, to make the same sacrifice that the wageworkers employed by the Government are going to have to make under the bill; sacrifices that the soldiers who wore the uniform of the country are going to have to make. It seems to me there can be no explanation for our failure now, by the coercive force of law, to compel men who are enjoying largesses, doles, gratuities, if you please, from the Treasury of the United States to bear their fair share of the burden that is now being imposed upon practically all of the people of the country.

I think that Members of the Senate are familiar with the terms of the Jones-White Act, which provides subsidies for steamship companies for carrying mail. It it nowhere proposed that those subsidies shall be cut in this terrible emergency.

I listened also with a great deal of interest to the statement of the Senator from Maryland [Mr. TYDINGS] that the Government was compelled to pay 4¼ percent interest for money that it is borrowing from private lenders; and yet the records indicate that the United States Government, in the face of this tragic financial situation that confronts us, has loaned to private steamship companies, controlled by men like Pierpont Morgan, that are receiving these huge mail doles, vast sums of money at interest rates as low as three eighths of 1 percent a year and as low as one half of 1 percent a year. Today we face the tragic situation pictured by the Senator from Maryland, in which we are borrowing money at 4¼ percent and loaning it to Pierpont Morgan for the purpose of building steamships at rates as low as one half of 1 percent a year. If there is to be any sacrifice—and I for one realize that the people of the country must make sacrifices—then, in the name of justice and reason, let us compel these men now enjoying these fat doles and these huge subsidies to bear their fair share of those burdens.

We loaned the Dollar Line $13,000,000 out of the United States Treasury at 1¼ percent a year, and yet our Government is now paying 4¼ percent for money. We loaned the Roosevelt Steamship Co.—not of the family of our President, but Archibald Roosevelt—$6,500,000 for 20 years at 2 percent. We loaned the Oceanic Steamship Co. $6,000,000 at three eighths of 1 percent. I have looked over some of the amounts that we are now paying these companies for carrying mail——

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Kentucky?

Mr. BONE. I yield.

Mr. BARKLEY. What is the time for which these loans are to run?

Mr. BONE. They run for varying periods of time.

Mr. BARKLEY. Does the Senator recall the time for which the loans at low rates of three eighths and one half of 1 percent are to run?

Mr. BONE. I cannot answer the question categorically. I cut from the New York Herald Tribune yesterday, Tuesday, March 14, a statement by Mr. Archibald B. Roosevelt, and I was impelled to say what I have said and what I am going to say here today because of the statement of this man and other statements of a similar character. Mr. Roosevelt and his associates issued this statement. It is addressed to the people of the United States and to the President of this Republic, and reads:

The American Legion has, in the form of special subsidies, levied a toll on the American people several times greater than victorious Germany levied on defeated France after the war of 1870. * * * For a number of years the American Legion and the Veterans of Foreign Wars have ruthlessly plundered the American people under the guise of an appeal to the sense of patriotism of our people and by perverting that praiseworthy sentiment to selfish ends. * * * The American Legion and the Veterans of Foreign Wars will counterattack and continue their ceaseless warfare against the stability of the country.

Mr. President, I am not a member of either of these organizations; but I invite attention to the fact that Mr. Roosevelt, who is himself receiving huge sums of money in the nature of subsidies for handling mail on vessels in which he has an interest, is charging the American Legion and the Veterans of Foreign Wars with conducting a racket and being racketeers.

Mr. TYDINGS. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Maryland?

Mr. BONE. I yield.

Mr. TYDINGS. What percentage of reduction from the existing rates would occur under the Senator's amendment?

Mr. BONE. It would be 75 percent.

Mr. TYDINGS. Does the Senator know whether or not contracts have been entered into where those reductions would apply?

Mr. BONE. Yes.

Mr. TYDINGS. Does the Senator know whether or not the Government would be in a position to repeal or repudiate those contracts?

Mr. BONE. I think I prefer to answer the Senator by saying that it would be a splendid object lesson to the people of the Republic, at a moment when 14,000,000 wageearners are in or dangerously near the breadlines, to have Pierpont Morgan and Vincent Astor go into a Federal court and sue this Government for their mail doles. That brazen affrontery would so shock the conscience of the Nation as to lead to a speedy ending of the mail subsidy dole racket of these men and their associates.

Mr. TYDINGS. The Senator will understand that I am not taking exception to the Senator's purpose. I am in sympathy with what he seeks to obtain. I was inquiring if it would be possible to carry it into effect as a matter of law; whether we may by legislation change a contract which had been entered into under previous legislation. My recollection is, without having the authorities before me, that the Supreme Court has held in cases of that kind that subsequent legislation would be invalid so far as it impaired existing contracts made in pursuance to law.

Mr. WHEELER. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Montana?

Mr. BONE. I yield.

Mr. WHEELER. May I suggest to the Senator from Maryland that there is very serious question in my mind as to whether the contracts that were entered into are legal under the law? I, for one, should be glad to see the question determined by the courts. There certainly never was any intention on the part of the Congress of the United States when the law was enacted that the Shipping Board or the Treasury Department should loan that money to the shipping interests upon any such basis as they did; but they took advantage of what might be termed a technicality, and the Shipping Board and the Treasury Department made a ruling which never was in the minds of the Congress of the United States. If the Congress had ever for one moment conceived that any such ruling would have been made, it never would have permitted the bill to pass.

Mr. TYDINGS. Mr. President, will the Senator yield further?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Maryland?

Mr. BONE. I yield.

Mr. TYDINGS. I would invite the attention of the Senator from Montana to the fact that I supported the efforts to cut those contracts wherever the question came to a vote. I am not hostile to what the Senator from Washington wishes to obtain. I was simply inquiring whether or not we can legally accomplish what he has in mind.

Mr. BONE. May I invite the attention of the Senator from Maryland to the bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934?

Mr. FLETCHER. Mr. President, before the Senator goes to that will he yield?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Florida?

Mr. BONE. I yield.

Mr. FLETCHER. The Senator will remember that after those loans were made some years ago under a law which authorized the Shipping Board to make loans at a rate a little bit in excess of the Government rate at that time, we subsequently amended that act and provided that loans should not be made below 3 percent.

Mr. BONE. I am well aware of that fact.

Mr. FLETCHER. Does the Senator propose under his amendment to change contracts already made, or does it apply to contracts hereafter to be made?

Mr. BONE. Perhaps I can best make answer to the Senator from Florida by reading what Congress did with one of these particular cases. In the appropriation act to which I have just referred there is appropriated $35,500,000 for these mail doles, and in that appropriation act we find that "no part of the money herein appropriated shall be paid on contract numbered 56 to the Seatrain Co."

In other words, we had a contract with the Seatrain Co. and for some reason Congress refused to appropriate money to pay on that contract. Again may I say to the Senator from Maryland that I would enjoy nothing better than to have Pierpont Morgan, in this time of dire distress, sue the Government for a dole of this kind. In the event Congress refused to make an appropriation to pay any judgment, it could not be collected, in all probability. I think I am right as a matter of law, but in any event the sooner this gouge is tested in court the better.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Louisiana?

Mr. BONE. I yield.

Mr. LONG. As I understand, the Seatrain contract was canceled by the appropriation bill. I should like to ask the Senator from Florida [Mr. FLETCHER] if that is true. We did cancel out the Seatrain contract, did we not?

Mr. FLETCHER. There was always a question whether there was any contract.

Mr. LONG. The same question is involved here—whether or not there is any contract. The Seatrain Co. was an outfit which ran through New Orleans, and I voted to strike out that item.

Mr. COPELAND. Mr. President, will the Senator from Washington yield?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from New York?

Mr. BONE. I yield.

Mr. COPELAND. The question involved in the Seatrain contract was a question of the right of the company to engage in coastwise shipping and at the same time receive money. That raised the question of the legality of the contract. Had it continued in its original work between New Orleans and Habana there would have been no question, but there was the question of entering into coastwise traffic which put it outside the possibility of contributions under the Jones-White Act.

Mr. BONE. Mr. President, before I read these figures to Senators, I again want to repeat that I am only suggesting by this amendment, that the companies which have enjoyed these very substantial, these very juicy subsidies, if you please, should be compelled now, in our hour of peril, to share their part of the burden. The measure before us proposes to reduce the salaries of every worker employed by the Government. The lowliest worker has to sustain a loss; and it would certainly put the Congress of

the United States in a very peculiar light to leave untouched the things of the character to which I am going to refer.

Take the case of the Export Steamship Corporation. On its board of directors appear the names of Pierpont Morgan and Vincent Astor, two of the richest men in the world. As I said, for the period of time which this report covers, that steamship company carried 12 pounds of first-class mail, and for hauling that mail across the ocean it received a subsidy out of the United States Treasury of $1,400,000, or at the rate of $117,000 a pound. This mail was hauled in a line of steamers bought from this Government for $1,299,000, although the same steamers cost the Government $42,000,000 to build. In other words, the Government sold that company $42,000,000 worth of steamships for 3 cents on the dollar, and then, in a little over a year, gave them enough for hauling a little handful of mail to pay for the whole line of steamships.

I, for one, cannot bring myself to vote without a protest to cut the wages of workers receiving a thousand dollars a year while men are doing that sort of thing to my Government. I want to vote for this measure because I am assured that the President desires its passage. I do not desire to appear in the role of an obstructionist. The people have a right to look to the President for leadership, and his problems are too great, too pressing, for me to do other than support him in this period of trial and tribulation.

But my resentment against such gross favoritism as is shown the subsidy grabbers impels me to speak. In one city in my State 60,000 people are eating the bitter bread of charity. These people—the veterans in my State would not want me to vote for a measure that reduces wages and cuts veterans' allowances to preserve our economic structure, without voicing, at the same time, my opposition to doles to international bankers and their associates.

Mr. BLACK. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Alabama?

Mr. BONE. I do.

Mr. BLACK. The Senator might also have placed in the RECORD at this point the fact that, while the salaries of Government employees are being cut, even the lowest salaries, the record shows on investigation that 2 years ago, as I recall, some of the shipping companies that are granted subsidies were paying their officers $100,000 a year; and I have before me now a copy of the RECORD showing that the steamship company to which the Senator referred is paying Mr. Roosevelt, ostensibly for one half of his time—I do not know where he works the other half—$10,000 a year, and one of its directors for one fourth of his time, $10,000 a year, out of Government money.

Mr. BONE. Mr. President——

The VICE PRESIDENT. The time of the Senator from Washington has expired.

Mr. BONE. I should like to occupy a part of the 30 minutes assigned to me to discuss the bill.

I am frank to say, Mr. President, that I cannot understand how Archibald Roosevelt, who is the beneficiary of this sort of special privilege, has the nerve and gall to charge the American Legion and the Veterans of Foreign Wars with being racketeers. Yet that is the charge he makes. I am not a special pleader for the American Legion or the Veterans of Foreign Wars; I belong to neither organization; in fact, I am not a veteran; but it lies ill in the mouth of a beneficiary of juicy mail subsidies that cannot be explained or defended in these critical times to charge organizations of men who were willing to give their lives for their country with being racketeers. I do not like it, and I think most of the people of this country will not like it, regardless of their views about this kind of legislation. I dislike seeing beneficiaries of special privilege charge other men with offenses of which they themselves are guilty.

If we are going to cut and cut and cut, as it seems to be essential and necessary that we should do, then, in the name of justice and fair play, in the name of all the millions of people of this country who, like myself, believe in a decent standard of living, in decent wage scales, let us begin not on the little doughboys but on the big doughboys first. These gigantic mail subsidies, in this period of financial misery, are a disgrace.

Running right out of my own city is a line called the Tacoma Oriental Steamship Co. that bought its boats from this Government, my Government, this Republic, if you please, that is faced with such a critical situation today. They bought a line of boats for $700,000 and in a short period of time, for hauling a small amount of mail, it got $655,000 out of the Treasury of this Republic, sufficient to pay a 90 percent dividend on the total cost of those boats. Had they created a capital structure representing the investment they could have paid a 90 percent dividend for hauling a small amount of mail, the regular price for which would have been just $1,901.

I will not go into this matter at great length, because I assume that almost every Member of this body knows the history and the sordid story of these things. The Senator from Tennessee [Mr. MCKELLAR] has told the story here; the Senator from Alabama [Mr. BLACK] has told the story; and Members of Congress are fully advised of what this thing means. I think it would be a sad mistake to refuse to add my amendment to a bill which bears upon its face the statement that it is "to maintain the credit of the United States," and which is designed to impose thrift and economy on all departments of government. If we are going to do that, let us not give $28,000,000 to steamship companies that bought property of this Government for a few cents on the dollar and then draw each year enough out of our National Treasury to pay huge dividends on the entire capital set-up of their companies.

There is such a thing as fair play. This proposal I have made by this amendment does not strike at the purpose of this bill. It simply assures us that these men who have all these years enjoyed these fat subsidies shall now be compelled to go along with the rest of us.

Permit me to quote the Bard of Avon, as did my friend the Senator from Illinois [Mr. LEWIS] a few moments ago. When I hear all the veterans called racketeers by Mr. Archibald Roosevelt, and see the wrongs such men hang onto their fat subsidies in these times, I want to say, with Shakespeare's cynic:

> Plate sin with gold,
> And the strong lance of justice hurtless breaks:
> Arm it in rags, a pygmy's straw doth pierce it.

It is so easy to slap the little fellow, but there is nothing royal in that sort of sport.

Let us be brave enough to lay our hands on this temple, this citadel of privilege, right here and now. If we pass the bill later and then let it be said to the people of this country that we still approve of Pierpont Morgan's getting $117,000 a pound for hauling mail in boats that his company bought for 3 cents on the dollar from this Republic, and this at a time when 14,000,000 Americans are desperate with poverty, when there is a great army of desolate men and women and hungry little kiddies who have to face want and deprivation, it is not going to be healthy; it is not going to have a healthy political reaction.

For one, I want to be proud of what my party does in meeting these issues squarely and head on. This is no time for evasion; it is no time for cowardice; it is no time to refuse to look things squarely in the face. Be sure that if nothing is done with this question today, it will be raised here again and again and again on the floor of this house until we meet it fairly and squarely and remedy a condition that cannot endure.

So, Mr. President, I am very hopeful that this amendment will be approved. It strikes not all of the subsidies, but three fourths of them, so that instead of Mr. Morgan's steamship company getting $117,000 a pound for hauling mail in its Santa Claus boats, it would only get 25 percent of that amount. That would be ample compensation, in light of the fact that the regular price for this service is 80 cents a pound.

Mr. HARRISON. Mr. President, I appreciate the force of the Senator's argument and his sincerity in proposing the amendment; but the difficulty is that it relates to a matter that is not in the structure of the bill. While I agree with him, and heretofore have voted in line with his suggestion, there is quite a group of Senators who have voted differently. Many of those Senators are giving support to this measure; many of them want to cast their vote for this bill; and it might be that some Members of the majority whose votes we need here might be driven away from the measure by adopting certain amendments that did not meet their approval. So, in the hope that we will not confuse the particular issue upon which we are about to pass, I trust the Senator will not press his amendment. A select committee of this body, composed of five very distinguished, able, and progressive Senators, has just been appointed to investigate and consider this whole question. I hope they will go to the bottom of it; that they will make a report at an early date; that the Senator will be satisfied that that committee will do its work, and not press this particular amendment under the circumstances, because it might add to the confusion of things and, in the end, work the defeat of the pending legislation.

Mr. BONE. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Washington?

Mr. HARRISON. I yield.

Mr. BONE. Rather than answer the Senator, I desire to make a statement. I assume that these subsidies have been under fire for many years in this body. I do not know whether I am correct in that statement.

Mr. HARRISON. That is very true.

Mr. BONE. So I can see no reason why we are not more prepared to meet it now than in times past, when it has been brought so vividly and so clearly before this body. This is an economy measure; it can do no harm to the measure to have this amendment tacked onto it. I think it would have a magnificent effect on the morale of the country at this time to strike at the sort of abuse I have mentioned.

Mr. HARRISON. I am inclined to think that the Senator is correct, and yet this matter has been brought to the attention of those who have heretofore considered it and are trying to secure action. It is hoped that matters which might add to confusion and retard the progress of the legislation and defeat its purposes will not be pressed on this bill.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington.

Mr. BONE. Mr. President, I should like to have the yeas and nays on the amendment.

Mr. LONG. Mr. President, I want to be heard on the amendment.

The VICE PRESIDENT. The Senator from Louisiana is recognized.

ANOTHER AMBASSADOR

Mr. LONG. Mr. President, inasmuch as I could not complete my remarks under the last 15 minutes, I want to sum up a little bit of the record regarding Eugene Meyer's manipulations of the bond market.

I read from what was brought out by Mr. STEAGALL concerning this matter in a debate in which the gentleman who is now presiding over this body as Vice President of the Nation participated to some extent. I read from what Mr. STEAGALL reported to Congress.

Notwithstanding Congress had refused to confer direct authority upon the Treasury Department to resell bonds, Treasury officials entered upon a program of stupendous operations, running into hundreds of millions of dollars, in the buying and selling of bonds in the stock exchange, using the medium of the War Finance Corporation.

My information is that the Treasury Department never attempted to avail itself of the use of the Alien Property Custodian funds in its bond operations until the War Finance Corporation had ceased to function.

Members of the House will remember that under the provisions of the War Finance Corporation Act that corporation was to go out of business upon the President's proclamation of peace, but the Attorney General furnished an opinion prior to the President's proclamation that the activities of the War Finance Corporation should cease, and it was after the termination of the activities of the War Finance Corporation that the Treasury Department resorted to the use of Alien Property Custodian funds.

Then said Mr. STEAGALL:

The Treasury Department lost $60,000,000.

This was not just a little haphazard business; this thing resulted in the filching of the United States Government Treasury, with Eugene Meyer, jr., in charge of this thing, under the criminal methods that I have just read into the RECORD from the testimony coming from his own lips, which resulted in the most monumental kind of loss.

First. The Treasury Department lost $60,000,000 in buying Victory and third 4¼ bonds, paying as high as $98 per hundred, when other issues of Liberty bonds were selling on the market as low as $86.

Why should the Treasury Department throw on the market a vast volume of bonds selling as low as $86 when it was well known that ultimately those identical bonds would have to be repurchased by the Treasury at par?

Why not make the money invested in bonds cover the largest amount of outstanding bonds that could be purchased for a given sum? What excuse can be offered for paying $98 per hundred for bonds when a larger amount of bonds could be purchased at $86? It was well known that bonds resold on the market at a low price would eventually come back to the Treasury for redemption at par, and in this connection I want to ask why it should have seemed desirable to boost the price of certain bonds by having the Treasury engage in their purchase and reduce the price of others by having the Treasury sell them?

Why should the Treasury by selling operations beat down the price of the lower bonds when most of the small purchasers who bought in response to appeals to their patriotism had their investments in them?

Whereupon Mr. Garner, of Texas, asked this question:

And as I understand the gentleman, in each of those transactions they lost money.

Mr. STEAGALL. According to the very nature of the transactions it was impossible for the Treasury ever to make anything. The best the Treasury could ever do was to take from the War Finance Corporation bonds and pay for them at cost, but every time a loss was sustained it was transferred to the Treasury. In every instance where bonds were sold below par there was a loss to the Treasury because ultimately it was up to the Treasury to redeem all bonds at par.

Furthermore, there were numerous transactions where the War Finance Corporation sold bonds for less than what had been paid for them, and in every such case the loss was arbitrarily charged as a part of the cost of bonds remaining on hand which were in turn ultimately sold to the Treasury. There was a loss of $28,000,000 in interest alone, which accrued on bonds held by the War Finance Corporation after purchase before delivery to the Treasury, and a loss of $60,000,000 which came about as I have just explained.

In this connection I want to ask—the gentleman from Texas has covered it so well that nothing can be added to what he said, but I will ask how it is possible to stabilize prices by selling the lower bonds and buying the higher—whoever heard of anybody's attempting to support the strength of the market by selling it down?

In that instance they were selling them at $86 and buying them back to $98, and filching the people, as shown by the gentleman from Texas who is now the Vice President of the United States, who was elected by the people on the ticket with our great President to stop this kind of financial transactions that have been put over on the people. Why should they have been allowed to come here now and sit over the American people after having filched us out of $98,000,000 with these bond transactions prohibited by law?

Either the statement of the gentleman from Texas, who was made Vice President of the United States, and the testimony of Mr. Meyer himself show him to be positively unworthy of sitting on the Federal Reserve Board, or else there has been a great injustice done to this man which up until this time he has never seen fit to correct; but, on the contrary, under his own sworn testimony he has admitted every line of it to be true.

I read just a little bit further, after having shown this loss:

In these operations the Treasury Department was using the funds taxed the War Finance Corporation and that corporation was charged by the Federal Government with stock amounting to $5,000,000 owned by the Government. It may have been right, if Treasury officials desired to do so, to use War Finance Corporation funds to bring about certain conditions in the market for Government bonds; but, as the gentleman from Texas has so well said, I fail to see how any trustee has a moral right to go out and use the funds of his ward except for the benefit of the ward. Now I yield to the gentleman from South Carolina.

Mr. STEVENSON. I simply want to direct the gentleman's attention to the fact that the bonds that needed stabilizing most were those that were lowest, whereas when they bought they bought the highest.

Mr. STEAGALL. Absolutely.

In other words, gentlemen of the Senate, the testimony is here in the RECORD to show you, as I have already produced it—and the analysis is given by the man who is now the Vice President of the United States and the man who is now the chairman of the Banking and Currency Committee in the House of Representatives and Mr. Stevenson, who has been appointed by President Roosevelt on one of the important farm boards of this country, which is confirmed by the testimony of this man—that he rigged the Government Treasury to the extent of $98,000,000, and, in defiance of the criminal laws of this country, that he went out and reopened an old bond house that he was closing down up there—Eugene Meyer, Jr., stockbrokers—in order that he could be a party to this criminal transaction. That is the man who is today sitting at the head of the Federal Reserve Board, condemning to death the State banks of this country, and who is sitting with his heavy hand today on the Senate of the United States, even to the extent of keeping a bill that has been passed by the Senate from being considered by the House of Representatives!

That is what we are up against, Mr. President. We want to see the removal of this Eugene Meyer, Jr. We want to see the Augean stables to some extent reasonably cleaned and purified, because either we have misrepresented the facts, the Vice President has misrepresented them, the chairman of the House committee has misrepresented them, Mr. Stevenson has misrepresented them, and Mr. Meyer's own testimony that I have produced in this RECORD has misrepresented the facts, or else that man not only is not fit to be a part of the Democratic administration but he is not fit to be in anywise connected with the functions of the Government when we have promised a financial housecleaning to this country.

There is no need for hunting for Mr. Insull over in Greece. There is no need of driving Charles E. Mitchell out of the National City Bank. If we are going to reward this man in accordance with Mr. Insull or in accordance with the way we are treating Mr. Meyer, then the only thing left to do is to send Mr. Insull credentials to make him ambassador while he is residing over in Athens. [Laughter.]

Mr. ROBINSON of Indiana. Mr. President, in order not to detain the Senate, I desire to read a very brief statement with reference again to the recent financing of the Treasury.

Mr. President, the claim that this bill will save the credit of the United States is utterly unfounded. It seems equally silly and equally stupid to say that the unbalanced Budget was responsible for the Treasury's paying 4 and 4¼ percent interest on the bond issues of today.

These issues were for 5 months and 9 months, respectively.

On June 15, 1932, just 15 days before the Government ended the fiscal year of July 1, 1931, to June 30, 1932, with a deficit of $2,472,000,000—the greatest deficit ever incurred by the Government in a single year, and more than twice the deficit for the present fiscal year—the Treasury sold $373,856,500 of 12-month certificates of indebtedness running from 3 to 7 months longer than today's issues, bearing an interest rate of 1½ percent, and the banks then subscribed more than $2,500,000,000; or, in other words, the issue was oversubscribed 7 times.

On the same day, June 15, 1932, just 15 days before the fiscal year ended with the $2,472,000,000 deficit, the Treasury also offered $416,602,800 of 3-year notes bearing 3 percent interest. This issue brought offers of about $2,500,000,000, and was oversubscribed 6 times.

On February 1, 1933, just 42 days ago, the Treasury offered $250,000,000 of 5-year notes bearing 2⅝ percent interest. This issue brought subscriptions totaling $7,800,000,000. It was oversubscribed more than 30 times. That was just 42 days ago, with the Budget just as unbalanced as it is now, with a deficit for the present fiscal year estimated by President Roosevelt to be around $1,200,000,000, and just as much need then as now for economy.

All 90- or 91-day bills issued by the Treasury during the year 1932 were oversubscribed. These 90-day bills do not bear interest directly but are sold for a discount, the discount taking the place of interest.

On April 13, 1932, a $76,200,000 issue carried a discount of 1.1049 percent. It was oversubscribed 5 times.

On July 20, 1932, the discount was 0.621, or six hundred and twenty-one one-thousandths of 1 percent.

On July 27, 1932, it was sixty-three one-hundredths of 1 percent.

On August 10 it was six hundred and seventy-six one-thousandths of 1 percent.

All these issues were oversubscribed 4, 5, and 6 times.

So, of course, there is no occasion to claim that this bill now, taking away from the veterans their vested rights to benefits, will in anywise save the credit of the United States. The credit of the United States is sound. There is not any question in the world about that. The only question is why such a high, usurious rate of interest is being paid in this financing.

Mr. LEWIS. Mr. President, the Senator from Indiana will recognize that there was but 2 weeks of time in this administration in which to make the advertisements such as I understand is sometimes the practice and permitted——

Mr. ROBINSON of Indiana. It is always the practice.

The PRESIDING OFFICER (Mr. TYDINGS in the chair). Does the Senator from Illinois yield to the Senator from Indiana?

Mr. LEWIS. I do.

I should like to know from the Senator from Indiana who wrote the speech the Senator has just read.

Mr. ROBINSON of Indiana. The speech was not written by anybody.

The PRESIDING OFFICER. Senators will address the Chair before they are recognized.

Mr. ROBINSON of Indiana. Mr. President, if the Senator will yield——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Indiana?

Mr. LEWIS. I do.

Mr. ROBINSON of Indiana. I will say to the Senator, if he wants to know, that this morning, through my office force, I was in touch with the Treasury Department of the United States and we were informed by one of those down there—a trusted official, I think, of the Department—that the rate probably was pretty high, and he wondered if there would not be considerable criticism of this rate. I was inquiring, or having my office inquire, about different matters in connection with the financing, and I will say to the Senator further that, poor as they are, bad as they may be, I do prepare my own speeches.

Mr. BARKLEY. Mr. President, if the Senator will yield——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Kentucky?

Mr. LEWIS. I will ask the Senator from Kentucky to allow me just a moment.

Mr. President, I do not profess much knowledge of finance, and when I heard the eminent Senator speak of getting in touch with the Treasury I did not know whether he meant to get in touch or that he got a touch of the Treasury [laughter]; but it is evident from the speech delivered by my able friend, it being embalmed in yellow, that there was something yellow about the presentation, and I was looking to see who had prepared it in that peculiar tainted color.

If the intimation is made that the administration now in power has committed some error or great offense in not having had the opportunity of great public bidding, I am sure the able Senator from Indiana will admit, as was pointed out by the Senator from Maryland [Mr. TYDINGS] yesterday, the present Presiding Officer, and the eminent chairman of the Finance Committee the Senator from Mis-

sissippi [Mr. HARRISON] later, that we had not the time, from the time of our necessities arising a few days ago, for a 2 weeks' advertisement; and therefore could not have reached any public to which such advertisement might ordinarily address itself.

The point I wish to impress on the able Senator is this—and I repeat it to him—what has he to say of that class of financial investors or bankers who, observing the emergency of this Government, its immediate need for the money to preserve either its credit or its balances, would impose upon the Nation such an interest rate as he now points out in comparison to the 1 percent of the previous administration when the same privileges were granted?

Does it not indicate to him that they took advantage of this administration, just coming into power, when it had not time enough to advertise to the public to obtain public bids on the one hand or seek from opposing financiers a privilege on the other? Does he not condemn any such arrangement?

Mr. ROBINSON of Indiana. Of course, Mr. President, I condemn any such arrangement, if it was made, regardless of who is responsible for it.

Mr. LEWIS. Now I yield to the Senator from Kentucky.

Mr. BARKLEY. I merely wanted to suggest to the Senator, with reference to the criticism on the rate of interest charged on the notes issued today, that it is not altogether inappropriate to take into consideration the fact that at the very moment almost when the administration was changing—and I do not refer to it in any partisan sense at all—when a $75,000,000 issue of notes was sold by the Government at 4¼ per cent, notwithstanding the fact that within a month before they had been selling with an interest rate of about one half or one eighth of 1 percent, the amount of oversubscription was only about $15,000,000. On a sale of $75,000,000 the subscription amounted to $90,000,000; and, based upon the small interest rate, it was not at all out of line for the Treasury to assume that on a $500,000,000 or $600,000,000 issue a 4¼ percent rate would be about the best we could obtain.

Mr. REED. Mr. President, I do not mean to prolong this debate about interest rates; but I think, in justice to both the Republican and Democratic administrations, this ought to be said. For a good many years after the armistice our borrowings were made on the quarterly income-tax days, and all our maturities were regulated to fall due on those days. The results was that every 3 months the Treasury officials had to go into consultation and estimate the lowest possible rate of interest at which the Government could borrow for its requirements.

Then the Congress very wisely authorized the sale of what are known as "Treasury bills", which are sold on a discount basis. They carry no coupons and bear no interest as such, but the hire for the money is paid in the form of discount, just as if one discounted his personal note with a bank, taking for it less than its face value and paying the face at maturity. That is what the Government has been doing. So Treasury bills are sold at very frequent intervals, sometimes as often as every week, in much the same method that the British treasury meets its necessities.

Where that system is used and where competitive bids are taken on the Treasury bills, we know to the hundredth of 1 percent the going market rate for public borrowings of the Federal Government; and the element of uncertainty, the element of opinion, which used to be present on these quarterly income-tax days, so they had to estimate the rate of interest that would be offered, all has gone now. It has gone for Democrats as well as for Republicans. We know exactly what the Government must pay in order to obtain money.

There was a sale of those Treasury bills as recently as March 3, and the average bid for those bills—the average high bid in the sense of payment for them, low bid in the sense of low interest rate, the average best bid from the Government standpoint—was at a discount rate of 4.26 percent per annum. There was plain notice that, due to this crisis, the Federal Government could not borrow on March 15 at a rate substantially less than 4¼ percent.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. ROBINSON of Indiana. How could the Government possibly know that without advertising? If the Government had advertised and had given the people an opportunity to subscribe, it might be that the banks would hold up the Government on the bills to the extent of 4.26 percent, as the Senator has said; but no effort was made to ascertain what the public would do, or what price the public would be willing to pay.

Mr. REED. There are two answers to that. First, that nobody, public or banks, could tell 2 weeks ahead, in times like these, what money was going to be worth; and second, these Treasury bills and Treasury certificates and Treasury notes which we have to sell now in order to keep refunding our short-time debt are practically exclusively taken by banks. A few individuals subscribe, but they are very few. I am sorry to have to say that, because it is a point of weakness in our public finance that so much of our evidence of debt should be held by the banks and so little by private individuals.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. BARKLEY. I do not desire the Senator from Pennsylvania to have the idea that what I said a moment ago was in any way in the nature of criticism of either of these issues.

Mr. REED. I understood that.

Mr. BARKLEY. It would have been impossible, on the 1st day of January or on the 1st day of February, for anybody to have prophesied that within a month or 6 weeks the interest rate would jump from one eighth of 1 percent to 4¼ percent.

Mr. REED. That is quite so.

Mr. BARKLEY. But in view of the fact that it did, for reasons which we all understand, it was not at all out of line for the Treasury Department to assume that it would be impossible to finance eight times the amount of money involved in that issue at a smaller rate than 4¼ percent.

Mr. REED. I can only testify to my own feeling; that is, that both the United States of America and Secretary Woodin were extremely lucky to get the very liberal subscription they did get for today's issue of Treasury certificates.

Mr. BORAH obtained the floor.

Mr. COPELAND. Mr. President, will the Senator yield for a quorum?

Mr. BORAH. No; I do not want to take up the time of the Senate.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. HARRISON. I merely want to make an observation. A good many Senators have inquired whether we expected to try to finish the consideration of the bill this afternoon. I desire to say that if we cannot finish this afternoon we will feel constrained to go along tonight; and so, if we can get along with the consideration of the bill pretty rapidly, I am sure it would be for the convenience of a good many Senators.

(Mr. BORAH resumed and concluded the remarks which were interrupted on a previous amendment by the limitation on debate (pp. 418–419), and at that point his remarks appear entire.)

Mr. COPELAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Borah	Connally	Frazier
Ashurst	Bratton	Copeland	George
Austin	Brown	Couzens	Goldsborough
Bachman	Bulkley	Dale	Gore
Bailey	Bulow	Dickinson	Hale
Bankhead	Byrd	Dieterich	Harrison
Barbour	Byrnes	Dill	Hastings
Barkley	Capper	Duffy	Hatfield
Black	Caraway	Fess	Hayden
Bone	Clark	Fletcher	Hebert

Johnson	McKellar	Reed	Townsend
Kean	McNary	Reynolds	Trammell
Keyes	Metcalf	Robinson, Ark.	Tydings
La Follette	Murphy	Robinson, Ind.	Vandenberg
Lewis	Neely	Russell	Van Nuys
Logan	Norbeck	Sheppard	Wagner
Lonergan	Nye	Smith	Walcott
Long	Overton	Steiwer	Walsh
McAdoo	Patterson	Stephens	Wheeler
McCarran	Pittman	Thomas, Okla.	White
McGill	Pope	Thomas, Utah	

Mr. BYRD. My colleague the senior Senator from Virginia [Mr. GLASS] is detained from the Senate by illness.

Mr. LEWIS. I wish to announce the absence of the Senator from Wyoming [Mr. KENDRICK], who has been attending the funeral of the late Senator Walsh, of Montana.

I desire also to announce the absence, by reason of illness, of the Senator from Colorado [Mr. COSTIGAN] and the Senator from Utah [Mr. KING].

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, a quorum is present. The question recurs upon the amendment offered by the junior Senator from Washington [Mr. BONE].

Mr. FESS. Mr. President, I know how anxious are Senators to vote on the amendment and to reach a final vote on the bill. Therefore I am not going to detain the Senate to the limit of the time allotted me under the unanimous-consent agreement.

What the Senator from Idaho [Mr. BORAH] has said in defense of Congress is shared by most Senators who heard him speak. The particular, specific, concrete examples he gave are not strengthening to the position which he intended them to confirm. The only thing that we are attempting to do now—retrenching Government expenses—is to deal with a problem that has so many points of contact, where every Senator not only votes his individual view but is largely influenced by the great number of people who are interested in how the vote is to be cast. Whenever we undertake to reduce expenses our action has a collective effect because of its collective interest. Its interests ramify throughout our people. We do not speak of the individual alone as a member of country, but the many individuals as salary people. It is on the question of retrenchment that Congress has found it impossible to be effective unless it is in the case of an emergency.

The illustration which the Senator from Idaho gave of the readiness with which the Congress responded to the recommendation of the President for the Agricultural Marketing Act is not a good example. The Agricultural Marketing Act was a response to a general demand of the agricultural minds of the country and of all citizens to find some concrete method of farm relief, an agitation that has extended over many years, affecting our greatest industry.

There was a strong sentiment in this body for what was known as the "equalization-fee plan" as the remedy. The Senator from Idaho and I agreed that that plan was not a good one, and we opposed it. Later on strong support was given to the debenture plan; but there was also a sharp division of opinion as to that proposal, and it failed to become law. If it had not been that two specific proposals, backed by widely representative interests, had failed, there would scarcely have been given to another concrete proposal which was offered, and which had been endorsed by the convention and the platform of one of the great political parties, the large support it received in a special session called for the purpose in response to Senators who urged it over the protest of other Senators. That easily explains why such general support in the case of the marketing act was given. However, Mr. President, that does not touch at all the point we are discussing in connection with the pending measure, which has to do with retrenching expenses of the Government.

In the reference to the moratorium, the second item cited, the Senator knows that the President made no recommendation until the proposal had the approval of four fifths of this body and of the other body. He never would have made a recommendation if that commitment had not previously been made. The Senator knows that just as well as I do. Of course, the President would have adequate, if not unanimous, support. Members of Congress had committed themselves and asked him to proceed with the plan. The debate in the Chamber when the subject was considered indicates clearly a doubtful support had the consideration come up without the prior commitment.

The same thing is true about the Reconstruction Finance Corporation. The creation of that organization entailed an expenditure of money, and not retrenchment. It is not difficult for us to find support for the authorization of expenditures. That is the situation about which complaint is made. When a concrete measure was proposed here, such as the program carrying such authorizations that President Hoover inaugurated, it had a very great support from both sides of the Chamber, and it was very largely nonpartisan. The program of rehabilitation which I regarded as quite constructive and as affording relief in an era of gloom was supported not on the basis that it provided retrenchment but on the basis that it was a proposal of a positive, concrete character looking to expenditure of money to meet a situation that everybody recognized as imminent, and most of us were willing to try the experiment to see whether or not we could accomplish a desirable result.

The various matters suggested by the Senator from Idaho to prove his contention against what we propose here do not apply to the principle we are now discussing. What we are now considering is a retrenchment that, because it touches the interests of individual citizens of the country universally, will not be done by direct act of this body. When conviction is expressed in this body through representations in telegrams, in letters, in personal interviews from parties to be affected, it is quite impossible for us to do what otherwise we would be capable of doing.

While I am willing to defend the constitutional right of the Congress, as every Senator here is willing to do, we can not close our eyes to the fact that if we do not give the President some authority in this matter of cutting expenses, retrenchment will not be made; there will be no substantial saving.

Referring again to the former President, he recommended to this body a program of economy. What did Congress do with that program? The Senator from Idaho speaks about the readiness with which Congress responded to certain constructive proposals. How readily did Congress respond to the proposal of the economy program? When the House of Representatives refused to accept his recommendations and appointed a committee of its own on economy, the President asked the committee to visit the White House and confer with him. That was done and a plan was unanimously agreed upon; but when it was laid before the House of Representatives, it was wholly scuttled. Instead of the large saving that was recommended by that committee as a result of the White House conference, the saving effectuated by action of the House was only a bagatelle; it was reduced from $200,000,000, as was first proposed by the President and agreed to by the committee, to less than $50,000,000. When the economy bill came to this body we improved it somewhat, but we did not do anything along the lines of the recommendation of the President. This is the test of how Congress supports the Executive in matters of retrenchment.

So I am going along with the request that is now before us, to give the President the power to make these economies that I know will not be made if it shall be left to this body and the other body. None of the concrete examples suggested by the Senator from Idaho has any weight in this discussion, because they apply to the expenditure of money, whereas we are talking about the saving of money. There will be no saving of any substantial character if we do not undertake the task in the way we are now proposing. That is the reason I shall vote for the pending measure.

Mr. NEELY. Mr. President, all the pages of history, ancient, medieval, and modern, will be searched in vain for a more momentous legislative measure than that which is now before the Senate. Its object is to confer upon the President greater power than any constitutional monarch in the world is empowered to exercise. It proposes to dele-

gate to the President the exclusive discharge of important duties which heretofore have been, by right or custom, reserved to the Congress itself.

The enactment of this legislation will unhappily mean, among other things, that some inconvenience will be experienced, some loss sustained, and some suffering endured by faithful Federal employees and our patriotic veterans who, in the morning time of their life, when every door in the world of infinite opportunity was open wide to receive them, when every breeze was bringing them promises of future glory, laid their last hope and their last ambition upon the altar of their country, left the rich treasures of heart and home behind them and entered the welter of war to fight, to suffer, and, if need be, die for their native land.

If this were an ordinary time or an ordinary occasion it would be inconceivable that the President would desire, or that the Congress would, for a moment, consider the granting of the extraordinary authority which the bill seeks to confer upon the Chief Executive. But these are not ordinary times. They are the most extraordinary and calamitous that the Nation has ever known.

For nearly 4 years the industrial, financial, and economic life of the world has been paralyzed. For nearly 4 years the black flag of desolation and despair has floated over the business institutions of the country from ocean to ocean.

Until 48 hours ago every bank in the United States was closed; everywhere deposits were frozen fast in the vaults and the Nation's business was as dead as the leaves that fell from the trees before the flood. At this hour 14,000,000 American toilers are without jobs, without shelter, and without food, excepting that which charity supplies. Hideous poverty tramps every highway; want waits on every corner; the specters of famine, misery, and woe stand at the doors of millions of American homes.

The vital question that we must answer in voting on this measure is: Shall we, in the face of national bankruptcy and at the risk of irreparable ruin, continue to provide upon the basis of our former prosperity for a small but highly deserving part of our people at the expense of tens of millions of poverty-stricken laborers, farmers, manufacturers, and merchants who have never in their lives directly received a dollar or a cent in actual money from the Treasury of the United States. Shall we continue to travel the road of disaster on which we have aimlessly, helplessly, and hopelessly drifted for 4 years until the Government shall have been destroyed? Or shall we immediately end this ruinous reign of governmental extravagance and financial folly by patriotically making whatever sacrifices may be necessary to restore normal conditions, normal prosperity, and normal happiness to all the people of this long and sorely afflicted Nation.

Let no one be deceived! This is not a time of peace! We are in the midst of the most disastrous conflict that has ever cursed this continent. Measured in terms of human suffering, this panic's war against us has been more agonizing than all the military conflicts in the Nation's history, from the time that Washington's tattered soldiers stained the snows at Valley Forge with their bleeding feet until the present hour.

Our country has long been invaded by all the minions of industrial and financial destruction and fear. At last we are at Armageddon. All the merciless forces of annihilation are arrayed for the final battle against the American people. If we lose this battle, the Government will be overwhelmed with irretrievable disaster; it will go the way of those which in ancient times flourished on the banks of the Euphrates, the Tigris, the Tiber, and the Nile, and this Nation will become a melancholy

> Dream of things that were,
> A schoolboy's tale,
> The wonder of an hour.

On the eve of this decisive battle Franklin D. Roosevelt is the Nation's Commander in Chief. In 2 short weeks he has earned and won the confidence and the gratitude of a suffering Nation and the unstinted admiration of all the world. He alone has had enough vision to see and enough initiative to propose a concrete plan for victory and manifest enough courage to attempt to translate his plan into a triumphant realization. His order is not to watch and wait; it is not to retreat; his thunderous, thrilling command is "Forward, march."

As soldiers in our Commander's army, let us imbue ourselves with the invincible spirit of "Old Hickory" Jackson at New Orleans; the irresistible spirit of Grant at the Wilderness; the triumphant spirit of Stonewall Jackson at the second Battle of Manassas. Let us prove ourselves worthy of the American soldiers of the World War, the history of whose courage and suffering and sacrifice and glorious victory was written in the precious blood which ebbed and flowed in tumultuous tides from the crimson shell holes of the Argonne Forest to the ensanguined banks of the River Somme.

Let our answer to our daring commander be, we shall—

> Fight till the last armed foe expires,
> Fight for our altars and our fires,
> Fight for the green graves of our sires,
> God and our native land.

Let our answer be that we shall fight until humanity's greatest victory shall have been won, the millions of jobless shall have been employed, the millions of naked shall have been clothed, the millions of hungry shall have been fed, and the prosperity and happiness of all the people shall have been reestablished upon a foundation as enduring as the everlasting hills.

Regardless of temporary inconvenience, temporary loss, and temporary hardships to a most deserving part of the people, in an effort to help bestow innumerable benefits and everlasting blessings upon the Nation as a whole, we should unhesitatingly vote for this bill. As we discharge this highly patriotic duty, let our slogan be:

> Lead on, O Great Commander,
> The day to fight has come;
> Henceforth in fields of battle,
> Thy tents shall be our home,
> Thy cross is lifted o'er us,
> We will journey in its light,
> Humanity's hope awaits our victory,
> Lead on, lead on, Thou fearless man of right.

The PRESIDING OFFICER. The question is upon the amendment of the Senator from Washington [Mr. BONE].

Mr. BONE. I demand the yeas and nays on this question.

The yeas and nays were not ordered, and the amendment was rejected.

Mr. LA FOLLETTE. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from Wisconsin offers an amendment, which will be stated.

The CHIEF CLERK. On page 1, line 5, strike out, through line 25 on page 10, and insert in lieu thereof the following new section:

SECTION 1. The rate of pension or compensation of each person receiving pension or compensation after the date of enactment of this act is hereby reduced by 15 percent. When used in this section, the term "compensation" shall include military and naval compensation for death or disability payable under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, or any special act of Congress authorizing payment of such compensation, and the annuities authorized by the acts approved May 23, 1908, February 28, 1929, as amended, and January 31, 1931. When used in this section the term "pension" shall include any amount payable to any person by virtue of being placed on the pension rolls of the Veterans' Administration pursuant to any act of Congress.

Mr. LA FOLLETTE. Mr. President, I can explain the effect of this amendment in a few words. It seeks to preserve the present structure of veterans' legislation, but, at the same time, to provide a substantial saving in the amount of money being paid to those veterans. It recognizes that there is an emergency situation requiring a reduction of expenditures, insofar as veterans are concerned. It is a sincere and logical attempt during such an emergency period to save the legislative structure which has been built up during and since the war. It will mean a saving of approximately $150,000,000 in the amount of money now paid to veterans of all wars.

Mr. WALSH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Massachusetts?

Mr. LA FOLLETTE. I yield.

Mr. WALSH. I notice that in General Hines' testimony he fixes the amount at $120,000,000. Has the Senator some further information?

Mr. LA FOLLETTE. I got the distinct impression from statements made by witnesses in the committee that the expenditure for veterans was approximately a billion dollars per annum.

Mr. WALSH. May I read his reply?—

Senator WALSH. Assuming that all compensation and pension benefits granted under the present law are retained and a flat cut of 15 percent were made, what would be the saving?

General HINES. I should say about $120,000,000.

Mr. LA FOLLETTE. I think the Senator will also find in the record a statement to the effect that it is approximately $150,000,000.

Mr. WALSH. And, of course, there would be other savings from other features of this bill. In addition to whatever the amount is, there will be other savings from other features of this bill.

Mr. LA FOLLETTE. Of the present bill, the Senator means?

Mr. WALSH. Yes.

Mr. LA FOLLETTE. Yes; and, of course, this amendment seeks to cut all compensation or pensions by 15 percent, so that the Senator must take into consideration not only the veterans of the World War but the veterans of all other wars.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. ROBINSON of Arkansas. As I interpret the Senator's amendment, it is in the nature of a substitute for title I.

Mr. LA FOLLETTE. The Senator is correct in that.

Mr. ROBINSON of Arkansas. And if the Senator's amendment should be agreed to, its effects would be limited to a flat reduction of 15 percent in the amount now allowed to all veterans.

Mr. LA FOLLETTE. That is correct.

Mr. ROBINSON of Arkansas. There would be no elimination of those who are receiving allowances on account of non-service-connected disabilities, and so forth?

Mr. LA FOLLETTE. They would all receive the same percentage of cut.

Mr. ROBINSON of Arkansas. Yes, I understand; but there would be no eliminations as to anyone now receiving allowances?.

Mr. LA FOLLETTE. That is correct.

In other words, Mr. President, the attempt which I have made in offering this amendment is to save this structure of veterans' legislation so that it will not be wiped out at one stroke of the pen, but, at the same time, the veterans will be called upon to take a substantial reduction in the benefits which they are now receiving.

Mr. McGILL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Kansas?

Mr. LA FOLLETTE. I do.

Mr. McGILL. Would the amendment offered by the Senator from Wisconsin maintain the structure of legislation with reference to the veterans of all wars?

Mr. LA FOLLETTE. It would.

Mr. McGILL. It would reduce the pensions or compensation by 15 percent?

Mr. LA FOLLETTE. The Senator has stated the situation exactly—if this amendment should prevail.

May I say, in conclusion, that I recognize the fact that it is futile to argue this question at length. Senators have already determined upon the course which they are to take with regard to this bill; but I want to make a record to save the structure of veterans' legislation, passed while the Congress had an opportunity to consider it without the hysteria which surrounds the Senate Chamber and the country while this measure is under consideration.

In all justice, Mr. President, it seems to me that this structure of veterans' legislation should be preserved. We are taking a drastic step indeed when we repeal by one act all of the long list of veterans' legislation, and provide that in its stead there shall be legislation by Executive order or regulation.

If this substantial cut of 15 percent does not meet the necessities of the situation, then I appeal to Senators to offer amendments increasing the amount of this percentage until they have arrived at the point where they expect to make the substantial saving which they estimate to be necessary. In the hysteria of this hour, created and fomented in part by those who have always opposed this structure of legislation seeking to give justice to those who have served this country in time of peril, it is a cruel injustice which the Congress and the country will regret when it once more returns to sanity.

Upon this amendment, Mr. President, I ask the Senate to give me the yeas and nays.

Mr. CLARK. Mr. President, I offer an amendment to the amendment of the Senator from Wisconsin: In line 5, strike out the numerals "15" and insert the numerals "25."

The PRESIDING OFFICER. The question is upon the amendment of the Senator from Missouri to the amendment of the Senator from Wisconsin.

Mr. HARRISON. Mr. President, I hope very much that neither one of these amendments will be agreed to.

We have been working this bill out on the theory of giving to the President power and discretion and judgment with reference to the differences in classifications and rates, and periods of war, and what war, and all that. This eliminates all that. We are working on the theory here that we might effect a possible saving of more than $400,000,000; and if the amendment offered by the Senator from Wisconsin should be adopted there could only be a possible saving on this matter of $124,000,000. If the amendment offered by the Senator from Missouri [Mr. CLARK] should be adopted, we would lose $206,000,000. So, if we want to effect some saving, if we want to travel in the direction we started out, we ought to vote down these amendments and sustain the committee.

Mr. CLARK. Mr. President, did I understand the Senator to say that on the 25 percent cut the Government would lose $206,000,000?

Mr. HARRISON. We would save $206,000,000 under this amendment, whereas under this bill we would save more than $400,000,000.

Mr. CLARK. But the $380,000,000 testified before the Senate Committee on Finance was the maximum that could be saved under the bill as proposed if the President were to allow the minimum compensation. Is not that correct?

Mr. HARRISON. That was the testimony of General Hines as to what would result if there were no change in rates; but if there is a change in rates, which we lodge with the President the authority to make, there can be a possible saving of more than $400,000,000 under the bill, whereas under the Senator's amendment there cannot be a saving of more than $206,000,000.

Mr. LONG. Mr. President, may I ask the Senator from Wisconsin what is the amendment to his amendment? I happened to be called from the Chamber.

Mr. LA FOLLETTE. The Senator from Missouri [Mr. CLARK] moved to strike out "15" and insert "25", so that the flat cut applied to all pensions received by veterans would be increased from 15 percent to 25 percent.

Mr. LONG. What is the attitude of the Senator from Wisconsin on that?

Mr. LA FOLLETTE. Mr. President, personally I believe that a 15 percent flat cut is all that should be asked of the veterans at this time; but I am appealing for the principle of preserving the structure of the veterans' legislation. If a majority of the Senate feel that a more drastic cut is necessary, I should much prefer to have that method adopted than the one which is proposed in title I of the pending bill, namely, to wipe out all of that structure of legislation

and to substitute therefor the proposal for legislative enactment by Executive order and regulation.

Mr. BYRNES. Mr. President, will the Senator from Wisconsin yield?

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield, and, if so, to whom?

Mr. LA FOLLETTE. I yield to the Senator from South Carolina.

Mr. LONG. I have the floor. I yield to the Senator from South Carolina.

Mr. BYRNES. I simply wanted to propound this question to the Senator from Wisconsin: As I understand the amendment to his amendment offered by the Senator from Missouri, it would bring about a reduction of 25 percent in the payments to all classes of veterans, including those who have disabilities of service origin.

Mr. LA FOLLETTE. That is correct.

Mr. LONG. Mr. President, I do not think the veterans should be cut 25 percent. I do not think they should be cut in all instances 15 percent. But in order to preserve the system of constitutional government where there has been nothing shown to indicate we should divert from it, I am going to support this amendment, not believing that it is entirely justified; but in order to save the soldiers of the country what I think they should get, I am going to support the amendment to the amendment of the Senator from Wisconsin, hoping that we will not inflict upon the soldiers more than the Democratic Party stood for. Our party stood for a 25 percent flat cut. It certainly is fair not to cut the soldiers more than we cut the employees of the Government. Therefore I am going to support both of these amendments.

Mr. COUZENS. Mr. President, may I ask the Senator from Wisconsin whether he justifies any cut to the veterans in greater amount than we cut our own compensation?

Mr. LA FOLLETTE. Mr. President, I tried to make my position clear. I offered an amendment providing for a 15 percent cut, because that is the maximum which is to be asked of civilian employees of the Government under the bill. The Senator knows very well my position upon both of these questions. But confronted with the alternative as between title I of the pending bill and the amendment which I have suggested, it seems to me it is much more just to the veterans to preserve the structure of their legislation, and to impose a flat percentage cut. I did not offer the 25 percent cut. I offered an amendment providing for a 15 percent cut, because I thought it in conformity with the sacrifice which is to be asked of the civilian employees of the Government. But if the Senate is determined to take a larger percentage of cut out of the veterans, then I hope and plead that it may be done in this manner, rather than by a repeal of all of the veterans' legislation.

Mr. COUZENS. Mr. President, my reason for rising to ask the Senator from Wisconsin the question was that by his original statement on the amendment he seemed to indicate that he would be agreeable to accepting some other figure than 15 percent. I want to express the hope that the amendment offered by the Senator from Missouri will not be accepted, because there is nothing I can see which would justify a greater cut on the veterans than we are ourselves making on our own salaries. So I hoped the substitute offered by the Senator from Missouri would not be accepted, for that very sound reason.

Mr. LONG. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. LONG. I do not think we should cut the soldiers 25 percent; I do not think we should cut them 15 percent, but rather than have this worse crime committed against them I am willing to accept an amendment, and at least preserve the structure. I think saving the soldier what we can out of this wreckage is the one ground on which we can justify such a cut.

Mr. COUZENS. I am in accord with the Senator's view, but I am not willing so readily as the Senator seems to be to accept a 25 percent cut in lieu of a 15 percent cut. I just wanted to ask the Senators how in the world they could justify a vote cutting the veterans 25 percent and vote to cut the salaries of the Members of Congress only 15 percent.

Mr. HATFIELD obtained the floor.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. CLARK. I just want to say that, so far as I am concerned, I do not think there ought to be a 25 percent cut either, unless provided in a measure very carefully considered by the Congress. But I do want to test the sense of the Senate on a 25 percent cut and on a 15 percent cut, in order that there may be a record.

Mr. HATFIELD. Mr. President, before explaining my views upon this bill I wish to say that I favor the amendment which has been offered by the senior Senator from Wisconsin [Mr. LA FOLLETTE].

Speaking from the standpoint of one who served in a surgical capacity during the World War, and again due to the experience I have had in the profession in connection with hospitals, and in my study of the legislation in the interest of the soldiers of all our wars, beginning with the Continental soldier of our first war and ending with the World War veterans, I am not impressed with the whole philosophy of governmental administration to those who served our country at different periods; and especially is this true since the development of the Veterans' Bureau, which was established soon after the beginning of the World War. The bill that is before us for consideration, which is known as "H.R. 2820", if enacted, would mean destruction to all of the relief laws that have been placed upon the statute books, commencing with the Civil War veterans and coming down to the present time.

This proposed legislation, Mr. President, is justified in the name of economy. It takes advantage of the American war soldier for the purpose, we are told, of ameliorating a temporary financial and economic situation in our country, such as history records has frequently visited this Republic, but I do not find evidence of any effort on the part of the Congress of the United States, in all the other epochal periods of economic and financial stress, to deprive the veterans of those days of what Congress had awarded them; nor does history record that when those who served our Nation as soldiers were afforded relief by legislation, subsequent legislation has ever been enacted to deprive them of the benefits which had been given them.

While there is some question according to historians as to the cause of former depressions, there is little justification for a difference of opinion as to the direct cause of the one that confronts us at this time. It has proven to be most disastrous, and the end is not yet in sight.

Our distinguished retired President, the Honorable Herbert Hoover, was a great engineer, a business man with great vision, a statesman, one who had a grasp of economic affairs at home and abroad such as few men have ever been able to acquire. The same can be said no doubt of the present distinguished American who now occupies the White House. His foundation has been well built in the principles of democracy under which we live, beginning in a small way as a district representative of the community in which he lived and then passing to the governorship, then to the most exalted position within the gift of the American people. It has given him the opportunity to develop in vision and statesmanship, which should enable him to meet and solve the onerous and intricate problems that confront this Nation at this hour, providing his perspective has been properly developed in regard to the industries and the protection of labor and our home affairs as they are affected by world-wide economic and financial problems.

As I said awhile ago, these veterans' laws have been built up beginning with America's obligation to the Continental Army, which gave to us our independence at Yorktown. These laws have been based upon medical skill. They, however, have been administered by lay minds. President Hoover observed in 1930, as I remember, that the presumptive period of 5 years was possibly too long upon which to establish the existence of a disease which the soldier may

have contracted during his service, but which had remained dormant, developing after 5 years or more after he had been discharged from the service, and a longer period was not justified.

And when I read, Mr. President, on page 30 of the hearings before the Committee on Finance of the United States Senate of Friday, March 10, 1933, from a paragraph recited by General Hines, who is now the lay Administrator of Veterans' Affairs, with a layman as his first assistant, and with no special regard given in the make-up of his organization in the way of medical men, as compared with the Chief of the Public Health Service of the United States Government, the Chief of the Surgical Service of the Navy, the Surgeon General of the Army, where their admonitions, rules, and regulations are final and are only subject to disapproval of the Chief of the Army or of the President of the United States, I find General Hines making this statement in response to an interrogation by Senator GORE:

General HINES. Within these limits (from $6 to $275 per month) the bill gives the President authority to grant benefits and to amend existing Veterans' Bureau laws, to prescribe rates, to set up rules as to evidence, to set up rules as to presumptions. All presumptions are practically eliminated as they now exist in the law. But the President is given authority to cover certain definite presumptions if he desires.

In other words, Mr. President, the presumptive period of a disease which develops in the soldier who did his part in the World War is left to the discretion of the President of the United States.

General Hines continued:

The effect of the bill will be very far-reaching. It covers generally all of the items submitted to the joint committee that has been studying veterans' benefits, both in the first group and many in the second group.

It revises entirely the rating principle by simplifying it; that is, instead of having a rating system that takes into account the pre-war occupation of the claimant, it eliminates that and puts the rates of compensation on average impairment for five different rates.

This is the expression of the lay mind of one who, because of his long training in his administration of this department, has been able to glean in the fields of medicine and surgery facts, and no doubt convictions, that certainly could not be acquired by the average statesman, whether he be President, Congressman, or Senator, unless he be a physician. But with all of this grasp, Mr. President, this distinguished Administrator of the Veterans' Bureau is helpless from the point of view of knowledge of the intricate problems which enter into the life and the well-being of the soldier who served us in time of need.

To justify this statement I wish to read a paragraph taken from the Text Book of Medicine, by American physicians, headed by Dr. Russell L. Cecil and Associate Editor Foster Kennedy. These men represent a group of men whose reputations in their profession stand at the head. I am reading from page 199 of the hearings of the subcommittee of the Committee on Finance of the United States Senate of the Seventy-first Congress, part 2:

Tuberculosis is almost unique among infectations, in that it has, properly speaking, no period of incubation. Infection of the body is accomplished, and the anatomic marks of infection come into being and many remain indefinitely long (for months, years, or a natural lifetime) and the body meanwhile never exhibits symptoms of disease. On the other hand, it is certain that, when active tuberculosis does make its appearances in the vast majority of instances it is an expression of an infection that originated a comparatively long time previously (weeks, months, or even years before), and during all this time has resided in the body in a state of clinical quiescence; that is, without noticeable effect on the body economy.

Mr. President, I ask that there may be inserted in the RECORD at this point three more paragraphs from page 200 of the same textbook.

The PRESIDING OFFICER (Mr. MCADOO in the chair). Without objection, it is so ordered.

The paragraphs are as follows:

Environment factors comprise all postnatal personal experiences that can be shown to have an influence on the manner in which the body receives the tubercle bacilli and on the course of whatever tubercules may be established.

There is no other infection that reacts so definitely and yet so delicately to outside or environmental influences. It can be stated almost as an axiom that both morbidity and mortality curves of tuberculosis for a community will run parallel with the curves for disease and death in general, which means that where the general standards of public health and hygiene are low there is much tuberculosis and many deaths from it, and vice versa.

Active tuberculosis is a disease of every age, with its death rate highest in the fifth decade among city-dwelling males, and lowest in the second half of the first decade. But it is probable that more first outbreaks of the disease occur in the third and fourth decade of life than at any other period; that is, the breakdown from active tuberculosis is most likely to come not at the age of diminished vigor but at the time of the greatest stress of environment.

Mr. HATFIELD. Mr. President, I think these four paragraphs taken from this system of medicine, which is the guiding spirit of the internist of today in the conduct of his service to his patients not only in America but in foreign countries, should be sufficient to convince those who honor me with their presence, that there is no mind from that of the President of the United States to the Administrator of the Veterans' Bureau, unless it be that of a learned physician capable of presiding as dean of the department of medicine in any of our universities in this country or in other countries, able to deal completely with this subject of disabilities to which the American soldier's physical make-up is heir.

I read again, Mr. President, from page 201 of the hearings of the subcommittee of the Committee on Finance dealing with the subject of mental involvements of the World War veteran:

The onset of the disease is insidious, and as a rule progress is slow and gradual. The first symptoms may be a fine rhythmatical tremor of the hands or fingers, which is at first slight and inconstant, but soon becomes permanent and continues during rest.

I again read from a textbook written by Delafield and Prudden. Both of these men have passed to the grave, but their book has been reedited and bears the date of issue of the year 1931.

I might say by way of explanation that Doctor Delafield's name was a household word in his day to the citizens of the great city of New York, and the same can be said of the learned Prudden. In my school days in Bellevue Hospital they were so continuously in attendance in the halls of that great institution that when from some incurable disease their patient failed to recover they followed him to the morgue, and there, because of the knowledge given to them, they became learned in the pathology of disease, and this wisdom they in turn passed on to the professional men of today; it is incorporated between these two covers and is entitled "A Textbook of Pathology, Delafield and Prudden, fifteenth edition."

I read from page 292, upon the subject of tuberculosis:

This necrosis is more apt at first to manifest itself in the central portions of the tuberculous foci and may progress outward; the nuclei may become fragmented or disappear, or fail to stain in the usual way, the protoplasm may become more homogeneous; and cells and stroma may form at last an irregular glanular mass of tissue detritus, which tends to disintegrate (coagulation necrosis, cheesy degeneration, caseation) forming cavities, or if on free surfaces, ulcers.

As coagulation necrosis progresses, the tubercle masses lose the gray translucent appearance which in their early stages they are apt to present to the naked eye and become more opaque and of yellowish white appearance at the centers.

Finally dense fibrous tissue may form in and about foci of tuberculous inflammation, encapsulating or sometimes entirely replacing the more characteristic new-formed structures. It is in this way—by the formation of connective tissue—that such repair is as possible after local tuberculous inflammation is brought about.

It largely depends, therefore, Mr. President, upon the amount of resistance that the individual has, and this resistance is based upon his surroundings, his environments, and wholesome food, as to whether or not this cavity is formed into connective tissue, which results in a healing process or a continuation of the necrosis, with destruction and death.

Again, Mr. President, I read from page 1181, dealing with the subject of mental diseases, how they are acquired, and what their final terminations are upon the human mind:

ACUTE EPIDEMIC ENCEPHALITIS (ENCEPHALITIS LETHARGICA)

This is an acute epidemic disease which has only recently been recognized. The symptoms are extremely variable as is the course of the disease. Many mild cases unquestionably occur which pass undiagnosed. In other instances the patient dies in a few days with symptoms of an acute encephalitis.

Clinically some 8 or 10 varieties have been distinguished. The most general symptoms are marked asthenia, with prolonged somnolence. Palsy of the cranial nerves is a frequent accompaniment. Some of the cases resemble poliomyelitis; others are maniacle. In the late stages the syndrome resembling paralysis agitans may appear. The lesions are as variable as the symptoms, but in the encephalitic type certain changes are fairly constant. On gross examination the brain appears congested and the vessels markedly engorged. The dura mater is normal. The pia-arachnoid is edematous and may present minute hemorrhages. The brain stem shows the greatest amount of congestion. Microscopically the brain stem, basal ganglia, pons, and medulla are the regions of the greatest inflammatory reaction, although any part of the brain may be intensely involved. The cerebellum is least affected. There is marked infiltration of the Virchow-Robin spaces with lymphocytes and to a lesser degree with plasma cells and larger cells of mesodermic origin. Thrombosis of the vessels in the acute stage is very rare. Throughout the parenchyma, and apparently without any connection with perivascular exudation, there are masses of inflammatory cells, mostly lymphocytes, and, to a considerable lesser extent, plasma and endothelial cells. Hemorrhagic areas are abundant, especially near blood vessels. The endothelial cells of the blood vessels are swollen and appear to proliferate, as is manifested by the numerous mitotic figures in these cells. The nervous tissue proper, both the ganglion cells and the glia cells, are relatively little involved, considering the intensity of the general inflammatory process. In the regions of greatest inflammatory reaction the ganglion cells may show cloudy swelling, chromatolysis, eccentrically situated nuclei, and even neuronophagy. In these areas there is considerable neuroglia proliferation, especially of the small round glia-cell type. There is considerable edema present, and under the microscope this is evident as poorly staining homogeneous areas within the parenchyma. The spinal cord, especially in the cervical region, presents similar findings, but to a markedly less degree. Strauss and Loewe have recovered a filterable virus from their pathological material and by inoculation of this virus into rabbits have been able to reproduce both the clinical and the pathological pictures of the disease.

I will also read from page 1194, dealing with the internal condition which the World War veteran is especially confronted with in the form of a terrible disease:

PARALYSIS AGITANS

This is a chronic, usually progressive disease, characterized by muscular rigidity, weakness, tremor, and a peculiar attitude of the patient. The disease occurs in men twice as frequently as in women, and not infrequently there is a history of heredity. The present view of pathologists is that the disease is due to an atrophy of the large motor cells of the corpus striatum with some secondary thinning of the striohypothalamic radiation, the ansa lenticularis, and the ansa peduncularis. The small ganglion cells of the caudate nucleus and the putamen are not affected. There is also considerable increase in the amount of glia tissue in the affected region.

* * * * * *

While a few examples follow trauma, the frequent occurrence of the Parkinsonian syndrome coincident with the recent worldwide epidemic of encephalitis lethargica has called attention to the important role which this infection plays in the production of a special type of paralysis agitans. Unquestionably many of the cases occurring in young adults not heretofore understood are due to a mild encephalitis which, occurring several years before, has passed unnoticed. The first investigation of these cases suggested that the pathological condition is due to a selective atrophy of the motor cells of the pallidal system. Subsequent studies showed that the lesion was situated chiefly in the substantia nigra, and the changes in the globus pallidus were considered secondary to those of this region or merely accidental findings. Further investigation has shown that the lesions are often much more extensive, involving the internal capsule, thalamus, caudate nucleus, and the frontal lobe. Under these circumstances, careful quantitative estimations of the cellular changes are important, and it has been found that in three cases of postencephalitic paralysis agitans an average decrease in the number of neurons from 57 to 87 percent has occurred in the substantia nigra without significant lesions in the globus pallidus. In this connection it is not without interest that in patients with general paralysis definite pathological changes were found in the basal ganglia which may be responsible for the inexpressive facies and the fine tremors about the eyes and mouth occasionally seen in this disease.

Some observers consider the classic Parkinsonian lesion a chronic progressive degenerative condition of the entire central nervous system, a position well supported by the clinical symptoms in advanced cases, and it is not therefore proper to look on paralysis agitans merely as an end result of encephalitis. Evidently under this general title there are numerous closely related clinical conditions associated together, of which the classic paralysis agitans is due to a degenerative type of lesion involving the extrapyramidal system, mainly the basal ganglia and especially the substantia nigra, while the lesion in the post encephalitic syndrome, though degenerative in a degree, is also combined with inflammatory phenomena.

These small infected areas developed in the brain tissue or the membranes surrounding it develop and destroy brain tissue, resulting in the formation of scar tissue disconnecting the continuation of the normal function of brain impulses, ultimately resulting in a complete loss of coordination and muscular control, or a mental deviation which finally results in the unfortunate individual being confined in an asylum, either in a state of asthenic or maniacal condition, based largely upon the results of the ravages of the disease.

In the face of the experience of these pathologists who devoted a long and successful career in their chosen profession to the welfare of mankind, for any layman to even presume to criticize the presumptive period that a disease germ may lurk in the human body before it manifests itself would be as though I, as a layman, and in some parts of this country a physician with a fair reputation, should try to interpret a paragraph in the Constitution on a parity with one of the members of the Supreme Court or one of the learned lawyers of the land.

Mr. President, the whole panorama of legislation as it presents itself in H.R. 2820 is predicated upon the wrong premises. It is tearing down constructive and progressive legislation upon the subject of the relief of the American soldier which started back in the early days of this Republic. It would be better to suspend the supportive laws of the soldiers or to reduce the compensation that is paid them than to repeal and destroy these laws, if our country's financial and economic strain requires it.

I have numerous telegrams, Mr. President, some for and some against the President's program. It would be expensive and would do no good to ask the privilege of having these messages printed in the RECORD. I must use my own judgment as to the course I shall take, and in the time to come explain to those to whom I am responsible.

I have carefully studied data supplied to me by the Veterans' Bureau which were compiled as of December 31, 1932, and I find that the number of veterans receiving compensation for service-connected disabilities is 335,600, and the number of veterans receiving disability allowance for non-service-connected disabilities is 440,954.

A study of these two totals shows that 19 percent of those who are receiving compensation have a tubercular disability and 5½ percent of those receiving disability allowance for non-service-connected disabilities are afflicted with tuberculosis.

A further analysis of those receiving compensation shows that 20.63 percent are neuropsychiatric cases, and the percentage of veterans who are receiving benefits for non-service-connected disabilities amounts to 13.73 for neuropsychiatric cases.

The statistics show that 6.55 percent of those receiving compensation are insane, and 14 percent may be classed as neurotic to a greater or less degree.

I give these statistics to show that quite a large percentage of those receiving compensation and disability allowance are afflicted with disabilities such as tuberculosis and neuropsychiatric disorders, many of which depend for a lengthy period upon their development, and consequently the need of a presumptive period is self-evident to every medical man and even to laymen with a keen observation of cases of this character.

Mr. President, the more I read this measure and the report and the hearings in connection with it, the more I am convinced that there has never been introduced in the Halls of Congress a more sweeping measure or one which so ruthlessly destroys a series of constructive acts relating to the veterans of this country. It not only exacts a penalty from World War veterans but it goes back to the Spanish-American War veterans, and then it proceeds shamelessly to deal with the gray-haired veterans and the widows of the Civil War and the Indian wars of this country.

This bill proposes to tear up the beneficial legislation that has been enacted during the past 15 years after long

and careful study and in consonance with the mature and sober judgment of those who had intimate knowledge of veterans' affairs.

The Veterans' Committee of the House and the Finance Committee of the Senate have held many hearings since the date of the armistice, and the facts presented have served as a basis for constructive legislation for the veterans of the various wars of this country.

To tear down in a few days what has been written into the statute books during the past 15 years is not the proper way to proceed, even though the Budget demands economies at the expense of the veterans.

Section 17, on page 9, of the bill provides that—

> All public laws granting medical or hospital treatment, domiciliary care, compensation and other allowances, pension, disability allowance, or retirement pay to veterans and the dependents of veterans, * * * are hereby repealed.

If that section is adopted, how are these veterans who served us going to live? This one sentence destroys the careful consideration that each Congress since the armistice has given to the veterans. It destroys decisions of the Attorney General, of the Comptroller General, and decisions handed down by the various courts of the land. Everything is repealed, and everything is placed in the hands of one man in order to economize and to save at the expense of the very men who never had a thought of saving themselves but rather saving their country in the trenches in France.

So sweeping are some of the provisions of this act that no one knows who or how many of the present veterans will be excluded from the rolls of the Veterans' Bureau.

Consider the enormous expense that has been incurred not only by the veterans but by the Government in passing upon and completing the claims for disability benefits.

The bill goes even further. It not only permits the wholesale dismissal, canceling, and voiding of claims, but it denies to the claimants any appeal to the courts. Why is the veteran excluded from the courts if he and his attorneys feel he has been unjustly denied his rights? The courts have never shown a prejudice in favor of the veterans. I might go further and say that the Veterans' Bureau has never shown favors to the veterans; but apparently not only is the legislative branch surrendering but the judicial branch of the Government is being denied any participation in the orderly process of adjudicating claims.

Section 3 of the present measure gives to the President powers which have heretofore been reserved for the legislative branch of the Government in dealing with the veterans, which, to my mind, is unwise and is only being enacted under the pressure of hysteria; and in the final analysis, Mr. President, the Government will lose—if not the Federal Government, then the State and the local governments of the 48 States of the Union.

Section 5 takes away from the veteran his right to go into court and contest his case, a right which other claimants of the Government still retain. Why take away from the veteran his constitutional right of a court review?

Section 9 provides that after a claim has been finally disallowed it shall not be reopened or allowed. Anyone familiar with the veterans' cases readily understands that new evidence in the form of medical or lay affidavits is often procured, and certainly this should be given due weight by the bureau, even after the case has been disallowed. Any provision prohibiting reopening of a case is denying the veteran his constitutional rights.

Even the Supreme Court of the United States will take under advisement and reopen a case if new evidence is forthcoming.

Never in the history of the legislative Halls of Congress has a measure ridden over the rights of our veterans so roughly, so cruelly, so unlawfully, as is done by the bill now pending before us. Practically every sentence, every clause, every section can be so interpreted that every veteran, no matter whether he be slightly or permanently disabled, will be deprived under this iniquitous measure of his country's care and his just dues.

Mr. President, I wish it understood that I am in favor of economy in government, but I do not think that a system of laws which has been erected with the assistance of medical skill and with the aid of those who are most familiar with veterans' disabilities and who have labored long to classify them and their effects upon different occupations, should be wiped out by a stroke of the pen and the whole responsibility of dealing with the veterans given to one man. No matter how good his intentions, no matter how warm his sympathy, he can never in a few months or a few years act constructively to the same degree of perfection and efficiency as those who have studied, drafted, and interpreted the laws and the regulations thereunder for the benefit of the veterans for the past 15 years.

I note that section 10 provides that it will be necessary for an emergency officer in order to receive retirement pay to show a causative factor arising out of the performance of duty which resulted in his disability. How is this going to be accomplished, Mr. President, in justice to the officer, if he acquired in his system a tubercular deposit which has laid there dormant for 4 or 5 years, only manifesting itself at a time when he has no evidence to prove that he developed that infection during the time he served the Government? The same principle, Mr. President, can be applied to diseases of the meninges of the brain, which start out with a small infection but develop into a brain destruction or a mental lesion which for all time condemns the unfortunate soldier, who served his country and his flag in time of need and distress, to confinement in an institution for mental diseases.

How can a man whose disability is tuberculosis or a neurosis show a causative factor? These disabilities do not give immediate evidence of their presence; they often do not show for many years after the causative factor. How many laymen or even medical men could positively state that a tubercular condition or a neuropsychiatric condition was due to a certain cause or event on a certain day and date when the disability was contracted? It is apparent in every page of this proposed law that medical skill was not consulted in drafting its provisions, with a consequent total disregard of the veterans' rights, which I am sure any court of equity would recognize, and the veterans are denied access to the courts although other groups of citizens still retain their constitutional rights of appealing to the courts of the land. Our economy must be tempered with justice; but the economy in this bill is procured at the expense of the bill of rights in the Constitution, and therefore I feel that, in duty to my oath to support the Constitution and the laws of this land, I cannot give my support to this measure.

Mr. President, it is unthinkable that I, as a physician, knowing the situation as I do, could bring myself to the point of supporting the pending legislation. Nor do I believe that the rank and file of those who make up this great and glorious Republic of ours, numbering some 125,000,000 people, will approve such a course. If they do, Mr. President, I am willing to take my position upon the side of right, and to support what I believe to be right in the interest of the American soldier, and let the American electorate, so far as it is represented in the State of West Virginia, do their duty toward me when the time comes. Regardless of other considerations, I intend to do what I believe to be right to those who served the country in preserving the honor of the American flag.

The PRESIDING OFFICER (Mr. GEORGE in the chair). The question is on the amendment offered by the Senator from Missouri [Mr. CLARK] to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. LONG. Mr. President, the Senator from Missouri has stepped out of the Chamber for a moment. He has empowered me to ask that his amendment be withdrawn.

Mr. HARRISON. What amendment?

Mr. LONG. The 25-percent amendment; so that we may have a straight vote on the amendment offered by the Senator from Wisconsin.

Mr. LA FOLLETTE. I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. The amendment to the amendment is withdrawn. The question is on the amendment offered by the Senator from Wisconsin, on which the yeas and nays are demanded. Is the demand seconded?

Mr. HARRISON. I suggest the absence of a quorum.

Mr. LONG. Mr. President, have the yeas and nays not been ordered?

The PRESIDING OFFICER. They have not. The clerk will call the roll for the purpose of ascertaining the presence of a quorum.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Keyes	Robinson, Ark.
Ashurst	Couzens	La Follette	Robinson, Ind.
Austin	Dale	Lewis	Russell
Bachman	Dickinson	Lonergan	Sheppard
Bailey	Dieterich	Long	Smith
Bankhead	Dill	McAdoo	Steiwer
Barbour	Duffy	McCarran	Stephens
Barkley	Fess	McGill	Thomas, Okla.
Black	Fletcher	McKellar	Thomas, Utah
Bone	Frazier	McNary	Townsend
Borah	George	Metcalf	Trammell
Bratton	Goldsborough	Murphy	Tydings
Brown	Gore	Neely	Vandenberg
Bulkley	Hale	Norbeck	Van Nuys
Bulow	Harrison	Nye	Wagner
Byrd	Hastings	Overton	Walcott
Byrnes	Hatfield	Patterson	Walsh
Capper	Hayden	Pittman	Wheeler
Caraway	Hebert	Pope	White
Clark	Johnson	Reed	
Connally	Kean	Reynolds	

Mr. LEWIS. I desire to announce that the Senator from Colorado [Mr. COSTIGAN], the Senator from Utah [Mr. KING], and the Senator from Virginia [Mr. GLASS] are detained from the Chamber by personal illness. I wish this announcement to stand for the day.

I also wish to announce that the Senator from Wyoming [Mr. KENDRICK] is absent, having been in attendance upon the funeral of the late Senator Howell, of Nebraska.

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present.

Mr. CLARK. Mr. President, I desire to withdraw the amendment I have offered to the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE] and give notice that if his amendment is voted down, I shall reoffer mine as a separate amendment.

Mr. ROBINSON of Arkansas. Mr. President, I understand fully that the Senate desires to vote; and it is not my purpose to take longer than 3 or 4 minutes.

One can readily understand that those who are opposed to this legislation, those who believe that the existing conditions should be continued with respect to veteran allowances, would be disposed to support the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE]. Let me point out that it does not meet, as I comprehend it, the issues in and underlying the bill. It makes no distinction whatever between service-connected and non-service-connected disability. It imposes a flat reduction of 15 percent on all veteran allowances.

As an economy measure the amendment is clearly inadequate. If it were the just and sound process for finally working out the problems that are involved in this proposed legislation, it might be accepted without doing violence to necessity; but there is no foundation for the contention that these laws, merely because they apply to veterans and to their interests, have a character sacred and distinct from other national statutes.

The simple fact is that during the course of the years that have followed the great world conflict, we have hastened generously to make provision for those who so gallantly defended our flag during the war; and there have grown up many abuses which will require study, and somewhat careful consideration, to eliminate them. That is the purpose of this bill. To content ourselves with a mere flat reduction, to impose that reduction on all classes of veterans without distinction, would of itself, in my humble opinion, work injustice.

After prolonged consideration we wrote into this bill what has come to be known as the Walsh amendment, giving a distinct and separate status to service-connected cases compared with non-service-connected cases. This amendment would reduce in the same amount the allowances made for those who actually suffered injury and wounds while engaged in military or naval operations as in the cases where the recipients of the allowances incurred their injuries out of line of duty.

I respectfully suggest that the amendment should not be agreed to.

Mr. LA FOLLETTE. Mr. President, I wish merely to say a few words in response to the suggestions offered by the Senator from Arkansas.

I am assuming that this is an emergency bill which we are considering. I am proposing a 15-percent cut to meet the emergency and to give an opportunity for Congress to reconsider the structure of veterans' legislation in a proper legislative procedure.

Months have been consumed in studying this question by a special Committee on Veterans' Affairs, of which the Senator from Massachusetts [Mr. WALSH], the Senator from Georgia [Mr. GEORGE], the Senator from Indiana [Mr. ROBINSON], and others are members. It is my information that that committee was ready to make its report when this legislation came in.

My amendment provides an emergency reduction to meet the emergency, to preserve the structure of veterans' legislation without a blanket repeal, and to give an opportunity to Congress in the interim to revise this legislation and to take out any inequities or any injustices which may have crept into it.

I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE], on which the yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BULKLEY (when his name was called). I have a general pair with the Senator from Wyoming [Mr. CAREY], who is absent in attendance on the funeral of the late Senator Howell. I do not know how he would vote on this question. I transfer that pair to the Senator from Utah [Mr. KING], and will vote. I vote "nay."

Mr. WALSH (when Mr. COOLIDGE's name was called). My colleague [Mr. COOLIDGE] is paired on this measure with the junior Senator from New Mexico [Mr. CUTTING]. If the junior Senator from New Mexico were present, he would vote "yea," and if my colleague were present he would vote "nay."

Mr. BARKLEY (when Mr. LOGAN's name was called). My colleague [Mr. LOGAN] is unavoidably absent. He is paired with the junior Senator from Pennsylvania [Mr. DAVIS]. If my colleague were present, he would vote "nay."

The roll call was concluded.

Mr. NEELY. The senior Senator from Colorado [Mr. COSTIGAN] is absent because of illness. I am authorized to state that if he were present on this roll call he would vote "yea."

Mr. OVERTON. I have a general pair with the Senator from Virginia [Mr. GLASS], but I am advised that he would vote on this question as I intend to vote. I therefore feel at liberty to vote, and vote "nay."

Mr. HEBERT. I desire to announce that the Senator from Minnesota [Mr. SHIPSTEAD] has a general pair with the Senator from Wyoming [Mr. KENDRICK]. I am not advised as to how these Senators, if present, would vote on this question.

I also desire to announce that the Senator from Wyoming [Mr. CAREY] and the Senator from Nebraska [Mr. NORRIS] are absent in attendance on the funeral of the late Senator Howell; also, that the Senators from Minnesota [Mr. SHIPSTEAD and Mr. SCHALL] are necessarily absent.

Mr. REED. I announce the necessary absence of my colleague [Mr. DAVIS] because of illness.

Mr. LEWIS. I desire to announce the general pair of the Senator from Nevada [Mr. PITTMAN] with the Senator from Minnesota [Mr. SCHALL].

The result was announced—yeas 16, nays 62, as follows:

YEAS—16

Bone	Frazier	McCarran	Patterson
Borah	Hatfield	McGill	Steiwer
Caraway	La Follette	Neely	Thomas, Okla.
Clark	Long	Nye	Wheeler

NAYS—62

Adams	Connally	Hayden	Robinson, Ark.
Ashurst	Copeland	Hebert	Russell
Austin	Couzens	Johnson	Sheppard
Bachman	Dale	Kean	Smith
Bailey	Dickinson	Keyes	Stephens
Bankhead	Dieterich	Lewis	Thomas, Utah
Barbour	Dill	Lonergan	Townsend
Barkley	Duffy	McAdoo	Trammell
Black	Fess	McKellar	Tydings
Bratton	Fletcher	McNary	Van Nuys
Brown	George	Metcalf	Wagner
Bulkley	Goldsborough	Murphy	Walcott
Bulow	Gore	Overton	Walsh
Byrd	Hale	Pope	White
Byrnes	Harrison	Reed	
Capper	Hastings	Reynolds	

NOT VOTING—16

Carey	Davis	Logan	Robinson, Ind.
Coolidge	Glass	Norbeck	Schall
Costigan	Kendrick	Norris	Shipstead
Cutting	King	Pittman	Vandenberg

So Mr. LA FOLLETTE's amendment was rejected.

Mr. CLARK. Mr. President, I desire to offer an amendment.

The VICE PRESIDENT. The clerk will report the amendment.

The CHIEF CLERK. On page 1, line 5, the Senator from Missouri moves to strike out through line 25, on page 10, and to insert in lieu thereof the following:

SECTION 1. The rate of pension or compensation of each person receiving pension or compensation after the date of enactment of this act is hereby reduced by 25 percent. When used in this section, the term "compensation" shall include military and naval compensation for death or disability payable under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, or any special act of Congress authorizing payment of such compensation, and the annuities authorized by the acts approved May 23, 1908, February 28, 1929, as amended, and January 31, 1931. When used in this section, the term "pension" shall include any amount payable to any person by virtue of being placed on the pension rolls of the Veterans' Administration pursuant to any act of Congress.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. CONNALLY. Mr. President, I offer an amendment, which I send to the desk.

The VICE PRESIDENT. The clerk will report the amendment.

The CHIEF CLERK. On page 10, line 14, the Senator from Texas proposes to insert:

SEC. 19. Notwithstanding any of the provisions contained in this title, in no event shall World War service-connected disability compensation of any veteran or the pension of any veteran of a war prior to the World War be reduced more than 25 percent of the amount thereof according to existing rates and subject to any rerating of disability under this act.

Mr. CONNALLY. Mr. President, this amendment provides that all these cases may be rerated as provided in the bill, and that after they are rerated, which we suppose will throw off all those unworthy and not disabled, and after the rolls have been cleaned of unworthy cases, the compensation of a service-connected World War disabled veteran shall not be reduced more than 25 percent of the present rate structure in existing law; that the pensions of the Spanish-American War, being for a war prior to the World War, may also be rerated under the rules promulgated by the President, as carried in this bill, but that once the rerating is had, the pension shall not be reduced more than 25 percent, according to the present standards of rates.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. WALSH. Is the rerating provided for in the amendment mandatory?

Mr. CONNALLY. No; it is not in the amendment; it is already provided for in the bill. The President can rerate, under the bill.

Mr. WALSH. Under existing law, the Veterans' Administration can reexamine and rerate everyone receiving a pension or compensation.

Mr. CONNALLY. That is true.

Mr. WALSH. And it is to be assumed that the Veterans' Administration has not been negligent in administering the law, and that those who have been receiving benefits have proven, under existing law, their right to compensation or pension.

Mr. CONNALLY. Let me say to the Senator from Massachusetts that the Veterans' Administration is contradicting the assumption which he makes, because the Veterans' Administration today is engaged in rerating thousands of these cases.

Mr. WALSH. It is doing it on its own initiative.

Mr. CONNALLY. My amendment does not require it.

Mr. WALSH. The Senator's amendment is permissive?

Mr. CONNALLY. It is permissive. In other words, they can rerate all these cases under existing law, or under the pending measure. The amendment would put no limitation on non-service-connected disability allowances. If the President wants to remove all those cases from the rolls, he has full power to do so. My amendment is simply a limitation, providing that when the President has once determined that a case is service-connected and the soldier's claim has been rerated and the proof is that he has a watertight case, then he shall not be reduced over 25 percent under existing rates, where the case, according to the Veterans' Administration and according to the President, was held to have arisen by reason of a soldier's service in line of duty.

Mr. WALSH. Mr. President, there are two classes of service-connected cases; first, the cases of those whose disability is directly traceable to the service. They have been eliminated from this bill by the amendment proposed by me and adopted last night. Another class of service-connected cases are the cases of those who have been placed on the rolls under the application of the so-called "presumptive laws", that attach service connection to those suffering from certain diseases. The Senator's amendment would provide that those cases should be subject to the reduction he proposes in the amendment?

Mr. CONNALLY. I assume the Senator is correct about that in connection with his own amendment, although my amendment is in general terms and does not seek to particularize.

Mr. WALSH. What is the rate of reduction?

Mr. CONNALLY. Twenty-five per cent.

Mr. WALSH. The Senator would provide for a reduction of 25 percent to all service-connected cases, and that would include the so-called "battle-casualty" cases as well as presumptive cases.

Mr. CONNALLY. If the President sees fit. My amendment is not mandatory.

Mr. WALSH. In other words, the Senator's amendment provides that in the administration of the act, if the President elects to do so, he may pursue the policy of reductions not exceeding 25 percent.

Mr. CONNALLY. That is right.

Mr. WALSH. Of course, he has that right under the measure anyway, but not necessarily the limitations of 25 percent.

Mr. CONNALLY. But not to exceed 25 percent. Under the measure he could cut the compensation 50 percent or 75 percent.

Mr. BARKLEY. Mr. President, under the bill the President could bring about a reduction of 5 or 10 or 15 or 25 percent or any other percentage he might find advisable.

Mr. CONNALLY. Yes.

Mr. BARKLEY. Of course, this all has to be done through the agency of the Veterans' Administration or such other agency as the President may adopt. What would the Senator think might be the likelihood of the Veterans' Ad-

ministration or any other agency accepting this figure of his amendment as a yardstick and reducing everybody 25 percent, whereas under the bill as drawn they might make a reduction of 5 or 10 percent to different groups, depending upon circumstances? We have found heretofore that where we say they shall not go beyond a certain limit they accept that limit as the expression by Congress of a yardstick.

Mr. CONNALLY. If they did in this case, they would exhibit very little comprehension, because the amendment simply provides that they cannot go beyond that. The amendment impinges in no degree upon the President's full authority with reference to reratings and reclassifications and the fixing of new rates, except that he must not decrease the man with service-connected disability more than 25 percent; that is all.

Mr. BARKLEY. It does, though, make a standard yardstick for all disabled men, so that a man who is now suffering from total permanent disability and drawing a hundred dollars a month is put on the same basis with the man who is only partially disabled and is drawing much smaller compensation. That is true, is it not?

Mr. CONNALLY. I do not grant that; no.

Mr. HASTINGS. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. HASTINGS. In order that I may definitely understand the amendment, if under the present law a service-connected case was receiving $60 a month, then under no conditions, if this amendment be adopted, could that compensation be reduced more than $15, so that the soldier would be certain to receive $45. Is that correct?

Mr. CONNALLY. That is the effect, in substance.

Mr. HASTINGS. As the bill is drawn, of course, that $60 could be cut to $30, or $20, or to anything the President might decide.

Mr. CONNALLY. The Senator is correct. I only want to take a few moments, Mr. President. What is proposed to be done by this bill? There is a clerk in one of the departments here, for instance, who is drawing $100 a month. We say to the President, "You shall not decrease this man more than 15 percent. You cannot cut the clerk, a well man, a civilian, who never saw a uniform, more than 15 percent." We are not willing to trust the President when it comes to a clerk. He must not go beyond 15 percent.

Here is an other man, a soldier—battle scarred, diseased, perhaps disabled in the line of duty, because under this amendment nobody but a man who received his injury in line of duty is affected—and we say about him, "Mr. President, we will not let you cut this man's compensation over 25 percent."

Is that showing any favoritism to the soldier? Is that knuckling to the soldier? We have told the well man who is anxious to get a job at $100 a month that he is sacred up to 15 percent of his salary. Is it unfair to ask that the soldier who is drawing $100 a month—a service-connected disability case—shall not be reduced more than 25 percent?

It does not interfere with the plenary powers of the President as to rerating or as to reclassification or as to striking from the rolls those who do not belong there, but it does say that in the service-connected cases he must not reduce more than 25 percent. I submit that is a fair act of justice. It is nothing more than the Senate ought to do with reference to the service-connected cases. I am not speaking about the non-service-connected disability allowance. I am speaking about the soldier who proves his title to his compensation.

Mr. DILL. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Washington?

Mr. CONNALLY. I yield.

Mr. DILL. The Senator spoke a moment ago about rerating and reviewing these cases. Is it the Senator's understanding that the Veterans' Bureau is to continue its policy of calling in these ex-service boys every few months, as it has been doing for the past few years?

Mr. CONNALLY. I understand they have the authority and I assume they are going to rerate all of these cases.

Mr. DILL. I have been informed that 40 percent of the expense of the Veterans' Bureau is due to its continual calling in of these men and having the doctors examine and reexamine them and rerate them, causing continual commotion and inconvenience and distress among the men. It seems to me we are wasting far too much money in that way.

Mr. CONNALLY. Suppose a man is now drawing $100 a month for full disability allowance. Under the terms of the bill the President can have him rerated and instead of finding him 100 percent disabled the President can find that he is only 75 percent disabled. My amendment does not interfere with that, but my amendment provides if he is 75 percent disabled he can only be reduced 25 percent of that 75 percent. It does not freeze him in his present status. It merely means that after he has been rerated, and it is found that he has a certain degree of disability, then on the basis of existing law that compensation shall not be reduced more than 25 percent.

I submit the amendment in the belief that the fairness and sense of justice of the Senate will bring its adoption.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. CONNALLY. Certainly.

Mr. WALSH. Does the amendment which the Senator proposes leave it discretionary with the President to modify or repeal or change the presumptive cases?

Mr. CONNALLY. Under the general clauses of the bill the President probably has that power. My amendment does not seek to interfere with it.

Mr. WALSH. If I understand the amendment, the President, under the bill, regardless of the amendment, can wipe out all presumptive cases and then be forbidden in other cases to reduce the compensation.

Mr. CONNALLY. The Senator from Massachusetts is entirely correct. The amendment does not prohibit the President from cutting off all the presumptions he desires which are provided for under other provisions of the bill. After all those things are done and the man is still found to be a service-connected case, then my amendment provides a limitation that no more than 25 percent reduction of the allowance for that particular rating shall be made.

Mr. TRAMMELL. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Florida?

Mr. CONNALLY. I yield.

Mr. TRAMMELL. I wish to ask the Senator if he does not think it would be a more fair proposition to specify 15 percent instead of 25 percent?

Mr. CONNALLY. This is a limitation.

Mr. TRAMMELL. I know it is a limitation; but the man receiving a salary of $10,000 a year or $15,000 a year or $20,000 a year is subject to a reduction of only 15 percent.

Mr. CONNALLY. I am trying to get an amendment adopted. I want one that the Senate will adopt. It has already voted down a proposal for 15 percent. This is simply a limitation to the effect that the President may not go beyond 25 percent. The Senator from Florida is a practical man. Let us get something adopted instead of simply making gestures and useless motions. Let us do something. This is an amendment which Senators can heartily approve, and I believe it is only fair that the Senate should adopt it.

The VICE PRESIDENT. The time of the Senator from Texas has expired.

Mr. TRAMMELL. Mr. President, I would rather have the 25 percent than not have any limitation whatever. I think if we were to run a spirit of fairness all through the legislation, however, we would provide a 15 percent maximum.

Mr. LONG. Mr. President, may I say to the Senator from Florida that we have already lost two such amendments. We had a vote on making it 15 percent. I think the Senator was absent from the Chamber at the time. We lost that vote. Then we had a vote on a straight 25 percent reduction and lost that. The only chance we have now at all is in the amendment of the Senator from Texas.

Mr. President, I ask for the yeas and nays on the amendment of the Senator from Texas.

The yeas and nays were ordered.

Mr. HARRISON. Mr. President, this amendment ties up presumptive service-connected cases. We have in the bill a provision that gives to the President, where a person is in the employ of the Government receiving a big salary and at the same time receiving a pension, the right to deal with that particular proposition and reduce the pension to what he thinks is right and proper, and make it equitable and fair under the circumstances. If the amendment should be adopted, it would confuse the situation. It applies to the Spanish-American War veteran, and it might restrain the President from reducing in some cases where a person is in the employ of the Government making a large salary, and prevent the President from making the reduction which he believes should be made. I hope the amendment will be defeated.

The VICE PRESIDENT. The yeas and nays having been ordered, the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BULKLEY (when his name was called). I have a general pair with the junior Senator from Wyoming [Mr. CAREY], who is absent in attendance upon the funeral of the late Senator Howell, of Nebraska. I do not know how he would vote on this question. I transfer that pair to the senior Senator from Utah [Mr. KING] and vote "nay."

Mr. WALSH (when Mr. COOLIDGE's name was called). My colleague the junior Senator from Massachusetts [Mr. COOLIDGE] has a pair with the junior Senator from New Mexico [Mr. CUTTING]. If the Senator from New Mexico [Mr. CUTTING] were present and voting, he would vote "yea." If my colleague [Mr. COOLIDGE] were present and voting, he would vote "nay."

Mr. OVERTON (when his name was called). On this question I have a pair with the senior Senator from Virginia [Mr. GLASS]. If that Senator were present, he would vote "nay," and if I were at liberty to vote I would vote "yea."

The roll call was concluded.

Mr. NEELY. I wish to announce that the senior Senator from Colorado [Mr. COSTIGAN] is absent because of illness. If he were present, on this question he would vote "yea."

Mr. HEBERT. I wish to announce the following general pairs:

The senior Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Wyoming [Mr. KENDRICK];

The junior Senator from Minnesota [Mr. SCHALL] with the Senator from South Carolina [Mr. SMITH]; and

The Senator from Pennsylvania [Mr. DAVIS] with the Senator from Kentucky [Mr. LOGAN].

The result was announced—yeas 28, nays 45, as follows:

YEAS—28

Black	Copeland	Long	Russell
Bone	Couzens	McCarran	Steiwer
Borah	Dill	McGill	Thomas, Okla.
Bratton	Duffy	Neely	Trammell
Caraway	Frazier	Nye	Vandenberg
Clark	Hatfield	Patterson	Wheeler
Connally	La Follette	Robinson, Ind.	White

NAYS—45

Adams	Dale	Kean	Sheppard
Austin	Dickinson	Keyes	Stephens
Bailey	Dieterich	Lewis	Thomas, Utah
Bankhead	Fess	Lonergan	Townsend
Barbour	George	McKellar	Tydings
Barkley	Goldsborough	McNary	Van Nuys
Brown	Gore	Metcalf	Wagner
Bulkley	Hale	Murphy	Walcott
Bulow	Harrison	Pope	Walsh
Byrd	Hastings	Reed	
Byrnes	Hebert	Reynolds	
Capper	Johnson	Robinson, Ark.	

NOT VOTING—21

Ashurst	Davis	Logan	Schall
Bachman	Fletcher	McAdoo	Shipstead
Carey	Glass	Norbeck	Smith
Coolidge	Hayden	Norris	
Costigan	Kendrick	Overton	
Cutting	King	Pittman	

So Mr. CONNALLY's amendment was rejected.

Mr. CONNALLY. Mr. President, I offer the same amendment with the Spanish-American War veterans eliminated, leaving it applicable only to the World War service-connected cases. I do not care to address the Senate further, but would like to have a vote on my amendment.

The VICE PRESIDENT. Let the amendment be read for the information of the Senate.

The CHIEF CLERK. On page 10, after line 14, insert the following:

SEC. 19. Notwithstanding any of the provisions contained in this title in no event shall World War service-connected disability compensation of any veteran be reduced more than 25 percent of the amount thereof according to existing rates and subject to any rerating of disability under this act.

The VICE PRESIDENT. The question is on the amendment of the Senator from Texas [Mr. CONNALLY].

The amendment was rejected.

Mr. BORAH. Mr. President, I offer the following amendment, to be inserted in the proper place in the bill.

The VICE PRESIDENT. The amendment will be read for the information of the Senate.

The CHIEF CLERK. Insert at the proper place in the bill the following:

The mileage allowances of Senators, Representatives in Congress, and the Delegates from Hawaii and from Alaska, and the Resident Commissioners from the Philippines shall be at the rate of 5 cents per mile, to be estimated by the nearest route covering traveling in going to and returning from each regular session; all acts and parts of acts in conflict with this amendment are hereby repealed.

Mr. BORAH. Mr. President, I do not desire to enter upon a lengthy discussion of the amendment. I have already stated my position. It is not merely a question of economy; it is primarily a question of whether Congress will continue to avail itself of a law passed in 1866, and which as now administered amounts to a large bounty. Certainly in these days we will not continue to accept hundreds of thousands of dollars to which under no law of justice or fair dealing with our Government are we entitled. I urge the Senate to endorse the amendment.

Mr. ROBINSON of Arkansas. Mr. President, I do not believe the amendment should be adopted. The bill makes a reduction of 15 percent in the salaries of Senators and Members of the House of Representatives. I believe that is an adequate and fair reduction. The mileage allowance is scarcely adequate in many cases to pay the actual traveling expenses of a Member of Congress and of his family in coming to and returning from the Capital at the times when they are expected to do that. I do not believe the amendment should be agreed to.

Mr. BORAH. May I say, Mr. President, that this amendment as offered, if agreed to, would provide for higher mileage than would be necessary for the individual Senator himself? It will take care, in a measure, of both his own and his wife's traveling expense.

Mr. President, I do not offer this amendment as a matter of economy alone, although that is a very important consideration in connection with it; but I do not think we can justify collecting 3 or 4 times as much mileage as we have actually to expend. I do not think it is fair to keep the Congress in the position of being criticized for that amount of money, and it seems to me we ought to insert the amendment not only as a matter of economy and of saving but for our honor and self-respect. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. BULKLEY. Repeating the announcement previously made with respect to my general pair with the junior Senator from Wyoming [Mr. CAREY], I transfer that pair to the senior Senator from Utah [Mr. KING] and vote "nay."

Mr. BARKLEY. My colleague [Mr. LOGAN] is unavoidably absent. He is paired with the junior Senator from Pennsylvania [Mr. DAVIS]. I was requested by my colleague to announce that he would vote against any amendments to the pending bill. I do not know whether or not he contemplated the introduction of the pending amendment, and therefore I do not know how he would vote on it.

Mr. HEBERT. I desire to announce the following general pairs:

The Senator from New Mexico [Mr. CUTTING] with the Senator from Massachusetts [Mr. COOLIDGE];

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Wyoming [Mr. KENDRICK]; and

The Senator from Minnesota [Mr. SCHALL] with the Senator from South Carolina [Mr. SMITH].

I am not advised how any of these Senators would vote on this question.

The result was announced—yeas 35, nays 42, as follows:

YEAS—35

Ashurst	Capper	Murphy	Townsend
Bailey	Caraway	Neely	Trammell
Barkley	Connally	Pope	Tydings
Black	Couzens	Reynolds	Vandenberg
Bone	Gore	Robinson, Ind.	Van Nuys
Borah	Hatfield	Russell	Wagner
Brown	Hebert	Sheppard	Walcott
Byrd	La Follette	Stephens	Walsh
Byrnes	McCarran	Thomas, Okla.	

NAYS—42

Adams	Dickinson	Hayden	Nye
Austin	Dieterich	Johnson	Overton
Bachman	Dill	Kean	Patterson
Bankhead	Duffy	Keyes	Reed
Barbour	Fess	Lewis	Robinson, Ark.
Bratton	Frazier	Lonergan	Steiwer
Bulkley	George	Long	Thomas, Utah
Bulow	Goldsborough	McGill	Wheeler
Clark	Hale	McKellar	White
Copeland	Harrison	McNary	
Dale	Hastings	Metcalf	

NOT VOTING—17

Carey	Fletcher	McAdoo	Shipstead
Coolidge	Glass	Norbeck	Smith
Costigan	Kendrick	Norris	
Cutting	King	Pittman	
Davis	Logan	Schall	

So Mr. BORAH's amendment was rejected.

Mr. McGILL. Mr. President, I send forward the following amendment.

The VICE PRESIDENT. The Senator from Kansas offers an amendment, which the Clerk will report.

The CHIEF CLERK. The Senator from Kansas offers the following amendment:

Page 2, line 6, commencing with the word "the," strike out through the word "or," in line 8.

Page 2, line 15, strike out commencing with line 15 through line 19.

Page 2, line 20, strike out "(e)" and insert in lieu thereof "(d)."

Page 9, line 9, commencing with the word "Spanish," strike out through the word "the," in line 11.

Page 9, line 15, strike out "Spanish-American War" and insert in lieu thereof "termination of the Spanish-American War, including the Boxer rebellion and the Philippine insurrection."

Page 10, line 16, strike out the term "Spanish-American" and insert in lieu thereof the word "World."

Page 2, line 10, after the word "disease" and the period, strike out the following:

"*Provided*, That nothing contained in this title shall deny a pension to a Spanish-American War veteran past the age of 62 years entitled to a pension under existing law; but the President may reduce the rate of pension as he may deem proper."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Kansas.

Mr. McGILL. Mr. President, I can explain this amendment in a very few moments. The amendment offered would strike from title I such provisions, except the last provision thereof, as apply to Spanish-American War veterans. In other words, it will leave the existing law applicable to the Spanish-American War veterans as it is at this time and would make a total reduction in the fiscal year 1934 of 10 percent upon their pensions.

Mr. President, as the bill is now drawn, the veterans of the Civil War will have their pensions reduced for the fiscal year 1934 by 10 percent, and the object of this amendment is to place the Spanish-American War veterans in the same category as the veterans of the Civil War.

Mr. President, I feel the Spanish-American War veterans are in a little different position from the veterans of the World War. Many of them are not able, even though they have received service-connected disability, to establish that fact at this time. The Spanish-American War veterans are now, most of them, past the age of 62 years, and all who are past that age, the age of 62, under existing law are entitled to receive a pension. They have been receiving that pension for only the period of a very few years. To my mind it is unfair, it is unjust to cut them off at this time.

As the bill was originally drawn it was contemplated to strike from the pension rolls all Spanish-American War veterans unless they could show service-connected disability. I submit it is nothing more than right, just, and fair to the veterans of the Spanish-American War that this amendment be adopted.

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Kentucky?

Mr. McGILL. I yield to the Senator from Kentucky.

Mr. BARKLEY. I am informed by officers of the Veterans' Bureau that under the bill as it is drawn the interpretation is that unless the Government affirmatively proves that any Spanish-American War veteran now on the roll is not disabled from a service-connected cause, he will remain on the rolls. In other words, the burden of proof is on the Government, under the bill, to show that any Spanish-American War veteran is not suffering from any service-connected disability. If that be true, if that be the interpretation, it seems to me that it will be rather difficult for the Government to get very many of them off the roll; and I am wondering whether, if that be the true interpretation, they would not be in better condition under that language and under that interpretation than even under the Senator's amendment.

Mr. McGILL. Mr. President, I do not feel that the language of the bill as originally drawn and as now framed would be subject to the interpretation indicated by the Senator from Kentucky.

The testimony before the Finance Committee, given by General Hines, was to the effect that in the event the bill as originally drafted were passed, he would be able to save to the Government something like $95,000,000, unless a provision such as I have offered is adopted.

Several Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from Kansas yield; and if so, to whom?

Mr. McGILL. Did the Senator from Missouri desire to ask me a question?

Mr. CLARK. I just wanted to ask the Senator from Kentucky [Mr. BARKLEY] where he found that provision in the act.

Mr. HARRISON. Mr. President, the provision in the proposal gave to the President the power to make regulations, and so forth. The law itself did not take it from him.

At the insistence of Senators, we were persuaded earlier in the day to accept an amendment that we thought would satisfy the situation and take care of the Spanish-American War veterans. As the bill is now written, without amendment, we think it does take care of the situation.

Mr. McGILL. Mr. President, the amendment accepted by the chairman of the Finance Committee, and adopted earlier in the day, would permit whatever administration might be administering the law to reduce the pension of a Spanish-American War veteran to a minimum. The administrator could reduce it to 10 cents a month if he saw fit. I submit that amendment does not reach the situation we are entitled to reach and would reach by this amendment.

Mr. HARRISON. May I say to the Senator that it does give to the President the power to do all that he says, but it also gives to the President the power to take into consideration the age of the veteran, 62 years, as does the present law.

Mr. McGILL. That is all it gives him power to do, may I say to the Senator; and while the President is given this authority I am not unmindful of the fact that the authority conferred upon the President by this bill will necessarily be by him delegated to others to administer.

Mr. President, I ask for the yeas and nays on this amendment.

The VICE PRESIDENT. The Senator from Kansas demands the yeas and nays. Is the demand seconded?

The yeas and nays were not ordered.

Mr. BAILEY. Mr. President, I have just received the following telegram, which I wish to read to the Senate:

The General Assembly of North Carolina has just passed resolution calling upon the Senators from North Carolina to vote for the economy measure which passed the House and now pending in the Senate.

STACEY W. WADE,
Secretary of State.

I shall vote faithfully according to the tenor of this telegram.

Mr. BARKLEY. Mr. President, I desire simply to read a question and answer propounded by me during the testimony of General Hines which was the basis of my inquiry from the Senator from Kansas a moment ago.

After some other questions, I asked this:

You mean that in all cases where the Spanish War veteran is drawing a pension now, the disability would be presumed to be of service origin unless the Government proves to the contrary?

General HINES. That is correct.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. MCGILL].

The amendment was rejected.

Mr. TRAMMELL. Mr. President, I offer the amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 13, line 22, after the word "per centum," the Senator from Florida proposes to add the following:

Except upon salaries of more than $5,000 per annum and not more than $7,500 per annum, the reduction on the amount of the salary above $5,000 and not exceeding $7,500 may be as much as 20 percent; and on the amount above $7,500 and not exceeding $10,000, the reduction may be 25 percent; and on the amount above $10,000, and not exceeding $12,500, the reduction may be 30 percent; on the amount of salary in excess of $12,500, the reduction may be made as much as 33⅓ percent.

Mr. TRAMMELL. Mr. President, I am very much in sympathy with the most commendable efforts being made by our distinguished and most capable President to bring about economy and to take some effective action toward that accomplishment.

I yield to no one in my confidence and admiration for our President. He is fully proving himself the man of the hour. I have always stood for economy in government, but for some time I have been doubly impressed that there had to be not only a substantial cutting of town, city, State, and National cost of government, but a sweeping curtailment all up and down the line. I have already supported many economies and have sponsored a number of curtailments myself. I have fully realized that it was necessary for those in governmental authority to come down to earth on the question of the expenditure of the public funds of this country in order that we might maintain our credit and keep at the minimum the burden of taxation upon the people of the country.

I am fully in sympathy with the action of the President in bringing this question in such forceful way to the attention of Congress and with the courageous and able stand which he has taken upon the question of a policy of economy. I am with him 100 percent in the aim he would attain.

Action is required; but as I have read this bill, and have thought of the different provisions in the measure suggested to effectuate economy and to bring about a balancing of the Budget, I have been impressed, and everyone who has read and studied it must have been impressed, that the larger part of reduction in expenditures is to fall upon those who are least able to sustain the reduction which will befall them. I favor, however, and realize conditions demand, a drastic slashing of expenditures and action now. For a time both State and Federal Governments went mad in expenditures, in favoring monopoly and nursing the special classes who have enriched themselves at the cost of the many. For ages the money powers have inveighed against the general welfare of our country until they have all but pulled the house down upon themselves in their madness for domination and enrichment. We are faced with a reality; a cloud now hangs over us; we must if possible clear the sky. I think it is a tragedy, that it is an injustice to tell a soldier who is getting only $12, $15, $20, or $40 per month, "Your compensation rights are to be thrust into the hopper and reduced, if need be," and at the same time tell the person who is receiving from the money of the taxpayers ten, twelve, or fifteen thousand dollars per annum, "We are going to reduce your salary only 15 percent." There is no restriction upon the amount that the compensation of a soldier may be reduced, while in the case of the pay of the civilian employee I believe the President is limited to 15 percent.

Action of this character may be necessary under the crisis that is pending and the conditions that exist in the country; but when we are endeavoring to bring about economy, to bring about a reduction in the expenditures of Government, and achieve a balancing of the Budget, in the name of justice and right why is it that we tell the man who is receiving a Government salary of $12,000 per annum that we propose to reduce his salary only to $9,875, and still leave him that amount? Why is it that some of you fight to have no more reduction upon a salary, say, of $6,000, $7,000, $10,000, $12,000, $15,000, or $18,000 per annum? And there are many thousands of Government officials who are receiving such salaries. Do you think it would be an injustice to them, in this crisis, to reduce their salaries more than 15 percent and still leave for them handsome and generous incomes? Do you not think in the interest of patriotism, in the interest of love of country, in the interest of trying to redeem this country from its crisis, in making possible the balancing of the Budget, which everyone has claimed is so necessary, that that group of high-salaried Government officials should be required to stand a reduction in their salaries of more than 15 percent, which is applied to all small and minor salaries?

It is a real sacrifice to most of the people with these small and medium salaries upon whom we are going to impose this reduction of salary; but what sacrifice would it be if we should make even a larger reduction of the higher salaries and still leave net salaries of $5,000 to $15,000, for them, by adopting my amendment prescribing a larger percentage of reduction upon them? I think it only right and just.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Michigan?

Mr. TRAMMELL. I yield.

Mr. VANDENBERG. I cordially sympathize with the objective the Senator is seeking to reach. I desire to see whether his amendment is in a form which would work, however.

Mr. TRAMMELL. Oh, it will work, all right.

Mr. VANDENBERG. No; I am wondering if this is not the fact. Is not the Senator making a permissive reduction?

Mr. TRAMMELL. I am making a permissive reduction. I followed that system because it is the system provided in the bill as it stands.

Mr. VANDENBERG. Who decides, under the Senator's amendment, what the reduction shall be?

Mr. TRAMMELL. Whoever the President employs; some agent that he employs to carry out the authority vested in the President. Of course it is necessary to entrust that authority to him and in actuality it will necessarily have to be administered by his agent. I did not attempt to make that imperative when all the rest of it is permissive.

Mr. VANDENBERG. May I interrupt the Senator further and ask him if this would not be a more practical way to do it? I am merely seeking to aid the Senator. I am not in controversy with him.

Under the terms of the bill, the Senator is familiar with the fact that the President is to establish a base percentage of reduction which is related to the facts as he finds them in respect to the cost of living. We will say that that is 15 percent, and that seems to be the expectation. Suppose we were to say that the percentage as found by the President

shall apply to all salaries up to $3,000, and that there shall be an additional 1 percent reduction for each additional $1,000 of salary above $3,000. Then we would have a specific rule.

Mr. TRAMMELL. I think myself that it would be better to have a compulsory reduction in salaries exceeding, say, three or four thousand or five thousand dollars per annum, because ordinarily the question of the cost of living in no way touches the person who is getting a salary of four or five thousand dollars per annum; and a standard based upon ascertaining what amount he can afford to have his salary reduced in proportion to the cost of living is not a proper standard for the high-salaried employee. I think the Senator's idea along that line is a good one.

Mr. VANDENBERG. I wonder if the Senator would be willing to substitute for his own amendment the one which I now hand him; the net result being that the basic reduction, which is assumed to be 15 percent, will apply up to $3,000, and 1 percent additional reduction arbitrarily will be made for each $1,000 of salary in addition to $3,000? In other words, the $10,000 salary will reach 22 percent reduction.

Mr. TRAMMELL. I favor the compulsory idea. While I was carrying out the policy of the bill of making it permissive, this suggestion will be acceptable to me, so far as I am concerned.

Mr. WALSH. Mr. President, may the modified amendment be stated?

The VICE PRESIDENT. The Senator from Florida modifies his amendment. The clerk will state the modification.

The LEGISLATIVE CLERK. On page 12, line 23, it is proposed to omit the period after the word "title" and add the following:

> For all officers and employees whose compensation amounts to $3,000 a year or less, and the compensation as determined under paragraph (a) of this section for all officers and employees whose compensation exceeds $3,000 per annum shall be reduced by the percentage, if any, determined in accordance with section 3 of this title, plus 1 per cent for each $1,000 in excess of $3,000 per annum.

Mr. TRAMMELL. Mr. President, I really prefer that policy. I had that in mind when I was drafting my amendment; that is, that it should be compulsory for people who receive salaries over and above the amount of necessary expenditures for living purposes.

Mr. WALSH. Mr. President, what are the estimated savings or economies that would accumulate as the result of the adoption of the amendment?

Mr. TRAMMELL. I have not the tabulation. It will run into several million dollars. The people of this country who have become aroused against this idea of governmental salaries and governmental officials have had their antagonism created, not on account of the person who receives a salary of $1,200 or $1,500 or $2,000 per annum, but they have had their antagonism aroused on account of persons put into different places at eight, ten, fifteen, or twenty thousand dollars per annum, and in a great many instances receive salaries far more than their ability and their experience merit, and in a multitude of cases represent a snap for some pet official.

Mr. WALSH. As I understand the Senator's amendment, it accomplishes all the savings provided for in the bill in salaries up to $3,000, but adds to the savings which will be accomplished, if the amendment is adopted, in salaries beyond $3,000.

Mr. TRAMMELL. That is what it does. It is a substantial aid to reducing Government cost; it reaches the big man, who is able to stand the deduction without hardship, and thereby enables him to give evidence of his patriotism.

Mr. WALSH. I ask the Senator whether his proposal of this reduction applies to Senators and Representatives.

Mr. TRAMMELL. Certainly it will apply to them, and it should apply to them.

Mr. WALSH. Then it will never pass.

Mr. TRAMMELL. That does not make any difference in the justice of my amendment. It should apply to them. I am not sympathetic with the idea of endeavoring to get the reductions in expenditures, in trying to balance the Budget, only out of that certain class of people of this country who are least able to pay; and too often that has been the case in this body and in both branches of Congress.

Mr. DILL. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. DILL. Would the Senator's amendment affect the part of the bill which proposes to take $150 away from the $1,000 employee of the Government?

Mr. TRAMMELL. It would not touch that, but instead leave that provision of the bill intact.

Mr. DILL. It seems to me that the worst part of this cut in salaries is that we are asked to reduce the salaries of the people drawing above a thousand dollars 6⅔ percent more than they are now cut, but we are asked to take 15 percent off the $1,000 man. We are asked to take $150 out of every $1,000 salary.

Mr. TRAMMELL. This amendment would not add to that reduction. Its main purpose is to assist in reducing Government expenditures and to keep Government cost within the revenue.

Mr. DILL. If the Senator would exclude in his amendment the civil employees of the Government drawing below a thousand dollars, about 100,000 of them, from the operation of this 15 percent cut and then use this proposal of an increased rate upon the higher salaries, he would be doing a great service to the employees and the salaried people on the Government pay rolls.

Mr. COUZENS. Mr. President, will the Senator yield to me?

Mr. TRAMMELL. I yield.

Mr. COUZENS. An amendment already has been drafted on this side of the Chamber and is ready to be offered later on, to eliminate all those drawing below a thousand dollars a year.

Mr. DILL. It is little less than cruel to take a hundred and fifty dollars away from those getting only a thousand dollars, when we take only 6⅔ percent in addition from the others.

Mr. TRAMMELL. Mr. President, I am thoroughly in sympathy with the idea the Senator expresses, but I have felt for a great many months—in fact, probably for a year or more—that any Government employee who is receiving even a thousand dollars, or eleven hundred dollars, or twelve hundred dollars per annum, in this crisis, should be patriotic enough to be willing to have some reduction made in his salary. In reaching this view, however, I have been inspired and instilled with the idea that the employee who receives $3,000 or more a year should be willing to take a greater percentage of reduction. I regard it as but right and just that the person of a salary of, say, $5,000, $10,000, or $15,000 should have a larger percentage of reduction applied to his salary——

Mr. REED. Mr. President, will the Senator yield?

Mr. TRAMMELL. I yield.

Mr. REED. I have just looked at the Senator's amendment, and I am curious to know, in the case of a $4,000 income, whether the reduction would be 15 percent of the first $3,000 and then 16 percent on the next $1,000, or whether it would be 16 percent on all $4,000. I would like to have the Senator from Florida tell me how he understands it.

Mr. TRAMMELL. The Senator probably was present when the Senator from Michigan offered his suggestion, which I thought was good.

Mr. REED. That is all right, but I have just read the amendment, and it is very vague on the point to which I have referred. I do not see how it could be applied.

Mr. TRAMMELL. I thought the amendment specifically provided that the increased percentage should apply on the increased brackets.

Mr. REED. It is just the opposite of what the Senator from Michigan has just told me, and I understand it was he who wrote it. Does not the Senator think that if we

are going to amend the measure we ought to insert amendments which would be lucid enough to be capable of definite interpretation?

Mr. TRAMMELL. There is no question about the interpretation of the amendment I originally proposed on that particular point. The only thing was, the Senator from Michigan suggested that it be made mandatory upon salaries above $3,000. I had made it merely permissible just as the other provisions of the bill were, in regard to salaries, following out the policy of the bill.

I am not in conflict with the general object and purpose of this measure, although I do not approve its details in toto; but I think it is not amiss and not offensive to our country or with the efforts being made by our great and patriotic President, for a Senator who sees proper to offer an amendment which would contribute a greater amount in the curtailment of expenditures by the Government and would assist in the desire to balance the Budget.

Mr. VANDENBERG. Mr. President, will the Senator yield to me?

Mr. TRAMMELL. I yield.

Mr. VANDENBERG. May I say to the Senator that the language of his amendment, as he has now offered it, was drawn by the Director of the Budget at my request, and it means a 16 percent reduction on the $4,000 salary, a 17 percent reduction on the $5,000 salary, and so forth, provided the base reduction is 15 percent. We are using 15 percent as the base. We do not know that that will be the base, because the base is to be determined by the President, in respect to the difference in the cost of living. Whatever the base is, this automatically increases by each bracket.

Mr. LONG. Mr. President, when are they going to charge Members of Congress money for coming here?

Mr. TRAMMELL. I am not settling that question. I think that if a Representative or a Senator happens to be called upon to exercise some patriotism, and to respond to the spirit of a patriotic and wonderful President in the matter of trying to help this country, it is his patriotic duty to respond, even if it does cost him a reduction of two or three or four thousand dollars per annum in his salary, instead of calling first, and not only first but first, last, and always upon those who are least able to make the contribution, and exempt those who are most able to make the contribution. That is my position in regard to that. Every official and Government employee must join with the millions of unfortunate Americans in the sacrifices necessary in the terrible depression now upon the Nation.

This is an unusual time and we have to forget ourselves, do things we would not do any ordinary time, and bear our part of the burdens.

Mr. President, I have been a Member of the Senate a good many years. I have been here in this Chamber when salary questions have arisen from time to time, and one would need a spyglass to find the Senator here who would defend the rights of the ordinary clerk drawing $1,200 or $1,500 or $2,000 a year if someone attacked the salaries, and wanted to reduce them. But let someone dare propose to reduce a salary of $8,000, $10,000, or by illustration the $12,000 per annum paid to each of the 12 members of the Interstate Commerce Commission. As a matter of fact, we have no use for over 5 or 6 members of that Commission. I do not mean to criticize them personally, but I am talking here of the principle involved. If we attempted to reduce one of those $12,000 a year salaries, the presiding officer would have a most difficult task in determining which of the 15 or 20 Senators first arose to speak against the idea of the reduction in that salary. If the question of a raise of salary of the average, ordinary clerk, should arise, the question of increasing the salary from $1,500 to $1,700 a year, or $160 a year, from the rage of many of our good friends here in the Senate one would think it was going to wreck the Government. But let someone rise and propose an increase of salary of well-paid Government officials who already receive $10,000 a year when there was a desire to increase the salaries to $12,000, it would be thought that was a patriotic duty to be performed by the Congress of the United States. I have the highest regard for our courts, but remember well how so many Senators urged increases in Federal judges salaries a few years ago.

I see that the same spirit as ever prevails when it comes to the question of trying to rescue the country from the greatest crisis which has ever befallen it. When the President of the United States, in his earnest effort to endeavor to balance the Budget, tries to save money here and there, in various places, I see, just as always during the times of prosperity, many of my friends who say, "Hands off. Hands off. You must not interfere with these people who are making $10,000, $20,000, and $30,000 a year salaries. You must not make any reduction in their salaries which will be of any consequence or would be of any inconvenience or self-denial to them."

On the other hand, they are very insistent upon getting the greater part of the reduction out of the small-salaried people. I think the reduction is necessary, and I am going to support the bill. I think it is necessary, but I am at a loss to understand why there is such zealousness in protecting the interests of those who can afford to suffer a large reduction, and, on the other hand, such zealousness to make those who can least afford to suffer the reduction contribute practically the entire amount that is desired and needed for the purpose of balancing the Budget in this country.

Mr. President, I have offered this amendment. I have expressed my views, but I do not suppose it will do any good. I am heartily in sympathy with the President. I supported him long before the convention. I am a great admirer of his. I think he has made a most excellent and splendid record so far in his administration. But that does not alter my views that it is an injustice if this Senate does not make a greater percentage of reduction upon these large salaries than we do upon the smaller salaries.

Mr. President, there are thousands upon thousands who are getting these large salaries. Many of these departments, many of these bureaus, are absolutely honeycombed with men, many of whom are not really earning $50 a month but who are receiving salaries of seven, eight, ten thousand, twelve thousand, fifteen thousand, and twenty thousand dollars per annum. I think they should be required, if they, through their selfishness, are not willing to make their contributions toward the balancing of the Budget, and that if necessary from them should be wrung some degree of patriotism.

I am with our President in his fight to steady the ship, and expect to vote for this bill, because he asks for it and thinks it a right step toward recovery and absolutely essential. We have to have leadership if we are ever to recover from the calamities which have befallen us.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Florida [Mr. TRAMMELL.]

The amendment was rejected.

Mr. DICKINSON. Mr. President, I now call up an amendment which is lying on the desk.

The VICE PRESIDENT. The clerk will report the amendment.

Mr. DICKINSON. Mr. President, I think the Members of the Senate have had this amendment on their desks, since it has been printed for several days. It is rather a long amendment, and I do not see the necessity of reading it. I ask unanimous consent that the amendment be not read, because I think it is pretty well understood.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. DICKINSON. I should like to make one correction in the amendment. On page 17, line 22, I want to strike out "15 percentum," and to insert "by the percentum determined by the President under section 3 of title II of this act."

The VICE PRESIDENT. Without objection, the amendment will be modified as suggested by the Senator from Iowa.

The amendment, as modified, was, on page 1, beginning with line 5, strike out through line 9 on page 10, and insert in lieu thereof the following new sections:

SECTION 1. Notwithstanding the provisions of law in effect at the date of enactment of this act, except as to those persons who have attained the age of 65 years, or those persons who served in the active military or naval forces and who actually suffered an injury or contracted a disease in line of duty as a result of and directly attributable to such service, or those persons who, in accordance with the World War Veterans' Act, 1924, as amended, or the laws granting military or naval pensions, are temporarily totally disabled or permanently and totally disabled as a result of disease or injury acquired in or aggravated by active military or naval service, or those persons who while in the active military or naval service engaged in actual combat with, were under actual fire of, or served in the zone of active hostilities against the armed forces of the enemy in any war in which the United States was engaged, no allowance, compensation, retired pay, pension, hospitalization, or domiciliary care under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, the laws governing the granting of Army and Navy pensions, the laws governing the granting of domiciliary care by the Veterans' Administration, or the Emergency Officers' Retirement Act of May 24, 1928, shall be payable or granted to any person whose net income as defined by the Administrator of Veterans' Affairs, was $1,500 or over, if single, and $3,500 or over, if married, for the year preceding the enactment of this act or the year preceding the filing of application for benefits, whichever is the later. The minimum amounts above specified shall be increased by $400 for each person dependent upon the applicant during the period prescribed. Such benefits shall not be paid or granted during any year following that in which the net income plus allowance for dependents exceeds the prescribed amounts: *Provided*, That irrespective of the income for a preceding year, upon submission of proof satisfactory to the Administrator of reduction in income during the current year below the amounts specified herein, when prorated monthly, such benefits as may otherwise be authorized shall be allowable from the date of administrative determination. Payments of Government insurance, allowance, compensation, retired pay, or pension shall not be considered as income within the provisions of this section. The Secretary of the Treasury is hereby directed upon request to transmit to the Administrator a certificate containing the information required by the Administrator to carry out the purposes of this section affecting each person who is applying for or receiving such allowance, compensation, retired pay, pension, hospitalization, or domiciliary care, and such certificate shall be conclusive evidence of the facts stated therein. As to allowance, compensation, retired pay, or pension being paid, or hospitalization or domiciliary care being furnished, at the date of enactment of this act, this section shall take effect 6 months after such date, and no continuance or granting of allowance, compensation, retired pay, pension, hospitalization, or domiciliary care shall thereafter be authorized except in accordance herewith. As to pending claims and claims filed after the date of enactment of this act, the provisions of this section shall take effect on such date: *Provided*, That this section shall not apply to such persons as are entitled to benefits described in this section on account of the death of any person who served in the active military or naval service.

VETERANS IN INSTITUTIONS

SEC. 2. The first two paragraphs of subdivision (7) of section 202 of the World War Veterans' Act, 1924, as amended (U.S.C., supp. V, title 38, sec. 480), are hereby amended to read as follows:

"Effective as of the first day of the third calendar month following the month during which this amendatory act is enacted, where any person shall have been maintained as an inmate of the United States Soldiers' Home, or of any national or State soldiers' home, or of St. Elizabeths Hospital, or maintained by the Veterans' Administration in an institution or institutions, for a period of 30 days or more, the compensation, pension, allowance, or retired pay under the Emergency Officers' Retirement Act of May 24, 1928, shall thereafter not exceed $20 per month so long as he shall thereafter be maintained: *Provided*, That if such person has a wife, a child or children, or dependent parent or parents, the difference between the $20 and the amount to which the veteran would otherwise be entitled except for the provisions of this subdivision may be paid to the wife, child or children, and dependent parent or parents in accordance with regulations prescribed by the Administrator.

"All or any part of such compensation, pension, allowance, or retired pay under the Emergency Officers' Retirement Act of May 24, 1928, of any mentally incompetent inmate of such institution may, in the discretion of the Administrator, be paid to the chief officer of said institution to be properly accounted for and to be used for the benefit of such inmate: *Provided, however*, That in any case where the estate of such mentally incompetent veteran without dependents, derived from funds paid under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, the laws governing the granting of Army and Navy pensions, or the Emergency Officers' Retirement Act of May 24, 1928, equals or exceeds $3,000, payment of compensation, pension, allowance, or retired pay shall be discontinued until the estate is reduced to $3,000, and this proviso shall apply to payments due or accruing prior or subsequent to the date of enactment of this amendatory act: *Provided further*, That if such person shall recover his reason and shall be discharged from such institution as competent, such sum shall be paid him as is held in trust for him by the United States or any chief officer of an institution as a result of the laws in effect prior and/or subsequent to the enactment of this amendatory act: *Provided further*, That if in the judgment of the Administrator a mentally incompetent person without dependents, receiving compensation, pension, allowance, or retired pay under the Emergency Officers' Retirement Act of May 24, 1928, requires institutional care for his mental condition and his guardian or other person charged with his custody refuses to accept or permit the continuance of the institutional care offered or approved by the Administrator, compensation, pension, allowance, or retired pay under the Emergency Officers' Retirement Act of May 24, 1928, payable, shall not exceed $20 per month so long as the need for such institutional care shall continue. The Administrator in his discretion, upon showing of proper treatment in a recognized reputable private institution may waive the reduction provided by this subdivision."

EMERGENCY OFFICERS' RETIRED PAY

SEC. 3. (a) In the administration of the act of May 24, 1928, entitled "An act making eligible for retirement, under certain conditions, officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in the service of the United States during the World War" (U.S.C., supp. V, title 38, secs. 581 and 582), no officer or former officer shall receive retired pay thereunder, unless he served as a member of the Military or Naval Establishment between April 6, 1917, and November 11, 1918, inclusive, and within such period actually contracted a disease or suffered an injury in line of duty as the result of and directly attributable to such service, or unless he served a period of 90 days or more between April 6, 1917, and November 11, 1918, inclusive, and actually contracted a disease or suffered an injury in line of duty as the result of and directly attributable to service between November 12, 1918, and July 2, 1921, inclusive, and unless he has been or is found by the former Veterans' Bureau or the Veterans' Administration to be not less than 30 percent permanently disabled as a result thereof prior to May 24, 1928, or within 1 year thereafter, in accordance with the rating schedule and amendments promulgated pursuant to subdivision (4) of section 202 of the World War Veterans' Act, 1924, as amended (U.S.C., title 38, sec. 477), in force at that time, and unless he is found by the Veterans' Administration to be not less than 30 percent permanently disabled at the time of the enactment of this act under such rating schedule as amended and in effect at the date of the enactment of this act: *Provided*, That no person shall be retired without pay except in accordance with the foregoing provisions of this section, except that the degree of disability required for retirement without pay shall be less than 30 percent and more than 10 percent permanent disability.

(b) The Veterans' Administration is hereby authorized and directed to review all claims heretofore filed under the Emergency Officers' Retirement Act of May 24, 1928, and to remove from the rolls of retired emergency officers the names of such officers as are not found to be entitled to retirement under subdivision (a) of this section. The Administrator of Veterans' Affairs is further authorized and directed to cause to be certified to the Secretary of War or the Secretary of the Navy, as the case may be, the names of those officers who are removed from the rolls, and the Secretary of War and the Secretary of the Navy are hereby authorized and directed to drop from the emergency officers' retired list and the Army and Navy registers the names of such officers. Payment of emergency officers' retired pay, in the case of any officer whose name is removed from the rolls or transferred to the list of those retired without pay by reason of the provisions of this section, shall cease on the first day of the third calendar month following the month during which certification or transfer is made, as the case may be. The Administrator of Veterans' Affairs is hereby authorized and directed to transfer the name of each officer removed from the rolls of those entitled to emergency officers' retired pay, to the compensation rolls of the Veterans' Administration, and to pay, commencing with the first day of the third calendar month following the month during which certification is made by the Administrator of the name of the officer removed from the rolls, as herein provided, compensation in accordance with the provisions of the World War Veterans' Act, 1924, as amended, notwithstanding that no previous application for compensation has been made.

(c) The review of all claims authorized and directed under subdivision (b) of this section shall be final, except for one reconsideration. No rerating or review shall thereafter be authorized in such claims.

(d) After the expiration of 1 year following the enactment of this act no review, appeal, or other consideration shall be authorized in connection with any claim for emergency officers' retirement upon which a decision has at any time been rendered by the Veterans' Administration or Bureau.

(e) No person shall be entitled to benefits under the provisions of this section, except he shall have made valid application under the provisions of the Emergency Officers' Retirement Act of May 24, 1928.

(f) All provisions of the Emergency Officers' Retirement Act of May 24, 1928, in conflict with or inconsistent with the provisions of this section are hereby modified and amended to the extent herein specifically provided and stated as of the date of enactment, May 24, 1928.

REPEAL OF PER DIEM ALLOWANCES

SEC. 4. Section 203 of the World War Veterans' Act, 1924, as amended (U.S.C., supp. V, title 38, sec. 492), is hereby amended to read as follows:

"SEC. 203. That every person applying for or in receipt of compensation for disability under the provisions of this title and every person applying for treatment under the provisions of subdivisions (9) or (10) of section 202 hereof, shall, as frequently and at such times and places as may be reasonably required, submit himself to examination by a medical officer of the United States or by a duly qualified physician designated or approved by the Administrator. He may have a duly qualified physician designated and paid by him present to participate in such examination. For all examinations he shall, in the discretion of the Administrator, be paid his reasonable traveling and other expenses. If he shall neglect or refuse to submit to such examination, or shall in any way obstruct the same, his right to claim compensation under this title shall be suspended until such neglect, refusal, or obstruction ceases. No compensation shall be payable while such neglect, refusal, or obstruction continues, and no compensation shall be payable for the intervening period."

LIMITATION OF RETROACTIVE BENEFITS

SEC. 5. Section 205 of the World War Veterans' Act, 1924, as amended (U.S.C., title 38, sec. 494), is hereby amended to read as follows:

"SEC. 205. The Veterans' Administration may at any time review a claim for benefits under this act, or the laws governing the granting of Army and Navy pensions, and in accordance with the facts found and the law applicable, award, end, diminish, or increase allowance, compensation, or pension, but no allowance, compensation, or pension shall be awarded as a result of such review for any period more than 6 months prior to date of administrative determination. Where the time for appeal prescribed by regulations has expired a claimant may make application for review upon the evidence of record at the time of the last adjudicatory action but no allowance, compensation, or pension, or increased allowance, compensation, or pension, as a result of such review, shall be awarded for any period more than 6 months prior to date of application. No review of any claim shall be made except as provided herein. Except in cases of fraud participated in by the beneficiary, no reduction in allowance, compensation, or pension shall be made retroactive, and no reduction or discontinuance of allowance, compensation, or pension shall be effective until the first day of the third calendar month next succeeding that in which such reduction or discontinuance is determined. The proviso in the paragraph under the heading 'Pension Office' in the act entitled 'An act making appropriations to supply further urgent deficiencies in the appropriations for the fiscal year ending June 30, 1894, and for prior years, and for other purposes,' approved December 21, 1893 (U.S.C., title 38, sec. 56), is hereby repealed: *Provided*, That as to those persons who served in the active military or naval forces and who actually suffered an injury or contracted a disease in line of duty and as the result of and directly attributable to combat with the enemy during war service, the limitations of this section shall not apply."

TRANSFER FROM COMPENSATION TO PENSION ROLLS

SEC. 6. The first paragraph of section 200 of the World War Veterans' Act, 1924, as amended (U.S.C., supp. V, title 38, sec. 471), is hereby amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*Provided further*, That where no active military or naval service was rendered between April 6, 1917, and November 11, 1918, no compensation shall be payable for disability or death resulting from injury suffered or disease contracted during active service in an enlistment entered into after November 11, 1918, or for aggravation or recurrence of a disability existing prior to examination, acceptance, and enrollment for service, when such aggravation was suffered or contracted in, or such recurrence was caused by, the active military or naval service in an enlistment entered into after November 11, 1918: *Provided further*, That the Administrator of Veterans' Affairs is hereby authorized and directed to transfer to the general pension rolls for the Regular Establishment the names of those persons in receipt of compensation who, by reason of the enactment of this amendatory act are no longer entitled to compensation, and to pay such persons pension in accordance with the rates provided for their disabilities under the general pension laws, but this transfer shall not take effect until 3 months following the date of the enactment of this amendatory act: *Provided further*, That this act, as amended, and the laws governing the granting of Army and Navy pensions shall not be construed to deny the right of any person to receive pension on account of active military or naval service subsequent to November 11, 1918: *Provided further*, That the provisions of section 602 of this act, as amended, shall not be construed to authorize the payment of compensation contrary to the provisions of this amendatory act."

TESTIMONY IN SUITS UPON INSURANCE CLAIMS

SEC. 7. The first paragraph of section 19 of the World War Veterans' Act, 1924, as amended (U.S.C., supp. V, title 38, sec. 445), is hereby amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*Provided further*, That in any suit tried under the provisions of this section the court shall not receive, admit, or entertain the testimony of any person whose statement has not been submitted to the United States Veterans' Bureau or the Veterans' Administration prior to the denial of the claim sued upon, and the date of issuance of the letter of disagreement required by this section shall be the date of denial of the claim, except that if in a preliminary proceeding prior to trial of the claim sued upon, it is shown by the plaintiff to the satisfaction of the court that relevant and material testimony is available from any person whose statement has not been submitted to the United States Veterans' Bureau or the Veterans' Administration prior to the denial of the claim sued upon, the court shall stay all proceedings in the suit until the statement of such person is submitted to the Administrator of Veterans' Affairs who shall cause the claim to be immediately reviewed, and in case the Administrator allows such claim, the suit shall be dismissed but if the Administrator disallows the claim, such person may be a witness in the trial of the cause: *Provided further*, That the last preceding proviso shall apply to all suits pending on the date of the enactment of this amendatory act against the United States under the provisions of the War Risk Insurance Act, as amended, or this act, as amended."

REVIVAL OF GOVERNMENT INSURANCE REGISTERED

SEC. 8. Sections 305 and 309 of the World War Veterans' Act, 1924, as amended (U.S.C., supp. V, title 38, secs. 516, 516b), are hereby repealed as of the date of their enactment and notwithstanding the provisions of section 602 of the World War Veterans' Act, 1924, as amended (U.S.C., title 38, sec. 571), no additional payments shall be made under such sections or the third proviso of section 408 of the War Risk Insurance Act, as amended, except to those persons actually receiving payments on the date of enactment of this act, or in those claims where, prior to the date of the enactment of this act, it has been determined by the Veterans' Administration that all or part of the insurance is payable under such sections and the interested person or persons entitled thereto have been informed of such determination: *Provided*, That where a beneficiary receiving insurance payments under such sections dies and there is surviving a widow, child or children, or dependent mother or father, of the veteran, the remaining unpaid installments shall be paid to the following permitted class of beneficiaries in the following order of preference: (1) To the widow of the veteran if living at date of death of the beneficiary; (2) if no widow, then to the child or children of the veteran, share and share alike; (3) if no wife, child, or children, then to the dependent mother of the veteran; (4) if no wife, child, or children, or dependent mother, then to the dependent father of the veteran, but no payments under this proviso shall be made to the heirs or legal representatives of any beneficiaries in the permitted class who die before receiving the monthly installments to which they are entitled, and the remaining unpaid installments shall be paid to the beneficiary or beneficiaries in the order of preference prescribed in this proviso: *Provided*, That this section shall not be construed to affect any claim wherein it is determined by the Administrator of Veterans' Affairs that the insured actually contracted disease or suffered injury in line of duty between April 6, 1917, and November 11, 1918, inclusive, as the result of and directly attributable to actual combat with the enemy during war service, and as the result of such disease or injury, dies or has died or becomes or has become permanently and totally disabled; and as to those cases adjudication shall be made under the law in effect prior to the enactment of this act, in the same manner as if this act had not been enacted, except that the first proviso of section 305 of the World War Veterans' Act, 1924, as amended, limiting the class of beneficiaries, shall be applicable to any case payable under this section: *Provided further*, That the uncollected compensation available under the provisions of the law in effect prior to the enactment of this act must be based upon disease or injury as described in this section.

LIMITATION UPON ATTORNEYS' FEES IN INSURANCE SUITS

SEC. 9. The proviso preceding the last sentence in section 500 of the World War Veterans' Act, 1924, as amended (U.S.C., title 38, sec. 551), is hereby amended to read as follows: "*Provided, however*, That wherever a judgment or decree shall be rendered in an action brought pursuant to section 19 of title I of this act the court, as a part of its judgment or decree, shall determine and allow reasonable fees for the attorneys of the successful party or parties and apportion same if proper, said fees not to exceed 10 percent of the amount found due under the judgment or decree and to be paid by the Veterans' Administration out of the payment made under the judgment or decree."

SEC. 10. The rate of pension or compensation of each person receiving pension or compensation after the date of enactment of this act is hereby reduced by the percent determined by the President under section 3 of title 2 of this act. When used in this section the term "compensation" shall include military and naval compensation for death or disability payable under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, or any special act of Congress authorizing payment of such compensation, and the annuities authorized by the acts approved May 23, 1908, February 28, 1929, as amended, and January 31, 1931. When used in this section the term "pension" shall include any amount payable to any person by virtue of being placed on the pension rolls of the Veterans' Administration pursuant to any act of Congress.

Mr. DICKINSON. Mr. President, in the whole discussion of this bill the thing that is uppermost in all the wires we are receiving with reference thereto is the necessity for balancing the Budget. There has been a great deal of study made of how we can best balance the Budget. I do not discredit the Congress and I do not discredit the executive

department of the Government, as some do. In past years we have made some tremendous reductions. I have noticed in the regular appropriation bills for 1932 we appropriated $4,437,000,000. For 1933 we appropriated $4,153,000,000. For 1934 we have appropriated, including the estimate for the independent offices and the District of Columbia, $2,918,000,000. In other words, between 1932 and 1933 there was a saving of $1,284,000,000 and for 1934 a saving of $226,970,000.

A great many people ask why we have not reduced expenses more. It is for just the same reason that the individual has not reduced his expenses so that he could make his income keep up with his outgo, for the same reason that many manufacturers have not been able to reduce their overhead fast enough to save their institutions. The Government is nothing more nor less than a reflection of the individuals and the business interests of the country that have been going through this down-trend for so many years. That being the case, I think most of the criticism that is placed upon the Congress is unjustified. I think we have made some splendid reductions. I think the executive departments have cooperated all along the line.

But we do find there is one item concerning which the country has been circularized by the National Economy League that is demanding tremendous reductions so far as the Veterans' Bureau and the pensions paid to ex-soldiers are concerned. A study has been made and a great deal of time devoted to that problem. A great deal of data was gathered with reference to it. A great deal of effort is being made to ascertain how to cure the abuses which have grown up in the Veterans' Bureau, and whether or not there can be material and extensive savings made with reference thereto.

As a matter of fact, in the first place, I do not believe that the emergency warrants one phase of the pending measure, and that is the transfer of legislative power out of the hands of the legislative body and placing it in the hands of the Executive. That is a dangerous tendency that I see all along the line with reference to legislation. Were it just one instance only it would not be so bad, but we have numerous instances where this is being attempted. I want to suggest that there is an entire difference between the recommendations of the former President with reference to the reorganization of Government departments and the type of legislation that we have under consideration here now. Under date of December 3, 1929, President Hoover made this recommendation:

> The conservation of national resources is spread among 8 agencies in 5 departments. * * * These functions should be grouped under the direction of some such official as an assistant secretary of conservation. * * * The same may be said of educational services, of merchant marine aids, of public works, of public health, of veterans' services, and many others, the component parts of which are widely scattered in the various departments and independent agencies—

Mr. Hoover proposed further economy—

> by a definite national legislative program of economy which will authorize the consolidation of governmental bureaus and independent establishments; and beyond this, which will permit the removal of long-established methods which lead to waste; the elimination of the less necessary functions and the suspension of activities and commitments of the Government not essential to the public interest in these times.

I suggest that that simply had to do with Government agencies and with nothing else. There is no effort there to go outside into the legislative field.

In the Economy Committee we discussed for a long time as to whether it was constitutional to give to the President any authority whereby he could undo a legislative act by an Executive order. Personally I think there is a great deal of doubt as to whether it can be done. But in this legislation we have gone a great deal farther. In the inaugural address of President Roosevelt he made a very definite statement with respect to this matter. In one paragraph of his address he said:

> But in the event that the Congress shall fail to take one of these two courses, and in the event that the national emergency is still critical, I shall not evade the clear course of duty that will then confront me. I shall ask the Congress for the one remaining instrument to meet the crisis—broad Executive power to wage a war against the emergency, as great as the power that would be given to me if we were in fact invaded by a foreign foe.

What are the conditions under which he asks now that we give him this power? The first suggestion we had in reference to that was in his message to the Congress sent to us under date of March 10, 1933, in which he suggested:

> Provision for additional saving is essential, and therefore I am asking the Congress today for new legislation laying down broad principles for the granting of pensions and other veteran benefits and giving to the Executive the authority to prescribe the administrative details.

Had Congress failed? Nothing had been asked of Congress. The independent offices appropriation bill carrying the appropriation for the Veterans' Bureau is not yet a law as applicable to the fiscal year ending June 30, 1934. It is now pending in the House of Representatives. It should be passed and the reductions made that will carry out the policies of the Executive now in the White House. But, it may be said, we would have to appropriate all the money that is legislatively authorized. Let me suggest that we could absolutely put in that bill the provisos that are in the amendments here and that were in the economy bill, and provide that the restriction shall be put upon the expenditure of funds and thereby reduce the appropriation.

Was such an effort made? No; that effort was not even suggested. Instead of making an effort to see whether or not Congress could function in the matter, it is simply asked that we transfer to the executive department the legislative authority of this body for fixing compensation for veterans for war service, and in that way undo 12 long years of veterans' legislation for the Veterans' Bureau and many other long years of legislation in behalf of the other ex-soldiers.

It may be said that Congress will not function. I want to make the suggestion that the recommendations in this bill were every one of them agreed upon by the Economy Committee. The members of that committee are outstanding men in public life. I want to read what the then Speaker of the House of Representatives said, the present occupant of the chair in the Senate. He said:

> Under House Resolution 151 the Chair appoints as the Economy Committee the following: Mr. BYRNS—

Mr. BYRNS since that time has been a candidate for the Speakership, but is now the majority leader, occupying the leading position of responsibility for the Democrats on the floor of the House of Representatives—

> Mr. COCHRAN of Missouri, Mr. MCDUFFIE—

Mr. MCDUFFIE was runner-up for Speaker of the House of Representatives, one of the keenest students in the House—

> Mr. Douglas, of Arizona—

He was recently appointed Budget Director under the new Democratic administration. Is there anything unfair about the suggestion I am making? It is a Democratic proposal by the committee that the Speaker selected, composed of Democrats and Republicans in the House.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Michigan?

Mr. DICKINSON. Certainly.

Mr. VANDENBERG. The fact is that when Mr. DOUGLAS was acting in his own right and in behalf of his economy idea in respect to the veterans he had precisely the economy idea embraced in the amendment of the Senator from Iowa?

Mr. DICKINSON. Absolutely. We had associated with these men Mr. Wood, of Indiana, who was then the minority ranking member of the Appropriations Committee of the House; Mr. Williamson, of South Dakota; and Mr. Ramseyer, of Iowa. Anyone acquainted with the personnel of the House knows that the then Speaker selected a group of men whose ability could not be questioned by anybody to study the very problem I am suggesting here tonight. They made a study of this matter and reported the very proposal I am suggesting here that would involve a saving of over $50,-

000,000. It was sent over here as a rider to the legislative appropriation bill.

Here we had an Economy Committee consisting of former Senator Jones, of Washington; former Senator Bingham, of Connecticut; and myself, on the Republican side; the Senator from Tennessee [Mr. McKellar], the Senator from New Mexico [Mr. Bratton], and the Senator from South Carolina [Mr. Byrnes] on the Democratic side. We spent a good deal of time working out a program of this kind. We brought it to the floor of the Senate. I was keenly disappointed in the result achieved on the floor of the Senate, because in that fight we received only 14 votes against the proposal to strike out all legislation with reference to the veterans and their compensation privileges under the law. How many Democrats voted for it? Only three—the Senator from South Dakota [Mr. BULOW], the Senator from Virginia [Mr. GLASS], and the Senator from Utah [Mr. KING].

I do not see how either Democrats or Republicans can now say, in view of these conditions and that record as made with reference to the economy provisions and the other provisions included in the bill, that we shall say to the President, "We will turn over to you the job of saving $383,000,000." An attempt is made to list what it is thought the saving will be. I am still firmly convinced that we did a good job. The first nine sections of the amendment would take care of the abuses that have grown up in the Veterans' Bureau. They would take out the things that are causing the most complaint against the pensions which are being paid to many veterans. They would correct the abuses that are in the minds of the Administrator of Veterans' Affairs and the committees of the House and the Senate.

I believe it is a constructive proposal because it meets the demand of the country that something should be done to put this matter into reverse gear. It meets the demand of the country that these abuses be corrected. On the other hand, in section 10 the proposal is submitted that there shall be a reduction in the compensation allowances equal to the difference in living expenses now and in previous years as provided in section 2, title II, of the bill.

The VICE PRESIDENT. The time of the Senator from Iowa on the amendment has expired.

Mr. DICKINSON. I will take a little of my time on the bill.

With reference to the savings in the present bill, I know every time a saving is suggested it is said that it is an estimated saving, but nobody knows or appears to know, and there is no definite yardstick by which we can arrive at, the saving. When we come to the service-connected combat disability cases we find there is an exception made, and yet we do not know what the final analysis will be and whether we can reach the savings suggested with that item of the bill.

In the next case we have the question of the Spanish-American War veterans. What was done with them? The total amount provided for payment of the soldiers of the Spanish-American War is $116,000,000. It is contended we are going to save $95,000,000 of it. I presume all Members of the Senate are fully acquainted with the definite program for Federal economy in veterans' expenditures. I find this suggestion: In 1918 and 1920 acts were passed which provided pensions without reference to the death or disability being traceable to war service, and to all veterans 62 years of age or over, whether or not suffering from any disability. In view of the fact that the maximum number of pensions under the old law relating to pension disability or death traceable to war service was in 1913, it seems reasonable to believe that substantially all the increases which have occurred since 1918, and especially since the 1920 legislation, are directly due to such legislation.

Then we have following that the numbers and amounts to be paid. I will take only one or two typical cases.

In 1920, 30,432 veterans; total amount paid, $4,624,000.

In 1930, 217,281 veterans; total amount paid, $83,561,000.

In 1933, 244,728 veterans, with a total of estimates and appropriation of $116,396,000.

It is suggested that out of a total estimated saving of $383,000,000, $95,000,000 is going to be made by measures affecting the Spanish-American War veterans. I make the suggestion that in my amendment there is provided a definite yardstick. Under it we will know what the savings are going to be, and under it there is no question that savings can be made.

I want to go a little farther in order to show the inclination toward economy, and I believe my record shows that I have stood for economy practically all along the line. If my amendment to title I is adopted, that portion of the bill would then be in conference, affecting all the administrative provisions of the bill that have solely to do with the administration of veterans' affairs; all the savings that are provided in the bill as now written could be provided for in conference; and we would have all those savings in connection with the yardstick which I have suggested in my amendment. The question is whether or not we want to accept that program. I know that the country is aflame; that the people think that we have to pass some such measure as this in order to save the economic life of the Nation. I do not agree with that. There can be saved under the bill, perhaps, $250,000,000 or $280,000,000, and yet we are going to find that there are many things the Congress is going to be compelled to do in order to balance the Budget. I think the senior Senator from Ohio [Mr. FESS] showed that very definitely the other day. So this is not the only problem we have before us; we have several other problems which we are going to be compelled to meet.

I want to suggest that while we should reduce expenditures and we want to reduce them, yet we ought to clarify this bill, and I have proposed a method by which it may be done. I do not believe that we will ever make the savings contemplated if we merely transfer authority to the executive department of the Government.

Let me suggest what would happen in that event, and I hope Senators will remember this suggestion in the years to come: Suppose the President starts in to execute the provisions of the bill which is now being considered; do not Senators know that when a veteran's compensation shall be reduced the wires between his home town and Washington will be hot with requests that the Senator or Senators from the veterans' State see to it that he has a square deal so far as his compensation is concerned? So Senators will go down to the bureau; they will find that political pressure will have its effect; and, instead of having an effective method by which reductions may be made, we will find a system of political bartering as to when they shall be made and when they shall not be made. I want to say that that is a dangerous situation so far as the purposes of this bill are concerned. If the law is definite in its terms, there is nothing that the bureau can do except make one decision; but the situation is different when an adjustment may be made according to some yardstick to be specified by rules and regulations promulgated by the President and imposed upon the Veterans' Bureau.

Under those circumstances, when a Senator goes down to the Veterans' Bureau he will say, "This man is being wrongfully deprived of some of his compensation." What will then happen? When the Veterans' Bureau replies, "Well, the rules and regulations promulgated by the President say so-and-so", that Senator will not lose more than the time necessary for him to get a taxicab and to go from the Veterans' Bureau to the White House in the effort to have those rules and regulations changed. So a thousand and one kinds of complications will grow out of this legislation if in its present form it is put through the Congress and becomes a law.

I do not believe that it will save as much money as would be saved by the amendment suggested by me. The first nine sections of this amendment will, according to the best estimates secured by the Democratic committee to which I have referred and the members of the Economy Committee of the Senate, actually save $50,000,000. In addition to that, the saving on pensions, if they shall be reduced 15 percent, will be $124,000,000; and there may be added to

that the administrative provisions, which it is said will result in a saving in hospitalization, domiciliary care, and the other privileges allowed under the present law. In other words, if the administrative provisions are going to be helpful in promoting economies, they can be helpful under provisions of my amendment just as well as under the proposed law; and it is my contention that under the amendment there will be not only a definite yardstick by which to make the reductions, but there will also be a method by which the law may be curatively corrected by eliminating the abuses, and in that way bringing about a permanent status under which we can carry on from year to year.

Naturally many people say that the country must have definite assurance as to just what economies will be effected. I contend that there is nothing definite about the aggregate saving which may be brought about under the terms of the pending bill. When it is said that a man's compensation shall be fixed between $6 and $275, how can anyone know what saving is going to be effected? I want to suggest that I am curious to see the Budget estimate which the President will send to Congress for the appropriations to be made for the Veterans' Bureau in the independent offices appropriation bill. I am anxious to ascertain how much money is going to be estimated by the Budget to meet the terms of this bill. No one can tell; no one knows. Why? Because there is no yardstick by which the estimate may be measured. If, as has been suggested, $400,000,000 shall be saved, there will be eliminated a tremendous sum for payments to World War veterans. It is stated here that that amount for such veterans is $633,000,000.

If $400,000,000 be taken from that sum, there will be only about one third of it left. I do not believe the new administration is going to come to the Congress and say to the Appropriations Committee of the House, "Our Budget estimate for the Veterans' Bureau is only $200,000,000." Suppose it should say that. Senators on the other side may say, "We will get away with it with the country", but I suggest, if that is done, they are going to be placed in the attitude before the country of saying, "Oh, yes; we are going to make an appropriation of only $200,000,000, but after the appropriation is put through we will put through a deficiency bill so as to catch up after July 1." As a matter of fact, that will not work. There ought to be something by which we can definitely say what the expenses of the Veterans' Bureau are going to be. There ought to be something by which we can say that the Civil War veterans and the Spanish-American War veterans are going to cost the Government so many dollars. The figures ought to be definite. The country cannot go ahead and ever be sure that the Budget is going to be balanced if we leave undetermined the amount by which compensation and pension allowances are going to be pared. The present appropriation only lasts until, I think, the 1st of July. Somebody is going to be compelled to go on record in connection with this matter, and I should like to know under what yardstick there can be measured the appropriations which the next independent offices appropriation bill will have to provide.

As a matter of fact, when we read the statements and suggestions as to what the savings will be, there is absolutely no way by which the amount can be determined; there is no way of knowing whether one class will be reduced 20 percent, another class 50 percent, and another class 5 percent; and there is nothing by which it can be determined how much the estimates and appropriations should be.

Recently I have been interested in the increase in the cases of veterans with non-service-connected disabilities who are given compensation. A chart reached my desk this morning which shows that there has been a tremendous increase in the cases that are being allowed throughout the country. In order that we may be able to understand the situation, I am sending to the clerk's desk and am going to ask to have read a table showing the number of veterans allowed compensation in the various States as compared in percentage with the number of men who were sent to the war from the respective States. It is amazing to find that in some States the percentage is only 3, while in other States it is nearly 33. I ask unanimous consent that the clerk read the statement.

The PRESIDING OFFICER (Mr. DUFFY in the chair). Is there objection? The Chair hears none, and the clerk will read as requested.

The legislative clerk read as follows:

The following table shows the percentage of all veterans enlisted during the World War, both men and women, including overseas and domestic service, who were receiving non-service-connected disability compensation on June 30, 1932. The table ranges from a low of 3.2 percent of all veterans from the State of Delaware to a high of 32.2 percent in the State of Mississippi. That means that of all veterans who participated in the World War, enlisting from Mississippi, over one third are now receiving non-service-connected disability compensation. This is in addition to those receiving service-connected disability compensation.

Since June 30, 1932, approximately 40,000 have been added to these rolls, an increase of approximately 10 per cent, which would bring these percentages considerably higher. The full table for all States follows:

	Percent
Alabama	18.9
Arizona	18.3
Arkansas	22.4
California	13.6
Colorado	9.3
Connecticut	6.4
Delaware	5.2
District of Columbia	21.5
Florida	16.4
Georgia	16.8
Idaho	3.2
Illinois	5.9
Indiana	14.3
Iowa	7.3
Kansas	6.7
Kentucky	22.2
Louisiana	10.9
Maine	8.3
Maryland	7.3
Massachusetts	10.6
Michigan	7.5
Minnesota	4.6
Mississippi	32.2
Missouri	13.4
Montana	3.7
Nebraska	8.3
Nevada	8.2
New Hampshire	5.6
New Jersey	3.9
New Mexico	16.5
New York	4.0
North Carolina	7.1
North Dakota	4.7
Ohio	16.1
Oklahoma	13.7
Oregon	7.1
Pennsylvania	9.0
Rhode Island	18.9
South Carolina	15.9
South Dakota	4.8
Tennessee	14.0
Texas	9.2
Utah	4.0
Vermont	7.4
Virginia	5.1
Washington	5.5
West Virginia	9.0
Wisconsin	8.5
Wyoming	13.9

Mr. DICKINSON. Mr. President, I want to give credit for that tabulation to the senior Senator from Rhode Island [Mr. METCALF], who worked out the percentages and delivered the table to me.

There is one further phase of this case that I want to discuss for just a moment, and then I am through. I have shown—and I absolutely believe—that in any program looking to a reduction of veterans' compensation it will be less embarrassing to Members of the Senate to vote for a legislative program that makes a reduction than to vote to transfer this power to the President and give him unlimited authority. In other words, the people expect legislation of us; they know the necessity for action; they know that an emergency exists; they know that savings must be effected; they know that the authority is vested in us to make these savings, and, therefore, they expect us to meet the requirements. On the other hand, I do not believe that they will be satisfied when we transfer interests of the veterans over to the Executive of the United States with authority reposed

in him to prescribe the rules and regulations wherein they shall be classified and their disabilities determined.

There also is another phase of this case. Congress knows the emergency that exists in the various areas of this country a good deal better than does the Chief Executive.

This morning I received from one of the leading papers in my section an editorial, which reads in part:

> From the beginning of our Republic—even before the signing of the Declaration of Independence, in fact—our National Government has recognized a continuing responsibility for its wartime defenders. A study conducted in Iowa has revealed that in 9 cases out of 10, if this responsibility were repudiated at this time, the beneficiaries would have to have a like or a greater degree of financial assistance from the local tax unit or relief agency.

In other words, this is a humanitarian question. I desire to suggest to Senators now that when we transfer this matter to an executive who knows nothing about many sections of the country, we are putting it out of the jurisdiction where it has been lodged ever since the beginning of our Government; and I do not believe that those whose interests are involved are going to take kindly to a proposition of that kind.

Of course, this country has been circularized by the National Economy League. I know nothing about them, and I care nothing about them except that I believe that they are a great deal more interested in a reduction of their tax payments than they are in the welfare of the soldiers living in the various States that are represented in this body.

Next, I am opposed to the transfer of legislative authority to the Executive. The question will be asked, "Well, why did you vote for the bill permitting the reorganization of the Government?"

I want to state that I was the one who demurred in the Committee on Economy for a long time before that proposal was brought out. I do not believe that the expected success will attend such a transfer. I doubt whether a commission or a bureau created by the legislation of Congress can be destroyed by an Executive order. I do not believe we can give the President the right of repeal after legislation is once enacted.

Next, it is asked, "Well, why did you vote for the bank bill?" Because it was declared that that was a tremendous financial emergency, and it was; and in that bill we were dealing with financial institutions. To be sure, it involved the human element, more or less, but it did not involve the human element as this measure does. This bill goes to the very extreme of human interest in every line and every walk of life; and for that reason I want to say that the courts of this country ought to take the stand that the responsibility belongs in the legislative body and not in the executive branch of the Government, and that we ought to maintain that authority and exercise it here. I desire to suggest, further, that it is usually found that Congress rises to meet the emergencies with which it is faced; and Congress could do this now if one half of the pressure were put behind the legislation I am suggesting that has been put behind the bill that is now being considered by the Senate. In other words, the remedy is with Congress. The authority should stay here and not be transferred.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Ohio?

Mr. DICKINSON. I yield.

Mr. FESS. A moment ago the Senator spoke about pressure and mentioned the National Economy League. The Senator would not charge that Members of the Senate were influenced to vote for this bill because of the pressure that has been brought by that organization any more than we would charge that the Senator from Iowa is being influenced by pressure from a certain other group.

Mr. DICKINSON. Not at all.

Mr. FESS. I know that that is not true in his case, and I hope he realizes that it is not true in others.

Mr. DICKINSON. Not at all. I do not impute motives to any Senator or to anyone having any influence in connection with this matter. I do think that the National Economy League has proposed this program over the country, has put out propaganda in support of it, has a great many people working along that line, and, in general, has been a factor contributing to working up an influence and an atmosphere that has brought about the program that has been suggested here.

I accuse no one of being subjected to the dictation of the league, because I do not think that is the case. I do think that they have been influential in creating a certain atmosphere in the various sections of the country, by publicity and by supplying data and by getting various people interested in the program, suggesting that this is the one way in which these reductions can be made, and that the veterans are being overpaid, and that they are largely responsible for the present condition of the Treasury of the United States.

I do not concur in that view. I think the veterans' item in this bill is excessive. I think we would have the same financial difficulty if our veterans' compensation item had been reduced 50 percent several years ago. In other words, it is a condition growing out of the economic crisis rather than a condition growing out of expenditures for any particular purpose out of the Treasury of the United States.

Next, the question is, If we again transfer legislative authority, what are we going to be asked to do next? How much further are we going to surrender our responsibility?

So far as I am concerned, we are not going to transfer any further authority with my vote, because I do not believe we ought to transfer it. If a matter is so difficult that it cannot be adjusted by writing legislation that will cure it, then the probabilities are that humanity will have to weather the storm and work its way out rather than have legislation in an effort to cure it, because that is the purpose for which legislatures are organized.

Next, what about our expenditures? True, our last offering of bonds was oversubscribed. Are we not putting a tremendous amount of emphasis on a single item of expenditure here, and making a mountain out of a molehill, so far as this one item is concerned?

I appreciate the fact that the Government is running a tremendous deficit. I am tremendously concerned about it; but I am not convinced that it can be cured with one particular item, because this is only one of many items that we must cure in order to work ourselves out of this situation.

Next, I want to make this suggestion: Right along with the fact that we are trying to do an unheard-of thing here to meet an emergency, we have staring us in the face various proposals as to what we are going to do tomorrow at the expense of the Federal Government. I noticed a program that was outlined in one of the papers of yesterday or day before, a very far-reaching suggestion, known as the "public building bill", providing, if you please, that the issuance of $500,000,000 in bonds is going to be authorized for a public-building program, one of those programs wherein they are going to enlist men as they would in the Army, carry them to work camps, distribute them over the United States, put them in the reforestation areas, put them on levees, put them on river improvements, put them all over the United States all the time, to be paid out of the Federal Treasury and to be kept at Federal expense, and the Government to borrow the money to do it!

In other words, if our condition is this bad so far as this item is concerned with reference to the veterans, how about the Government's assuming the obligation to take on a program of that kind?—and it is one of the next proposals, as I understand, to come up here and to be presented to this body in the early future. Therefore if we help balance the Budget by this measure, we will turn around and help unbalance the Budget by some such program as that.

Mr. President, there is a safe way by which this thing can be done. This amendment of mine cures the abuses in the Veterans' Bureau. It embodies the best thought of some of the best men who are now working on this problem. It clarifies the atmosphere so far as legislation is concerned. It can be put through this body in lieu of this measure. It will come nearer solving the question than this measure will,

because I believe that in the administration of this measure confusion will be worse confounded; and it will be found that instead of getting out of trouble, we will have gotten further into trouble by the very effort we are making in this legislation.

Therefore, Mr. President, it is my hope that this amendment will be agreed to.

Mr. BULKLEY. Mr. President, I ask unanimous consent for the immediate consideration of Senate bill 334.

Mr. HARRISON. Mr. President, will not the Senator let us get a vote on this matter, please? We are very nearly through.

Mr. BULKLEY. I do not object to that, but I am sure the bill to which I refer will not lead to any debate.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa [Mr. DICKINSON].

Mr. DICKINSON. I suggest the absence of a quorum.

Mr. HARRISON. Will not the Senator, so that we can get through at a reasonable time, have the vote without a roll call?

Mr. DICKINSON. I should like to have a roll call if possible. It will take only a short time.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Kean	Robinson, Ark.
Ashurst	Copeland	Keyes	Robinson, Ind.
Austin	Couzens	La Follette	Russell
Bachman	Dale	Lewis	Sheppard
Bailey	Dickinson	Lonergan	Smith
Bankhead	Dieterich	Long	Steiwer
Barbour	Dill	McCarran	Stephens
Barkley	Duffy	McGill	Thomas, Okla.
Black	Fess	McKellar	Thomas, Utah
Bone	Frazier	McNary	Townsend
Borah	George	Metcalf	Trammell
Bratton	Goldsborough	Murphy	Tydings
Brown	Gore	Neely	Vandenberg
Bulkley	Hale	Nye	Van Nuys
Bulow	Harrison	Overton	Wagner
Byrd	Hastings	Patterson	Walcott
Byrnes	Hatfield	Pittman	Walsh
Capper	Hayden	Pope	Wheeler
Caraway	Hebert	Reed	White
Clark	Johnson	Reynolds	

The PRESIDING OFFICER. Seventy-nine Senators having answered to their names, there is a quorum present.

The question is on agreeing to the amendment offered by the Senator from Iowa [Mr. DICKINSON].

Mr. DICKINSON. I ask for the yeas and nays.

The yeas and nays were not ordered.

The amendment was rejected.

Mr. BLACK. Mr. President, I desire to have the attention of the Senator from Mississippi [Mr. HARRISON]. I want to call his attention to subsection (b) on page 13 of the bill. There has been some apprehension on the part of those who would be affected by this section as to the exact meaning of two phases of the section.

In the first place, is it the Senator's understanding that the President would have the power to restore the salaries of employees, in case the index justified it, after they had been lowered?

Mr. HARRISON. Yes. May I say that the Senator from Alabama, I know, has offered an amendment respecting this paragraph, as has also the Senator from Washington [Mr. BONE], both those Senators being interested in the proposition. I have consulted with everybody concerned, from the representative of the White House to all the draftsmen who have had anything to do with the construction of the bill, and it is the intention of the bill, and it is their interpretation that it would give to the President the power, on the ratio-index basis as fixed under the provision, to increase to the cost of living basis of 1928 these salaries, and that he can also go no lower than 15 percent in reducing; that he can increase them back from the point to which they have been reduced if, through the investigation made by the agents authorized, it should be found from one 6 months to another that there was an increase in the cost of living. In other words, after the President lowered the salaries, he could increase them back to the 1928 basis.

Mr. BLACK. But in the aggregate he cannot reduce below 15 percent?

Mr. HARRISON. He cannot in the aggregate reduce them below the 15 percent. He cannot go above the 1928 basis, but he has full jurisdiction. If there was the slightest doubt entertained by the draftsmen or the White House, I would accept either the amendment offered by the Senator from Alabama or the amendment offered by the Senator from Washington.

Mr. BLACK. With that understanding, I shall not offer the amendments.

I desire to ask the Senator a question now with reference to another section, because I should like very much to have an amendment adopted, if the Senator could see his way clear to agree to it, on page 5, at the top of the page.

I might state the reason for this suggestion. I have had an amendment printed which would strike out the words in the second and third lines on page 5, "incurred or aggravated in line of duty in the active military or naval service." That relates to hospital treatment.

Under the law as it is now, men with non-service-connected disabilities who served in the Army can obtain hospital treatment, but those with service-connected disabilities have the preference. This bill would strike from the law the right of those with non-service-connected disabilities having pensions of any kind.

If the hospitals do not treat the men whose disabilities are not service-connected, they will not be filled. In other words, there will be hospitals all over the country, and those hospitals will not be filled, because the service-connected cases will not fill them.

Veterans who are ill have to be treated in hospitals somewhere. With their compensation cut off, as we are proposing to cut it off, they can certainly not pay their way at hospitals. The result will be that they will be treated either in the city charity hospitals, the county charity hospitals, or other hospitals of that type.

The maximum cost that has been estimated on the wildest basis for this expense is $9,000,000. I do not believe it will anywhere near reach that amount. I am wondering whether the Senator from Mississippi does not think it would be right to let those men have the benefit of this hospital treatment, whether their disabilities are service-connected or not, since the service-connected cases get the preference, and on account of the fact that right at this critical period we are cutting off the allowances which they would have. Why not give them hospital treatment if they need it?

Mr. HARRISON. Mr. President, I may say to the Senator that this was one of the strong recommendations. The non-service-connected cases are given domiciliary care and incidental hospital treatment while at the soldiers' home. It is true, as the Senator says, while that class and group have had hospital treatment heretofore, they will not have it in the future. It is the recommendation of the department and of the President, and there will be a saving effected of $9,000,000. Those behind the legislation feel that these non-service-connected cases can be adequately provided for in the soldiers' home, with the incidental hospital treatment they are getting there.

Mr. BLACK. I may call the Senator's attention to the fact that they do not get a pension at the home. I had thought they did. They do not get it unless they have permanent disabilities. Under this measure we will cut off their allowances, which will mean a saving of millions and millions of dollars. Somebody is going to take care of those veterans if they are ill. There will be Government hospitals unfilled. The doctors will be there getting their salaries, the hospitals will be there, with the rooms unoccupied, the nurses will be there, and the result will be that these particular patients who have been treated there will be taken care of in charity hospitals throughout the country.

Mr. HARRISON. Of course, if there are no patients in the hospitals, I imagine that savings will be effected by not

keeping all the force. That is the way the savings will be made.

Mr. HATFIELD and Mr. LONG addressed the Chair.

The VICE PRESIDENT. Does the Senator from Alabama yield; and if so, to whom?

Mr. BLACK. I yield first to the Senator from West Virginia.

Mr. HATFIELD. Not only will the doctors be there but the overhead will be going on. The expense will be just the same, notwithstanding the fact that the hospital will be empty. Is not that true?

Mr. BLACK. The hospital will not be completely empty, but it will be partially empty; and, of course, the overhead will be practically the same, because it will be impossible to reduce the overhead, since they will not know when they will need the hospital for the service-connected cases.

Mr. HATFIELD. In other words, the expense of operating a hospital 50 percent full is almost equal to operating a hospital 100 percent full?

Mr. BLACK. The Senator is more familiar with that than I am. Is that correct?

Mr. HATFIELD. That is correct.

Mr. BLACK. Does the Senator feel that under those circumstances the cost would be practically the same?

Mr. HATFIELD. I do.

Mr. BLACK. I now yield to the Senator from Louisiana.

Mr. LONG. Mr. President, in our State we have two charity hospitals and we have the Government hospitals. We are crowded in the charity hospitals in some instances so that we have to put two patients in one bed, whereas there is plenty of space in the Government hospitals. If we today were to put these veterans out of the hospitals, we would decrease the service of the hospitals and we would simply load them onto the States. We would not save anything anywhere. One of the other of us would have to take care of them, and we would be adding to their discomfort and increasing the cost. Either the State must take care of them or the Government must.

Mr. BLACK. Someone must take care of them. I might state that there is a veterans' hospital in Alabama. If this bill shall be enacted as it reads, some of the rooms in that hospital will be vacant. At the same time every charity hospital in the State is filled to overflowing. The same nurses will be there, and somebody must take care of the patients.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. BARKLEY. Very frequently I receive letters from veterans who are suffering from service-connected disabilities, seeking to be placed in some hospital; and when I take such matters up with the Veterans' Administration, either here in Washington or with some regional office, I get the reply that there are no beds available, and that they will have to be put on the waiting list before they can be put into the hospitals. Does the Senator know whether the removal of the non-service-connected cases from the hospitals, if they should be removed, would result in the hospitals, remaining 50 percent empty, or would the places of those taken out be taken by veterans who are suffering from service-connected disabilities who cannot now get into the hospitals because of lack of room?

Mr. BLACK. I might state to the Senator that I am absolutely sure that the service-connected disability cases will not fill the hospitals, because they have not been filling the hospitals. The result is simply going to be that the Government will have made these huge investments in hospitals, and there the hospitals will be, with the rooms vacant, and veterans of the World War going to charity hospitals and other places.

Mr. President, I am not going to argue this any further. However, I would not feel that it was right not to offer an amendment. I am going to offer the amendment and let the Senate vote on it as it sees fit to. It amounts to very little in money; it amounts to a great deal in comfort for these veterans.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. The Senator from Alabama proposes to strike out, on lines 2 and 3, page 5, the following words: "incurred or aggravated in line of duty in the active military or naval service."

Mr. WALSH. Mr. President, I should like to ask the Senator from Alabama just what change his amendment would make in the proposals of the pending bill and what change the proposals of the pending bill would make in the present law.

Mr. BLACK. The present law, as I understand it, is that the hospitals today are open both to non-service-connected cases and service-connected cases, but the latter cases have the preference. The bill would totally exclude all non-service-connected patients from the Government hospitals. If the bill passes in its present form, no non-service-connected case can be put in a veterans' hospital even though three fourths of the rooms are vacant, the doctors hired, and the nurses there, and every charity hospital filled.

Mr. McKELLAR. Mr. President, may I inquire just what the Senator's amendment would do to such cases?

Mr. BLACK. I simply propose to strike out the words "incurred or aggravated in line of duty in the active military or naval service" and leave the hospitals open to both cases.

Mr. WALSH. Mr. President, may I ask the Senator if he would permit the hospital to be open to all veterans, no matter under what circumstances they incurred disease or injury?

Mr. BLACK. The Senator is correct, but the service-connected veteran would have preference, as now.

Mr. WALSH. Considering the fact that we are entering the field of economy, upon what basis does the Senator claim there is an obligation on the Federal Government to take care of a veteran who is afflicted with a temporary ailment, such as typhoid fever?

Mr. BLACK. I did not intend to go into detail, but I shall be glad to state to the Senator. If a man is sick and unable to receive treatment and pay for it, the community takes care of him. Ordinarily he would go to a charity hospital.

Mr. WALSH. Or a public hospital.

Mr. BLACK. It would not make any difference whether it is temporary or permanent, that is where he would go. He would be supported in the county or municipal hospital. The man is a veteran. We would have a case where there is a veterans' hospital not filled, veterans' doctors paid by the Government, veterans' nurses paid by the Government. I can see no reason why the Government would not have some responsibility for the man if he was sick, when it had hospitals and doctors available.

Mr. WALSH. Is there any such situation in the country today? Are there any veterans' hospitals in the country today that are not filled?

Mr. BLACK. No; because today they take both service and nonservice cases.

Mr. WALSH. Yes; but as a matter of fact the service cases constitute the overwhelming majority and there are very few cases outside of the service cases.

Mr. BLACK. I think the Senator is mistaken in that statement.

Mr. GEORGE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Georgia?

Mr. BLACK. Certainly.

Mr. GEORGE. The Senator seems to be laboring under a misapprehension. Under the provisions of the bill all permanently disabled veterans, although their disabilities are not connected with the service, may be admitted into the homes, and the homes, of course, under the new scheme, will have hospital facilities necessarily. Under an amendment already adopted all tubercular and neuropsychiatric cases are also admitted whether they are service-connected or non-service-connected. About all the nonservice cases

that are not entitled to hospitalization are what may be classified as acute cases. The Administration estimates that some 5,000 to 6,000 beds will be released and that those beds will be commanded by service-connected cases—that is, by those veterans who suffer from service-connected disability.

Mr. BLACK. I stated that the law gives the service-connected cases the preference, as it should.

Mr. GEORGE. But I want to call attention of the Senator to the fact that of the permanent cases——

The VICE PRESIDENT. The time of the Senator from Alabama on the amendment has expired.

Mr. BLACK. Then I will take some of my time on the bill.

Mr. GEORGE. Such cases may go into a domiciliary home.

Mr. BLACK. That is not a hospital.

Mr. GEORGE. There will be hospital facilities in connection therewith, and by an amendment already agreed to, all the tubercular and neuropsychiatric cases are likewise entitled to go into the hospital even though they are non-service-connected.

Mr. BLACK. That is correct. All I am seeking to do is to leave to the President, if he sees fit, which is all it would do, the authority to give them the benefit of the hospitals should it develop they are not filled at all.

Mr. GEORGE. If that were true I imagine the President could find some way to do it.

Mr. BLACK. But they would be expressly excluded by the bill. The bill prohibits the President from doing that even if he desires to do it, because it would declare a policy under which they could not get into a hospital.

Mr. McKELLAR. Mr. President, certainly there would be no objection to leaving it all in the hands of the President to determine by regulation whether the ex-service men could be taken care of in the hospitals after the disabled in line of duty were taken care of.

Mr. BLACK. That is exactly what I am seeking.

Mr. GEORGE. I do not think there is any prohibition on the part of the President in that respect. I do not find any inhibition against the President utilizing any additional space.

Mr. BLACK. If the Senator will read the provision carefully he will note that the veterans do not have the benefit of a hospital even when they are permanently disabled.

Mr. GEORGE. They have domiciliary care, and connected with all the homes would be hospital facilities necessarily for permanently disabled veterans.

Mr. BLACK. I am always very glad indeed to have the opinion of the Senator on a proposition of this kind. The idea I have is that when we provide, the President may adopt regulations to give treatment to certain patients in a hospital; that necessarily excludes the right to prescribe regulations for the treatment of any other patients. That is exactly what is done in the provision I am seeking to amend.

Mr. GEORGE. I doubt if it would deny the President the power under this peculiar language, but certainly if there were beds the President could find some way to utilize them.

Mr. BLACK. Suppose we should strike out the words "incurred or aggravated in line of duty in the active military or naval service"; would not that then leave it to the President to determine whether or not they could have treatment and upon what terms?

Mr. GEORGE. I would then think the Government would have to provide facilities for all the disabled veterans, and that would, of course, mean a further extension of the hospital program.

Mr. BLACK. Of course, I had nothing of that kind in mind. I simply desire to leave it open, so they will not be excluded from the use of the hospitals in these times, when it is necessary that they should go to such places and when there are no vacancies in other hospitals.

Mr. GEORGE. Under the bill as amended not only are the permanently disabled but all the tubercular and neuropsychiatric cases, even though the veterans are suffering from no disability incurred in the service, admitted into the hospitals.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. BLACK. I am glad to yield to the Senator from Colorado.

Mr. ADAMS. I want to get the matter clear in my own mind. I understand that section 17 of the bill specifically repeals all laws granting medical or hospital treatment or domiciliary care, so that the veteran with a non-service-connected injury at this time as a matter of right has access to Government hospitals.

Mr. BLACK. Yes; that is correct.

Mr. ADAMS. That is, I, as an ex-service man, if I should be taken sick, have today an absolute right to go into a Government hospital for care?

Mr. BLACK. The Senator would have the right if the beds are there and the service-connected men are not filling them.

Mr. ADAMS. The present law makes it almost a matter of right provided the facilities are there.

Mr. BLACK. Of course, the facilities are not there.

Mr. ADAMS. But there is a definite repeal in section 17 of those rights, so if the Senator's amendment or a corresponding amendment is not adopted, they are excluded unless they have some service-connected disability.

Mr. BLACK. I think the Senator is absolutely correct.

Mr. ADAMS. In section 6 it is provided that the Administrator of Veterans' Affairs is authorized but not compelled, under such limitations as may be prescribed by the President, to do these things. It seems to me the Senator's amendment does place in the hands of the President the right to give these opportunities to non-service-connected cases which will otherwise be absolutely taken away.

Mr. BLACK. I think the Senator is correct.

Mr. HARRISON. Mr. President, we are so anxious to get along, and it is so apparent that the discretion is vested in the President and that he has authority to pass on the question, that I shall withdraw any opposition to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Alabama.

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I desire to offer two amendments. Section 3 of title II of the bill, to be found on pages 12 and 13, writes into the law a standard for measuring wages which, in my opinion, is a backward step. It takes a definite standard of living in the past and proposes to adjust wages in accordance with the rise or fall of the index from that standard of living in the past. In other words, it freezes a standard of living into the wage standards of the Government, and in my judgment that will become the accepted practice by precept and example in the industrial employment of wage earners. It presupposes that the standard of living shall not increase, that it shall not rise.

In my judgment, one of the causes of the crisis in which we now find ourselves is the fact that the standard of living and the purchasing power of the people between 1922 and 1929 did not rise in proportion to the increase in the productive capacity of our industrial mechanism. I recognize, however, that the situation confronts us and that this procedure is to be written into the law.

The thing which I desire to accomplish, however, by the two amendments which I now propose to offer is to make certain that the standard of living shall be reinvestigated for the period of 1928 which is to be taken as the base. My justification for that is that every economist and every statistician in the United States who has examined the existing statistics on the standard of living recognizes that they are obsolete and that they are subject to serious statistical and economic criticism.

In support of that contention I wish to quote briefly from Miss Perkins, now Secretary of Labor, in an address delivered March 26, 1932:

> We hear much concerning the cost of living, but the truth is that no satisfactory estimate of cost of living is available. The United States Bureau of Labor statistics made very conservative

estimates some years ago. For an industrial worker, with a wife and three children, in New York City, the estimate was roughly $1,800 to $2,000. Today the same scale could theoretically be maintained for somewhat less. The irony of the situation is, however, that today the wage earner is probably supporting his brother-in-law and cannot get the benefit of reduced rent without moving, which would cost more than the amount saved. There is a great and pressing need for an up-to-date comprehensive survey of the cost of living representing both the United States as a whole and separate regions therein.

Mr. President, I also want briefly to quote from Mr. Louis I. Dublin, vice president of the Metropolitan Life Insurance Co., on this same point.

It is clear—

Says Mr. Dublin—

that there is a distressing lack of factual information on how American families spend their money. The most extensive statistical study is more than 12 years old, and the only one which deals with those above the lower-income group is both old and fragmentary.

Referring briefly to the existing standard-of-living index computed by the Bureau of Labor Statistics, I want to point out that it was made in 1918 on a budgetary estimate of only 12,096 families in the United States. As a sample, it took the incomes under $900, under $1,200, under $1,500, under $1,800, under $2,100, under $2,500, and over $2,500. Then the percentage of expenditure for each group of items was averaged. The variation in the percentages for the different income groups was very large, which again shows the danger of applying an average percentage to a particular group.

For example, the percentage expenditure of income for food in the case of families having incomes less than $900 was 44 percent; 13 percent for clothing, 14 percent for rent, and 17 percent for miscellaneous; but families having incomes over $2,500 spent 35 percent for food, 20 percent for clothing, 10 percent for rent, and 24 percent for miscellaneous.

In other words, Mr. President, the index does not take into consideration the increase in the standard of living which took place between 1918 and 1928. It therefore seems to me it would be little short of folly not to provide for a reinvestigation not only of the cost of living but the standard of living for the base period which is to be the norm upon which employees of the Federal Government are to be asked to take their cuts in wages. Therefore, I offer two amendments, and I ask unanimous consent that they may be considered en bloc.

On page 13, line 1, after the word "cost", I move to insert the words "and standard"; on page 13, line 6, after the word "living", to insert the words "based on the standard of living."

The adoption of these amendments will make certain, Mr. President, that there shall be an investigation of the base period of 1928, which period is to stand during the life of this proposed law, and on which the reductions in the standard of living of Government employees are to be computed.

If the principle of the bill in this respect is sound—which I question—nevertheless it certainly is fair that there should be an actual ascertainment of the standard of living in 1928, and that there should not follow an adjustment of the obsolete inadequate 1918 index to 1928 and then a readjustment to 1933.

I appeal to the Senator in charge of the bill to accept these amendments and to take them to conference. I feel that no Senator who will give this question consideration can properly raise a legitimate objection to these amendments.

The VICE PRESIDENT. The amendments proposed by the Senator from Wisconsin will be stated by the clerk.

The CHIEF CLERK. On page 13, line 1, after the word "cost", it is proposed to insert "and standard"; and in line 6, after the word "living", to insert the words "based on the standard of living."

The VICE PRESIDENT. The question is on agreeing to the amendments proposed by the Senator from Wisconsin. [Putting the question.] The noes appear to have it.

Mr. LA FOLLETTE. I ask for a division, Mr. President.

On a division, the amendments were rejected.

Mr. LA FOLLETTE. Mr. President, I desire to offer several amendments, all seeking to accomplish the same purpose.

Mr. President, if it be determined to write this principle into the wage standard of Government employees, we also should take into consideration that we are setting a precept and example which will tend to become the established practice as far as industrial wages are concerned. If it be just in principle for wages to be reduced when the cost of living falls below the 1928 standard, which is to be taken, I presume, as the base, then certainly in principle it is just that wages should be increased if and when the cost of living rises above the 1928 base.

It seems to me in justice that no Senator supporting this principle of fixing wages for Government employees can deny the logic of that contention. If it be denied, those making the denial take the position that we should take advantage of the decline in the cost of living below the 1928 base to secure a reduction of the salaries of Government employees, but if and when the cost of living rises above the 1928 base we should not permit the employee to have relief under this principle.

Therefore, Mr. President, on page 12, line 21, after the word "reduced", I move to insert the words "or increased"; on page 13, line 16, after the word "lower", I move to insert the words "or higher"; in line 17, after the word "reduction", I move to insert the words "or increase"; and, in line 21, on the same page, after the word "reduction", I move to insert the words "or increase."

I ask, Mr. President, that these amendments may be considered en bloc, for they seek to accomplish the purpose which I have already stated—namely, that according to the same principle by which it is proposed to reduce the salaries of Government employees when the cost of living falls below the 1928 base, we should accord them relief when and if the cost of living during the period while this law is upon the statute books rises above the base period of the standard of living of 1928. I understood the chairman of the committee to state during the initial debate upon this bill that he thought that principle was sound and just.

Mr. HARRISON. Mr. President, will the Senator permit me to interrupt him?

Mr. LA FOLLETTE. I yield to the Senator from Mississippi.

Mr. HARRISON. I stated that on the basis of the 1928 cost of living, taking that as the index, and the cost of living as of the present time, the salaries ought to be reduced in proportion as the cost of living had gone down; but I did not state, at least I did not mean to state, that salaries should be increased beyond the Welch bill on the base of 1928. I think that when salaries are reduced during one period of 6 months and the cost of living goes up in the next period the salaries should be raised according to the ascertainment of facts as to the cost of living. That is what the bill proposes to do.

Mr. LA FOLLETTE. I misunderstood the statement made by the Senator. Nevertheless, Mr. President, if we shall take the 1928 base of standard of living and propose to cut Government employees' salaries as much as 15 percent when the cost of living falls below the 1928 base, I challenge any Senator to deny the proposition that if the cost of living rises above the 1928 base the salaries of Government employees should be increased to meet that rise in the cost of living. If that is the position, then it reveals the fact that this is not a just principle which it is proposed to employ in both directions, but that it is a device whereby it is sought, under the camouflage of dealing justice, to secure only a reduction of the salaries of Government employees when the cost of living falls, and that is not proposed to give the Government employees relief when and if the cost of living rises above the 1928 base.

The VICE PRESIDENT. Without objection, the amendments proposed by the Senator from Wisconsin will be sub-

mitted en bloc. The question is on agreeing to the amendments.

The amendments were rejected.

Mr. LA FOLLETTE. Mr. President, I offer another amendment, which I send to the desk.

The VICE PRESIDENT. The Senator from Wisconsin proposes an amendment which the clerk will state.

The CHIEF CLERK. On page 12, line 14, after the word "employee", it is proposed to insert a comma and the following:

if such compensation is at a rate of more than $1,000 per annum.

On page 12, after line 23, it is proposed to insert the following:

(c) If application of the provisions of this section to any officer or employee would reduce his rate of compensation to less than $1,000 per annum, such provisions shall be applied to him only to the extent necessary to reduce his rate of compensation to $1,000 per annum.

On page 18, line 22, after the comma, to insert:

if such compensation is at the rate of more than $1,000 per annum.

On page 18, line 24, before the quotation marks, to insert the following:

This subsection shall not operate so as to reduce any rate of compensation to less than $1,000 per annum.

Mr. DILL. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Washington.

Mr. DILL. As I understand, this amendment would apply to all those who receive compensation from the Government whether they are in the civil employment or in the Military or Naval Establishment?

Mr. LA FOLLETTE. That is my understanding.

Mr. DILL. Does not the Senator think that there is a difference to be considered between those who have their food and quarters provided for them, as is the case of the Military Establishment and the Naval Establishment and those who must supply their own food, clothing, and quarters?

In other words, the point I am making is this: I understand that the Senator's amendment, if adopted, will involve about $60,000,000, and about two thirds of the employees on the $1,000 list are in the Military and Naval Establishments. It seems to me that there is much to be said for the civil employees that cannot be said for those who have their food and quarters furnished them. I want to submit that suggestion to the Senator.

Mr. LA FOLLETTE. I will say to the Senator from Washington that this language is practically lifted from the present economy act. I think there is much force in the Senator's suggestion, and I will modify my amendment by inserting in line 6, after the words "employed" the words "in the civil establishment of the Federal Government."

Mr. DILL. I think that is a great improvement.

Mr. LA FOLLETTE. Mr. President, I realize that the Senate is in no mood to consider amendments on their merits. Nevertheless, we are establishing policies here which affect the welfare of thousands upon thousands of faithful governmental employees. Just because the Senate is a little impatient and a little tired, it does not seem to me that its Members should overlook the cruel hardship which will fall upon those in the low-income groups.

Personally, I cannot see how any Senator could vote for a proposition to take a flat cut—and that is all that the President is permitted to make under this provision—out of those who are getting a thousand dollars a year or less. I care not whether the cost of living has fallen below the 1928 base or not; so far as those who are in these low-income groups are concerned, when we cut them we cut to the bone.

I ask Senators to consider what this situation means to the small income group employee of the Federal Government. Assume that the maximum cut is made: When we get down into those low incomes below $1,000, even with an adjustment made for the fall in the cost of living, the employees are now living upon a basis and a standard which all governmental agencies recognize is below the level of decency in the United States.

When we realize what their rents are, when we realize what this extra cut is going to mean, it seems to me that Senators would have more heart than to let the ax fall upon this group.

No matter how panicky we may be about the credit of the Government of the United States, certainly it is not in the situation where it must step into the homes of these faithful Government employees in the low-income groups and request of them a sacrifice which will fall not only upon the adults but upon the children in those families. If but a few short weeks ago we were ready to exempt this group from an 8½ percent cut, surely we will not have the hardness of heart to extract from them a contribution to the extent of 15 percent, which is the maximum permitted under this bill. How will we justify permitting such a cut to be made?

In this instance the question may not be raised that the cut lies within the discretion of the President of the United States, for under the law as written it does not do so. The President must find the percentage by which the cost of living has fallen below the 1928 base, and then, regardless of the income group of the Government employees, he must apply a flat cut.

Assume that he finds that the maximum reduction has occurred under the 1928 level. Assume that he applies a cut of 15 percent. Then we have placed ourselves in the position of providing a 15 percent cut for those who are drawing eight, nine, ten, or twelve thousand dollars, and we will go into the worn hands of the scrubberwomen and the charwomen and the janitors and take from them the same percentage of cut on their meager salaries.

Mr. President, I appeal to Senators to adopt this amendment. I know what will be said. Senators may rise and say that there are a large number of employees that are in this group, or they may rise and say that they are per diem employees who are not full-time, yearly employees. Nevertheless, if my memory serves me correctly, the fact remains that there are at least 30,000 persons in this group who are regular employees of the Federal Government. I see sitting behind me the former health commissioner of the city of New York, the present senior Senator from that State [Mr. COPELAND]. I know that the Senator will support me when I say that even with the reduction in the cost of living, granting what it may be, so far as a family on a basis of $1,000 per year is concerned, to take a 15 percent cut from that family means to endanger its food, its diet, its health, and the health not only of the adults but of the children in that group.

Mr. President, certainly the great Government of the United States has not yet reached the position of extremis where it must take from the children, the dependents of Government employees in these low-income groups, this tremendous cut to them.

Mr. BARKLEY. Mr. President, I merely desire to say a few words with reference to this amendment.

I appreciate fully the sincerity of the Senator from Wisconsin [Mr. LA FOLLETTE], and I sympathize with his position as a matter of principle, but in the great emergency which confronts the country I do not believe that we ought to refrain from applying some sacrifice to everybody who is fortunate enough to be on the pay rolls of the United States Government.

The 14,000,000 men who are now walking the streets without any work at all have not taken a 15 percent cut; they have taken a 100 percent cut. The millions of farmers throughout the United States who are today unable to find markets for their produce, who are appealing to Congress for some form of legislation to enable them to refinance their mortgages and save their homes, have not taken a 15 percent cut in their income. They have not taken a 15 percent cut in the depreciation of their property. They have taken a cut of all the way from 50 to 75 percent in the depreciation in the value of their property and in their annual income.

Until we have been able to do something for the 14,000,000 who are without work and without income, until we are able to do something for the 30,000,000 of our farmers who have no market today and no income, we ought not to segregate any class of Government employees and say that they shall not make their share of the sacrifice necessary to meet this great emergency. We ought not to create here any island of safety which cannot be approached by the President of the United States in the effort to balance the Budget and restore the credit of our country, and if the amendment of the Senator from Wisconsin is adopted we do establish an island of safety. We do set apart a group that are sacred and beyond reach of the Government in the processes by which this economy bill, it is hoped, will work out the salvation of our country from the standpoint of income and outgo, and restore the confidence of the people in the integrity and the credit of this Nation.

Mr. TYDINGS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Maryland?

Mr. BARKLEY. I yield to the Senator.

Mr. TYDINGS. In line with what the Senator has just said, the Bureau of Agricultural Economics shows that the gross annual cash income per farm worker, of whom there are about 10,000,000, was about $1,100 in 1929, and slightly more than $600 in 1932—a decrease of practically 50 percent in the gross annual cash income of 10,000,000 farm workers.

Mr. BARKLEY. I thank the Senator for that suggestion, which confirms and emphasizes what I have just said.

Mr. GORE. Mr. President——

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Oklahoma?

Mr. BARKLEY. I yield to the Senator.

Mr. GORE. The gross income of all the farmers in the United States in 1929 was 12 billions and a little more. Last year it was only a little more than 5 billions.

Mr. BARKLEY. Yes; I thank the Senator.

I have nothing further to say, except that the adoption of this amendment would reduce the economy about forty or fifty million dollars per annum.

Mr. DILL. Mr. President, why does the Senator say that? It was said that the total would be $60,000,000, and the Senator from Wisconsin has taken out everything except the civil employees, and there are only about one third of them that are civil employees.

Mr. BARKLEY. I do not know the proportion, of course.

Mr. DILL. I think the Senator's figures are wrong.

Mr. BARKLEY. I do not think so. I have gotten them after conference with the representatives of the Treasury. I do not know whether they are wrong or right. I am accepting them, though, as a fairly accurate estimate.

Mr. COPELAND. Mr. President, in view of the reference made to me a moment ago by the Senator from Wisconsin [Mr. LA FOLLETTE], I should feel conscience-stricken if I did not say a word regarding this amendment.

We have been extremely fortunate in the United States in that, in spite of our poverty and distress, the death rate has been very low and the sickness rate low. We must not be misled by these figures. Just as sure as fate, the conditions under which our people are living now will lead to tuberculosis and other wasting diseases.

It is not quite fair for our friends to compare income on the farm with income in the city. No matter how little money income there is on the farm—and I know, because I was born on a farm where there was not much income—there are eggs and butter and chickens to eat, and turnips and cabbages and other things; but in my city, when there is poverty and loss of earnings, there is nothing to eat but the sidewalks of New York.

These people who are getting a thousand dollars a year are largely citizens of cities. They are employed in the public buildings and in the establishments of government in the cities. A thousand dollars a year is about $2.75 a day; and to pay rent and maintain a family in a city on $2.75 a day is a reenactment of the miracle of the loaves and fishes.

I do not know how much the loss in our plan will be if we make the exemption proposed by the Senator from Wisconsin, but I do not believe we are justified, even in these times, in asking a family in the United States to live on $2.75 a day.

I realize that there are twelve or fourteen millions out of employment. My heart goes out to them; but in the bill which we have before us we have to deal, not with that great problem of unemployment but with the question of those who are employed by the United States Government.

Mr. President, I desire to add my plea to the eloquent words of the Senator from Wisconsin. I do not believe that we are justified, in decency or in love of humanity, in reducing the income of those employees who are working for us now at the rate of $1,000 per year.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. COPELAND. I yield.

Mr. BARKLEY. Whatever decrease is brought about by proclamation of the President is to be based on precisely the increase in the cost of living below the figure of 1928. So that there will actually be no decrease as compared with 1928 in the case of any class of our Government employees. They can purchase as much with $850, assuming that the cost of living is found to have gone down 15 percent in 1933, as they could have purchased with $1,000 in 1928. So that there is actually no decrease, there is no deprivation compared with 1928.

Mr. President, that is not the situation with reference to the classes of laboring men and agriculturists whom I mentioned a while ago, and I think we cannot lose sight of the fact that whatever may be the decrease based upon a reduction in the cost of living, even if it should go to the entire 15 percent, which is the maximum decrease which can be brought about by the President, there is no actual decrease in the power to live comfortably and satisfactorily between 1928 and 1933, based simply upon a reduction in the cost of living.

Mr. GORE. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Oklahoma?

Mr. COPELAND. I yield.

Mr. GORE. I appreciate the characteristic humanity of the Senator from New York and the Senator from Wisconsin. I share the regret they express that the necessity has arisen which compels a reduction in the salaries of these low-paid Government employees. I regret these reductions, but I regard them as necessary, as imperiously necessary.

Mr. President, this reduction is based on the reduction in the cost of living. Purchasing power is the real test, and not nominal salary. Cost of living since 1929 has declined 15 percent or more; indeed, it has declined 22 percent. These employees are required to take a reduction of only 15 percent. Their purchasing power is not decreased as compared with the purchasing power which they had in 1929.

Let us see. Let us take a Government employee receiving a salary of a thousand dollars a year. Reduce that salary 15 percent, or $150. That saving to the taxpayers will save 5 bales of cotton in each and every instance where a reduction of $150 per year is effected. Every time we save $150 we save 5 bales of cotton.

Mr. President, it takes 500 bushels of wheat to pay that extra $150. It takes 1,500 bushels of corn to pay that extra $150, and the farmers have to pay the taxes to meet these salaries. They are losing their homes today, they are losing their farms today, because they cannot pay their State and their county taxes.

The average tax on the average farm in the United States is only a little more than $100 per annum. Every time we reduce one of these salaries we save perhaps a farm, we save a home, we save more than the annual tax on the average farm.

These employees have, as they ought to have, comfortable working quarters. They enjoy a life tenure. They enjoy retirement pay. Their positions are secure. They can ad-

just their expenditures to their income, knowing their income is secure.

The soldier who bled is taking a heavier loss than the civil-service employee. Shall we shield the civilian at the expense of the soldier? Shall we penalize the veteran with an unjust, with an invidious, discrimination?

Mr. President, for every Federal employee who resigns on account of this reduction, I would undertake to supply his place from Oklahoma alone with loyal, faithful, efficient men and women who would thank the God of their fathers for an opportunity to fill these vacancies and to enjoy these salaries.

Mr. COPELAND. Mr. President, I should feel extremely sorry for any citizen of Oklahoma to have to move to Oliver Street, New York, and try to live, with a family of five, on $850. There is no doubt in my mind that he would be ready to take the first express train back to Oklahoma if somebody would pay his fare. [Laughter and applause in the galleries.]

The VICE PRESIDENT. The occupants of the galleries will refrain from any demonstrations. Otherwise the Chair will have to enforce the rules of the Senate and clear the galleries.

Mr. GORE. Mr. President, any man who can go from New York to Oklahoma ought to go, anyway.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the senior Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. LA FOLLETTE. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BARKLEY (when Mr. LOGAN's name was called). My colleague [Mr. LOGAN] is unavoidably absent. He is paired with the junior Senator from Pennsylvania [Mr. DAVIS]. I am authorized to say that if my colleague were present he would vote "nay."

Mr. OVERTON (when his name was called). On this question I am paired with the senior Senator from Virginia [Mr. GLASS], who is necessarily detained from the Senate. If he were present, he would vote "nay." If I were permitted to vote, I would vote "yea."

The roll call was concluded.

Mr. LEWIS. I rise to announce the absence of the senior Senator from Utah [Mr. KING] because of illness.

Mr. BULKLEY. Repeating the same announcement I made before with respect to my pair and its transfer, I vote "nay."

Mr. NEELY. I desire to announce that the senior Senator from Colorado [Mr. COSTIGAN] is absent on account of illness. I am authorized to state that if he were present, on this vote he would vote "yea."

Mr. HEBERT. I desire to announce the following general pairs:

The Senator from New Mexico [Mr. CUTTING] with the Senator from Massachusetts [Mr. COOLIDGE];

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Wyoming [Mr. KENDRICK]; and

The Senator from Minnesota [Mr. SCHALL] with the Senator from California [Mr. MCADOO].

I am not advised how any of these Senators would vote on this question if present and voting.

Mr. LEWIS. I desire to announce that the Senator from Montana [Mr. WHEELER] is necessarily detained from the Senate.

I also desire to announce the following pairs on this question:

The Senator from Wyoming [Mr. KENDRICK] with the Senator from Minnesota [Mr. SHIPSTEAD], and

The Senator from Florida [Mr. FLETCHER] with the Senator from Colorado [Mr. COSTIGAN].

The result was announced—yeas 32, nays 42, as follows:

YEAS—32

Adams	Caraway	Frazier	Long
Bone	Copeland	Hatfield	McCarran
Borah	Couzens	Johnson	McGill
Bulow	Dill	La Follette	Murphy
Capper	Duffy	Lonergan	Neely
Nye	Russell	Thomas, Utah	Wagner
Patterson	Steiwer	Townsend	Walsh
Robinson, Ind.	Thomas, Okla.	Vandenberg	White

NAYS—42

Ashurst	Byrnes	Harrison	Reynolds
Austin	Clark	Hastings	Robinson, Ark.
Bachman	Connally	Hebert	Sheppard
Bailey	Dale	Kean	Smith
Bankhead	Dickinson	Keyes	Stephens
Barbour	Dieterich	Lewis	Trammell
Barkley	Fess	McKellar	Tydings
Bratton	George	McNary	Van Nuys
Brown	Goldsborough	Metcalf	Walcott
Bulkley	Gore	Pope	
Byrd	Hale	Reed	

NOT VOTING—20

Black	Davis	King	Overton
Carey	Fletcher	Logan	Pittman
Coolidge	Glass	McAdoo	Schall
Costigan	Hayden	Norbeck	Shipstead
Cutting	Kendrick	Norris	Wheeler

So Mr. LA FOLLETTE's amendment was rejected.

Mr. DILL. Mr. President, did the Senator from Wisconsin desire to offer another amendment?

Mr. LA FOLLETTE. If the Senator is about to offer an amendment to remedy the situation covered by section 6, I shall not offer my amendment.

Mr. DILL. Mr. President, I want to call attention to the fact that this section would exclude the employees of the Panama Canal and the employees outside of continental United States. I do not know what the intent of the framers of the measure was, but there is some doubt as to whether Alaska would be included or not. I think, undoubtedly, Alaska should be excluded from the operation as well as Panama. Anyone who knows anything about Alaska knows that the cost of living in Alaska is higher than in any other part of the United States anywhere. Therefore, I offer an amendment, in line 7, page 17, after the word "States," which I send to the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 17, line 7, after the word "States," to insert the words "including Alaska."

Mr. HARRISON. Mr. President, we have no objection to the amendment.

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent, following the adoption of this amendment, to have inserted in the RECORD a table given me by the Delegate from Alaska showing the comparative costs of staple articles of food in Seattle and Anchorage, Alaska, on January 3, 1933, which shows very graphically the necessity for the Senator's amendment.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparative statement of prices in Seattle and Anchorage, Jan. 3, 1933

	Unit	Seattle	Anchorage	Increase	Percent increase
Apples, fancy, 125's	Box	$1.00	$3.00	$2.00	200.0
Apricots, 2½'s	Can	.17	.30	.13	76.0
Asparagus tips, 1's square	do	.19	.40	.21	110.0
Apricots, evaporated	Pound	.10	.18	.08	80.0
Bananas	do	.07	.20	.13	185.7
Butter, 1-pound bricks, 60 pounds to box	do	.32	.42	.10	31.2
Bread, 16-ounce loaf	Loaf	.05	.10	.05	100.0
Blackberries, 6/10's	Can	.36	.90	.54	150.0
Cucumbers	Dozen	1.35	3.00	1.65	122.2
Carrots	Pound	.0085	.04	.0315	370.0
Cheese, American, 5-pound bricks	do	.16	.23	.07	43.7
Coffee:					
Maxwell House	do	.33	.45	.12	36.0
Crescent	do	.29	.45	.16	55.0
Cream, fresh	Pint	.15	.70	.55	366.0
Corn, Golden Bantam, 2's	Can	.13	.25	.12	92.3
Eggs, New York extras, 30 dozens to case	Case	9.00	14.00	5.00	55.5
Flour, hard wheat	Pound	.02	.055	.035	175.0
Grapefruit, fresh	Each	.02	.16	.14	700.0
Lard, leaf, 4-pound cans	Pound	.099	.15	.051	51.5
Loganberries, 6/10's	Can	.41	.90	.49	119.5
Lemons	Dozen	.30	.50	.20	66.6
Lettuce, head	do	.70	2.40	1.70	242.8
Milk, evaporated, Federal, 48/14½ ounces	Case	2.40	4.00	1.60	66.6
Oranges, Sunkist, 176's	do	3.25	8.00	4.75	146.1
Onions, dry	Pound	.0125	.06	.0475	380.0
Peppers, green	do	.075	.35	.275	366.6

Comparative statement of prices in Seattle and Anchorage, Jan. 3, 1933—Continued

	Unit	Seattle	Anchorage	Increase	Percent increase
Peaches, evaporated	Pound	$.115	$.20	$.085	73.9
Potatoes (outside)	do	.006	.042	.036	600.0
Baking powder, Calumet, 1-pound	do	.25	.33	.08	32.0
Sweetpotatoes	do	.03	.10	.07	233.0
Peas, sweet, Del Monte, 1-pound talls	Can	.10	.15	.05	50.0
Preserves, Tea Garden, 16 ounces	Each	.19	.40	.21	110.5
Pickles, dill (quarts)	Can	.13	.30	.17	130.0
Pineapple, sliced, 2's	do	.085	.25	.165	194.0
Peas, 2½'s	do	.19	.35	.16	84.0
Plums, 2½'s	do	.13	.30	.17	130.0
Peaches, yellow cling, 2½'s	do	.15	.30	.15	100.0
Pumpkin, 2½'s	do	.11	.25	.14	127.2
Rutabagas	Pound	.0085	.03	.0215	253.0
Sugar, granulated	do	.04	.09	.05	125.0
Squash	do	.01	.07	.06	600.0
Tomatoes, fresh	do	.05	.35	.30	600.0
Tea, black	do	.25	.90	.65	260.0
Tomato soup, Van Camp's	Can	.04	.125	.085	212.0
Tomatoes, 2½'s	do	.16	.25	.09	56.2

Average percent of increase, 185.76.

Mr. LA FOLLETTE. Mr. President, I should like to call the attention of the Senator from Mississippi to a situation, and I think that if he will confer with the legislative counsel, who is sitting with him, he might be willing to accept an amendment.

It is my reading of section 6, on page 17, that the intention was to preserve for the employees of the Panama Canal and the Panama Railroad Co. the same provisions which we had in the act of March 3, 1933, to be found in section 6, on page 29. However, in the manner in which this is drawn I am afraid it does not accomplish the purpose. I have consulted with the legislative counsel, and they have prepared an amendment which I now offer. I express the hope that the Senator from Mississippi may be willing to take the amendment to conference where there will be more time to consider it. I realize that in the present temper of the Senate there is no probability of getting the amendment adopted unless the Senator from Mississippi will accept it and take it to conference.

The VICE PRESIDENT. The amendment will be read for the information of the Senate.

The CHIEF CLERK. On page 16, strike out lines 20 to 21, inclusive, and insert:

(b) Sections 5 and 6 of the Treasury and Post Office Appropriation Act, fiscal year 1934, are hereby repealed.

Beginning on page 16, strike out line 22 through line 9 on page 17 and insert:

(c) Section 215 of the Legislative Appropriation Act, fiscal year 1933 (relating to the limitation on annual leave), is amended by striking out "*Provided further*, That nothing herein shall apply to civilian officers and employees of the Panama Canal located on the Isthmus and who are American citizens, or to officers and employees of the Foreign Services of the United States holding official stations outside the continental United States."

And inserting in lieu thereof:

"*Provided further*, That nothing herein shall apply to officers and employees of the Panama Canal and Panama Railroad Co. on the Isthmus of Panama, and to officers and employees of the United States (including enlisted personnel) holding official station outside the continental United States."

Mr. LA FOLLETTE. Mr. President, I desire to modify my amendment by incorporating the amendment offered by the Senator from Washington concerning Alaska because I am very much interested in that amendment also and should want to protect the situation there. I modify my amendment by adding, on page 2, line 11, after the words "United States," at the end of my amendment, the words "or in Alaska."

Mr. HARRISON. I have no objection to the amendment as modified.

The VICE PRESIDENT. The question is on agreeing to the amendment as modified.

The amendment was agreed to.

Mr. DILL. Mr. President, I do not desire to delay the Senate, but I want to explain my attitude regarding the bill. I have not previously discussed the bill. I want to say a few words regarding my own position.

I am opposed to the principle of granting dictatorial powers to the President when they are such powers as are here granted, but in this emergency I am compelled to override some of my own principles. The worst feature about the bill is the way in which it is drawn. Instead of proceeding to cut down the payments to veterans the writers of the bill have taken all of the pension laws of the United States and torn them into pieces and shreds. These laws are the product of years of careful work of legislators in both Houses. Having torn up all of these statutes, they have written certain restrictions upon the President, under which he is now to write new pension laws for the next 2 years. It is the most broad and most sweeping power I have ever known to be granted a Chief Executive. The injustices and the tragic results that are almost sure to follow cannot be imagined by this or any other legislative body.

I predict now that within a comparatively short time after this legislation goes into effect there will be Senators in this body and Members of the body at the other end of the Capitol clamoring for new legislation to correct the pitiful results that are sure to follow this legislation. Yet we are confronted with enacting this legislation or seeing the credit of the Government grow still weaker than it is now.

I have listened with intense interest to speeches of the Senator from Indiana [Mr. ROBINSON] and the arguments of the Senator from Michigan [Mr. COUZENS] as to the credit of the Government, and I say now after listening to all they have said that they have not been able to prove their contention; namely, that the money which was borrowed today could have been gotten at any such rates as those they said should have been paid.

The last illustration we had was on March 3, when we followed the plan which the Senator from Michigan [Mr. COUZENS] advocated we should have followed; namely, securing bids. The banks were still open then, and yet when those bids were made we paid 4.26 percent for the loan of only $75,000,000 for 90 days. That was 34 times the rate we paid for money only a few months before. Therefore I say that the Treasury Department was in a position where it must offer this high rate of interest. The fact that we had to do it shows that we are fast approaching the place where the Treasury will not be able to borrow money except at usurious rates to pay anybody any pension or to pay anybody any salaries because of the rapidly increasing deficit.

In the face of such a situation I can not bring myself to place my own personal desires or my own personal ideas or the interests even of the veterans and the employees against the interest of the millions of my countrymen who look to the Government for the credit and financial stability they have a right to expect from it.

We have improved the bill by some amendments. I intend to vote for it. I am going to vote for it because I believe it is the only thing to do in this emergency. The country has confidence in the new President, Mr. Roosevelt. I have confidence in him. I want to show that confidence by voting as I shall, but I cannot refrain from calling attention to the fact that in this bill we have again treated the soldier, the ex-service man, as he is always treated.

When a man enlists in the army of his country, his life becomes a pawn in the hands of his superiors. If they say "Go here" or "Go there", and that means death, go he must. If he comes back alive, he may thank the stars or the gods for his safety. He has no hope except the hope that a kind fate somehow will save him. So, in this emergency, when we must take radical action and the service man must suffer, let me call attention to how we treat him in this bill as compared with the civil employees who must suffer. We tear up the pension laws. We say to the President, "Write the pension system under certain regulations as you see fit." But when we come to the civil employees, we do not tear up the salary list, we do not tear up all the salary laws of the country and allow the President to determine how much everybody shall get in the way of salary. We say, "We will cut a certain percentage off all salaries."

That is the difference. The soldier is again the pawn in the situation. Fate finds him again caught as he was in war, and he will be the victim in many cases of injustices that will amount to tragedies in the lives of himself and his family.

But it is the way we have chosen to carry on in this situation. We cannot step backward at this time. We must go forward. To defeat the bill now would be a crushing blow to the hope and confidence of the American people who are following the new President and looking forward to better days and better times. He is the leader. We must all follow him. Since this bill will last only for 2 years, for my part, I am going to resolve all the doubts and all the fears I have in favor of voting for this legislation and hope that all the people of this country, including the veterans and the low-paid employees, will in the end find it better than we thought it could possibly be.

Mr. ASHURST. Mr. President, this will go down into history as an historic debate. The proponents of the bill and the opponents of the bill have covered all the points to be made. I believe, and I do not think I am mistaken, that the debate is one so elevated in tone that it would compare favorably with the debates of Pitt, Burke, Charles J. Fox, John Philpot Curran, and Gladstone. If any Senator should ever be assailed for voting for the bill, his reply, his conclusive reply to his assailant and to his inquirer will be to read the speeches of the junior Senator from West Virginia [Mr. NEELY] and the senior Senator from Washington [Mr. DILL]. Their arguments in support of the bill are all-conclusive and all-persuasive.

Mr. WALSH. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be read.

The CHIEF CLERK. The Senator from Massachusetts offers the following amendment: On page 10, line 12, after the word "commenced," strike out the period, insert a colon and the following:

Provided further, That, subject to such regulations as the President may prescribe, allowances may be granted for burial and funeral expenses and transportation of the bodies (including preparation of the bodies) of deceased veterans of any war to the places of burial thereof in the sum not to exceed $107 in any one case.

Mr. HARRISON. Mr. President, there is no objection to the amendment on the part of the committee.

Mr. WALSH. I think it ought to appear in the RECORD that in the repealing of the present law that provision in the present law is repealed, and unless the amendment is adopted that benefit to the veterans would be exterminated.

The VICE PRESIDENT. Without objection the amendment of the Senator from Massachusetts is agreed to.

Mr. WALSH. Mr. President, I now offer another amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be read for the information of the Senate.

The CHIEF CLERK. On page 10, after line 25, insert the following new section:

SEC. 20. The President shall transmit to the Congress as soon as practicable after the date of their issue, copies of all regulations issued pursuant to this title.

Mr. WALSH. The purpose of the amendment is merely to keep Congress informed of the regulations promulgated and adopted by the President.

The VICE PRESIDENT. Without objection the amendment is agreed to.

Mr. BORAH. Mr. President, there are several reasons why I shall vote against the bill, but I want to ask permission to insert in the CONGRESSIONAL RECORD the paragraphs which I have marked in the case of *Ex parte Milligan*, Fourth Wallace, page 120, as another predominating and controlling reason why I shall vote against the bill.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The matter is as follows:

Time has proven the discernment of our ancestors; for even these provisions, expressed in such plain English words that it would seem the ingenuity of man could not evade them, are now after the lapse of more than 70 years sought to be avoided. Those great and good men foresaw that troublous times would arise when rules and people would become restive under restraint and seek by sharp and decisive measures to accomplish ends deemed just and proper, and that the principles of constitutional liberty would be in peril unless established by irrepealable law. The history of the world had taught them that what was done in the past might be attempted in the future. The Constitution of the United States is a law for rulers and people, equally in war and in peace, and covers with the shield of the protection all classes of men at all times and under all circumstances. No doctrine involving more pernicious consequences was ever invented by the wit of man than that any of its provisions can be suspended during any of the great exigencies of government. Such a doctrine leads directly to anarchy or despotism, but the theory of necessity on which it is based is false, for the Government, within the Constitution, has all the powers granted to it which are necessary to preserve its existence, as has been happily proved by the result of the great effort to throw off its just authority.

The VICE PRESIDENT. The bill is still open to amendment. If there are no further amendments the question is, Shall the amendments be engrossed and the bill read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

Mr. BORAH. Let us have the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BULKLEY (when his name was called). Repeating the same announcement as before with respect to my pair, I vote "yea."

Mr. WALSH (when Mr. COOLIDGE's name was called). My colleague the junior Senator from Massachusetts [Mr. COOLIDGE] is absent from the Senate owing to a death in his family. He is paired on this question with the Senator from New Mexico [Mr. CUTTING]. If my colleague [Mr. COOLIDGE] were present, he would vote "yea." If the Senator from New Mexico [Mr. CUTTING] were present, he would vote "nay."

Mr. ROBINSON of Arkansas (when the name of Mr. GLASS was called). The Senator from Virginia [Mr. GLASS] is absent because of illness. He is paired with the junior Senator from Louisiana [Mr. OVERTON]. If the Senator from Virginia were present, he would vote "yea."

Mr. LA FOLLETTE (when his name was called). On the vote on the final passage of the bill I am paired with the junior Senator from California [Mr. MCADOO], who is unavoidably absent. If the junior Senator from California were present, he would vote "yea"; and if I were at liberty to vote, I should vote "nay."

Mr. BARKLEY (when Mr. LOGAN's name was called). Repeating the announcement which I have heretofore made concerning my colleague [Mr. LOGAN], who is unavoidably absent and who is paired with the junior Senator from Pennsylvania [Mr. DAVIS], I am authorized to say that if my colleague were present, he would vote "yea."

Mr. OVERTON (when his name was called). As stated by the senior Senator from Arkansas [Mr. ROBINSON], I am paired with the senior Senator from Virginia [Mr. GLASS]. If I were permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. LEWIS. Having made the announcement previously accounting for the absence of certain Senators, I ask that that announcement may stand for this roll call; and I wish particularly to announce that the Senator from Colorado [Mr. COSTIGAN] and the Senator from Utah [Mr. KING] are detained from the Senate by illness. I am authorized to say that if the Senator from Utah and the Senator from Colorado were present, they would vote "yea."

I also desire to announce that the Senator from Florida [Mr. FLETCHER] is paired with the Senator from Montana [Mr. WHEELER]. I am informed that if the Senator from Florida were present, he would vote "yea", and the Senator from Montana [Mr. WHEELER] would vote "nay."

Mr. HAYDEN. I withhold my vote.

Mr. ROBINSON of Arkansas. I wish to announce that the Senator from Wyoming [Mr. KENDRICK] is necessarily absent. If he were present, he would vote "yea."

Mr. HEBERT. I wish to announce the necessary absence of the senior Senator from Minnesota [Mr. SHIPSTEAD] and the junior Senator from Minnesota [Mr. SCHALL].

I also desire to announce that the Senator from Wyoming [Mr. CAREY] and the Senator from Nebraska [Mr. NORRIS] are absent in attendance on the funeral of the late Senator Howell, of Nebraska.

I further wish to announce that the Senator from Minnesota [Mr. SHIPSTEAD] has a general pair with the Senator from Wyoming [Mr. KENDRICK]. I am not informed how these Senators would vote on this question.

Mr. REED. Mr. President, I wish to announce that my colleague [Mr. DAVIS] is absent because of illness.

The result was announced—yeas 62, nays 13—as follows:

YEAS—62

Adams	Capper	Johnson	Sheppard
Ashurst	Caraway	Kean	Smith
Austin	Connally	Keyes	Stephens
Bachman	Copeland	Lewis	Thomas, Okla.
Bailey	Dale	Lonergan	Thomas, Utah
Bankhead	Dieterich	McKellar	Townsend
Barbour	Dill	McNary	Trammell
Barkley	Duffy	Metcalf	Tydings
Black	Fess	Murphy	Vandenberg
Bone	George	Neely	Van Nuys
Bratton	Goldsborough	Pittman	Wagner
Brown	Gore	Pope	Walcott
Bulkley	Hale	Reed	Walsh
Bulow	Harrison	Reynolds	White
Byrd	Hastings	Robinson, Ark.	
Byrnes	Hebert	Russell	

NAYS—13

Borah	Frazier	McCarran	Patterson
Clark	Hatfield	McGill	Robinson, Ind.
Couzens	Long	Nye	Steiwer
Dickinson			

NOT VOTING—19

Carey	Fletcher	La Follette	Overton
Coolidge	Glass	Logan	Schall
Costigan	Hayden	McAdoo	Shipstead
Cutting	Kendrick	Norbeck	Wheeler
Davis	King	Norris	

So the bill was passed.

The VICE PRESIDENT. Without objection, the bill (S. 233) to maintain the credit of the United States Government will be indefinitely postponed.

Mr. HARRISON. I ask unanimous consent to have the bill just passed printed with the Senate amendments numbered.

The VICE PRESIDENT. Without objection, that order will be made.

LEGALIZATION OF BEER

Mr. HARRISON. Mr. President, I desire to give notice that tomorrow after the Senate shall convene, following the recess which I understand is shortly to be taken, I shall move to take up House bill 3341, commonly known as the "beer bill."

REFERENCE OF EXECUTIVE MESSAGES

Mr. ROBINSON of Arkansas. I ask unanimous consent for the present consideration of the order which I send to the Secretary's desk. It is identical with an order entered during the last session of Congress. I have submitted it to the Senator from Oregon [Mr. MCNARY], and he approves it.

The VICE PRESIDENT. The clerk will report the order submitted by the Senator from Arkansas.

The Chief Clerk read as follows:

Ordered, by unanimous consent, That on calendar days of the present session of the Congress when no executive session is held, nominations or treaties received from the President of the United States may, where no objection is interposed, be referred, as in executive session, to the appropriate committees by the Presiding Officer of the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the order is entered.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate messages from the President of the United States submitting the nomination of Henry Latrobe Roosevelt, of New York, to be Assistant Secretary of the Navy, and several other nominations.

Mr. ROBINSON of Arkansas. Mr. President, I ask that the executive nominations laid before the Senate be referred to the respective committees.

The VICE PRESIDENT. Is there objection? The Chair hears none, and, as in executive session, the nominations will be referred to the appropriate committees.

(For nominations this day received see the end of Senate proceedings.)

SUBSCRIPTION TO NOTES OR DEBENTURES OF STATE BANKS

Mr. ROBINSON of Arkansas obtained the floor.

Mr. BULKLEY. Mr. President, will the Senator yield to me to permit me to make a request for unanimous consent?

Mr. ROBINSON of Arkansas. I yield to the Senator from Ohio.

Mr. BULKLEY. I ask unanimous consent for the present consideration of a bill of some urgency, but I think entirely noncontroversial. I refer to Senate bill 334.

The VICE PRESIDENT. The Senator from Ohio asks unanimous consent for the immediate consideration of a bill the title of which will be stated.

The CHIEF CLERK. A bill (S. 334) to amend the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933.

Mr. COUZENS. Mr. President, I desire to have the bill read before giving my consent.

The VICE PRESIDENT. The clerk will read the bill.

The Chief Clerk read the bill, as follows:

Be it enacted, etc., That section 304 of the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933, is amended by adding after the first sentence thereof the following new sentences: "Nothing in this section shall be construed to authorize the Reconstruction Finance Corporation to subscribe for preferred stock in any State bank or trust company if under the laws of the State in which such State bank or trust company is located the holders of such preferred stock are not exempt from double liability. In any case in which under the laws of the State in which it is located a State bank or trust company is not permitted to issue preferred stock exempt from double liability, the Reconstruction Finance Corporation is authorized, for the purposes of this section, to purchase the legally issued capital notes or debentures of such State bank or trust company, having voting rights similar to those herein provided with respect to preferred stock."

SEC. 2. The second sentence of said section 304 is amended to read as follows: "The Reconstruction Finance Corporation may, with the approval of the Secretary of the Treasury, and under such rules and regulations as he may prescribe, sell in the open market the whole or any part of the preferred stock, capital notes, or debentures of any national banking association, State bank or trust company acquired by the corporation pursuant to this section."

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. MCNARY. Mr. President, I think it would be highly improper at this late hour to consider a measure so important, and under the circumstances I shall object.

Mr. BULKLEY. Mr. President, will the Senator withhold his objection for a moment?

Mr. MCNARY. I withhold it.

Mr. BULKLEY. Mr. President, this bill has been requested by the Governors of several States. It is not a complicated matter; it merely provides that, in lieu of the preferred stock which the emergency banking law, recently passed, authorized the Reconstruction Finance Corporation to buy from State banks and trust companies, that corporation may buy capital notes or debentures. It is a very simple proposition. The bill has been unanimously reported from the Committee on Banking and Currency.

Mr. MCNARY. That may be so, and I desire to be accommodating, but, on account of its importance and the lateness of the hour, I must insist on my objection.

The VICE PRESIDENT. Objection is made.

Mr. BULKLEY. I ask unanimous consent that Senate bill 334 may be considered at the conclusion of the routine business tomorrow.

The VICE PRESIDENT. The Senator from Arkansas has the floor.

Mr. COPELAND. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from New York.

Mr. COPELAND. In connection with the discussion of the measure referred to by the Senator from Ohio, I ask unanimous consent to have a telegram from Governor Lehman, of my State, printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The telegram referred to is as follows:

NEW YORK, N.Y., *March 14, 1933.*

Hon. ROYAL S. COPELAND,
United States Senate Chamber:

New York State banks and trust companies, both member and nonmember, are prohibited by State constitution from issuing stock, preferred or common, without double liability. Other States have similar restrictions. These institutions would therefore be denied benefits of section 304 of the Bank Relief Act if the language of this section refers to nonassessable stock only. Is it not possible to have this doubt removed by including in Senator ROBINSON'S proposed amendment to the act a provision authorizing the Reconstruction Finance Corporation to buy or loan against debentures or other obligations subordinate to deposit liability, which obligations shall have a position at least equal to that of preferred stock? Please wire reply.

HERBERT H. LEHMAN, *Governor.*

Mr. BULKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Ohio?

Mr. ROBINSON of Arkansas. I yield.

Mr. BULKLEY. I renew my request for unanimous consent that Senate bill 334 be considered at the conclusion of the routine business tomorrow morning.

Mr. ROBINSON of Arkansas. I will say to the Senator from Ohio that it is my purpose to make a motion to recess. In all probability, however, the bill to which the Senator refers may be taken up in the morning by unanimous consent.

Mr. BULKLEY. Then, may we have unanimous consent for that purpose now?

Mr. ROBINSON of Arkansas. I do not object.

Mr. McNARY. Mr. President, some Members of the Senate desire to look into this measure, and at this time I cannot consent and I shall object to any unanimous-consent request that may be made in connection with the consideration of the bill.

Mr. ROBINSON of Arkansas. I suggest to the Senator from Ohio that he present his request in the morning.

Mr. BULKLEY. Very well.

Mr. LONG. We can make it a special order tomorrow, anyway; can we not? What is on the calendar tomorrow?

Mr. ROBINSON of Arkansas. The Senator from Mississippi [Mr. HARRISON] has announced that he will move to take up the beer bill tomorrow morning.

Mr. LONG. We might get him to hold off for a minute or two.

Mr. ROBINSON of Arkansas. I think there will be no difficulty about the bill when the Senator from Oregon [Mr. McNARY] shall have had an opportunity to study it.

PAYMENT OF CONGRESSIONAL EXPENSES

Mr. BORAH. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, on day before yesterday I entered a motion to reconsider the vote by which the Senate passed House Joint Resolution No. 75, providing for the payment of certain expenses of Members of Congress, including mileage. I did so, of course, in order to get the view of the Senate upon that question in connection with an amendment which I intended to propose. As the Senate has today disposed of that matter, I see no reason for longer retaining the joint resolution on the Vice President's desk, and I therefore withdraw my notice.

MERGER OF THE GEORGETOWN GASLIGHT CO. WITH WASHINGTON GAS LIGHT CO.

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Public Utilities Commission of the District of Columbia, forwarding a draft of proposed legislation to authorize a merger of the Georgetown Gaslight Co. with and into the Washington Gas Light Co., and for other purposes, which, with the accompanying paper, was referred to the Committee on the District of Columbia.

EMPLOYEES OF FEDERAL FARM LOAN BOARD, FEDERAL LAND BANKS, ETC. (S.DOC. NO. 5)

The VICE PRESIDENT laid before the Senate a letter from the secretary of the Federal Farm Loan Board, submitting, in accordance with the terms of Senate Resolution 358 (72d Cong., 2d sess.), a statement showing the number and aggregate salaries of employees of the Federal Farm Loan Board, the Federal land banks, the Federal intermediate-credit banks, and joint-stock land banks, which, with the accompanying statement, was ordered to lie on the table and to be printed.

FUNCTIONS OF UNITED STATES BOARD OF MEDIATION (S.DOC. NO. 6)

The VICE PRESIDENT laid before the Senate a letter from the chairman of the United States Board of Mediation, transmitting, in response to Senate resolution 351 (72d Cong., 2d sess.), a report covering the functions of the board and the annual cost thereof, which, with the accompanying papers, was ordered to lie on the table and to be printed, with an illustration.

PETITIONS AND MEMORIALS

Mr. ROBINSON of Arkansas presented a letter and telegrams in the nature of petitions from John L. Ingram, of Stuttgart, the Chamber of Commerce of Russellville, and the Fort Smith Automotive Supply Co., by M. L. Yantis, of Fort Smith, all in the State of Arkansas, praying for the guaranty of bank deposits by the Government, which were referred to the Committee on Banking and Currency.

Mr. PITTMAN presented the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Finance:

STATE OF NEVADA,
Department of State, ss:

I, W. G. Greathouse, the duly elected, qualified, and acting secretary of state of the State of Nevada, do hereby certify that the foregoing is a true, full, and correct copy of the original Senate Joint Resolution No. 14, introduced by Senator Marsh, February 15, 1933, now on file and of record in this office.

In witness whereof I have hereunto set my hand and affixed the great seal of State at my office in Carson City, Nev., this 6th day of March A.D. 1933.

[SEAL] W. G. GREATHOUSE,
Secretary of State.

Senate joint resolution memorializing Congress to pass the so-called "Wheeler bill", providing for the coinage of silver at the ratio of 16 to 1

Whereas there is now pending before Congress an act introduced by Senator WHEELER, of Montana, providing for the coinage of silver at the ratio of 16 to 1; and

Whereas the silver industry is of vital importance to the people of the State of Nevada; and

Whereas it is the belief of the people of this State that the enactment of the said measure will restore prosperity to our State in a greater degree than any other measure or plan before Congress: Now, therefore, be it

Resolved by the Senate and the Assembly of the State of Nevada, That Congress be urged to enact the so-called "Wheeler bill" into law; and be it further

Resolved, That the secretary of state transmit certified copies of this resolution to the President of the Senate, the Speaker of the House of Representatives, and to our Senators and Representatives in Congress.

MORLEY GRISWOLD,
President of Senate.
V. R. MERIALDO,
Secretary of Senate.
FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.

STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

Approved March 6, 1933, 9:10 a.m.

F. B. BALZAR, *Governor.*

Mr. PITTMAN also presented the following joint resolutions of the Legislature of the State of Nevada, which were referred to the Committee on Banking and Currency:

Senate joint resolution memorializing Congress to adopt the Pittman proposal to accept silver on British debt

Your memorialist, the Legislature of the State of Nevada, respectfully represents that—

Whereas the proposal of the Hon. KEY PITTMAN, United States Senator from Nevada, that the United States shall accept the sum of $100,000,000 on the war debt of Great Britain to the United States, embodies the principle that coined silver is money; and

Whereas adoption of the Pittman proposal in the international transaction that he advocates would constitute recognition of silver as money by the two premier financial nations of the earth, and for that reason would go a long way toward its further and more general recognition as such, having the desirable effect of enhancing the value of silver everywhere, with the further and more desirable effect of being the forerunner of similar transactions with other debtor nations, all of which cannot be otherwise than beneficial, tending to restore monetary equilibrium and banish the world depression: Now, therefore, be it

Resolved, That the legislature hereby respectfully requests Congress to adopt the Pittman proposal authorizing and directing our President-elect to accept such silver payment from Great Britain as soon after he takes office as may be expedient and possible.

Resolved, That the secretary of state of the State of Nevada is hereby directed to transmit copies of this memorial by air mail to the President of the United States Senate, to the Speaker of the House of Representatives, and to the Members of the Nevada congressional delegation at Washington.

MORLEY GRISWOLD,
President of the Senate.
V. R. MERIALDO,
Secretary of the Senate.
FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.
STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

Approved March 6, 1933, 8:54 a.m.

F. B. BALZAR, *Governor.*

Senate joint resolution memorializing the Congress of the United States to speedily rehabilitate silver and petitioning the President-elect to call an international conference on the subject.

The restoration of silver to its natural parity ratio of 16 to 1, based on the ratio of world production of silver and gold, appears to be essential to sound and necessary expansion of the basic currency of the world. Such restoration appears to be the most feasible plan to increase the purchasing power of more than half of the population of the world, enabling them to buy products of the United States and other gold-standard nations. Such restoration appears to be a requisite in order to increase our export trade and the sale of our surplus production, now depressing our domestic market below the actual cost of production. No plan as yet presented would do more toward restoring the economic stability of the world than the realization of the facts: That silver is not even as much a commodity as is gold; that four fifths of the silver now being produced, and that ever has been produced, has been used for monetary purposes, while only half of the gold ever produced has been so used; that laws did not make money of either gold or silver; they were money long before any monetary laws were ever enacted; that since the beginning of time there has not been produced throughout the world on the average more than 15 ounces of silver to 1 ounce of gold, and that in 1932 there were actually less than 13 ounces of silver produced to each 1 ounce of gold; that monetary laws alone have artificially decreased the demand for silver through restricting its use as money, thus decreasing its relative value, and we must therefore now remove or neutralize these artificial restrictions before we may hope to restore the natural laws of supply and demand. Nevada, therefore, favors any and all legislation, whether national or international, tending to effect the rehabilitation of silver, but is informed and believes that the only bill introduced in the Senate and the House of Representatives during the last two sessions of Congress which has received a favorable report from any committee is that introduced by Senator PITTMAN for the purchase of American-produced silver, with silver certificates, and this, in all probability, is the extent of legislation that could be enacted at the present session of Congress. And while some might be inclined to take nothing less than what they think is right, others are inclined to compromise upon the best they can get if it be a really forward step, particularly so when faced by an emergency which demands prompt alleviation.

The Silver State therefore submits that said Pittman bill is a step in the right direction; will tend to offset the unnatural supply of silver now derived from the melting of Indian silver coins and, at least to that extent, will tend to restore the market for silver to the normal mine production and the normal world demand; whereupon, at subsequent sessions of Congress, when conditions may be more favorable for silver legislation, we may hope for amendment of the Pittman bill to enlarge its scope and effect. In 1897 Nevada vigorously supported the Federal act (29 Stat. 624) authorizing the President of the United States to appoint five or more commissioners to attend any international conference called by the United States or any other country with a view to securing by international agreement a fixity of relative value between gold and silver as money, by means of a common ratio between these metals with free mintage at such ratio; and appropriating $100,000 for the expenses of any such conference. That act is still in full force and effect, but the conference has never yet been called, even though the Senate of the United States, in adopting the Pittman resolution, specifically requested the President to do so. The silver State therefore respectfully urges and petitions the President elect to call an international silver conference to be held in the United States at the earliest practical date.

Resolved therefore by the Senate and the Assembly of the State of Nevada, That we memorialize the present Congress of the United States to enact the Pittman bill (S. 3606), and respectfully petition the President-elect of the United States to promptly call an international conference to rehabilitate silver.

Resolved further, That copies of this resolution be transmitted forthwith by the secretary of state of Nevada to the President of the United States Senate, to the Speaker of the House of Representatives, to the chairman of the House Committee on Banking and Currency, to our Senators and our Representative in Congress, and a copy under the great seal of the State of Nevada to the President elect of the United States.

MORLEY GRISWOLD,
President of the Senate.
V. R. MERIALDO,
Secretary of the Senate.
FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.
STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

Approved March 6, 1933, 9:03 a.m.

F. B. BALZAR, *Governor.*

HEARINGS BEFORE THE COMMITTEE ON FOREIGN RELATIONS

Mr. PITTMAN submitted the following resolution (S.Res. 30), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Foreign Relations, or any subcommittee thereof, be, and hereby is, authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 9 o'clock and 27 minutes p.m.) the Senate took a recess until tomorrow, Thursday, March 16, 1933, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 15 (legislative day of Mar. 13), 1933

ASSISTANT SECRETARY OF THE NAVY

Henry Latrobe Roosevelt, of New York, to be Assistant Secretary of the Navy.

MEMBERS OF THE UNITED STATES SHIPPING BOARD

The following-named persons to be members of the United States Shipping Board for the terms indicated, as follows:

Hutch I. Cone, of Florida, for the term of 3 years from June 30, 1932.

Gatewood S. Lincoln, of California, for the term of 2 years from June 30, 1932.

David W. Todd, of New York, for the term of 1 year from June 30, 1932.

PROMOTIONS IN THE NAVY

Medical Director Perceval S. Rossiter to be Surgeon General and Chief of the Bureau of Medicine and Surgery in the Department of the Navy, with the rank of rear admiral, for a term of 4 years.

Naval Constructor Emory S. Land to be Chief Constructor and Chief of the Bureau of Construction and Repair in the Department of the Navy, with the rank of rear admiral, for a term of 4 years.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 15, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D. offered the following prayer:

Thou who art Lord of lords and King of kings, from the rising of the sun even to the going down of the same, Thou art the world's eternal light, making righteousness, mercy, and meekness the true religious service. Though Thy ways are infinitely higher than our ways and Thy thoughts than our thoughts, yet they mock fate. They whisper of love underlying all law and infolding all life. We thank Thee, Father, that our times are in Thy hand. O let our daily goal be the pure heart of truth, to which the angels of God bend down and listen. In the name of our blessed Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

PUBLICITY OF LOANS OF RECONSTRUCTION FINANCE CORPORATION

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that I may be privileged to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. HOWARD. Mr. Speaker, there appeared in the Evening Star of yesterday a statement by a man occupying a very important position in the affairs of the Government, a statement which I regard as slanderous with reference to the conduct of this House, with reference to the conduct of the Senate, with reference to the conduct of the President of the United States, who approved certain legislation which this man to whom I refer spoke of in public print as "the most damnable and vicious thing that was ever done."

I am quoting now from the Evening Star an interview under authority of the Associated Press with one Atlee Pomerene, who for many months has been chairman of the Reconstruction Finance Corporation, and he was referring to the publicity ordered by this House of the doings, loans, and commitments made by this corporation.

Mr. RICH. Will the gentleman yield?

Mr. HOWARD. I yield.

Mr. RICH. Does the gentleman think that the editorial remarks were about correct?

Mr. HOWARD. Well, if the gentleman wants to smear his own conduct, I have no objection.

Mr. RICH. I think the gentleman was about right.

Mr. HOWARD. The gentleman thinks it was all right for one to go outside, and particularly an officer of this Government, and pronounce as damnable and unclean the action by this House, the action by the Senate, and the approving hand of the President of the United States—he applauds this man in pronouncing this as damnable, does he?

Mr. RICH. The gentleman may have used some other words, but in the main he wanted to convey the idea that it was very poor legislation. I think that is what the gentleman intended to convey by his statement. I do not know who the gentleman is; but if that is what he wanted to convey, I think he was using language that would convey the ideas of a good many of the Congressmen.

Mr. HOWARD. Mr. Speaker, this legislation giving publicity to the affairs of the Reconstruction Finance Corporation originated with the former Speaker of this House, John Garner. He fought for it for a long while. I am taking it for granted that our present Speaker, who was at that time our majority leader, was at his elbow in this fight. Now, I do not know how my colleagues feel about it, but to have a man connected officially with a Federal organization created by this House denouncing legislation enacted by the House as "damnable and vicious", I think it is about time for this House, or for me at least, to have something to say on the subject.

Mr. McFARLANE. Will the gentleman yield for a question?

Mr. HOWARD. I yield.

Mr. McFARLANE. It is a fact, is it not, that the gentleman who made that statement, as former chairman of the Reconstruction Finance Corporation, was not confirmed by the Senate, and that one of the largest loans made while he was chairman was to one of the banks of his own city in which he was materially interested and in which he was a stockholder and director?

Mr. HOWARD. I think there is no question about that statement, but that is one of the smallest of his errors committed officially. [Laughter.]

Now, who is this man Atlee Pomerene who impeaches the integrity of the House of Representatives? I never met the gentleman in my life. I presume my friend on the left [Mr. RICH], who apologizes so sweetly for him, will tell us somewhat about him, but I do not know him. I know I never met him. I know it is true, if the same source which reports this statement is correct, the reference made by the gentleman on my right [Mr. McFARLANE] to the action of this man Pomerene with reference to loans made to a bank in which he was interested, must be true, because the Associated Press carried a statement to that equivalent.

Now, I do not want to deal overharshly with Atlee Pomerene. I admit that he won praise in prosecuting the Teapot Dome crooks. His apologists say he did well in that prosecution. Why not? In all America there is no lawyer, however provincial, who could not have done well in that case, the groundwork for which had been prepared by the greatest prosecutor of crooks that the United States has ever known—Senator Thomas Walsh, of Montana. [Applause.]

Mr. RICH. Will the gentleman yield?

Mr. HOWARD. Certainly.

Mr. RICH. I have letters from bankers in my district who claim that the advertising or the publicity given by the Reconstruction Finance Corporation to loans made to the banks was one of the things that was detrimental to the banks and led to the closing of banks more than any other one thing. I think if we are wise here in the House of Representatives, we will repeal that provision and prohibit the advertising of these loans. I think there is nothing today that is doing more injury to the banking system than the publicity given to loans granted by the Reconstruction Finance Corporation.

I understand that a Democrat in the Senate has proposed a bill prohibiting it in the future, and I hope we will have enough Democratic votes to pass it when it comes over.

Mr. HOWARD. I yielded to the gentleman from Pennsylvania, and now will he yield to me?

Mr. RICH. Certainly.

Mr. HOWARD. Will the gentleman please tell me where he got the information about the publication of the loans to banks injuring the banks?

Mr. RICH. If the gentleman will come to my office he can read the letters.

Mr. HOWARD. Oh, the gentleman can tell us; I will take his word for it.

Mr. RICH. It will only do more injury to the banks who received the loans, and I do not want to injure them any more than they have been already injured. I want to help the country out of the dilemma it is in.

Mr. HOWARD. There is a broad distinction and line of demarcation between men who think as the gentleman does and my own thought. I cannot believe that in any time or place there is any justification in this republican form of government for secrecy. I cannot believe it, and I hope the gentleman of whom he speaks will have the temerity to send that legislation over here and put it to a test in this House and see whether a majority of the Members of this House believe as the gentleman does, and whom I regard as in a very limited minority, as far as that question is concerned.

Mr. LOZIER. Will the gentleman yield?

Mr. HOWARD. I will.

Mr. LOZIER. Is it not true that the revelation of the National City Bank and Mitchell transactions went a long way toward destroying the last vestige of confidence of the American people in our big city banks; that the banks

themselves materially contributed to the present financial and banking debacle and are largely responsible for the present unprecedented economic chaos; that the big city banks have exploited and plundered the American people, and sold worthless securities to small banks and depositors all over the country; that they persuaded small banks and small investors to exchange their Government bonds for stocks and bonds of overcapitalized corporations and blue-sky companies; that they are responsible for the maladministration of our banking and financial affairs. Undeniably the great masters of finance have made a miserable mess of our fiscal system and financial affairs, and the sooner we clean house the better it will be for the Nation. [Applause.]

[Here the gavel fell.]

Mr. KVALE. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOWARD. Certainly, that is true. The statement made by the gentleman from Missouri is true, and I should like to say for the special edification of my friend from Pennsylvania [Mr. RICH], that Mitchell could not possibly have carried on his peculiar conduct in New York if it had been published and not carried on under cover.

Now, Mr. Speaker, I want to get back a little bit to the individual, not with reference to myself.

I take these words spoken by Mr. Pomerene as a practical challenge to the integrity of a wonderful friend of mine, a wonderful friend of my every colleague who served in recent years in this House—John Garner, at this time Vice President of the United States.

If Atlee Pomerene states the truth when he says this legislation is damnable and vicious, then he practically charges John Garner with doing a damnable and vicious thing, and I resent it.

I almost wish John Garner were not occupying that exalted second post of honor in all the world, where his tongue is tied by the silence cords of precedent, because if he were free from those silence cords what a joy it would be to see and hear him, figuratively, remove the Pomerene hide, nail it on the barn door, and throw his own best assortment of verbal brickbats at it.

But my own tongue is not tied by any cord which will forbid my defense of a friend. John Garner is my friend. His life has been one splendid sermon in advocacy of true friendship. When halting at two pathways plain, not knowing which is best to take, he loses thought of self and selfish gain, and makes a choice for friendship's sake. And always John Garner's life sermons close with an exhortation, in effect: True friends are God's best gifts to earth; true friendships are the priceless boon. Let's strive to prize them at their worth, nor lose them from our lives too soon.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. RICH. Is not Mr. Pomerene considered one of the staunch Democrats of the country, and should he not be sound in his reasoning?

Mr. HOWARD. A Democrat? I think my best reply to that would be that he was one of the best-loved Democrats in all the world—by Herbert Hoover. [Laughter.]

Mr. SHALLENBERGER. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. SHALLENBERGER. The gentleman well knows, and every man who is informed on banking knows, that the Government requires that every bank shall publish in its statement the total amount of money it borrowed. So the gentleman simply asked that there should be publication in the newspaper of what every bank is required to publish when it makes its statement, and if it does not include the amount of money borrowed in its statement, it is subject to fine and imprisonment.

Mr. HOWARD. Yes; and subject to loss of its charter.

Mr. LOZIER. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. LOZIER. Answering the question of the gentleman from Pennsylvania [Mr. RICH], is it not true that in the great State of Ohio Mr. Pomerene is regarded as an outstanding disciple of the stand-pat or reactionary school of political thought and political philosophy?

Mr. HOWARD. Oh, I think it is quite true that he is generally recognized as the kingfish of that school.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. TRUAX. Is it not a fact that the depositors in banks for the past 12 months have also been under terrific stress? Is it not a fact that every piece of banking legislation enacted in the States and the Nation has been for the benefit of the bankers and not for the benefit of the depositors? Is it not a fact that it is now time that legislation be enacted for the benefit of those who place their money in deposit with the banks?

Mr. HOWARD. I reply in the affirmative with reference to the gentleman's last suggestion.

Mr. LUCE. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUCE. Mr. Speaker, I have been greatly interested in the attempt of the gentleman from Nebraska [Mr. HOWARD] to transfer the responsibility for this matter to one who was formerly a member of the House, and apparently try to avoid all personal responsibility for it. I would remind him that he introduced the measure in question. I would remind him that he refused all pleas to withdraw it, and that he may not, under the guise of the defense of somebody else, shirk his own responsibility. Furthermore, whatever blame may attach to the House, none should be given to the Senate or to President Hoover. The mischief was accomplished solely by a House resolution.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. LUCE. If the gentleman will get me more time; yes.

Mr. HOWARD. Sure, I will if I can. The gentleman seems to be under a misapprehension. The gentleman seems to regard me as the author of lifting the legislation causing publicity of the doings of the Reconstruction Finance Corporation. The fact of the matter is that I was preceded in that good work by John Garner, the Speaker of this House, who lifted the blanket after the 10th day of July last year. I simply went back and lifted the blanket for the 5½ months preceding. That is all. He took the lead in this matter long before the passage of my own resolutions.

Mr. LUCE. I am grateful to the gentleman for acknowledging at least some responsibility in this matter.

Mr. HOWARD. Oh, I wish I could take all of it.

Mr. LUCE. I give it to the gentleman.

The facts of the case are these. For the sake of an academic theory, for advancing a view of government, there was presented to this House a proposal that did the greatest damage. It was foreseen that it would do damage. The men who were responsible for it, no matter who they may have been, were begged by those conducting the Reconstruction Finance Corporation, Democrats and Republicans alike, not to do this thing. It was predicted that disaster would follow, and disaster did follow. No man may rise here and successfully defend himself by taking some doctrine from the pages of political science and saying for that reason it was a prudent thing to increase so tremendously the damage already done by this depression. I am told that 250 banks failed by reason of the publicity resulting. If they had on the average 1,000 depositors each, that would mean 250,000 citizens of the United States who have been thrown into trouble and distress by this action. No man has yet produced one shred of evidence to show that any benefit whatever accrued from publishing the names of banks that had secured loans.

It resulted not only in the closing of banks and the distress of depositors, but it deterred many other banks from turning to the Reconstruction Finance Corporation for relief. Furthermore, in some cases banks that never got a dollar of

cash were ruined. As a precaution, though not in pressing need, the bank had asked for a loan and been credited therewith on the books of the Reconstruction Finance Corporation. It was found unnecessary to use the loan and the credit was canceled. Yet, after the disclosure that, forsooth, some months before in an attempt to guard against possible danger the bank had resorted to this course, when the knowledge came to the public that the bank had gotten credit on the books of the corporation, there followed a run and the bank was closed.

Here, there, all over the country that sort of thing happened. The work of the Reconstruction Finance Corporation was greatly impeded. Its benefits were greatly lessened. Mr. Pomerene declares that the publication of names almost counteracted all the good the Reconstruction Finance Corporation had been able to do. As he points out, the banks that got loans were good banks and the loans were amply secured as the law required. To use the words credited to him, "requests for loans did not mean that applicant banks were unsound, but some silly persons construed them that way."

As I have said, not one shred of evidence has been produced to show any advantage coming to the public from the enforced publicity.

I cannot believe that it is a wise thing to make upon this floor statements that may still further disturb the country, may still further arouse animosity against banks. Who have the greatest interest in the safety of the banks? Not the owners nor the officers, but the depositors. It is the men who leave their money in the banks that are most hurt by this sort of thing—your neighbors and friends and you yourselves.

I am willing to accept as my own declaration every word that Mr. Pomerene uttered in this matter, and I would, if need be, repeat each one and defend it on the floor of this House. Denunciation cannot be too severe. It was deserved. It ought to be repeated until the House understands that it cannot proceed in such fashion, thoughtlessly, carelessly endangering the welfare of millions of our people, without creating occasion for remorse. [Applause.]

The SPEAKER. The time of the gentleman from Massachusetts [Mr. LUCE] has expired.

MONETARY SYSTEM OF THE UNITED STATES

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. CROSS] may proceed for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. BYRNS]?

There was no objection.

Mr. CROSS. Mr. Speaker, for primitive people, where the products of the community could be assembled at near-by convenient centers, barter furnished an ideal system of traffic. If such a system was still practicable and in vogue in America today, with all our obligations, both public and private, payable in commodities and other products, with all our farms and ranches amply stocked with every animal as they are, and our granaries filled to overflowing with every cereal that goes to feed and our warehouses bursting with all the fabrics that go to clothe man, this would be an era of unparalleled prosperity. But in this day such a system is impracticable, even impossible, for as civilization advanced and population increased and the wants of the people multiplied it became necessary to select certain commodities as a common medium of exchange. There are two metals—silver and gold—by reason of their limited quantity, luster, durability, and malleability peculiarly adapted for this purpose. And so we find these two commodities being used through the centuries as a common medium of exchange to reflect, as a mirror reflects the true image of an object, the true value of all property in response to supply and demand.

An adequate medium of exchange properly regulated will perform the functions of and obtain for the people all the benefits of barter, and as a result the more blessed the people are with the things that go to supply their needs and comforts the greater their prosperity.

But if in the midst of plenty, as we are today, we find want and hunger and rags and suffering, it is evident that that common medium has ceased to perform, as an honest agent should, the functions of barter, and has become a false, dishonest, treacherous agent as a result of its metallic inadequacy, improper regulation, or manipulation, or a combination of such causes. And while the two latter may have had a prominent part, there can be no question but that the inadequacy of our redemption metal, gold has been and is playing the leading role in this tragedy of tragedies that is now being enacted in this country on a stage as broad as the Nation.

Mr. Speaker, the prosperity of a country, above all else, is buttressed upon its monetary system, which, if wisely regulated and controlled, means an honest dollar measuring out exact justice to all—producer, consumer, debtor, and creditor alike. While a manipulated avaricious dollar means false measures, dishonest weights, and an impoverished, embittered people, and ultimately the ruin of those who may have profited by such injustice. Here, and here alone, through sound and judicious legislation exists the power to woo back our departed prosperity. Commercial prosperity depends upon credit, and credit depends upon confidence. Destroy confidence, and credit, its shadow, will vanish. The foundation of every country's financial structure is its redemption metal, and if this foundation be sufficiently broad and yet so limited in production by nature as to insure confidence, but subject to sufficient expansion in production to take care of the constantly growing monetary needs resulting from the increase of population and traffic, then the more there is of such primary money in circulation, whether in coin or certificates of deposit based on bullion in the Treasury, the stronger the financial structure and the less liable to violent financial shocks. Such money always becomes more or less well distributed among the people; and, unlike phantom or credit money, having no strings tied to it, it cannot, by the mere ipse dixit of some Federal Reserve Board, be jerked out of circulation overnight. While a currency redeemable in a metal inadequate in quantity will, at the slightest financial shock, breed fear and hoarding and a sharp contraction of credit.

As long as confidence prevails the quantity of redemption metal is immaterial, however inadequate in quantity it may be to redeem the paper currency based on it. Since so long as confidence prevails, none would ask for redemption as the paper is far more convenient to carry and handle than would be the metal. But the greater the inadequacy of the quantity of the redemption metal, the more inclined is confidence to yield to fear and the greater the financial disaster when such occurs. And so with credit gone and money hoarded and debts and obligations of every hue and kind, payable in money, falling due, the dollar soars in price until it takes from 4 to 5 times as much of any commodity or other property to buy as many dollars as it did when debts contracted fall due. Not because such property or commodities have in the aggregate diminished in value, for the things which supply the necessities as well as the comforts and luxuries of life, the houses we live in, the things that feed and clothe us, and the lands that produce them, are as valuable today as they were 5 years ago and will be as valuable 5 or 500 years hence. But gold, which constitutes our redemption metal, by reason of its inadequacy is not performing the function of honestly reflecting the true values of property but fictitious swindling values several times less than the true value. And so our dollar has become a dishonest highjacking dollar, demanding of its victim, the debtor, 3 and 4 times the amount that is justly due. Surely, none who have studied this question but realizes the inadequacy of gold as the redemption or basic metal to sustain the currencies of the world. What are the facts? As per the annual report of the Director of the Mint for the fiscal year ending June 30, 1932, the gold production of the world from 1492 to 1932 was 1,084,835,651 fine

ounces, and 47 percent of this, including all that was extant in the world at that time, has been lost, destroyed, and consumed in the fine arts, much of it lies buried in cemeteries, leaving only 53 percent of this in bullion and coin in all the world, which measured in dollars containing 23.22 grains fine, amounts to $11,940,606,000, or less than $6 per capita for the world's population.

The gold-bearing areas of the world for years have been thoroughly explored as well as exploited, and as a result the supply of this much-sought-for metal is gradually becoming exhausted, as an examination of the last report of the Director of the Mint will readily show. Take the world production as shown by that report for the last 26 years—that is, from 1906 to 1931, inclusive, and divide it into two periods of 13 years each and it reveals the fact that during the former period covering the years 1906 to 1918, inclusive, the world's production of gold amounted to 277,145,079 fine ounces, while for the succeeding 13-year period—that is, from 1919 to 1931, inclusive, there was produced only 242,738,273 ounces, or a falling off in production in the latter period of 34,406,806 ounces; that is about 13 percent. While taking the same 26 years, the report shows that there was produced in the United States during the first 13 years, that is, from 1906 to 1918, inclusive, 57,812,635 fine ounces, but in the succeeding 13 years, that is, from 1919 to 1931, inclusive, only 31,278,679 fine ounces, or a decline in this country in the latter period of 46 percent, the average annual production of the first 13-year period being 4,447,126 fine ounces and for the second 13-year period the average annual production being only 2,406,052 fine ounces. Much has been said about increased production in 1932. But what are the facts? Although many thousands of unemployed, struggling to make enough to keep body and soul together during 1932 have gleaned over and over the already exhausted placer mines in every part of this Nation, including Alaska, the Director of the Mint has just advised me that in spite of all this the production for 1932 amounts to only 2,507,000 fine ounces, or practically the annual average for the latter period. And while this decline in gold production was taking place, not only did world population greatly increase but world traffic easily doubled, and during the same period India and other countries, having been forced to abandon the silver standard, added tremendously to the money work to be done by gold. While this country, gold crazy, with practically half the world's supply locked in its vaults, says to other nations, "If you want my products, you must pay for them in gold." What irony, what folly! No wonder our factories stand idle. No wonder our commodities are left to rot in the fields, and millions in our cities are begging for bread.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield for a brief question?

Mr. CROSS. I yield.

Mr. BANKHEAD. The gentleman, of course, knows I am interested in the matter along with him. I trust the gentleman, before he concludes, if he has the time, will take occasion to give his impression of the result upon the economic structure of the world of the debasement of silver by the British Government in 1925. I am sure the gentleman is familiar with the facts in connection with this matter.

Mr. CROSS. Everyone knows how, when Great Britain did that, no doubt for a sinister purpose, the price of commodities broke and plunged down and down.

Mr. Speaker, the critical condition of this country demands immediate relief, and this body is the only physician that can apply the remedy, and there is but one remedy, one safe and sound remedy, and that is to expand the currency by increasing our redemption money by broadening our metallic base with silver, and thereby reduce the present abnormally high purchasing power of the gold dollar through the method of a bill I have introduced, which instructs the Secretary of the Treasury to purchase silver bullion at the market price and to pay for same with silver certificates, such certificates to be redeemable in silver bullion of an amount equal to the full face value of the certificates measured in gold or gold coin at the option of the Treasurer. The Treasurer is to continue to so purchase until 371¼ grains of fine silver reaches a parity with 25.8 grains of gold, nine tenths fine. As silver advances in price the Secretary of the Treasury may issue additional certificates on the seigniorage and use same in paying current governmental expenses, provided the value of the silver bullion on deposit exceeds by 10 percent the value of all outstanding certificates issued against such bullion when measured in gold.

This bill further provides that should, at any time, the price of silver so decline that the amount of bullion on deposit does not exceed by 10 percent all such certificates outstanding, the Secretary of the Treasury shall at once proceed to purchase silver bullion until the amount of silver bullion in the Treasury shall exceed by 10 percent the face value when measured in gold of all certificates outstanding, and $100,000,000 is appropriated to be used for that purpose should such an inconceivable event occur. We have hundreds of millions of paper currency with less than 50 percent of gold back of it. And today the Federal Reserve Banks are issuing literally billions of paper currency redeemable in neither gold nor silver but based alone on the notes of individuals and corporations, and since such notes, unlike gold and silver, are unlimited in the possibility of their making, such currency based on same is in turn unlimited in the amount that might be issued. It is true back of this currency is the credit of the Government, but what if the Government, as Germany did, becomes insolvent? If this is not "printing-press money," "fiat money," it is its German cousin. And yet this quasi "fiat paper-currency inflation" is a dire necessity at this time, brought about by the loss of confidence resulting from a realization of the inadequacy of gold as a redemption metal, and while this injection of paper inflation is necessary to revive our paralyzed financial system, to continue the patient with such treatment too long will prove fatal, and yet to return to the inadequacy of gold would mean sooner or later a recurrence of our present deplorable condition. There is, then, my colleagues, but one permanent sustaining remedy, and that is to increase the amount of redemption metal by adding silver to gold. The certificates issued under this bill would be the best-secured currency ever issued by the Treasury, for back of each certificate would be silver bullion worth the full face value of the certificate measured in gold plus 10 percent additional. No money could be—no money was ever—sounder.

But there may be some, who are not informed, to contend that such a law would flood this country with silver. And yet how groundless is such a fear in face of the facts. If all the gold exant in 1492 plus 47 percent of all that which has been produced since that time has been lost, worn out, and consumed in the arts, silver, by reason of its more extended use for practicable purposes, must have suffered far more from wear and tear and lossage than gold. But surely we are justified in assuming that the same causes that have resulted in removing all the gold exant in 1492 plus 47 percent of all that which has been produced since then have operated and had the same effect on silver. Now, the report of the Director of the Mint discloses the fact that the entire amount of silver produced in the world since 1492 amounts to 15,170,272,102 fine ounces, and deducting 47 percent as nonavailable for monetary stock, and we find there is only available for monetary purposes in the world 8,040,244,214 fine ounces, which, when translated into dollars containing 371¼ grains of fine silver, amounts to less than ten and a half billions. Our present silver dollar contains 371¼ grains of fine silver, which is at a ratio of the 23.22 grains of fine gold in a gold dollar of 15.98 to 1, or practically at 16 to 1. This ratio is unfair to silver, since the average ratio of production of the two metals throughout the world for more than 540 years, that is, from 1492 until the present, has been exactly 13.98 to 1, as shown by the report of the mint. As long as this country was on a bimetallic basis and coined the metals at this ratio, that is, 15.98 to 1, the silver dollar was at a premium over the gold dollar, being at a premium of 2 percent when this country went to the single gold standard in 1873. America, though a prince in silver, is a pauper in gold. The Americans produce 82 per-

cent of the silver of the world, while the United States, Canada, and Mexico produce 72 per cent of the world's silver production; while, on the other hand, North, Central, and South America, plus the West Indies, produce barely 28 per cent of the world's gold.

Mr. Speaker, if in conjunction with foreign gold we will but use the silver so bountifully bestowed upon us by nature in the foundation of our financial structure, daylight will break and this heart-rending depression will break with it. Mr. Speaker, we need no longer look across the Atlantic for major markets, for debt-repudiating Europe carries under her cloak the dagger of a Brutus to assassinate our trade in that quarter. Let us look to our neighbors in North, Central, and South America and across the Pacific to Asia's teeming millions, and if we will but enact this bill and restore the purchasing power of the only money they know, we will "grapple their trade to us with hooks of silver," and monopolize the traffic of two thirds of the world's population.

Though on our ranches and farms, in our granaries and warehouses, there be more food than our people can eat, more fabrics than they can wear, yet they suffer for food and shiver with cold and plead for work in vain. What an indictment of this body that for 3½ long years we have fiddled while the Nation groans.

Mr. Speaker, want and distress is undermining the patriotism of our people and breeding untold crime, and unless this body acts without further delay to remedy conditions, I hesitate to predict what tomorrow may have in store. Not a sun gilds this Capitol but new reports come to us from out West of the swelling discontent that is sweeping the yeomanry that produce the grain that feeds the Nation. Long and patiently they suffered, hoping, vainly hoping, that this body would act to relieve them from the cruel injustice of the highjacking inflated gold dollar that was pauperizing them by taking from them the hard earnings of a lifetime until at last embittered, desperate, they are throttling the courts, brushing aside the law, and are by their their acts declaring to the world that before they will further endure legal robbery they are ready to embrace anarchy.

As surely as those who possess lands and houses and products are anxious that its purchasing power of dollars be high, so surely do those who possess great money wealth, whether in cash, gold bonds, or other such securities, are anxious that the purchasing power of the dollar, when translated into other property, be high; and since the more limited the monetary metal the more effectively they can control and manipulate it, is it any wonder in their consuming greed that they attempt to frighten Congress and the people through propaganda by making dire predictions of what would happen should we do aught to relieve the distressed condition of the people by reducing the present robber price of the gold dollar by expanding the currency, though in a safe and sane way, and thereby restore property and commodity prices to normalcy? Knowing that they can not conjure up any argument against the soundness of expanding the currency by broadening the metallic base by adding silver to gold as a redemption metal, they dodge the issue and attempt to deceive and mislead by exclaiming, "Inflation", "Fiat money", "Printing-press money", and "Look what happened to the German marks", when they know that the German marks had back of them no redemption metal, neither silver nor gold, much less both silver and gold with silver measured in gold. It was "fiat money", pure and simple, with nothing back of it except the promise of a Government hopelessly bankrupt, recently conquered in war, and ruthlessly sacked. This bill retains the gold standard but broadens the monetary base by using both gold and silver as redemption metal, thereby lessening the strain on gold and reducing its inflated purchasing power; that is, restoring the price of commodities and other products to normalcy. In order to protect their citizens from the injustice of the gold dollar several times inflated, England, France, Italy, Holland, Norway, Sweden, and in fact every country in Europe has either gone off the gold standard or readjusted the value of their monetary units so that commodities and other property will purchase as many of those units, whether they be francs, pounds, lire, or whatnot, as when the debts of their citizens were contracted; so that today America alone bleeds impaled on the gold standard.

I here and now warn those who in their folly would throttle this sane and just method of expansion if they are successful in their efforts that the ultimate fruit of that success will indeed be fiat money and, I fear, red fiat money. This bill retains the gold dollar as the standard, while deflating it with silver.

Is this not the same group that assured Congress that if it would set up the Reconstruction Finance Corporation, so that through it they could unload on the Government such worthless securities held by them as that of the Insulls, that prosperity would blossom again? Is it not the same group that returned later and assured Congress that if it would enact the so-called Glass-Steagall bill, so that they could issue fiat money on their bonds, and thereby get double interest, the clouds would clear away? Is this not the same group that is now using every means of propaganda against this bill and telling us that if we will only cancel the war debts and shift $12,000,000,000 in taxes from Europe to the backs of our people, and thereby enable them to collect the billions of private loans made by them in those countries, the croaking raven of depression will disappear? Do they think our credulity is such that we can be forever duped?

In the cloakroom and office, with hardly a dissenting voice, we all agree that the only solution, the only door that will lead us out of this frightful nightmare of depression, this slough of despond, back into the El Dorado of prosperity, is that of metallic expansion. Then why do we longer hesitate; why do we not act? We cannot escape the solemn responsibility placed upon us by the Constitution to coin and regulate the value of money, from the lack of which regulation this country as I address you trembles upon the verge of political as well as financial disaster.

Why do our manipulating money barons continue to intimidate and frighten us by propaganda, through press, mail, and radio. Have we not been generous in legislation for them? Have they forgotten the French Revolution with its guillotine, its Dantons and Robespierres? Russia with her Lenins and Stalins? There is a Mussolini in Italy, a Hitler in Germany, while in America "coming events are casting their ominous shadows before." When the storm breaks, it will be too late then, and there will be no cellars in which to hide. Those who oppose this measure are blinded by nearsighted greed, and if the golden scales would but fall from their eyes they of all men would be here pleading for its passage.

Mr. Speaker, enact this bill into law and ere long every wharf on our Atlantic and Pacific coasts will be laden with the products of our factories and every dock will be crowded with American vessels waiting their cargoes for Mexico, Central and South America, for Japan, China, and India. Every factory will throb again with life and every laborer who wills to work will have a job, and this Nation will become in truth and fact the great mart of the world. [Applause.]

Mr. Speaker, I ask unanimous consent to extend my remarks by adding to them that part of the report of Mr. Windom, Secretary of the Treasury in 1889, recommending to Congress a bill on this subject practically the same as the one I am urging at this time.

The SPEAKER. Without objection, it is so ordered.

The matter referred to is as follows:

EXCERPTS FROM THE REPORT OF THE UNITED STATES TREASURER, WILLIAM WINDOM, DECEMBER 2, 1889

From the year 1717 to 1873 the ratio between gold and silver was remarkably constant, being 15.13 to 1 in the former year and 15.92 to 1 in the latter year. During this long period of 150 years there were slight fluctuations in the ratio, but not enough to cause any serious inconvenience. Even during the period of the immense production of gold, from 1848 to 1868, when $2,757,000,000 of gold was produced and only $813,000,000 of silver, the change in the ratio was only about 1.6 percent. * * *

As a matter of fact the act of 1873 had little or no effect upon the price of silver. The United States was at that time on a paper basis. The entire number of silver dollars coined in this

country from the organization of the mint in 1792, to that date, was only 8,045,838, and they had not been in circulation for over 25 years. * * *

MEASURE RECOMMENDED

Issue Treasury notes against deposits of silver bullion at the market price of silver when deposited, payable on demand in such quantities of silver bullion as will equal in value, at the date of presentation, the number of dollars expressed on the face of the notes at the market price of silver, or in gold, at the option of the Government; or in silver dollars at the option of the holder. Repeal the compulsory feature of the present coinage act.

The Secretary desires to call special attention to this proposition, believing that in the application of its principles will be found the safest, surest, and most satisfactory solution of the silver problem as it is now presented for the action of this country. In explaining the proposed measure, at this time, it is intended to deal only with its general features; but, if desired, a bill embracing the details believed to be necessary to its satisfactory operation will be prepared and submitted for the consideration of Congress.

The proposition is briefly this: To open the mints of the United States to the free deposit of silver, the market value of the same (not to exceed $1 for 412.5 grains of standard silver), at the time of deposit, to be paid in Treasury notes; said notes to be redeemable in the quantity of silver which could be purchased by the number of dollars expressed on the face of the notes at the time presented for payment, or in gold, at the option of the Government, and to be receivable for customs, taxes, and all public dues; and when so received they may be reissued; and such notes, when held by any national banking association, shall be counted as part of its lawful reserve.

The Secretary of the Treasury should have discretionary power to suspend, temporarily, the receipt of silver bullion for payment in notes, when necessary to protect the Government against combinations formed for the purpose of giving an arbitrary and fictitious price to silver.

If the price of silver should advance between the date of the issue of a note and its payment, the holder of the note would receive a less quantity of silver than he deposited, but he would receive the exact quantity of silver which could be bought in the market with the number of gold dollars called for by his note at the date of payment. If the price should decline, he would receive more silver than he deposited, but he would receive the quantity of silver which could be purchased with the number of gold dollars called for by his note at the time he presented it for payment.

The advantages of retaining the option to redeem in gold are threefold:

First. It would give additional credit to the notes.

Second. It would prevent the withdrawal and redeposit of silver for speculative purposes.

Third. It would afford a convenient method of making change when the weight of silver bars does not correspond with the amount of the notes.

So far as the issue of the notes is concerned, the plan is very simple. If a depositor brings a hundred ounces of silver to the mint, and the market price of silver at that date, as determined by the Secretary of the Treasury, is 95 cents an ounce, he would receive in payment Treasury notes calling for $95. * * *

ADVANTAGES OF THE PROPOSED MEASURE

Among the obvious advantages of the measure proposed, the following may be briefly stated:

First. It would establish and maintain through the operations of trade a convenient and economical use of all the money metal in the country.

Second. It would give us a paper currency not subject to undue or arbitrary inflation or contraction, nor to fluctuating values, but based dollar for dollar on bullion at its market price; and having behind it the pledge of the Government to maintain its value at par; it would be as good as gold, and would remain in circulation, as there could be no motive for demanding redemption for the purposes of ordinary business transactions.

Third. By the utilization of silver in this way a market would be provided for the surplus product. This would tend to the rapid enhancement of its value, until a point be reached where we can with safety open our mints to the free coinage of silver.

Fourth. The volume of absolutely sound and perfectly convenient currency thus introduced into the channels of trade would also relieve gold of a part of the work which it would otherwise be required to perform. Both of the causes last mentioned, it is confidently believed, would tend to reduce the difference in value between the two metals and to restore the equilibrium so much desired. It would furnish a perfectly sound currency to take the place of retired national-bank notes, and thus prevent the contraction feared from that source.

Fifth. It would meet the wants of those who desire a larger volume of circulation, by the introduction of a currency, which, being at all times the equivalent of gold, would freely circulate with it, and thus avoid the danger of contraction, which lurks in the policy of increased or free coinage of silver, by reason of the hoarding or exportation of gold.

Sixth. It should not encounter the opposition of those who deprecate inflation for, though the volume of currency may be somewhat increased, the notes would be limited to the surplus product of silver, and each dollar thus issued could be absolutely sound and would represent an amount of bullion worth a dollar in gold.

Seventh. It would be far more advantageous to silver producers than increased coinage under existing law, for in both cases bullion would be paid for at its market value, and under the plan proposed a much larger amount could be used with safety; and while increased coinage would arouse the fears and encounter the opposition of a very large and powerful class of people, it is believed that this measure would meet with their acquiescence.

Eighth. There would be no possibility of loss to the holders of these notes, because in addition to their full face value in bullion they would have behind them the pledged faith of the Government to redeem them in gold, or its equivalent in silver bullion.

Ninth. The adoption of this policy and the repeal of the Compulsory Coinage Act would quiet public apprehension in regard to the overissue of standard silver dollars, and the present stock could therefore be safely maintained at par.

Tenth. This plan could be tried with perfect safety, and it is believed with advantage to all our interests. Should it prove a successful and satisfactory plan for utilizing silver as money, other nations might find it to their interest to adopt it without waiting for an international agreement; and should concerted action be deemed desirable, it could then be more readily secured.

By this method it is believed that the way would be paved for the opening of the mints of the world to the free coinage of silver and the restoration of the former equilibrium of the money metals.

POSSIBLE OBJECTIONS AND CRITICISMS

I may here conveniently note and answer in brief some of the objections which may be made to this proposition:

First. Possibility of loss to the Government by a further depreciation in the value of silver bullion.

This danger is exceedingly remote. On the other hand, there is every reason to believe that a profit to the Government would be realized by the adoption of this measure. First, from the almost certain rise in the value of the silver on deposit, which would inure to its advantage; and, second, from the destruction and permanent loss of notes, which would never be presented for redemption, the bullion represented by them then becoming the property of the Government.

But even if a loss arise by reason of a further decline in the value of silver, this would not be a valid objection to the measure proposed, for the reason that the Government, having assumed control of the currency of the country, is bound, at whatever cost, to supply a circulating medium which is absolutely sound. This duty has been fully recognized in the case of our legal-tender notes, by the sale of 4 and 4½ percent bonds, amounting to $95,500,000, in order to provide that amount of gold, which now lies in the Treasury, as a reserve for their redemption. We have already paid out over $40,000,000 interest on these bonds as a portion of the cost of maintaining the outstanding $346,000,000 of United States notes, and we are still paying over $4,000,000 a year for that purpose.

Second. It might be suggested that to issue Treasury notes on unlimited deposits of bullion would place the Government at the mercy of combinations organized to arbitrarily put up the price of silver for the purpose of unloading on the Treasury at a fictitious value.

This danger may be averted by giving the Secretary of the Treasury discretion to suspend temporarily the receipt of silver and issue of notes in the event of such a combination, and he might be authorized, under proper restrictions, to sell silver, if necessary, retaining the gold proceeds for the redemption of the notes. The existence of such authority, even if never exercised, would prevent the formation of any effectual combination of this kind, for the reason that a combination to control the silver product of the world would be very expensive, requiring immense capital, and could not be successfully undertaken in the face of the power lodged with the Secretary to defeat it. This method of guarding against combinations and corners would be far better than the proposition to fix the price at which notes should be issued at the average price of silver during any considerable antecedent period of time, as the latter would tend to prevent the normal rise in value, which is desired and anticipated from the adoption of this method.

Third. If it be objected to on the ground that it would degrade silver from its position as money and reduce it to the level of a mere commodity, the reply is that silver bullion is now a mere commodity.

This policy would at once give to silver, through its paper representatives, the rank and dignity of money in the most convenient and least expensive way in which it can possibly be utilized. The issue of notes based on bullion, as proposed, would have the effect of crowning it with the dignity of money as effectually as could the dies and stamps of a United States mint. Instead of degrading silver, this plan would tend to restore it to its former ratio with gold.

Fourth. It might be urged against this plan that it would open a tempting field for speculation by offering to speculators an opportunity, when silver had temporarily fallen but was likely to advance, to withdraw from the Treasury and hold for a rise the silver bullion covered by notes, or when there might be a possibility of a depression to deposit it, wait for a fall in price, and then have their notes redeemed in an increased quantity of silver.

The answer to this objection is that the danger is by no means great; but should it prove so, the judicious exercise by the Secretary of the Treasury of his option to redeem in gold (either coin, bullion, or certificates) would effectually prevent the successful culminations of such speculative operations.

Fifth. Unless the amount of silver bullion be limited, may not this policy result in an undue and dangerous increase in the volume of our currency? May we not be flooded with the world's excess of silver?

Fears of too large a volume of absolutely sound currency are not entertained to any considerable extent by our people. The dangers from such an expansion are not apparent, nor are they serious. It is only inflation from overissue of doubtful or depreciated dollars that affords substantial grounds for apprehension.

As to the objection that we may be flooded with the world's silver, the proposed law itself and the statistics in regard to the present product and the uses of silver furnish a complete reply.

Treasury notes would only be issued at the average price of silver in the leading financial centers of Europe and the United States, so that there could be no possible motive for shipping it from abroad. Why should anyone pay the cost of transporting silver from Europe to exchange for our Treasury notes at the same price it would command in gold at home? Probably we should receive some of the surplus product of Mexico; but, as will be presently shown, the amount would not be dangerously large. It would not come from South America, because it would command the same price in gold in London that it would in notes in New York, and nearly all the product of South America goes, in the shape of miscellaneous ores and base bars, to Europe for economical refining. * * *

If, however, any limitation be thought necessary, it would seem preferable to restrict deposits to the product of our own mines or the mines of this continent, or to deposits of new bullion, as distinguished from foreign coin and foreign melted coin, rather than to limit the amount to be received to a specific quantity or value.

He is a dull observer of the condition and trend of public sentiment in this country who does not realize that the continued use of silver as money in some form is certain. No measure can be presented to which it may not be possible to find objections. This one is suggested with a view to promoting the joint use of silver and gold as money, and with the full confidence that it will secure all the advantages hoped for from any of the plans proposed without incurring their real or apprehended dangers.

REPORT OF NATIONAL TRANSPORTATION COMMITTEE—EXPENDITURES ON INLAND WATERWAYS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. Speaker, on February 15 there was inserted in the RECORD, by Senator FESS, the report of the committee recently appointed to make investigations with reference to the railroad transportation problems. The committee was composed of gentlemen of the most eminent standing, appointed by the leading insurance companies, investment bankers, railway-business associations, and prominent institutions of learning, as stated in the appendix of the report.

This committee has been referred to as the national transportation committee. The late ex-President Coolidge was its chairman and Mr. Bernard M. Baruch was vice chairman, the other members being ex-Governor Smith, Mr. Clark Howell, and Mr. Alexander Legge.

After the death of Mr. Coolidge, the report here referred to was made by the other members of the committee, Messrs. Baruch, Howell, and Legge joining in a majority report, and ex-Governor Smith presenting a minority report.

I agree with much that is stated in the report, especially in the minority views of Governor Smith. But, for the sole purpose of keeping the record straight, I desire to call attention to an erroneous statement appearing in the majority report. It is in regard to the amount of money being expended by Congress for the improvement of inland waterways for transportation purposes.

In the majority report the subject of waterway-transportation facilities is treated under four heads, as follows:

(a) The Great Lakes waterway.
(b) The St. Lawrence seaway.
(c) Government barge line.
(d) Inland waterways in general.

Under this last head appears the following language:

> Our waterway policy for the past few years has averaged a cost of about $100,000,000 annually and tremendous projects involving hundreds of millions are being considered. Our studies show no commensurate economic benefit resulting from much of this spending. * * * At a time when the very stability of our system depends on the balancing of Federal expenditures with revenue, and the sources of taxation seem almost dry, we find it difficult to justify this wasteful outpouring of hundreds of millions of dollars for results so barren of economic returns.

In its assumption that an average of $100,000,000 has been expended annually in the improvement of inland waters for transportation, the transportation committee is entirely in error. No such appropriations have ever been made by Congress, and consequently no such expenditures could possibly have been made by the War Department.

This statement in substance has frequently appeared in print, and doubtless some of the opponents of water transportation who appeared before the transportation committee restated these figures in their briefs.

It is true that all such waterway expenditures were greatly increased during the past 3 years, not only on inland waters but upon ports, harbors, and other coastal works, and upon the Great Lakes as well. This temporary increase in no sense of the word constitutes "our waterway policy," as referred to in the report of the transportation committee. It was merely a temporary relief measure to aid the unemployed.

In any event, the total appropriations for all these waters, including the ports of Alaska, Hawaii, and Puerto Rico, were far short of the amount assumed by the transportation committee to have been expended upon inland waterways alone. For the past 10 years the appropriations have been as follows:

1923	$57,061,710
1924	37,614,950
1925	40,330,405
1926	50,232,653
1927	50,215,000
1928	56,506,310
1929	50,015,680
1930	67,014,400
1931	82,520,800
1932	90,000,000
1933	39,418,129

The transportation committee evidently did not refer to the acts of Congress appropriating the money, nor to the records of the War Department in making the expenditures. In fact, the majority report shows upon its face that this was not done. It says:

> The committee gathered its facts from three sources:
> (1) Open hearings.
> (2) Studies of other investigating bodies, memoranda, briefs, and specific suggestions.
> (3) The work of Dr. Moulton and the staff.

The appropriation of $39,418,129, made a few weeks ago for the coming year, is the lowest annual appropriation that has been made since 1924. It, of course, has not been expended. In view of the fact that $22,000,000 will be required for maintenance purposes, it goes without saying that the proportion of the remaining $17,000,000 that can be allotted for construction work on inland waters will be practically nil. I can as consistently refer to this as constituting our "waterway policy," as the transportation committee did in so considering the emergency-relief appropriations.

I further call attention to the fact that the increased appropriations in 1930, 1931, and 1932 did not add to the cost of government, as no additional expenditures were authorized. Every dollar of the money was expended on works to which the Government was already committed by acts of Congress. These increased appropriations actually resulted in great savings to the Government, as the work was carried out on a basis of little more than 50 cents on the dollar of the amounts authorized.

One illustration along this line will be sufficient. The river and harbor bill of 1930 authorized the deepening of the Great Lakes channels from 21 to 24 feet. The cost was estimated at a little more than $29,000,000. By reason of the increased appropriations during the past 3 years the contracts have all been let and some of them completed. I am advised by Colonel Markham, division engineer at Cleveland, that no contract exceeds 51 percent of the estimated cost. The actual saving to the Government will amount to about $13,000,000 on the Great Lakes alone, besides affording work to many thousands of laborers in the time of their greatest need.

It may be of general interest to know where the expenditures for waterway transportation improvements have been made. I furnish the following statement from the Chief of

Engineers, embracing all such expenditures from the beginning of our Government to June 30, 1932:

	New work	Maintenance
Atlantic coast harbors	$276,208,555.85	$83,627,913.57
Gulf coast harbors	85,811,659.54	51,843,300.30
Pacific coast harbors	67,864,446.37	26,316,488.76
Mississippi River system	377,227,994.18	61,174,183.25
Intracoastal waterways	47,818,948.41	8,746,083.35
Great Lakes	154,798,520.23	40,569,220.84
Inland waterways	38,402,939.10	17,127,604.55
Hawaii harbors	9,410,648.78	616,611.79
Alaska harbors	1,614,388.19	315,608.61
Puerto Rico harbors	2,671,061.57	529,429.66
Sacramento River, Calif.	381,814.93	2,789,879.49
Total	1,062,210,977.15	293,666,324.17

From this statement it will be seen that slightly less than 37 percent of the total expenditures has been upon inland waters, while 63 percent has been upon the ports, harbors, and coastal channels of our Atlantic, Pacific and Gulf seaboards and upon the Great Lakes and the ports and harbors of Alaska, Hawaii, and Puerto Rico.

The expenditures upon all of these waterways combined, have never amounted to as much as $100,000,000 in any year in our history. The nearest approach to it was under the $90,000,000 emergency-relief appropriations for 1932, and the annual report of the Chief of Engineers shows that quite a large proportion of that money remained unexpended at the end of the fiscal year.

The national transportation committee has evidently been imposed upon by some of the parties who appeared before it in opposition to waterway transportation. It will not be a satisfactory explanation for those adroit parties to claim that they included in their estimates expenditures made upon the Muscle Shoals power plant; upon the Boulder Dam in the Colorado; and upon flood-control work for the protection of life and property in the Mississippi Valley. Those expenditures were made for purposes entirely distinct from transportation, and were not under consideration by the national transportation committee. This committee was dealing with transportation only, and the effect upon the railroads of transportation by waterways, highways, airways, and pipe lines.

ORDER OF BUSINESS

Mr. BLACK. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. Is there objection?

Mr. SNELL. Reserving the right to object, and I shall not object, I should like to ask the Speaker in regard to the program for the balance of the afternoon. If there is no business, I am perfectly willing that anyone who wishes may talk.

The SPEAKER. There will be no business transacted today.

Mr. SNELL. It will be all right for Members to leave the floor?

Mr. BLACK. Not until after my speech. [Laughter.]

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BLACK. Mr. Speaker and gentlemen of the House, as chairman of the Committee on Claims, with which all the Members will have some relation as time goes on, I want to make a request for that committee. We find that we do a great deal of work on bills, get them on the calendar, and then find that there are gentlemen in the House more highly technical than members of the committee who object to bills on various grounds other than their merits.

Now, it will help matters considerably if in private relief bills they are in form originally approved by the committee.

I am taking the liberty of suggesting to Members that if they have any doubt as to the form of the bills they intend to introduce that they seek the advice and assistance of the clerk of the Claims Committee. That will obviate the necessity, in case the bill is not in form originally, spending any time in revision as to the form of the bill.

At the last session the committee had 2,000 bills to consider, and we want to give all the time to the merits of the legislation. This will help everybody, and if Members have originally their bills in proper form it will save much time and expense in having amendments printed.

Mr. ALLGOOD. If the gentleman will yield, I think his suggestion is timely; but could not the gentleman's committee furnish Members with the proper form?

Mr. BLACK. That is hardly possible, in view of the great variety of claims. It is much better for Members to go to the committee and have their bills put in proper form.

Mr. LUCE. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today.

The SPEAKER. Is there objection?

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, as everyone knows, recently there has been submitted to conventions in the States a proposition to amend the Constitution. No Federal legislation has followed that submission. For the first time in the history of this country we are going to experiment with amending the Constitution by submitting the proposition to conventions in the States. During the period when the determination of policy was being considered, naturally there was difference of opinion among Members of the House, first, as to whether the amendment should be submitted and, second, whether to legislatures or to conventions; but when that issue was fought out and the determination arrived at to submit the proposition to the conventions in the States, it then became a matter of common concern that we proceed in the right way, in a way which accords with sound governmental procedure among an honest people capable of self-government. It ought to be a matter of agreement on the part of all the people of the United States that the matter should be submitted to the people in such a way as is most calculated to test the judgment of the people, and should be submitted in such a way as to leave as few questions as possible for the determination of the Supreme Court.

There is a very definite difference of opinion among lawyers particularly with reference to the relative powers of the States and of the Federal Government with reference to these conventions. Having these considerations and these objections in mind, I am taking the liberty of suggesting to the States for their consideration that these conventions should conform as nearly as possible to what we know as the electoral college; that the delegates to those conventions be selected as presidential electors are selected; and that when the delegates to these conventions meet, they issue in triplicate the certificate of the result of their deliberations; and that their election be certified by the Governors of the States, as is done with reference to presidential electors. The reason for this last suggestion is that these conventions when they adjourn will cease to exist, and if anything should happen in transmitting the certificate, it might be difficult to substitute another certificate. At least that precaution has always been taken with regard to the certificates of the Presidential electors, where the reason for the precaution is identical.

There is another thing which recommends the plan suggested. In all the years of our experience there never has been any conflict between the Federal Government and the States with regard to the election of these Presidential electors.

There is still another consideration. In the Constitution there is, of course, no definition of what a "convention" is. It would certainly be desirable that the conventions that are to pass on this constitutional amendment should be such a convention as was recognized by the framers of the Constitution as a suitable agency for the determination of im-

portant governmental matters by the Government being established. This convention of the Presidential electors, which I say is a good model, is a convention provided for in the Constitution, and as now constituted is practically contemporaneous with the Constitution.

Aside from the amendment in, I believe, 1925, when we changed the method of sending up the returns, and so forth, from these conventions of electors, there has been no change in the law governing Presidential electors since Washington's first administration. The fact that the plan has been so long established and is therefore so generally understood in the States—in fact, is uniform in the States—would make, if followed, uniformity as to these conventions in all the States; uniformity, for obvious reasons, is highly desirable. As I view it, this plan has everything to recommend it and nothing to the contrary. Delegates, a sort of wet and dry ticket, could be nominated by any one of several methods and placed on the ballot as party candidates for Presidential electors are, and, as Presidential electors do, these delegates would in their action reflect the attitude toward the proposed amendment of those who had elected them. I do not want to make any controversy as to the point, but for whatever it may be worth, in my judgment, the States or governments do not appear in the picture with reference to the amendment of the Federal Constitution by conventions; not only is the language of the Constitution not confusing but the decisions of the Supreme Court are clear and definite. If in the absence of congressional action the States proceed with initiating and governing these conventions, the effectiveness of such action would depend upon the fact, if sustained, that the States had properly exercised a proper function of governmental comity as between the States and the Federal Government. While that view may, of course, not be accepted, it ought not to be ignored in the determination of State procedure. Every effort should be made by the States that these conventions meet every requirement of fairness and efficiency and, as far as they can, that they be uniform. This is a new venture. The submission is not to the States. The Federal Constitution gives them neither responsibility nor power with regard to its amendment. They have no inherent or reserved powers which they can thrust into the plan and processes of carrying out this section of the Constitution. Section 7, which is the section dealing with the original ratification of the Constitution, does have reference to the convention "of" States.

Clearly the Constitution in the first instance was referred to the States, which met in convention. The States, the sovereign governmental unit, met. But so far as the conventions provided for in the amendatory clause of the Constitution, section 5, are concerned, the reference there is to conventions "in" the States. When you consider together the decisions by the Supreme Court in the *Ohio case* in Two Hundred and Fifty-third United States Reports and the decision in the *Prohibition cases* in Two Hundred and Fifty-eighth United States Reports you find there that the Supreme Court has held that the legislatures and, by analogy, conventions to which constitutional amendments were submitted are performing a Federal function and derive all their power from the Federal Constitution; that the Constitution, including section 5, was a delegation by the people to the Federal Government, and that the Constitution when amended has to be amended as the Federal Constitution provides. Clearly these conventions, when they meet, will perform a Federal function.

While there is no obligation upon the part of the States to initiate or to control these conventions, it is to be assumed—in fact, we know—that the States, Congress having submitted the proposed amendment and not having legislated in regard to the matter, will accept such action as an implied invitation and will proceed to organize these conventions; and it would seem that if the States do proceed to organize these conventions the States have a sufficient interest in their organization and deliberation to bring them within the police powers of the State and make their election laws applicable and make the action of these conventions probably effective.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. SUMNERS of Texas. Regardless of the opinion which lawyers may hold with reference to the relative powers of the Federal Government and the States in the premises, most of us will agree that under the circumstances of this submission the States do have such an interest in this matter that if they assume the responsibility whether as a matter of governmental power and duty or of governmental comity of initiating and controlling the conventions, that interest of the State will bring those conventions within the police power of the State and make them subject to the general election laws of the States. But the element of uncertainty suggests a high degree of caution and of assured justice and freedom from questions. That is why I am presuming to make these suggestions for the consideration of State legislators.

Mr. LUCE. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. LUCE. In the *Ohio case*, to which the gentleman referred, the court held that the word "legislature" was to be construed as ordinarily understood at the time the Constitution was adopted.

Mr. SUMNERS of Texas. That is correct.

Mr. LUCE. And that was repeated last year in the redistricting case where Mr. Justice Hughes approved that idea.

Mr. SUMNERS of Texas. That is right.

Mr. LUCE. Does the gentleman suggest that there is no analogy by which the word "convention" ought to be likewise construed as meaning what it was when the Constitution was adopted, namely, a deliberative body, broadly enough constituted to represent the whole State?

Mr. SUMNERS of Texas. Of course, nobody will ever know until the Supreme Court passes on the questions which will arise, but I believe the safest plan for the States to pursue, everything considered, and the plan best adapted, would be to pursue the general plan which governs the election of Presidential electors. I believe that when these conventions meet the persons elected as delegates to them, in their deliberations, or that which we will by courtesy call deliberations, should reflect the judgment of the people of the States as expressed at the polls, just as the electors reflect the judgment of the people of the States.

Mr. LUCE. The gentleman does not quite get what was in my mind. It is proposed in various States that these conventions shall be very small bodies, elected at large.

Mr. SUMNERS of Texas. Yes.

Mr. LUCE. Certainly no such conception of a convention was in the minds of the fathers in 1789. I am wondering if it is prudent for the States to deviate from the convention idea as held when the Federal Convention assembled?

Mr. SUMNERS of Texas. May I ask the gentleman, does he not regard what we know as the election college as a convention? When you consider the original plan of the Constitution governing the election of the President and Vice President, it was not that the people would elect a President and a Vice President, but that the people would elect some wise persons who would meet in convention and select a President and Vice President. In view of the fact that that is a convention, recognized at the time of the inception of the Constitution, and one that seems to meet all practical requirements, I would prefer taking a chance on that sort of convention rather than to elect a lot of people to these conventions who come together in the States, juggle and negotiate and deal around and probably defeat the will of the people with regard to this proposed amendment.

Mr. LUCE. I am not arguing that suggestion.

Mr. SUMNERS of Texas. I would take a chance on it.

Mr. LUCE. It seems to me that the word "convention" was then understood to be in the nature of the conventions that had assembled to form various State constitutions.

Mr. SUMNERS of Texas. But the best I can say to my distinguished friend is that I would take the chance. I have looked into it and I would take a chance. If these delegates are fairly elected, the fact that they are no more numerous than the number who convene to elect a President and Vice President and that they reflect the will of those who have elected them, just as Presidential electors do, would not, in my judgment, vitiate their action. Put it another way, a number large enough to cast the vote for the people of a State for President and Vice President is large enough to cast a vote for them with regard to a proposed amendment to the Constitution. Of course these delegates could disregard the will of the people of a State just as electors may, but just as electors never do these delegates would not, but that fact would not vitiate their action.

Mr. O'CONNOR. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. O'CONNOR. It is well known what is meant by "conventions" in our State constitutions, because a convention to revise State constitutions is provided for, but it has been suggested in some of the States—I think the State of Washington inquired some time ago and tried to obtain an opinion from the Attorney General as to whether or not it would be legal to have the legislatures of the States resolve themselves into conventions. In my opinion, that would violate the spirit of the Constitution, because the alternative methods are proposed. Does the gentleman agree with that idea?

Mr. SUMNERS of Texas. I agree with the gentleman thoroughly.

The SPEAKER pro tempore (Mr. HILL of Alabama). The time of the gentleman from Texas [Mr. SUMNERS] has expired.

Mr. DIES. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. DIES. I listened with a great deal of interest to the speech delivered by my able and distinguished colleague [Mr. CROSS]. The subject that he discussed is a subject which a large group of the Membership of this House studied and considered on various occasions during the last session. The Committee on Coinage, Weights, and Measures, upon which I have the honor to serve, conducted exhaustive hearings last session for the purpose of determining some practical method of restoring to silver its use in the monetary system of this Nation. A number of Members of this House have devoted exhaustive thought and study to this important question. Several bills have been introduced dealing with it. A bill was introduced by our distinguished Member from Alabama [Mr. BANKHEAD]. Other bills were introduced by the gentleman from Texas [Mr. CROSS], the gentleman from Ohio [Mr. FIESINGER], the gentleman from New York [Mr. SOMERS], and myself dealing with the subject from the point of view of authorizing the Secretary of the Treasury to purchase silver bullion and to issue silver certificates redeemable in silver and in payment for the silver bullion.

The Committee on Coinage, Weights, and Measures reported out a bill during the last hours of the Seventy-second Congress which provided for the limited purchase of silver bullion. As a result of the careful investigations conducted by our committee, as well as independent thought and study on my part, I reached certain definite conclusions, and I think those conclusions are shared by many of the members of that committee. I want to say in this connection that no member of that committee devoted as much time and thought as did the able and distinguished Member from Ohio [Mr. FIESINGER].

I reached the conclusion that this Nation needs an adequate supply of money supported by an adequate metallic base. The purchasing power of money is largely determined by the law of supply and demand. If the supply is excessive in relation to demand, its value falls. Since the quantity of our paper money has heretofore been determined to a large extent by our supply of gold, the supply of gold in the United States has been a determining factor in fixing the value of our money. A great increase in the volume of gold in a nation whose monetary system is based on gold will raise prices and a great decrease will have a contrary effect. In the United States the stock of gold money increased by more than 100 percent from 1896 to 1903, and the total stock of money increased by nearly 50 per cent. Prices of commodities advanced considerably during this period. The middle of the sixteenth century marks the end of the medieval dearth of silver. The mines of the New World were beginning to produce. The old system of fixing wages by statute broke down. Formerly successive debasements of the coinage had saved Europe from the perpetual fall of prices, but after the discovery of the mines of the New World the purchasing power of an ounce of silver fell. The inducements to debase the coinage were greatly diminished and prices rose.

My investigation convinced me that during the last quarter of a century the average production of gold has been falling off considerably. The gold mines of the world are practically exhausted. There is only about $11,000,000,000 in gold in the world, with the United States owning a little more than four billions. We have more than $100,000,000,000 in debts payable in gold of the present weight and fineness. We had prior to the passage of the recent banking act about five billion five hundred million of lawful currency redeemable in gold. The elaborate and complicated financial and credit structure of this Nation rests upon a narrow foundation of gold whose supply is not increasing sufficiently to satisfy the requirements of modern business and finance for an adequate reserve and standard of value. It is, therefore, apparent that in order to provide an adequate metallic reserve to support our financial and credit structure and to provide a medium of international exchange, we must eventually resort to silver as a supplemental reserve. There is about $11,000,000,000 of silver in the entire world and the United States, Mexico, and Canada produce approximately 72 percent of the silver of the world, whereas we only produce a small part of the gold of the world.

So much for the supply of gold. The next factor that enters into the determination of its purchasing power is the demand factor. The demand for gold is first to supply a medium for international exchange. Many of the nations of the earth have heretofore used gold as a medium of international exchange. The fact that most of the gold supply is controlled by 2 or 3 nations has tremendously increased its demand on the part of the rest of the world. In addition to this, the fact that there are more than $100,000,000,000 of debts in the United States payable in gold of the present weight and fineness has tremendously increased the value of gold. After the United States demonetized silver the Supreme Court, in the case of Griswold against Hepburn, intimated that if a contract is payable in gold of the standard weight and fineness, payment could not be made in the lawful currency of the country but must be made in the requisite quantity of gold. Many creditors hastened to take advantage of this decision by writing into their contracts clauses that gave the creditor the option to demand payment in gold of the standard weight and fineness. Only a few weeks ago a decision was handed down by one of the high courts of England dealing with a contract made between a Belgian concern and an English company. The contract specified that payment must be made in gold of the standard weight and fineness. In construing this contract the English court held it unenforceable and decided that the debtor had a right to tender to the creditor the lawful currency of Great Britain. It is therefore doubtful, to my mind, whether or not the contracts and obligations in the United States made payable in gold of the present weight and fineness can be enforced as a matter of law. But, whether or not payment can be required legally and theoretically, this much is certain: As a practical proposition these contracts cannot be collected in gold for the obvious reason that the gold supply of the entire world is not sufficient to make payment. If the creditors should demand payment in gold, as the holders of United States currency recently demanded redemption in gold, we would be

confronted with the same situation, to wit, that no payments would be made.

For several years we have witnessed the increasing value of gold and paper currency redeemable in gold. The gold dollar has appreciated or increased in value at an average of 65 percent. In the case of cotton, corn, wheat, and many other commodities, it has increased in value considerably more than 65 percent. This increased value of gold and the paper currency based upon it, and the indebtedness payable in gold, have produced a most distressing and desperate situation in this country. As the value of gold and money increased, all commodities decreased in the same proportion until the owners of those commodities and the owners of the lands and factories that produced those commodities faced bankruptcy. But as gold and the paper currency based on it increased in value and purchasing power, all debts, with interest and fixed charges, increased in equal ratio until today the combined private and public debts of about 232 billions have increased in value to a sum in excess of 400 billions and must be paid with 6 times as much wheat, 5 times as much cotton, and many times the quantity of other commodities instead of 1 bushel of wheat, 1 pound of cotton, and so forth. This appreciation of gold and lawful currency and the consequent decrease of commodity prices have been observed by everyone for more than 2 years, but few people realized until recently the inadequacy of gold as a metallic reserve to support our currency and banking structure. The potential demand for gold has, of course, always been great on account of the debts, currency, and obligations payable in gold. But, so long as confidence prevailed, this potential demand did not produce any noticeable effect, but when confidence fled and when holders of currency and depositors in banks began to demand redemption in gold and currency the inadequacy of our currency and gold supply became painfully obvious. And may I say here that the soundness and stability of a monetary and currency system are tested during periods of strain and acute economic disturbances. If a system cannot function during such periods it is of little value. When, therefore, everyone demanded redemption we were compelled to take drastic steps by closing the banks and authorizing the issuance of money based upon notes, bonds, and commercial paper and not upon gold.

The banks had approximately $46,000,000,000 and only about 700 millions of currency in reserve to pay the depositors. The banks had about $1 in cash as reserve against each $14 in deposit. The inadequacy of this currency naturally inspired fear on the part of the depositors, and when this fear reached the point of a panic it resulted in the closing down of every bank in the United States.

For 2 years some of us have been urging the expansion of the currency as an absolute necessity. Our efforts were ridiculed and denounced and we were told that we were seeking to issue fiat money. At this point let me say that I have never been an advocate of fiat money. I realize that when the Government undertakes to arbitrarily issue large quantities of paper money the supply tends to become excessive and the paper money becomes valueless. This was the experience of France when she issued her assignats. This paper money became absolutely valueless and destroyed the financial stability of France. They became worthless by overissue. In December 1789 the Assembly of France decided to issue a series of notes or assignats of 100 livres each bearing interest at 5 percent. These notes were a part of the floating debt; not being legal tender they were not paper money. The first legal-tender issue was decreed in 1790, the amount authorized being 400 millions, part of which, however, was to be supplied in payment of the Government debt. These assignats bore interest at 3 percent; they were for sums of 200, 300, and 1,000 livres. From the very beginning they circulated at a discount of about 5 percent. In September 1790 a further issue of 800 millions was decreed, this time without interest. This issue was mere currency, and the whole issue was put on the same footing, interest on it ceasing in October. The total authorized issue was thus 12,000 millions. Necker had estimated the total stock of metal currency in France a few years before at 22,000 millions. In May, the discount being 15 percent, an issue of 100 millions in assignats of 5 livres was authorized in replacement of an equal amount of those of large denominations. By a decree of the 28th of June a further issue of 600 millions had been approved and these soon came to pass into circulation.

In the period of 2 years and 2 months, from the 1st of May 1789 to the 1st of July 1791, the public expenditure had amounted to 1,719 millions, of which no more than 740 millions had been met from revenue. The deficit was 250 millions and it was growing day by day. To meet this deficit there was no resource but paper money. No pretense was any longer made to set a final limit on the circulation. Each successive decree prescribed a limit, but there was no expectation that the limit would continue in operation and no surprise when it had to be raised. In November 1791 the assignat was still worth 82 percent of its face value, but the ever-growing inflation, aggravated by the approach of war, rapidly depressed it. War was definitely declared on Austria, April 1792. In July the assignats fell to 57. By the beginning of August a net circulation of 2,000 millions was authorized. In September the assignat stood at 72. In December 1792 it was worth 68.3. In January 1793 it fell to 51, and in June of that year it fell to 36. In August the the law of April enforcing the use of the assignats as a means of payment was strengthened. It became an offense to sell coin or to differentiate between coin and assignats in any transaction or to refuse payment in assignats, or to negotiate assignats at a discount. By a decree of the 8th of September the death penalty itself was imposed. The assignats finally became worthless.

The United States during the Revolutionary War resorted to the same expediency of issuing paper money. Our Colonies were ill-equipped to stand the strain of war finance. There was no adequate machinery of taxation, and so desperate a cause did not command the confidence of lenders, at any rate, before Saratoga. Individually and collectively the Colonies issued paper money.

The Continental Congress issued $200,000,000 of paper currency, and by 1780 the paper dollar had sunk to one fortieth of its value in silver. The success of the Americans had brought the help of France, Spain, and Holland, both military and financial. Congress took advantage of the consequent improvement of its credit to make an issue of 5-percent 5-year notes or bonds to be subscribed for in the depreciated paper money which was taken at not more than one twentieth of its value, and when received was destroyed. At least 72 millions of this paper money had been destroyed as worthless.

The United States, during the Civil War, issued inconvertible notes of 450 millions. In the last year of the war this paper money had depreciated more than 50 percent.

I mention this fact to show that when a nation embarks upon the policy of issuing purely fiat money it usually goes to the extreme, and the overissue destroys the value of the paper money. Of course, so long as the credit of the Government is good and so long as the issuance of paper money does not exceed the demand for it, it will circulate at par. But heretofore the world has found that the amount of paper currency issued should be tied to some metallic reserve in order to prevent an overissue. For many years this country, as well as the world at large, used gold and silver as a metallic reserve. In 1873 silver was demonetized, and afterward we used gold alone as a metallic reserve. There is no limit to the amount of paper money that can be issued by a government. All that the government needs is a printing press and paper, but there is a limit to the gold and silver supply. This limit is fixed by nature and cannot be artificially increased. Therefore, when paper currency is tied to gold or silver or both there is a definite limit to the quantity of paper currency that can be issued. Heretofore in the United States we have required each dollar of paper currency to be backed up with 40 percent of gold. Not only does a metallic reserve prevent the overissuance of currency but it likewise puts back of the currency issued a commodity that has an intrinsic value. The

holder of a dollar bill knows that it is good not only because the credit of the Government is good but because he can redeem it in a metallic reserve which has a definite value as a commodity. The very fact that there is a metallic reserve back of the currency issued is a guaranty that the credit of the Government will be preserved.

But when the metallic reserve and standard of value become inadequate, this prevents the issuance of an adequate currency to supply the needs of commerce and business. The Government is then compelled either to decrease the ratio of reserve, such as requiring 20 percent or 10 percent of gold for each dollar issued, or it must secure an additional reserve. When the ratio of reserve supporting the currency is decreased, confidence is shaken because the people instinctively realize that the Government is less likely to be able to redeem its paper currency with its metallic reserve. It is, therefore, clear to me that we must increase our metallic reserve by an enlarged use of silver. The most practical method of doing this is to authorize the Secretary of the Treasury to issue silver certificates against deposits of silver bullion at the market price of silver when deposited, payable on demand in such quantities of silver bullion as will equal in value at the date of presentation the number of dollars expressed on the face of the notes at the market price of silver. This was proposed by the Secretary of the Treasury Windom in 1889. He urged that this would give the country—

A paper currency not subject to undue or arbitrary inflation or contraction nor to fluctuating values, as good as gold, an absolutely sound and perfectly convenient currency to meet the wants of those who desire a larger volume of circulation and not encounter the opposition of those who deprecate inflation.

The broadening of the base of our monetary system and the increase of our metallic reserve by the use of silver will not only give us sounder money and a larger quantity of sounder money but it will also raise the world price of silver and enable us to sell our products to silver-using countries. One billion five hundred million people of the earth use silver. On account of the abnormally low price of silver, which is now about 25 cents per ounce, they are unable to do business with us, because in order to buy our products they must exchange 4 of their silver dollars for 1 of our dollars. This makes our products so expensive that they cannot afford to buy from us and are compelled to do business with silver-using countries.

In 1928 China, with 60-cent silver, purchased $137,000,000 worth of goods, and in 1932, with 30-cent silver, purchased $56,000,000 worth of goods. This is a falling off of $81,000,000. If the price of silver is returned to 60 cents, there is every reason to believe that we would again sell to China $137,000,000 worth of goods. China is only one user of silver. In 1928 a Chinese having 1,000 ounces of silver could exchange it for $600 in gold, and with this $600 buy a $600 American automobile. Today a Chinese wishing to buy a $600 American automobile would have to accumulate more than 2,000 ounces of silver. The consequence is that China does not buy automobiles from the United States. China has always been an important market for the surplus products of America. Our exports to China in 10 years increased 300 percent. When, however, the price of silver fell, our exports to China also fell; and if the price of silver continues to remain where it is, we will soon lose the Chinese trade. What is true of China is true of all other silver-using countries. It means that our natural markets for the future, such as China, India, Japan, Central and South America, and Mexico will be absolutely closed to our export trade. On account of the billions of dollars due us from Europe and on account of our relationship, owing to the postwar developments, there is little probability that the markets of Europe will be open to us to any considerable extent during the next generation. Our hope, therefore, lies in the restoration of trade relationship with the silver-using countries just mentioned, and to accomplish this we must raise the price of silver.

The question is naturally asked, What lowered the price of silver? We know that prior to a few years ago the price of silver had remained stable for many decades, even after Europe and the United States went on the gold standard and demonetized silver.

The price of silver was lowered because Great Britain, France, and Belgium, between 1925 and the present time, commenced to debase their silver coins by taking out approximately half of the silver metal and selling the silver so derived on the market of the world. This greatly increased the normal supply and had the natural effect of lowering the market price of silver. Then in 1928 the Government of India commenced to put in effect the policy that it had adopted in 1926 of melting up silver rupee coins and disposing of the silver on the markets of the world. Such sales have averaged about 30,000,000 ounces of silver a year. This constitutes an enormous oversupply when we consider that the total production of silver from the mines throughout the world last year was only 182,000,000 ounces of silver and that the average production even in prosperous times is only about 240,000,000 ounces. The Government for India is still selling silver and will continue to do so in accordance with her economic plan until she has disposed of the 3,000,000 or 4,000,000 ounces of accumulated silver now owned by her.

Let it be remembered that the depressed price of silver is not due to an overproduction of silver mines. For years the mine production of silver throughout the world has been uniform, with only such slight average increase as would meet the increased demand by reason of growth of population and industry. The very fact that silver is produced as the byproduct of copper, lead, and other minerals guarantees us against any overproduction of silver.

The testimony before our committee has convinced me that if we should purchase silver bullion and issue silver certificates as above suggested, we would not secure more than 1,500,000,000 ounces of silver. There is no danger, therefore, that we would secure an oversupply of silver, but there is some doubt as to whether or not we would secure a sufficient quantity. But I am convinced that if we were to remove from the market even as much as 500,000,000 ounces, the price of silver would rise to 75 cents an ounce. This would offset the depressing effect of the price of silver caused by dumping it on the market by India, Great Britain, France, and Belgium.

When the price of silver is raised to 60 or 75 cents we will be able to sell our surplus agricultural, mining, and manufacturing products to the millions of silver-using people. Not only would we be able to accomplish this salutary result, but we would be able to increase our metallic reserve, broaden the base of our currency, and we would put into circulation a needed quantity of silver certificates that could not be drawn in by the Federal Reserve Board at will. The increase in the quantity of our money would tend to increase many commodity prices. Although I do not intend to enter into a discussion of the quantitative theory of money as affecting commodity prices, I think that this much is true: The increase in the quantity of money in a nation, other things being the same, will result eventually, if not at once, in a corresponding increase in the prices of many commodities. Of course, the increased quantity of money must be put in circulation in order for it to cause commodity prices to rise. The mere fact that the Government delivers to the banks billions of dollars of new currency will not necessarily cause commodity prices to rise unless the banks in turn put the money in the hands of the masses of the people. If the bankers hoard the money in their vaults, then it will have little or no effect upon commodity prices, although the knowledge that the banks have sufficient money to meet the demands of the depositors may prevent runs on the banks and keep them open.

Mr. ARNOLD. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield.

Mr. ARNOLD. As I understand the gentleman's thought, it is to purchase silver to be used as a base for currency.

Mr. DIES. The gentleman is correct.

Mr. ARNOLD. Does not the gentleman think that under the recent bank act that was passed there is unlimited op-

portunity for the issuance of new currency on Government securities and other commercial securities?

Mr. DIES. Let me answer the gentleman in this way: The quantity of money will not necessarily affect commodity prices unless that money is put into circulation. The mere fact that we authorize the Federal Reserve banks to issue currency and to deliver that currency to the local banks to enable them to meet any runs does not imply or necessarily mean that those banks are going to put that money into circulation as long as the present timidity prevails among the bankers and as long as they continue to hoard all the money that comes into their possession. Any plan which omits the essential element of putting the money into the hands of the masses of the people in order to increase their purchasing power falls short of the desired object, although it may prove beneficial in many other instances.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield.

Mr. BANKHEAD. If the gentleman will permit me, if it does not interrupt him, I may say that one of the very objectives to be achieved by the remonetization of silver is to expand the purchasing power of our foreign customers.

Mr. DIES. The gentleman is correct.

Mr. BANKHEAD. The mere fact that the Government of the United States, in order to meet a temporary emergency, enlarges the volume of its currency in no wise tends to effect the situation we are seeking to accomplish.

Mr. SHALLENBERGER. Does the gentleman's bill propose to treat silver as money or as a commodity?

Mr. DIES. Silver will be a part of the reserves in the Treasury.

Mr. SHALLENBERGER. Are the certificates issued on silver to be payable in gold?

[Here the gavel fell.]

Mr. DIES. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER pro tempore (Mr. HILL of Alabama). Is there objection to the request of the gentleman from Texas?

There was none.

Mr. SHALLENBERGER. I would like for the gentleman to tell the House whether under his plan the redemption of the certificates which must be issued is to be in gold, the same as all other money is supposed to be redeemable in gold, although the gentleman has previously said that if we now demand gold redemption we are met with the charge that we are guilty of a felony. If we are going to redeem the silver certificates in gold, the same as all other certificates, we are not going to raise the price of commodities.

Mr. DIES. They will be redeemable in silver bullion. Let me hasten to a conclusion.

Mr. Speaker, I introduced a bill yesterday, H.R. 3373, to authorize the Secretary of Commerce, through his foreign agents, to obtain options from foreign buyers to deliver to them in 1933 the cotton and wheat crops, or such portions thereof as may be agreed upon, at the world-market price, and accept in payment for same silver bullion or coin at the agreed value of 75 cents per fine ounce. After a sufficient number of said option contracts have been executed, and as soon as it is deemed advisable, the bill provides that the Secretary of Commerce shall notify the Secretary of Agriculture that option contracts have been entered into with foreign buyers, and he shall request the Secretary of Agriculture to purchase the said 1933 cotton and wheat crops, or such portions thereof as may be necessary, from American producers for the purpose of making delivery to the foreign buyers in accordance with the terms of the said option contracts. The Secretary of Agriculture is required to purchase said crops, or such portions thereof as may be necessary, to fulfill the option contracts, and to enter into contracts with said American producers to pay for such cotton and wheat at 3 times the world-market price with silver certificates to be issued against the silver bullion or coin received from foreign buyers in payment of the cotton and wheat sold. These silver certificates shall be legal tender in payment of all debts and dues, and shall be redeemable in silver bullion equivalent, when valued in gold, to the face value of the certificate.

This bill will enable us to dispose of our surplus cotton and wheat crops, because silver-using countries will be only too glad to get 75 cents an ounce for their silver in exchange for the cotton and wheat which they need. When a substantial quantity of the silver bullion is removed from the world market and put in the Treasury of the United States, it will raise the price of silver to its former level and increase the purchasing power of all silver-using countries. It will give the United States Treasury an additional metallic reserve, and it will put into the hands of millions of producers a great purchasing power which will start the wheels of industry moving and put many of our people to work. The fact that silver is bound to rise in value will keep the Government from losing in the transaction. It will remove from the American market the great surplus of wheat and cotton that is depressing the price and it will put into the hands of millions of producers a purchasing power that will restore prosperity. The silver can be valued, if it be deemed advisable, at 50 cents, and the farmer can be paid double the present market price of his cotton and wheat. But I fixed the price of silver bullion at 75 cents and the price of cotton and wheat at three times the present market price. This bill will accomplish what many of the bills fail to do—it will dispose of our agricultural surplus, put the new money in circulation, and raise the price of silver.

Mr. Speaker, why not be frank with the American people? The Government is broke, the municipal and State governments are broke, and the farmers can not possibly pay out because they would have to return 6 bushels of wheat instead of 1 bushel that they got, or 5 pounds of cotton instead of 1, and there is not a farmer in this country that can possibly liquidate his indebtedness unless the normal purchasing power of the dollar is restored.

Mr. STRONG of Texas. Will the gentleman allow me to ask him a question?

Mr. DIES. Yes, sir.

Mr. STRONG of Texas. The gentleman says that money should be based on some metal; if money can be based on a certain metal and be good, why would it not be good based on the entire resources of the Nation?

Mr. DIES. I will say to the gentleman that so far as money is concerned, as long as the credit of the Government is good, of course, the Government can issue money——

Mr. STRONG of Texas. I am not talking about credit; I am talking about money.

Mr. DIES. I am going to get to the gentleman's question. As long as the credit of the Government is good, of course, the money of the Government is likewise good. You can issue money as long as the supply is not too great and as long as the promise of the Government to redeem or to make good its promise is sufficient to back it up; but the danger, I will say to the gentleman from Texas, is this: Suppose the gentleman and I were running for Congress and the Congress had a right to issue as much money as the country needs. We are opponents, we assume. I might say, "Friends, I think you should have $50 per capita." The gentleman would go me one better and say, "Friends, I think you should have $100 per capita." And it would not be long until the whole Nation would be flooded with money, and none of it would be of any value.

Mr. MONTET. Will the gentleman yield?

Mr. DIES. Yes.

Mr. MONTET. I would like to draw the gentleman's attention to one angle of this question which I believe is of material importance in the consideration of remonetization of silver. I am sure the gentleman has given thought to it. I want to know the gentleman's opinion as to what would be the effect of the remonetization of silver in this country on the cost of production of goods in foreign silver-using countries and what benefits, if any, as a result thereof the producers would receive.

Mr. DIES. It would increase, of course, the cost of production abroad, because when the purchasing power of their

money is increased the cost of production would increase, and they could not flood us with the products of depreciated currency.

[Here the gavel fell.]

Mr. FIESINGER. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. SHANNON. Reserving the right to object, I would like to make a parliamentary inquiry; in fact, it is a legislative inquiry. The situation confronting the people at this time is a financial situation. The Senate yesterday passed a bill that had to do with State banking. I would like to have someone tell me what became of the bill and what is its status at present.

Mr. DIES. Is the gentleman addressing that to me as one of the leaders? [Laughter.]

Mr. SHANNON. No; I am addressing the Speaker.

The SPEAKER pro tempore. The House has no knowledge of that bill; the bill has not come over.

Mr. SHANNON. The House took notice of it yesterday and stood in recess for the purpose of receiving it.

Mr. BYRNS. Mr. Speaker, I think I can clear up the situation. Before the House met this morning, I communicated with the majority leader of the Senate, who told me that he had been requested not to have the bill sent over today. Who made the request or why it was made, I can not say.

Mr. SHANNON. Then the time of the House was wasted?

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio that the time of the gentleman from Texas be extended 5 minutes.

Mr. GAVAGAN. Reserving the right to object, I should like to inquire what is the subject before the House?

The SPEAKER pro tempore. We are proceeding by unanimous consent.

Mr. CROWTHER. Reserving the right to object, I move to amend the request of the gentleman from Ohio by making it 55 minutes.

Mr. DIES. Oh, I object to that. [Laughter.]

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DIES. Mr. Speaker, I hope that we will have the opportunity during this session or the next session to act on the silver bill. [Applause.] Some of the bankers are shouting that this would be flat money and that this would destroy the financial structure of the country, yet the same bankers will approve the Emergency Banking Act that we adopted a few days ago, which permits the Federal Reserve banks to issue billions of dollars of new currency based upon notes, bonds, and commercial paper. Permit me to say at this point that I have a tremendous respect for the Membership of this House. I have no sympathy for the demagogues who travel around the country and talk about what a mediocre crowd we have in Congress.

The men with whom I have associated in this House are thoughtful, patriotic men, who love their country, and I know that they have worked in every possible way to solve the problems of the Nation. I have no sympathy for the penny newspaper scribe who has nothing to do except to fill the columns of his paper with scurrilous and unfounded attacks upon the Membership of this House. They seek to make the people believe that we get free food and free shaves at the expense of the taxpayers, when, as a matter of fact, everyone knows that we pay more for our food, and as much for our shaves in the Capitol as you do anywhere else. As far as I am concerned, I sincerely hope that the Congress will shut the restaurant and barber shops down in the Capitol. This would at least deprive the newspaper writers of their favorite pastime of sending out stories about our so-called "free shaves and free dinners" at noon, and I also want to say to some of the bankers of this country that if they would devote as much time and thought to the banking and money situation as some of the Members of this House that I know of, and would approach the question not with a prejudicial mind but with an open mind, we would be able to solve the problems in a manner that would be constructive and helpful to the American people.

It is said that the price of gold is not influenced by the supply and demand, but the history of the world disproves this contention. The amount of the precious metals in the world was very small prior to the discovery of America in 1492. The stock, especially of silver, was materially increased by the production of the mines of Mexico and Spanish America during the sixteenth and seventeenth centuries. This increase in the supply of the precious metals met, to a certain extent, the demand for metallic money, but it was insufficient in comparison with the large fund of gold placed at the command of the world after the discovery of the mines of California and Australia about 1850. This large production of gold slackened somewhat after 1875 while the production of silver increased, but there was another great revival in the production of gold after the opening of the mines of South Africa and the Klondike about 1890.

From the first discovery to the close of 1897 the Australian and Californian mines produced gold to the amount of nearly 2,000,000,000, and the next 5 years added another sum of 375 million. In this volume of production Australia ran an almost even race with the United States. These two countries enjoyed unchallenged supremacy until some time after the development of the mines of South Africa, about 1889. The production increased rapidly every year until in 1896 the production of Africa surpassed that of Australia and in the next year that of the United States as well. The volume of gold production averaged considerably less than $5,000,000 annually from the discovery of America to the close of the sixteenth century and advanced during the next century to an average of only about $6,000,000. The eighteenth century showed an increased volume of production which carried the annual average up to about 12,500,000. In spite of an increased product of the Ural Mountains, the gold production of the first 40 years of the nineteenth century gradually declined and fell from the average to about 10,600,000.

Then came the great outburst of mining activities which followed the opening of the Californian and Australian mines. For the next generation, from 1841 to 1870, the gold production of the world was merely three thousand millions of dollars, and the average annual production was multiplied by more than 10. This annual average was maintained from 1870 to 1890, but with a tendency downward toward the close of the period. In spite of the permanent additions made to the stock between 1850 and 1870, the generation beginning with 1871 witnessed a production of gold nearly equal to the entire product of the preceding 380 years.

The production of silver since the discovery of America has been more evenly distributed than that of gold. The silver production down to 1840 was almost continuously larger than the gold and constituted more than two thirds of the value of the combined production of the two metals. New gold discovery greatly changed this ratio. For the 30 years ending with 1870 the gold produced was nearly three fourths of the total value of the aggregate production of the precious metals. Twice as much silver as gold was produced during the eighteenth century and the early years of the nineteenth, while during the 30 years beginning with 1841, three times as much gold as silver was produced. For the next 30 years the production of one metal was almost exactly as that of the other.

My distinguished and able colleague, Mr. CROSS, of Texas, who has devoted exhaustive study to the question, has just stated that, taking a period of the last 26 years, the facts show that during the last 13 years gold production has fallen off tremendously as compared with the first 13 years. The production of gold is therefore being exhausted, and it is merely speculation to discuss the question as to whether or not any new gold mines will be discovered in the immediate future. We must remember that there are three directions in which the stock of gold has been absorbed—in the arts, abrasion of coin and plate, and hoarding. The abrasion of gold coin is much smaller than has generally been supposed.

Careful calculations by Jevons put the loss about four tenths in 10,000. But even on this basis Soetberr felt justified in the conclusion that the loss by abrasion on the total monetary stock in his time, when this stock was about $4,000,000,000, was not more than 700 or 800 kilograms of gold per year, which would be about $500,000. The other sources of disappearance of the gold stock from civilized States is the exportation of coin and bullion to the East. India has from remote times absorbed the precious metals. Pliny, who died 79 A.D., complained that India drew from the Roman Empire not less than 5,000,000 sesterces per year, about $2,500,000. The excess of exports of gold into British India from 1836 to 1904 was nearly $900,000,000.

The 10 years ending with 1890 added only about $450,000,000 to the available monetary stock of gold, to be scrambled for by many nations which were expanding their commerce and seeking to strengthen the bases of their monetary system. This scarcity of falling prices led to fears of falling prices of commodities and a strong agitation for reopening the mints of civilized States to the free coinage of silver. But the production of gold during the 10 years ending with 1902 was more than the production of the entire 10 years preceding. Where this amount had been $450,000,000 for the 10 years ending with 1892, it swelled during the next 10 years to not less than $1,500,000,000, or nearly 40 percent of the entire stock of gold money in existence in 1893. This, of course, put an end for the time being to the agitation for the remonetization of silver.

Mr. DISNEY. Mr. Speaker, will the gentleman yield?

Mr. DIES. Yes.

Mr. DISNEY. Has he given thought to the manner of devaluating the gold content?

Mr. DIES. I have given some thought to it, and I have introduced a bill along that line.

If Congress refuses to broaden the base of our money and to increase our metallic reserve by a more enlarged use of silver and if our issuance of new money does not succeed in restoring the normal purchasing power of the American dollar as it existed in 1926, there is nothing else for us to do except to reduce the gold contents of the dollar at least 33⅓ percent and impose a Federal tax on every contract or obligation payable in gold coin to the extent of 33⅓ percent. This would scale down the enormous and staggering indebtedness under which this Nation is laboring. And if we had the courage to do that and to face the situation fearlessly we would go a long way toward finding a solution of the difficulties which confront us today. The reduction in the weight and fineness of metallic money is no new experiment. It was resorted to by Rome after the Punic Wars, when she reduced the weight and fineness of her monetary unit. It brought instant relief to the bankrupt people of Rome. For many years debasements were regarded as a device for improving the difficulties caused by the persistent rise in the price of silver. Until the discovery of America there was no fresh supply from the world's mines. The use of a standard of value which is perpetually appreciating or increasing in value hampers business. It increases the burden of debts, and if money wages cannot be reduced with the rise in the purchasing power of money, it increases the cost of production. The rise of real wages may not even be in the interest of the wage earners themselves, if it diminishes employment. So long as these conditions obtain, the tendency was to acquiesce in a depreciation, once it was an accomplished fact, and to scale down prices and wages in relation to silver, by means of a debasement, when there was an excessive outflow of money. Practically all the countries of Europe, at various times, reduced the weight and fineness of their monetary unit. But when an adequate supply of precious metals was produced by the discovery of new mines, the nations ceased to resort to this drastic method.

The monetary unit is used to measure debts. The purpose of fixing its value is to preserve justice as between debtor and creditor. The stability of the unit in which bargains are calculated is of the highest importance. What the lender of money consents to defer in his consumption of commodities and what he should receive back is the same command over consumable commodities as he surrendered. If he receives more, the debtor is cheated. If he receives less, the creditor is cheated. Although 90 percent of business transactions are carried on through the machinery of credit, yet ultimately the credit-and-currency structure rests on gold as the base. When this base becomes insufficient ultimately the superstructure will crumble. What is desired is to establish a more stable unit for the measurement of debts.

The SPEAKER. The time of the gentleman from Texas has again expired.

[Applause.]

Mr. HOLMES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a short editorial upon the question of silver.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HOLMES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the Worcester Telegram, of Worcester, Mass.:

[From the Worcester Telegram, Mar. 14, 1933]

ANOTHER SILVER-PURCHASE ACT

With an optimism that would do credit to a dog chasing its own tail, Senator DILL, of Washington, introduces another silver-purchase act to Congress. Supported by such devout believers in an economic Santa Claus as Senators PITTMAN, of Nevada, and WHEELER, of Montana, he would have the Government buy $250,000,000 worth of silver bullion and issue certificates against it. And since these three Senators are Democrats it is too bad that Grover Cleveland, who also was a Democrat, isn't alive to tell them about their bill.

Senator DILL says that the purchase of silver by the Government would increase the price of silver, so the Government's bullion would go up in value. One envisions thus a long chain of increases; loose silver would increase in value until the certificates would become worth more, when the Government could buy more silver and it again would increase in value and everybody would sell his silver baby-spoon and become rich and buy himself a solid-gold snowshovel with a diamond-studded handle.

Unfortunately something like that was tried once before—in 1890. We had a silver-purchase act and the Government was compelled to buy $4,500,000 worth of silver a month. It kept on buying silver through the remainder of the Harrison administration and into the Cleveland administration. Mr. Cleveland finally told off Congress and the bill was repealed. It was time, too, because silver had not increased in value but had decreased. Marginal silver mines reopened everywhere. Even India, which had been hoarding silver with gluttonous perseverance for 2 or 3 millenniums, finally got enough. The National Treasury got so much more than enough that President Cleveland found himself in a good-sized financial panic.

Senator DILL may say that conditions today are different. Perhaps they are in detail, but the same old law of supply and demand works with inexorable cruelty to the optimists. Senator PITTMAN'S home State of Nevada has plenty of abandoned silver mines that could be reopened and would be reopened the minute silver began to advance. Their reopening would shoot silver down again. And meantime we would be a Nation baffled by two kinds of currency, one dear, the other cheap; one of steady value, the other fluctuating like a March thermometer; one of international acceptability, the other suitable only in such lands of fiscal chaos as China—in other words, one good and one bad.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DINGELL. Mr. Speaker and Members of the House, this is my first opportunity to address you on a question of vital importance which has been discussed here more or less in the last few days. I am hopeful that my colleague from Michigan, the Hon. PRENTISS BROWN, who made his connection with the Banking and Currency Committee, will take some of my remarks to heart. I have been an ardent advocate of the guaranty of bank deposits for many years. My knowledge of that subject was gained by reading the exposition of Senator John Sharp Williams, one of the South's foremost and brilliant sons. Since 1922 I have been definitely sold on the wisdom and soundness of a guaranty of bank deposits law. We have had a few instances where laws of this kind were perhaps too good; in fact, they were so good as to spell the doom of the State law itself, but that is due to the fact that we were applying

the principle in a State way, and it did not work out quite as satisfactorily as it might have otherwise. There is only one definite, positive, and certain way of applying the law of guaranty of deposits, and that is in a Federal way. In recent weeks I have had considerable discussion about this matter with bankers who for many years past have always opposed any such law. Within the last few days I have received any number of telegraphic communications, among them one which represented the views of 377 bankers, who met at Grand Rapids, Mich., and in that communication they urged a guaranty of bank deposits law. I want to make one point clear. In espousing a law of this kind, federally, that I am opposed to levying any part of the cost of guaranteeing bank deposits against depositors. Certain bankers are now agreed that the law is all right, in fact, very desirable; and some believe that without it the banking system of America is completely ruined.

They would like to have it in such way that the borrower and the depositor would pay the cost of the insurance. There is one party in this proposed law that must be excluded from carrying any of the load, or any of the costs of the insurance feature, and that is the depositor, who makes it possible for the banker to be in the loaning business. We must of necessity place the weight upon the shoulders of the borrower, for whose convenience the bank has been established, and upon the shoulders of the banking fraternity. The business must carry the cost of administration and of the insurance to the depositors. Personally I am not agreed that this is the time for the average Member of Congress to take very much advice on the subject from the bankers, who made such a miserable failure of their own business because they lacked the vision and the ability to conduct their own affairs.

Mr. McFARLANE. Will the gentleman yield?

Mr. DINGELL. I yield.

Mr. McFARLANE. Does the gentleman think that the depositor should take care of all that expense?

Mr. DINGELL. I specifically stated that the depositor should be excluded from any expense whatsoever in connection with the guaranty law.

Mr. McFARLANE. Does the gentleman think the Constitution of the United States should prevail, wherein it says that the Government of the United States should coin and regulate the value of money?

Mr. DINGELL. I am not discussing the value of money in this instance. I am not interested in that specific question at this time. I am merely trying to expound a theory of guaranteed bank deposits, having no relative connection with money values at all but having a definite connection with the preservation of our banking system, which had completely disintegrated at a time when we needed it most.

Mr. DISNEY. Will the gentleman yield?

Mr. DINGELL. Yes; I yield.

Mr. DISNEY. Did you have a bank-guaranty law in Michigan?

Mr. DINGELL. No; unfortunately we did not. In fact, Michigan was too liberal with its laws. We permitted a tremendous combine of bankers to get together in Michigan, and far-sighted individuals within the city of Detroit predicted that if ever one of these giants of finance collapsed it would submerge the entire State; and the inevitable has happened. To-day Michigan is on the verge of financial bankruptcy because of the tragic loss of the two big banks, the combined resources of which totaled approximately $700,000,000.

Mr. DISNEY. Was that not because they were full of real-estate mortgages?

Mr. DINGELL. Full of real-estate mortgages and spurious securities.

Mr. DISNEY. Has the gentleman made a study of the cause of the failure of bank guaranty laws in other States? We had such a law in Oklahoma, and it failed. I wondered if the gentleman had made any study of the principle of banking with regard to guaranteeing deposits.

Mr. DINGELL. I have studied two in particular. The Nebraska law was so good that the people of other States flooded the State with money to such an extent that Nebraska banks could not reloan all the money that was coming their way; and, as I recall, the failure of the Oklahoma law was due in part to the fact that Oklahoma had to compete against the banks of the surrounding States which had no such law. This condition was a handicap to the banks of Oklahoma.

Mr. DISNEY. It came to be a political football, and every political party wanted to connect somewhere with the banking system. It was not the principle involved in banking that caused its failure.

Mr. DINGELL. The principle of the law was correct. That is precisely my contention.

Mr. BOILEAU. Will the gentleman yield?

Mr. DINGELL. I yield.

Mr. BOILEAU. I am in accord with the gentleman's ideas generally, but I am wondering how the gentleman would apply such a law at the present time. Would the gentleman include only those banks that are particularly sound or would he take in banks on the borderline? Would the gentleman include State banks as well as National banks? It is rather difficult to see how it could be applied at the present time.

Mr. DINGELL. It is my idea, Mr. Speaker, that it is entirely possible to take in, within the provisions of the new law, a bill which I understand is now in the Senate, and for that reason I have withheld introducing any bill dealing with this important subject, all banks that are 100 percent solvent, and only protecting the deposits from now on. The banking situation at the present time is such that while we are going to reopen a number of banks in the United States, it will just be like pouring so much sand into a hole, insofar as the financial assistance which the Government can give these banks at the present time is concerned. People will not put more money into the banks without ample guaranties. They will not accept assurances that their money is safe from now on, because they have been assured in a like manner in the past. Their money was safe in the past—"until." We are confronted with the same situation from now on. It is absolutely essential to the survival of our banking system that we reawaken confidence in our banking system, and there is only one definite, positive, and substantial way of doing so, and that is by a guaranty of bank deposit law.

Mr. LEHR. Will the gentleman yield?

Mr. DINGELL. I yield.

Mr. LEHR. Does the gentleman's idea go to the extent of guaranteeing deposits 100 percent, or is it a fractional percentage?

Mr. DINGELL. My idea is to guarantee every dollar put in by the depositor from now on and to make the banker and the borrower pay the cost.

Mr. KLOEB. Will the gentleman yield?

Mr. DINGELL. I yield.

Mr. KLOEB. The gentleman takes the position that the depositors should not be assessed?

Mr. DINGELL. Under no circumstances should the depositor be assessed.

The SPEAKER pro tempore. The time of the gentleman from Michigan [Mr. DINGELL] has expired.

Mr. DINGELL. Mr. Speaker, may I ask unanimous consent to proceed for 5 additional minutes?

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. DINGELL]?

There was no objection.

Mr. KLOEB. Assuming that an assessment is made upon the bankers, how are we going to prevent that from sifting down to the depositors? In other words, the burden will eventually be placed upon the depositors, will it not?

Mr. DINGELL. In the final analysis the depositor, like the ultimate consumer, always pays the fiddler, but I think that in principle, at least, the load should be borne by the man who borrows the money, who uses the bank as a matter of convenience, and by the banker and the banking fraternity as a whole.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. McFARLANE. We had a bank deposit guarantee law in Texas from 1903 until 1929, but we had to repeal it primarily due to the fact that we had so many weak banks the law could not function. How would the gentleman prevent such a situation recurring?

Mr. DINGELL. There is no way in the world for anyone to prevent the weak structure of the bank system in Texas but through the people of Texas themselves.

The question of the guaranty of bank deposits is just as fundamental in character and is just as certain to come as the matter of life insurance. There is no risk greater than the risk on a man's life, yet it was found possible to outline a definite, workable plan under which lives may be insured; and it is just as important that we insure bank deposits, and it is not only possible to do that but it is the essential need of the hour.

Mr. McFARLANE. Will the gentleman yield further?

Mr. DINGELL. Certainly.

Mr. McFARLANE. We in Texas are heartily in favor of a bank guaranty law, and I think 100 percent in favor of guaranteeing savings deposits; but I just wanted to recall to the gentleman's attention our experience in Texas, that he may check it with experiences other States of the Union have had along the same lines.

Mr. KELLER. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. KELLER. Is not banking entirely a national matter?

Mr. DINGELL. It should be.

Mr. KELLER. Basically speaking, is it not a national matter?

Mr. DINGELL. No; it is not. The Federal Reserve System is a national system, but we have at least 48 different kinds of bank laws in the 48 different States of the Union.

Mr. KELLER. But, speaking of banking in general, is it not a national matter?

Mr. DINGELL. I would say so.

Mr. KELLER. Consequently, is it not the duty of the Nation to arrange for the guaranty of deposits and the duty of the banks to supply the necessary funds to guarantee them?

Mr. DINGELL. Most emphatically, yes; if we hope to maintain and preserve our present banking structure.

Mr. KELLER. I agree with the gentleman.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. Certainly.

Mr. ZIONCHECK. Under the gentleman's plan, will the Government participate in the profit as well as in the losses?

Mr. DINGELL. In my estimation, the Government should not take any profit, nor should it be made to pay any losses. I think if the Federal Government gets the plan started and administers it that that is as far as the Federal Government should go. In my estimation, this thing should be purely an insurance corporation under the jurisdiction of the Secretary of the Treasury with a sufficient revolving fund.

Mr. KELLER. I should like to know if you gentlemen have read the hearings on this very subject during the last session of Congress. If not, I am suggesting to you that you get them, because a lot of the questions we are discussing here were thoroughly well answered in those hearings, and especially in the debates on the floor of the House when the Steagall bank guarantee bill came up. And, remember, that bill was passed by the House, but it did not pass the Senate. I suggest that you gentlemen look them up, because you will find a great deal of information on the subject.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield further?

Mr. DINGELL. I yield.

Mr. ZIONCHECK. Do I understand that it is the gentleman's thought that the Democratic guaranty will be merely the psychological effect of the Government's getting behind the banks to meet the fears of the people until banking becomes normal again?

Mr. DINGELL. No, no. The plan that is before the Senate at the present time, as I understand it, is a definite plan in itself, and for this purpose creates a pool of a billion dollars, the cost of maintenance and administration to be assessed against the bankers whose depositors are protected by this fund. However, it will be without any cost to the Government whatsoever.

Mr. KELLER. Mr. Speaker, will the gentleman yield for a further question?

Mr. DINGELL. I yield.

Mr. KELLER. Is the gentleman aware of the fact that the Federal Reserve System has already provided a tremendous fund along this line?

Mr. DINGELL. Yes; I am.

[Here the gavel fell.]

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by placing therein the very able and timely address delivered by the Speaker of the House on Monday evening over the National Broadcasting System on the subject, "Problems Ahead of the President and the Congress."

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HILL of Alabama. Under leave granted me, I insert herein the very able and timely address of the Speaker of the House, Hon. HENRY T. RAINEY, delivered over the National Broadcasting System, Washington, D.C., on Monday evening, March 13, 1933, on the subject: Problems Ahead of the President and the Congress.

The problems ahead of the President and the Congress in this extra session look serious indeed. We will be compelled in a few days to refund almost a billion dollars' worth of Government obligations, and we have only about $50,000,000 in the Treasury and we have considerably less than $50,000,000 in the entire Federal Reserve System. Today the Federal Government is running behind at the rate of six or seven thousand dollars a minute, and our Federal deficit is again assuming enormous proportions in spite of the new and irritating taxes imposed earlier in the year.

There are ten or twelve million unemployed, and the buying power of farmers and of others has been practically destroyed. Our factories are idle. Our foreign trade has fallen off alarmingly. The receipts of the Government from all possible sources have decreased 40 or 50 percent.

The situation looks gloomy, indeed, but we have already taken, under the present administration, the initial steps which look toward a complete economic recovery in the near future, and the banks of the country have been saved. It was necessary to invoke a war measure of the Wilson administration to accomplish this result. Today all over the United States banks have commenced to open again under close Government supervision. It will probably require some days of time to get all the banks reopened which are in condition to function.

The job undertaken by the Treasury Department seems stupendous, but it is rapidly proceeding. The Budget must be balanced this year, and we are going to balance it without resorting to additional irritating taxes. The people of this country have been taxed all they are willing to stand, and they have been patient and long-suffering.

Day before yesterday the Congress of the United States by an enormous majority took the first steps toward balancing the Budget without additional taxes. We turned over to the President the right to drastically cut the expenses of the Federal Government, including in the cut the pensions and compensations paid to veterans of all our wars. It is hoped that these reductions will be temporary.

We must first put our national house in order. We must first reestablish our complete solvency before business can move in its normal way. The encouraging thing about it all is the patience with which the people of the United States have stood their sufferings and have remained loyal to the Government, and today all over the United States citizens of all parties are standing solidly back of the President.

The present session of Congress will be historic. It is more important even than the war sessions. It was easy during the war period to stand back of the President when flags were flying and bands were playing and when our armies were proceeding across the seas to engage in battle on foreign soil. But we are engaged in a war now more serious than the World War. During the entire period of our history as a Nation we have won our battles always when they involved a clash of armed forces on land or sea. We can always assemble when we are threatened by foreign foes great armies in remarkably short periods of time. There are more fighting men of the white race in the United States than in any other country in the world.

It requires greater courage to fight the war in which we are now engaged, but the people of the United States are rising to the emergency and with a united front we will in the near future win the economic battles in which we are now engaged.

With a balanced Budget assured, it will be easy to meet with new bond issues and new note issues at reasonable interest rates the obligations which will soon be due. When the upward curve of business again commences—and this will happen soon—a complete recovery is not far away. It requires a little more patience and a vigorous support of the administration, and our troubles are over, and our fight against the depression will be won, and we will soon reap the rewards of victory.

The session of Congress last Saturday will go down in history. I remember well the stormy night, nearly 16 years ago now, when, after a debate which lasted all day and until 3 o'clock in the morning of April 17, the House voted to declare war against Imperial Germany. But the session of last Saturday was as tense, as full of thrilling interest, as the war session of 16 years ago. The galleries were crowded, as they were then. The debate was as intense as the war debate; and at the end of it all, by a vote of over 2 to 1, the Members of Congress of all parties voted to reduce their own salaries and to reduce the salaries of all Federal employees. They voted to reduce the compensation and pensions of the veterans of all our wars, and the House conferred upon the President of the United States the authority to reduce within certain limits salaries and the veterans' payments. It may mean a total decrease in the cost of government of $500,000,000. When I came to Congress first, 30 years ago, it did not require much more money than this to run the Federal Government for 1 year.

Tomorrow we expect to pass the bill legalizing beer and to take away from the bootleggers a large part of the profits they now enjoy, and turn it into the Treasury of the United States.

In the near future, and before the adjournment of the present session, we are going to take care of the farmers and restore to them the buying power which they must have in order to start again the industries of this country.

It will not be long until our factories and our mines and our farms will again be operating. Through the dark clouds which have enveloped us in recent months, the sun has already commenced to shine. Better, happier, and more prosperous days are just ahead of us.

All over the country banks are reopening, and the fact that certain banks are reopening today or during the rest of this week does not mean that the banks which do not open are not sound. It is a tremendous undertaking for the Treasury Department to examine and check up on all the banks in the United States. The only authority the Federal Government has over State banks is to close them; but as rapidly as the banking departments of States report that State banks are ready to resume operations, the closing orders will be immediately removed.

There are many banks throughout the country whose assets depend in large part upon farm mortgages, and, of course, just at the present time and until we can restore the buying power of farmers and thereby restore value to our farms, this class of securities is not liquid, and a considerable period of time may elapse before many of the small banks in the farming sections are in a position to resume business, and the mere fact that it takes a few days in order to adjust these smaller rural banks does not mean that smaller banks are not sound. It merely means that it takes a little more time to make adjustments there than in the case of banks whose assets are more liquid.

Economic recovery is impossible unless we can restore to our citizens buying power. In a capitalistic nation money circulates only when it is borrowed. Money is not borrowed unless it can be profitably invested, and the bank or the individual or the agency which makes the loans must first be assured that the money will be returned when it is due and that the rates of interest contracted for will be paid. Men will not borrow money unless they can see an investment which will protect the principal and assure a sufficient return to meet the interest charge and, in addition to that, leave some profit for themselves. Money is borrowed for the purpose of building factories, building railroads, equipping factories, building hotels and apartment houses, and other investments of like character. Just at the present moment no investment of this kind promises returns. Factories cannot operate unless there is a class of our citizens in a position to buy what they produce. Therefore the restoration of buying power is essential to our complete economic recovery.

Farmers and their dependents and those who supply the farmers with the things they need comprise approximately one fourth of our population. If we can restore the buying power of 30,000,000 people our speedy recovery is assured and we can accomplish this best by fixing a minimum price for basic farm products. They are doing this successfully now in other countries of the world, and, in my judgment, we must do it here. The farmers will spend the money they get. They need an enormous amount of replacements. At the present time they are unable to pay the interest on their mortgages and their taxes. With the buying power of this class of our people restored, factories will start again to operate and to supply this particular class with their requirements. Men will go back to work, and the wages of men who go back to work will be spent for the supplies they require, and that means other men at work, and we can start in this way again the wheels of industry.

The legalizing of beer is not a cure-all, but is one step in the direction of economic recovery, subordinate, of course, to the question of restoring the buying power of farmers. But the legalization of nonintoxicating beer within the terms of the eighteenth amendment means the speedy reestablishment of one of our great industries. It means the expenditure in a year from the time that beer is legalized of over $400,000,000 in plant equipment. It means the establishment of induced business along various lines. The revenues which will commence to pour into the Treasury will be augmented by almost a similar amount from other related industries revived and increased in importance and in output by the legalization of beer. Our immediate troubles and difficulties are over now, and confidence is rapidly returning to the people of the United States.

Of prime importance also is the reduction of the interest charge on farm mortgages, and we must prevent foreclosures for a limited period of time. There are eight loaning agencies under Government control which make loans to farmers. They must be consolidated into one agency, thereby escaping enormous overhead charges.

Under the plans embraced in the Jones bill, without the expenditure of a dollar, except an insignificant sum for overhead expenses, interest on farm mortgages and also on mortgages on homes can be reduced to 3½ percent. Farmers can be supplied with what they need to pay their taxes which are now coming due. Foreclosures can be prevented for 2 years of time, and all this will cost the Government nothing. When we have restored the buying power of farmers and also provided for them the reasonable interest charge the situation demands, complete economic recovery will be almost immediate.

In France they have an interest charge for farmers of 3 percent. The League of Nations is organizing a farm-loan bank for western Europe, and the plan is to charge farmers only 1 percent. With a 3-percent interest rate and a 95-year amortization period as they have in France the astonishing thing about agriculture today is the fact that farmers in France with these low interest charges are paying off their mortgages and are not waiting for the expiration of the amortization period.

The amortization period provided for in the Jones bill with 3½ percent interest rate for farmers is 46 years, but I predict that long before that period expires farmers will be found paying off their mortgages and freeing themselves from the burden of interest charges.

I am astonished at the remarkable vigor of the President of the United States. On the 4th of March I sat on the reviewing stand in front of the White House for three hours while the inaugural parade passed. While I was comfortably seated I felt tired, and there were many on the reviewing stand who were comfortably seated and who left the stand before the parade was over, but the President stood reviewing the parade for 3 hours, smiling and acknowledging the salutes, and at the end of this long period of time he seemed as fresh and as happy as at the commencement of the period.

His arduous duties commenced immediately after the conclusion of the inaugural parade and have proceeded without intermission or rest since that time. The White House conferences, in which I have participated, sometimes last until 1 o'clock in the morning, but the President continues his work long after we leave. He has worked day and night with little intermission or rest, commencing with the 4th day of March until the present moment, and he is as fresh and vigorous as ever, smiling always, inspiring confidence in all with whom he comes in contact.

He is an ideal leader and one of the greatest Executives with whom I have come in contact during my long period of service in the House of Representatives, and I have now served under eight Presidents. He is as great a leader as Woodrow Wilson, and that is the highest tribute which can be paid to any President, but in strength and vigor he surpasses even the great Wilson—our war President, but the war against depression in which we are now engaged is more serious than the World War.

An All-Wise Providence has given us now an Executive who fits into every emergency, and back of him in this war against depression which he leads all parties are united as I have never seen parties united before. In the House of Representatives politics has adjourned by common consent. The time will soon be here when we will find ourselves standing on the very highlands of the morning witnessing the dawning of the new day which comes now to us and to all the world.

Mr. MAY. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MAY. Mr. Speaker, I regret very much that it becomes necessary for me to detain the House this afternoon for the time that I shall address it. My subject is: From the Police Court of the City of Louisville to the Court of St. James.

I shall, before entering into a specific discussion of my subject, first lay down some fundamental constitutional principles in justification of the attitude and position of myself and some of my colleagues from my State who have been unwarrantedly, unjustifiably, and inexcusably attacked in a newspaper published in Louisville, Ky.

I take the position that every man in this House who voted upon the bill which was enacted by the House last Saturday voted according to his convictions. I believe in the right of every representative in a deliberative body who claims the right to represent a great people, to be entitled to express his views, to answer to his conscience, and to obey the sacred obligations of his oath of office. [Applause.]

In 1832 and 1833 there was a crisis in the history of the United States more dangerous, more deadly, and more fearful than any crisis since that day, including the days of the Rebellion and reconstruction period following it, and the World War. That was the day when private institutions held the pursestrings of the Nation and the people's money in a monopoly and denied the right of Congress and the Executive to break their stranglehold. Even under those circumstances, in those dark days of trial, in those hours, we had a man like we have today, a patriot and a statesman in the White House, a man whose name I have the honor to bear, Andrew Jackson, of Tennessee. [Applause.]

In a veto message to the Congress of the United States, vetoing an act extending the charter of the National Bank of the United States, Andrew Jackson laid down this great fundamental principle of constitutional law, and I quote from his Messages and Papers of July 10, 1832:

> Experience should teach us wisdom. Most of the difficulties our Government now encounters and most of the dangers which impend over our Union have sprung from the abandonment of the legitimate objects of government by our national legislation and the adoption of such principles as are embodied in this act. Many of our rich men have not been content with equal protection and equal benefits, but have besought us to make them richer by acts of Congress. By attempting to gratify their desires we have in the results of our legislation arrayed section against section, interest against interest, man against man, and in a fearful commotion which threatens to shake the foundations of our Union. It is time to pause in our career to review our principles and, if possible, revive the devoted patriotism and spirit of compromise which distinguished the sages of the Revolution and the fathers of our Union.

Again, in the same great time of trial and trouble, the old hero of democracy, the man who dared to vindicate his conscience and his oath of office in the face of opposition, Andrew Jackson, said:

> The Congress, the Executive, and the court must each for itself be guided by its own opinion of the Constitution. Each public officer who takes an oath to support the Constitution swears that he will support it as he understands it and not as understood by others. It is as much the duty of the House of Representatives, of the Senate, and of the President to decide upon the constitutionality of any bill or resolution which may be presented to them for passage or approval, as it is of the supreme judges when it may be brought before them for judicial decision.

This is not all that Andrew Jackson said, but Jackson declared in the same period of our history, and I quote from his Messages and Papers of 1833 on the subject of removal of public deposits from the bank of the United States, to the Treasury:

> In ridding the country of an irresponsible power which has attempted to control the Government, care must be taken not to unite the same power with the executive branch. To give the President the control over the currency and the power over individuals now possessed by the Bank of the United States, even with the material difference that he is responsible to the people, would be as objectionable and as dangerous as to leave it as it is. Neither one nor the other is necessary, and, therefore, ought never to be resorted to.

With these fundamental principles, upon which our great Government's structure rests, a few of us had the courage and conviction, under our oath of office, to take a position in opposition to what was said to be the program of the President for economy on last Saturday.

Mr. McFARLANE. Will the gentleman yield just for a question?

Mr. MAY. I yield.

Mr. McFARLANE. Did the gentleman notice in last Tuesday's paper where Mr. Mussolini, the dictator of Italy, made the statement that we, in the United States, were the third Nation that had gone under dictatorial rule and power? He included in this statement his country of Italy, Germany under Hitler, and the United States under Roosevelt.

Mr. MAY. And published it in the state paper of Rome and it was circulated throughout Europe and carried in the press dispatches of the United States.

I come now to my subject and it is this. I am wondering whether the House of Representatives believes that the character and the reputation of Members of this House who dare to answer to their consciences should be immune from slander by the public press.

I shall quote from an editorial that appeared in the Courier Journal in Louisville on last Monday, a reference to myself and my colleagues, four of us, who dared to vote in a particular way upon the economy bill.

This editorial is headed "Assassin's Bullets," and it says:

> The shame of that betrayal which Kentucky must suffer is that four of those who attempted it, all Democrats, are Kentuckians.
>
> Here they are: VIRGIL CHAPMAN, FRED VINSON, A. J. MAY, and FINLEY HAMILTON.
>
> There is a list which, today, is seared on the brains of the people of Kentucky. The gentlemen may comfort themselves with the assumption that the brand will be obliterated by the time of the next election, more than a year and a half away, but the "damned spot" will not out at the next election or at any election.

I say to my colleagues in the presence of God and man that I will wear that imputation as a badge of honor, coming from a disgruntled and discredited and yellow sheet that does not have a principle of honor about it. [Applause.]

Oh, from the Police Court of the City of Louisville to the Court of St. James.

Back yonder, 25 years ago, through the mountain passes of North Carolina on to the bluegrass of Kentucky, unfortunately for old Kentucky, came a carpetbagger carrying his blighting influences with him. His name was Robert W. Bingham, then known as common Bob Bingham. He is the owner, editor, and publisher of the Courier-Journal and the Louisville Times. Who is he? He is Col. Robert Worth Bingham now. And who is he? Oh, he ought to be named Col. Robert Worth Flagler Bingham.

Oh, from the Police Court of Louisville to the Court of St. James.

I charge here in the presence of the House of Representatives that the man who is responsible for the editorial pages, the ownership, and the control of this paper came to Kentucky, and the first thing that was erected as a monument to one of his achievements was that he was a candidate for county attorney of Jefferson County, in the city of Louisville, and he so corrupted the election by conspiracy and corruption that the ballot boxes were disregarded, and the supreme court of the State denounced him and his associates as perpetrators of fraud and set aside the whole election.

The second achievement of this great police-court lawyer—what was it?

Who is Col. Robert Worth Flagler Bingham? He is the man who is going from the Police Court of Louisville to the Court of St. James. He is the man who at the sacred altar promised "until death do us part" when he married the wealthy widow of a southern railroad magnate. He married her, and in a few months after marriage she died under mysterious and suspicious circumstances, and he turned up as the beneficiary of her will to the tune of $5,000,000. [Applause.]

Who is Robert Worthless Bingham? He is the man who, with this filthy lucre, acquired the ownership and control of the Courier-Journal and the Louisville Times, that has been against every Democratic nominee from the State since then. And yet he goes from the Louisville Police Court to the Court of St. James.

Who is Col. Robert Worth Bingham? He is the gentleman who has hibernated with every discredited Republican organization in Kentucky for the past 20 years and always found easy admittance to any bolters' camp where graft and crookedness prevailed. His admission was free at all hours of the night.

Mr. GOSS. Will the gentleman yield?

Mr. MAY. Yes.

Mr. GOSS. Is this man the Col. Robert W. Bingham who has been appointed minister to the Court of St. James?

Mr. MAY. Yes; and I am going to come to that in a minute.

Mr. O'CONNOR. Will the gentleman yield?

Mr. MAY. I yield.

Mr. O'CONNOR. Did the gentleman, prior to the nomination by the President, furnish the President with this man's political affiliations?

Mr. MAY. No; I had no opportunity to do so.

Mr. O'CONNOR. But the newspapers carried the statement for days that he was to be appointed.

Mr. MAY. Nobody in Kentucky could conceive of such a possibility, and besides nobody believes the average newspaper. Who is Col. Robert Worth Bingham? When a few weeks ago the President looked down upon old Kentucky and saw her bluegrass and realized that in the last election Kentucky gave him a majority greater than ever before in the history of the State, he nominated Col. Robert Worth Bingham and sent him to England, and may God go with him and let him stay there forever. [Laughter and applause.] The President heard the Macedonian cry of the people of Kentucky and has come to their rescue and we shall honor and revere the memory of our noble President long after he is dead and his great achievement is recorded history. Long live the President and God save the King. [Prolonged applause.]

When this police-court lawyer arrives at New York Harbor en route to London, if the crews on the ships know it, the whistles will sound on every vessel, there will be a chorus of triumphant song when he leaves, and the flag on every masthead will go down when he returns.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. MAY. Yes.

Mr. BLANTON. Does not my distinguished friend from Kentucky realize that a representative of the people here whose service is worth while cannot be injured long by adverse criticism? All the newspapers in the world cannot destroy him.

Mr. MAY. Oh, yes; I am not worrying about this dirty slander, but I would not be true to the constituents that I represent, and I would regard myself as a coward, if I did not resent such an unfounded, infernal, damnable lie. I would not want to go back home and look a constituent of mine in the face—I would not look a sheep-killing dog in the face—if I did not resent it. I shall not allow such infamy to pass unnoticed.

Mr. BLANTON. Sixteen years ago I used to feel just as the gentleman does. I now ignore such attacks.

Mr. MAY. Yes; and 16 years ago, when you voted for the soldiers' bonus, the Courier-Journal denounced you and every other Member of this House who so voted; and from that time to this it has been the political harlot of the Republican Party and still is today; and I do not want its support, and I am not asking it from it. Oh, but what are we going to see when the ship sets sail from New York Harbor with a pair of knee breeches and a sack full of golf sticks tied to this barrister of police courts? The people of Kentucky will rejoice in a refrain that will extend from Pound Gap to Mills Point; and when he goes to England, what will we have? When that distinguished police-court lawyer takes his seat on one side of the table, a seat once occupied by the immortal Ben Franklin, and when Lloyd George and Ramsay MacDonald take their seats at the other side of the table, we will have just about as much chance in that crowd as a wax cat would have in a battle with an asbestos dog in the bottomless pits of hell. [Laughter.]

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. MAY. Yes.

Mr. McFARLANE. Is it true or not that this gentleman you are speaking of is very pro-British in all of the expressions he has uttered?

Mr. MAY. Well, he has a big villa in England, and God help him to occupy it for the balance of his life. We do not need him in Kentucky.

The SPEAKER pro tempore. The time of the gentleman from Kentucky has expired.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended for 5 minutes.

NUMEROUS MEMBERS (on their feet shouting). Give him all the time he wants.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ZIONCHECK. Is this gentleman a swivel-chair colonel or a real colonel?

Mr. MAY. He is a swivel-chair colonel, because we honor real colonels down in Kentucky. I imagine when he gets to England he will be an admiral, but I do not know what kind, and he may be again what he was during the World War, a cowardly slacker.

There is one matter of regret about it. While I rejoice with the President of the United States—and I commend him for the act he performed in getting rid of this gentleman from the United States—there is this lamentable thing about it, that the ports of entry will not be blockaded and an embargo declared as to him after he leaves us so that he may not come back at some future time.

But, oh, what about Robert Worth Bingham? I say that a man whose newspaper maligns and slanders the Representatives of the people because they dared stand up and champion the cause of the men who carried that flag to yonder fields in France and died with it around them, while he was a slacker dodging taxes and responsibilities at home, deserves criticism. I am glad to take my lot with the people, Bob Bingham to the contrary notwithstanding. But what else? You know that during the World War we enacted a statute against profiteers, and we controlled the price of coal and wheat and food products, but there was no statute, no provision of law, by which you could prevent the Courier-Journal and the Louisville Times from putting out red, blazing headlines and selling their papers as profiteers and taking the profits from the blood of the men who sang the songs of victory on Flanders Field. When I think about the charge that I betrayed my party because I dared to vote my convictions, I am reminded that I am with the boys who marched through Flanders Field and across no man's land to prevent the heel of autocracy being placed upon the necks of the struggling peoples of the world. Autocracy is a damnable thing in my sight, regardless of where it appears, whether it be in the Reichstag, the Executive Offices, or in the House of Representatives of the United States.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. MAY. Yes.

Mr. DIES. I notice in the New York Tribune a scurrilous editorial imputing improper motives to the Members of this House who voted "nay" the other day. I was one of those who voted "yea" but in my judgment the most despicable thing in the world is for any newspaper, or any Member of Congress, or anyone else to say that because a man votes "yea" or "nay", he is thereby betraying his country. [Applause.]

Mr. MAY. Oh, what a picture? A Louisville police-court artist, transferred from that forum to the palatial surroundings of the royalty of England, with a salary of $17,500 and other numerous bonuses, perquisites, and allowances with which to buy fine wines and fragrant flowers and rich eats, and then behold the other side of the mirror. On this side we see the emaciated, diseased, and crippled veteran whose compensation or pension has been discontinued, surrounded by a wife and defenseless children sitting yonder on the mountainside, upon the great plains or in the dark shadow in the deep valley looking up through his sorrows to the flag of our country and wondering after all whether it means anything to him. For myself and my colleagues we gladly cast our lot among the plain people of America on the side of the poor and helpless rather than with this owner and publisher of slander sheets. This yellow journalist—he may have his glittering gold, tainted and untainted, and for it all I would not barter the happy consolation that comes to those whose conscience is at peace; and for my colleagues, FRED VINSON, FINLEY HAMILTON, and VIRGIL CHAPMAN, let me say the Courier-Journal can write all the editorials it chooses, it may talk of "assassins' bullets" all it wishes, but neither

they nor I ever attempted the assassination of the character of honorable men. What is our crime? Ah, we dared to vote our convictions and upheld our oaths under the Constitution. Over in the United States Senate they have for 3 days been debating and amending what is supposed to be "the economy bill", a privilege that was not accorded to Members of this House of Representatives. I am wondering if this Judas of the Democratic Party, this Benedict Arnold of the ages, the Courier-Journal, will dare denounce the Senators for expressing their views. Nay, verily. Not while the nomination of its master is pending in that body for its approval.

All honor to the Senate of the United States, one place at least where parliamentary law and practice still exists and a place where the duly elected representatives of the people are permitted, under their oaths of office, to express their views. Over there the high prerogative of a Member of the American Congress to champion the cause of his constituents may still be respected. It is said by this political hypocrite, "The Courier-Journal," that we have deserted our leader, the President of the United States, and that we have betrayed the people of Kentucky. There is not one of us that did not boldly proclaim from every platform from which he spoke throughout the length and breadth of Kentucky that he would not vote to destroy the legal status of all the defenders of our country, and that is what the so-called "economy bill" that was put through this House under gag rule without amendment did. It threw out of court more than 25,000 suits of veterans and their dependents on insurance contracts, the premiums for which were taken from the wages of our World War veterans while they fought the battles of our country in France. Who on this floor would dare justify that? Who on this floor would deny to the widows and orphans of our war veterans the right to assert their rights under these insurance contracts in the courts of our country? And yet that is what the bill as it passed this House did.

Ah, that is not all. It took away from the poor emaciated and helpless veterans suffering from the great white plague, tuberculosis, and shell shock the right to hospitalization. It slammed in their faces the doors of our great hospitals and sanitariums, and in a cruel and heartless way turned them out into the cold and cheerless world to suffer and die. It took away from them even the small sum of $100 to bury their dead, but, thank God, over in the Senate there remains a few more great-hearted statesmen who have the courage of their convictions, too, and they rose up and said to the National Economy League, as did the old French hero, Marshal Joffre, at the Battle of Marne to the Germans in 1918, "They shall not pass." Ah, the Senators said to the poor, sick, and diseased veteran, as he approaches the entrance to the scores of our great hospitals, "Knock and it shall be opened unto you; ask and ye shall receive." They sent that infamous misnomer, "Economy bill," back to this House with more than 40 amendments to it, and with it came a message from our great Commander in Chief in the White House that the bill as amended was agreeable to him. The 138 Members of this House who voted against that terrible monstrosity parading through this forum of the people's representatives under the false guise of "economy" were not traitors to nor deserters of the President or his program. They were not even assassins. But the National Economy League, as the cat's paw of the great international bankers and other sinister interests, says we must follow the leader and balance the Budget; that we must carry out our President's program. The beer bill to raise revenue to balance the Budget was as much a part of the President's program as was the economy bill. He sent a message here demanding modification of the Volstead Act and the raising of revenue to balance the Budget, and yet 97 Members of this House, most of them southern Democrats and many of them leaders of the House and chairmen of great committees, voted against the beer bill. For them I have no criticism but the highest regard and most cordial commendation. They all voted in accordance with their consciences and as they believed their oaths of office required them, and yet this keeper of the public conscience, the Courier-Journal, did not assail them. "Oh, consistency, thou art a jewel!" When I shall have completed my service here in this House, I know I shall go with the high regard and best wishes of all my colleagues, regardless of their politics. I shall return to serve among the people of the great mountain section of Kentucky with a clear conscience, unafraid of their ultimate decision and able to look every man in the face, and the Courier-Journal can go to the devil. [Prolonged applause.]

Mr. MAY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

Mr. GOSS. Reserving the right to object, the gentleman is going to put them in the RECORD, is he not?

Mr. MAY. Yes. That is what I stated them for.

There was no objection.

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio [Mr. LAMNECK]?

There was no objection.

Mr. LAMNECK. Mr. Speaker, I believe we have been discussing today a subject that deals with a matter that is more important to the future welfare of this country than any subject that has been discussed before the Congress since I have been a Member. I am sorry we do not have 100 percent attendance of Members on the floor at this time, because I am advised there will be some other discussions following mine, and I believe the subject I am going to talk about is one that the House of Representatives in particular is not sufficiently informed upon. According to my way of thinking, it is a subject that we should give immediate consideration to, because in this subject, I believe, we have the only hope for the immediate future.

Mr. Speaker, Nero was fiddling while Rome was burning. What is in store for us in the immediate future no man can tell. I am speaking to you as Members of the House of Representatives of the United States, the body of men most representative and most responsible to the people for the legislative department of this Government.

We are the legislative branch of this Government that has the greatest responsibility to the people. Why stand we here idle when the most serious consequences await our neglect?

For my part I have been watching the disintegration of the business structure of our country with something very much akin to a nervous chill. I have seen the failure, one by one, of the measures that have been forced upon our Congress during the past two sessions by the executive branch of this Government with a mixture of awe and disgust. As a matter of practical common business sense, what right had we to expect that the Reconstruction Finance Corporation would remedy our ills?

In January 1932 a statement was made in an address to an assemblage of Congressmen by a prominent economist, which was reported in press dispatches, that plainly predicted that if that law was passed we would freeze up the only available liquid assets in this country; and when that is done, he said, what are you going to do next? This was a part of an appeal to Congress to apply the resources of this Nation to a fundamental remedy rather than to a temporary postponement of the inevitable crash. The same predictions were made as to the Glass-Steagall bill. The only justification of such measures was that during the period of temporary relief a permanent remedy would be applied to the basic cause of this economic world tragedy.

Gentlemen, I have, on my part, been waiting for the action of the committee of this House, of which Mr. SOMERS of New York is chairman. My interest has been centered on the work of this committee ever since May 14, when it made its report to Congress announcing its finding, which should have rocked this country from Canada to Mexico and from Maine to California.

This report stated that certain nations of the world had, through legislative enactment, brought about conditions that had destroyed the prosperity of the United States; that the

price of commodities had been reduced below the point that admits of any profit to American producers; and a few days later Representative FIESINGER, of Ohio, in a speech made on the floor of this House, amid great applause, told that this committee was going ahead with an American plan to put the American Nation in a position to defend this situation, and that in a few days a bill would be introduced in the House of Representatives to provide such a plan for the defense of American interests.

Since that time Mr. SOMERS of New York, the chairman of this committee, has introduced a bill, No. 13000, and Mr. FIESINGER, of Ohio, has introduced a bill, No. 1577, and hearings of the committee on these and other bills have resulted in the report of this committee to the House, which was for the consideration of the House—one a second bill by Mr. SOMERS of New York, involving a different principle from the first bill, and which I understood had only 5 votes from the members of the committee; the other a bill by Representative FIESINGER, combining the various views of the rest of the committee, and which I understand has back of it the general sentiment of the committee.

These bills, and the report of this committee which accompanied them, come before this House as the timely arrival of a fire engine at the most serious conflagration that has ever taken place in the history of this country, and I propose that we do not unnecessarily delay one day making use of this equipment.

Any emergency legislation submitted to this Congress from the Executive will, of course, have our first consideration, and we will extend to the Executive every cooperation, but we will not, and we cannot, defer any longer than necessary devoting our every energy and our most consecrated purpose to giving full consideration to the report of this committee, which is the only committee that has brought before this Congress any proposal that even claims to be a fundamental remedy for this economic tragedy that besets our Nation.

We must not forget that we are the branch of this Government responsible to the people for legislation, and we are the ones who, through our committee, have concluded 12 months of study and investigation into this subject, and that we are obligated to a full discharge of this responsibility.

But this is not all. There are two matters that stand out in bold relief, head and shoulders above all other things, to which I wish to call your attention. One is the oath of office that is required to be taken by the Members of Congress that they will defend and protect the Constitution of the United States. And this oath, to whom we have all of us subscribed, brings to bear the most solemn and peculiar duties as relating to this particular matter for the reason I will now state.

The duties imposed upon Congress, under section 8 of the Constitution, are to coin money, regulate the value thereof, and fix the standard of weights and measures.

It is this standard of measure that under the Constitution Congress is charged with the responsibility of defending, that represents the basic cause of this depression, according to the report of this committee. So that in this report which comes to us from this committee we are put on notice that this Government has neglected this matter. It has not regulated the value of money; on the contrary, it has left this vital matter to the manipulation of foreign nations, and we are on the very edge of a precipice as a result of this neglect. And this the most wealthy nation on earth now witnesses our population on the verge of disaster as a result, not of the acts of these foreign nations, but as a result of the neglect of our Government.

Our people have rebuked this Government at the polls by an overwhelming denunciation of their management, and they look to us as the new Government to put an end to this neglect.

A defensive measure is proposed in this bill of Congressman FIESINGER, of my State of Ohio, which I propose to advocate on the floor of the House, which is so carefully designed to meet this crisis in our national affairs that until now, so far as I know, no serious objection has been urged to it nor to any of its provisions. It proposes an American plan for putting the American Nation in control of its economic affairs. It takes charge of our monetary system which has been left to drift to its wreckage and to arrive in its present deplorable state. This money system, which now is shifting and drifting with the currents that other nations have set in motion, is placed by the provisions of this bill on a basis that is sound beyond question. It maintains the single gold standard as a measure of value, and at the same time places the monetary reserves of this Nation under control in the interests of stability of price levels, and in full recognition of the fact that the confidence element in our credit structure must be preserved.

On page 24 of his testimony before this committee I find this statement made by a noted economist:

> But the United States is the only nation in the world, so far as I know, that has no management whatever in the matter we have under discussion. We are running adrift.

The time has come, gentlemen, and it is now here, when we shall stop running adrift. We have devoted too much time to these makeshift alleviatives—to these porous plasters of our quack economists. The time has come for a sound remedy. We have one that has come out of this committee and is a proposal, as I understand it, that is in sympathy with the views of a majority of the committee, in the Fiesinger bill. And this bill comes to us with a record that I have carefully read and reread, and that clearly illuminates the whole question, and I wish to be on record as saying to the Members of this House that it is my belief that any Representative who fails to study this record is neglecting what in my opinion is the only way out of this depression. I will go further than that. I will put myself on record as saying that, if this measure is enacted into law, it will give to this Nation and to the world a Magna Charta of economic liberties that will bring order out of chaos, and that will give to this country and to the world a basis for future prosperity, so that such a tragic state of affairs as we now witness can never again occur.

Without this remedy, or some other remedy that by sound process establishes the principles herein set up, I predict revolution and disaster. These makeshift arrangements are merely postponing the evil day. This bill is a remedy. We should lose no time in giving it a full measure of consideration. [Applause.]

Mr. BUSBY. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi [Mr. BUSBY]?

There was no objection.

Mr. BUSBY. Mr. Speaker, I will occupy this short time to call your attention to a situation that seems to have been overlooked. A great deal has been said recently about the expense of the Veterans' Administration, and especially about the amount that has been paid to the disabled veterans, whether service-connected or not. It is claimed that they have cost the Government some $5,000,000,000. I want to call your attention to another bonus that has been paid and that is being paid, and the amount is continually growing.

$11,614,000,000 BONUS PAID TO BOND BUYERS

It is a bonus paid to the plutocratic class of this country. During the past 16 years, from 1917 to 1932, inclusive, there has been paid to the holders of tax-exempt securities in this country $11,614,000,000 interest, considerably more than twice the cost of the Veterans' Administration. This, Mr. Speaker, is a bonus that is being paid to the "big boys", about which you have not heard a word of complaint. [Applause.]

BONUS TO THE MONEY LORDS SHOULD BE CUT

Something ought to be done by this Congress and by this administration, not only to relieve the taxpayer somewhat of the inequities that have crept into the administration of the Veterans' Bureau, but they ought to be relieved of this inordinate cost that comes by way of the bond interest charge which must be collected from the taxpayers of this country. That is not all. Those bonds are tax-exempt, and the

holders of them do not propose to take any part in bearing the expenses of this Government.

Mr. McFARLANE. Will the gentleman yield?

Mr. BUSBY. I yield.

Mr. McFARLANE. Why is it we cannot issue currency and retire this $600,000,000 we are paying annually in interest on the public debt?

Mr. BUSBY. There is no legal reason why we cannot, but the managers whom I have mentioned just now will not permit it. They say we have sound money when we get money on bonds owned by the bankers of the country and on which the Government pays them 4 percent. They deposit those 4-percent bonds and get interest on the bonds while they get the money that is issued on them. The Government could use 1-percent bonds through the Federal Reserve bank as a basis for its currency, but the big bankers will not let it. They demand their "pound of flesh."

Mr. PATMAN. Will the gentleman yield right there?

Mr. BUSBY. I yield.

Mr. PATMAN. Can the gentleman explain why the interest rate advanced so rapidly in the last week or so?

INTEREST ON SHORT-TERM NOTES INCREASED 4,000 PERCENT

Mr. BUSBY. I cannot explain it, and I do not think the public generally understands why the interest rate was advanced from one tenth of 1 percent, as it was on the last short-term notes sold by the Treasury, to 4 percent and 4¼ percent on the issue sold today, March 15. The Treasury did not even offer these short-term securities sold today for any other amount of interest than around 4 percent, and that is an increase of 4,000 percent over the interest paid on a recent sale which was oversubscribed 20 times. I do not understand it. I do not think it has ever been explained.

Mr. PATMAN. Will the gentleman yield right there for another question?

Mr. BUSBY. I yield.

Mr. PATMAN. Under this new law the banks can take the bonds they buy from the Government, turn them back to the Government, and get the new money in return for them, and at the same time get the interest on the bonds.

Mr. BUSBY. They get the interest on the bonds and they get the use of the money.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BUSBY. I yield.

Mr. COCHRAN of Missouri. Is it not reasonable to assume that the high rate of interest is required owing to the shortage of money in the banks? In other words, the banks need the actual cash and cannot take up the bonds at this time.

Mr. BUSBY. I answer that by saying that it does not require cash. There are $690,000,000 they are turning in in the form of maturing bonds and securities, so that it is not a cash transaction. All the banks in the United States did not have $600,000,000 in cash when they closed. It is swapping old securities for new ones that bear many million dollars additional interest.

Mr. COCHRAN of Missouri. What rate of interest did the securities which they are turning in bear?

Mr. BUSBY. From one tenth of 1 percent up to about 4 percent. It is my understanding it is around $50,000,000 advantage gained by the bankers in the transaction that is now being put over.

Mr. GAVAGAN. Will the gentleman yield?

Mr. BUSBY. I yield.

Mr. GAVAGAN. And we hear no comments from the National Economy League or its hirelings, the newspapers, with reference to that, do we?

Mr. BUSBY. Not a thing; but the National Economy League is largely made up of these "big bonus boys" who are getting the $32,000,000 annually in interest. That is the trouble. It is the old story of the favored wealthy class demanding and getting laws passed that will fill their coffers with unearned gold, while the poor and helpless starving masses by the millions beg charity, starve, and die of hunger. What are they getting in the way of a new deal?

Mr. GAVAGAN. And municipal, State, and Federal patronage, too. Is not this true?

Mr. BUSBY. The gentleman is probably correct about that.

[Here the gavel fell.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the gentleman from Mississippi may proceed for 5 additional minutes.

The SPEAKER pro tempore (Mr. PARSONS). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KVALE. Mr. Speaker, will the gentleman yield?

Mr. BUSBY. I yield.

Mr. KVALE. Can the gentleman tell us anything about the oversubscription?

Mr. BUSBY. I am glad the gentleman mentioned this. The last time we offered short-term notes, which was some 30 days or so ago, they were oversubscribed, I understood from Secretary Mills, about 20 times, and he complained in the newspapers and wrote an article which was published all over the country and complained because the banks were oversubscribing so much. He said it created a false impression throughout the country about the ability of the banks to take these short-term notes. He wanted them not to oversubscribe. He wanted it to appear that there was a shortage of funds, but the banks came forward with money 20 times over at an interest rate of one tenth of 1 percent.

In order to avoid that this time, they have arranged the interest rate so it would be around 4 percent. I do not know what happened in Wall Street, but it does look like something has happened that the representatives of the people of the country on the floor of this House do not understand. Frankly, I should like to have it explained to me for my own personal satisfaction. I believe in justice to the taxpayers. The Treasury should explain why the notes were offered at such high rate of interest.

Mr. McKEOWN. Mr. Speaker, will the gentleman yield?

Mr. BUSBY. I yield.

Mr. McKEOWN. Does the gentleman know whether or not the big banking interests have attempted on account of this being a new administration to hold it up for 4-percent interest?

Mr. BUSBY. I only know what has happened according to the newspapers, and that is about all we Members of Congress know about the legislation brought to us on the floor of the House—what the newspapers tell us—because we have not been permitted recently to read the bills. Half the time we have passed them without even seeing them. I have voted for some of them, especially the bill putting into effect the economy program; but I do not think it is fair to us who are charged with using discretion never to have an opportunity to exercise that discretion when it comes to enacting legislation.

Mr. KVALE. Mr. Speaker, will the gentleman yield?

Mr. BUSBY. I yield.

Mr. KVALE. The gentleman is old-fashioned legislator enough that he wants to have something to do with making legislation.

Mr. BUSBY. The gentleman is correct. I like to hear matters debated and understand them before voting upon them, but we have not been permitted to do so lately.

Mr. MARLAND. Mr. Speaker, will the gentleman yield?

Mr. BUSBY. I yield.

Mr. MARLAND. Does the gentleman understand that the Government will pay $32,000,000 interest on the $800,000,000 borrowed today, and that this $800,000,000 is money we are loaning these banks?

Mr. BUSBY. That is my understanding; yes. We are just losing many millions of dollars in the transaction.

Mr. COCHRAN of Missouri. Is the new issue tax-exempt?

Mr. BUSBY. All issues are tax-exempt. There is a general statute that covers the situation.

GOLD STANDARD HAS BECOME A BURLESQUE

All these bonds are payable in gold. I want to show you the ridiculous situation in which this country finds itself.

Our bonds are payable in gold, but if the holder of a bond collects the gold and keeps it a few hours he is liable to be put in jail for "hoarding gold." The gold standard that we have looked to with uplifted hands has become a burlesque on the advocates of it, and none of them talks about its proficiency any more. It is worse than nothing, because it makes otherwise intelligent men look foolish when they try to defend it, because it is not anything but a mirage. It is not working. It "redeems the currency" in theory but not in practice. It never will work. Gold has become a millstone about the necks of the people who have it, and they are bringing gold to the Treasury under the threat of being prosecuted, gold they say they have had since their mothers gave it to them when they were children, and the Secretary of the Treasury is threatening to prosecute the holders of the gold if they do not turn it into the banks. What are they going to do with it? What is the Treasury going to use it for? Are they going to "redeem currency" with it? Are they going to pay bonds with it? I wish somebody in authority would explain to me what they are going to do with this gold when they get it.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. BUBSY. I yield.

Mr. FORD. Has the gentleman been able to discover why it is that if the banker brings a bunch of bonds to the Treasury he can get money for them and that money circulates freely in the United States without question? That is a correct statement, is it not?

Mr. BUSBY. Yes.

Mr. FORD. Why is it, then, that the United States can not issue bonds, put them in the Treasury, and issue currency against them?

Mr. BUSBY. I should like to answer that. There is no reason in the world except our fiscal system is banker-controlled from the chief financial center of this Nation, Wall Street. That is the only reason. [Applause.]

Mr. LUNDEEN. Mr. Speaker, will the gentleman yield?

Mr. BUSBY. I yield.

Mr. LUNDEEN. Is it possible that that is the reason why we had no printed bills here on the banking question last week? If I understand correctly, there was a printed bill at the desk, but no bills were distributed to the Members.

Mr. BUSBY. I really wish I could tell the gentleman about that, but I cannot.

Here is what they call "sound money": It is money which is issued on bonds owned by the bankers on which the Government pays 4 or some other percent of interest; but if the Government proposes to make money without paying the 4 percent for its circulating medium, the newspapers say it is "fiat money" and not sound. [Applause.]

[Here the gavel fell.]

Mr. FIESINGER. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FIESINGER. Mr. Speaker, several addresses have been made here today upon a subject in which I am deeply interested and to which I have given considerable study. Two or three speeches have been made in the last few days. The gentleman from South Carolina [Mr. McSWAIN] made a speech covering this general subject. The gentleman from Louisiana [Mr. MONTET] did likewise; and today my very good friends, the gentlemen from Texas [Mr. CROSS and Mr. DIES] and the gentleman from Ohio [Mr. LAMNECK] spoke upon this subject.

I want to talk to you a little bit today on the subject of the appreciation of gold and restore the commodity price level where it is fair between producers and consumers, debtors and creditors. In view of the able speeches that have already been made, and in view of the fact that the American people are very much concerned about this subject, I want to give you some of my views with reference to it.

Mr. McFADDEN. Will the gentleman yield right there?

Mr. FIESINGER. Yes.

Mr. McFADDEN. Will not the gentleman put in the RECORD the total amount of gold there is in the United States and just where it is located, whether in the Treasury, the Federal Reserve, the banks, or in the pockets of the people?

Mr. FIESINGER. Answering the question of my colleague from Pennsylvania [Mr. McFADDEN], on the last available date, March 8, 1933, the monetary gold stock in the United States was $4,243,000,000. In answer to the question as to how much gold there was in the hands of the people and banks in circulation, the last date available was the last of January, 1933, and there was in circulation $479,000,000, so there was in the Treasury and Federal Reserve, taking into consideration the discrepancy of the dates, the difference between those figures, or $3,764,000,000.

I say that the people of the United States are crying out to the Congress of the United States to relieve them of the intolerable conditions due to the appreciation of gold, and I say this for the reason that every Member of Congress has had hundreds, and perhaps thousands, of letters from all over the United States, the letters I refer to asking the Congress to cut down the grains or the content of the gold dollar.

Last Sunday there appeared in the New York Times an article coming from Columbia, Mo., in which 150 economists petitioned President Roosevelt and the committees having charge of the matter in Congress to treat the subject, and I read just a few words from this article:

> We urge that the currency system be so reestablished that no world scramble for gold can force us into ruinously falling prices and acute depression.

As I have said, this petition was addressed to President Roosevelt and signed by 150 economists representing colleges in every State in this Union.

I now want to approach the subject from a little different angle than it has been approached heretofore today. I may say at the outset that I believe that we should continue upon the single gold standard, but I would take the inflation out of gold by putting into our monetary reserves silver that would act in competition with gold and thereby take out its inflation.

My friends, you say there is no inflation in gold. Let me read what one of the great British statesmen said last summer, quoting from the New York Times of July 10, 1932. Mr. Winston Churchill said:

> They have twisted and distorted it in a manner most unfair and most injurious. Gold has been cornered, scrambled for, and hoarded. It has risen enormously in price and the value of everything we have or earn has been diminished accordingly. In the last few years the price of gold has risen by nearly 70 percent, and the value of everything else has fallen in like degree. We know that the fault lies with gold or with those who have manipulated gold. It does not lie with the many thousands of other commodities which are measured in gold.

Mr. FORD. Will the gentleman yield?

Mr. FIESINGER. Yes.

Mr. FORD. Has the gentleman had the McKenna report which came along at about that time?

Mr. FIESINGER. We had the Hilton-Young report, which was a report on Indian finances.

Mr. FORD. The McKenna report came out at about the same time.

Mr. FIESINGER. Winston Churchill speaks of the manipulated value of gold, and this is what I want to come to.

Our committee, the Committee on Coinage, Weights, and Measures, made the following finding, and let me read this to you, because it is interesting. My friends, this is a subject that every Member of this Congress, as was said by my good friend from Ohio, Mr. LAMNECK, should study, because it involves a subject that, if you will treat it, will do more good than all the reconstruction finance corporations and home-loan banks and all the other plasters that have been put upon our economic system. [Applause.]

This is what the committee found after deliberate study for about 6 months, calling before it the great bankers of the United States, the great economists of the United States,

and the great business men who are doing a world-wide business, and I cite this in support of what Mr. Churchill said, that gold has been manipulated:

The committee, through the weight of the testimony, has learned that the major depressions have followed governmental action which directly resulted in the dislocation of money and through it of commodity values, or, in other words, in the destruction of profits from productive industries; profits reduced when the general commodity price level is suddenly lowered by whatever cause and completely wiped out when the price level goes below the cost of production.

The position of the United States has shifted as a result of the World War from a debtor to a creditor nation. As a result of this the profit from our productive industry has assumed greater importance as it establishes through investment, as well as consumption, the basis of a market for our manufactured products. The maintenance of a condition of prosperity in the United States is therefore accentuated to the point that the restoration of productive industry to a profit-earning basis is of transcendental importance. To convey this idea, in other words, we would say that the purchasing power of money must be brought back to normal, and to do this the causes of disequilibrium in money must be removed.

Our investigation has revealed—

Listen to this men—

Our investigation has revealed that certain European nations, in an effort to protect their manufacturing industries by affording a better cost basis through lower prices of raw materials and foodstuffs, suddenly, and either inadvertently and unintentionally, or quite deliberately, depressed the world commodity price levels below the point that admits of any profit to the American producer. We find that this result has followed directly and definitely from certain governmental acts, the effects of which are clearly traceable, so that all the important facts are well sustained by the evidence we have gathered.

My friend spoke about the Hilton-Young report on British currency. This may have been the manipulation of England and it may have been done quite deliberately. I am not saying so, but it is possible it may have been done to depress commodity prices and the commodity price levels, because everybody knows that England and the European nations want a lower commodity price level than we can afford to have in the United States and have a profit for our business and prosperity for our people.

Let us see what Montagu Norman said and let us see whether or not there is anything to the proposition about which I am speaking, and I am speaking of using silver as a defensive measure against the action of foreign governments using silver to knock over gold, to appreciate the value of gold and to depress commodity prices.

Now, what did he say?

All those things would react upon this country very seriously. I think that one has also to bear in mind the interaction between gold and silver prices. There is a reaction upon gold prices where an extreme rise or fall takes place in the value of silver, which is none the less serious because it is indirect and not very apparent on the surface.

The consequential changes in prices generally and in trade conditions, which would be produced, the disturbance to the world's economic peace and confidence, the interference with the long-established social habits of the people of India in the use of silver, the shock to the reliance of a great country like China upon silver as a medium of currency and a common store of value, could not fail to have important effects upon the gold prices of countries in Europe and indeed in America.

Mr. OSIAS. Will the gentleman yield?

Mr. FIESINGER. Yes.

Mr. OSIAS. Have the investigations of the gentleman and his committee shown evidences of manipulation in the inflation of gold and the deflation of silver?

Mr. FIESINGER. We certainly did; and I will state the instances. There were three. First, where the European nations debased their silver coinage, reducing it in fine silver. That was No. 1.

No. 2 was when Great Britain took India off the gold-exchange basis and put her on a gold-bullion basis. It put upon the market several hundred million ounces of silver, which broke the silver market, because China had her investments in silver, and which caused the appreciation of gold throughout the world. In addition, there was the Government of France doing about the same thing in Indo-China.

[Here the gavel fell.]

Mr. DIES. Mr. Speaker, I ask unanimous consent that the gentleman may have 10 minutes more. He is making a very interesting and learned discussion.

Mr. DISNEY. Will the gentleman touch upon the subject of the deflation of the gold content of the dollar?

Mr. FIESINGER. I will be glad to do that. I know there are many people who are favorable to deflating the gold dollar. Some very able financiers in the United States are advocating that kind of a measure, but I myself have a different opinion. My friend the gentleman from Texas [Mr. DIES] has a bill in Congress on that subject, also Mr. DIES has a bill with reference to silver. I think my bill (H.R. 1577), that has been alluded to heretofore, will bring about the same result as is intended by people who would reduce the content of the gold dollar. In my judgment, we would do it by this means—I do not want to say anything offensive to people who are advocating that kind of a measure, but I believe in my heart that is repudiation.

I say further that it would shake the confidence of the people of the world for the United States to do that. It would shake their confidence, and not only the people of America but throughout the world. They would say, and might well say, "Well, if you are going to do that this year, and like conditions arise in 2 or 3 years, you will do it again." And it seems to me that it would be a great shock to the confidence of the business world, and I do not favor it. I believe those are the objections that I have heard urged against that method.

Mr. DIES. I respect very much the opinion of the gentleman; but the gentleman will agree, I am sure, that gold has depreciated to the extent of approximately 65 percent.

Mr. FIESINGER. I agree to that.

Mr. DIES. And to reduce the content of the gold dollar by 33⅓ percent would not constitute a repudiation but would merely restore the normal purchasing value of the gold. Of course that is another point of view. I call the gentleman's attention to the fact that we have heard a great deal about the gold standard and about confidence in the gold standard of the United States. Yet the financiers who have been so zealous in wanting to protect the gold standard have confessed their lack of confidence in it by writing into all these contracts that they are to be payable in gold of the present weight and fineness. If they had such confidence in the gold standard of the United States, why write into the contract that phrase?

Mr. FIESINGER. I think they did that anticipating that the Congress of the United States, which undoubtedly has the power, might do the very thing the gentleman suggests. They were protecting themselves against it by writing that clause into the bonds and long-term securities. As I have said, I have introduced a bill, and there are several other bills of this kind which have been introduced into Congress, one by my good friend Judge CROSS, who has given the subject tremendous study, another by Mr. BANKHEAD, who has also given it a great deal of study, and also by my good friend, Mr. DIES, who has a similar bill. These bills are substantially alike in principle but vary somewhat as to details. The principle that we are contending for, however, as against such measures known as the Pittman bill, which pends before this House under the name of Mr. MCKEOWN, of Oklahoma, differs in this respect, that we issue silver certificates against silver and redeem those certificates in silver at the gold price of silver. We do not want in any way to tie those certificates to gold, because when we do that we put an additional strain upon gold. We are trying to take the strain off gold. I am not finding any fault with the measures that I have alluded to, except the measures that tie silver to gold. I do not want that, because what we are trying to do is to put silver in competition with gold and thereby take the inflation out of gold, and we cannot do that if we tie silver to gold.

Mr. LEE of Missouri. Mr. Speaker, will the gentleman yield?

Mr. FIESINGER. Yes.

Mr. LEE of Missouri. How would you tie silver to gold? In time of stress, gold always runs out of the country and

you have to depend on silver anyway. It hides itself. It is the most cowardly thing in the world.

Mr. FIESINGER. That is what we are trying to accomplish here. A gentleman from my own State, who was a Member of Congress in the last Congress but is not now here, said to me on the floor of the House 2 or 3 weeks ago, and I qucte him because he expressed it better than I can, "What you are trying to do is to make gold out of silver, so that when we have a scramble such as we have now, you may have additional gold." As was suggested by Mr. LOZIER today, we may find additional gold mines, but the difficulty is that we may all starve to death before we find them, so that if we can we should take another commodity that has international acceptance, and is money to half the people of the world, and put silver into our reserves, monetize it in our reserves. We do not want money made out of silver, but we want to monetize our reserves with silver by putting silver enough in our reserves at the gold price of silver as will take the inflation out of gold. In other words, we would put silver in our reserves in competition with gold, so as to relieve the strain upon gold. When there is a strain upon gold that makes it a false measuring rod, if you put silver in our reserves at the gold price of silver you are, in effect, adding that much gold. That will relieve the demand for gold and help to keep your yardstick stable.

Mr. LEE of Missouri. So far as I am concerned, I would be mighty glad to have some silver. I have been so hard up for 12 years, since these Republicans have been in power, that a man could pass counterfeit money on me and I would not know the difference. [Laughter.]

Mr. DIES. In reference to the talk about discovering gold, of course, all the economists agree that if we could discover new gold in an appreciable amount, there would be an appreciable increase in commodity prices, such as happened after they discovered the New World and after the California gold rush. If that premise is correct, why could we not supplement the gold reserve with a silver reserve and accomplish the same result?

Mr. FIESINGER. We can.

Mr. LAMNECK. Mr. Speaker, will the gentleman yield?

Mr. FIESINGER. Yes.

Mr. LAMNECK. By adopting such a plan it would be possible to increase the purchasing power of foreign countries without an international conference, would it not?

Mr. FIESINGER. Absolutely, and you will never get the countries to agree upon this subject by an international conference. They have tried it two or three times, and they never will accomplish it for the reason that England and the European nations want a lower commodity price level than we can have in the United States and have prosperity.

The SPEAKER pro tempore. The time of the gentleman from Ohio has again expired.

Mr. DIES. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended for 5 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. McFADDEN. Mr. Speaker, will the gentleman yield?

Mr. FIESINGER. Yes.

Mr. McFADDEN. I am interested in what the gentleman said about making silver a part of the legal reserves. Can the gentleman assure us that in a settlement of international balances that that kind of money would be acceptable to the world in settling trade balances with us?

Mr. FIESINGER. We would continue to make our settlements in gold. We have enough gold to make our settlements in gold. If we had to get more gold, we could sell our silver at the gold price of silver. It has a world market all the time. We could convert one of these metals into the other, just as we saw fit.

Mr. McFADDEN. Has the gentleman ever contemplated the segregation of our total gold supply, for the purpose of making settlements of international trade balances, and have a currency here of our own that could not be influenced by foreigners who were speculating in exchange and attempting to control our price levels and our financial system to their own advantage and to our disadvantage?

Mr. FIESINGER. I had never given the matter consideration. I know the gentleman from Pennsylvania has given that subject a great deal of thought, and I know the gentleman has the idea that the European nations use the exchange in order to depress price levels, and they have been doing it right along.

Mr. McFADDEN. In the present situation this great stabilization fund which England has—it has been used to speculate in exchange, to hold down our price levels for the purpose of making us subservient to England.

Mr. FIESINGER. Absolutely. They have manipulated that fund to accomplish that very purpose.

Mr. LAMNECK. Will the gentleman yield?

Mr. FIESINGER. I yield.

Mr. LAMNECK. Will the gentleman state in his remarks how much England has in this stabilization fund which they use to manipulate prices?

Mr. FIESINGER. I understand they have $500,000,000 worth of gold. That is a secret fund.

Mr. SIROVICH. It is $1,000,000,000.

Mr. FIESINGER. I am corrected. I thank the gentleman. That is very little known. That is well covered up.

Mr. McFADDEN. Will the gentleman yield for an observation?

Mr. FIESINGER. I yield.

Mr. McFADDEN. It is also true, I think the gentleman will recognize, that the British Government does not publish a statement of its holdings of gold.

Mr. FIESINGER. That is right.

Mr. McFADDEN. It does publish the holdings of the Bank of England, and we get meager information as regards the operations of the stabilization fund, but we have no accurate knowledge as to the gold holdings of England. I am under the impression in that regard that England is, out of sheer force of necessity of its own situation, about to go back onto the gold basis at an early date, and she is resisting that very thing now.

Mr. FIESINGER. Absolutely; and she is using that fund to depress the price of cotton and wheat and farm products and the products of the mines and the forests in this country.

Mr. McFADDEN. It is greatly to the interest of England to be able to buy our products below the cost of production.

Mr. FIESINGER. Absolutely. That has been her policy, going back to 1873.

Mr. BLANTON. Will the gentleman yield?

Mr. FIESINGER. I yield.

Mr. BLANTON. The gentleman from Pennsylvania [Mr. McFADDEN], who for years was the honored chairman of the Committee on Banking and Currency, is considered one of the best authorities in the Congress on banking, and especially on international banking. Will the gentleman yield to me to ask the gentleman from Pennsylvania a question or two?

Mr. FIESINGER. Certainly.

Mr. BLANTON. I should like to ask the gentleman from Pennsylvania [Mr. McFADDEN] whether or not the newspaper reports are correct in stating that the Republican steering committee of this House has punished the gentleman from Pennsylvania by depriving him of his committee assignments? I should like to know that definitely.

Mr. McFADDEN. Well, I do not see the financial angle of that, but I will, however, say to the gentleman——

Mr. BLANTON. But is that true?

Mr. McFADDEN. Instead of using the word "punish," I would accept the word "discipline."

Mr. BLANTON. They have disciplined the gentleman in that way?

Mr. McFADDEN. The gentleman is aware, of course, that the new committees that were reported to the House yesterday by the Republican leadership eliminated me as a member of the Committee on Banking and Currency.

Mr. BLANTON. And they did that to discipline the gentleman?

Mr. McFADDEN. Yes.

Mr. BLANTON. Well, I would say it is a damned outrage against the gentleman, his district, and his State.

Mr. FIESINGER. I accept that, except that I would strike out the adjective. [Laughter.]

Mr. BLANTON. None other will properly express the kind of indignation I feel. Such action tends to intimidate the gentleman from Pennsylvania. There should be no intimidation in this public forum. I am wondering what the people of Pennsylvania are going to do about it.

Mr. DIES. Will the gentleman yield?

Mr. FIESINGER. I yield.

Mr. DIES. I want the gentleman to touch on one thing before he concludes. There has been a lot of talk about the fact that if we pass such a bill as has been introduced by the gentleman from Ohio or the one by Mr. CROSS, of Texas, or the one by Mr. BANKHEAD, of Alabama, it would flood this country with silver. Will the gentleman touch on the limitation of the silver supply in the world, and also in that connection what amount of silver would restore the normal price of silver, if removed from the world market?

Mr. FIESINGER. I shall be glad to answer that question. There are 11,000,000,000 ounces of silver in all the world. We were told by Mr. Brownell, chairman of the board of the American Smelting & Refining Co., that on the ratio of 16 to 1 silver is more limited than gold. That is a part of the testimony before our committee. He also said that if the United States Government tomorrow morning started out to give effect to any one of those bills the probabilities are that the United States would not get over 400,000,000 ounces, because there is not any more than that for sale in the stocks of the world.

Mr. DIES. And how much would it take to stabilize?

Mr. FIESINGER. Under the bill I have introduced I claim it will bring prices up to what is fair between producer and consumer and debtor and creditor by the purchase of not to exceed 1,250,000,000 ounces, which at today's price would be around three or four hundred million dollars, and this would not cost the Government a cent, because we would issue silver certificates against it, that would be legal tender for all debts, public and private, and always have 100 percent value back of them. [Applause.]

Members interested in this subject will do well to read House Report No. 2186 and the statement of Mr. John Janney before the Committee on Coinage, Weights, and Measures given on February 8 and 9, 1933. Said report and Mr. Janney's testimony may be acquired at the office of the Committee on Coinage, Weights, and Measures.

The SPEAKER pro tempore. The time of the gentleman from Ohio [Mr. FIESINGER] has expired.

Mr. MARLAND. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma [Mr. MARLAND]?

There was no objection.

Mr. MARLAND. Mr. Speaker, the discussion today of the banking situation and system has been very illuminating. I confess to feeling very much encouraged over the future prospect of the whole situation. This is my reaction to the discussion.

I believe we should pour more light on the operations of our banking system. It has been said that sunlight is the best disinfectant and electric light is the best policeman. Let there be more light and there will be less disease and less robbery.

The other day I voted for the emergency banking bill in the dark because our President asked for the measure. When it was printed, or at least when I saw it the next day, I found it contained provisions on pages 6 and 7 whereby any member of the Federal Reserve System was empowered to borrow against its Government bonds or other Federal security 100 percent of their face value and pay no interest, or deposit with the Treasury of the United States any amount of such bonds, 3-percent, 3½-percent, 4-percent, or 4½-percent bonds and have currency issued against them at a nominal cost to 100 percent of their face value.

I understand that today our Government is borrowing from these same banks $800,000,000 in short-term notes and is to pay from 4- to 4½-percent interest on this loan. I am not stating that our Government is doing this, but I simply state that I have read that our Government intended to do it. I cannot believe it. I will have to see that our Government has paid these banks 4- or 4½-percent interest before I will believe it has done so.

We have all been interested in economy. We are interested in economy. We preach economy. We economized the other day at the expense of our veterans and at the expense of our Federal employees; and we are going to do more economizing, but may I point out that we could have an economy in the issuance of this $800,000,000 of short-term notes of $32,000,000 annually by saying to these banks from whom we are borrowing the money: "The rate of interest this Government will pay is one half of 1 percent, and no more."

If this House had the courage to say to the bankers in New York: "The interest rate is one half of 1 percent going and coming, whether you borrow from us or we borrow from you", that would be all we would have to pay and we could save $32,000,000 on this present issue, and much more. [Applause.]

[Here the gavel fell.]

Mr. GOSS. Mr. Speaker, these speeches are very interesting but there are not many Members here. I make the point of order there is not a quorum present.

Mr. BYRNS. Mr. Speaker, will the gentleman withhold his point of order for a moment?

Mr. GOSS. I withhold the point of order, Mr. Speaker.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. GREGORY (at the request of Mr. CHAPMAN), indefinitely, on account of illness.

To Mr. KRAMER (at the request of Mr. FORD), indefinitely, on account of illness.

To Mrs. NORTON, for today, on account of illness.

To Mr. PEAVEY, for 10 days, on account of illness.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 30 minutes p.m.) the House adjourned until tomorrow, Thursday, March 16, 1933, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

4. Under clause 2 of rule XXIV, a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1933, to remain available until June 30, 1934, in the sum of $5,000,000, to be expended for the relief of the State of California (H.Doc. No. 4), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARDEN: A bill (H.R. 3510) providing for the examination and survey of Caney Creek, Grayson County, Ky.; to the Committee on Rivers and Harbors.

By Mr. GLOVER: A bill (H.R. 3511) to authorize the creation of a game refuge in the Ouachita National Forest in the State of Arkansas; to the Committee on Agriculture.

Also, a bill (H.R. 3512) to amend the World War Veterans' Act of 1924 making the adjusted-service certificate issued to World War veterans negotiable, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 3513) to amend the act entitled "An act limiting the privileges of the Government free bathhouse on the public reservation at Hot Springs, Ark., to persons who are without and unable to obtain the means to pay for

baths", approved March 2, 1911; to the Committee on the Public Lands.

By Mr. LEE of Missouri: A bill (H.R. 3514) authorizing and directing the Secretary of the Interior to enroll on the tribal rolls of the Choctaw and Chickasaw Nations all Choctaw and Chickasaw claimants whose names appear in the citizenship cases hereinafter mentioned and who were duly and legally enrolled by the Federal court, and the heirs now living of all such claimants, born prior to the closing of said tribal rolls by an act of Congress; to the Committee on Indian Affairs.

By Mr. WHITLEY: A bill (H.R. 3515) to amend the National Banking Act and to provide indemnity fund to guarantee deposits in banks; to the Committee on Banking and Currency.

By Mr. SHALLENBERGER: A bill (H.R. 3516) to establish a bimetallic system of currency, employing gold and silver, to fix the relative value of gold and silver, to provide for the free coinage of silver as well as gold, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. BECK: A bill (H.R. 3517) to provide fees to be charged by clerks of the district courts of the United States; to the Committee on the Judiciary.

By Mr. DICKSTEIN: A bill (H.R. 3518) to provide correction of status of alien lawfully admitted without requirement of departure to foreign port; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 3519) to exempt from the quota parents of citizens of the United States, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. SWEENEY: A bill (H.R. 3520) to provide that pilots employed by companies carrying mail by aircraft shall be organized as an aviation reserve, and for other purposes; to the Committee on Military Affairs.

By Mr. DICKSTEIN: A bill (H.R. 3521) to reduce certain fees in naturalization proceedings, and for other purposes; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 3522) to extend benefits of a record of registry under the act of March 2, 1929 (45 Stat. 1512) to aliens who arrived prior to July 1, 1924, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. DONDERO: A bill (H.R. 3523) to increase to $5,000 the maximum amount which may stand to the credit of any one person in a postal-savings account; to the Committee on the Post Office and Post Roads.

By Mr. DICKSTEIN: A bill (H.R. 3524) to amend section 23 of the immigration act of February 5, 1917 (39 Stat. 874); to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 3525) to provide for a review of the action of consular officers in refusing immigration visas; to the Committee on Immigration and Naturalization.

By Mr. GAVAGAN: A bill (H.R. 3526) to amend section 4916 of the Revised Statutes (U.S.C., title 35, sec. 64); to the Committee on Patents.

By Mr. HARLAN: A bill (H.R. 3527) to supervise and regulate the sale of securities within the District of Columbia; to the Committee on the District of Columbia.

By Mr. REED of New York: Resolution (H.Res. 51) authorizing the Federal Trade Commission to investigate practices of the American Tobacco Co., the P. Lorillard Co., the R. J. Reynolds Tobacco Co., the Liggett & Myers Tobacco Co., and the Atlantic & Pacific Tea Co.; to the Committee on Interstate and Foreign Commerce.

By Mr. DICKSTEIN: Resolution (H.Res. 52) to compensate F. P. Randolph for extra research and clerical services for the Committee on Immigration and Naturalization; to the Committee on Accounts.

By Mr. BECK: Joint resolution (H.J.Res. 84) to provide for clarifying and reorganizing the accounts of the Panama Canal; to the Committee on Interstate and Foreign Commerce.

Also, joint resolution (H.J.Res. 85) to provide for the erection of a suitable memorial to the memory of Comte de Grasse; to the Committee on the Library.

By Mr. FISH: Joint resolution (H.J.Res. 86) to propose a multilateral agreement renouncing the sale or export of arms, munitions, or implements of war to any foreign nations; to the Committee on Foreign Affairs.

By Mr. McKEOWN: Joint resolution (H.J.Res. 87) proposing an amendment to the Constitution granting power to Congress to draft property in any war emergency; to the Committee on the Judiciary.

By Mr. FISH: Joint resolution (H.J.Res. 88) requesting the President to instruct the delegates to the disarmament conference for a further reduction of battleships and cruisers; to the Committee on Foreign Affairs.

By Mr. GAVAGAN: Joint resolution (H.J.Res. 89) directing the President of the United States of America to proclaim March 5 of each year Crispus Attucks Memorial Day for the observance and commemoration of the death of Crispus Attucks; to the Committee on the Judiciary.

By Mr. FISH: Joint resolution (H.J.Res. 90) authorizing and requesting the President to extend an invitation to foreign governments to be represented by delegates at the Sixth World's Poultry Congress to be held in the United States in 1936 and to participate in the educational and live-bird exhibits of the congress; to the Committee on Foreign Affairs.

Also, joint resolution (H.J.Res. 91) authorizing an appropriation to enable the United States to send an educational exhibit and for the expenses of official delegates to the Fifth World's Poultry Congress to be held at Rome, Italy, September 6 to 15, 1933; to the Committee on Foreign Affairs.

Also, concurrent resolution (H.Con.Res. 4) proposing that the President of the United States use his influence in the political situation that has arisen in Cuba; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOILEAU: A bill (H.R. 3528) granting a pension to Marie Beck; to the Committee on Pensions.

Also, a bill (H.R. 3529) for the relief of Lawrence Nohr; to the Committee on War Claims.

By Mr. BECK: A bill (H.R. 3530) for the relief of Michael Baldino; to the Committee on Claims.

Also, a bill (H.R. 3531) for the relief of Margaret Thomkin; to the Committee on Military Affairs.

Also, a bill (H.R. 3532) for the relief of Charles A. Thomas; to the Committee on Naval Affairs.

Also, a bill (H.R. 3533) to correct the status of George Chalmers Hunter; to the Committee on Naval Affairs.

Also, a bill (H.R. 3534) for the relief of William Anthony O'Malley; to the Committee on Naval Affairs.

Also, a bill (H.R. 3535) for the relief of Nathan Markel; to the Committee on Military Affairs.

Also, a bill (H.R. 3536) for the relief of Joseph Pasquarello; to the Committee on Military Affairs.

Also, a bill (H.R. 3537) for the relief of Charles J. Webb Sons Co., Inc.; to the Committee on Claims.

Also, a bill (H.R. 3538) granting a pension to Timothy A. Linehan; to the Committee on Pensions.

Also, a bill (H.R. 3539) granting a pension to Mary Hoyt and seven dependent children; to the Committee on Pensions.

Also, a bill (H.R. 3540) granting a pension to Emma Hendrickson; to the Committee on Pensions.

Also, a bill (H.R. 3541) granting a pension to Frank Nacod; to the Committee on Pensions.

Also, a bill (H.R. 3542) to authorize the Secretary of the Navy to dedicate to the city of Philadelphia, for street purposes, a tract of land situate in the city of Philadelphia and State of Pennsylvania; to the Committee on Naval Affairs.

By Mr. CARDEN: A bill (H.R. 3543) granting an increase of pension to Martha R. Henderson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3544) granting a pension to Charlotte A. Mercer; to the Committee on Pensions.

Also, a bill (H.R. 3545) granting a pension to Nancy A. Scott; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3546) granting a pension to William B. Priddy; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3547) granting an increase of pension to Winnie Hazard; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3548) granting an increase of pension to Mariah Buchanan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3549) granting a pension to E. V. Farrell; to the Committee on Pensions.

Also, a bill (H.R. 3550) granting a pension to Galena B. Clark; to the Committee on Pensions.

Also, a bill (H.R. 3551) for the relief of T. J. Morrison; to the Committee on Claims.

Also, a bill (H.R. 3552) for the relief of Ernest Carroll Cox; to the Committee on Military Affairs.

Also, a bill (H.R. 3553) for the relief of Harvey O. Willis; to the Committee on Military Affairs.

Also, a bill (H.R. 3554) for the relief of Pinkie Osborne; to the Committee on Claims.

Also, a bill (H.R. 3555) granting a pension to Beulah W. Pearl; to the Committee on Pensions.

Also, a bill (H.R. 3556) for the relief of Richard C. Jones; to the Committee on Military Affairs.

Also, a bill (H.R. 3557) granting a pension to Louisa Sanders; to the Committee on Pensions.

Also, a bill (H.R. 3558) granting an increase of pension to Marelda Pennington; to the Committee on Pensions.

Also, a bill (H.R. 3559) granting a pension to Arthur Pate; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3560) granting a pension to Maxie Compton; to the Committee on Pensions.

Also, a bill (H.R. 3561) granting a pension to Mattie L. Stults; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3562) granting a pension to Warren A. Purcell; to the Committee on Pensions.

Also, a bill (H.R. 3563) granting an increase of pension to Margaret A. Thompson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3564) granting a pension to Mary E. Sutherland; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3565) granting a pension to Mary Miller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3566) granting a pension to Frances Vaughn; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3567) granting a pension to George Merideth; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3568) granting an increase of pension to Sallie Miller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3569) granting a pension to Louisa F. Mansfield; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3570) granting a pension to Julia Lyon; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3571) granting a pension to Martha Kasinger; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3572) granting a pension to Mary J. Logsdon; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3573) granting a pension to Alfred Daugherty; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3574) granting a pension to Gorda James; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3575) granting a pension to William H. Jones; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3576) granting an increase of pension to Martha J. Blacketer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3577) granting a pension to Jim Merideth; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3578) granting a pension to Mattie Bumgardner; to the Committee on Invalid Pensions.

By Mr. COFFIN: A bill (H.R. 3579) for the relief of O. S. Cordon; to the Committee on Claims.

Also, a bill (H.R. 3580) for the relief of Paul Bulfinch; to the Committee on Claims.

By Mr. CONNOLLY: A bill (H.R. 3581) for the relief of Harry J. Swisher; to the Committee on Military Affairs.

By Mr. DICKINSON: A bill (H.R. 3582) granting a pension to Mary E. Burchett; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3583) granting a pension to Hattie Porter; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3584) granting a pension to Annie May Bartlett; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3585) granting a pension to Polly Ann Moore; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3586) granting a pension to Hanie Marshall; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3587) granting a pension to Margaret J. Allen; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3588) granting a pension to Mollie E. Shrier; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3589) granting a pension to Mary E. Hays; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3590) granting a pension to Sylvia Holsapple; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3591) granting a pension to Mary E. Nichols; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3592) granting a pension to Chloe M. Ranbarger; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3593) granting a pension to Lillie Maxwell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3594) granting a pension to Julia A. Millam; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3595) for the relief of St. Ludgers Catholic Church of Germantown, Henry County, Mo.; to the Committee on War Claims.

Also, a bill (H.R. 3596) granting an increase of pension to Martha A. Newcomb; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3597) granting an increase of pension to Effie Sullivan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3598) granting an increase of pension to Anna S. Younts; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3599) granting an increase of pension to Mary Elliott; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3600) granting an increase of pension to Elizabeth Hedglen; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3601) granting an increase of pension to Nancy J. Niblack; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3602) granting an increase of pension to Christine Hounshell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3603) granting an increase of pension to Mary E. Hoel; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3604) granting an increase of pension to Nancy A. Rickett; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3605) to authorize the payment of the sum of $2,500 to the dependents of the officers and men who lost their lives on the submarines *S–4* and *S–51*; to the Committee on Pensions.

By Mr. DISNEY: A bill (H.R. 3606) for the relief of William Sheldon; to the Committee on Claims.

By Mr. FORD: A bill (H.R. 3607) for the relief of Zora B. Custer; to the Committee on Military Affairs.

Also, a bill (H.R. 3608) for the relief of Conord Grimme; to the Committee on Military Affairs.

By Mr. GAVAGAN: A bill (H.R. 3609) granting a pension to Matthew A. Henson; to the Committee on Pensions.

Also, a bill (H.R. 3610) granting an increase of pension to Emma Graham; to the Committee on Pensions.

Also, a bill (H.R. 3611) for the relief of Frances E. Eller; to the Committee on Claims.

Also, a bill (H.R. 3612) for the relief of Paris H. Qualles; to the Committee on Claims.

Also, a bill (H.R. 3613) granting a pension to Helen F. Brady; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3614) for the relief of Clara C. Talmadge; to the Committee on Claims.

By Mr. HUDDLESTON: A bill (H.R. 3615) for the relief of Alexander Collins; to the Committee on Claims.

By Mr. KELLY of Pennsylvania: A bill (H.R. 3616) for the relief of Walter A. Zinkham; to the Committee on Claims.

Also, a bill (H.R. 3617) for the relief of H. Bluestone; to the Committee on Claims.

Also, a bill (H.R. 3618) granting a pension to Gertrude A. Foley; to the Committee on Pensions.

Also, a bill (H.R. 3619) granting a pension to James H. Riffle; to the Committee on Pensions.

Also, a bill (H.R. 3620) granting a pension to William B. Kuhn; to the Committee on Pensions.

Also, a bill (H.R. 3621) for the relief of John L. Friel; to the Committee on Claims.

Also, a bill (H.R. 3622) for the relief of L. A. Levin; to the Committee on Claims.

Also, a bill (H.R. 3623) for the relief of Walter P. King; to the Committee on Claims.

Also, a bill (H.R. 3624) for the relief of T. W. Mallonee; to the Committee on Claims.

Also, a bill (H.R. 3625) for the relief of Charlotte Lamby; to the Committee on Claims.

Also, a bill (H.R. 3626) for the relief of John M. Ruskai; to the Committee on Military Affairs.

Also, a bill (H.R. 3627) for the relief of Alexander Miller; to the Committee on Military Affairs.

Also, a bill (H.R. 3628) for the relief of L. D. Tracy; to the Committee on Claims.

Also, a bill (H.R. 3629) for the relief of Forrest D. Stout; to the Committee on Claims.

Also, a bill (H.R. 3630) for the relief of the estate of Benjamin Braznell; to the Committee on Claims.

Also, a bill (H.R. 3631) granting a pension to Ida L. Updegraff; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3632) for the relief of Mary S. Neel; to the Committee on Claims.

Also, a bill (H.R. 3633) for the relief of John Buchanan; to the Committee on Military Affairs.

By Mr. KOCIALKOWSKI: A bill (H.R. 3634) to correct the naval record of Walter C. Schalk; to the Committee on Naval Affairs.

By Mr. LUDLOW: A bill (H.R. 3635) for the relief of James J. Laughlin; to the Committee on Claims.

By Mr. MARTIN of Massachusetts: A bill (H.R. 3636) for the relief of Thelma Lucy Rounds; to the Committee on Claims.

Also, a bill (H.R. 3637) for the relief of Edward Theroult, alias Frank Gamashe; to the Committee on Military Affairs.

Also, a bill (H.R. 3638) for the relief of Ernest F. Walker, alias George R. Walker; to the Committee on Military Affairs.

Also, a bill (H.R. 3639) for the relief of Manuel Ferreira; to the Committee on Claims.

Also, a bill (H.R. 3640) for the relief of Esther Fountain; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII,

69. Mr. LOZIER presented a petition of numerous citizens of Linn County, Mo., urging the passage of the Frazier farm mortgage refinance bill, which was referred to the Committee on Ways and Means.

SENATE

THURSDAY, MARCH 16, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	La Follette	Robinson, Ark.
Ashurst	Dale	Lewis	Robinson, Ind.
Austin	Dickinson	Logan	Russell
Bachman	Dieterich	Lonergan	Sheppard
Bailey	Dill	Long	Smith
Bankhead	Duffy	McCarran	Steiwer
Barbour	Fess	McGill	Stephens
Barkley	Fletcher	McKellar	Thomas, Okla.
Black	Frazier	McNary	Thomas, Utah
Bone	George	Metcalf	Townsend
Borah	Goldsborough	Murphy	Trammell
Bratton	Gore	Neely	Tydings
Brown	Hale	Norbeck	Vandenberg
Bulkley	Harrison	Norris	Van Nuys
Bulow	Hastings	Nye	Wagner
Byrd	Hatfield	Overton	Walcott
Capper	Hayden	Patterson	Walsh
Caraway	Hebert	Pittman	Wheeler
Clark	Johnson	Pope	White
Connally	Kean	Reed	
Copeland	Keyes	Reynolds	

Mr. NEELY. I desire to announce that the Senator from Colorado [Mr. COSTIGAN] is necessarily detained from the Senate by illness. I will let this announcement stand for the day.

Mr. BANKHEAD. I wish to announce that the junior Senator from South Carolina [Mr. BYRNES] is detained from the Senate by illness. I ask that this announcement may stand for the day.

Mr. LEWIS. I announce to the Senate that the junior Senator from California [Mr. MCADOO] is detained by a slight illness. This announcement I ask may stand for the day.

I also desire to announce that the Senator from Wyoming [Mr. KENDRICK] is necessarily detained from the Senate. This announcement likewise may stand for the day.

I also announce that the Senator from Virginia [Mr. GLASS] is detained by illness. This announcement also may stand for the day.

Mr. WALSH. I wish to announce that my colleague the junior Senator from Massachusetts [Mr. COOLIDGE] is detained on account of a death in his family. I will allow this announcement to stand for the day.

Mr. REED. My colleague the junior Senator from Pennsylvania [Mr. DAVIS] is necessarily detained from the Senate by reason of illness.

Mr. HEBERT. I desire to announce that the Senator from Wyoming [Mr. CAREY] is detained from the Senate, having been in attendance upon the funeral of the late Senator Howell, of Nebraska.

I also wish to announce that the senior Senator from Minnesota [Mr. SHIPSTEAD] and the junior Senator from Minnesota [Mr. SCHALL] are necessarily absent.

The VICE PRESIDENT. Eighty-two Senators having answered to their names, a quorum is present.

SENATOR FROM MONTANA

Mr. WHEELER presented the credentials of JOHN EDWARD ERICKSON, appointed a Senator from the State of Montana to fill the vacancy existing in the office by reason of the death of Thomas J. Walsh, which were ordered to be placed on file, and they were read, as follows:

In the name and by the authority of the State of Montana, to all to whom these presents shall come, greeting:

Know ye that I, F. H. Cooney, Governor of the State of Montana, reposing special faith and confidence in JOHN EDWARD ERICKSON, do hereby appoint the said JOHN EDWARD ERICKSON United States Senator from the State of Montana, and by virtue of the power vested in me by the Constitution and in pursuance of the laws I do hereby commission him, the said JOHN EDWARD ERICKSON, to be United States Senator from the State of Montana, hereby authorizing and empowering him to execute and discharge all and singular the duties appertaining to said office and to enjoy all the privileges and immunities thereof, filling the vacancy now existing in said office by reason of the death of Thomas J. Walsh.

In testimony whereof I have hereunto subscribed my name and caused the great seal of the State of Montana to be affixed at Helena, Mont., the 13th day of March A.D. 1933, and in the one hundred and fifty-seventh year of the independence of the United States of America.

F. H. COONEY.

By the governor:
[SEAL]

SAM W. MITCHELL,
Secretary of State.

FEDERAL GAME RESERVES IN NORTH DAKOTA

Mr. FRAZIER presented the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Agriculture and Forestry:

House Concurrent Resolution 12 (Representative Louis Endres)

A resolution providing for the establishment of Federal game preserves on or near the Fort Berthold Indian Reservation, and on the Standing Rock Indian Reservation near Fort Yates

Be it resolved by the House of Representatives of the State of North Dakota (the senate concurring)—

Whereas there are at the present time thousands of acres of land in North Dakota which are not adapted to agricultural purposes, and which have little or no commercial value; and

Whereas deer, antelope, and other game animals are steadily decreasing in numbers due to the fact that they are not given sufficient protection; and

Whereas the people of North Dakota are interested in the preservation and perpetuation of these forms of native wild life: Now, therefore, be it

Resolved by the House of Representatives of the Twenty-third Legislative Assembly of the State of North Dakota (the senate concurring), That we hereby request the present Congress to pass the legislation necessary for the acquisition of land for Federal game reserves in North Dakota, and for the maintenance of such reserves on or near the Fort Berthold Indian Reservation and on the Standing Rock Indian Reservantion near Fort Yates.

MINNIE D. CRAIG,
Speaker of the House.
OLE H. OLSON,
President of the Senate.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. AUSTIN:

A bill (S. 499) to amend section 337 of the Tariff Act of 1930; to the Committee on Finance.

By Mr. WALSH:

A bill (S. 500) for the relief of Lieut. Thomas O'C. McCarthy, United States Navy; to the Committee on Claims.

By Mr. GEORGE:

A bill (S. 501) to amend section 201 of the Emergency Relief and Construction Act of 1932 to provide for certain loans by the Reconstruction Finance Corporation to aid in the support and maintenance of public schools; to the Committee on Banking and Currency.

By Mr. TYDINGS:

A bill (S. 502) to provide revenue for the District of Columbia by the taxation of beverages, and for other purposes; to the Committee on the District of Columbia.

By Mr. METCALF:

A bill (S. 503) to confer jurisdiction on the Court of Claims to hear and determine the claim of A. C. Messler Co.; to the Committee on Claims.

By Mr. KEAN:

A bill (S. 504) to authorize the Secretary of the Navy to make a long-term contract for a supply of water to the United States Naval Station at Guantanamo Bay, Cuba; to the Committee on Naval Affairs.

By Mr. CLARK:

A bill (S. 505) for the relief of Michael Dalton; to the Committee on Claims.

By Mr. McKELLAR:

A bill (S. 506) conferring upon the President the power to reduce subsidies, and for other purposes; to the Committee on Post Offices and Post Roads.

(Mr. SMITH introduced Senate bill 507, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

By Mr. BLACK:

A bill (S. 508) to further regulate mail contracts and salaries of individuals, companies, and corporations receiving Government subsidies and Government loans; to the Committee on Post Offices and Post Roads.

By Mr. FRAZIER:

A joint resolution (S.J.Res. 24) proposing an amendment to the Constitution of the United States prohibiting war; to the Committee on the Judiciary.

By Mr. CAPPER:

A joint resolution (S.J.Res. 25) proposing an amendment to the Constitution of the United States relative to taxes on certain incomes; to the Committee on the Judiciary.

HEARINGS BEFORE THE COMMITTEE ON PATENTS

Mr. WAGNER submitted the following resolution (S.Res. 31), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Patents, or any subcommittee thereof, is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

TEMPORARY EMPLOYMENT OF MAIL CARRIERS

Mr. McKELLAR submitted the following resolution (S.Res. 32), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Sergeant at Arms hereby is authorized and directed to employ six mail carriers for service in the Senate post office for 7 days to be paid from the contingent fund of the Senate at the rate of $1,620 each per annum.

HEARINGS BEFORE THE COMMITTEE ON AGRICULTURE AND FORESTRY

Mr. SMITH submitted the following resolution (S.Res. 33), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Agriculture and Forestry, or any subcommittee thereof, is hereby authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid from the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 148. An act for the relief of Agnes M. Angle;

S. 149. An act for the relief of Daisy Anderson;

S. 150. An act for the relief of W. H. Hendrickson;

S. 151. An act for the relief of the Holy Family Hospital, St. Ignatius, Mont.;

S. 152. An act to authorize the Secretary of War to grant a right of way to the Alameda Belt Line across the Benton Field Military Reservation, Alameda, Calif.;

S. 153. An act to convey certain land in the county of Los Angeles, State of California;

S. 154. An act confirming the claim of Francis R. Sanchez, and for other purposes;

S. 155. An act for the relief of A. Y. Martin; and

S. 156. An act providing for an exchange of lands between the Colonial Realty Co. and the United States, and for other purposes.

AMENDMENT OF VOLSTEAD ACT

Mr. HARRISON. Mr. President, I move that the Senate proceed to the consideration of the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with amendments.

Mr. HARRISON. Mr. President, I want to make just a brief explanation of the bill. The bill seeks to amend the Volstead Act by fixing the alcoholic content of liquor at 3.2 percent instead of one-half of 1 percent. It will be recalled that during the last session the House passed a bill which came to the Senate and was reported out providing for an alcoholic content of 3.05 percent. The testimony before us and the discussions had by the committee lead us to believe there is practically no difference in that respect in the two bills.

Certain changes are made in the bill now before us as compared with the bill of the last session. In last year's bill the committee reported out a provision with reference to the sale to minors of beer of an alcoholic content of 3.05 percent. The sale of such beer to minors was prohibited. That provision is not in the pending bill. In the bill last year there was also a provision recommended to the Senate prohibiting the advertising in newspapers of beverages carrying that percentage of alcoholic content; indeed, prohibiting such advertising anywhere under any circumstances. The pending measure seeks to amend the present law on the theory that if an alcoholic content of 3.2 percent is not intoxicating, its sale to minors and its advertising should not be prohibited.

Mr. WALSH. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Massachusetts?

Mr. HARRISON. I yield.

Mr. WALSH. The difficulty with the House bill of last year was that it failed to repeal existing laws which prohibited advertising, while the bill which the Senator has reported and is now being considered by the Senate repeals such existing laws which, if they were not repealed, would forbid advertising of the character mentioned by the Senator from Mississippi.

Mr. HARRISON. It clarifies the situation to that extent.

The bill now before us lays a tax of $5 a barrel on beer and similar beverages. The Finance Committee has amended the bill as it passed the House by including "wine, similar fermented malt or vinous liquor, and fruit juice" carrying the same alcoholic content as is applicable to beer, ale, and so forth. It is estimated that the Treasury will be replenished by between $125,000,000 and $150,000,000 from such tax. It is estimated that the privilege taxes—I call them "privilege" taxes—which the brewers must pay will bring an additional $1,000,000. The bill imposes on each brewer a tax of $1,000 a year. That tax is applicable to each brewery, and as many breweries as a brewer may operate will bring to the Treasury just that many thousands of dollars in the form of a privilege tax. The bill furthermore imposes a tax of $50 per annum in the case of wholesale dealers handling beverages or liquors of the kind mentioned, and $25 in the case of retail dealers in wines and a $20 tax on retail dealers in beer.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Michigan?

Mr. HARRISON. I yield.

Mr. VANDENBERG. The Senator has referred to a tax of $1,000 which is to be assessed upon brewers. May I inquire of the Senator whether under the terms of the bill every so-called "home-brewer" is a brewer within the effect of the bill?

Mr. HARRISON. It does not apply to them.

Mr. VANDENBERG. May I invite the Senator's attention to the language at the bottom of page 2 which provides that every person who manufactures liquor containing one-half of 1 percent or more alcohol "shall be deemed a brewer"? What does that mean?

Mr. HARRISON. If the Senator will examine the language more carefully, he will see that in line 22 it is provided that "every person who manufactures fermented liquors of any name or description for sale." I invite the Senator's particular attention to the words "for sale."

Mr. VANDENBERG. I thank the Senator.

Mr. HARRISON. Mr. President, I think the matter has been so freely discussed that it is unnecessary for me to discuss it further. I am very hopeful that we will expedite the passage of the measure as quickly as possible and get this much revenue for the Treasury of the Government.

Mr. TYDINGS. Mr. President, will the Senator from Mississippi yield?

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Maryland?

Mr. HARRISON. I yield to the Senator.

Mr. TYDINGS. The Senator from Mississippi knows that on yesterday I submitted an amendment to the pending bill which, if adopted, would permit the sale of beer in the District of Columbia under the terms of the proposed act. The Senator from Mississippi has asked me not to press that amendment because he does not want to delay the passage of the bill. I am reluctant to take that course, unless I may have reasonable assurance that if a separate bill is introduced it will be referred to the committee and reported promptly and may be considered at the present session of the Congress.

Mr. HARRISON. I may say to the Senator from Maryland that I have a great deal of sympathy with his purpose and intent. I have no doubt that he has a very admirable amendment dealing with the sale of these beverages in the District of Columbia, but naturally its consideration would provoke very long discussion. I think that we ought to go about the consideration of this measure in an orderly way and let the Committee on the District of Columbia handle the matter to which the Senator has referred and make its report. I want to assure the Senator that, so far as I am concerned, I shall help in every way to expedite the consideration of the amendment in the form of a separate bill applying to the District of Columbia.

I myself have an amendment which, under other circumstances, I should be very glad to offer to the pending bill. It is one of vital importance and deals with the revenue. I refer to the joint resolution continuing the gasoline tax for the next year, which was passed by the other House but was delayed in the Senate at the last session only because of the number of speeches, and so on. I am going to withhold even offering that amendment, in the hope that we may pass this bill today, get it over to the other House, and conclude the subject. So I hope the Senator from Maryland will not press his amendment.

Mr. TYDINGS. Mr. President, in view of what the Senator from Mississippi has said, and of similar statements from the Democratic leader, the only two Senators whom I have had an opportunity to consult, I shall not press the amendment at this time. May I say, however, that the amendment which I have offered permitting the sale in the District of Columbia of beverages of less than 3.2 of alcoholic content by weight, is so framed as to prevent beer being sold in so-called "saloons." It would permit the sale of beer in bona fide restaurants, and it would have permitted the sale of beer to homes, but beer could not have been sold to be consumed on the premises except in connection with bona fide hotels and restaurants.

The reason why I should like to press the amendment at this time was that I was impelled by the thought that if we could attach this amendment to the beer bill it would set up what I hoped would be a model act upon which the States and local communities could pattern their local legislation for the sale of beer within their own confines.

I think it is pretty nearly the sentiment of the Senate and of the country that, insofar as possible, we should prevent the return of the old saloon. Therefore, in company with a number of gentlemen who have devoted considerable thought to this subject, members of the Modification League and others, this bill was written in the hope that wherever beer might be sold it would be sold under such conditions that the old saloon as we knew it would not return, but there would be afforded ample opportunity to buy beer under proper circumstances. I hope Senators will read the amendment as it is set forth in the RECORD of today on page 414.

In view of what the Senator from Mississippi and also the Democratic leader have said, that they will help to have consideration at this session of a bill similar to the amendment, I shall reluctantly not offer the amendment at this time, but I hope that when the bill covering the same subject is placed on the calendar Senators will not object to its consideration, because, if they are fair, they will realize that I am now waiving my right to its consideration, and I hope no technical objections will be lodged against it when it comes up for consideration.

Mr. HARRISON. Mr. President, I ask unanimous consent that the committee amendments may be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will report the first amendment.

The first amendment of the Committee on Finance was, on page 1, line 4, after the word "porter," to strike out "and other similar fermented liquor" and insert "wine, similar fermented malt or vinous liquor, and fruit juice," so as to read:

That (a) there shall be levied and collected on all beer, lager beer, ale, porter, wine, similar fermented malt or vinous liquor, and fruit juice, containing one-half of 1 percent or more of alcohol by volume, and not more than 3.2 percent of alcohol by weight, brewed or manufactured—

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WAGNER. Mr. President, I should like to ask the Senator from Mississippi whether he would object to an amendment to the bill, on page 1, line 8, inserting the words "which are hereby declared to be nonintoxicating in fact"? In other words, to make a declaration by the Congress that a beverage with an alcoholic content of 3.2 percent or less as a matter of fact is nonintoxicating.

Mr. HARRISON. Mr. President, I am afraid that might weaken the bill and drive some Senators who want to support it into a position where they would not support it for various reasons, and so I hope the Senator will not press such an amendment.

Mr. WAGNER. I will not press the amendment; but, of course, by the passage of this bill by implication we do declare such beverages to be nonintoxicating.

Mr. HARRISON. Yes; and we do that in the title of the bill.

Mr. WAGNER. I thought it would simply be in the interest of clarity that such an amendment should be made.

Mr. DILL. Mr. President, I should like to say to the Senator from New York that I think there is a big difference between expressing——

Mr. NORRIS. Mr. President, who has the floor?

The VICE PRESIDENT. The Senator from New York has the floor.

Mr. DILL. Between prescribing a punishment for the sale of liquor of more than 3.2 percent and declaring that a beverage of that alcoholic content to be nonintoxicating in fact.

Mr. WAGNER. Let me say to the Senator that in this bill we are permitting the sale of beverages containing 3.2 percent or less and we cannot permit that under the eighteenth amendment unless the beverage is nonintoxicating. That is very definite and clear.

Mr. DILL. If there were no law on the subject at all we could not be permitting the sale of any liquor, but if somebody did sell it we would have our rights to secure an injunction against such action.

Mr. WAGNER. Except, I may say to the Senator, by our permitting it we do say, as a matter of fact, that the Congress has determined as a question of fact that beverages of such alcoholic content are not intoxicating. Of course, eventually it will be for the courts to determine whether or not Congress has acted arbitrarily or in violation of reason. I simply wanted to have declared definitely what we are declaring by implication in the proposed statute. However, if such an amendment would lead to controversy I shall not press it.

Mr. DILL. Mr. President, I think there is a vast difference, though, between punishing by specific legislative act and not passing any legislation at all providing for punishment in the case of the sale of liquors not exceeding 3.2 percent alcoholic content.

Mr. WAGNER. The Senator realizes that in this very bill we are providing for the sale of beverages of 3.2 percent or less alcoholic content, and we are authorizing the issuance of permits. That we could not do conscientiously unless we were of the opinion that beverages of an alcoholic content of 3.2 percent or less are nonintoxicating.

Mr. DILL. But the courts could still decide——

Mr. WAGNER. That we had violated the Constitution.

Mr. DILL. That we had violated the Constitution.

Mr. WAGNER. They can do so with this declaration.

Mr. SHEPPARD. Mr. President, there are certain facts in connection with this bill, as I see them, which, in my judgment, ought to be made a matter of record.

A prominent representative of the brewing industry stated at the House hearings on a bill similar to this in the last Congress that it would take 2 years and an expenditure of $360,000,000 to place that industry in position to produce half as much beer, in proportion to population, as was produced in 1914, the peak year of the business; in other words, according to his own calculation, to produce 40,000,000 barrels of beer in a year. He said that this amount would finally come from the consumer. It will be seen, therefore, that this measure will exact from the consumers of beer the cost of reestablishing the brewing industry, that is, $360,000,000 in 2 years; and it is reasonable to suppose another $360,000,000, roughly speaking, when the industry shall have become relatively as large as in former times, with continuous depreciation, interest, and repair charges. The investment in this industry in 1914 represented the sum of $800,000,000, in round numbers.

It will be seen further that the tax of $5 a barrel on beer which this bill imposes will be taking from beer consumers in 2 years, if the plans of its proponents are realized, $200,000,000 a year for Government revenue, and later, when the brewing industry shall have reached the equivalent in relation to population of its old proportions, $400,000,000 a year for that purpose.

Brewery representatives testified at the hearings that beer would sell at retail in glass and bottle at the rate of about $20 a barrel. This means that consumers will be paying an annual amount of $800,000,000 for beer in 2 years, and later $1,600,000,000, when the brewing industry shall have become as large in proportion to population as formerly.

Now note the picture: In order to secure $200,000,000 in taxes in 2 years a new industry is to be constructed, or an old industry is to be reconstructed, costing the masses of the people who will be the consumers of beer $800,000,000. Later, as I have indicated, it may be reasonably expected that these figures will be doubled. What a tribute to the brewers! In 2 years $600,000,000 a year for them and $200,000,000 for the Government, and later $1,200,000,000 for them and $400,000,000 for the Government, and all this coming from the pockets of the masses. What a desperate and tragic form of taxation!

In this last calculation I have not included the funds necessary to rebuild the brewing industry. These funds also will come from the people. I have based my statements on the estimates of the brewery representative at the congressional hearing.

It is true that Government experts forecast a revenue of about $125,000,000 to $150,000,000 at first. Taking that basis, my estimates and statements will apply in proportion.

The statement by the brewers, through their representatives, that it will take an expenditure of $360,000,000 and 2 years' time to place the brewing industry on a basis half as large as it was formerly gives the death blow to the argument that this bill is merely a transfer of an industry now illegally existing to a legal basis in order to secure taxes.

The principal consumers of beer will be the working masses of America, those who labor with their hands, and who comprise about 85 percent of the American people. To saddle the laboring millions of the Nation with the financial burden of reestablishing and maintaining a nonessential industry, not to say anything else about it, at the present time, would be an outrage and a crime. It would be a drain upon the earnings and savings of labor which would reduce its living conditions to a disastrous degree. It would fall with crushing effect upon the families and the homes of the manual toiler, upon the mother, the wife, the child.

It is said that the return of beer will mean the employment of hundreds of thousands of men. The answer is that

for every dollar spent for beer, a dollar less will be spent for food, shelter, clothing, education, medical service, "movies," radios, autos, travel, and other facilities and features of modern life. For every employee made possible by beer, an employee will be discharged from the industries producing these necessities and facilities.

We have by no means measured the entire cost of the restoration of the beer business. The mind of man cannot comprehend the figure which would represent that cost.

Think of the degraded standards of existence, the shattered morals, the disease, the crime, the fatalities, the poverty, the agonies which the annual consumption of the alcohol in a billion and a half dollars' worth of beer would bring to this Republic, and say, if you can, what group of numerals would adequately depict the loss.

The liquor problem is in the main a beer problem in the United States. The apparent innocence of a small alcoholic content causes beer to work the greatest havoc of all the alcoholic beverages, judging from the experience of America in preprohibition times. Beer and light wine gradually but surely establish the liquor habit. Beer, wine, and hard liquors, such as whisky and brandy, are but forms of the same habit-forming drug, ethyl alcohol. Hard liquor is a short cut to the point where beer and wine at last arrive.

The liquor curse which occasioned the movement for national prohibition was primarily a beer curse. Of the $900,000,000 expended for alcoholic liquor in the peak wet year of 1914, $800,000,000 was invested in beer. Of the $2,000,000,000 expended by consumers for alcoholic liquors in that year, over half was expended for beer.

The beer industry owned and operated most of the 177,000 saloons in preprohibition times—saloons devoted mostly to the sale of beer, centers of debauchery and corruption which prohibition was invoked to exterminate. The beer consumed before prohibition had an average alcoholic content of less than 3½ percent, according to a Government investigation made during the war—3½ percent by weight, only three tenths of 1 percent more than the alcoholic content by weight which this bill would permit, with the eighteenth amendment still in operation.

This bill will ultimately bring back the entire volume of the old-time liquor of the old-time bar, and the old-time saloon, brass rail, sawdust, and all. You may call the place where it is sold a drug store, a cold-drink stand, a filling station, a restaurant, or a hotel, but it will inevitably become the counterpart of the old-time saloon; and this is all to be brought about by the present bill, with the provision forbidding intoxicating liquor still in the Federal Constitution, which Senators and Representatives have sworn to uphold!

Nullification absolute! Repudiation complete! A congressional oath in tatters!

No ghastlier jest was ever attempted, in Congress or elsewhere, than the claim that beer with an alcoholic content of 3.2 percent by weight, or nearly 4 percent by volume, is nonintoxicating and therefore is permissible under the eighteenth amendment, which prohibits intoxicating liquors.

Dr. Howard A. Kelly, of the Johns Hopkins Medical School, has said that one half of 1 percent is the safe maximum limit for alcohol in beverages.

Dr. W. R. Miles, of Yale, one of the foremost students of alcohol, tells us that there is no question as to the toxic effect of 2.75 percent beer, a proportion distinctly lower than that allowed by this bill.

Dr. Harvey W. Wiley, the well-known food and drug expert, who devoted a lifetime to the study of alcoholic and other beverages, expressed the opinion that the Volstead Act—the act providing for the enforcement of the eighteenth amendment—might very properly have fixed a lower point for the intoxicating limit than one half of 1 percent; that for all practical purposes, however, the one half of 1 percent limit was as high a toleration of an intoxicating substance in beverages as Congress should have allowed.

Dr. Richard C. Cabot, a noted authority on alcoholic beverages, has said that anyone who knows anything about the habits of men has seen many get drunk on beer that contained 3 or 4 percent of alcohol.

Dr. William M. Hess, physiologist and psychologist, of Yale, testified at the House hearing on a bill similar to this in the last session that an alcoholic content of 2 percent and up in a beverage would slow down the reaction time of an average person two fifths of a second; that this means that if one is driving an automobile 40 to 60 miles an hour the decision to stop would be retarded two fifths of a second, and the machine would glide on 20 to 40 feet in that time; that this slowness of reaction would be the source of fatal accidents.

He referred to a number of authorities who had found, through experimental research, that beer produces intoxication in various stages, especially that most dangerous form of intoxication of which the person intoxicated is unaware. He quoted Dr. Hoppe, a nerve specialist and physician, of Koenigsberg, Germany, as saying that beer-drinking makes people silly, heavy, stupid, and dissolute; that it causes them to lose initiative and energy; that it destroys the power and buoyancy of the mind; that it blunts the higher feelings and interests; that it causes gradual surrender of ideals and aspirations; that it replaces enthusiasm and devotion with self-indulgence, boasting, and egotism; that these are the characteristics of the so-called moderate users of beer.

Dr. Hess quoted Bauer, Bollinger, and Sentner, of Munich, to the effect that beer increased the death rate; and he referred to Billy Sunday's statement that a powder mill in hell would be as easy to control as the licensed liquor traffic.

When national prohibition began, the Federal Government had already defined intoxicating liquor as liquor containing one half of 1 percent or more of alcohol. The war-time Prohibition Act of November 21, 1918, prohibited the use of fruit or other food materials in the production of beer, wine, or other intoxicating malt or vinous liquors for beverage purposes, but did not define intoxicating liquor. A definition being necessary for enforcement, the Government held in Treasury Decision 2788 of February 6, 1919, that within the intent of the war-time Prohibition Act of November 21, 1918, a beverage containing one half of 1 percent or more of alcohol by volume would be regarded as intoxicating.

Congress afterwards embodied this definition in the Volstead Act, the act enforcing national prohibition, which had become a part of the National Constitution through the adoption of the eighteenth amendment. This definition was attacked in the Supreme Court of the United States by that iron-willed, masterful beer baron, Colonel Ruppert, of New York, who employed some of the most powerful legal minds in the country, including Elihu Root and William Guthrie, to conduct the onslaught. The Supreme Court held both that Congress might reasonably have considered some legislative definition of intoxicating liquor to be essential to the effective enforcement of prohibition, and also that the definition provided by the Volstead Act was not an arbitrary one.

Later another effort was made by brilliant legal talent, employed by liquor interests, to upset this definition in the so-called *"National Prohibition Cases."* The Supreme Court of the United States held in this litigation that while there were limits beyond which Congress could not go in considering beverages within its power of enforcement, it did not think those limits were transcended by the provisions of the Volstead Act wherein liquors containing as much as one half of 1 percent of alcohol by volume, and fit for use for beverage purposes, were treated as within that power. Thus the Supreme Court of the United States sustained Congress in defining intoxicating liquor in the Volstead Act as liquor containing one half of 1 percent of alcohol by volume, or a little more than four tenths of 1 percent by weight.

Let me interject here that alcohol by volume in a glass of beer means the part of the space in the glass occupied by alcohol as distinguished from the part of such space occupied by the remaining liquid. Alcohol by weight in a glass of beer means the part of the weight of all the liquor in the glass represented by alcohol as distinguished from the part of such weight represented by the remainder of the liquid.

In fixing the half of 1 percent minimum of alcohol for intoxicating liquors in the Volstead Act, Congress followed

not only the prior action of the Federal Government but the prior action of the legislatures of most of the States. According to Justice Brandeis, of the United States Supreme Court, a survey of State liquor laws in 1919 revealed that in 17 States the presence of any alcohol and in 18 States the presence of as much as or more than one half of 1 percent of alcohol in a beverage made it intoxicating.

Undoubtedly Congress had ample precedent and authority for the one half of 1 percent definition of intoxicating liquor. That definition represented the settled practice of the Nation and the States for a period of many years. Wet States used it for purposes of regulation and taxation. Dry States used it for purposes of prohibition.

Let us examine the matter further. The English word "intoxicate" is derived from the Latin word "intoxicare," which means to poison. The English word "toxic" has the same source, and denotes a poisonous effect. The eighteenth amendment, therefore, in prohibiting intoxicating liquors, prohibits liquors with a toxic or poisonous effect. Alcohol is a poison. An alcoholic beverage becomes intoxicating when it sets up a poisoning process or toxic condition in the human system. That process or condition resulting from alcohol may be in existence and exert evil effects without producing that form of alcoholic intoxication or poisoning popularly known as "drunkenness."

Alcoholic drinkers may be sufficiently under the influence of alcoholic poison—that is, may be sufficiently intoxicated—to become physical, intellectual, or moral menaces to society—to lose that control of physical, moral, and mental reactions on which civilization depends—without having reached that stage of alcoholic intoxication or poisoning showing outward signs and generally recognized as drunkenness. It is not necessary, therefore, for beer or any other alcoholic drink to produce what is regarded as drunkenness in order to constitute an intoxicant prohibited by the eighteenth amendment.

The so-called scientific experts called for the wets before Senate and House committees during the last Congress seemed to ignore this distinction. There is little to show that they did not have in mind perceptible drunkenness when they spoke of the amount of alcohol in a liquid which they deemed necessary to produce intoxication.

Dr. Yandell Henderson, professor of applied psychology at Yale, perhaps the leading wet expert before Senate and House committees on this question, in summarizing the famous British report of 1924 on alcohol and its effect on the human organism, seems also to have overlooked this distinction. He says in his preface to that report that, on the basis of the evidence which it had collected, the committee issuing that report concluded that intoxication occurred when a certain amount of alcohol was in the blood, an amount greater than the proportion provided in this bill, whereas the committee uses the word "drunkenness."

The committee's conclusion, as stated in the report, was that drunkenness was produced by an amount of alcohol in the blood equivalent to a one-thousandth part of the total amount of blood in the body, and made no reference to the other phases of intoxication or poisoning which may exist and persist without what is commonly known as "drunkenness."

The Senate Committee on the Judiciary embodied this entire British report in its report to the Senate at the last session on a bill similar to the pending bill, saying that it represented the most complete and scientific consideration and examination of the question of intoxicating liquors, and of the percentage of alcohol which produces intoxication, available.

This British report was prepared by a committee of eminent British scientists, and it was confined to the physiological effect of alcoholic beverages, giving no attention to social, psychological, and economic results. The closing paragraph of this report is to the effect that the temperate consumption of alcoholic liquors, in accordance with the rules laid down in the report, might be considered to be physiologically harmless in the case of the large majority of normal adults, that this conclusion is borne out by the massive experience of mankind in wine-drinking and beer-drinking countries; that, on the other hand, it is true that alcoholic beverages are in no way necessary to healthy life, that they are harmful or dangerous if the precautions prescribed in the report are not observed; that they are definitely injurious to children, and for most persons of unstable nervous systems, notably, for those who have received severe injuries of the head, or who have suffered from attacks of mental disorder or from nervous shock.

Observe that this final paragraph refers to all types of alcoholic liquor, including wine and beer by name. Remember that the beer legalized by this report is a prominent type of what is commonly known as "beer" the world over.

Observe that this concluding paragraph of the British report says that alcoholic liquors taken with certain precautions are physiologically harmless, that is, do not actually destroy tissue or disrupt organs, but does not say that they are psychologically harmless nor socially harmless nor economically harmless. Yet these latter phases comprise by far the greater part of the beverage alcohol problem.

Observe that this paragraph saying that alcoholic liquors, including wine and beer, even when taken with the precautions mentioned, may be physiologically harmless to a large majority of normal adults, admits that they may become physiologically harmful to numbers of normal adults, or to adults abnormal in any degree. The eighteenth amendment prohibits intoxicating liquors without regard to the number affected.

Observe that this paragraph declares that alcoholic beverages, including wine and beer, are in no way necessary to healthy life, but are harmful or dangerous without qualification as to numbers affected if the precautions laid down by the committee are not followed.

What are those precautions? The report says in a preceding paragraph that the moderate use of alcoholic beverages is physiologically permissible only so long as it conforms to the special conditions necessary to avoid the poison action of the drug; that these conditions are that such an interval should elapse between the times when alcoholic beverages are drunk as will prevent the persistent presence of deleterious amounts of drug in the body, and that to avoid direct injury to the mucous membrane of the stomach and to decrease the risk of inebriation alcohol should not be taken in concentrated form and without food. Who does not know that millions of human beings do not possess the will continually to observe these conditions when once in the grip of the liquor habit?

Observe that this paragraph states that alcoholic liquors, including wine and beer, without specifying alcoholic content, are definitely injurious to children. May anyone logically construe the eighteenth amendment, which forbids intoxicating liquor for beverage purposes, to permit liquors which intoxicate, or have a toxic effect on children only? Are not the 30,000,000 children in this Republic within the jurisdiction of the American Constitution? Is the Constitution of this Nation oblivious to the existence of its children?

Returning to the British report, which the Senate Judiciary Committee praised so lavishly, let it be said that Dr. Yandell Henderson in his preface to the report devises the argument by which the report is made to support the theory that 3.2 percent beer and less is nonintoxicating. He says that this report holds that, to be intoxicating, alcohol must reach an amount in the blood equal to a thousandth part of all the blood in the human system. I have already shown that the report had actual drunkenness in view, and not the toxic effects of smaller amounts which produce evils composing the major part of the modern liquor problem.

Dr. Henderson reasons that because, as he says, the human stomach cannot hold enough 3.2 percent beer, or beer with small alcoholic content, at one time to produce the 1 to 1,000 proportion before described in the blood, that because, as he again says, such amount of alcohol in the blood would considerably exceed any amount of 3.2 percent beer or less that

could be imbibed without very great exertion, within the course of several hours, such 3.2 percent beer, or beer with less alcoholic content, is nonintoxicating.

He does not take into account the fact that alcohol remains in the system in its natural state until oxidized away; that this oxidizing process is a gradual one; that successive quantities may be taken before prior quantities are consumed by the oxidizing process; that thus a volume of alcohol may be accumulated and perpetuated in the body without the necessity of drinking vast amounts at any one time or in a few hours.

Dr. Henderson cites the experiments of Dr. W. R. Miles, of Yale, in connection with the data in the British report as authority for his own conclusions. Dr. Miles has advised me since the publication by the Judiciary Committee of the British report with Dr. Henderson's preface that Dr. Henderson is right in stating that perhaps as much as 3 quarts of 3 percent beer would have to be taken by a man of average size to produce the 1 to 1,000 proportion of alcohol in his blood. He advised me further, however, that according to his own extensive experiments with beverages of 2.75 percent alcohol by weight, with Harvard medical students as subjects, he found that less than this amount in the blood 40 to 60 minutes after ingestion produced a definite evidence of toxic effect; that according to his experiments a man with an amount of alcohol in his blood equal to three thousandths of the total quantity of blood in his system showed from 5 to 20 percent decline in his efficiency in the various muscular and mental tasks; that this was shown by fully 80 per cent of the individuals examined; that the results led to the conclusion that "toxic" is a term that must be defined in relation to the intricacy or responsibility involved in the occupations or tasks at hand; that if a surgeon who planned operating on one of his children for a mastoid should voluntarily do something that would decrease his operating efficiency 20 percent he would consider him for the time being intoxicated and would protest his proceeding. Dr. Miles added that the 1 to 1,000 standard, which had gained a certain popularity as representing the lower limit for intoxication, had come from police-court findings and morgue statistics; that he preferred to rest his confidence in much more conservative results obtained by careful psychological experiments on the nonarrested living.

No surer indication of the fact that the toxic effect of an alcoholic beverage begins at an alcoholic content of one half of 1 percent may be had than the fact that the beer bill makes one half of 1 percent the minimum alcoholic content of the beer and other drinks it authorizes. The bill imposes a tax of $5 a barrel on beer, ale, porter, wine, and similar fermented malt or vinous liquor and fruit juice containing one half of 1 percent or more of alcohol by volume and not more than 3.2 percent by weight. It is well known that no ordinary nonintoxicating soft drink could stand a tax of that amount.

The imposition of such a tax shows that there is something more than a mere harmless nontoxic drink at the point in alcoholic content where the tax begins. It means that at the one half of 1 percent point the toxic lure, the habit-forming effect on which an $800,000,000 industry is proposed finally to be built, the potency of the poison which will finally drag $1,600,000,000 from the pockets of the people, begins to operate.

The fact that the same huge tax is placed on one half of 1 percent as on 3.2 percent shows that both percentages and intervening percentages are included in the toxic alcoholic range authorized by the bill. Of course, the bulk of the beer to be produced will consist of the higher percentages within this range. But does anyone suppose that the brewing industry, with a proposed capital investment finally approaching $800,000,000 and a proposed volume of business approaching $1,600,000,000, would be willing to take up this type and range of beer if it had no more effect on the human system than any ordinary nontoxic soft drink? And yet we are told that because one cannot get drunk on it at one sitting or within several hours it is nonintoxicating, and that it is permitted, therefore, by the eighteenth amendment, which prohibits intoxicating liquors.

It is said that beer is desirable as a food; and yet Baron Justus von Leibig, the great German chemist, states that it is now possible to demonstrate with mathematical certainty that, so far as enriching the blood is concerned, the flour that will lie on the point of a knife affords more nourishment than 4 measures of the best Bavarian beer; that anybody who drinks a measure of beer daily would thus imbibe in 1 year about as much nourishment as is contained in a pound of bread.

Let us enumerate some of the values that have come to us in the decade of prohibition extending from 1920 to 1930.

There was a decrease of 64 percent in the amount of liquor consumed before prohibition. A comprehensive Government study in 1930, accounting for every possible source of illicit liquor, showed a possible annual per capita consumption of a little more than 7 gallons in the event all these sources had been exploited. In 1914, the peak wet year before prohibition, the amount consumed was 22 gallons per capita.

There was a decrease of 38 out of 56 Keeley-cure institutions for alcoholics and an elimination of 60 out of 60 "Neal"-cure institutions for inebriates.

There was a decrease by thousands in the number of hospitals and sanitariums which once made provision for alcoholic cases. Only 101 now make any provision for alcoholic cases. Only 8, with 183 beds and an average of 80 patients, give exclusive treatment to drink victims. There was a decrease of from 10 to 60 percent in the number of children before juvenile courts, including informal as well as official cases.

There was a decrease of 54 percent in the number of children brought to child-welfare associations because of cruelty and neglect from drunken parents.

There was a decrease of 50 percent in arrests for prostitution.

There was a decrease of 11 percent in the number of 18- to 20-year-old males sent to penal institutions.

There was a gain of 30,000,000 depositors in savings banks and of $13,000,000,000 in savings. The savings banks were practically the only financial institutions in the country showing such gains at the end of the decade in the face of one of the most devastating economic crises the world has ever known.

There was a gain of $68,000,000,000 in life insurance.

There was a gain of 400,000 new homes.

There was a gain of 25 percent in wages.

There was a gain of 30 percent in the survival of infants under 1 year of age.

There was a gain of 42 percent in the survival of children under 5 years of age.

This bill, in restoring the brewing industry, will revive one of the most corrupting forces American Government and American history have ever known.

A few years before the advent of Nation-wide prohibition a subcommittee of the Senate Judiciary Committee, after a painstaking and thorough investigation, found, among other things, that the brewing and liquor interests of the country had furnished large sums of money for the purpose of secretly controlling newspapers and periodicals; that they had undertaken to and had frequently succeeded in controlling primaries, elections, and political organizations; that they had contributed enormous sums of money to political campaigns in violation of the Federal statutes and the statutes of several of the States; that they had exacted pledges from candidates for public office prior to elections; that for the purpose of influencing public opinion they had attempted and partly succeeded in subsidizing the public press; that they had created their own political organization in many States and in smaller political units for the purpose of carrying into effect their own political will and had financed the same with large contributions and assessments; that they had organized clubs, leagues, and corporations of various kinds for the purpose of secretly carrying on their

political activities, without having their interest known to the public; that they had improperly treated the funds they expended for political purposes as a proper expenditure for their business, and consequently failed to return the same for taxation under the revenue laws of the United States; that they had subsidized authors of recognized standing in literary circles to write articles of their selection for many standard periodicals; that for many years a working agreement existed between the brewing and distilling interests of the country, by the terms of which the brewing interests contributed two thirds and the distilling interests one third of the political expenditures made by the joint interests.

Nullification! Intoxication! Corruption! Such is the trio of evils symbolized and inflicted by this measure, a measure which, if perpetuated, will bring waste and woe to the generations now in existence and to generations yet unborn.

During the delivery of Mr. SHEPPARD's speech the following occurred:

Mr. LONG. Mr. President, I understand the Senator does not want to be interrupted, but I wonder whether I might interject the observation that eminent legal authorities disagree with him.

Mr. SHEPPARD. I know the Senator's humorous definition, and I would be delighted to have him read it, but I want it to be placed in the RECORD after my remarks.

Mr. LONG. Mine is law-book authority; it is not humorous.

Mr. SHEPPARD. I say, I shall be glad to have the Senator read it and let it appear in the RECORD. I should like to have some humor injected into the debate.

Mr. LONG. It differs so essentially from what the Senator is stating that I should like to have it appear in the RECORD:

> Not drunk is he who from the floor
> Can rise again and drink once more;
> But drunk is he who prostrate lies
> And from the floor can neither drink nor rise.
> —*North Carolina Law Review.*

Mr. SHEPPARD. Even law reviews can be humorous at times.

Mr. WALSH. Mr. President, in view of the inclusion by the amendment that has just been adopted by the Senate of a provision for the legalization of the manufacture of wine with an alcoholic content of 3.2 percent, I ask that there may be read at the desk two telegrams, which I send forward.

The PRESIDING OFFICER (Mr. VAN NUYS in the chair). Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

IRVINGTON, N.J., *March 15, 1933.*

Hon. DAVID I. WALSH,
United States Senate:

Assuming that the Senate will act on the beer bill, I urge the inclusion of other beverages than beer with a light alcoholic content limitation. By such a provision a substantial further tax revenue will be assured. Contrary to the opinion credited to certain Members of Congress, it is entirely practical to make a fine vinous beverage with an alcoholic content similar to that in the beer bill. Laboratories working under a Government permit have fully established this. There is a widespread practice among European winedrinkers to add carbonated water to wine, thus diluting it to a very low alcoholic content. It is perfectly feasible to do this commercially. A delicious, sparkling sauterne, which is much in demand for table use, can be made with 3 percent of alcohol by weight, and also sparkling Burgundy. A sparkling apple wine also can be made, and ginger beer with approximately 2 percent of alcohol is in extensive use in England and Canada.

In simple justice we ask avoidance of discrimination in the pending measure by permitting the manufacture and distribution of any beverage, providing its alcoholic content does not exceed that which shall be legal for beer. The Democratic platform and the message of President Roosevelt specifically include "other beverages than beer."

HOFFMAN BEVERAGE CO.

IRVINGTON, N.J., *March 16, 1933.*

Hon. DAVID I. WALSH,
Finance Committee, United States Senate:

Inclusion of wine in pending beer measure commendable. It is noted that winegrowers hold that wine of such low alcoholic content as 3.2 by weight is virtually impossible to make and if produced would be unpalatable. This contention is undoubtedly true as applied to wine produced by natural fermentation process. It is emphatically untrue of wine produced by compounding. It is a simple fact that delicious beverages of this type have been compounded in laboratories working under Government permit. Commercial production of light, sparkling wines of a type long popular in Europe entirely feasible. Incidentally winegrowers might find manufacturers of compound wine-type beverages no small outlet for their products. Certainly the inclusion of wine-type beverages in the beer bill subject to same alcoholic limitation as beer should in no wise prejudice any consideration the Congress may in due course give to the legalization of naturally fermented wines.

HOFFMAN BEVERAGE CO.

Mr. WALSH. Mr. President, in view of the concise and clear explanation of the terms of this bill which have been made by the Senator from Mississippi [Mr. HARRISON], it perhaps is unnecessary to say more or to amplify what he has already said. However, I have prepared a brief analysis of the bill, section by section, that I think might be helpful in enabling one without studying the text to understand the various features of the bill. I ask, rather than take the time of the Senate by an extended speech, that this analysis may be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

Section 1 imposes a tax of $5 per barrel of 31 gallons and a proportionate tax on fractional parts of a barrel on all beer, wine, and similar fermented liquors and fruit juices containing more than one half of 1 percent of alcohol by volume, and not more than 3.2 percent of alcohol by weight. The tax is to be collected under the provisions of existing laws. The section also imposes a tax of $1,000 on each brewery manufacturing the taxed product.

Section 2 repeals that portion of the National Prohibition Act which provides for the dealcoholization of beers and wines, but section 4 reenacts that provision in language fitting the new conditions.

Section 3 (a) provides that nothing in the National Prohibition Act shall apply to any of the beers, wines, and similar fermented liquors and fruit juices containing not more than 3.2 percent of alcohol by weight. This removes the products from all of the penalties of the National Prohibition Act and from all the provisions thereof.

Section 3 (b) amends the act covering the Territory of Hawaii, the act to provide for the civil government of Puerto Rico, and the act prohibiting the manufacture and sale of alcoholic liquors in the Territory of Alaska in conformity with the proposed law.

Section 3 (c) amends the so-called "Reed Act" so that mail matter containing advertisements or solicitations of orders for the product taxed by the bill may be sent through the mails, and this permits of the advertising in newspapers, magazines, and periodicals of the taxed product, even though such magazines, newspapers, and periodicals may have subscribers in States in which the sale of the product may not be legalized.

Section 4 (a) requires the manufacturer of the products taxed by the act to secure permits in the same manner as permits are secured under the National Prohibition Act for the manufacture of intoxicating liquor. This gives to the Federal administrative officers full power to supervise the character of those engaging in the business of manufacturing the taxed product. The section also prohibits the issuance of such permits if the manufacture of the product to be permitted thereby would be in violation of the law of the State, Territory, District, or political subdivision thereof where the manufacture is to be conducted.

Section 4 (b) (1) fixes the terms of the permit and provides that it may be issued for the manufacture of the taxed product of any alcoholic content conforming with the law of the State, Territory, or District where the manufacture is to be conducted, providing the said product does not contain more than 3.2 percent of alcohol by weight.

Section 4 (b) (2) is in effect the reenactment of the provisions of the National Prohibition Act regarding the dealcoholization, repealed by section 2, and sets up the mechanics for dealcoholization which would apply in those cases in which the beer to be manufactured contains less than one half of 1 percent of alcohol and may in certain cases be applicable to wine.

Section 4 (b) (3) puts the burden of proof on the manufacturer to show legality of his product where illegality is charged, and also provides for the inclusion of the expenses of analysis as part of the cost of the case.

Section 4 (c) imposes penalties in accordance with the present provisions of the National Prohibition Act for manufacture without a permit or for manufacture in violation of the terms of the permit.

Section 4 (d) gives the act the same geographic application as the National Prohibition Act has.

Section 5 again limits the product which may be sold under the permits covering manufacture to those containing not more than 3.2 percent of alcohol by weight.

Section 6 reenacts the so-called "Webb-Kenyon Act" as to the products taxed by this act and prohibits the shipment of those products in interstate commerce into States, Territories, or Districts of the United States if the product is to be received, possessed, sold, or in any manner used either in the original package or otherwise in violation of the law of the State, Territory, or District into which the shipment is made.

Section 7 imposes a penalty on those who cause the taxed product to be shipped into any State, Territory, or District, the laws of which prohibit the manufacture or sale therein of such products, and also provides for the revocation of any permit issued to such violators. The section also reenacts as to the products taxed the antishipping provisions of the so-called "Reed amendment".

Section 8 provides for the continued prosecution and enforcement as against any offense committed, or any right incurred, or any penalty or obligation incurred, or any seizure or forfeiture made prior to the effective date of the act.

Section 9 makes the act effective 15 days after the date of enactment to authorize the issuance of permits covering manufacture immediately upon the enactment of the act, and also authorizes the bottling of the taxed product for storage on the permit premises during the period following the enactment of the act and prior to its effective date. This makes possible the immediate collection of revenue on the passage of the act and enables the manufacturers to be in a position to make sales in bottles promptly on the effective date of the act.

Section 10 is the separability provision.

Mr. BORAH. Mr. President, I confess that I enter upon the discussion of this measure without adequate preparation. We have been, as is known, engaged in the consideration of other important legislation for the last several days, and we were in session last night until a late hour.

I have had no opportunity to arrange the material in such form as it should be arranged for the logical presentation of the views which I entertain. I may therefore not be as logical as one would like to be in presenting a question of such importance.

I have had only time to read the bill, and to ascertain, first, that it provides for 3.2 beer; secondly, that it makes no provision as to the places where the beer is to be sold and consumed—or, in other words, that it permits it to be drunk on the premises where sold. So far as the measure as presented goes, it leaves every opportunity to open the old drinking places, where congregate all people who are seeking not only drink but all the practices which accompany the old-fashioned saloon. No effort is made in the measure to control the sale in the interest of order and decency.

It is said that in dealing with the liquor question we are acting under a mandate from the people of the United States. A mandate is a device which relieves the legislator from doing any thinking for himself, from the exercise of his judgment, or the use of his conscience. So far as this particular measure is concerned, however, I am willing to argue it from the standpoint that we are acting under a mandate. I believe I can show the bill does not come within the terms of the mandate. The question then arises: What is the mandate under which we are acting and under which we propose to discharge our duties as Members of Congress?

It seems to me there has been considerable misapprehension as to what that mandate is. The portion of the mandate which seems conspicuous in the minds of those who are called upon to act is the repeal of the eighteenth amendment; but the conditions under which the repeal was to take place and the accompanying facts and conditions which should prevail and be considered have not been stressed.

There was a mandate quite as clear as that of repeal, relative to nonreturn of the saloon and, secondly, for the protection of the dry States. The latter proposition it is not necessary to discuss today. We undertook to take care of that when we were dealing with the repeal of the eighteenth amendment.

No one is better qualified to advise us as to what the mandate was, and what it was understood to be, than the distinguished gentleman who now occupies the presidential chair in the White House. I call attention to the views which he expressed and the pledges which he made to the American people, because we must accept them as a true construction of the mandate. We must conclude that every portion of his message to the people concerning this matter was considered by him and was considered by the voters as a part of the program relative to this question.

It will be recalled, in the first place, that the Democratic platform declared for the repeal of the eighteenth amendment; that the repeal was to be submitted to State conventions; that it declared against the return of the saloon; that it declared for the protection of the dry States; that it declared for the manufacture and sale of beer of such alcoholic content as is permissible under the Constitution—that is, nonintoxicating. The mandate relative to the saloon is not to be overlooked now that the election is over. That portion of the mandate which had to do with satisfying a certain class of voters should not be disregarded after the votes have been recorded. We must take the mandate in full; we must deal with it as a whole. No one would have dared to have gone into the last campaign silent or much less affirmatively for the saloon.

When I read the President's message to the Congress in which he referred again to the Constitution as a binding charter under which we are to observe and by the terms of which we are to be guided, my pleasure was so intense that it was almost painful. I am glad we are back to the Constitution, and I am pleased that the President calls our attention to the fact that in this matter we are to act within and under the terms of the Constitution; that we are not to pass any bill which in any way violates or impinges upon the Constitution of the United States. That part of the mandate, Mr. President, is the part which I want particularly to stress today.

Furthermore, during the campaign and previous to the campaign, the President made some declarations upon this subject. I quote from these declarations in order that we may understand the mandate under which we are acting, not with the idea of charging any change of attitude upon the part of the President or of implying any criticism of him, but for the purpose of getting the understanding which the Chief Magistrate had and has as to the program under which we are acting.

Prior to his nomination but while he was a candidate for the nomination he said:

I am positive in saying that there must be some definite assurance that by no possibility at any time or in any place can the saloon come back.

By no possibility, at any time or under any conditions, at any place or under any circumstances, shall that institution return to American life. I shall undertake to show that not only is the beverage which it is now proposed to legalize intoxicating but that no conditions are imposed which will prevent the return of the institution which has not only been condemned by the President but has been condemned by every right-thinking man and wholesome woman in the whole country.

The Senator from New York [Mr. WAGNER] also said before the last Democratic convention:

The saloon shall not return.

In his New Jersey speech, in which he was answering Mr. Hoover, who had put an interpretation upon the Democratic platform which was not satisfactory to the Democratic candidate, the distinguished candidate of that party said:

However we may differ as to methods, we all agree that temperance is one of the cardinal virtues. In dealing with the great social problems in my State, such as the care of the wards of the State and in combating crime, I have had to consider most earnestly this question of temperance. It is bound up with crime, with insanity, and, only too often, with poverty. It is increasingly apparent that the intemperate use of intoxicants has no place in this new mechanized civilization of ours.

That, Mr. President, is as true as Holy Writ. Intemperance has no place and can have no place in the civilization which we now enjoy; and so declared the President of the United States. It is at war with social welfare, it is in conflict with the effective use of modern inventions.

In our industry, in our recreation, on our highways a drunken man is more than an objectionable companion—he is a peril to the rest of us. The hand that controls the machinery of our factories, that holds the steering wheel of our automobiles, and the brains that guide the course of finance and industry should alike be free from the effects of overindulgence in alcohol.

No one who is interested in preserving our civilization can find fault with that statement. I drew the conclusion, when I read that speech, that the President of the United States, at heart, was opposed to the liquor traffic; and that the

only question which he was considering was how best to deal with it. I gave him entire credit at the time for sincerity upon that proposition, not only by reason of the statement he made but by reason of his previous views often expressed before the tormenting question of the repeal of the eighteenth amendment arose.

Again he said:

His statement proceeds deliberately to misrepresent the position of the Democratic Party. He says: "Our opponents pledge the members of their party to destroy every vestige of constitutional and effective Federal control of the traffic."

I have the right to assume that the President read the Democratic platform and on that assumption I charge that this statement was made to mislead the people of this country, and I assert that a mere reading of the plain, unequivocal provisions of the Democratic platform will sustain that charge. So that there can be no possible misunderstanding, let me read the provisions of the Democratic platform on this point.

I need not repeat that platform.

Thus the Democratic platform expressly and unequivocally opposes the return of the saloon and with equal emphasis it demands that there be Federal control of the liquor traffic to protect dry States. Only on the theory of seeking to return to power by the mere use of words can such statements of the President of these United States be explained.

In other words, the Democratic platform, as construed by the candidate and its terms defined, and the Democratic Party, were opposed to the return of the saloon. That pledge was made in the midst of a heated campaign, when they were seeking the suffrages of the people. If it can be shown that this bill deals with a nonintoxicating beverage, I admit the right to pass it, and I should not for a moment interpose even time against its passage. I have no objection whatever to the sale of nonintoxicating beverages; but so long as the eighteenth amendment stands, so long as it is a part of the Constitution, to sell intoxicating beverages and permit them to be drunk upon the premises is in violation of the Constitution and the mandate—a nullification of the charter under which we live—and it is that question in which I am primarily interested. I believe the bill is an attempt to nullify the Constitution. There is in all the literature of a constitutional republic no uglier crime than nullification. It is the stiletto that goes to the very heart of the constitutional government.

I may say that ever since the adoption of the eighteenth amendment the liquor question has been largely a governmental question with me. I have not felt that the eighteenth amendment ought to be disregarded so long as it is a part of the Constitution. The question of preserving the integrity of the Constitution is of very great moment.

Mr. President, I do not want to end my remarks about the saloon with the mere statement of the position of the party. I want to recall to the Senate and to the country some facts concerning the old saloon.

It was the most hideous institution with which organized society ever had to deal. It demoralized everything it touched; and the ingenuity of man never conceived a statute or a law which could control its lawlessness. It was the source of all wickedness. We ought not to be less than vigilant every hour to see that it does not return in any shape or form. We should accept the doctrine announced by the present President of the United States that under no circumstances or conditions shall it be permitted to return. I do not want connivance at its return nor silence when it is attempting to return.

Let me quote the words of another distinguished member of the Roosevelt family, who occupied the White House for a number of years and was a great President. He said at one time, I think when he was police commissioner of New York:

The officers of the law and the saloonkeepers became inextricably tangled in crime and connivance at crime. The most powerful saloonkeepers controlled the politicians and the police, while the latter in turn terrorized and blackmailed all the other saloonkeepers.

Mr. President, there was a time in this country when it was literally true that a man aspiring to public office, even if it was no higher than that of a member of the educational board of the community, had to go and bow to the saloon in order that he might realize his aspiration for the place.

There was a time in this country when that institution sat in the pews of some of the churches and checked up on the message which the divine was giving to the people, to see whether or not it would influence public opinion against the saloon.

There was no line of activity, there was no conduct relating to public affairs, over which the saloon did not drag its slimy coils. It was rotting out the very pillars of our civilization; and while the eighteenth amendment has become unpopular and may pass out, there is one thing for which it must be given credit, and that is that it put an end to that institution. It was the Federal Government which wrote the final verdict of death against that institution. I shall never be silent when it is making any attempt to return.

Years ago the Kansas City Star carried the following item:

The headquarters of the local Republicans is at Charlie Schattner's saloon, Twelfth near Main. The McGee's addition contingent, however, meets at "Joe and Charley's" saloon, Fifteenth and Grand. The city Democracy met for a long time at John Eichenauer's saloon, 812 Main Street, but now it usually foregathers at "Andy" Foley's saloon, Main Street near Fourth.

[Laughter.]

That seems at this time an exaggeration; but it recalls facts which every Senator here will recall who lived through those days. Such things were the usual things.

The Chicago Tribune in June 1914, said:

A 3 months' survey showed that 14,000 women and girls frequented, every 24 hours, the back rooms of the saloons on Madison and North Clark Streets and Cottage Grove Avenue.

Mr. President, there has been left out of this bill the provision which I caused to be inserted when it was here before, that no minor girls or boys should be permitted to visit these drinking places. At these places now to be opened, where the so-called nonintoxicating beverage may be drunk together with the intoxicating—because it will be—the Congress of the United States is about ready to say that it may be sold to minors, and invite the girls and boys to these rendezvous.

Here may I read a statement from the distinguished Senator from Virginia [Mr. GLASS], who, I regret, on account of illness, is unable to be here. He defined this institution well the other day:

The intemperance of the saloon—

Said Senator GLASS—

was the least objection to it. It was the breeding place of crime and immorality and vulgarity and profanity of every description. It was the rendezvous of the immoral and criminal element. Its effrontery was unparalleled.

It does seem to me that we ought to be willing to say by an amendment to this bill—although amendments are not popular in these days—that the place where this beer is to be drunk shall not be visited by the young people, the girls and boys of this country, because, whether it is intoxicating or not intoxicating to the adult, there is not an expert to be found anywhere who has ever to my knowledge opened his lips upon this question who will not tell you that it is intoxicating to boys and girls of tender years; and associated with the drinking is the environment, which is to be avoided equally with the drinking.

It is said by some that the saloon is preferable to the speak-easy. The trouble of it is that we are going to have both the saloon and the speak-easy. Speak-easies were almost as numerous during the saloon days as they are now.

The New York Tribune in 1911 reported that there were 5,000 speak-easies in the city of New York.

The Minneapolis Journal in 1908 said there were 4,000 speak-easies in Minneapolis.

The Pittsburgh Leader in 1896 reported the existence of a thousand speak-easies in Scranton.

The Cleveland Free Press in 1915 reported more than 1,500 such places in Cleveland.

There were almost as many speak-easies before prohibition as it is claimed there are now, and what will the place of sale become if the sale of the beverage covered by the bill is permitted? If the beverage which is permitted by law is not intoxicating, the intoxicating beverage will be close at hand.

The vice commission of Chicago, a commission appointed by the mayor and city council of Chicago in the year 1911, said:

In the commission's consideration and investigation of the social evil it found as the most conspicuous and important element in connection with the same, next to the house of prostitution itself, was the saloon; and the most important financial interest next to the business of prostitution was the liquor interest. As a contributory influence to immorality and the business of prostitution there is no interest so dangerous and so powerful in the city of Chicago.

Jane Addams, about as nearly a saint as we find on this earth, said:

In the winter of 1911 the Juvenile Protective Association of Chicago made a very careful investigation of 328 public dance halls, and found that 86,000 people frequented them on a Saturday evening, of whom the majority were boys between the ages of 16 and 18 and girls between 14 and 16. * * * One condition they found to be general; most of the dance halls existed for the sale of liquor, and dancing was of secondary importance; 190 halls had saloons opening into them; liquor was sold in 240 out of 328; and in the others, except in rare instances, return checks were given to facilitate the use of the neighboring saloons. At the halls where liquor was sold, by 12 o'clock practically all the boys, who in many halls outnumbered the girls, showed signs of intoxication.

I call attention to that, Mr. President, to show the ramifications, the connections, the relationship, of these drinking practices to all the other practices which naturally grow up around and about them.

The Chicago Tribune in 1911 said:

If the secret records of the brewing and distilling industries were ever brought to light, they would tell a story of social and political corruption unequaled in the annals of our history. If the veritable narrative of the American saloon were ever written, it would make the decadence of Rome look like an age of pristine purity in comparison.

Whisky, wine, and beer never caused half as much injury to society as the manufacturers and purveyors of these beverages. If these men have not made a practice of committing murder and arson, it is because these crimes did not seem immediately profitable. The liquor business has been the faithful ally of every vicious element in American life. It has protected criminals; it has fostered the social evil; and it has bribed politicians, juries, and legislatures.

The inherent corruption has extended even to the so-called decent saloons. There are few that do not serve adulterated products, and it is an unusual proprietor that is not more pleased when his patrons are getting drunk than when they keep sober. Philip drunk stays longer and spends more money than Philip sober. That is one reason the saloon would rather sell ardent spirits than beer; they are more intoxicating.

With these brief references to the old institution, let us make every honest effort and every practical effort to see that it does not return in any form or under any guise, to see that no institution is set up which can encourage the drinking of intoxicating beverages, either in the place where it is legal to drink them or when nonintoxicating beverages sold are closely associated therewith.

Conceding for the sake of the argument that this beer permitted under this bill is technically nonintoxicating, nevertheless where it is sold intoxicating liquor, malt and spirituous, will be sold. It will be a saloon, with all the demoralizing forces of the old saloon present and active and uncontrollable.

Mr. President, the question is whether the beverage provided in the pending bill is intoxicating. There is no question about the fact that there is no provision against the saloon. There is no question that there would be no protection against the beverage being drunk upon the premises where sold. There is no question that the bill wholly fails to deal with that question. Therefore, if we find that the beverage is intoxicating or if we find that it would create a condition which would under cover permit the sale of intoxicating liquors, in my opinion it would be in violation of the Constitution.

Let us bear in mind that when the original bill was introduced in the House of Representatives, and when it was first urged, it did not propose any higher alcoholic content than 2.75 percent. The original measure introduced in the previous House, and which finally ripened into the bill which was passed in the previous House, the bill which was passed providing for the same content as the pending bill, called for only 2.75 percent beer.

I call attention to a fact. The House was not entertaining the idea of any beverage containing more than 2.75 percent of alcohol. The distinguished lawyer representing the brewery interests of the United States gave out a public statement in which he said the brewing interests were not satisfied with 2.75 percent, that they wanted 3.2 percent, and would insist upon it. Why? Because 3.2 percent would enable them to compete successfully with the speak-easies or the bootleggers who would sell intoxicating beverages, and if they had less than 3.2 beverages, they would not be able to pull the business away from the bootleggers. How can you compete with intoxicating beer except with intoxicating beer?

Does anyone believe the Government will collect $150,000,000 or $250,000,000 in taxes on a nonintoxicating beverage? Why did the breweries want 3.2 percent instead of 2.75 per cent, except for the simple reason that the former was sufficiently intoxicating, had a sufficient alcoholic content, to enable them to compete with those selling intoxicating liquors? So the bill was changed, and the alcoholic content which now is provided for in the pending bill was the exact content which was demanded by the brewing interests of the United States.

I quote a dispatch under date of November 26 from Chicago:

A drive upon Congress, aimed at modification of the Volstead Act to provide for legalization of nonintoxicating beer with alcoholic content of 2.75 percent by weight, was opened today by the Associated Producers of Cereal Beverages, an organization of nearbeer manufacturers representing an investment of $250,000,000.

Letters containing this recommendation were mailed to every Senator and Representative by William L. Goetz, president of Associated Producers. At the same time he issued a statement saying that his organization was opposed to the "high-powered" 4-percent beer recommended by Busch.

In a letter to Congress Mr. Goetz urged that the new act be so framed as "to discourage the illicit manufacturer and the bootlegger and guarantee a pure and healthful nonintoxicating beer."

This association asked for a content not higher than 2.75 percent, because they were of the opinion that that could be maintained under the Constitution and would be held legal. But Mr. Busch, the representative of the brewing interests, insisted upon the content which is now found in the pending bill, and he stated in his testimony why. His attorney stated to the committee that if they got 3.2 percent beer they need not be uneasy; it would be satisfactory and sufficient; and that they would not need to go to bootleggers and other people in order to get an intoxicating beverage. The testimony shows that those who were advocating 3.2 percent were of the opinion that it would enable them to compete with those who were selling intoxicating beverages.

Let us look at the alcoholic content in intoxicating beverages in other countries.

German beers for export purposes have an alcoholic content of 4 percent. German beers for domestic purposes have an alcoholic content, by weight, of 3 percent. The content of German beer used in Germany is a less percentage than is proposed to be legalized here for a nonintoxicating beverage.

English beers for domestic purposes have an alcoholic content of 3 percent by weight.

I have examined at some length the data as to the alcoholic content of beers of different countries, and I have been unable to find any country where beer has a content higher than is found in the pending bill—that is, where the beer is for domestic purposes. So far as domestic use is concerned

the beer has a content in all the countries, so far as I know, of either 3 percent or less than 3 percent.

Mr. Busch, in writing upon this matter to the hotel managers, said:

However, in the meantime unless a beer of at least 3.2 by weight, which is 4 percent volume, is authorized, I am convinced the expected results will not be achieved and that the hoped-for returns will be disappointing to all interests depending upon the relegalization and the success of this product as an aid to their business. The hotels, exerting as they do the great amount of influence, could be of inestimable help by lending their good support to the movement for 4 percent by volume, 3.2 by weight, which would again enable the brewing industry to offer to the consuming public the same brand of beer of preprohibition days for wholesomeness and as appetizing.

In other words, Mr. Busch said that the content which we have now provided will enable them to return to the beverage which they were selling prior to prohibition, which everybody knows was an intoxicating beverage. I admit that after long experience and many years we cannot get enough beer into some people to make them intoxicated. [Laughter.] I am not concerned at all about those people. No particular good to society would be served by keeping them here any considerable length of time. I am speaking of those who are to be hereafter made acquainted with the drinking of beer, particularly the young people of the country. I venture to say that it will be found the content here provided for is such as has been regarded prior to prohibition days as an intoxicating beverage.

We are confidently looking forward to begin producing the old-time Anheuser-Busch products, among them Budweiser, long recognized as exemplifying the finest in bottled beer.

With my personal good wishes for the future success of your hotel and the hope that we may soon have the privilege of serving the quality of preprohibition days and the products of the house of Anheuser-Busch to you and through you to your guests and the traveling public, I remain,

——— BUSCH.

Mr. President, you may call all the experts you desire, you may bring in your professors and you may theorize, but Mr. Busch knows his business. He knows what has intoxicated and what will intoxicate again. Mr. Busch is satisfied with this content. I could end my argument upon that proposition here and now. Busch's testimony is full, complete, and of the most convincing authenticity.

Mr. Busch has said that it was necessary to have this content, because that is the content which the bootlegger would sell, and if it was not as good as the bootlegger's, if it did not have the same "kick," to use an unpoetical phrase, he could not hold his own with the bootlegger.

In another statement which was issued by this distinguished expert he said:

In my humble opinion, to legalize beer of 2.75 would be equivalent to placing the breweries in a position of offering a substitute, and I feel confident this percentage would not alone prove a disappointment as to additional employment and as to revenue, but would be rejected by the masses of our people who want and are demanding a beer in all respects satisfying and that will, so they say, furnish the warmth, the satisfaction, and contentment that a stimulant such as wholesome beer does.

Again said Mr. Busch:

A point of equal importance to which I would also invite attention is the necessity, if institutions like ours are to successfully reestablish themselves and reclaim their positions in the brewing industry, of their being enabled to resume the manufacture of the product upon which their respective reputations for high-grade beers were founded and built.

Upon what did they build up their reputation? How did they make their wealth? Was it by selling nonintoxicating stuff? They were built up by selling that beer which, as he said, was satisfying, that has a warmth, a stimulation that one does not get from nonintoxicating beverages. He continued:

If deprived of the use of any of the necessary materials that should and must enter into the manufacture of the beer they made and which were known for their particular blend, their products would be entirely devoid of the identity which formerly characterized them.

Speaking for ourselves, our Budweiser and other well-known and distinctive products were regarded as being in the class of fine European beers and were brewed of the choicest American hops, barley, and rye, plus a certain percentage of European hops. Without the good will and patronage of the masses, the brewing industry of this country cannot possibly succeed.

To tax beer to the point that would make the price of it prohibitive to the consuming public or to set up such unreasonable barriers as would place it beyond their reach would be to frustrate the very purposes for which beer is being relegalized, namely, to satisfy the demand of the masses for their beer; to provide revenue for the Federal, State, and municipal governments; to eliminate the bootlegger and the gangster from the beer business; and to afford relief for unemployment.

I ask you, my senatorial friends, how are we going to eliminate the bootlegger who sells intoxicating beer by permitting a nonintoxicating beer? How are we going to compete with him if we give the public a nonintoxicating beverage and he can give them something else?

Mr. President, the bill, with great respect to those who framed it, is just the bill which Mr. Busch would have written had he taken his pen or pencil to it from beginning to end. He not only had his way as to the content but he fixed the tax which was to be paid. Do not forget that the reason why he fixed the tax at the amount he did, as he said, was because if they fixed it any higher he could not pass it on to the consumer; that he could pass on a $5-per-barrel tax to the consumer. So, Mr. President, he was willing to have a certain tax. He got it. He was willing to have a certain content. He got it. He wanted a beer the same as that upon which he had built up the reputation of his house. He got it.

I look upon Mr. Busch as the most eminent expert in the beer business in the United States. There is nothing like experience in the beer business. Professor Henderson and the rest of them dwindle into insignificance when compared with the man who knows.

Let me, at the risk of wearying the Senate, call attention to some further statements on this question:

"Beer, which is a malt liquor containing 2¾ percent alcohol by weight, which equals 3⅓ percent alcohol by volume, has a sufficient amount of alcohol to intoxicate an average person in the quantities often consumed. With this amount of alcohol in the liquor many people could consume enough to produce intoxication by the amount which could be held in the stomach at one time. The walls of the stomach are very distensible and greater quantities than a quart of liquid may be consumed by many people within a few moments," says Dr. Harvey W. Wiley.

"A half ounce of alcohol contained in the ordinary sized bottle of 2¾-percent beer (by weight) is far more than enough to disturb the balance of judgment of an average, normal, sensitive person taken on an empty stomach.

"I consider no beer safe above one half percent of alcohol by volume, which would mean about three fourths of a teaspoonful of alcohol to an ordinary bottle of beer," says Dr. Howard A. Kelly.

STATE OF MICHIGAN,
County of Ingham, ss:

Abel R. Todd, being duly sworn, deposes and says that he resides at 817 West Lapeer Street, Lansing, Mich.; that he is State analyst for the food and drug department for the State of Michigan; that he graduated from the University of Valparaiso with the degree of H.P.G. in 1910; that from the University of Michigan he received the degree of P.H.C. in 1911, and a degree of B.S. in 1913; that he has been connected with the State food and drug department for the past 8 years; that he is able to determine the alcohol by volume of any beer; that on many occasions he has analyzed beer which was found to contain 3 percent alcohol by volume.

Deponent further says that beer containing 3 percent alcohol by volume is intoxicating, as deponent well knows from various tests and examination made. As one such test deponent has drank beer containing 3 percent alcohol by volume and knows personally from his individual experience that such beer is intoxicating.

Further deponent says not.

ABEL R. TODD.

———

Personally appeared before me, the undersigned, notary public in and for the State of New York, Henry Carter, who, being duly sworn, said that he is a member of the Central Control Board (liquor traffic) of Great Britain.

1. That said Central Control Board, in making restrictive orders on the sale of intoxicating drinks in Britain, had to consider what were intoxicating drinks and nonintoxicating drinks. That board acted upon the definition of beer in section 52 of the Finance Act

(1909–10) in determining this question. Said section of said act is as follows:

"The expression 'beer' includes ale, porter, spruce beer, black beer, and any other description of beer, and any liquor which is made or sold as a description of beer or as a substitute for beer and which on analysis of a sample thereof at any time is found to contain more than 2 percent of proof spirit." (Finance Act, 1909–10.)

"Proof spirit" is composed of alcohol and water in about equal parts—49.28 percent alcohol, 50.72 percent water (by weight).

Beer containing 2 percent "proof spirit" equals approximately 1 percent of absolute alcohol. This is the line of demarcation between intoxicating and nonintoxicating drinks, including beer, in Britain today.

A liquor containing over 2 percent "proof spirit" is taxed as intoxicating liquor, but if under 2 percent "proof spirit" it is taxed as "table waters."

That from his observation and based upon the information before the board, beer containing 2 percent "proof spirit" is in fact an intoxicating liquor.

HENRY CARTER.

CHICAGO TRIBUNE, HEALTH DEPARTMENT,
Chicago, April 22, 1919.

I was professor of pathology, University of Illinois Medical School, for 16 years. I am now, and for 11 years have been, professor of sanitary science, Northwestern University Medical School. I was commissioner of health of Chicago from 1907 until 1911.

It is my opinion that beer containing 2¾ per cent alcohol by weight is intoxicating.

W. A. EVANS.

THE STATE OF OHIO,
Delaware County, ss:

On this 15th day of April A.D. 1919, personally appeared before me, the undersigned, a notary public in and for said county and State, George O. Higley, who being by me duly sworn according to law, says he is professor of chemistry in Ohio Wesleyan University, having held this chair for 14 years; that previous to his election to his present position he was for 14 years a member of the chemical faculty of the University of Michigan; that in 1905 he received from the University of Michigan the degree of doctor of philosophy—chemistry and physiology being his subjects.

That he has made considerable study of the effect of poisons upon the human mind and body, making also numerous chemical analyses of beer and of the stronger alcoholic liquors, and that he believes:

First. That the drinking of beer containing 3 percent of alcohol, by volume, often results in hilarious outbursts followed by surly behavior.

Second. That in the stage of this excitation often termed the "jolly" condition, the drinker loses his self-control and often his self-respect, his actions becoming careless and even immoral.

Third. That a larger dose of this same liquor may cause the subject to become quarrelsome.

Fourth. That emotional manifestations of fear, jealousy, and hatred may be aroused without cause so that crimes are committed.

Fifth. That the subject who shows any of these departures from his normal condition is "intoxicated" in the proper meaning of that term, although he does not stagger and is not "drunk" in the popular meaning of that term.

Sixth. That he believes that a court may very properly hold as intoxicating not only whisky, brandy, and gin, but also beer, even if it contains alcohol to the amount of only 3 percent by volume.

GEORGE O. HIGLEY.

Since national prohibition there was published in March 1924, by the Carnegie Institution of Washington a treatise entitled "Alcohol and Human Efficiency", by Dr. Walter R. Miles, giving the result of experiments as to the toxic effect of alcoholic beverages as weak as 2.75 percent by weight. This is perhaps the most complete and prolonged study of this question that has been made.

The Senate Committee on Manufactures of the present Congress, in the report submitted by Dr. HATFIELD, S.Res. 635 to accompany S. 436 and S. 2473, summarized the evidence before that committee on the toxic effect of alcohol as follows:

As the testimony on a beverage of 2.75 percent alcoholic content to be taken as genuine evidence on the physiological effect of an alcoholic solution containing 3.2 percent by weight, or 4 percent by volume. Reverting to the question of a 2.75 percent alcoholic content by weight, the conclusions of the classic and thorough researches of the Carnegie Institute are clear and unmistakable, as found in Report No. 333, Alcohol and Human Efficiency, by Walter R. Miles, published by the Carnegie Institution of Washington, March 1924, on pages 272 to 276.

This research shows that the human reaction time and coordination was substantially reduced. In greater detail, there was a decrease in the eye and word reaction time. The visual acuity, eye movement velocity, a slower finger-movement speed, lowered coordination, and a decreased speed as shown in such tests as typing accompanied by an increased number of errors.

In the above-mentioned report, No. 333, on page 209 is given the dilution of alcohol employed in the experiment. I quote:

"In order that there may be no possible misunderstanding about the weight and dilution of the ethyl alcohol used, the details concerning dosage which apply to this chapter are all brought together here. All subjects received the same dose on the first, fourth, and fifth days of their individual experimental series. This was 27.5 grams of absolute alcohol, about 0.5 cubic centimeter per kilogram of body weight, in 300 cubic centimeters of grape juice, the mixture being diluted with water to a total volume of 1 liter or 1,000 cubic centimeters."

I again quote on page 275 from the above-mentioned report of the Carnegie Institution:

"There is no longer room for doubt in reference to the toxic action of alcoholic beverages as weak as 2.75 percent by weight. If 27.5 grams of alcohol are taken in this form, the well-defined and measurable depression in physical and mental processes, judged within the limits of this investigation, is not far short of the result found when 21 to 28 grams of alcohol are taken in solutions varying from 14 to 22 percent."

The elaborate efforts to enlist science in building up a proof that alcoholic solutions of the strengths provided for in Senate bills 436 and 2473 are without effect on the human reactions and, in fact, nonintoxicating, have failed. On the contrary, the effect of alcohol found in dilute solutions upon human behavior has a vital relation to present-day problems of our modern civilization.

I also now make reference to some legal opinions and shall not comment upon them, but leave them to speak for themselves.

WHAT THE COURTS HAVE HELD WITH RESPECT TO BEER

In Black's treatise on The Law of Intoxicating Liquors it is said respecting beer (sec. 17, p. 19):

The preponderance of authority is to the effect that when the word "beer" is used, without any restriction or qualification, it denotes an intoxicating malt liquor; that when thus occurring in an indictment or complaint, or in the evidence, it is presumed to include only that species of beverage; and that being taken in this sense, it will be sufficient, unless it is shown by evidence that the particular liquor so described was nonalcoholic.

In *Fuller* v. *Jackson* (52 So. 873, 30 L.R.A. (N.S.) 1078) the Supreme Court of Mississippi held:

The court takes judicial notice of the fact that liquor containing more than 2 percent of alcohol by weight will intoxicate.

Chief Justice Mayes declared (30 L.R.A. (N.S.) 1081):

It may be also stated that I take judicial notice of the fact that any liquor containing more than 2 percent of alcohol by weight will intoxicate, as a matter of fact, if drunk to excess. See full report of case of *United States* v. *Cohn* (2 Ind. Terr. 474, 52 S.W. 41). In the Cohn case, in the proof found in the report of the case, it is shown by expert witnesses that beverages containing more than 2 percent of alcohol will intoxicate, and the trial court in that case took judicial notice of it. It is also shown in that case that the Government fixed 2 percent of alcohol, by weight, as in truth constituting an intoxicating liquor. I feel, therefore, that I am safe in saying that I shall take judicial notice of a fact so well established by proof and legislative action.

See *United States* v. *Cohn* (52 S.W. 41, 2 Ind. Terr. 474).

The Court of Appeals of Virginia, in construing the Byrd liquor law of that State (Laws 1908, p. 275, ch. 189), said:

It being provided that "malt beverage" shall be sold by the manufacturer only to the customer, not to be drunk where sold, and in quantities of not less than one-half dozen bottles nor more than 4 dozen bottles at any one time and that it shall not be sold or offered for sale by any other person, firm, or corporation; that "malt beverage" shall be sold only in bottles in which shall be blown in letters at least one-half inch in height the name and address of the manufacturer, and the words "malt beverage"; and that no person, firm, or corporation shall place in such bottles and sell, or otherwise transfer, any liquid containing alcohol in excess of 2¼ percent in volume. The penalty fixed for violating any of the provisions of the section is a fine of not less than $500 nor more than $1,000, or, in the discretion of the jury, confinement in jail for not less than 3 nor more than 12 months for each offense. (*Commonwealth* v. *Henry*, 110 Va. 879; 65 S.E. 570.)

Mr. President, it would be well, if it were possible to do so, to analyze all the testimony taken before the House committeee. It is plainly disclosed there, especially by the attorney for the brewery interests, that this is the same beer that was sold prior to prohibition. Mr. Levi Cook is now deceased. While Mr. Cook was representing the brewing interests, really a lobbyist for the brewing interests, he was a man of integrity, a man of candor, and, in my judgment, a man of character. I knew him well. He was exceedingly candid before the committee. No one can read his testimony without coming to the conclusion that he did not intend to conceal from the committee that this beer

is the same beer which Busch and the other people had been selling prior to prohibition. It discloses beyond peradventure that such was their contention and such is the fact.

It has been said, Mr. President, that there is an English report which permits of a content of 3.05 percent.

I want to call attention to the report made by the British Government, a report of the royal commission, a report which was made after the report from which the Judiciary Committee secured its information. There they fixed definitely 2 percent as the dividing line between intoxicating and nonintoxicating beer. This examination was made at great length by experts, by those who were not interested in the matter from a political standpoint, but solely for the purpose of advising the Government.

Mr. President, quoting briefly—for I shall not go into details—the report of the royal British commission to which I have referred says:

> That all beers below 2 percent proof spirit are nonintoxicating, and all beers above 2 percent proof spirit are intoxicating.

I quote another statement briefly:

> The CHAIRMAN. You are appearing today on behalf of the brewers' society?
> Yes.

This is the testimony of a Mr. Nicholson.

> You are the managing director of the Associated Brewers?
> Yes.

Then the witness was asked with reference to the line of demarcation between intoxicating and nonintoxicating liquors.

He replied:

> Two percent marks the line between nonintoxicating and intoxicating liquors.

The report of the commission, which was made long after the report upon which the Judiciary Committee relied, fixed the amount of alcoholic content in testing the question of intoxicating or nonintoxicating at 2 percent, and in a number of instances in the supreme courts of the different States, as we have seen, it has been held that those courts would take judicial notice of the fact that 2 percent beer was intoxicating.

As I said at the beginning, there are just two questions involved in this proposal in which I am interested. The first is as to whether this beer is intoxicating, and the second is whether there is sufficient protection thrown around the places where the beer is to be drunk.

I am clearly of the opinion that it is intoxicating; I am clearly of the opinion that if it is permitted to be consumed where sold it will be intoxicating, whether the actual content as designated by the law is intoxicating or not. In other words, intoxicating liquor will be sold; there is no possible way to prevent it, for if 3.2 percent beer is permitted and it is necessary to have 3.5 or 3.10 beer, it will be sold.

Mr. President, we are enacting a law which, in my judgment, is prohibited by the Constitution; but, of course, we are enacting it at a time after that constitutional provision has been submitted to the people. It might seem, therefore, that it is less important for us to observe the integrity of the Constitution under those circumstances because of the fact that such opposition to the Constitution has arisen that it has been thought well to submit it to the people for their judgment; and since it may be assumed for the sake of the argument that in all probability it will be repealed, it may seem therefore that we need not be so concerned about a technical observance of a provision which is likely to be taken out of the Constitution.

Mr. President, I take the position that so long as the eighteenth amendment is in the Constitution we have no more right to nullify it because it is on its way for a vote than we would have if it were simply coming here for the first time for consideration. I am aware that the eighteenth amendment apparently has become unpopular. I am aware that the people may dispose of it. But, while the eighteenth amendment may in the near future be repealed, I contend it in no way changes our responsibility.

Mr. REED. Mr. President, will the Senator permit an interruption?

Mr. BORAH. Certainly.

Mr. REED. With the proposition just enunciated by the Senator no one, it seems to me, can disagree. Until the last of the necessary States has ratified the repealer amendment, the eighteenth amendment is just as much law as it ever has been. There cannot be much doubt about that. Before the Senator takes his seat, however, I should like to have his view on this aspect of the constitutional question.

It seems to me that from the constitutional standpoint it is just as important that Congress should stay within the powers that have been given to it as it is that it should carry to the full extent the prohibition of such amendments as the eighteenth. That is to say, if Congress goes beyond the limit of intoxication in beverages, and goes from the hypothetical 2 percent which the Senator has mentioned on into a prohibition of nonintoxicants, Congress is going beyond the powers delegated to it; and it seems to me that that is just as important as for Congress to fall short by 1 percent in enforcing the prohibition of the eighteenth amendment.

I have felt that the effect of the passage of this bill will be to put the exercise of power by Congress somewhat closer to the actual facts of the matter, as determined by the experience of mankind, than did the Volstead Act.

If no other Senator joins in perplexity on that question, I wish, for my own enlightenment, the Senator would give me his views on that.

Mr. BORAH. I am not sure that I catch the Senator's position. Do I understand the Senator to say that it is just as much our obligation not to go beyond what the Constitution permits as it is to enforce its provisions?

Mr. REED. Exactly.

Mr. BORAH. I will not at this time disagree with the Senator on that.

Mr. REED. If the Senator will forgive me for trespassing on his time, if we can agree, to start with, that it is just as important that we should stay within the powers delegated to us as it is that we should go to the full extent of the powers given to us, then the closer we get to prohibiting those things that are actually intoxicants and staying away from the prohibition of nonintoxicants, the better we perform our functions.

Mr. BORAH. I quite agree with that in theory, but, really, failure to give the full content permissible is not violating the Constitution in the sense that going beyond the Constitution is—the first is permissible, the latter is prohibited.

Mr. REED. Now then, it seems to me that the percentage stated in the pending bill comes closer to the actual line of distinction between intoxicants and nonintoxicants than does the Volstead Act.

Mr. BORAH. Possibly so.

Mr. REED. And for that reason this bill is, to some extent at least, an improvement over the Volstead Act.

Mr. BORAH. It is an improvement provided the bill does not go so far as to include intoxicating liquor. If 3.2 percent is actually intoxicating, we have come in conflict with the prohibition of the Constitution. I should be perfectly willing to admit the contention the Senator makes, that in passing a statute under the Constitution we should come as near to the line between intoxicating and nonintoxicating as is practicable; but what I am contending for here, if the Senator please, is that we have reached the point in this matter where we have actually impinged upon the Constitution itself.

Mr. REED. And that depends largely upon the question of the experience of mankind in dealing with these beverages that are near the dividing line between nonintoxicants and intoxicants. Is not that so? And whatever conclusion is reached is bound to be untrue in the case of some individuals who are extremely susceptible or extremely proof against the influence of these drinks that are on the border line. Of course that is so.

Mr. BORAH. Yes; but we should always resolve the doubt, if we are legislating, so as to protect the Constitution of the United States and not impinge upon it.

Mr. REED. Ah, but I think we are protecting the Constitution of the United States when we are careful to stay within the powers that are given us.

Mr. BORAH. Of course, that is true; but we have not kept within the powers which are given us if we permit that beverage which is actually intoxicating. I contend that 3.2 percent beer is an intoxicating beverage, and has always been an intoxicating beverage; that it was the beverage which was sold prior to prohibition as an intoxicating beverage; it is the beverage which is accepted in other countries as an intoxicating beverage, and I contend that that is clearly under the prohibition of the Constitution. Now, if we make it, for instance, 2.75 percent, I think that is very close to the dividing line. It is the utmost limit, if not too far.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. BORAH. I do.

Mr. HATFIELD. It has been definitely proved by scientific investigators that 2.75 percent beer is intoxicating, and reduces the nerve reaction, the nerve impulses. The proof is conclusive as the result of experiments carried on by Dr. William R. Miles, a doctor of philosophy from Harvard University, over a period of something over a year.

Mr. BORAH. It may be that 2.75 percent beer is intoxicating, but it is certainly nearer the line than 3.2 percent beer.

Mr. HATFIELD. There is no doubt whatever about that.

Mr. BORAH. And I think 3.2 percent beer is so clearly over the line that it is prohibited by the Constitution.

I want to stay within the Constitution. I think there is much in what Chief Justice Taft said, that the permitted percentage had better be too low than so close to the line that in the practical execution of it we would be unable to protect the Constitution; but it is undoubtedly true, as the Senator says, that we should keep as nearly as practicable to the line which marks the difference between intoxicating and nonintoxicating liquors. I have no doubt myself but that we are over the line.

Mr. REED. Mr. President, that brings up another question—and I am asking these questions not argumentatively, but because I want to have the Senator's thought on them. He has studied this question far more than I ever would have a chance to.

On the question of intoxication as it is mentioned in the eighteenth amendment, I have always wondered whether the intent of the people and of the Congress in 1919 was to prohibit a fluid that might have the effect upon the nerve reactions mentioned by the Senator from West Virginia, or whether it was to get rid of that type of intoxication that led to sodden drunkenness and the commission of crime. I never heard of a murder being committed on beer. I have heard of a great many being committed on spirits. I do not mean to say, now, that there are not strong fermented liquors that will intoxicate completely. We all know there are; but the kind of beer that contains 3.2 percent of alcohol does not often inspire men to go out and commit crime. At the worst, according to my own observation, it inspires them to go to sleep; and I do not believe that that is what the constitutional amendment was aimed at.

Mr. HASTINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Delaware?

Mr. BORAH. In just a minute.

May I say that the report of the royal commission of Great Britain which studied this question associated the question of beer with the question of crime. I do not know that I can turn to it immediately, but I will put it in the RECORD.

Mr. REED. May I interrupt once more? Then I will not do it again.

Mr. BORAH. I am very glad to have the Senator's questions.

Mr. REED. When an Englishman talks about beer, he means what we call ale.

Mr. BORAH. Oh, no; not in this report.

Mr. REED. If he discusses what he calls lager, then we are on the same basis, because what we call beer is called lager over there, and what we call ale is what they call beer.

Mr. BORAH. Mr. President, so far as this report is concerned it deals with beer, lager beer; it deals with ale; it deals with fermented liquors; and it associates the question of crime with the question of beer.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BORAH. I promised to yield first to the Senator from Delaware.

Mr. HASTINGS. Mr. President, in line with the questions asked by the Senator from Pennsylvania I desire to ask the Senator from Idaho whether he does not think that in order to find out what was intended when the eighteenth amendment was written and when it was approved by the various legislatures, we ought to consider what the statutes of the various States had to say with respect to a definition of intoxicating liquor. Those definitions in many instances were written by friends of the liquor business; and in order to prevent persons from selling intoxicating liquor without a license, they had written into the statute a definition of what constituted intoxicating liquor; and I know that in many instances—I do not know how many—that limit was fixed at one half of 1 percent.

I am wondering when the eighteenth amendment was prepared and adopted whether what the framers of it had in mind was that kind of a prohibition—namely, one half of 1 percent—or something to that effect; not the kind of liquor that is intoxicating in fact but the kind of liquor that would have some exhilarating effect upon the person who drank it.

Mr. BORAH. I think there is a great deal in what the Senator says. At that time we were dealing with intoxicating liquor in the sense in which we had accepted that term since the organization of the Government.

Mr. HASTINGS. That is what I had in mind.

Mr. LONG. Mr. President, is not this a fact? The Constitution provided that intoxicating liquor should not be sold, and you will find from the press reports of that day and time that it was generally thought that it would be a question for the jury. The action of Congress in coming along with the Volstead Act, and putting one half of 1 percent in it, taking it out of the hands of the jury to say what was and what was not an intoxicating liquor, was something that was not anticipated by many people who supported the eighteenth amendment.

Mr. BORAH. Chief Justice White said that the duty devolved upon Congress to fix the alcoholic content, as to what was intoxicating.

I want to call attention to another fact. We are told that this bill is to be enacted for the purpose of helping to bring back prosperity. We are going to tax the people for beer, put a sales tax upon beer, in order to bring prosperity, particularly to the American home. The most impoverished places upon the face of the earth are the places where beer is most used by the masses of the countries where it is sold. There is no place where there is such poverty, such destitution, such crime, such disease, to be found as in the beer-using centers of the old world.

Eighty percent of the money collected for this beer in the way of taxes would come from the workingman's home in the United States. Beer is a workingman's drink, and every cent that is paid for beer out of that home will mean less money for the children, for their education, for their clothing, for music in the home, for the things which make a home what it ought to be.

In a volume entitled "Social and Economic Aspects of the Drink Problem", the result of the work of a committee of social workers, it says:

> The conclusion appears to be justified that from 25 percent to 30 percent of the whole poverty in a typical working-class district is caused or contributed to by drink. * * * Drink is the

predominant cause of secondary poverty, as defined on page 98, and the proportion of cases due to it may be as high as 85 percent. Out of 196 families in secondary poverty 168 were due to drink.

A London correspondent of the Monitor says:

Despite a gradual drop in the consumption of alcoholic beverages, drink remains the one and primary cause of crime and poverty. Yearly it drains millions of pounds from the nation's already overtaxed fund for law relief. Of the average working class in Great Britain, from 25 percent to 30 percent of the poverty is caused or contributed to by drink. It is responsible, directly or indirectly, for fully 40 percent of the common criminal offenses dealt with in the criminal courts.

In Great Britain the beer bill alone in 1930 was £182,000,000, or $910,000,000. The entire drink bill was £277,000,000, or $1,385,000,000.

It is contended that under this bill 60,000,000 barrels of beer will be sold per year. This would be nearly 2,000,000,000 gallons, or 16,000,000,000 pints, or 32,000,000,000 glasses. That would be almost 280 mugs of beer for every man, woman, and child in the United States. It is contended this would bring in $300,000,000 in revenue. What would it cost the drinkers? Close to $1,500,000,000.

This sum of money will come out of the homes very largely of the workingmen of the United States and people in the humbler walks of life.

The taxes must necessarily come out of the budget of the home; and if we are to take $120,000,000 and put it into the Treasury of the United States, it will be just another tax upon those who are least able to pay it, and not only a tax, but, in addition to the tax, there is the beer, which does no one any good, and yet it must be paid for out of the budget of the family.

The attorney for the brewery interests before the committee said:

Too high a tax on beer would only encourage the bootlegger in this country whom we want to discourage. * * * The people cannot afford to pay luxury prices for this thirst-quenching beverage—a tax that is reasonable that the public can afford to pay, because the brewers cannot pay it without taking it from the masses of the American people.

This bootlegger is a convenient gentleman. First, you must put the alcoholic content high, otherwise the brewers cannot compete with the bootlegger. Second, you must put the tax low, otherwise the brewers cannot compete with the bootlegger. The bootlegger is looked upon as a most undesirable person, but certainly he was used most effectively to shape this bill. A person who can shape legislation by raising the alcoholic content and by lowering the tax on the content is not to be despised, it seems, even though you call him a bootlegger.

We are pointed constantly to those countries which have beer, and we are told that we are losing by reason of the fact that we have not the liquor traffic going in full blast. They have all the beer they need in England, they have all the liquor they want, it is in no sense prohibited, but what do the men in England say about the economic situation superinduced by liquor?

Lloyd George said a short time ago:

If we are going to found the prosperity of the country—its commercial prosperity, its industrial prosperity—upon an impregnable basis, we must cleanse the foundations of the liquor traffic.

Ramsay MacDonald said:

They tell us that we cannot be made sober by act of Parliament. I hate these little, smug, pettifogging, and inaccurate pieces of proverbial philosophy. I say that every experience that the world has had—go anywhere where experiments have been made, and the conclusion is absolutely inevitable and irresistible, that you can make men and women sober by acts of Parliament.

Phillip Snowden said:

If we could abolish the liquor traffic, and if I were responsible for raising the revenue of the country, I should view the prospect with the most complete complacency. The direct and indirect cost of the maintenance of the liquor traffic is a heavy burden upon the localities and upon the State.

Viscount Astor said:

It is impossible to reconcile the interests of drink with the interests of the nation.

The Right Honorable Sir Donald MacLean said:

The future belongs to the children. The three enemies of child life are ignorance, poverty, alcohol. Every one of them is preventable.

Sir Baden Powell, Chief Boy Scout, said:

It would be simply impossible for a man who drinks to be a scout. Keep off liquor from the very first. Make up your mind to have nothing to do with it.

The British labor committee said:

Our failure as a nation to achieve those improved social conditions, obtainable from the amount now spent in drink, must be counted as a part of the public cost of the drink traffic.

William E. Gladstone said:

The four great scourges of mankind throughout history have been drink, war, pestilence, and famine.

Every nation in the world, Mr. President, today has its liquor problem. The question has not been solved by any nation. It is useless to point to other countries and to other nations as examples to be imitated or emulated. They have their poverty, their crime, their ignorance, their destitution, and they are superinduced and caused in large measure by the liquor traffic.

Mr. President, it is contended by the supporters of this measure that this beverage now being provided for us is not intoxicating. It is contended that if the bill becomes a law, it will not run counter to the Constitution. Whatever may be our views, that is not the view the people take of the measure. We may urge here that we are not proposing to violate the Constitution, but ask the first 96 men you meet on Pennsylvania Avenue and they will tell you with practically unanimity that it does violate the Constitution. The man on the street will tell you that the Congress is engaged in getting around the Constitution; that while we pay lip service to that instrument which we have all taken an oath to support, both in letter and in spirit, that we are, in fact, evading its plain terms and nullifying its long-accepted inhibitions. We may urge to our dying day that we have kept the faith, but the common sense and the candor of the plain people tells them that we have broken our plighted oaths. Although we may be giving to the people what the people want, down in their hearts they will find no defense for the way we are doing it.

Let us look at the situation as it really presents itself to the people. We will at once see how grotesque becomes the contention that the beverage offered to the people is not intoxicating.

There appeared in the public print a few days ago a statement to the effect that a great holding company for breweries—the largest holding company in the world—was being organized. A vast monopoly was to be formed to dispense this nonintoxicating beverage! Read what these organizers, now ready to make gains out of men's appetites, have to say and you will readily see that they think differently than this body about this beverage being intoxicating. When this liquor is placed on the bar, the charge will be the price of an intoxicating beverage. It will be sold as an intoxicating beverage. When you levy a tax, it will be a tax such as would be levied upon intoxicating liquor. We read that the hotels have sent out word—the glad tidings that the old barroom is to be reopened in which to drink nonintoxicating beer! We are told that bars and bar fixtures have been recovered from the old storeroom, burnished and varnished, and made ready for the good old days prior to the adoption of the eighteenth amendment. Are these people making this preparation for nonintoxicating liquor? "Tell it not in Gath, publish it not in the streets of Askelon", lest they laugh you to scorn. Everywhere, save in the Congress, it is openly charged and distinctly understood that the Constitution is being avoided, disregarded, and that in spite of the Constitution intoxicating liquor is to be sold.

Mr. President, I am convinced that this proposed law runs counter to the plain terms of the Constitution. It seems to me to be at war with the very object and purpose which the people had in mind when they adopted this provision of the Constitution. It strikes down the policy which the Consti-

tution was designed to set up, establish, and maintain. That policy might have been all wrong. Upon that question the people will in all probability soon have an opportunity to pass. But in the meantime the Constitution still stands. And as such it prohibits what we are proposing to authorize and to clothe our authority with the sanction of the legislative will. That presents a question wholly apart from the question of prohibition, a question which transcends in importance any question to which prohibition by any possibility can give rise.

I know how unpopular the eighteenth amendment seems to have become. And the question of its repeal will soon be up to the people. The right to repeal is as sacred as the right to adopt. But until the eighteenth amendment is taken out of the Constitution, until it is removed from the fundamenal law, it is entitled to the same presumption and to the same protection and to all support which accompanies the most popular and sacred provisions in the entire Constitution. The eighteenth amendment may be unpopular, its doom may be near at hand, but the great constitutional principle announced by Washington, "The Constitution which at any time exists, until changed by the explicit and authentic act of the whole people, is sacredly obligatory upon all", is not unpopular, and will never become unpopular until constitutional government itself comes under the contempt of the people. It is for that principle that I am now contending. It has nothing to do with prohibition. It is a principle which has to do with and is vital to constitutional government.

I assume for the purpose of this argument that the people want to be rid of the eighteenth amendment. I assume for the purpose of this argument that they want a return of intoxicating beverages. But I do not assume that in securing these things they want to disregard the great and indispensable principles of constitutional government which require the servants of the people to respect both the letter and the spirit of the Constitution, until the Constitution is by the people rewritten.

If, after due consideration and reflection and in the manner provided by the Constitution, the eighteenth amendment is repealed, it will be nothing more as a governmental proposition than an orderly expression of the popular will which the Constitution always contemplates. One might question the wisdom of such a course but no one could deny the right of the people to take such a course. The procedure here seems to me to be wholly different. While we leave the Constitution unchanged in form, we in fact change its effect—we do so not only by running counter, in my judgment, to the terms of the Constitution but we do so also by making it impossible to enforce the Constitution. Even if the alcoholic content here designated is technically within the Constitution, yet as a practical proposition where 3.2 beer is sold, 4 percent or 5 percent beer will be sold as the demands of the trade require it. It will be impossible to enforce the law relative to intoxicating liquors.

A distinguished jurist, long Chief Justice of the Supreme Court, once said that constitutions, like religions, often remain in form after they have been rejected in spirit and after their binding force has in fact ceased to restrain legislators or courts. Under any circumstances and under all circumstances, it seems to me this bill strips the Constitution of its spirit and its purpose; and although the law may be found technically constitutional, it strikes down the Constitution because it makes it impossible to enforce it. When this law passes, the enforcement of the eighteenth amendment is at an end. The amendment becomes a dead letter.

I am aware that I am speaking at this time for a minority, but it is a minority that is worthy of every public man's respect—a minority whose sincerity and devoted citizenship no respectable person would undertake to impeach. Put aside all those whom you would designate as professional agitators, put aside all those who would make their support of this cause a thing of gain, put aside all those you would style wolves in sheep's clothing, and there is still left a vast body of sincere, patriotic men and women who will oppose to the last any effort to bring back, either directly or indirectly, the liquor traffic as it held sway in the old days. They are now in a minority, but minorities are not always in the wrong. Minorities under our system of government are entitled to be heard, and being heard very often become majorities. Do not be impatient with this minority; you were practically all part of it not long since. It may be that some discussion, some reflection, some deliberation will avoid mistakes in this most important matter. We are dealing with no ordinary question. It is a problem which has taxed the best thought of men and women for 3,000 years. It is a problem which demands the very best in the way of legislation that can be given to the subject. Whatever we may do, I venture to say that we will look back upon it with regret unless we give the subject the very best that we have.

It may be vain at this time, when the advocates of repeal are in the flush of victory, to call attention to these things. But in your haste to be rid of the eighteenth amendment you invite an awakening and the ultimate condemnation of your course if you do that in a way that not only nullifies the amendment but in a way that discredits and derides the constitutional principle upon which our whole fabric rests. You have the power. Is it not better to use that power with respect for the great principles of constitutional government? Renounce and repeal the eighteenth amendment if you will, but do so in the orderly method provided by the fathers. Proceed with respect for those principles which are vital to the stability of constitutional government. Repeal, but do not nullify. The former is a high and solemn privilege, and to exercise it you have an unquestioned right. But the latter course is indefensible. It establishes a principle at enmity with constitutional government, and in the end the method, at least, will meet the condemnation of the American people.

Mr. TYDINGS. Mr. President, the Senator from Idaho [Mr. BORAH] very properly and rightfully has a splendid reputation in this body and in this country as a lawyer, and I think the argument which he has just made is a proper argument. But it occurs to me that he has based his argument upon the philosophy that the eighteenth amendment prohibits the transportation and sale of intoxicating beverages, because always in the course of his argument he alluded to the fact that the subject which he was discussing was intoxicating beverages.

May I point out that the eighteenth amendment does not deal with intoxicating beverages, and I shall show by some decisions of the Supreme Court very shortly that there is a marked distinction between intoxicating liquors and beer and wine.

First, the eighteenth amendment refers to the transportation of "intoxicating liquors."

Who is there on this floor who will contend that beer is a liquor? What authority can be shown to prove the point that beer is a liquor? The dictionary is against it; the courts are against it; science is against it. Then upon what authority can beer be included within the scope of liquors?

First of all, let us read from the dictionary. The definition in the Standard Dictionary is:

> Liquor: Specifically one of the spirituous kind as distinguished from wine and beer.

The definition in the Century Dictionary is as follows:

> Especially a spirituous or distilled liquor as distinguished from fermented beverages, as beer and wine.

These definitions occur frequently in the decisions of the Supreme Court which I will read. There is not a word in the eighteenth amendment about intoxicating beverages. All the power Congress has to deal with this subject is encompassed in the words "intoxicating liquors."

Mr. BORAH. I concede that.

Mr. TYDINGS. Mr. President, if beer is not an intoxicating liquor, Congress has no more authority to deal with it than it would have had had the eighteenth amendment never been adopted. To say, on the one hand, that beer is not an intoxicating liquor, and to say, on the other hand, that only intoxicating liquors are prohibited is to say, in effect, that Congress has no authority to deal with beer whatsoever.

Let us see what the court says. Let us take the case of Hollender against Magone. In that case the Supreme Court had before it the following facts:

The tariff act of March 3, 1883, permitted a rebate in duty for property damaged in voyage, but prohibited an allowance for damage in the case of "wines, liquors, cordials, or distilled spirits." The words "wines, liquors, cordials, or distilled spirits" are the exact words used in the decision of the court.

Hollender had imported beer, which was damaged on the voyage, and claimed a rebate under the tariff act passed by the Congress. The collector refused the rebate, and Hollender brought suit in the Circuit Court of the United States for the Southern District of New York, where the rebate was again refused. On appeal to the Supreme Court—and mark these words—a unanimous bench, Mr. Justice Brewer, a very learned and distinguished jurist, delivering the opinion of the court, said:

Said the unanimous decision of the Supreme Court of the United States:

In the first place, the word "liquors" is frequently, if not generally, used to define spirits or distilled beverages, in contradistinction to those that are fermented. Thus, in the Century Dictionary, one of the definitions is "an intoxicating beverage, especially a spirituous or distilled drink, as distinguished from fermented beverages, as wine or beer." See also *State* v. *Brittain* (89 N.C. 574, 576), in which case the court said: "The proof was that the defendant sold liquors, and it must be taken that he sold spirituous liquors. Most generally the term 'liquor' implies spirituous liquors." The context indicates that it is here used in its narrow sense. If "liquors" is here used in its generic sense, the other terms are superfluous.

The Supreme Court might have added to its quotation from the Century Dictionary the definitions given by the Standard Dictionary, published by Funk & Wagnalls, who, grimly enough, were the great publishers of prohibition literature and published the prohibition journal. The definition in the Standard Dictionary of the word "liquor" is, "Specifically one of a spirituous kind as distinguished from wine and beer."

It is perfectly true that the facts in the Hollender case enabled the Supreme Court to limit its decision to the particular language of the tariff act of 1883, but it is not possible to read the opinion without seeing its bearing upon the construction of the word "liquors" in the eighteenth amendment.

May I say, in parentheses, that the question as to whether or not beer and wine are included within the scope of liquors has never been tested by the Supreme Court since the adoption of the eighteenth amendment; and in all the decisions of the court, one piled on the other, the court has always drawn a distinction between a distilled liquor and wine and beer whenever that question has arisen.

Mr. BLACK. Mr. President, I have Webster's Dictionary here. Will the Senator allow me to put the definition in the RECORD at this point?

Mr. TYDINGS. Will the Senator do that later?

Mr. BLACK. I understood the Senator to say the dictionary did not say that beer is a liquor.

Mr. TYDINGS. I quoted the Standard Dictionary and I quoted the Century Dictionary.

Mr. BLACK. I understood the Senator to say Webster's Dictionary.

Mr. TYDINGS. No; I did not say Webster's. I quoted the Standard Dictionary and the Century Dictionary. That is what the record of the official reporters will show.

Mr. BLACK. If it is out of place now, I shall put the definition in the RECORD later.

Mr. TYDINGS. May I say in reference to what the Senator from Alabama has just suggested that there are half a dozen explanations or definitions in Webster's Dictionary and I will admit that one of the definitions there is rather ambiguous in that it says it might include or might not include, as I recall having read it. But the dictionaries to which I referred were the Standard and the Century, and that is exactly what the official reporter's notes will show.

Mr. BLACK. I am sure of that.

Mr. TYDINGS. Let me finish with the decision of the court. The court, therefore, reversed the decision of the lower court on the ground that the word "liquor" did not include "beer." These are Supreme Court decisions.

Mr. BORAH. What supreme court? The United States Supreme Court?

Mr. TYDINGS. Yes; the Supreme Court of the United States, a unanimous court, a decision rendered by Mr. Justice Shiras, one of the ablest judges that ever sat on that court.

Mr. BORAH. He is the man who changed his position on the income tax.

Mr. TYDINGS. Many have changed their positions so often that it is a little hard to keep up with the court recently. [Laughter.]

I will give the title of the case again. It is *Hollender* v. *Magone* (149 U.S. 586.) The Supreme Court might have added to its quotation from the Century Dictionary which it quoted the definitions given by the Standard Dictionary published by Funk & Wagnalls, who strangely enough were the great publishers of prohibition literature and who published the prohibition journal.

Now I am going to give the Senator from Idaho another case.

Mr. BORAH. Mr. President, will the Senator permit me to put in a case or two there?

Mr. TYDINGS. Yes; I will.

Mr. BORAH. In a case in the Supreme Court of Mississippi the court takes judicial notice of the fact that liquor containing more than 2 percent of alcohol by weight is intoxicating.

Mr. TYDINGS. The Senator said "liquor." I am talking about beer! [Laughter.]

Mr. BORAH. The Supreme Court of Virginia, speaking about beer, said:

Doubtless the legislature took cognizance of the well-known fact that the minimum percent of alcohol in what is commonly known as "beer" is 2¼, and even this weakest form of beer has been found and held intoxicating.

Mr. TYDINGS. I do not think that is a parallel case for two reasons. First of all, in order to interpret that statute, we would have to have the statute of Mississippi itself to see whether or not the legislature projected its power within the constitutional limits. I am reading from the Constitution of the United States, which allows us to legislate only with regard to intoxicating liquors. Perhaps the Constitution of Mississippi allows a wider compass. It may include beer and wine and ale and gin and cordials. But I am reading from the Supreme Court decision, which I submit is almost as good law as the Supreme Court of Mississippi. [Laughter.]

Here is another case of Sarlis against United States, to which I alluded just a moment ago, and the Senator from Oklahoma asked that I put it in the RECORD:

Sarlis was indicted for introducing into the Indian country 10 gallons of lager beer alleged to be spirituous liquor. The indictment was upheld by the District Court for the Western District of Kansas, but on an appeal to the Supreme Court a unanimous bench—Mr. Justice Brewer delivering the opinion of the Court—held that beer was not a spirituous liquor.

Mr. BORAH. Of course, that is true.

Mr. TYDINGS. Let me read all that the court said:

The facts in this case show that section 2139 of the Revised Statutes provided that "no ardent spirits shall be introduced into Indian country. Every person (except an Indian in an Indian country) who sells, exchanges, gives, barters, or disposes of any spirituous liquors or wines to any Indian" shall be punished by fine or imprisonment.

The Supreme Court, in its opinion, says:

It was contended on behalf of the defendant in the court below that lager beer is not "spirituous liquor or wine."

The Court then quoted from various dictionaries, including the Century Dictionary, to which I have before alluded, and quoted from the Hollender case, which I have just read. The Court then continued:

So far, therefore, as popular usage goes, according to the leading authorities, lager beer, as a malt liquor, made by fermentation, is not included in the term "spirituous liquor", the result of distillation.

The Court further says that the statutes of the United States have always distinguished between spirituous liquors or distilled spirits and malt liquors.

The conclusion of Mr. Justice Brewer's opinion is worth quoting in full. The Government had relied upon a decision of the Supreme Court of North Carolina in the case of *State* v. *Gresich* (98 N.C. 720), which Mr. Justice Brewer describes as follows.

I should like to have the attention of the Senator from Idaho particularly to this because I think it anticipates a question which I know he is going to ask.

Mr. BORAH. I am not only going to ask it but I am going to concede that the Senator's contention is absolutely correct. We are not contending that beer is a spirituous liquor. We are contending that it is an intoxicating liquor.

Mr. TYDINGS. The courts say it is not. Let me read further:

That was a case where a statute of North Carolina prohibited the introduction and sale of spirituous liquors, and the court held these terms to be generic and to include all intoxicating liquors containing alcohol, whether distilled, fermented, or vinous.

Mr. Justice Brewer disposed of this case in the following indignant language. This, I think, throws a great deal of light upon the correct interpretation of the words "intoxicating liquor" in the eighteenth amendment. I am quoting the decision of the court:

The reasoning on which such a conclusion is reached excludes the common and popular significance of the words and finds the meaning of the statute in the fact, true in a scientific sense, that alcohol is found in fermented as well as distilled liquors, and that the purpose of the statute is to prevent the mischief occasioned by the use of intoxicating drinks.

We cannot agree with this method of reading a penal statute. The purpose of such a statute is to notify the public of the legislative intent, not to furnish scientific definitions. That intent is in most cases to be found by giving to the words the meaning in which they are used in common speech.

Nor can courts in construing penal statutes safely disregard the popular signification of the terms employed in order to bring acts otherwise lawful within the effect of such statutes because of a supposed public policy or purpose. The danger of substituting for the meaning of a penal statute, according to the popular or received sense, the conjecture of judges as to a supposed mischief to be corrected is pointed out by Chief Justice Marshal, when in the case of *United States* v. *Wiltage* (13 U.S. 96) he said:

"To determine that a case is within the intent of a statute the language must authorize us to say so. It would be dangerous indeed to carry the principle that a case within the reason or mischief of a statute is within its provisions, so far as to punish a crime not enumerated in a statute, because it is of equal atrocity or of a kindred character with those which are enumerated."

In other words, here is a case where, as I see it, the Senator from Idaho has argued in effect that the eighteenth amendment prohibits the sale or the manufacture of intoxicating beverages. The word "beverages" does not appear in the eighteenth amendment itself. The eighteenth amendment only prohibits intoxicating liquors for beverage purposes. If beer is not an intoxicating liquor—and I submit that under the Hollender case the court has said it is not, and in that case upheld the contention that it is not—by what stretch of the imagination now can it become an intoxicating liquor? Indeed, as I have listened for 10 years to the arguments of the proponents of prohibition on this floor and in the House, it has been evident that they have assumed that the eighteenth amendment prohibits the manufacture, sale, and transportation of intoxicating beverages. It does nothing of the sort. It limits and prohibits intoxicating liquors, nothing more and nothing less.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Maryland yield to the Senator from Idaho?

Mr. TYDINGS. I yield.

Mr. BORAH. The sole question decided in that case was that beer was not a spirituous liquor.

Mr. TYDINGS. What kind of liquor is it? If it is not spirituous liquor, what kind is it?

Mr. BORAH. It is a malt liquor.

Mr. TYDINGS. What is wine?

Mr. BORAH. That is a spirituous liquor. But the Senator is contending now that an intoxicating liquor means an intoxicating spirituous liquor. Nobody is contending that that is true. If the eighteenth amendment declares that all intoxicating spirituous liquors are prohibited, the Senator would be absolutely correct in his position. But the eighteenth amendment includes all liquors which are intoxicating, distilled, malt, or otherwise, and the sole question decided there was the question that beer is not a spirituous liquor.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. ADAMS. I merely want to make this inquiry. If the Senator is correct in his interpretation of the eighteenth amendment, then we have a good many people in the Federal prisons who do not belong there because they have been convicted of making beer, and if that is true, why the necessity for the bill now before the Senate?

Mr. TYDINGS. I hope the Senator will not touch on that, because I am coming to that myself.

Mr. President, in the previous case I quoted from the decision of the court itself in direct contradiction of what the Senator has just said, and I will quote from the court again.

So far as popular usage goes, according to the leading authorities, lager beer as a malt liquor by fermentation is not included in the term spirituous liquor, the result of distillation.

As a matter of fact, as I shall show later on, the court says that proof that there is this distinction is found in the fact that on all saloon signs in the old days there were the words, "Beer, Wine, and Liquors." Therefore, the popular acceptation has been all along, and we adhere to it in our tax laws, that each one of those general subdivisions of intoxicating beverages must be considered separately.

The argument which the Senator from Idaho made, if I understood him correctly, had to do with the fact that the eighteenth amendment in spirit sought to outlaw all intoxicating beverages. I believe that is what the writers of the eighteenth amendment sought to do, but they actually used the words "intoxicating liquors."

Mr. BORAH. I may have used the word "beverages" sometimes, but certainly we are arguing the question of intoxicating liquors.

Mr. TYDINGS. If the Senator will read his remarks tomorrow I am satisfied that 9 times out of 10 he will find that he said "intoxicating beverages."

Mr. BORAH. Well, it really would not make any difference.

Mr. TYDINGS. I think it would, because under the heading of "intoxicating beverages" coffee might be eliminated. For example, the Senator from West Virginia [Mr. HATFIELD], just a moment ago, said that 2.75 beer was intoxicating and that it would affect the nerves of those who drank it. I know enough about medicine to say that coffee will affect the nerves the minute it is drunk; and the Senator will not deny that.

Mr. HATFIELD. Mr. President, will the Senator from Maryland yield to me?

Mr. TYDINGS. I yield to the Senator from West Virginia.

Mr. HATFIELD. But the drinking of coffee will not affect the nerves in the same manner. [Laughter in the galleries.]

Mr. TYDINGS. Oh, well, the Senator from West Virginia did not say that. He said 2.75 percent beer would affect one's nerves.

The PRESIDING OFFICER. The Chair will admonish the galleries that demonstrations of any kind are not permitted to occupants of the galleries. The rules of the Senate must be observed by the occupants of the galleries.

Mr. BORAH. As I understand the Senator, he contends that the eighteenth amendment does not cover beer at all?

Mr. TYDINGS. My argument is that the Standard Dictionary, which I quoted, says that there is a difference between the three, and the way the definition reads, as I understand it, only intoxicating liquors—of which I do not think beer is one—are included.

Mr. BORAH. Then, as I say, the Senator's contention is that the sale of beer has never been prohibited?

Mr. TYDINGS. That is correct.

Mr. BORAH. Then, what would be the use of passing this legislation?

Mr. TYDINGS. The question has never been tested by the court, and therefore we have gotten no opinion either to verify what I say or to disprove it.

Mr. CLARK. Will the Senator from Maryland yield to me?

Mr. TYDINGS. Yes.

Mr. CLARK. The use of this legislation will be to raise some money with which to balance the Budget.

Mr. TYDINGS. That is one of the important features of the proposed legislation.

Mr. BORAH. Then, may I ask the Senator from Missouri, why refer to any alcoholic content at all?

Mr. CLARK. Because the sale should be regulated.

Mr. BORAH. Why not put in 4 percent, as some desire?

Mr. TYDINGS. May I say to the Senator from Idaho that I just cited a decision of the Supreme Court which quotes a definition of the word "liquors" which is found in two dictionaries. What is the definition of the words "intoxicating liquors", for not distilled liquors, not spirituous liquors, but "intoxicating liquors" are the things which are prohibited by the eighteenth amendment? The Standard Dictionary definition, which is quoted by the Supreme Court in both decisions, is as follows:

> Specifically one of the spirituous kind as distinguished from beer and wine.

I do not think that I have made myself plain to the Senator. I am maintaining that beer is not a liquor.

Mr. BORAH. Exactly.

Mr. TYDINGS. I am maintaining that the dictionaries which the Court quoted in its opinion said it was not a liquor; and I am maintaining that the philosophy of those decisions shows that it ought to be excluded.

Mr. BORAH. What I understand the Senator from Maryland to contend is that the eighteenth amendment does not apply to beer.

Mr. TYDINGS. That is correct.

Mr. LONG. Mr. President, will the Senator permit me to interrupt him?

Mr. TYDINGS. Just a moment. The second definition, that in the Century Dictionary, to which the court referred, reads as follows:

> Especially a spirituous or distilled drink as distinguished from fermented beverages, as beer and wine.

I should like particularly to have the Senator's attention as I read that last definition which the Court quoted. Speaking of the word "liquors", the Century Dictionary says:

> Especially a spirituous or distilled drink, as distinguished from fermented beverages, as beer and wine.

In other words, it took beer and wine out of the liquor class and labeled them under the classification of beverages.

Mr. HATFIELD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from West Virginia?

Mr. TYDINGS. Yes; I yield.

Mr. HATFIELD. Will the Senator tell me the difference in alcoholic content of beer and of——

Mr. TYDINGS. I did not get the beginning of the Senator's question.

Mr. HATFIELD. I ask what is the basis of all beverages having a liquor content?

Mr. TYDINGS. I do not understand what the Senator seeks to elicit.

Mr. HATFIELD. Well, alcohol is the basis of all intoxicating drinks. Is not that true?

Mr. TYDINGS. Is the Senator now talking about alcoholic beverages or liquors?

Mr. HATFIELD. I am speaking of alcoholic beverages, of anything with an intoxicating base.

Mr. TYDINGS. But I am only talking about intoxicating liquors, because that is all the eighteenth amendment mentions.

Mr. HATFIELD. In every quart of 2.75-percent beer there is just about a minim less than an ounce of absolute alcohol.

Mr. TYDINGS. The Senator's observation proves exactly what I have been contending here for half an hour. He assumes that the eighteenth amendment prohibits the manufacture and the sale of intoxicating beverages. It does nothing of the kind. It confines itself exclusively to the prohibition of intoxicating liquors, and beer and wine, not being liquors, are without the eighteenth amendment.

Mr. HATFIELD. Will the Senator yield further?

Mr. TYDINGS. Yes; I yield.

Mr. HATFIELD. Why is it the Court has not passed upon the point respecting the eighteenth amendment which the Senator now raises?

Mr. TYDINGS. Because no one has brought suit to test that point; but I have shown that in prior suits the Court has quoted definitions given in two dictionaries which draw a distinction between liquors and beer and wine. I am going to read the last definition over again. [Laughter in the galleries.]

Mr. HATFIELD. Mr. President, may I ask——

Mr. TYDINGS. Just a moment. The definition in the Century Dictionary——

Mr. WALSH. Mr. President, I rise to a point of order. There is a constant commotion, including laughter, in the Senate and in the galleries.

The PRESIDING OFFICER. The point is well taken.

Mr. TYDINGS. The definition of the Century Dictionary——

The PRESIDING OFFICER. The Senator from Maryland will suspend. The Chair will instruct the Sergeant at Arms to clear the galleries if any demonstration is repeated, and laughter is included in the word "demonstration" within the meaning of the rule of the Senate.

Mr. TYDINGS. Mr. President, may I point out to the Senator from West Virginia that the Court, in referring to a differentiation between the different kinds of liquors and beer and wine, quoted the Standard Dictionary and also quoted the Century Dictionary? The Century Dictionary, in defining the word "liquor", has this to say:

> Especially a spirituous or distilled drink, as distinguished from fermented beverages, such as beer and wine.

It therefore says, for instance, that beer and wine are neither spirituous nor distilled liquors.

Mr. BORAH. Then the Senator thinks that the eighteenth amendment not only excludes beer but excludes wine?

Mr. TYDINGS. I do. Unless the wine is distilled I think it is excluded. If it is fermented wine, it is excluded. All I am taking is the definition quoted by the Supreme Court of beer and wine and whisky in two decisions against which no decision has been rendered to the contrary.

Mr. HATFIELD. Mr. President, will the Senator yield further?

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, the Senator from Idaho apparently does not catch what the Senator from Maryland, as I understand, has demonstrated. A legislative interpretation can include beer or wine as an intoxicating liquor, and it is possible for such legislative interpretation to be valid; but, as a fundamental substantive proposition, in the ordinary acceptation of the term, without legislative interpretation to the contrary, it would not seem that beer and wine would be intoxicating liquors.

Mr. TYDINGS. Mr. President, I do not think I can say that. If the Senator from Louisiana will listen for a moment, I will read from the eighteenth amendment. That amendment says, in part, that—

> The manufacture, sale, or transportation of intoxicating liquors—

Not "intoxicating beverages" but "intoxicating liquors". Now let us see what a liquor is. Does a liquor include beer and wine? If it includes beer and wine, then they are prohibited under the eighteenth amendment; but if it does not include beer and wine, then they are not prohibited under the eighteenth amendment. Now, what does the Supreme Court say of liquors? The Supreme Court says:

> Liquor is especially a spirituous or distilled drink, as distinguished from fermented beverages, such as beer and wine.

The dictionary which the Court uses in its opinion to define what liquor is says that beer and wine are fermented beverages, but not spirituous or distilled liquors. I submit that there is no contrary Court case which has ever held that beer and wine are distilled liquors.

Mr. BORAH. The only contrary court cases are the number of instances—hundreds of them—where individuals have been convicted for selling intoxicating liquor in the form of beer and wine. The courts have over and over again sustained convictions of persons who sold beer that had an intoxicating alcoholic content.

Mr. TYDINGS. Yes; but the Senator knows as well as I know that the question of the constitutionality of the Volstead Act, upon which those cases were predicated, was not the point at issue in the trial of those cases. There has been no decision rendered by the Supreme Court of the United States which has interpreted what is or what is not an intoxicating liquor for beverage purposes. The question of the constitutionality in that aspect of the case has never gone to the Supreme Court, and, indeed, I do not believe it has been passed upon by any district court in this country. In the Supreme Court decision, in which Mr. Justice Shiras rendered the unanimous opinion of the Court, it was held that beer and wine were not spirituous or distilled liquors.

Mr. BORAH. I agree to that.

Mr. TYDINGS. Yes; the Senator agrees to that.

Mr. BORAH. There is no controversy on that at all.

Mr. TYDINGS. So the only way beer could possibly be brought in under the eighteenth amendment was to call it a fermented liquor; but even the decision which the Supreme Court rendered in that case used the definition of the Century Dictionary, which says:

> Liquor is a spirituous or distilled drink, as distinguished from fermented beverages, such as beer and wine.

Now, Mr. President, I want to take up for a few minutes the humanities of the question.

Here we are conceding, 12 years after the adoption of national prohibition, that if a beverage has less than 2 percent of alcohol by volume, it is not intoxicating. As far as I know, with one or two possible exceptions, everybody in the Senate, wet or dry, concedes that a beverage which has less than 2 percent of alcohol by volume is not an intoxicating liquor; but how many thousands of cases have been tried upon the assumption that a beverage containing as much as five eighths of 1 percent was in fact an intoxicating beverage? How many hundreds, perhaps, have gone to the jails and to the penitentiaries for a so-called "crime" which we, 12 years after the adoption of the amendment, ourselves admit was no crime at all? Where were those men who now speak about a fine rate of percentage, who sat idly by for 12 years and saw the jail population pile up, and had no heart and no law changed, who now come in and try to carry a percentage 500 places from the decimal point in order to fix with great distinctness exactly what is intoxicating and what is not intoxicating?

Think of all the misery; think of all the illegal arrests; think of all the illegal convictions! If we declare, as we shortly shall, in my opinion, that any drink containing less than 3.2 percent of alcohol is nonintoxicating, think of all those that we have sent to the penitentiary and jails and fined heavily during the past 13 years who now we are going to say, in 1933, never committed any crime anyhow! I say it is with poor sportsmanship, it is with bad logic, and with bad law in a sense, that we now take such infinite pains to stay within the Constitution when we have admitted already upon this floor that we went outside of it, and have put people in jail in the execution of a power which we did not have for 13 years?

Thirteen years ago we said that any beverage containing more than one half of 1 percent of alcohol by volume was an intoxicating liquor. It was a lie. It never had a shred of truth in it; and thousands of innocent victims have been sent to the jails under it. Thirteen years afterward, we are here to admit it.

Why did we not, during all that time, draw the distinction where it should have been drawn? We exceeded our constitutional power. It was a pure usurpation of power. We never had any right to deal with this matter further than the subject of intoxicating liquors. That was all the power we had; but we did not stop there. We exceeded our constitutional power; and it must be admitted now, I think, that if we should fix the permissible alcoholic content at even 5 or 6 percent we would not be violating our oaths of office. We would be using a part of the power conferred on us. Of course, it carries with it the moral prerogative that we should prohibit the sale of an intoxicating liquor.

I am not going to talk longer, Mr. President. In my judgment, all of the thought of this country, all of the speeches that come from the pulpit, all of the lectures that are made by the prohibitionists, all of the literature which is published, presuppose that the eighteenth amendment prohibits intoxicating beverages. It does nothing of the kind. It prohibits intoxicating liquors. I venture to say that tomorrow morning, if a man will read the CONGRESSIONAL RECORD, he will find that almost every Senator who has spoken on this question will have said "intoxicating beverages" as meaning what the Constitution really says, when, as a matter of fact, it says "intoxicating liquors"; but people assume, because it says "intoxicating liquors," that anything with any alcohol in it is within the scope of the amendment.

All we have to do here is to stay within the limits of the Constitution. Beer never was an intoxicating liquor. It is a fermented beverage. It never was an intoxicating liquor, and never will be. The Constitution has nothing to do with beer; and, in my judgment, we can eliminate beer entirely without violating the spirit or the letter or the purpose of the eighteenth amendment.

In conclusion, Mr. President, in the Hollander case the court said that you cannot read into a statute something which is not in the statute itself. You cannot suppose that because you meant to do a thing to cover a certain category you actually do cover it, unless you use words which will actually cover it. There is no contrary decision anywhere in the statute books. If it is contended that there is one, let somebody show where this court, anywhere in its history, ever said that beer was a liquor. On the contrary, there are many decisions which show that the court thought beer was not a liquor. If that is so, and the eighteenth amendment confines us to intoxicating liquors, these fine points about alcoholic content can be brushed aside, because, in my judgment and in line with the decisions of the court, we will not violate our oaths by voting for beer of even 4 or 5 percent alcoholic content, for it is not a liquor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had agreed to the amendments of the Senate to the bill (H.R. 2820) to maintain the credit of the United States Government.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H.J.Res. 75) to provide for certain expenses incident to the first session of the Seventy-third Congress, and it was signed by the Vice President.

NOMINATIONS IN THE NAVY DEPARTMENT

Mr. TRAMMELL. Mr. President, as in executive session, I ask unanimous consent to report back favorably, from the Committee on Naval Affairs, and submit for confirmation three different appointments in the Navy—the Assistant Secretary of the Navy, the Surgeon General of the Navy, and the Chief of the Bureau of Construction and Repair in the Navy Department.

I ask unanimous consent to have those nominations considered and acted upon as in open executive session.

The PRESIDING OFFICER (Mr. GEORGE in the chair). Is there objection? The Chair hears none, and the clerk will read the nominations.

The Chief Clerk read the nomination of Henry Latrobe Roosevelt, of New York, to be Assistant Secretary of the Navy.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Medical Director Perceval S. Rossiter to be Surgeon General and Chief of the Bureau of Medicine and Surgery in the Department of the Navy, with the rank of rear admiral, for a term of 4 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Naval Constructor Emory S. Land to be Chief Constructor and Chief of the Bureau of Construction and Repair in the Department of the Navy, with the rank of rear admiral, for a term of 4 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Without objection, the President will be immediately notified of these confirmations.

AMENDMENT OF THE VOLSTEAD ACT

The Senate resumed the consideration of the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes.

Mr. WALSH obtained the floor.

Mr. BORAH. Mr. President, will the Senator permit me to add a brief observation in connection with the remarks of the Senator from Maryland?

Mr. WALSH. Certainly.

Mr. BORAH. I desire to quote from a legal work on intoxicating liquors, by Joyce, who is an authority upon this subject. He says, page 2:

> The word "liquor" is a comprehensive one, and in its broadest sense includes fluids which not only may be drank as a beverage but those which, on the other hand, cannot be, or are not reasonably liable to be, so used. Both intoxicating and nonintoxicating liquors are included within the meaning of this word. In its ordinary acceptation, however, it is generally understood as implying those liquors which are of an intoxicating nature; that is, such as are ordinarily used as a beverage and which tend to and will intoxicate.

The Supreme Court of Kansas defines intoxicating liquors as—

> Such liquors as will, if used as a beverage, produce drunkenness.

The Court of Appeals of New York says that the term "intoxicating liquors"—

> includes all liquors, whether spirituous, vinous, or malt.

That is also confirmed by the Supreme Judicial Court of Massachusetts.

Mr. WALSH. Of course, the Supreme Judicial Court of Massachusetts is always on the right side of every question.

Mr. BORAH. It has a very high standard.

Mr. WALSH. I appreciate the compliment paid to the Supreme Court of my State by the distinguished Senator.

Mr. President, I desire to discuss very briefly an aspect of this question that is very often overlooked.

Not all the people interested in the passage of this law, or in the adoption by the several States of an amendment repealing the eighteenth amendment, are interested in buying or selling or drinking intoxicating liquors. Not all are interested in breweries or distilleries. Not all are interested in the revenue that the Government may receive as a result of permitting the manufacture and sale of intoxicating liquors. There are many people behind the movement to repeal the eighteenth amendment and to modify the Volstead Act who are interested solely in good government and in the restoration of the fundamental principles of the Constitution which they believe in the long run will preserve inviolate our democratic institutions.

Mr. President, it is now generally conceded that national prohibition has been a failure. No one defends it as satisfactory. Some contend that it is better than the old system of selling intoxicating liquors through the saloon, but no one contends that it has been a success, that it has resulted in improving the morals or in strengthening the respect of our people for our system of government.

As a result of national prohibition, there have spread throughout the country evils and abuses that were unheard of under the old system. Under national prohibition, perjury, crime, and racketeering have increased beyond the bounds of control. Dishonesty in public life has developed to proportions heretofore unknown. Disrespect for law, disobedience of authority, and general disregard for those fundamental, sacred principles and truths that even under the old system were generally respected have increased.

This country gives unmistakable evidence of returning to the old order and to the Constitution of the fathers, namely, that of local control of this troublesome political question. Many of the people who are behind this legislation, and who are asking for the repeal of the eighteenth amendment, are actuated solely and alone by the honest belief that the States can better control and regulate the manufacture and sale of intoxicating liquors than the Federal Government can succeed in prohibiting the manufacture and sale of intoxicating liquors. They insist that the Federal Government rid itself of this purely local and State function.

A good deal is said in criticism of the saloon. Words may not be strong enough to use in condemnation of some of the conditions that existed in some parts of the country as a result of the saloon; but I inquire if the open control and regulation of the legalized sale of intoxicating liquors are not preferable to the speak-easy. Bad as the saloon is, it at least has some pretense of legal existence and is in the open, where its evils and abuses can be recognized and corrected if public opinion desires to do so. But the speak-easy is beyond control of public authority, is beyond regulation, its abuses are hidden, its evils are beneath the surface, it breeds crime, encourages racketeering, and enriches the profits of the underworld; it has brought into the public life of our country a train of new evils and abuses which threaten the very foundations of free institutions and orderly government.

Mr. President, what I have been saying can be much better stated in a paragraph which I desire to read from a well-known weekly which recently discussed this subject. In this weekly it is said, referring to the committee hearings:

> Throughout the hearings the committee has apparently labored under the delusion that what the country wants is permission to sop up beer and to guzzle whisky. That is far from the wishes of the men and women who for 13 years have led the fight against prohibition. As this review has repeatedly insisted, with us it is not a question of beer or of whisky but wholly a question of good government. It is our conviction that temperance in the use of alcoholic beverages is best secured through the influence on the individual of religion and of education. Should this influence fail, so that intemperance becomes a menace to the peace and good order of the community, the necessary restrictions should be made and enforced by that community. In the regulation of personal habits, inoccuous in themselves, yet subject to abuse, legislation should be the last, not the first recourse. Further, legislation, if deemed necessary, should be enforceable. Otherwise it will only enhance the evil against which it is directed.
>
> Thirteen years of sad experience have demonstrated beyond doubt that prohibition has no place in the Federal Constitution. It cannot be enforced, and it brings with it a train of graft, perjury, murder, and general disrespect for law. Any substitute amendment which fails "to restore to the States their ancient right of local self-government", as Representative BECK writes, will perpetuate these frightful abuses, together with the fundamental vice of Federal prohibition which is its incompatibility with the spirit and purposes of the Constitution.

Mr. President, it is because of the sentiments expressed in these sentences that many Senators in this body coming from dry States propose to vote for the pending bill and to vote for the repeal of the eighteenth amendment, because they are convinced, after this experiment of 13 years, that if the States themselves cannot regulate and control and suppress the illegal handling and distribution of intoxicating liquors, it is proved beyond doubt that the Federal Government cannot do it. It has failed, and they insist that we return to the several States the authority to legislate and enforce their own people's will on this question.

Mr. President, to those who cry out against the return of the saloon let me quote from another authority. It discusses the question of which is preferable, the saloon or the speak-easy.

The open saloon was a destructive force of great magnitude. It catered to human depravity, and it was the flaunting of its shamelessness to the public everywhere that brought us prohibition.

To be sure, there were all kinds of saloons, just as there are all kinds of speak-easies, and it is difficult to frame a law that would set a definite dividing line. But, admitting that the saloon was guilty of all that was charged against it, and more, too, we still have to acknowledge that the speak-easies are far worse.

They are unlawful and lawless to the last degree. There you will find the home of racketeering of the worst sort. Easy money is the tempting bait that aids and abets this criminality.

The liquor evil is with us. Prohibition has moved the saloons from the street corners into the speak-easies. And we know from bitter experience that the liquor habit cannot be crushed by law. We have learned that lesson beyond all refutation.

And the question we will doubtless have to ask ourselves at this time is: Will we have the open saloon that is lawfully controlled or will we have the speak-easy?

If we refuse to license the saloon, will it be possible to close the speak-easy?

We hear an unlimited amount of discussion as to what we must do when the Volstead law is repealed, and there is nearly always the associated warning that we must not go back to the saloon. But if we expect to close the speak-easy, what other method can be used?

If we expect to close the speakeasy, if we expect to get rid of the failure of national prohibition, what other method can we use except to return this power and authority to the States?

Some politicians are not adverse to deceiving the public, and the speak-easies are hidden away on side streets. They do not flaunt their ugliness to the general public.

It is our belief, if we are compelled to choose between the two—and that seems to be the situation—that the saloon, licensed and controlled by governmental edicts, compelled to close at certain hours, is by far the lesser of the two evils.

And this is by no means an indorsement of the saloon. God forbid! But there is no room for argument as to which is the lesser evil—the speak-easy or the saloon. There are literally hundreds of thousands of speak-easies doing business throughout the country at this time. If we have licensed saloons, they can all be closed—

Whenever and at whatever time we choose to close them—

If there are no saloons the speakeasies will undoubtedly find it profitable to remain in business.

And there seems to be no possible chance of closing them by legal measures. We know that in spite of all the efforts made through Federal and State edicts they have continued in business.

There is only one way to close them—

Only one way to close them—

and that is through legitimate competition by licensed drinking places.

Legitimate competition by licensed drinking places!

We can call them saloons, or whatever we please. No matter how much we may object to their presence, we cannot put them out of business.

They will either exist as a secret, unlawful business, or else they can be subject to close scrutiny, made to conform to certain definite rules through governmental license, which would at least materially lessen their evil influence.

There are still many who will doubtless condemn this attitude, but when we have an unpleasant situation to deal with it is foolish to close our eyes. It must be recognized and handled in the most effective manner.

We will candidly admit that all drinking places should be closed. We will go further, and admit that prohibition, if it could be enforced, would be of infinite benefit to the Nation. This we have tried for a decade or more and we have failed miserably, and when we ultimately find that we are compelled to choose between two destructive forces it is certainly desirable to select that which is the least harmful.

Mr. President, I think that presents a view of this question which is not generally considered in connection with the repeal of the eighteenth amendment or with the modification of the Volstead law.

In my own State of Massachusetts—and I know it is true in many other States of the Union—many leading citizens who have never indulged in a glass of intoxicating liquor, who in the past have been advocates of prohibition when the States had local option, are the most ardent and the most earnest and the most outspoken advocates of the repeal of the eighteenth amendment and are for the modification of the Volstead law. I repeat, their stand is based upon the solemn conviction that good government requires and necessitates this change. They are actuated by the highest patriotic motives—opposition to Federal bureaucracy, belief in State rights, and the promotion of temperance and good morals.

Mr. President, let us now come to the bill under consideration. What are we proposing to do here? We are proposing to have Congress step out of the field of prohibiting and regulating—what? Intoxicating liquor? No. We are proposing in this measure to have Congress step out of the field of prohibiting and regulating nonintoxicating liquor. Congress now is in that field. Federal administrative officers, because of the Volstead law, are now regulating nonintoxicating liquor, the Supreme Court declaring that that authority could be had in order properly to enforce the provisions of the Volstead law, which forbade the manufacture and sale of liquor containing more than one half of 1 percent of alcohol. Furthermore, it is generally conceded that this content does not fix an honest definition of intoxicating liquors. It includes nonintoxicating liquors.

What we are doing is merely taking the first step toward going back to State control, toward local self-government, the first step to get away from Federal administration and Federal control of the personal habits, the personal conduct, the personal customs, and the personal misdemeanors of the people in their several local communities. The first proposition here, therefore, is, Are we ready and willing to take Congress out of the field of prohibiting and regulating nonintoxicating liquor? Certainly nobody can doubt that that is a legitimate step and a first step for Congress to take in dealing with this subject.

Mr. President, there is and always will be a good deal of discussion as to what is intoxicating and what is not intoxicating liquor, and we might sit here for weeks and for months and hear arguments made and decisions rendered pro and con indicating that it is not one half of 1 percent that is the correct line of demarcation between nonintoxicating and intoxicating, that it is not 2, that it is not 2½, that it is not 2.75, that it is not 3, that it is not 3½, that it is not 4.

Are we to sit here and debate that question indefinitely? Is it not a fact that two committees of the Congress, the Ways and Means Committee of the House and the Judiciary Committee of the Senate, for weeks and months, argued, discussed, and studied that aspect of this question, and have presented an opinion that is within the domain of the Constitution of the United States for the Congress to modify the Volstead Act to the extent of declaring those beverages which contain less than 3.2 or 3.05 percent of alcohol nonintoxicating?

It seems to me we ought to accept that decision, and, as a matter of fact, the net result of argument upon that line will be that the drys will never concede anything more than one half of 1 percent and the wets will seek to get that degree of alcoholic content which they believe it is possible for the Supreme Court to sustain as nonintoxicating.

Mr. President, it seems to me that if we have decided that the time has come to step out of the field of the Federal Government prohibiting and regulating the sale of nonintoxicating liquors, the next thing is to vote to enact this bill and

send back to the States the authority to handle this problem. Will the States set up saloons? It is possible some of them will. The Democratic convention expressed the hope that the States would not restore the saloon. All friends of temperance would prefer some other method of handling this problem. But that is not our business, I repeat. Saloons, with all their alleged evils, are preferable to the speak-easy, which never sees the light of legal authority, or never is under the observing eye of an officer of the law or is open and doing business under any regulation or limitation.

Mr. President, with the testimony of eminent scientists and lawyers before us, it must be admitted that all that the pending bill does is to take the Federal Government out of that incidental field of enforcement of the prohibition on the beverage traffic in intoxicating liquor which has to do with nonintoxicating beverages and leave that field—the fringes of prohibition enforcement—to the States.

The enforcement of the prohibition on the beverage traffic in intoxicating liquors is, I repeat, a matter which should be left entirely to the States. Our country is too large and the temper and disposition of our people are much too varied and diverse to make possible the enforcement of any one rule of personal conduct throughout the length and breadth of the land. This is evidenced by the miserable failure of the attempt to enforce the National Prohibition Act.

One of the major difficulties in the enforcement of national prohibition has been that the act covered too broad a field, the fringes, such as the prohibition on the sale of nonintoxicating beverages. This not only created resentment amongst the citizens, increasing the problem of the Federal enforcement officers, but broadened the field of their activity so that the limited number of men available could not begin to police the country. The pending bill removes some of the public resentment, lightens the burdens of the Federal officers, and gives back to the States the power—which should never have been vested in the Federal Government—to determine how far it is necessary to police nonintoxicants in order to enforce their theories of police regulation.

Mr. President, I close by advocating this measure on four grounds: First, because national prohibition has failed; secondly, because this is the beginning of a movement which cannot be stopped to give back to the States, to give back to the people, the sole control of handling this difficult and trying problem; thirdly, in the interests of real temperance; and, fourthly, in the interest of personal liberty.

A vote for this bill is a vote for home rule against Federal bureaucracy at its worst. After this step, the repeal of the eighteenth amendment must follow.

Mr. BRATTON. Mr. President, it is not my purpose to discuss the pending measure at length nor in a controversial manner. One question and only one question is involved here, and that is whether a beverage containing 3.2 percent of alcohol by weight, which is equal to 4 percent by volume, is intoxicating. The Senator from Massachusetts [Mr. WALSH] says we are discussing the question of home rule. If a beverage containing 3.2 percent of alcohol is intoxicating, it impinges upon the Constitution of the United States, and the question of home rule does not present itself. The question of local self-government is involved when we come to vote upon the repeal of the eighteenth amendment, but not here.

Any view we take of the pending legislation brings us directly to the question of whether 3.2 is intoxicating. We might argue that question at length in this Chamber, and in the finality each Member would have his own individual opinion about it. As a member of the Judiciary Committee, I made as careful a study of that question as I was capable of making, and I have reached the conclusion that a beverage containing 3.2 alcohol is intoxicating.

It will be said that those of us on this side of the aisle are under the impelling obligation of carrying into effect the platform declaration of the Democratic National Convention held in Chicago last June. Mr. President, that declaration is to liberalize the Volstead Act as far as it can be done without trespass upon the Constitution. The message of the President delivered to the Congress only 2 or 3 days ago followed almost verbatim that platform declaration. It urges each Member of this body and of the body at the other end of the Capitol to liberalize the Volstead Act as far as it can be done without impinging upon the Constitution. Indeed, no great political party and no President would call upon anyone to vote for a measure that would violate the Constitution. So it comes back to the question of whether 3.2 alcoholic content by weight is intoxicating. Repeating, I have reached the conclusion that it is, and therefore I shall vote against the measure.

That is all I have to say about the measure. That is the only question involved. Each Member of the Senate will decide that question for himself. So let the roll be called.

Mr. DILL. Mr. President, I desire to offer an amendment to the pending measure to prohibit advertising of beverages by radio and other methods. I ask that it may be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. BARKLEY. Mr. President, I have very little to say and I say it now only because I am compelled to leave the city at 4:30 o'clock and may not be here when the vote is cast.

Our platform pledged us to such amendment of the Volstead act as might be permissible under the Constitution. In my campaign for reelection last year I endorsed that platform and ran upon it and accepted it, stating of course, as we all did and as we all do now, that I would not knowingly vote for the legalization of any intoxicating liquor so long as the eighteenth amendment is in the Constitution.

The bill came to the Senate from the House in the last session and, in order to determine that matter, was referred to the Committee on the Judiciary. That committee reported that beer or beverages containing as much as 3.05 percent of alcohol were permissible under the Constitution. I take it for granted that after very careful consideration the Judiciary Committee reached the opinion that 3.05 was at least approximately the highest point which would be permissible under the Constitution. I recognize that even that was an expression of opinion from the Judiciary Committee itself.

In the Committee on Finance on yesterday I offered an amendment substituting 3.05 for 3.2 and that amendment was defeated in the committee. If present at the proper time I should offer that amendment on the floor on the ground that, having been referred to the Judiciary Committee and that report having been made, such a report satisfies some of the Members of the Senate who otherwise might be in doubt as to just how far they might go in legalizing any alcoholic content and at the same time remain within the Constitution of the United States.

I should vote for such an amendment if offered on the floor of the Senate and if here myself I should feel it my duty to offer it. But I may not have that privilege. I realize that there is only about one sixth of 1 percent difference between 3.05 and 3.2. It is an approximate agreement between the Judiciary Committee estimate and the Finance Committee estimate in its final action on the bill. While I would infinitely prefer that the bill follow the language of the Judiciary Committee's recommendation and fix the alcoholic content at 3.05, yet if such an amendment is offered and defeated I would, nevertheless, in view of the slight difference, feel it my duty to vote for the bill as it now is written coming from the House and from the Committee on Finance.

I am paired with the senior Senator from Iowa [Mr. DICKINSON] on this measure, and I suppose that pair will be announced when the vote is taken, but in view of my inability to be here at that time I wanted to make this statement.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BLACK. I desire to call the Senator's attention to the fact that, according to my information, in the Ju-

diciary Committee the vote was unanimous against the percentage of alcoholic content contained in the present bill, and while the report was not unanimous, because there were some who thought that even the alcoholic content recommended by the Judiciary Committee would be violative of the Constitution, yet there was a unanimous vote of the Judiciary Committee for cutting down the alcoholic content to that which appeared in its report.

Mr. BARKLEY. I do not know the facts as to the vote in the Judiciary Committee, but we do know they did make the report and that report was before the Finance Committee in the last session and it was approved by the Finance Committee in the last session without a dissenting vote. Of course in this session, when the bill was referred to the committee, the Finance Committee reversed its position on that matter and refused to lower the alcoholic content.

Mr. DILL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Washington?

Mr. BARKLEY. I yield.

Mr. DILL. I may say to the Senator that as a member of the subcommittee which gave consideration to this question at some length, I agree with the conclusion which we reached that we could find no evidence, that we looked upon as legal evidence which could be accepted by a court, to the effect that 3.2 was not intoxicating, but we did have evidence of tests which had been made on this subject, particularly by the commission in England, that would justify anybody who would read the reports of that commission in saying that 3.05 is not intoxicating. I think that is what influenced the members of the Judiciary Committee to set that figure.

Mr. BARKLEY. Of course in order to determine whether any particular liquor bought by anyone in violation or in supposed violation of law is intoxicating, it is necessary to have it analyzed to ascertain how much alcohol it actually contains. I remember that as prosecuting attorney in my early legal experience I had great difficulty in proving that any particular beverage was actually intoxicating. Although a man might be found drunk after drinking it, the defendant was usually able to produce evidence that in addition to the particular liquor offered in evidence he had consumed other liquor which added to the intoxicability of the liquor offered in evidence. I doubt if there is any exact expert opinion in any case or any average case as to exactly how much alcohol it requires to make any given individual intoxicated.

I do not desire to detain the Senate longer. I merely desired to make my position clear.

Mr. HARRISON. Mr. President, in order to save time and try to expedite the consideration and conclusion of the bill, because we have no desire to try to keep Senators in session tonight after having had two night sessions, I desire to say that at the proper time I shall, in behalf of the committee, offer an amendment to make the alcoholic content 3.05 instead of 3.2, so we might save much discussion on that feature of the question.

Mr. CAPPER. Mr. President, I am going to vote against the pending bill, a bill which I think nullifies the Constitution, to legalize the manufacture and sale of intoxicating beverages. I believe that beer at 3.2 percent of alcoholic content is intoxicating, and its sale is a violation of the Constitution. I will not stultify myself by violating the oath which I took to support the Constitution.

I am perfectly aware of the fact that the measure is going to be passed and that it will be signed by President Roosevelt and become a law, but that does not mean that I am obliged to sit quietly here and see the Senate of the United States pass this beer bill without entering my protest.

It is a matter of regret to me that President Roosevelt has taken a position which in effect says the return of the breweries and the saloons is more important than farm relief and unemployment relief. It is difficult for me to get the viewpoint of those who believe beer more important than bread.

We are told this legislation will aid in bringing a revival of business. I am for any sound program that will get us out of the distressing business conditions which prevail throughout the country, but this measure is not going to assist in restoring prosperity to the people of the country. It will have just the opposite effect. It may yield some revenue to the Federal Treasury by taking it from the wives and children of the American workingmen, but this great Government cannot afford to take that kind of money.

We voted yesterday to take millions of dollars from the disabled veterans of our wars in order to balance the Budget and maintain the credit of the United States Government. We voted yesterday to take millions of dollars from the pockets of Federal employees in order to balance the Budget and maintain the credit of the United States Government. Today we are asked to vote for a measure that will take a thousand million dollars from the wives and children of workingmen to place perhaps $200,000,000 in the Federal Treasury.

I voted to give unprecedented dictatorial powers to President Roosevelt to deal with the problem of balancing the Budget. I did all that regretfully, somewhat doubtfully, but holding it necessary to deal drastically with a crisis that threatened the stability of the Government.

But I cannot, and I will not, vote for this measure to take bread from women and children to give profits to the brewers, even if some 30 pieces of silver may find their way into the Federal Treasury in the process.

The beer program will take money which would be spent for food and clothing and spend it upon alcoholic beverages. It will increase crime, disease, automobile accidents, and the vices which have always accompanied the saloon system, and will increase the expenses of the police and courts.

Mr. President, I do not intend to trespass longer upon the time of the Senate. I am unalterably opposed to this beer and wine measure, and in voting against it I am voicing the overwhelming sentiment of the people of Kansas, a State which has been, is now, and will continue to be uncompromising in its hostility to the liquor traffic, unyielding in its opposition to the return of the saloon in any form. We oppose the pending proposal to legalize the sale of beer because we believe it means the inevitable return of the saloon and all its attendant evils. No greater calamity could come to this Nation.

Before closing, allow me to express the hope that the new administration, after taking care of the Budget, the banks, and beer, will give us a program to attempt to take care of the unemployed and the farmer.

Mr. JOHNSON. Mr. President, I find myself under the necessity of making some little explanation of the attitude of those I represent in the State of California, with whom, of course, all Senators sympathize and for whose products they have not only a gustatory admiration but a real appreciation. I desire, sir, to make very plain the attitude of those who are engaged in grape culture in the West concerning the amendment that has been presented to this bill relating to wine. I am embarrassed in presenting their attitude because the amendment is that of my colleague [Mr. McADOO]; and because it is the amendment of my colleague, and because today he is ill and unable to be here, I do not seek to strike that amendment from the bill. I want the RECORD, however, to make perfectly plain the attitude and the position maintained by our people in northern California.

The grape growers of our State are in sympathy with this bill; they want to do nothing to interfere with its speedy passage; but they do not desire the amendment that has been placed in the bill by which the alcoholic content of the wines of California should be limited to 3.2 percent or 3.05 percent. Experience has taught them—of course I would not say that experience has taught Senators—that any wine that is fit, indeed, for use by any of those who would use it, any wine that would be utilized upon one's table would have an alcoholic content far greater than that which is suggested in the amendment.

In order that there may be no mistake in this matter I desire to insert in the RECORD certain telegrams that have come to me from the grape growers' organizations of California. Portions of one or two I read so that Senators may understand.

We are not—

Says the director of the Grape Growers' League of California—

playing dog-in-manger tactics by holding up beer bill. No wine advocate ever suggested silly, evasive 3 percent wine provision. It is veriest sop and means nothing, as there is no such naturally fermented table wine possible of manufacture in the United States or anywhere. If we cannot amend by including 10 percent alcoholic content of wine by weight, we insist on no mention of wine in bill, as it is false compromise, to which we do not agree.

I have taken up with members of the committee and with the distinguished chairman, who is in charge of this bill, whether an amendment of the kind suggested by this organization could be inserted in the bill, and he assures me that there is no possibility of it. I do not, therefore, present such an amendment, nor do I attempt to argue it, because I do not want to delay by a single instant the consummation that he seeks here on this particular occasion.

I read from another telegram just a word:

In view of President Roosevelt's message today we cannot too strongly urge action on your part in line with our previous telegram for inclusion of naturally fermented light wines in any beer legislation. Senate bill permitting 3.05 percent wine is inadequate, because there is no such wine. It excludes naturally fermented wines which are now legal under section 29 of the Volstead Act.

Were I disposed to be didactic at all, and argue the legal propositions that have been so well presented and at such length today, I would like to descant upon section 29 for a brief period, but I forego that pleasure; I save Senators that infliction. Nevertheless the attitude of our people in respect to the matter the very mention of the section will enable the Senate adequately to understand.

So, Mr. President, my colleague being ill today and unable to be here—and let that stand, please, as an announcement for the day—the amendment being his, and inasmuch as he insists upon it, I do not attempt to interfere with it; but I do make plain to the Senate, and I do make plain to those in charge of this bill, and if there be a conference upon it to those who will sit in the conference, that the amendment relating to wine is not desired by those I represent, who constitute, indeed, the greatest of grape-growing sections of the United States.

Mr. BARKLEY. Mr. President, will the Senator from California yield to me?

Mr. JOHNSON. Yes.

Mr. BARKLEY. I will say, while in the committee, this amendment was offered at the suggestion of the junior Senator from California [Mr. MCADOO], it was not understood by the committee, as I recall, as necessarily or by implication infringing upon the practice that is now indulged in by the people of California, for if, as a matter of fact, with the present limitation in the law of one half of 1 percent they are making wine with 10 or 12 percent alcoholic content, it would hardly be expected they would reduce the content when the legal limit is raised to 3.2 percent.

Mr. JOHNSON. Exactly.

Mr. BARKLEY. But there were certain representations made to the committee to the effect that there was a type of beverage known as "wine" made by others which could be successfully made and preserved with the alcoholic content legalized by the bill.

Mr. JOHNSON. Yes; I was so told.

Mr. BARKLEY. I wanted to state that in the absence of the junior Senator from California.

Mr. JOHNSON. I recognize that, but a beverage thus made with such an alcoholic content, may I say very solemnly and impressively to my friend from Kentucky, is not California wine. [Laughter.]

Mr. BARKLEY. Of course I am not an expert on California wine or any other wine, but we all know that no product of California is indigeneous to the soil of any other State or any other part of the world. [Laughter.]

Mr. JOHNSON. I would not, of course, contradict the statement of my friend, but after the passage of the legislation, after this session, and after this "new deal", I do hope we may educate him in the matter of our California wines.

[Laughter.]

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point in my remarks the telegrams to which I have referred.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

SAN FRANCISCO, CALIF., *March 15, 1933.*

Senator HIRAM W. JOHNSON,
United States Senator:

We are not playing dog-in-manger tactics by holding up beer bill. No wine advocate ever suggested silly, evasive 3 percent wine provision. It is veriest sop and means nothing, as there is no such naturally fermented table wine possible of manufacture in United States or anywhere. If we cannot amend by including 10 percent alcoholic content of wine by weight we insist on no mention of wine in bill, as it is false compromise to which we do not agree. Is it possible to get agreement in Senate to approve separate wine bill of practical alcohol content? We are prepared to defend any court action touching its constitutionality. LEA is prepared to introduce separate wine bill in House. This proposed sop does not mean anything to second largest California industry, with 350 millions investment and affecting livelihood of over 100,000 people. There is strong backing of our stand in New York, Pennsylvania, Ohio, New Jersey, and other States. Unless can get support for separate wine bill, please make contest for amendment present bill in practical way to include wine 10 percent by weight.

E. M. SHEEHAN,
Director Grape Growers' League of California.

SAN FRANCISCO, CALIF., *March 13, 1933.*

Hon. HIRAM JOHNSON,
Senate Office Building, Washington, D.C.:

In view of President Roosevelt's message today we cannot too strongly urge action on your part, in line with our previous telegram, for inclusion of naturally fermented light wines in any beer legislation. Senate bill permitting 3.05 percent wine is inadequate because there is no such wine. It excludes naturally fermented wines which are now legal under section 29 of the Volstead Act for home manufacture and consumption and require only congressional action to become legal for general use.

S. FEDERSPIEL,
Grape Growers' League of California.

SAN FRANCISCO, CALIF., *March 16, 1933.*

Hon. HIRAM JOHNSON,
Capitol, care Secretary:

Absolutely imperative must kill 3.2 wine from beer bill. If accept this fraud it will ruin all chance for natural light wine bill. Public simply cannot understand; there is no such wine as 3.2. Suffering grape growers throughout California feel 3.2 not only fails give them relief but will prevent relief this session. Kill 3.2 wine, letting beer alone pass.

S. FEDERSPIEL,
President Grape Growers' League of California.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

AGRICULTURAL RELIEF (H.DOC. NO. 5)

The PRESIDING OFFICER (Mr. GEORGE in the chair). The Chair lays before the Senate a message from the President of the United States, which will be read.

The Chief Clerk read as follows:

To the Congress:

At the same time that you and I are joining in emergency action to bring order to our banks, and to make our regular Federal expenditures balance our income, I deem it of equal importance to take other and simultaneous steps without waiting for a later meeting of the Congress. One of these is of definite constructive importance to our economic recovery.

It relates to agriculture and seeks to increase the purchasing power of our farmers and the consumption of articles manufactured in our industrial communities; and at the same time greatly to relieve the pressure of farm mortgages

and to increase the asset value of farm loans made by our banking institutions.

Deep study and the joint counsel of many points of view have produced a measure which offers great promise of good results. I tell you frankly that it is a new and untrod path, but I tell you with equal frankness that an unprecedented condition calls for the trial of new means to rescue agriculture. If a fair administrative trial of it is made and it does not produce the hoped-for results, I shall be the first to acknowledge it and advise you.

The proposed legislation is necessary now for the simple reason that the spring crops will soon be planted, and if we wait for another month or 6 weeks the effect on the prices of this year's crops will be wholly lost.

Furthermore, by action at this time, the United States will be in a better position to discuss problems affecting world crop surpluses at the proposed world economic conference.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 16, 1933.*

The PRESIDING OFFICER. The message from the President of the United States will be printed and referred to the Committee on Agriculture and Forestry.

AMENDMENT OF THE VOLSTEAD ACT

The Senate resumed the consideration of the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes.

Mr. NORRIS. Mr. President, I am not prepared to make any analysis of the pending beer bill. As the Senate knows, I have been absent in attendance upon the funeral of my late colleague, so that I have had no opportunity to examine the bill. Neither is it my intention, Mr. President, to tell the Senate why I am in favor of some legislation on this question. I have done that previously and I will not go into it again. I would have said nothing at all had it not been for some of the remarks that have been made here in regard to the bill that was reported by the Judiciary Committee at the last session of Congress. My own idea is that the Senate is making a mistake in not enacting into law the bill which the committee then reported. I am satisfied that that bill met the constitutional requirements and that there would have been no danger so far as the constitutional question is concerned had it been enacted into law.

I assumed, from what I read in the newspapers while I was away, that when the House sent another bill on the subject to this body the Senate would do the same as it did before, and that the Judiciary Committee bill would be substituted for the one now pending. In fact, I was informed, Mr. President, at the last session of Congress by some Members of the House who were instrumental in passing the first bill of this character which the House sent here, that undoubtedly if the Senate amended the bill by substituting the Judiciary Committee bill, it would be approved by the House, and that those who had studied it were in favor of taking that action.

To my mind, Mr. President, it is possible for us to enact a law that will have the effect of legalizing the sale of beer and wine without any reference whatever to alcoholic content.

The amendment to the Constitution uses the words "intoxicating liquors." Everybody will concede, I believe, that from a legal standpoint, if Congress passed no law whatever designed to carry into effect that constitutional provision, there would be no penalty, so far as any Federal statute is concerned, against the sale of intoxicating liquors of any kind. There would be no penalty for their transportation, for their manufacture, or for their importation. In other words, the constitutional provision is not self-executing. It requires a statute to give it any effect.

There being a great many kinds of intoxicating liquor, there is not any question in my mind but that Congress could pass a perfectly constitutional act fixing different punishments, different penalties, for the sale of different kinds of intoxicating liquors. It could provide, for instance, imprisonment for the sale of whisky, and provide for the payment only of a fine for the sale of beer. It could provide for a different punishment for the sale of wine. In other words, this constitutional provision must have some statutory penalty attached in order to make any of these various things effective. So, in my judgment, if we passed a law fixing a penalty for the sale of distilled spirits, and said nothing about beer, malt liquors, or vinous liquors, the effect of our statute would be to make illegal the sale of distilled spirits and to punish by the proper penalty anyone who violated the statute; and the only place where there would be a punishment would be, in that case, for the sale of distilled spirits. That being true, it would be very easy to amend the present Volstead Act by eliminating beer from it; and then there would be no penalty for the sale or importation or manufacture of beer, regardless of its alcoholic content.

There is not any doubt, either, but that under that constitutional provision Congress would have the right, if it chose to do so, to fix a different penalty for a man who sold whisky or beer or wine having an alcoholic content, let us say, if it were wine, of 15 percent, than though the wine he sold had an alcoholic content of only 10 percent. We could modify the punishment according to the alcoholic content of the intoxicating liquor sold.

So it seems to me that if we want to avoid any constitutional question we could remain silent on the question of beer, we could remain silent on the question of wine, and we would have accomplished what we want to accomplish, with perhaps this exception:

If there were an executory contract not carried out for the purchase of beer, let us say, and the statutes of the Federal Government said nothing about beer, it probably would be impossible to enforce that contract. In other words, I think it would be possible then to set up the constitutional provision itself which makes it illegal; and perhaps the result would be, if we had that kind of a law, that people buying the various kinds of liquors that were not punishable by statute would always have to pay cash in order to get them.

Mr. REED. Mr. President, may I suggest to the Senator another way in which the amendment would operate by itself?

Mr. NORRIS. I shall be glad to have the Senator do so.

Mr. REED. That is in regard to importations of such articles. If the eighteenth amendment stood alone, without an enforcement act, I doubt whether the Federal customs authorities could lawfully grant a clearance certificate for the importation of such articles.

Mr. NORRIS. That may all be. In fact, I am inclined to think that would be true. It would be another instance like I have mentioned, where there might be an executory contract not complied with. Nobody could compel fulfillment of a contract that the Constitution said was illegal, in other words; but the real thing that would be brought about by that kind of a procedure would be the manufacture and sale of beer and wine.

Mr. President, when we come to the question of intoxication, when we come to enacting a law based for its validity upon the alcoholic content of the beverage that we are going to regulate, then we have another question presented. Then if the alcoholic content is too high there is danger that it will be held unconstitutional.

The Judiciary Committee took both of those questions into consideration; and the law we drafted there, I think, without regard to alcoholic content, would have been sustained by any court in the land. But to satisfy those who wanted legislation on the question of beer, for instance, we fixed the alcoholic content at 3.05 percent; and that figure, Mr. President, was brought about, I think, by the most exhaustive and scientific study of the question that has ever been made in the history of the world.

The Judiciary Commitee had before it the result of the study made in Great Britain, and the conclusion reached by men who had no interest on one side or the other, but purely from a scientific standpoint, that that was the point

beyond which we could not go without making the beverage intoxicating. As I understand the argument made here, and the explanation so far made of this bill in my hearing, it depends for its validity upon the point that the beverage provided for must not be intoxicating. A court would go a great way in taking our statement and our declaration in the law that such-and-such was intoxicating, and such was not intoxicating; but, in my judgment, it would not be final if we were unreasonable about it, if we went away beyond the danger line, the indefinite line that every student knows is indefinite, that may be intoxicating for one man and not for another. Whether or not a beverage is intoxicating, perhaps, depends on how soon it is consumed, and the bulk of it, and upon the condition of the individual. These tests were made by examination of the blood to show what was intoxicating and what was nonintoxicating.

I reached the conclusion, and I believe every member of the Judiciary Committee did, from that analysis, that an alcoholic content of 3.2 percent was intoxicating; that it was over on the other side of this line; and that 3.05 percent was not intoxicating. We realize that that is not a straight line, Mr. President. There is a dispute, and I take it that the Supreme Court will not reject the judgment of the legislative body if we stay within that danger line. We do not go so far as to be unreasonable.

Some scientific men say, it is true, that 3.2 percent of alcohol makes a beverage intoxicating. Personally—and I do not believe I had any prejudice about it—I reached the conclusion that the Senator from New Mexico did. I want to say that the same conclusion was reached by the Senator from Wisconsin, Mr. Blaine, who is not a Member of the Senate now, but was then; and we all know that he was one of the hardest workers, one of the best lawyers, one of the best minds in the Senate. He reached that conclusion, and he made a thorough study of the matter. He talked with the experts. He went into the question as fully, I think, as anyone possibly could go into it.

Therefore, Mr. President, without being very familiar with the details of this bill, I think that if it depends upon the alcoholic content of the beverage for its constitutionality, to be safe we ought to agree to the amendment that the Senator from Mississippi [Mr. HARRISON] said he was going to offer, to change the content to 3.05 percent. That may make the bill constitutional. It does not meet my idea of what we ought to do in legislating on this subject; and let me say, Mr. President, that I am speaking myself from a prohibition standpoint. I have been a prohibitionist all my life. I have fought on this question on many a battlefield in many a State. I am a prohibitionist because I believe in prohibition, and I supported most enthusiastically the amendment to the Federal Constitution, as I supported an amendment to the constitution of my own State, and as I supported various other laws that we had from time to time. I thought and I believed firmly that when the Federal Constitution amendment on intoxicating liquor was agreed to the question was practically settled, and that it would be but a few years until we would have no more trouble with the matter.

Now, however, as much as we usually regret to admit that we have been wrong, I think the evidence is so overwhelming, so mounting, so great, that against my own will and my own wish I have had to yield and realize that I have been wrong. I do not know whether this is going to work or not. I have listened to some of the very able addresses that have been delivered in the Senate and elsewhere to the effect that the way to settle the prohibition question was to permit the manufacture and sale of beer and light wine. I did not take much stock in that argument for a year or two, until I became convinced that absolute prohibition as we had it had turned out to be a failure. I thought then that I was willing, and I am now willing, to see whether this will be successful.

That, Mr. President, is the reason why I opposed the adoption of the constitutional amendment repealing the eighteenth amendment—because I wanted to test it. I wanted to see whether this kind of a law would relieve the situation. If it does, then we ought to have it permanently; and if we have it permanently we will need the eighteenth amendment just as it stands now.

So I am going to take this measure in the hope that it will improve present conditions. If it does, it seems to me it is a step in the direction of prohibition.

Mr. ASHURST. Mr. President, I had expected briefly to address the Senate on this subject; but the Senator from Nebraska [Mr. NORRIS] has spoken so much better than I could, and speaks from such a wealth of legal lore, that it is unnecessary for me to say anything more than he has said.

I agree with him in toto; and I simply add what he omitted to say, that former Senator Blaine was the chairman of the Subcommittee on the Judiciary Committee. I can testify that during my experience here no subject of legislation was ever more painstakingly, carefully investigated than was this very subject by the subcommittee and by the main committee.

I ask Senators to read the report, No. 1105, Seventy-second Congress, submitted to the Senate by former Senator Blaine.

Mr. WALSH. It is very voluminous.

Mr. ASHURST. It is voluminous, and discloses that the Judiciary Committee had before it and studied the results and report of the English advisory scientific committee upon the physiological action of alcohol on the human organism.

I do not say that the percentage of alcohol named in this bill reported to us from the Finance Committee would render the beverage intoxicating; but the Senator from Nebraska [Mr. NORRIS] has sounded a note of warning to which all prudent men who seek to secure for the Government the needed revenue raised by this bill should listen.

Why choose the path of uncertainty? Why choose the course of doubtful constitutionality, when by adhering to the figure of the bill reported to us in the last session from the Judiciary Committee much uncertainty may be avoided?

Mr. PATTERSON. Mr. President, Congress recently submitted to the States an amendment to the Constitution to repeal the eighteenth amendment. I voted for such submission. The Constitution of the United States belongs to the people thereof and whenever there appears to be a legitimate and widespread demand for a change in that instrument the people have a right to have the matter submitted to them, that they themselves may pass on the fundamental law of their own Government. When it appears that there is a legitimate and widespread demand for a change in the Constitution, I believe that it is the duty of a representative in Congress to vote to submit such proposed change, irrespective of his personal views on the subject. To deny the people the right to pass on their own fundamental law amounts to legislative tyranny, to which I cannot subscribe.

The action of Congress in submitting the repeal proposal does not affect the validity of the eighteenth amendment unless such proposal is ratified by three fourths of the States. The eighteenth amendment is still a part and parcel of the Constitution, and will so remain until changed by the orderly process provided by the Constitution. Congress itself can neither alter nor repeal the eighteenth amendment nor any other part of the Constitution. It can only submit a proposal to this effect to the States for their approval or disapproval.

Congress may submit proposals to change the Constitution either to the legislatures of the various States or to conventions to be called therein. The recent proposal was submitted to conventions in accordance with the platform pledge of both the Republican and Democratic Parties. Delegates to these conventions will be chosen by the people of the various States, and thus the question of the retention or repeal of the eighteenth amendment is now in the hands of the people themselves.

Although the eighteenth amendment is a part of the Constitution, it is now proposed, through H.R. 3341, to enact legislation legalizing the manufacture and sale of beverages of alcoholic content of 3.2 percent. This is approximately the same alcoholic content of the beer made and sold

previous to the adoption of the eighteenth amendment, which every informed person knows was intoxicating.

That the beverage it is now proposed to legalize is intoxicating will hardly be seriously questioned. This fact is established by the provisions of the bill itself. This bill forbids the transportation of the proposed beverage into what are known as "dry" States and forbids the issuance of any permit to manufacture such beverage in any dry State. The bill further provides that whoever orders, purchases, or causes any of the beverages it is proposed to legalize to be transported into any dry State shall be fined not more than $1,000 or imprisoned not more than 6 months, or both, and for any subsequent offense shall be imprisoned for not more than 1 year. If the beverage it is proposed to legalize were not intoxicating, there would be no occasion for the restrictions and penalties imposed in the pending bill. The provisions of the proposed legislation clearly indicate that the beverage it is proposed to legalize would be intoxicating in fact. Having come to this conclusion and having a due regard for my oath of office, I cannot vote for this bill.

As I have previously stated, the eighteenth amendment is still a part of the Constitution. This amendment in part reads as follows:

> * * * the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

Let me now quote the oath each Senator and Representative in Congress is required to take on assuming the duties of his office:

> I do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter, so help me God.

In view of the fact that the eighteenth amendment is still a part of the Constitution, it is obvious that the manufacture and sale of any intoxicants for beverage purposes would be in violation thereof. In view of the oath I have taken and the conclusion I have reached as to the character of the beverage it is proposed to legalize, I cannot vote for this measure.

If one part of the Constitution can be lightly set aside and laws enacted in violation thereof, then other parts can be ignored and violated with impunity. As a result, this charter of American liberty which has served us so well throughout our history would, in time, become a meaningless instrument.

I refuse to contribute to any such result, and during my term in the Senate I shall not knowingly vote for any legislation that violates any part of the Constitution of the United States. When fully understood, such a course, I am sure, will have the hearty approval of the American people.

Mr. GOLDSBOROUGH. Mr. President, a few days ago, when the joint resolution for the repeal of the eighteenth amendment was pending before the Senate, I voted for the amendment offered by the Senator from Virginia, believing it to be in accord with the mandate contained in the platform of the Republican Party offered to the electorate last fall. That amendment being defeated, I then voted against the joint resolution on final passage, as I have been consistently opposed to naked repeal of the eighteenth amendment. The matter of the repeal of the eighteenth amendment is now up to the 48 States, and I am willing to await that decision.

In the meantime I believe it would be impossible for me to cast my vote for House bill 3441, as to do so would, in my judgment, most distinctly violate the oath which I took to uphold the Constitution when I became a Member of this body. This proposed legislation by its title is an attempt "to provide revenue by the taxation of certain nonintoxicating liquors," and yet it authorizes the manufacture and sale of beer and light wines to contain a maximum of not more than 3.2 percent of alcohol, or, in accordance with an amendment to be offered, 3.05 percent.

If a beverage containing 3.05 percent of alcohol is not intoxicating to a greater or less degree, its power to raise revenue will be nil, as no one desiring spirituous beverages would purchase it. On the other hand, if it is intoxicating, then it is most clearly in violation of the Constitution, which now prohibits the manufacture, sale, or distribution of intoxicating liquors within its borders.

Any attempt to raise additional revenue through the sale of nonintoxicating beverages is so obviously a fallacy that it needs no argument.

Under the present circumstances it would be a futile thing for any Member of Congress to vote against a measure designed to meet a change in public sentiment, and particularly one which is a part of a program to end agitation and bring about a settled condition of affairs in this country, if it could be done properly and legally. The Seventy-second Congress voted to submit the repeal of the eighteenth amendment to the States by convention, and until the people's will in the matter is properly recorded I believe it to be ill-advised to support a measure which, in my judgment, is a violation of the Constitution.

Mr. HARRISON. Mr. President, because the matter runs throughout the committee amendments, and we might as well settle it now, I desire to offer an amendment in behalf of the committee, on page 1, line 7, where the figures "3.2" occur, to make it read "3.05".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HARRISON. Mr. President, I ask that wherever the figures "3.2" appear in the bill it be made "3.05", in accordance with the action just taken.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will state the next amendment.

The next amendment was, on page 2, line 1, before the word "may", to insert "or fruit juices"; on the same page, in line 10, after the word "porter", to strike out "or other similar fermented liquor" and insert "wine, similar fermented malt or vinous liquor, or fruit juice"; on page 3, line 1, after "(c)", to strike out "all special tax and administrative provisions of the internal revenue laws in respect of beer, ale, porter, or other similar fermented liquor shall be applicable in respect of the liquor taxable under subsection (a)" and insert "Nothing in this act shall be construed as repealing any special tax or administrative provision of the internal revenue laws applicable in respect of any of the following containing one half of 1 percent or more of alcohol by volume, and not more than 3.2 percent of alcohol by weight: Beer, ale, porter, wine, similar fermented malt or vinous liquor, or fruit juice," so as to make the section read:

> *Be it enacted, etc.*, That (a) there shall be levied and collected on all beer, lager beer, ale, porter, wine, similar fermented malt or vinous liquor, and fruit juice, containing one half of 1 percent or more of alcohol by volume, and not more than 3.05 percent of alcohol by weight, brewed or manufactured and, on or after the effective date of this act, sold, or removed for consumption or sale within the United States, by whatever name such liquors or fruit juices may be called, a tax of $5 for every barrel containing not more than 31 gallons, and at a like rate for any other quantity or for the fractional parts of a barrel authorized and defined by law, to be collected under the provisions of existing law: The tax imposed by this section upon any beverage shall, if any tax is now imposed thereon by law, be in lieu of such tax from the time the tax imposed by this section takes effect. Nothing in this section shall in any manner affect the internal-revenue tax on beer, lager beer, ale, porter, wine, similar fermented malt or vinous liquor, or fruit juice, containing more than 3.05 percent of alcohol by weight, or less than one half of 1 percent of alcohol by volume. As used in this section, the term "United States" includes only the States, the Territories of Alaska and Hawaii, and the District of Columbia.
>
> (b) Paragraph "First" of section 3244 of the Revised Statutes (U.S.C., title 26, sec. 202) is amended to read as follows:
>
> "First. Brewers shall pay $1,000 in respect of each brewery. Every person who manufactures fermented liquors of any name or description for sale from malt, wholly or in part, or from any

substitute therefor, containing one half of 1 percent or more of alcohol by volume, shall be deemed a brewer."

(c) Nothing in this act shall be construed as repealing any special tax or administrative provision of the internal revenue laws applicable in respect of any of the following containing one half of 1 percent or more of alcohol by volume and not more than 3.05 percent of alcohol by weight: Beer, ale, porter, wine, similar fermented malt or vinous liquor, or fruit juice.

The amendments were agreed to.

Mr. HATFIELD. Mr. President, for the RECORD and for the information of the Senate, I wish to read from a manuscript made in the way of a report by Dr. Walter R. Miles as to his investigation of the effect of alcohol on human efficiency. He made experiments with moderate quantities and dilute solutions of ethyl alcohol on human subjects. I shall detain the Senate for a very brief period only.

Dr. Miles' preparation of the subject was, first, 2 series of experiments made on 1 typist to find whether the subject would demonstrate substantially the same effect of alcohol in a duplicate series. The dosage and food conditions were the same in both experiments, but in 1 case the experiment continued 3 hours and in the other 5 hours.

In the class B cases 2 series of experiments were made on each of 2 subjects, the dosage and general conditions being the same, except that in the second series the alcohol was taken very shortly after a full meal eaten at the laboratory. This arrangement was specifically to measure the influence of the food on the effective intensity of the alcohol ingested. The result was in keeping with the statement, from which I shall read, made by Dr. Miles:

A. Five series of experiments were made, in each of which there were several control and alcohol days. The amount of alcohol ingested was always the same (27.5 grams)—

A little less than an ounce of alcohol—

and was taken with the same degree of dilution (2.75 percent by weight). Various beverages were used as dilutants, these being water, beer substitute, grape juice, and cider. A wide variety of neuro-muscular tests were employed, in all of which the subject had had much previous practice.

I read further:

Urine samples were regularly collected at half-hour intervals and analyzed for alcohol content, so that the relative amount of alcohol in the body fluids might be correlated with the intensity of the alcohol effect. A standard amount of food was always taken a certain length of time (2 hours) prior to the ingestion of the 1-liter dose. The control days duplicated the content and volume of the alcohol dose in each series except for the omission of the alcohol.

Mr. President, for the purpose of comparing the nerve reactions in the nonalcohol days with the reactions on those days when the alcohol control was used in the beverage, I read from page 275 of the same text as follows, this being the conclusion of Dr. Miles:

There is no longer room for doubt in reference to the toxic action of alcoholic beverages as weak as 2.75 percent by weight. If 27.5 grams of alcohol are taken in this form, the well-defined and measurable depression in physical and mental processes, judged within the limits of this investigation, is not far short of the result found when 21 to 28 grams of alcohol are taken in solution varying from 14 to 22 percent.

To me this is conclusive evidence, based upon experiments carried on by a scientific man, who has his Ph.D. degree, with a degree of M.D. from one of the great universities of this country, taking for his subjects men who were well developed muscularly and mentally and who were graduates from college. The result, as Dr. Miles has expressed it, in my judgment, is conclusive with reference to even the small amount of alcohol found in 2.75 beer.

Mr. President, we have often heard the statement made on the floor of the Senate about the results of caffeine upon the human system, comparing its action with that of alcohol. From a technical standpoint I may say that caffeine is a vasomotor constrictor as compared with alcohol being a vasomotor dilator. In other words, caffeine constricts the nerve supply to the blood vessels of the body, while alcohol acts in the opposite direction and dilates the blood vessels by its action upon the nerve supply to the blood vessels of the body.

Mr. President, this is all I care to say upon the subject as to the effect of small doses of alcohol on the human system.

Whatever may be my personal inclination or position upon the subject of prohibition, I feel that I am controlled by the fundamental laws of the State which I represent in part. When I read into the CONGRESSIONAL RECORD a paragraph taken from the constitution of West Virginia, I feel that everyone within the sound of my voice will agree with me that there is only one course for me to take and at the same time respect the constitution of the State which I represent in part in this body. I read:

On and after the 1st day of July, 1914, the manufacture, sale, and keeping for sale of malt, vinous, or spiritous liquors, wine, porter, ale, beer, or any intoxicating drink, mixture, or preparation of like nature, except as hereinafter provided, are hereby prohibited in this State: *Provided, however*, That the manufacture and sale and keeping for sale of such liquors for medicinal, pharmaceutical, mechanical, sacramental, and scientific purposes, and the manufacture and sale of denatured alcohol for industrial purposes, may be permitted under such regulations as the legislature may prescribe. The legislature shall, without delay, enact such laws, with regulations, conditions, securities, and penalties as may be necessary to carry into effect the provisions of this section.

Mr. President, it is my duty, as I see it, to vote against the passage of this measure; and therefore, when my name is called, I shall register my vote against its passage.

The PRESIDING OFFICER. The clerk will state the next amendment.

The next amendment of the Committee on Finance was, on page 3, line 12, after "Sec. 2", to strike out:

The following portions of the National Prohibition Act, as amended and supplemented, insofar as they relate to beer, ale, porter, or other similar fermented liquor, are hereby repealed:

(a) The second paragraph of section 37 of title II (U.S.C., title 27, sec. 58).

(b) The fourth or last paragraph of section 37 of title II (U.S.C., title 27, sec. 60).

And insert:

The second, third, and fourth paragraphs of section 37 of title II of the National Prohibition Act, as amended and supplemented (U.S.C., title 27, secs. 58, 59, and 60), are hereby repealed.

So as to make the section read:

SEC. 2. The second, third, and fourth paragraphs of section 37 of title II of the National Prohibition Act, as amended and supplemented (U.S.C., title 27, secs. 58, 59, and 60), are hereby repealed.

The amendment was agreed to.

The next amendment was, on page 4, line 2, after the word "porter", to strike out "or other similar fermented liquor" and insert "wine, similar fermented malt and vinous liquor, or fruit juice," and on page 5, line 10, after the word "porter," to strike out "or other similar fermented liquor" and insert "wine, similar fermented malt or vinous liquor, or fruit juice," so as to make the section read:

SEC. 3. (a) Nothing in the national prohibition act, as amended and supplemented, shall apply to any of the following, or to any act or failure to act in respect of any of the following, containing not more than 3.05 percent of alcohol by weight: beer, ale, porter, wine, similar fermented malt and vinous liquor, or fruit juice; but the National Prohibition Act, as amended and supplemented, shall apply to any of the foregoing, or to any act or failure to act in respect of any of the foregoing, contained in bottles, casks, barrels, kegs, or other containers, not labeled and sealed as may be prescribed by regulations.

(b) The following acts and parts of acts shall be subject to a like limitation as to their application:

(1) The act entitled "An act to prohibit the sale, manufacture, and importation of intoxicating liquors in the Territory of Hawaii during the period of the war, except as hereinafter provided", approved May 23, 1918 (U.S.C., title 48, sec. 520);

(2) Section 2 of the act entitled "An act to provide a civil government for Puerto Rico, and for other purposes", approved March 2, 1917;

(3) The act entitled "An act to prohibit the manufacture or sale of alcoholic liquors in the Territory of Alaska, and for other purposes", approved February 14, 1917 (U.S.C., title 48, secs. 261 to 291, both inclusive).

(c) Nothing in section 5 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1918, and for other purposes", approved March 3, 1917, as amended and supplemented (U.S.C., title 18, sec. 341; supp. VI, title 18, sec. 341), shall prohibit the deposit in or carriage by the mails of the United States, or the delivery by any postmaster or letter carrier of any mail matter containing any advertisement of, or any solicitation of an order or orders for, any of the following containing not more than 3.05 percent of alcohol by weight: beer, ale, porter, wine, similar fermented malt or vinous liquor, or fruit juice.

The amendment was agreed to.

The next amendment was, on page 5, line 13, after the word "porter", to strike out "or other similar fermented liquor" and insert "wine, similar fermented malt or vinous liquor, or fruit juice"; in line 23, after the word "such", to strike out "fermented liquor" and insert "fermented malt or vinous liquor or fruit juice"; on page 6, line 3, after the word "of", to strike out "fermented liquor" and insert "fermented malt or vinous liquor or fruit juice"; on page 6, line 9, after the word "such", to strike out "fermented liquor" and insert "fermented malt or vinous liquor or fruit juice"; in line 16, after the word "liquor," to insert "or fruit juice"; in line 19, after the word "such", to strike out "fermented liquor" and insert "fermented malt, or vinous liquor, or fruit juice"; in line 21, after the word "fermentation," to insert "and fortification"; in line 22, after the word "ale," to strike out "or porter" and insert "porter, wine, or fruit juice"; on page 7, line 9, after the word "extraction", to insert "such liquids may be developed, under permit under the National Prohibition Act, as amended and supplemented, by persons other than manufacturers of beverages containing not more than 3.05 percent of alcohol by weight, and sold to such manufacturers for conversion into such beverages"; on page 7, line 17, after the word "liquors," to insert "credit shall be allowed on the tax due on any alcohol so saved to the amount of any tax paid upon distilled spirits or brandy used in the fortification of the liquor from which the same is saved"; on page 7, after line 20, insert:

(3) When fortified wines are made and used for the production of nonbeverage alcohol, and dealcoholized wines containing not more than 3.05 percent of alcohol by weight, no tax shall be assessed or paid on the spirits used in such fortification, and such dealcoholized wines produced under the provisions of this section, whether carbonated or not, shall be subject to the tax imposed by section 1.

On page 8, line 4, before the word "in", to strike out "(3)" and insert "(4)"; in line 6, after the word "porter," to strike out "or other similar fermented liquor" and insert "wine, similar fermented malt or vinous liquor, or fruit juice"; in line 13, after the word "ale," to strike out "or porter" and insert "porter, wine, or fruit juice"; and on page 9, line 2, after the word "porter," to strike out "or other similar fermented liquor" and insert "wine, similar fermented malt or vinous liquor, or fruit juice," so as to make the section read:

SEC. 4. (a) The manufacturer for sale of beer, ale, porter, wine, similar fermented malt or vinous liquor, or fruit juice, containing one half of 1 percent of alcohol by volume and not more than 3.05 percent of alcohol by weight, shall, before engaging in business, secure a permit authorizing him to engage in such manufacture, which permit shall be obtained in the same manner as a permit under the National Prohibition Act, as amended and supplemented, to manufacture intoxicating liquor, and be subject to all the provisions of law relating to such a permit. Such permit may be issued to a manufacturer for sale of any such fermented malt or vinous liquor or fruit juice, containing less than one half of 1 percent of alcohol by volume, if he desires to take advantage of the provisions of paragraph (2) of subsection (b) of this section. No permit shall be issued under this section for the manufacture of fermented malt or vinous liquor or fruit juice in any State, Territory, or the District of Columbia, or political subdivision of any State or Territory, if such manufacture is prohibited by the law thereof.

(b) (1) Such permit shall specify a maximum alcoholic content permissible for such fermented malt or vinous liquor or fruit juice at the time of withdrawal from the factory or other disposition, which shall not be greater than 3.05 percent of alcohol by weight, nor greater than the maximum alcoholic content permissible under th elaw of the State, Territory, or the District of Columbia, or the political subdivision of a State or Territory, in which such liquor or fruit juice is manufactured.

(2) In such permit may be included permission to develop in the manufacture of such fermented malt, or vinous liquor, or fruit juice by the usual methods of fermentation and fortification or otherwise a liquid such as beer, ale, porter, wine, or fruit juice of an alcoholic content in excess of the maximum specified in the permit; but before any such liquid is withdrawn from the factory or otherwise disposed of the alcoholic content shall, if in excess of the maximum specified in the permit, be reduced, under such regulations as may be prescribed, to or below such maximum; but such liquid may be removed and transported, under bond and under such regulations as may be prescribed, from one bonded plant or warehouse to another for the purpose of having the percentage of alcohol reduced to the maximum specified in the permit by dilution or extraction. Such liquids may be developed, under permit under the National Prohibition Act, as amended and supplemented, by persons other than manufacturers of beverages containing not more than 3.05 percent of alcohol by weight, and sold to such manufacturers for conversion into such beverages. The alcohol removed from such liquid, if evaporated, and not condensed and saved, shall not be subject to tax; if saved, it shall be subject to the same law as other alcoholic liquors. Credit shall be allowed on the tax due on any alcohol so saved to the amount of any tax paid upon distilled spirits or brandy used in the fortification of the liquor from which the same is saved.

(3) When fortified wines are made and used for the production of nonbeverage alcohol, and dealcoholized wines containing not more than 3.05 percent of alcohol by weight, no tax shall be assessed or paid on the spirits used in such fortification, and such dealcoholized wines produced under the provisions of this section, whether carbonated or not, shall be subject to the tax imposed by section 1.

(4) In any case where the manufacturer is charged with manufacturing or selling for beverage purposes any beer, ale, porter, wine, similar fermented malt or vinous liquor, or fruit juice, containing more than 3.05 percent of alcohol by weight, the burden of proof shall be on such manufacturer to show that the liquid so manufactured or sold contained not more than 3.05 percent of alcohol by weight. In any case where a manufacturer, who has been permitted to develop a liquid such as beer, ale, porter, wine, or fruit juice containing more than the maximum alcoholic content specified in the permit, is charged with failure to reduce the alcoholic content to or below such maximum before such liquid was withdrawn from the factory or otherwise disposed of, then the burden of proof shall be on such manufacturer to show that the alcoholic content of such liquid so manufactured, sold, withdrawn, or otherwise disposed of did not exceed the maximum specified in the permit. In any suit or proceeding involving the alcoholic content of any beverage, the reasonable expense of analysis of such beverage shall be taxed as costs in the case.

(c) Whoever engages in the manufacture for sale of beer, ale, porter, wine, similar fermented malt or vinous liquor, or fruit juice, without such permit if such permit is required, or violates any permit issued to him, shall be subject to the penalties and proceedings provided by law in the case of similar violations of the National Prohibition Act, as amended and supplemented.

(d) This section shall have the same geographical application as the National Prohibition Act, as amended and supplemented.

The amendment was agreed to.

The next amendment was, on page 9, line 14, after the word "porter," to strike out "or other similar fermented liquor" and insert "wine, similar fermented malt or vinous liquor, or fruit juice," so as to make the section read:

SEC. 5. Except to the extent provided in section 4 (b) (2), nothing in section 1 or 4 of this act shall be construed as in any manner authorizing or making lawful the manufacture of any beer, ale, porter, wine, similar fermented malt or vinous liquor, or fruit juice, which at the time of sale or removal for consumption or sale contains more than 3.05 percent of alcohol by weight.

The amendment was agreed to.

The next amendment was, on page 9, line 19, after the word "porter," to strike out "or other similar fermented liquor" and insert "wine, similar fermented malt or vinous liquor, and fruit juice"; on page 10, line 5, after the word "which", to strike out "fermented liquor" and insert "fermented malt or vinous liquor or fruit juice"; and in line 13, after the word "liquor," to insert "or fruit juice," so as to make the section read:

SEC. 6. In order that beer, ale, porter, wine, similar fermented malt or vinous liquor, and fruit juice, containing 3.05 percent or less of alcohol by weight, may be divested of their interstate character in certain cases, the shipment or transportation thereof in any manner or by any means whatsoever, from one State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, or from any foreign country, into any State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, which fermented malt or vinous liquor or fruit juice, is intended, by any person interested therein, to be received, possessed, sold, or in any manner used, either in the original package or otherwise, in violation of any law of such State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, is hereby prohibited. Nothing in this section shall be construed as making lawful the shipment or transportation of any liquor or fruit juice the shipment or transportation of which is prohibited by the act of March 1, 1913, entitled "An act divesting intoxicating liquors of their interstate character in certain cases" (U.S.C., supp. VI, title 27, sec. 122).

The amendment was agreed to.

Mr. FESS. Mr. President, I want to take time to make a statement while we are considering the amendments. I assume there will be no serious opposition to any of the amendments so I might as well make my statement now as to wait until after all the amendments are adopted.

Mr. President, I have listened for 40 years to arguments on the question of prohibition. During all of that time I have had more or less a lively interest in whether it is possible for us to eliminate the evils of the liquor traffic. While I have never been what would be called a propagandist on the subject, never having joined any kind of parade or organization—notwithstanding the usual report that the Senator from Ohio is identified with this or that sort of organization, not a word of it containing any element of truth—I have always looked upon the evils of the saloon as something that no man can condone, but as being something which ought to be reduced to the minimum.

It was my misfortune to spend most of my minority years near a little town where there was no police regulation whatever. The institution in that town that gave us more concern and was productive of more evils than all other things that we knew of in the community was the saloon. I think if there could have been something like police regulation so that the unlimited run of evil that flowed out of such an institution could have been controlled, I might not have had such intense opposition to it. But I have never in my life seen any good come out of the saloon as an institution. If there is a single element of virtue in it, I have not been able to find where it is. I have assumed that it was pretty generally conceded that the saloon as an American institution should not be tolerated. During all of my life I have been an enemy of the institution. I have voted on every occasion where the matter came up with a view to limiting its operation.

The first lawsuit I ever conducted was an attempt to close five saloons in the university town where I happened to be living. I have never known a more unlawful and despised group than the men who insisted that they would go on in spite of the regulations of the little town that undertook to exclude them under the laws under which we were then living.

When the matter came up in the State constitutional convention of which I was the vice chairman, I did what I could to write into the Ohio constitution the sanction to prohibit the existence of the saloon in that State. We had a battle there that ran from the days of my youth up to the time that we ultimately put the saloon out of existence. I collaborated with men who are now in this Chamber, who were then Members of the House of Representatives, in order to reduce this evil. One of the men who spoke today favoring the pending measure was the individual who wrote the final clause in the amendment as it passed the House of Representatives in 1920.

We proceeded on the basis that we would put the saloon out of existence first in the voting districts. Then we extended it to the townships. Then under proper education we extended it to the counties, and coexistant with that went the power to the municipalities. During a long period we gave authority to the municipalities to segregate the institution so as to prevent it doing business in certain quarters in the city. We tried every conceivable form of regulation with reference to fixing hours of closing, with reference to blinds upon the windows, with reference to sale to minors—every form of regulation that was conceivable to reduce the evil we tried as an experiment.

I came to the conclusion that there was no way effectually to deal with liquor except by forbidding both its manufacture and sale. After prohibition was adopted by many States, we thought that we had reached the point where we now could extend it to the entire Nation. Since 1920 we have been confronted with the national problem of prohibition enforcement. I agree that prohibition has not been effectually enforced. I know that officials, both in State and Nation, are criticized on the ground that they did not attempt to enforce it. I think that, while there is some basis for that criticism, it is greatly overdrawn. I admit that there have grown up evils largely because of our efforts to prohibit the liquor traffic, nationally speaking, and yet, Mr. President, I do not like the character of the propaganda that is spread over the country in the interest of the return of the saloon.

It is true that practically everybody says he does not desire the return of the saloon, but the place where liquor is sold is a saloon just the same, although it may not be called by that name. The name does not change the character of the place where liquor is sold. There is not a single thing in the pending proposal that will carry into effect the pledge of either one of the two political parties or any feature of those pledges.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Massachusetts?

Mr. FESS. I yield.

Mr. WALSH. I should like to have the Senator's authority for that statement. The Democratic Party did not pledge that it would, through the power of the National Government, forbid the return of the saloon. It did say in its platform that it would urge the several States in the enactment by them of laws to permit the sale of intoxicating liquors to prevent the return of the saloon.

Mr. FESS. The Senator from Massachusetts is correct in that statement; but those who speak about the pledge of the Democratic Party as well as of the Republican Party do in general terms of preventing the return of the saloon.

Mr. WALSH. I think that is true; but the Democratic Party took particular pains to indicate that the control, regulation, distribution, and sale of intoxicating liquors was a State function and not a national one; and when it referred to the saloon it referred to it in an advisory way to the States.

Mr. FESS. The Democratic platform is in this language:

> To effect such repeal we demand that the Congress immediately propose a constitutional amendment to truly representative conventions in the States called to act solely on that proposal; we urge the enactment of such measures by the several States——

Mr. WALSH. That is the point. It urged "the enactment of such measures by the several States."

Mr. FESS. The conclusion of the sentence is—

> As will actually promote temperance.

Mr. WALSH. That is the point—"by the several States."

Mr. FESS. The Senator from Ohio in speaking on the subject has that in mind. I do not think, however, that that in any way weakens the position I have taken—that everybody seems to be indicting the saloon and does not want its return.

However, Mr. President, there is no doubt that we are now in an era of a species of hysteria and the opportunity has been embraced to promote and stimulate a sentiment against what heretofore we have believed could be honestly regarded as promoting a very marked degree of sobriety.

Admitting that we have not effectually enforced the eighteenth amendment—and all of us must admit that—certainly no one can hold that the situation today is worse than before the saloon was abolished or before the prohibitory amendment was written into the Constitution. Mr. President, at certain times in certain sections of the country, going from one town to another on the last trolley car that would run just before midnight it would not have been safe in the days before prohibition for a lady to be on such a car without an escort, because of the drunken men who filled the car. What I say, from incidents falling under my own observation, may generally be applied to conditions which prevailed in various towns and cities throughout the country. Yet today I can walk down the streets of Washington City and very rarely see anyone who is under the influence of intoxicating liquor.

I took the former Vice President, Mr. Curtis, across my State on a trip, during which I should say he met at different places, in the aggregate, 150,000 people. During the 3 days of that journey, meeting 3,000 people here and 5,000 there, not a single man or woman was observed who was under the influence of intoxicating liquor, when before this amendment took effect not only would drunken people be in every audience which a speaker addressed but their conduct would be such as to greatly interfere with the meeting. Vice President Curtis made the observation to me at the end of the third day that the outstanding feature of

the trip was that not a single drunken man or drunken woman had been seen during the entire 3 days.

I do not mean, Mr. President, there is no drunkenness; there is; and I very greatly regret to admit that drunkenness is on the increase because of the conduct of what we otherwise would call our most decent people.

Frequent reference is made to speak-easies. Well, I should like to know who makes it possible for the speak-easies to exist? It is those who have means; it is those who are otherwise respectable; it is those who are willing to have bootleggers supply them on occasions when they need the stuff. It is this class of our population that is making the speak-easy popular; and it does not lie in the mouths of such people to demand the return of the saloon in the interest of sobriety in order to do away with the speak-easy.

The Senator who is now presiding over the body [Mr. GEORGE in the chair] knows as well as I do that before the saloon was put out of existence we had speak-easies and they were one of our greatest problems. We still have them, and will continue to have them, and it will not relieve the situation so far as speak-easies are concerned by making it legal to sell a nonintoxicant and open the way for the speak-easy to operate in the same places and sell intoxicants. We are not going to cure the evil by making it more easy to disseminate the stuff that steals the brain and poise of our citizenship.

I know that there has been an hysteria, a turning of sentiment. One of the most remarkable things I have ever witnessed is the change in sentiment in the Seventy-second Congress. During the first session of that Congress the House and Senate overwhelmingly voted down specific proposals with regard to the repeal of the eighteenth amendment and the modification of the Volstead Act, but the same Congress, in its second session, without a change of personnel, overwhelmingly voted for the same thing which in the first session it had voted down, and as a reason for that action it was stated that public opinion on this question had changed.

Mr. President, whenever the time comes that on a moral question I will first see how the current runs before I vote, and then vote in accordance with that current, though I feel it my duty to prevent the current running in that direction as far as possible, then I will change my views also; but I want it understood here and now that on a question of right and wrong I propose to do what, in my judgment, my people ought to want me to do; and I am not going to undertake to be like a bird of passage, perhaps flying in one direction at this hour and in another direction the next hour. I cannot follow the logic which suggests that I must try to find out what the dominant thought in my particular community is and then register it. If I should do that, when I went out one way I should meet myself coming back in order to keep responsive to the changes of opinion in certain localities.

What our people want today they may not want tomorrow. That is very often the case. It is my duty to study these problems and to vote my conscience, and if my people do not like it, their remedy is to send somebody else in my place. That has been my position for 20 years, and that will continue to be my position so long as I am in public life.

I am opposed, under the guise of raising revenue, to voting for the manufacture and sale of an article the manufacture and sale of which are forbidden by the Constitution. That is a clear case here. The only point is that Senators say it is a question of fact that is in dispute, the question is whether a certain beverage is intoxicating or not. The highest authority that we have in the land has fixed a certain percentage of alcoholic content; and now, simply because there seems to be a sentiment running the other way, it is suggested that we should jump from one half of 1 percent, forget the 2¾ percent which was agitated here for 5 years, and leap to 3.2 percent, and later by an agreement to 3.05 percent. The difference between 3.2 percent and 3.05 percent is so negligible that one ought not to be seriously concerned as to which way he will vote simply because of that change being made.

If 3.2 percent beer is a violation, 3.05 percent beer is a violation, especially in the light of the establishment of the standard of one half of 1 percent that has been rated by the highest tribunal of the country as the content below which there is no intoxication.

Now I want to say this, fellow Senators:

Many people seem to think that merely because there seems to be a trend, a change in the country on this subject, a Senator or a Congressman must change also. That is not my conception of my duty. I am an enemy of the saloon. I shall fight it, as long as God gives me breath to fight it, as the most un-American institution that ever cursed this land. If it could be placed where proper policing could relieve the dangers, it would be different. I do not think that can be done, however; and, even if it could be done, it would be only the cities that could maintain such policing. What about the thousands upon thousands of small centers where the people live without police protection?

That, Mr. President, is the reason why I shall vote against this proposal.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. SMITH. Mr. President, out of order, as it is a very important matter, I send to the desk first a resolution which I will ask to have properly referred, and then, out of order——

Mr. LONG. Mr. President, I object to anything being done at this stage except acting on the pending bill. Let us get through with it.

The PRESIDING OFFICER. Objection is made. The clerk will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 10, line 19, after the word "porter," to strike out "or other similar fermented liquor" and insert "wine, similar fermented malt or vinous liquor, or fruit juice"; on page 11, line 1, after the word "such", to strike out "fermented liquors" and insert "fermented malt or vinous liquor or fruit juice," and in line 8, after the word "liquor," to insert "or fruit juice," so as to make the section read:

SEC. 7. Whoever orders, purchases, or causes beer, ale, porter, wine, similar fermented malt or vinous liquor, or fruit juice, containing 3.05 percent or less of alcohol by weight, to be transported in interstate commerce, except for scientific, sacramental, medicinal, or mechanical purposes, into any State, Territory, or the District of Columbia, the laws of which State, Territory, or District prohibit the manufacture or sale therein of such fermented malt or vinous liquor or fruit juice for beverage purposes, shall be fined not more than $1,000 or imprisoned not more than 6 months, or both; and for any subsequent offense shall be imprisoned for not more than 1 year. If any person is convicted under this section any permit issued to him shall be revoked. Nothing in this section shall be construed as making lawful the shipment or transportation of any liquor or fruit juice the shipment or transportation of which is prohibited by section 5 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1918, and for other purposes", approved March 3, 1917, as amended and supplemented (U.S.C., supp. VI, title 27, sec. 123).

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. KEAN. Mr. President, lawyers, bankers, doctors, labor organizations, have all held conventions in which they have demanded that we pass a bill similar to this. The people of the United States at the recent election demanded that some such bill as this be passed.

I believe that beer having the alcoholic content permitted under this bill is a nonintoxicant. I believe that because it is almost the same as Munich beer. Some of you may have been to Munich, and may have seen the Germans drink at least a liter of it a night while they were sitting listening to the band. The men drink it, their wives drink it, and their children drink it, and none of them are intoxicated. I have known a man in the city of Newark who drank 29 glasses

a day of this beer, and he never was intoxicated, and he lived to be nearly 90 years old. [Laughter.]

I think I can say, not from my own experience but from what I have observed, that this liquor is not an intoxicant, and therefore it is my intention to vote for this bill.

Mr. DILL. Mr. President, I have an amendment on the desk, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 5, after line 11, it is proposed to insert a new subsection, as follows:

(d) It shall be unlawful to advertise by any means or method any of the liquors or fruit juices described in subsection (a) of this section, or the manufacture, sale, keeping for sale, or furnishing the same, or where, how, from whom, or at what price the same may be obtained, in any State, Territory, or District of the United States, if by the law in force at the time in such State, Territory, or District, it is unlawful to manufacture or sell such liquors or fruit juices: *Provided*, That nothing in this subsection shall apply to newspapers, magazines, or periodicals published outside such State, Territory, or District when mailed or otherwise transported into such State, Territory, or District. Any violation of the provisions of this subsection shall be punished in the manner provided by law for violations of section 17 of the National Prohibition Act.

Mr. DILL. Mr. President, when the bill before the last Congress was reported from the Judiciary Committee it carried an amendment prohibiting advertising in dry States, either by newspapers or by any other method.

Considerable objection was raised because it was said that a newspaper published in a city of a State that permitted the sale of these beverages, located on the border of an adjoining State that prohibited them, would not be able to circulate in the adjoining State. I recognize that there is much basis for that objection; and for that reason I have put in the proviso that nothing in this amendment shall prohibit the circulation of a newspaper, magazine, or periodical into a State by means of the mails or other transportation. It still prohibits the publication and prohibits the use of other methods of advertising.

I desire to speak particularly of one of the other methods of advertising that it seems to me it is impossible to control in any other way, and that is the use of advertising by radio.

It is not sufficient to forbid the radio stations within a State from advertising these beverages, because radio reaches so far that it crosses State lines, and there is no way by which it can be shut out. It seems to me that the radio ought to be kept free from the propaganda that it can be used for if some such provision as this is not in this bill.

Radio programs reach into the homes as no other kind of information or entertainment can. Radio programs are listened to by the children with an interest that they do not have for any other kind of entertainment. It seems to me that we ought to keep this method of disseminating information from being used to propagandize either the sale of these beverages or the minds of the people of those States where these beverages are forbidden.

I do not care to argue or discuss the question at length, but I do want the Senate to consider the effect of this legislation if some such amendment is not provided.

I shall not enter upon a discussion of radio and the objectionable features of the programs we now have; but I just want to suggest for a moment to your imaginations the kind of program to which this legislation will lead unless we make some forbidding provision such as this. We will have presented, no doubt, the most appealing kind of entertainment, the most informative kind of program, and have it sponsored and presented in the name of the breweries and the beer distributors of the country. Before, after, and during the rendition of a beautiful opera radio listeners will be told of the wonders of this beer, how and where to buy it. Such advertising will accompany every kind of entertainment for children, those of middle life, or for the aged. None will be overlooked. None will be able to avoid it.

It seems to me that if there is anything that will tend to break down what cultural influence the radio has, small as it may be, this is the worst practice that could be indulged in; and I believe that, regardless of what may be the views of Senators as to the use of this beverage or its desirability, if they will stop and consider that the people in the States that want to forbid it are entitled to be protected from having propaganda for it coming into their homes by means of the radio, they will support this amendment.

Mr. HARRISON. Mr. President, I hope the amendment will be rejected. We are ready to vote.

Mr. SMITH. Mr. President, before this vote is taken, I desire to make a statement.

I voted for the submission to the States of the eighteenth amendment. I have taken an oath to support the Constitution. I am not sufficiently expert to know what is the line of demarcation between an intoxicating beverage and one that is nonintoxicating. I do not feel that I would be justified under my oath in voting for an alcoholic content that may violate that oath. Therefore I am going to give the benefit of my doubt and lack of knowledge to the sober people of this country.

Under the present circumstances, regardless of what else may be said, I cannot take the responsibility of voting for an alcoholic content that may cause me, in my present state of mind, to violate my solemn oath taken at the Vice President's desk. Therefore I shall vote against this bill.

Mr. HASTINGS. Mr. President, I shall take but a moment. The provisions of the economy bill just passed were, in my judgment, so near the border line of violating the spirit, if not the letter, of the Constitution that I flinched and squirmed as I voted for it.

I think that the bill now before the Senate is clearly against the provisions of the Constitution. If it be not technically true that it is against the Constitution, it seems to me that every fair-minded man and woman of the country must admit that it is against the spirit of the eighteenth amendment.

In my judgment, there is another very excellent reason why this bill should not pass. Wherever a State authorizes the sale of this beverage and sets up a license which must be acquired by the person desiring to sell it, we have immediately set up a place where intoxicating liquor can be purchased without the possibility of any Federal agency or any State agency being able to discover it. In other words, the passage of this measure will make it impossible in any way effectively to enforce the Volstead Act or any other act of any State which undertakes to regulate the sale of intoxicating liquor.

The economy act was passed, we were told, for the purpose of enabling the Government to reduce expenses and reduce the cost of government. This measure, we are told, is to be passed for the purpose of enabling us to raise money to meet the necessary expenses of the Governemnt.

Mr. President, if we have in the one instance to stretch the Constitution in order to save money, and in the second instance shamefully violate it, as I think we would in this case, then I say it is a sad condition in which we find ourselves. As this depression continues, and as this demand for economy on the one side continues, and this demand for additional funds on the other to meet the necessary expenses continues, may I express the hope that we shall not be driven to legalizing the old practice of conducting a lottery, which all States have finally abolished, in order that we might raise additional revenue to meet governmental expenses. If we are willing to go this far, I am not certain, in this day, that we may not reach the other position and again begin to license lotteries in this country in order that the States and the Federal Government might live.

Mr. BAILEY. Mr. President, it is my opinion that 3.05 percent beer is intoxicating, and, therefore, I feel that it is my duty under my oath not to vote for the pending bill. I take this position with full respect for those who differ from me. It is my judgment that within 30 days after the bill shall be enacted, if it shall be enacted, it will be demonstrated to the entire people of this country that 3.05 percent beer is intoxicating in fact.

Second, the statutes passed by the Congress of the United States for 40 years, without exception, have declared beer of a content of 3.05 per cent alcohol and less to be intoxicating, and it is inconceivable to me that this Congress should undertake to reverse the judgment of the Congress of the United States from 1890 to the present date. Since this bears to some extent upon the efforts to interpret the Constitution, the eighteenth amendment, and the language therein, where it says "intoxicating liquors", I am going to take the time to refer to the statutes, with a view of showing that the Congress of the United States has consistently interpreted the words "intoxicating liquors" to embrace vinous, malt, and fermented liquors as fully and effectually as it ever embraced distilled or spirituous liquors. There is no distinction.

Mr. President, my argument is that the effort to show that the expression "intoxicating liquors" in the eighteenth amendment should be restricted to distilled or spirituous liquors cannot be maintained in the light of the settled policy of the law and the definitions accepted by the Congress through a period of 40 years.

I refer first to the act of August 8, 1890 (26 Stat. 313), in language as follows:

That all fermented—

That is, beer—

distilled, or other intoxicating liquors or liquids transported into any State or Territory, or remaining therein for use—

I need not read the entire statute. That is the first statute placing the control of the liquor traffic, so far as interstate commerce is concerned, at the place of delivery.

The next act is the act of March 1, 1913 (37 Stat. 699), which reads in part as follows:

The shipment or transportation, in any manner or by any means whatsoever, of any spiritous, vinous, malted, fermented, or other intoxicating liquor—

I need not read that statute further. The reference is sufficient.

Again, section 5 of the act of March 3, 1917 (39 Stat. 1069):

No letter, postal card, circular, newspaper, * * * containing any advertisement of spiritous, vinous, malted, fermented, or other intoxicating liquors * * *.

They are classified as "intoxicating liquors" regardless of the source of the method of manufacture.

Finally, the act of March 4, 1909 (35 Stat. 1136), taking effect January 1, 1910:

Any officer, agent, or employee of any railroad company, express company, or other common carrier * * * who shall knowingly deliver * * * any spiritous, vinous, malted, fermented, or other intoxicating liquors * * *.

My whole point is that it is the settled policy of the law, the unquestioned interpretation of the words "intoxicating liquors" that they relate to any liquors having the qualities of intoxication, regardless of what they are made of, or how they are made.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the senior Senator from Washington [Mr. DILL].

Mr. DILL. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BAILEY (when his name was called). I have a general pair on this bill with the senior Senator from Utah [Mr. KING]. I do not know how that Senator would vote on this particular amendment, and therefore I withhold my vote.

Mr. WALSH (when Mr. COOLIDGE's name was called). My colleague [Mr. COOLIDGE] is necessarily absent on account of a death in his family. If he were present, he would vote "nay" on this amendment.

Mr. GEORGE (when his name was called). I have a general pair on this bill with the junior Senator from South Carolina [Mr. BYRNES]. I do not know how he would vote upon this amendment, and I therefore withhold my vote.

Mr. JOHNSON (when Mr. MCADOO's name was called). The junior Senator from California [Mr. MCADOO] is sick and confined to his room at present, and therefore is unable to be present. If he were present, he would vote, I am informed, "nay."

The roll call was concluded.

Mr. DICKINSON. On this vote I have a general pair with the senior Senator from Kentucky [Mr. BARKLEY]. Not knowing how he would vote, I withhold my vote.

Mr. BULKLEY. I have a general pair with the junior Senator from Wyoming [Mr. CAREY], who is necessarily absent. I do not know how he would vote on this question. I transfer my pair to the senior Senator from Illinois [Mr. LEWIS] and vote "nay."

Mr. HEBERT. I desire to announce the following general pairs:

The Senator from Pennsylvania [Mr. DAVIS] with the Senator from Kentucky [Mr. LOGAN];

The Senator from South Dakota [Mr. NORBECK] with the Senator from Wyoming [Mr. KENDRICK]; and

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Virginia [Mr. GLASS].

I also desire to announce that the junior Senator from Minnesota [Mr. SCHALL] is necessarily absent.

I am not advised how the Senators I have named would vote on this question if present and voting.

The result was announced—yeas 36, nays 38, as follows:

YEAS—36

Adams	Caraway	Hastings	Robinson, Ind.
Ashurst	Connally	Hatfield	Russell
Austin	Dale	Hayden	Sheppard
Bankhead	Dill	Keyes	Smith
Black	Fess	McGill	Stephens
Bone	Frazier	Neely	Thomas, Okla.
Borah	Goldsborough	Norris	Townsend
Bratton	Gore	Nye	Vandenberg
Capper	Hale	Pope	White

NAYS—38

Bachman	Fletcher	McNary	Thomas, Utah
Barbour	Harrison	Metcalf	Trammell
Brown	Hebert	Murphy	Tydings
Bulkley	Johnson	Overton	Van Nuys
Bulow	Kean	Patterson	Wagner
Clark	La Follette	Pittman	Walcott
Copeland	Lonergan	Reed	Walsh
Couzens	Long	Reynolds	Wheeler
Dieterich	McCarran	Robinson, Ark.	
Duffy	McKellar	Stelwer	

NOT VOTING—20

Bailey	Coolidge	George	Logan
Barkley	Costigan	Glass	McAdoo
Byrd	Cutting	Kendrick	Norbeck
Byrnes	Davis	King	Schall
Carey	Dickinson	Lewis	Shipstead

So Mr. DILL's amendment was rejected.

Mr. BORAH. Mr. President, I desire to offer an amendment to be inserted at the proper place in the bill. It is a provision reported in the former bill except that I have changed the age from 21 years to 16 years.

The PRESIDENT pro tempore. Let the amendment be read for the information of the Senate.

The CHIEF CLERK. Insert at the proper place in the bill the following:

It shall be unlawful to give or sell any of the above beverages to persons under 16 years of age. Any person violating this provision shall be subject to a fine not exceeding $100 or be imprisoned not to exceed 6 months.

Mr. BORAH. Upon the amendment I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the names of Mr. ADAMS and Mr. ASHURST, who responded.

Mr. LONG. Mr. President, a point of order. Is not this a police regulation we are trying to put in the bill?

Mr. BORAH. Mr. President, I make the point of order that the roll call has been begun.

The PRESIDENT pro tempore. The point of order is sustained. The clerk will continue calling the roll.

The Chief Clerk resumed the calling of the roll.

Mr. BAILEY (when his name was called). On this bill I have a general pair with the senior Senator from Utah [Mr. KING]. Not being informed as to how he would vote on the pending question I withhold my vote. If at liberty to vote I would vote "yea."

Mr. BULKLEY (when his name was called). Repeating the announcement previously made with respect to my pair and its transfer I vote "nay."

Mr. WALSH (when Mr. COOLIDGE's name was called). I make the same announcement as previously made with reference to my colleague [Mr. COOLIDGE]. If present, he would vote "nay."

Mr. DICKINSON (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. BARKLEY], who is necessarily absent from the Chamber. Not knowing how he would vote on the pending amendment, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. GEORGE (when his name was called). Making the same announcement as on the previous vote, I withhold my vote. If permitted to vote, I would vote "yea."

The roll call was concluded.

Mr. HEBERT. I desire to announce the following general pairs:

The Senator from Pennsylvania [Mr. DAVIS] with the Senator from Kentucky [Mr. LOGAN];

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Virginia [Mr. GLASS]; and

The Senator from South Dakota [Mr. NORBECK] with the Senator from Wyoming [Mr. KENDRICK].

I am not advised how any of these Senators would vote on this question.

Mr. DIETERICH. I desire to announce that my colleague the senior Senator from Illinois [Mr. LEWIS] is detained from the Senate by illness. If present, he would vote "nay."

The result was announced—yeas 50, nays 23, as follows:

YEAS—50

Adams	Dill	McKellar	Steiwer
Ashurst	Fess	McNary	Stephens
Austin	Frazier	Neely	Thomas, Okla.
Bankhead	Goldsborough	Norris	Thomas, Utah
Black	Gore	Nye	Townsend
Borah	Hale	Patterson	Trammell
Bratton	Hastings	Pope	Tydings
Byrd	Hatfield	Reed	Vandenberg
Capper	Hayden	Reynolds	Walcott
Caraway	Hebert	Robinson, Ind.	Wheeler
Connally	Johnson	Russell	White
Copeland	Keyes	Sheppard	
Dale	McGill	Smith	

NAYS—23

Bachman	Couzens	La Follette	Pittman
Barbour	Dieterich	Lonergan	Robinson, Ark.
Brown	Duffy	McCarran	Van Nuys
Bulkley	Fletcher	Metcalf	Wagner
Bulow	Harrison	Murphy	Walsh
Clark	Kean	Overton	

NOT VOTING—21

Bailey	Costigan	Kendrick	Norbeck
Barkley	Cutting	King	Schall
Bone	Davis	Lewis	Shipstead
Byrnes	Dickinson	Logan	
Carey	George	Long	
Coolidge	Glass	McAdoo	

So Mr. BORAH's amendment was agreed to.

Mr. CONNALLY. Mr. President, I shall vote against what is known as the "beer bill." It provides for beer of substantially the same alcoholic content as ordinary beer sold before the adoption of the eighteenth amendment, which I regard as intoxicating. The Constitution prohibits the manufacture and sale of intoxicating liquor. So long as the eighteenth amendment is the law of the land it ought to be respected and enforced, and I shall not vote for any measure either nullifying or evading it.

The repeal of the eighteenth amendment has been submitted to the people in order that they, in the manner provided by the Constitution, may in their sovereign capacity pass upon the question. It is the highest function of the people to take such action as they desire with regard to the organic law of the land. I voted for the resubmission of the eighteenth amendment to the people in response to a referendum in my State and in accordance with the Democratic platform of 1932. However, so long as it is a part of the Constitution I am sworn to uphold and defend it. The Democratic platform of 1932 does not sanction the sale of beverages of an intoxicating alcoholic content. It provides only for such a content "as is permissible under the Constitution." Believing that the alcoholic content provided in the pending bill is intoxicating, I shall vote "nay" upon its passage.

The PRESIDENT pro tempore. The bill is open to further amendments. If there are no further amendments, the question is, Shall the amendments be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDENT pro tempore. The question is, Shall the bill pass?

Mr. HARRISON and others called for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BAILEY (when his name was called). On this question I have a pair with the senior Senator from Utah [Mr. KING]. If I were permitted to vote, I would vote "nay." If present, the Senator from Utah [Mr. KING] would vote "yea."

Mr. BULKLEY (when his name was called). I have a general pair with the junior Senator from Wyoming [Mr. CAREY]. If that Senator were present, he would vote for the passage of the bill, and therefore I am at liberty to vote. I vote "yea." I understand the junior Senator from Wyoming has been specially paired on this question.

Mr. DICKINSON (when his name was called). Making the same announcement as on the previous vote, I desire to state that if the Senator from Kentucky [Mr. BARKLEY] were here he would vote "yea." If permitted to vote, I would vote "nay."

Mr. REED (when Mr. DAVIS's name was called). My colleague the junior Senator from Pennsylvania [Mr. DAVIS] is necessarily absent on account of illness. If present, he would vote "yea." He has a general pair with the junior Senator from Kentucky [Mr. LOGAN], but I am not informed as to how the junior Senator from Kentucky would vote on this question.

Mr. GEORGE (when his name was called). Upon the passage of the bill I have a pair with the junior Senator from South Carolina [Mr. BYRNES]. If he were present, he would vote "yea." If I were privileged to vote, I would vote "nay."

Mr. DIETERICH (when Mr. LEWIS's name was called). My colleague the senior Senator from Illinois [Mr. LEWIS] is necessarily absent on account of illness. If present, he would vote "yea."

Mr. JOHNSON (when Mr. MCADOO's name was called). I again announce the illness of my colleague the junior Senator from California [Mr. MCADOO] and his absence for that reason. If present, he would vote "yea."

The roll call was concluded.

Mr. BYRD. My colleague the senior Senator from Virginia [Mr. GLASS] is absent on account of illness. Were he present and not paired, he would vote "nay."

Mr. WALSH. Repeating the announcement with reference to the absence of my colleague [Mr. COOLIDGE], I wish to state that if he were present he would vote "yea."

Mr. GORE. Mr. President, the Democratic State platform——

The PRESIDENT pro tempore (rapping for order). The Senator is not in order.

Mr. GORE. I rise to a point of personal privilege.

The PRESIDENT pro tempore. The Senator is out of order.

Mr. GORE. I desire to ask to be excused from voting.

The PRESIDENT pro tempore. The Senator from Oklahoma asks to be excused from voting.

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senator from Oklahoma be so excused.

The motion was agreed to.

Mr. SMITH (after having voted in the negative). I must withdraw my vote because I have a pair with the Senator from California [Mr. MCADOO].

Mr. HEBERT. I wish to announce the following pairs on this question:

The Senator from Wyoming [Mr. CAREY] with the Senator from Colorado [Mr. COSTIGAN];

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Virginia [Mr. GLASS]; and

The Senator from South Dakota [Mr. NORBECK] with the Senator from Wyoming [Mr. KENDRICK].

I am advised that Senators CAREY, SHIPSTEAD, and KENDRICK, if present, would vote "yea," and that Senators COSTIGAN, GLASS, and NORBECK, if present, would vote "nay."

I also wish to announce the necessary absence of Senators CAREY, SHIPSTEAD, SCHALL, CUTTING, and NORBECK.

The result was announced—yeas 43, nays 30, as follows:

YEAS—43

Ashurst	Couzens	Long	Robinson, Ark.
Bachman	Dieterich	McCarran	Steiwer
Bankhead	Dill	McKellar	Thomas, Utah
Barbour	Duffy	McNary	Trammell
Black	Fletcher	Metcalf	Tydings
Bone	Harrison	Murphy	Van Nuys
Brown	Hebert	Norris	Wagner
Bulkley	Johnson	Overton	Walcott
Bulow	Kean	Pittman	Walsh
Clark	La Follette	Reed	Wheeler
Copeland	Lonergan	Reynolds	

NAYS—30

Adams	Dale	Keyes	Sheppard
Austin	Fess	McGill	Stephens
Borah	Frazier	Neely	Thomas, Okla.
Bratton	Goldsborough	Nye	Townsend
Byrd	Hale	Patterson	Vandenberg
Capper	Hastings	Pope	White
Caraway	Hatfield	Robinson, Ind.	
Connally	Hayden	Russell	

NOT VOTING—21

Bailey	Cutting	Kendrick	Schall
Barkley	Davis	King	Shipstead
Byrnes	Dickinson	Lewis	Smith
Carey	George	Logan	
Coolidge	Glass	McAdoo	
Costigan	Gore	Norbeck	

So the bill was passed.

Mr. GORE. Mr. President, I desire to say that the Oklahoma State Democratic platform upon which I was elected to the Senate pledged the people of Oklahoma in express terms that if I should be elected to the Senate I would resist any effort to repeal the eighteenth amendment or to weaken the Volstead Act. The national Democratic platform adopted last year declared that, pending the repeal of the eighteenth amendment, the Democratic Party favored the modification of the Volstead Act. I found myself in this situation: Bidden by the national Democratic platform to vote for the measure just passed and forbidden by the Democratic platform of the State of Oklahoma to vote for the measure just passed. In that dilemma, and on account of that dilemma, which I regret, I asked the Senate to excuse me from voting, and I thank the Senate for its courtesy.

At this point I ask to have printed in the RECORD the provision of the national Democratic platform and the provision of the Democratic platform of the State of Oklahoma to which I have referred.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The provisions of the platforms are as follows:

[From the national Democratic platform]

Pending repeal, we favor immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution and to provide therefrom a proper and needed revenue.

[From the Oklahoma State Democratic platform]

We pledge the people of Oklahoma that if the Democratic candidates for United States Senate and Congress are elected to Congress, they will oppose the repeal of the eighteenth amendment or any effort to weaken the Volstead law, unless and until the people themselves, by their expressed will, shall have otherwise directed.

MEMORIAL ADDRESS BY THE GOVERNOR OF MAINE ON THE LATE PRESIDENT COOLIDGE

Mr. HALE. Mr. President, I ask leave to have printed in the RECORD a eulogy on the late President Coolidge delivered by the governor of my State, Hon. Louis J. Brann.

There being no objection, the address was ordered to be printed in the RECORD.

Governor Brann said:

Only yesterday they took Calvin Coolidge home.

In the mother soil of Vermont, in peace within the austere grandeur of the Vermont hills, he rests, one with eternal silence—while the Nation mourns.

Yesterday it was my solemn privilege to stand in company with sorrowing men and women where the great and the powerful knelt in prayer with the humble commoner, in the hallowed presence of the deceased.

Our people were disturbed at the sudden passing of Calvin Coolidge.

Like the hasty removal of some revered landmark, the falling of a noble tree, the collapse of a sturdy structure that had grown to be a public possession, came the shocking news of the swift end of him who had become an American institution.

But to New England, as perhaps to no other section of the country, is reserved more accurate measure of estimate, more complete understanding, more heart knowledge of him.

For all New England was neighbor to Calvin Coolidge.

And he was no mystery to the consciousness of New England.

His counterparts, in homely virtues and in simplicity of life, are found everywhere in New England, the descendants of a pioneering people.

Writers and historians will soon make their estimate of Calvin Coolidge, but they may miss the foundational thing, the pure gold of his heart.

Let it suffice to say that his was a life of public trust, never betrayed.

What a figure!

Tightly closed lips, compressed emotions, so common in this stern land of New England, which labors to produce men of the immutability of its everlasting hills.

Governor of Massachusetts, and how rings like a trumpet call his challenge, "Have faith in Massachusetts—"

There will ever live with me that scene in the humble farmhouse, near which he sleeps, when Calvin Coolidge learned that fate had raised him to the seat of the world's mightiest ruler, President of the United States of America.

In the soft light of kerosene lamp, which furnishes light for many such homesteads, Calvin Coolidge, facing his age-worn father, subscribing to the oath that qualified him as President.

He seemed to be a man of destiny; perhaps he was. No more swift was the stroke of fate that made him President than the stroke that took him from amongst us.

It is not for me at this time to analyze the forces that bent Calvin Coolidge to exalted service.

"He lived humble,
With understanding,
In sympathy with mankind, and in
Love, not fear, of God."

In his own Vermont hills, shrouded in the earthly texture of New England's very soil, he lies, and overhead the master strings of nature's own symphony breathe his requiem. And as long as the granite and marble shall endure men will remember Calvin Coolidge.

Yes; home at last, in harmony with the Infinite, fallen on sleep, in peace, in the very atmosphere of a Nation's birth—New England—secure in another shrine upon the Vermont hills

AGRICULTURAL RELIEF

Mr. SMITH. Mr. President, out of order I ask unanimous consent to introduce a bill in pursuance of the message of the President in reference to farm relief. I hope the members of the Committee on Agriculture and Forestry who are present will take notice that I shall call a meeting of the committee in the morning at 10 o'clock to take such action as the committee may see fit to take.

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senator from South Carolina asks unanimous consent to introduce a bill and have it referred to the Committee on Agriculture and Forestry.

Mr. RUSSELL. Mr. President, I understand that I may object to the request of the Senator from South Carolina, if I so desire?

The PRESIDING OFFICER. The Senator from Georgia has that right.

Mr. RUSSELL. Reserving the right to object, I wish to state——

Mr. LA FOLLETTE. Mr. President, I rise to a point of order. The point of order is that the Senate is in disorder and that no further business should be transacted, because it is impossible to know what is going on.

The PRESIDING OFFICER. The point of order is well taken. The Senate will be in order.

Mr. RUSSELL. Mr. President, this is one of the most important measures which will come before the Senate. I do not want to vote on this bill tomorrow afternoon with-

out having had an opportunity at least to read what it proposes and to study its provisions.

Mr. ROBINSON of Arkansas. Mr. President, may I say to the Senator from Georgia that it is my intention, after a little more business shall have been transacted, to move a recess until Monday, and there is no expectation of taking up the bill introduced by the Senator from South Carolina prior to some time next week.

Mr. RUSSELL. With that statement on the part of the Senator from Arkansas, I shall not object.

Mr. LONG. Mr. President, I want to reserve the right to object.

Mr. McGILL. What is the request for unanimous consent? I ask that it be stated.

The PRESIDING OFFICER. The Senator from South Carolina has asked unanimous consent that he be permitted to introduce a bill at this time out of order.

Mr. SMITH. May I be allowed to make a statement? This bill is sought to be introduced in pursuance of the message of the President. There will be afforded ample time for those who are interested in the bill to read it and study it. The committee will meet tomorrow, but when the bill will be ready to be reported to the Senate will depend upon the investigation and consideration of the committee.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. Just a moment, Mr. President. I do not want to object to anything, but this is an agricultural bill. I undertook to read a little of it this afternoon, and it is very apparent to my mind that the chairman of the committee, while he has not said so to me, from what I know of him will himself want to make some amendments to the bill, if I understand the logic of what he has been advocating here. What I hope to do is to avoid an early committee decision on the bill; in other words, some of my folks and myself want an opportunity for a brief hearing on this agricultural bill before the committee.

Mr. SMITH. I think there will be ample opportunity for those interested to present their views.

Mr. ROBINSON of Arkansas. Mr. President, if objection is made to the introduction of the bill, as any Senator may object, instead of moving a recess I shall move an adjournment until tomorrow so that the Senator may have the opportunity of introducing his bill. All he has requested is the right to introduce the bill and have it referred to the committee, and if consent is not granted, I shall, of course, refrain from moving a recess and shall ask the Senate to adjourn, in order that the Senator may have that opportunity tomorrow.

Mr. LONG. I do not want to object to the introduction of the bill, but I do not want this bill, embracing a number of pages—and I myself have worked over some agricultural bills during my lifetime, and I know how involved and complicated they are—I do not want the committee to close its doors on this matter before even Monday. Today is Thursday, and I want a chance to assemble some figures and facts and present them to the committee, and if I may understand from the Senator from South Carolina that this is not going to be one of those hurdy-gurdy matters, I will have no objection.

Mr. SMITH. Mr. President, I may say that it is necessary for the bill to be printed and placed on the desks of Senators, so that they may have an opportunity to become thoroughly acquainted with its provisions.

Mr. TRAMMELL. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Florida?

Mr. SMITH. I yield.

Mr. TRAMMELL. As I understood when the Senator requested unanimous consent to introduce the bill, he coupled with it a notice to his committee that it would meet tomorrow morning?

Mr. SMITH. Yes; that is what I want to do.

Mr. TRAMMELL. That looks as though the committee is going to proceed to try to expedite or rush the bill as they may see fit.

Mr. SMITH. No, Mr. President. My only object is this: if farm relief is to be had for the year 1933 it is essential for us to proceed at once to the consideration of a measure which will meet the approval of the Senate and of the House, which I think can be done, but it is not proposed to do it forcibly but to do it advisedly. Nobody is trying to rush anything through. The only imperative element is to get a bill passed as early as possible, so as to afford relief for agricultural conditions in the year 1933.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina? The Chair hears none.

The bill (S. 507) to relieve the existing national economic emergency by increasing agricultural purchasing power, was read twice by its title and referred to the Committee on Agriculture and Forestry.

SENATE OFFICE BUILDING

Mr. COPELAND. Mr. President, as chairman of the Committee on Rules, I wish to advise Senators that late Saturday night the electricians will go into the office building to install the service wires in the new addition, and there will be no elevator service and no lights on Sunday. I want Senators to bear that in mind and not blame the committee if they should be inconvenienced.

SUBSCRIPTION TO NOTES OR DEBENTURES OF STATE BANKS

Mr. ROBINSON of Arkansas. Mr. President, I ask now the attention of Senators, and particularly the attention of the Senator from Oregon [Mr. McNARY]. Yesterday a request was made for the consideration of Senate bill 334, to amend the Emergency Banking Act, a bill which was introduced by the Senator from Ohio [Mr. BULKLEY] and reported unanimously by the committee. I now ask unanimous consent for the present consideration of the bill and ask that the clerk report it at the desk.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. Mr. President, last evening I objected to the consideration of the bill. I have no objection at this time, especially in view of the fact that the Senator from West Virginia [Mr. HATFIELD], who is interested in the measure, is present, and also because it has been unanimously reported by the committee.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 334) to amend the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933, which had been reported from the Committee on Banking and Currency, with amendments, on page 1, line 6, after the word "the," where it occurs the first time, to strike out "second" and insert "first"; on page 2, line 7, after the word "the," to insert "legally issued"; at the beginning of line 9, to insert "having voting rights similar to those herein provided with respect to preferred stock"; and to insert a new section, as follows:

SEC. 2. The second sentence of said section 304 is amended to read as follows: "The Reconstruction Finance Corporation may, with the approval of the Secretary of the Treasury, and under such rules and regulations as he may prescribe, sell in the open market the whole or any part of the preferred stock, capital notes, or debentures of any national banking association, State bank or trust company acquired by the corporation pursuant to this section."

So as to make the bill read:

Be it enacted, etc., That section 304 of the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933, is amended by adding after the first sentence thereof the following new sentences: "Nothing in this section shall be construed to authorize the Reconstruction Finance Corporation to subscribe for preferred stock in any State bank or trust company if under the laws of the State in which such State bank or trust company is located the holders of such preferred stock are not exempt from double liability. In any case in which under the laws of the State in which it is located a State bank or trust company is not permitted to issue preferred stock exempt from double liability, the Reconstruction Finance Corporation is authorized, for the purpose of this section, to purchase the legally issued capital notes or debentures of such State bank or trust company, having voting rights similar to those herein provided with respect to preferred stock."

SEC. 2. The second sentence of said section 304 is amended to read as follows: "The Reconstruction Finance Corporation may, with the approval of the Secretary of the Treasury, and under such rules and regulations as he may prescribe, sell in the open market the whole or any part of the preferred stock, capital notes, or debentures of any national banking association, State bank or trust company acquired by the corporation pursuant to this section."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BULKLEY. Mr. President, I ask unanimous consent that at the appropriate point in connection with the consideration of Senate bill 334 there may be printed in the RECORD a list of the States in which there is a constitutional provision for double liability on State bank stocks. I desire to acknowledge my indebtedness to the Senator from West Virginia for supplying the list.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

States in which there is a constitutional provision for double liability on bank stock

[The article and section of the State constitution in which this provision is found is also shown opposite the name of each State.]

State	Article	Section
Arizona	XIV	11
Illinois	XI	6
Indiana	XI	6
Iowa	VIII	9
Maryland	III	39
Minnesota	X	[1] 3
Nebraska	XII	7
New York	VIII	7
Ohio	XIII	3
Oregon	XI	3
South Carolina	IX	18
South Dakota	XVIII	3
Texas	XVI	16
Utah	XII	18
Washington	XII	11
West Virginia	XI	6

[1] Laws of 1929, ch. 429.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business in open session.

FOREIGN SERVICE

Mr. PITTMAN. From the Committee on Foreign Relations I report back favorably certain nominations. These nominations are unanimously reported by the committee. No objection has been made to any of the nominees. I ask for the present consideration of the nominations, in view of the fact that we probably will not have another executive session for some time.

Mr. COUZENS. May we have the names first?

Mr. PITTMAN. I ask that the nominations be read.

The Chief Clerk read the nomination of Jesse Isidor Straus, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to France.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Josephus Daniels, of North Carolina, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Norman Armour, of New Jersey, lately a Foreign Service officer of class 1 and a counselor of embassy, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Haiti.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Paul Knabenshue, of Ohio, a Foreign Service officer of class 3 and a consul general, to act as minister resident and consul general of the United States of America to Iraq.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Avra M. Warren, of Maryland, to be consul general.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Harold Shantz, of New York, to be secretary in the Diplomatic Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of H. Merrell Benninghoff, of New York, to be secretary in the Diplomatic Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Cloyce K. Huston, of Iowa, to be secretary in the Diplomatic Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Winthrop R. Scott, of Ohio, to be secretary in the Diplomatic Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of H. Merle Cochran, of Arizona, to be secretary in the Diplomatic Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. PITTMAN. I ask that the President be notified of these confirmations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Are there any further reports of committees? If not, the calendar is in order.

PHILIPPINE ISLANDS

The Chief Clerk read the nomination of John J. Holliday, of Missouri, to be Vice Governor of the Philippine Islands, vice George C. Butte, resigned.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FEDERAL RADIO COMMISSION

The Chief Clerk read the nomination of Eugene O. Sykes, of Mississippi, to be a member of the Federal Radio Commission for the term of 6 years from February 24, 1933.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the calendar.

The Senate resumed legislative session.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 6 o'clock and 35 minutes p.m.) the Senate took a recess until Monday, March 20, 1933, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 16 (legislative day of Mar. 13), 1933

AMBASSADORS EXTRAORDINARY AND PLENIPOTENTIARY

Josephus Daniels to be Ambassador Extraordinary and Plenipotentiary to Mexico.

Jesse Isidor Straus to be Ambassador Extraordinary and Plenipotentiary to France.

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

Norman Armour to be Envoy Extraordinary and Minister Plenipotentiary to Haiti.

RESIDENT MINISTER AND CONSUL GENERAL

Paul Knabenshue to act as minister resident and consul general to Iraq.

FOREIGN SERVICE OFFICERS

The following-named Foreign Service officers to be diplomatic and consular officers of the grade indicated, as follows:

CONSUL GENERAL

Avra M. Warren, of Maryland.

SECRETARIES IN THE DIPLOMATIC SERVICE

Harold Shantz, of New York.
H. Merrell Benninghoff, of New York.
Cloyce K. Huston, of Iowa.
Winthrop R. Scott, of Ohio.
H. Merle Cochran, of Arizona.

ASSISTANT SECRETARY OF THE NAVY

Henry Latrobe Roosevelt to be Assistant Secretary of the Navy.

VICE GOVERNOR OF THE PHILIPPINE ISLANDS

John H. Holliday to be Vice Governor of the Philippine Islands.

MEMBER OF THE FEDERAL RADIO COMMISSION

Eugene O. Sykes to be a member of the Federal Radio Commission.

PROMOTIONS IN THE NAVY

Medical Director Perceval S. Rossiter to be Surgeon General and Chief of the Bureau of Medicine and Surgery.

Naval Constructor Emory S. Land to be Chief Constructor and Chief of the Bureau of Construction and Repair.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 16, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Great is the Lord, and greatly to be praised in the city of our God and in His holy mountain. How wonderful is Thy providence, Heavenly Father. Each day it dawns upon us with the beauty and the promise of the morning. We rejoice that "He that keepeth Israel shall neither slumber nor sleep." Heavenly Father, bless all our homes with the heavenly gifts of love and remember our loved ones who are far away with a joy and peace that shine brighter than the day. Create within us a greater determination to build up our spiritual lives with the sentiments of love, fidelity, brotherhood, and aspiration, and glory be unto Thy holy name forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

PRIVATE BILLS

Mr. BYRNS. Mr. Speaker, there were a number of bills passed at the last session which were signed by the Vice President and the Speaker, but were not signed in time to reach the President. These bills, therefore, did not become law. The Senate has again passed these bills. They are now upon the Speaker's desk, and it has been suggested by those interested that it would be proper to call them up now and ask unanimous consent for their consideration and passage.

Mr. SNELL. Will the gentleman yield for a question?

Mr. BYRNS. Yes.

Mr. SNELL. If I am correctly informed, each one of these bills passed the House by unanimous consent, and they are all private bills.

Mr. BYRNS. Yes.

Mr. SNELL. There are no general bills among them?

Mr. BYRNS. No general bills at all; and the bills will be called up one at a time.

Mr. SNELL. I can see no objection to that.

Mr. SABATH. Will the gentleman from Tennessee yield before his unanimous-consent request is granted?

Mr. BYRNS. Yes.

Mr. SABATH. Has the gentleman a list of these bills?

Mr. BYRNS. Yes; I have a list of them.

Mr. SABATH. Would it not be fair to the House to read the list?

Mr. BYRNS. I am going to call them up one at a time and ask unanimous consent in each instance.

Mr. BLANTON. Mr. Speaker, I reserve the right to object to ask the gentleman a question. There are only nine of these bills, I believe.

Mr. BYRNS. That is correct.

Mr. BLANTON. And as they are called up, they will be subject to objection and one objection will stop the bill when it is called, in case there should be one here that we have overlooked?

Mr. BYRNS. Yes.

Mr. BLANTON. With that understanding, I shall not object.

A. Y. MARTIN

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 155) for the relief of A. Y. Martin, and consider the same.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed to settle and certify for payment to A. Y. Martin, out of any money in the Treasury not otherwise appropriated, the sum of $980, as in full for services rendered as a de facto United States commissioner at Paducah, Ky., from December 8, 1930, to August 5, 1931.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

FRANCIS R. SANCHEZ

Mr. BYRNS. Mr. Speaker, I make the same request with respect to the bill (S. 154) confirming the claim of Francis R. Sanchez, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted, etc., That the claim of Francis R. Sanchez for lands described as sections 33 and 34, township 6 south, range 18 east, and as section 5, township 7 south, range 18 east, Tallahassee meridian, Florida, embracing 4,000 acres as shown on plats of survey approved May 27, 1841, contained in Report No. 2 as claim no. 25, of the commissioners of the district of east Florida (American State Papers, Duff Green edition, vol. 3, p. 643), communicated to Congress by the Treasury Department, May 20, 1824, be, and the same is hereby, approved and confirmed to the equitable owners of the equitable title thereto and to their respective heirs and assigns forever: *Provided*, That this act shall amount only to a relinquishment of any title that the United States has, or is supposed to have, in and to any of said lands, and shall not be construed to abridge, impair, injure, prejudice, divert, or affect in any manner whatsoever any valid right, title, or interest of any person or body corporate whatever heretofore acquired based on a patent issued by the United States.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

CONVEYANCE OF CERTAIN LAND IN LOS ANGELES, CALIF.

Mr. BYRNS. Mr. Speaker, I make the same request with reference to S. 153, to convey certain land in the county of Los Angeles, State of California.

The Clerk read the bill as follows:

Whereas on or about the 22d day of August 1921 the county of Los Angeles, State of California, conveyed to the United States of America the hereinafter-described tract of land for the use of the War or Navy Departments; and

Whereas the county of Los Angeles, in the State of California, purchased said property for the purpose of making said conveyance at a total sum of $148,655, of which amount the United States of America contributed $55,655 and the county of Los Angeles contributed the sum of $93,000; and

Whereas the United States of America has ceased to use said property, or any part thereof, for military or naval or other purposes, and the same is now and for some time has been idle: Therefore

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to convey to the county of Los Angeles the hereinafter-described land, exclusive of such structures thereon which may be designated by the Secretary of War for retention by the War Department with a view to their eventual removal from the premises, to be used for public-park, playground, and recreation purposes only, on condition that should the land not be used for that purpose it shall revert to the

United States: *Provided, however,* That the county of Los Angeles, State of California, pay to the United States of America the sum of $55,655, the amount originally paid by the Government on the purchase price of said property, which property is particularly described as follows:

All those certain lots, pieces, or parcels of land, together with all buildings thereon, situate, lying, and being in the city of Arcadia, county of Los Angeles, and State of California, and particularly described as follows, to wit: Lot 4 of tract numbered 949 as delineated upon the map of said tract recorded in book 17 of maps, at page 13, records of Los Angeles County, and lots 3, 4, 5, and 6 of tract numbered 2409 as delineated upon the map of said tract, recorded in book 23 of maps, at page 23, records of Los Angeles County. The land intended to be conveyed by this deed is bounded on the north by Falling Leaf Avenue, on the east by Santa Anita Avenue, on the south by Huntington Drive and by land now owned by Clara Baldwin Stocker, and on the west by the rights of way of Pacific Electric Railroad Co. and Southern Pacific Railroad Co., and being all of the land claimed or owned by the grantor within the exterior bounds of Arcadia balloon field.

SEC. 2. That the amount received from the county of Los Angeles, State of California, for the land above described shall be deposited in the Treasury of the United States as miscellaneous receipts.

The SPEAKER pro tempore (Mr. SABATH). Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

HOLY FAMILY HOSPITAL, ST. IGNATIUS, MONT.

Mr. BYRNS. Mr. Speaker, I make the same request with reference to the bill (S. 151) for the relief of the Holy Family Hospital, St. Ignatius, Mont.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to the Holy Family Hospital, St. Ignatius, Mont., out of any money in the Treasury not otherwise appropriated, the sum of $8,825.66, in full satisfaction of all claims against the United States for compensation for the care by such hospital of persons admitted thereto under authority of the Flathead Indian Agency, State of Montana, prior to and including November 30, 1931: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

W. H. HENDRICKSON

Mr. BYRNS. Mr. Speaker, I make the same request in relation to S. 150, for the relief of W. H. Hendrickson.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. H. Hendrickson, of Salt Lake City, Utah, the sum of $175 in full satisfaction of his claim against the United States arising out of the sale of a Ford truck to him by the prohibition administrator on June 7, 1930, at Salt Lake City, Utah.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

AGNES M. ANGLE

Mr. BYRNS. Mr. Speaker, I make the same request in reference to S. 148, for the relief of Agnes M. Angle.

The Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized to consider and determine, in the same manner and to the same extent as if application for the benefit of the employees' compensation act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Agnes M. Angle on account of disability due to tuberculosis if contracted at Wichita, Kans., while employed in the service of the United States as a stenographer in the office of the United States Veterans' Bureau in 1921: *Provided,* That no benefit shall accrue prior to the enactment of this act.

There being no objection, the bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

RIGHT OF WAY FOR ALAMEDA BELT LINE ACROSS BENTON FIELD MILITARY RESERVATION, CALIF.

Mr. BYRNS. Mr. Speaker, I make the same request in relation to S. 152, to authorize the Secretary of War to grant a right of way to the Alameda Belt Line across the Benton Field Military Reservation, Alameda, Calif.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and empowered to grant to the Alameda Belt Line, a corporation organized and existing under the laws of the State of California, its successors and assigns, a permanent right of way, in such location and under such terms and conditions as may be approved by the Secretary of War, over and across the Benton Field Military Reservation, Alameda, Calif., for railroad purposes, with full power to locate, construct, and operate railroad tracks, together with necessary spurs and sidings and other railroad appurtenances, appendages, and adjuncts: *Provided,* That the land shall not be used for other than railroad purposes, and when the property shall cease to be so used it shall revert to the United States: *Provided further,* That the right to compel the removal of said railroad tracks and appurtenances is hereby reserved in the Secretary of War, whenever he may determine the interests of the Government require, and which said removal is to be without expense to the Government, as a condition of this grant.

There being no objection, the bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

DAISY ANDERSON

Mr. BYRNS. Mr. Speaker, I make the same request in relation to S. 149, for the relief of Daisy Anderson.

The Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized to consider and determine, in the same manner and to the same extent as if application for the benefits of the employees' compensation act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Daisy Anderson on account of disability due to tuberculosis if contracted while employed in the service of the United States as a nurse in the United States marine hospitals: *Provided,* That no benefit shall accrue prior to the enactment of this act.

There being no objection, the bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

EXCHANGE OF LANDS BETWEEN COLONIAL REALTY CO. AND THE UNITED STATES

Mr. BYRNS. Mr. Speaker, I make the same request in relation to S. 156, providing for an exchange of lands between the Colonial Realty Co. and the United States, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted, etc., That upon execution and delivery by the Colonial Realty Co. of a deed conveying to the United States, title in fee, free of incumbrance, to approximately 1,420 acres of seeped and unproductive lands, as determined by the Secretary of the Interior, in sections 20, 21, 22, 25, 27, 28, 31, 32, 33, and 34 township 39 south, and section 3 of township 40 south, range 9 east, Willamette meridian, Oregon, Klamath project, or to such portion thereof as said company may elect so to convey, the said Secretary is hereby authorized and directed to issue a patent to the Colonial Realty Co., conveying to said company title to approximately an equivalent amount of public lands on the Tule Lake division of the Klamath project in Oregon-California to be selected and designated by said company from available lands in that division: *Provided,* That in order to avoid the expense of additional surveys, and since many of the tracts to be conveyed to the United States are designated as lots by public land surveys and for this reason the subdivisions contain areas both less than and in excess of legal subdivision, the areas conveyed to the Government and the areas patented by the Government need be only approximately of the same acreage: *Provided further,* That should any legal subdivision of the lands herein described consist of more than 50 percent of unproductive land the whole subdivision may, at the option of said company, be conveyed to the United States, with the right of exchange of an equivalent area as herein authorized.

SEC. 2. The water-right charges payable by said company or its successor on the Tule Lake lands patented pursuant to this act shall be the same as those fixed for similar lands in that district and shall be subject to payment in the same manner.

There being no objection, the bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had ordered that the joint resolution (H.J.Res. 75) entitled "Joint resolution to provide for certain expenses incident to the first session of the Seventy-third Congress," be returned to the House of Representatives.

The message also announced that the Senate has passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2820. An act to maintain the credit of the United States Government.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 320. An act to provide for direct loans by Federal reserve banks to State banks and trust companies in certain cases, and for other purposes.

REDUCTION OF EXPENDITURES

Mr. McDUFFIE. Mr. Speaker, my information is that the Senate has returned to the House the bill (H.R. 2820, a bill to maintain the credit of the United States Government, with sundry amendments, some 44. A vast majority of these amendments involve clarifying language. Some involve other matters which go to the vitals of the bill. On the whole, after conferring for awhile this morning, your special Economy Committee agreed informally to accept the amendments, and may I say to the House, especially to those gentlemen who felt that they could not support the bill as it passed the House, that practically every amendment added by the Senate liberalizes the bill, and I cannot see how any one who felt the House bill worked injustice to ex-service men can object to the amendments.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. McDUFFIE. Yes.

Mr. McFARLANE. I wish the gentleman would explain how section 19, title I, liberalizes the bill.

Mr. McDUFFIE. I shall, when we bring the bill up for consideration, if the gentleman will give us that permission.

Mr. SHANNON. Mr. Speaker, will the gentleman yield?

Mr. McDUFFIE. Yes.

Mr. SHANNON. By what authority does the gentleman's committee meet in anticipation of any action by the House? Why not have the bill brought up in the regular way and have it take its course? The gentleman from Alabama will realize that there is too much of this anticipation of what the House will do, and premature action by the committees.

Mr. McDUFFIE. May I say to the gentleman that the bill has not been called up?

Mr. SHANNON. No; but the gentleman's committee has acted upon it.

Mr. McDUFFIE. If the gentleman will wait until I complete my statement—and I hope he will be courteous enough to do that—I think I can satisfy even the gentleman from Missouri. The committee, of course, knew the action of the Senate. It had the bill, and it went over the amendments this morning in an informal way. The committee has not formally acted. We must have a few moments to get together in which to do that.

Mr. SHANNON. Again I should like to ask the gentleman a question.

Mr. McDUFFIE. Just one moment, if the gentleman will permit.

Mr. WOODRUM. Mr. Speaker, I demand the regular order. The gentleman from Alabama [Mr. McDUFFIE] is entitled to make a statement.

Mr. SHANNON. I ask if the gentleman will yield at this place.

Mr. McDUFFIE. I will.

Mr. SHANNON. Would the gentleman be willing to give the House a few minutes to go into the matter before he summarily calls the bill up and puts it through, which he intends to do? You intend to call it up and railroad it through in a few minutes.

Mr. McDUFFIE. The gentleman speaks of anticipating the action of the House. The gentleman from Missouri is doing a little too much anticipating himself.

Mr. SHANNON. I know from experience what is going to happen.

Mr. McDUFFIE. If he will wait until we have the bill before us, I am sure the gentleman will be satisfied with the procedure.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. McDUFFIE. Yes.

Mr. BLANTON. The gentleman from Missouri [Mr. SHANNON] has had the same opportunity to look into the bill as has the gentleman from Alabama and everyone else. We have all had the same opportunity, and I take it that we have exercised that prerogative. There are just two ways of getting this bill up and passing it speedily; one is by unanimous consent, which has been requested by the gentleman from Alabama [Mr. McDUFFIE], and which I hope will be granted, and the other is for it to go to the committee and then have it bring it back under a rule, which the committee will be able to obtain, which will mean the loss of an hour or two. Hence nothing can be accomplished by objecting. The President wants this bill passed speedily. I am backing him.

Mr. McDUFFIE. I hope the gentleman will permit me to continue. Mr. Speaker, the committee desires at least an hour to give further consideration to these amendments and to put in writing for the benefit of the House the effect of each amendment. I am going to ask that that explanation be printed in the RECORD. Not being ready to take the bill up at this moment, I ask unanimous consent of the House that at 1:30 p.m. the bill be taken from the Speaker's table and the amendments considered en gros by the House.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. CANNON of Missouri. Mr. Speaker, reserving the right to object, does the gentleman's proposal involve a separate consideration of any amendment in which the House may be particularly interested?

Mr. McDUFFIE. My request is that we take the amendments en bloc after they have been explained from the floor.

Mr. CANNON of Missouri. And how much time would be allowed for consideration?

Mr. McDUFFIE. One hour.

Mr. CANNON of Missouri. And anyone desiring to move to concur with an amendment would have that opportunity?

Mr. McDUFFIE. We would vote upon them en bloc.

Mr. SABATH. Mr. Speaker, I reserve the right to object. Would it not be just as well to take them up at 2 o'clock? Several Members have made appointments, and they will not return before 2 o'clock.

Mr. McDUFFIE. I hope the gentleman will not insist upon that. The President is going to send a message here at 4 o'clock dealing with other matters, and we should like very much to be through with this and have it out of the way when the message comes.

Mr. SABATH. I am anxious to make way for the message of the President, but I thought that 2 o'clock would be about right.

Mr. BYRNS. I think the extra half hour would give the House just that much longer to consider the amendments.

Mr. BLACK. Does the gentleman contemplate only one vote?

Mr. McDUFFIE. One vote on the amendments en bloc.

Mr. CANNON of Missouri. Mr. Speaker, reserving the right to object, Members have indicated a desire to modify 1 or 2 of the Senate amendments.

Would the gentleman consider an agreement which would permit motions to concur in such amendments with an amendment and a vote en bloc on the remainder?

Mr. McDUFFIE. I hope the gentleman will not insist on that. The White House has agreed to accept the amendments. The White House was not anxious to accept 2 or 3 of them, but time is very much the essence of this proposal, as the gentleman well knows. I beg the gentleman to permit us to take them up en bloc, because the gentleman knows if we change this language it will throw this bill into conference and there bring about added delay. I appeal to the gentleman to permit us to vote on the amendments en bloc, in view of the fact that they are satisfactory to the White House.

Mr. SNELL. We are glad to know, anyway, that they are satisfactory to the White House.

Mr. BYRNS. The gentleman well knows that if we put an amendment on this bill, it has to go to the Senate, and it might provoke further debate.

Mr. CANNON of Missouri. I understand the situation, and I do not proposed to object; but inasmuch as several Members had spoken to me about the matter, I am calling attention to the fact that if the gentleman's request is agreed to as proposed, there will be one vote en bloc on all Senate amendments and no opportunity will be afforded for a separate vote or a motion to amend any of them. If that is understood, I shall not object.

Mr. WOOD of Missouri. Mr. Speaker, I desire to object. I want a separate vote on amendment no. 4.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. SNELL. Mr. Speaker, let us have the unanimous-consent request repeated so that everyone will know exactly what we are doing.

The SPEAKER. The request is that at 1:30 this afternoon the House take up the bill H.R. 2820, with Senate amendments, and consider the Senate amendments en bloc. Is there objection? [After a pause.] The Chair hears none.

Mr. WOOD of Missouri. Mr. Speaker, I want a separate vote.

Mr. BLANTON. Mr. Speaker, I make the point of order that such a request comes too late.

Mr. SHANNON. No; he made it before.

Mr. BLANTON. But the Speaker stated the request again, and asked "Is there objection?" And after pausing, and no objection was made, the Speaker stated, "The Chair hears none."

Mr. WOOD of Missouri. I made that request three times, Mr. Speaker.

Mr. McREYNOLDS. Mr. Speaker, a point of order. The Chair had already ruled and heard no objection.

Mr. BLANTON. And the Chair deliberated, and announced that the Chair heard no objection. Hence the unanimous consent carried.

The SPEAKER. What is the objection of the gentleman from Texas?

Mr. BLANTON. My point of order is that the Chair asked if there was objection, then waited, and there was no objection, and the Chair so determined by stating "The Chair hears none." That determined the matter.

Mr. WOOD of Missouri. I objected before the gentleman said anything about it.

Mr. BLANTON. The gentleman merely stated he "desired to object," but he did not object when the proper time to object arrived. It was the duty of the gentleman to object when the Speaker asked if there was objection.

Mr. GOSS. Mr. Speaker, a point of order. Members have no right to address the Chair from the well of the House.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. WOOD of Missouri. Mr. Speaker, I request a separate vote on amendment no. 4.

Mr. GOSS. Mr. Speaker, I make the point of order that the gentlemen do not have the right to address the Chair from the well of the House.

The SPEAKER. The point of order is sustained.

Mr. WOOD of Missouri. Mr. Speaker, I repeat my objection. I request a separate vote on amendment no. 4.

The SPEAKER. Without objection, the unanimous-consent request is agreed to.

There was no objection.

RECESS

Mr. BYRNS. Mr. Speaker, I move that the House stand in recess until 1:30 p.m.

The motion was agreed to; accordingly (at 12 o'clock and 32 minutes p.m.) the House stood in recess until 1:30 o'clock p.m.

AFTER RECESS

The recess having expired at 1:30 o'clock p.m., the House was called to order by the Speaker.

SHOULD DISABLED EMERGENCY OFFICERS MAINTAIN THEIR RETIRED STATUS

Mr. GLOVER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement made by a soldier in my district with reference to the retired pay of officers.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. GLOVER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement made by a soldier in my district with reference to the retired pay of officers:

In these times of confusion, when propaganda of all kinds is being put forth by persons having special interests to serve and when the need for economy is so great, it is well for us to calmly consider the facts as they exist before committing ourselves to any particular conclusion.

Much has been said about the retirement of disabled emergency officers, under the act adopted by Congress in 1928, and before discussing this act and the present status of retired emergency officers it is necessary for us to have a clear view of the purpose for which the act was passed.

The Army and Navy are organized on a basis of two great divisions, viz, enlisted men and officers, and in both branches of the service we find the officers drawing much greater pay than the enlisted men. This policy, which is the result of centuries of experience of all nations with their fighting forces, is caused by the necessities of discipline and the need for executive ability in the officers, which has always been and, we presume, always will be at a premium, whether in the service or out.

Before the World War the Army and Navy were committed to a policy of retirement for officers. This policy, of course, was recognized and inaugurated by statute.

During the World War it became necessary for the Government to expand the Army from less than 200,000 to 4,000,000 and our naval forces to 800,000, expansion being almost as great a ratio. With this expansion, obviously, came the need for additional officers, and there were created, including the classes existing, nine classes of officers in the World War. These were as follows:

Regular officers of the Army.
Regular officers of the Navy.
Regular officers of the Marine Corps.
Provisional officers of the Army.
Provisional officers of the Navy.
Provisional officers of the Marine Corps.
Emergency officers of the Army.
Emergency officers of the Navy.
Emergency officers of the Marine Corps.

All of the military and naval functions of the war were carried on by the above-mentioned officers. No attempt was made by either the naval or military authorities in assigning an officer for duty to assign the regular or provisional officers of the Army, Navy, and Marine Corps especially to any particular duty, be it front-line duty or otherwise. As a matter of fact, a very large percentage of the officers actively in command of the front-line troops were emergency officers, and the glorious record of achievement by these men—many of whom were above draft age, many of whom made great personal sacrifices—cannot be too highly praised.

Before the war closed Congress adopted an act, July 9, 1918, which granted retirement to the provisional officers disabled in the World War, and under act adopted June 4, 1920, the emergency officers of the Navy and Marine Corps were granted retirement privileges. For 8 years the emergency officers of the Army suffered the unfair discrimination of not being permitted to retire, although their service was exactly upon the same basis, although they fought in the same battles, endured as much and ofttimes more sacrifice to carry on the war.

Under act of May 24, 1928, Congress abolished this distinction by the passage of the Tyson-Fitzgerald bill. This bill extended

only 1 year for officers to apply for retirement. Any officer who did not apply during the 12 months permitted was thereafter barred. Only 3 percent of the emergency officers who served in the Army during the World War are now on a retired status.

When one considers that approximately 90 percent of the emergency officers were commissioned as captains or lieutenants, that there were but few field officers—majors, lieutenant colonels, and colonels, and but four brigadier generals, and when one further considers that line officers—captains and lieutenants—were the ones who actually bore the brunt of front-line duty, that they are the men who lead their platoons and companies, personally, against the most desperate fighting history has ever known, through barbed-wire entanglements, flame projectors, machine guns, gas, and high explosives, following their own barrage so zealously and closely that many casualties came from their own artillery, then one realizes that the emergency officer is entitled to at least the same consideration as his brother officers receive.

To one unacquainted with the actual facts, a reading of the propaganda that has been put forth by the special interests who are so strong for economy at the expense of the other fellow, would cause him to believe that the retired emergency officers were all grafters, that none of them were suffering any real disability. The physical facts refute such an assumption, for the Government records indicate that of the 3 percent of the emergency officers who retired under the Tyson-Fitzgerald bill, the death rate has been 4 times as great as the average death rate of all veterans. It may be remarked, parenthetically, that since no other emergency officers can be retired, it will be but a few short years until death will render the service of economy so ardently desired by certain special interests now at the public feed trough.

The stock argument used against the retirement of emergency officers is that he is entitled to no more pay than the enlisted man who served under him; that both of them were equally patriotic, both of them subjected to the same gunfire, and so forth.

However, this argument fails to take into account the additional responsibility borne by the officers, fails to take into account that practically all of the officers were of a greater age than the enlisted men, that most of them came from positions of trust and responsibility in civil life and many of them made personal sacrifices to enter the service of their Government, although they were above the draft age.

It also fails to take into account that the disabled emergency officers of the Civil War were given greater pensions than the enlisted men and that this distinction was not based on service disability; that up until the 5th day of June, 1920, disabled emergency officers of the Spanish-American War received a higher rate of pension than the enlisted men; fails to take into account the greater responsibilities that an officer had to carry.

The line officers in command of separate units were not only charged with the duties of leadership and discipline, but were charged with the property responsibility which varied from $10,000 to as high as $250,000 in the case of artillery officers. It also fails to take into account the fact that officers in service were required to maintain a much higher standard of living than enlisted men and could not take advantage of the economies open to enlisted men. It may be safely said that 99 percent of the officers that came back to civil life had saved nothing from their pay.

There is another phase of the retired officers' status which has seemingly escaped the attention of both sides, and that is the ability of the Government to order any retired officer to active duty. There is no school whose training is so valuable as the school of experience; even West Point can not equip officers with the training that will make them equal to the training received under actual combat.

And at this time, when the war clouds are lowering in the Orient, the fact that the Government can order to active duty the six thousand and odd retired emergency officers, as well as the retired officers of the other eight classes, is an asset the value of which is beyond calculation.

We have been committed to a policy of retirement of Regular Army officers from any cause except wilful misconduct for a long period of time, and so long as we adhere to this policy why should there be a distinction between two men serving in the same unit, oftentimes leading the same men into battle, one of whom, by force of circumstances over which he had but little control, commissioned in the Regular Army and the other commissioned as an emergency officer? Certainly similar wounds or injuries would cause much suffering and handicap to the one as the other.

Again, the propagandists who are at this time urging the plea of economy, with particular reference to retirement of emergency officers, wax eloquent about the officer who was actually wounded in France being permitted to remain on the retired status but castigate in no uncertain terms the retired officers who were suffering from injuries other than those received in actual battle.

This is, of course, but the tribute that selfish interests pay to patriotism. No officer, or enlisted man for that matter, had the opportunity to say whether he should go to France or not or be sent to the front or stay in the States. Individuals did the duty that was assigned to them and any officer who was injured in the United States while in service suffers just as much a handicap as the one who was wounded in battle. For example, all troops were required to receive training in bayonet, gas, and various other specialized lines. Numbers of officers were injured while undergoing the gas training, either by defective equipment or improper control, or by some means over which he had no control. Certainly the disability resulting from such an injury is just as painful, just as effective a handicap to the individual as if received under combat conditions, and just as much due to his military service.

In conclusion, may we state that so long as the Regular Army, Navy, and Marine Corps adhere to the policy of retirement for their officers for disabilities of any nature, not arising from their own willful misconduct, there could seem to be no reason for a discrimination against the emergency officer.

If the policy of retirement of officers is to be changed as to one class, in the interests of economy, that much greater economy could be effected if the policy of retirement were changed as to all nine classes of officers, regardless of their status. It is realized, of course, that this would eliminate some retired officers who are now drawing handsome retired pay and who are entitled to it under existing laws, but by what means, either of logic or expediency, can there be found any justification for making the distinction between the emergency officers of the Army and the other eight classes of officers?

Respectfully submitted.

JOSEPH MORRISON.

MAINTENANCE OF CREDIT OF THE UNITED STATES GOVERNMENT

Mr. McDUFFIE. Mr. Speaker, pursuant to the unanimous-consent request granted prior to the recess, I offer the following resolution and ask for its immediate adoption.

The Clerk read as follows:

House Resolution 53

Resolved, That immediately upon the adoption of this resolution the bill H.R. 2820, with Senate amendments thereto, be, and the same hereby is, taken from the Speaker's table to the end that all Senate amendments be, and the same are hereby, agreed to.

The Senate amendments are as follows:

Page 2, line 4, strike out "any war subsequent to the Civil" and insert "the Spanish-American."

Page 2, line 6, after "rection", insert "or the World War".

Page 2, line 6, strike out "wound" and insert "injury."

Page 2, line 7, after "disease", insert: "*Provided*, That nothing contained in this title shall deny a pension to a Spanish-American War veteran past the age of 62 years entitled to a pension under existing law, but the President may reduce the rate of pension as he may deem proper."

Page 2, line 13, strike out "during any war subsequent to the Civil" and insert "in the active military or naval service during the Spanish-American."

Page 2, line 15, strike out "and prior to the World War."

Page 4, line 23, after "disabilities", insert "tuberculosis or neurophychiatric ailments."

Page 4, line 24, strike out all after "injuries" down to and including "service" in line 25.

Page 6, line 4, after "allowed." insert "No person who is entitled to any benefits under this title shall participate in any determination or decision with respect to any claim for benefits under this title."

Page 6, line 9, after "Corps", insert "during the World War."

Page 6, line 18, strike out all after "duty" down to and including "1918", in line 19, and insert "during such service: *Provided*, That such person entered active service between April 6, 1917, and November 11, 1918."

Page 8, line 24, after "compensation", insert "and other allowances."

Page 8, line 25, after "veterans", insert "and the dependents of veterans."

Page 9, line 2, after "Insurrection", insert "and."

Page 9, line 5, strike out "except" and insert "(except."

Page 9, line 6, after "War", insert "and to the dependents of such persons."

Page 9, line 8, strike out "or Marine Corps," and insert "Marine Corps, or Coast Guard)."

Page 9, line 11, strike out "first" and insert "last."

Page 10, line 2, after "commenced", insert ", or on any judgment heretofore rendered in a court of competent jurisdiction in any suit on a contract of yearly renewable term insurance, or which may hereafter be rendered in any such suit now pending."

Page 10, line 2, after "commenced", insert ": *Provided further*, That, subject to such regulations as the President may prescribe, allowances may be granted for burial and funeral expenses and transportation of the bodies (including preparation of the bodies) of deceased veterans of any war to the places of burial thereof in a sum not to exceed $107 in any one case."

Page 10, after line 2, insert:

"The provisions of this title shall not apply to compensation or pension (except as to rates, time of entry into active service and special statutory allowances), being paid to veterans disabled, or dependents of veterans who died, as the result of disease or injury directly connected with active military or naval service (without benefit of statutory or regulatory presumption of service connection) pursuant to the provisions of the laws in effect on the date of enactment of this act. The term 'compensation or pension' as used in this paragraph shall not be construed to include emergency officers' retired pay referred to in section 10 of this title."

Page 10, line 3, after "1934," insert "any."

Page 10, line 6, strike out "War" and insert "War, and their dependents."

Page 10, line 8, strike out "or Marine Corps shall" and insert "Marine Corps, or Coast Guard, shall."

Page 10, after line 9, insert:

"SEC. 19. The regulations issued by the President under this title which are in effect at the expiration of 2 years after the date of enactment of this act shall continue in effect without further change or modification until the Congress by law shall otherwise provide."

Page 10, after line 9, insert:

"SEC. 20. The President shall transmit to the Congress, as soon as practicable after the date of their issue, copies of all regulations issued pursuant to this title."

Page 10, line 19, after "President," insert "the Speaker of the House of Representatives."

Page 11, line 17, strike out "or" where it appears the second time, and insert "of."

Page 11, line 20, after "for" insert "the."

Page 12, line 8, after "gate," insert "through established agencies of the Government."

Page 13, line 1, strike out "3" and insert "2."

Page 13, line 4, after "reduction," insert "including reductions made under any existing law, regulation, or Executive order, in the case of subsistence and rental allowances for the services mentioned in the Pay Act of June 10, 1922."

Page 13, line 18, strike out "211."

Page 15, lines 14 and 15, strike out "105, 107, 109, or 112," and insert "105 or 107."

Page 16, strike out lines 4 and 5 and insert:

"(b) Sections 5 and 6 of the Treasury and Post Office appropriation act, fiscal year 1934, are hereby repealed."

Page 16, strike out lines 6 to 18, inclusive, and insert:

"(c) Section 215 of the Legislative Appropriation Act, fiscal year 1933 (relating to the limitation on annual leave), is amended by striking out '*Provided further*, That nothing herein shall apply to civilian officers and employees of the Panama Canal, located on the Isthmus, and who are American citizens, or to officers and employees of the Foreign Services of the United States holding official station outside the continental United States,' and inserting in lieu thereof, '*Provided further*, That nothing herein shall apply to officers and employees of the Panama Canal and Panama Railroad Co., on the Isthmus of Panama, or to officers and employees of the United States (including enlisted personnel) holding official station outside the continental United States or in Alaska."

Page 16, line 23, strike out all after "104," down to and including "thereof)" in line 24, and insert "subsections (d) and (e) of section 105."

Page 16, line 25, strike out "and 108" and insert "108, 112, and 211."

Page 17, after line 9, insert:

"(f) Subsection (b) of section 105 of the Legislative Appropriation Act, fiscal year 1933, is amended to read as follows, beginning with the 1st day of the calendar month following the month during which this act is enacted:

"'(b) The allowance for clerk hire of Representatives in Congress, Delegates, and Resident Commissioners is reduced by the percentage applicable by law to other employees on the roll of the House of Representatives, such reduced allowance to be apportioned by the Representative, Delegate, or Resident Commissioner among his clerks as he may determine, subject to the limitations of existing law, but the compensation of such clerks shall not be subject to reduction under subsection (c) of this section.'

"(g) Subsection (c) of section 105 of the Legislative Appropriation Act, fiscal year 1933, is amended to read as follows, beginning with the 1st day of the calendar month following the month during which this act is enacted:

"'(c) The rate of compensation of any person on the rolls of the Senate or of the House of Representatives (other than persons included within subsection (a)), is reduced by the percentage applicable by law to employees of the Government generally.'"

Page 17, line 10, strike out "retirement" and insert "The provisions of this title providing for temporary reductions in compensation and suspension in automatic increases in compensation shall not operate to reduce the rate of compensation upon which the retired pay or retirement benefits of any officer or employee would be based but for the application of such provisions, but the amount of retired pay shall be reduced as provided in this title: *Provided*, That retirement."

Page 17, line 17, strike out "to" and insert "the."

Page 18, line 10, strike out "title" and insert "act."

Page 18, line 23, strike out "legislative appropriation act" and insert "Legislative Appropriation Act."

Page 18, line 24, strike out all after "the" down to and including "act" in line 1, page 19, and insert "Treasury and Post Office Appropriation Act."

Mr. SHANNON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SHANNON. Does the House understand that if this matter is brought before the House in its present form no amendments whatsoever can be offered in regard to any of these matters? Am I correct in my understanding?

The SPEAKER. The gentleman is correct.

Mr. McDUFFIE. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

Mr. BANKHEAD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BANKHEAD. As I understand the parliamentary situation since the ordering of the previous question, the only vote possible at this juncture is a final vote upon agreeing to the Senate amendments?

The SPEAKER. The gentleman is correct.

Mr. McDUFFIE. Mr. Speaker, it was not my idea to shut off debate. I was under the impression that we could explain these amendments after the adoption of the resolution or after the previous question is ordered. If this is not true, then I shall ask to withdraw the request for the previous question, because gentlemen wish to explain these amendments and some gentlemen wish to be heard to whom I hope to be able to yield for that purpose.

The SPEAKER. Without objection, the proceedings by which the previous question was ordered will be vacated.

There was no objection.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. McDUFFIE. I yield.

Mr. SNELL. I could not understand from the reading of the resolution how the gentleman accomplished anything more than he did by the unanimous consent granted before the House stood in recess.

Mr. McDUFFIE. Before the House stood in recess we asked unanimous consent to consider these amendments en bloc. This was granted; but there was some question as to whether or not amendments would be in order, and this is intended to clarify that situation.

Mr. SHANNON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SHANNON. As I understand it, a vote in the affirmative on the pending question is not a vote for the bill. A Member can vote for these amendments and again vote in the negative on the passage of the bill. A vote for the amendments does not necessarily record him as voting for the bill.

The SPEAKER. The gentleman is correct.

Mr. SHANNON. Is it not merely a concurrence in these amendments?

The SPEAKER. That is what it amounts to.

Mr. SHANNON. That is what we are to vote on now?

The SPEAKER. Yes.

Mr. SHANNON. Hence, one who votes in the affirmative on the amendments would not be considered as having voted for the bill as a whole?

The SPEAKER. That is true.

Mr. COCHRAN of Missouri. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COCHRAN of Missouri. As I understand the parliamentary situation, the Speaker placed the question before the House in reference to agreeing to the resolution which liberalizes this bill. I distinctly heard, and I think the Journal will so show, that the House voted affirmatively. I do not see what there is before the House other than that the amendments have been agreed to.

The SPEAKER. The resolution in connection with the unanimous-consent agreement entered into before the recess is not before the House.

Mr. BYRNS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BYRNS. Is not this the parliamentary situation: The gentleman from Alabama, before the House recessed, asked that all the Senate amendments be considered en bloc. This consent was given. The question now, as I understand it, is simply a motion to concur in these amendments en bloc.

The SPEAKER. That is all.

Mr. SNELL. Mr. Speaker, the gentleman moved the previous question on that.

Mr. McDUFFIE. But that has been withdrawn.

The SPEAKER. The proceedings by which the previous question was ordered were vacated.

Mr. SNELL. Then, as I understand the parliamentary situation, we have a resolution before the House to approve the amendments en bloc?

The SPEAKER. That is correct.

Mr. SNELL. And now we are going to discuss them for an hour and then vote on them?

The SPEAKER. The gentleman is correct.

Mr. McDUFFIE. Mr. Speaker——

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. CONNERY. Do I understand that if we accept these Senate amendments we are not precluded from voting against the bill as amended.

Mr. McDUFFIE. Not at all. Mr. Speaker, I shall use 5 minutes.

Mr. SNELL. Will the gentleman yield for a parliamentary inquiry?

Mr. McDUFFIE. I yield to the gentleman from New York.

Mr. SNELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SNELL. Mr. Speaker, it would seem to me that if we adopt this resolution that ends the bill and there is no further vote on the bill itself.

The SPEAKER. That is correct.

Mr. SNELL. I understood the gentleman from Alabama to say that we would then vote for or against the bill.

Mr. McDUFFIE. No; the gentleman from Alabama was mistaken.

Mr. SNELL. If we adopt this resolution, we pass the bill.

Mr. McDUFFIE. We have then concurred in the Senate amendment, and, therefore, the bill is passed, so far as the House is concerned.

Mr. SNELL. And there is no other vote on the bill.

Mr. McDUFFIE. No other vote on the bill, as I understand it.

The SPEAKER. That is correct.

Mr. McDUFFIE. Mr. Speaker, of course, it is obvious that I could not explain all of these amendments within 5 minutes. I am anxious to yield to members of the committee who have given some thought and study to the provisions of this bill in order that they may impart to you such knowledge as they may have. I shall, therefore, touch on the high spots only.

Before doing this I beg leave to read to you a telegram from an American Legion post, which is as follows:

MOBILE, ALA., *March 16, 1933.*

Hon. JOHN McDUFFIE,
Washington, D.C.:

Happy to report that full meeting of Lamar Y. McLeod Post, American Legion, of Mobile, indorses demand by President for broad powers in dealing with veterans' legislation voicing full confidence in his fairness.

JAMES E. DUGGAN, *Commander.*

[Applause.]

May I also suggest that before the joint committee investigating veterans' relief and all laws pertaining thereto, we had the American Veterans' Organization, composed of gentlemen who belong to the American Legion. They organized in December, under the leadership of Major Williams, of Tennessee. Today the membership is more than 10,000 veterans, many of whom were on the firing line abroad. They came and gave their indorsement to proposals such as are involved in this bill. It had been said that all organizations appearing before the committee opposed any cut, or putting it in another way, preferred to have the laws remain as they are without taking a penny from a single veteran. In justice to many veterans it should be stated that there are thousands upon thousands of veterans who believe, today, in the country's crisis that every man who was willing to save this country in time of war should be willing to save it in time of peace.

The amendments to this bill, as I suggested before the recess, in the main are clarifying amendments and liberalizing amendments. May I call your attention to a few of the amendments?

The first title of this bill, under sections (a) and (b), designates those who may receive benefits, called here a pension, from the Public Treasury. It also makes eligible the widow of every man injured in line of duty. It provides that no Spanish-American War veteran, 62 years of age, may be removed from a pay status. You understand, of course, that the President, by regulation, may fix this pay or pension from $6 a month to $275 a month, as to all veterans.

Amendment No. 7, on page 5, simply makes sure that the ex-service men suffering with pulmonary troubles or mental ailments would be included and could receive benefits under this bill. Let me say there never was any intention on the part of anyone, nor does this bill take from the pay status a single ex-service man whose disabilities are directly connected with his service and who is in need.

[Here the gavel fell.]

Mr. McDUFFIE. Mr. Speaker, I yield myself 3 additional minutes.

Mr. HOEPPEL. Will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. HOEPPEL. Will the gentleman kindly inform me whether this bill will protect the interests of Indian war veterans who were disabled, but not in line of duty?

Mr. McDUFFIE. Indian war veterans, I assume and I think, are classified as any other veterans entitled to pay from the Public Treasury, but their status is not disturbed.

Mr. WOODRUM. Will the gentleman yield?

Mr. McDUFFIE. I yield to the gentleman from Virginia.

Mr. WOODRUM. I am informed by the Representative that the Indian war veterans are not affected by the bill at all.

Mr. HOEPPEL. I am satisfied with that statement.

Mr. WOLCOTT. Will the gentleman yield?

Mr. McDUFFIE. Yes.

Mr. WOLCOTT. It has come to my personal attention that literally hundreds of veterans were injured in so-called "clean-up squads" following the armistice. I know personally several who were injured on the morning of November 12. Is it the intent of this bill to cut these veterans off completely from any disability allowance?

Mr. McDUFFIE. The President has the right to determine, by regulation, the date of the beginning and the ending of hostilities.

Mr. WOLCOTT. If the gentleman will yield further, section (e) limits his ability to determine the beginning and ending of the World War, and such latitude is not allowed him with reference to the World War, although it is allowed with respect to the Civil War and the Spanish-American War.

Mr. McDUFFIE. If the gentleman will study this bill as a whole, I think he will find in a later provision that ample authority has been granted the President to take care of just such cases as the gentleman has mentioned.

Mr. WOLCOTT. I asked the question with that thought in mind.

Mr. McDUFFIE. Just one more word. Of course, I can not continue and explain all of the amendments in the bill, but other Members of the committee will explain the subsequent provisions. May I say to the House that your committee has studied the Senate amendments in the limited time we have had; indeed, we spent 2 or 3 hours this morning going over with the experts and the chairman of the Finance Committee of the Senate these amendments, and the committee agreed unanimously to accept the Senate amendments.

Personally, some of us may have preferred to make some slight changes, but if this bill is amended here it must go into conference between the two Houses, and thereby bring about delay—perhaps much delay, when time enters substantially into the consideration of this matter, and when the country as a whole is demanding just such a move on the part of the House as we are taking today. I submit that there should not be a dissenting vote in adopting this resolution.

I now yield to the gentleman from Virginia [Mr. WOODRUM] 5 minutes.

Mr. WOODRUM. Mr. Speaker, it seems to me to be very important that a thorough explanation be made of this bill. Doubtless thousands of veterans over all the country are going to read the proceedings of the House today to know what has been done with reference to veterans' legislation, and an explanation of this matter, as far as can be given in the very limited time, will likely save Members of Congress the duty of answering these questions. I am going to proceed for such time as the Chairman desires to give to me and to try to give you that kind of an explanation.

May I make the general statement that this bill wipes out and repeals from the statute books all laws and regulations relating to pensions and veterans' claims beginning with the Spanish-American War.

It wipes them off the books and substitutes for that the authority granted to the President under this bill to deal with veterans and pensions claims, subject to limitations and restrictions that you find herein.

Under present law there are two classes of claims. One is the so-called "disability compensation." That is wiped out in title I, section (a). This section provides for pensions for those disabilities directly incurred in line of duty. That takes in all your direct service-connected cases.

Section (b) provides that a pension may be granted to all veterans who are permanently disabled, regardless of when or where those disabilities were incurred, subject always to such limitations and regulations as the President may prescribe.

Therefore, under section (b) it is plain that the President has a perfect right to promulgate rules and regulations for disabled veterans in all permanently disabled cases, whether service connected or not.

Mr. MAY. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MAY. On page 2, amendment no. 4 provides—

> That nothing contained in this title shall deny a pension to a Spanish-American War veteran past the age of 62 years entitled to a pension under existing law, but the President may reduce the rate of pension as he may deem proper.

Does that mean that the Spanish-American veteran up to the age of 62 can be pensioned only as allowed by the President?

Mr. WOODRUM. Exactly. It means that the President cannot remove from the pension rolls a Spanish-American War veteran above the age of 62 years, though he does have the absolute power to prescribe the amount of compensation that he may receive.

Mr. BOILEAU. Was that provision in the bill at the time we passed it?

Mr. WOODRUM. No; that is a Senate amendment.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. GREEN. I suppose that those who now have service connection will be ruled as still having service connection.

Mr. WOODRUM. That depends. A great many veterans now have presumptive service connection.

Mr. GREEN. Their disabilities are service connected now under the presumptive clause of the law. Will that still obtain?

Mr. WOODRUM. It will not. One of the prime purposes of the law is to remove some of these presumptive cases, but the President has absolute authority to prescribe such rules and regulations as in his discretion and judgment may be proper to meet the situation with reference to presumptive cases.

Some question has been raised here as to the status of retired emergency officers. The whole of the Emergency Officers' Retirement Act is repealed by this law, and there is substituted in its place section 10, on page 6 of the bill, which provides that emergency officers who were retired for disabilities or disease contracted in line of duty and in performance of their duties shall continue on the rolls at the same rate of pay for which they are on the rolls at the present time. On the face of that it looks as though we have not given any cut at all to that class of emergency officers who were retired for service-connected disabilities; but when you turn to title II of the act, which is the pay-cut provision, you will find that the emergency officers retired in line of duty get the same 15-percent cut that other persons receiving compensation or payment out of the Public Treasury receive.

Mr. HOEPPEL. Mr. Speaker, will the gentleman yield for a question?

Mr. WOODRUM. Yes.

Mr. HOEPPEL. Will the gentleman please call my attention to the lines where that is provided?

Mr. WOODRUM. On page 13, title II, subsection (b).

I do not want to take my seat, Mr. Speaker, without calling attention of the House to the following notice which appeared in today's press. Mr. Louis A. Johnson, national commander of the American Legion, last night issued the following statement, and I quote his language:

> The Legion has every faith in the discretion, fairness, and the justice with which the President will deal with his problem—involving as it does in many instances the need for compassion and mercy.
>
> The President needs the support of every loyal American and today I am calling upon the 10,709 Legion posts and our 1,000,000 members throughout our great organization to uphold the pledge that I have made as national commander of the American Legion.
>
> I am asking that special meetings be held by every Legion post where it will officially express by resolution such loyalty and utmost help. Many of our posts already have taken the initiative and set dates for such meetings.

Mr. Speaker, I commend the high patriotic note sounded in this message. It is worthy of the great body of veterans, who in this tragic hour are as ready to serve their country as they were when the battle raged on the far-flung battle line. My desk has been piled high with letters and telegrams from veterans voicing the same sentiment as that expressed by Commander Johnson.

Mr. Speaker, probably never before in peace time has the National Legislative Body conferred such broad and sweeping powers on the Chief Executive. We have done so for two reasons.

Mr. GAVAGAN. Mr. Speaker, will the gentleman yield at this point?

Mr. WOODRUM. Yes.

Mr. GAVAGAN. I would like to have the gentleman express an opinion, if he will, as to whether or not this bill is or is not a complete surrender of legislative functions to the Chief Executive of this Nation?

Mr. WOODRUM. I can answer that, and I am glad to do it. I do not think it is a surrender of legislative functions. I think the Congress has simply said to President Roosevelt in effect, as follows: "We, the Members of the national legislative body, have the same confidence in you now that the American people had last November. We believe you can lead us out of these difficulties and we realize the fact that you need ample authority and power to do so. You have said that you need this legislation and we are going to place it in your hands, in full confidence that you will use it wisely."

Of course, Mr. Speaker, all of us are assuming that the President and his administrative assistants are going to exercise this great power cautiously and wisely to the end that so far as may be humanly possible justice may be done between the veteran and the taxpayer, who, after all, has to pay the bill.

The gentleman from New York well knows that we are conferring no power upon the President today that we cannot take away from him tomorrow if it necessary to do so.

Mr. McDUFFIE. And should not the Congress and the country be glad indeed that we have a man in the White House who is willing to take so much responsibility and do something that evidently this Congress cannot do?

Mr. WOODRUM. I think so.

Mr. VINSON of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. VINSON of Kentucky. With reference to taking away the power granted to the Executive under this bill let me say to the gentleman that I have implicit faith and

confidence in the Chief Executive of the United States, but does not the gentleman recognize that a power granted today with a majority vote can only be taken away from this Executive or some future Executive by a two thirds vote of both Houses of Congress?

Mr. WOODRUM. If occasion should require, and I do not think it will, there would be no difficulty in changing the laws.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. McDUFFIE. Mr. Speaker, I yield 7 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I am first going to answer the question which the gentleman from Michigan [Mr. WOLCOTT] asked of the gentleman from Alabama [Mr. McDUFFIE]. It is true that the World War veterans under this statute would not have a claim under item A of section 1; but under item B of section 1, by regulation, that type of veteran, with that type of injury which came after the armistice, can be taken care of.

Mr. WOLCOTT. Will the gentleman yield?

Mr. TABER. Yes; I yield.

Mr. WOLCOTT. Following that thought further, we all know, particularly in Michigan and Wisconsin, that there were thousands of men in Russia who were seriously injured, and many were killed in the spring following November 11. Does this bill allow compensation to be paid to them?

Mr. TABER. It does, under regulation of the President.

Mr. WOLCOTT. The gentleman does not think section E limits that to the extent that they will be deprived of compensation?

Mr. TABER. No; because under subsection B of section 1 the President by regulation can take care of that situation.

Mr. WOLCOTT. My point is that under section B there is provision made that compensation be paid to the veterans of the World War. The period of the World War is limited by section E, so that it terminates to all intents and purposes on November 11, 1918.

Mr. TABER. Yes. If they did not enter the service before November 11, they could not be paid any pension, but if they entered the service before November 11 they could be paid a pension under regulations, under section B, regardless of whether the injury took place before or after November 11. All they require to qualify is a permanent disability. It does not necessarily have to be total disability.

Now, Mr. Speaker, there are several other matters I would like to touch upon.

If the Members will turn to amendment no. 8, on page 5, they will see that the Senate amendment liberalizes the hospitalization of veterans, so that it covers all disabilities of a permanent character, plus tuberculosis and neuropsychiatric trouble, regardless of whether it is service-connected or not.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. TABER. I yield.

Mr. MARTIN of Colorado. I should like to set my mind at rest on that point, because, in my opinion, if this language is as I construe it, this is the most important and beneficial amendment made to the bill in the Senate. As I read the amendment, although it is rather confusingly worded, this still continues hospitalization for all diseases or injuries, whether service-connected or not?

Mr. TABER. That is correct, but, however, is under regulations of the President. That is, the President can prescribe, just as is done now, that those with service-connected disabilities have priority of treatment.

Mr. MARTIN of Colorado. I thank the gentleman for his interpretation.

Mr. HEALEY. Will the gentleman yield?

Mr. TABER. I yield.

Mr. HEALEY. Does not this bill vacate the presumption in favor of tuberculosis and mental cases?

Mr. TABER. It wipes it out. At the same time, under the provisions of subsection B, to which I referred a few moments ago, on page 2, they can be taken care of under that section by the President, under regulations.

Mr. HEALEY. But all those cases, tuberculosis and mental cases, that are connected because of a favorable presumption, will be wiped out by the passage of this act?

Mr. TABER. They are not under subsection A. They are under subsection B, under regulations such as the President may establish.

Mr. SWICK. Will the gentleman yield?

Mr. TABER. I yield.

Mr. SWICK. Will pensions be paid to any World War veteran who is not permanently disabled?

Mr. TABER. No. No pensions will be paid to anyone who has not a permanent disability under subsection B. Under subsection A, where there is direct service-connection, they will be paid to one who has a temporary disability.

Now, there are a number of other items in the bill that ought to be discussed; amongst others, amendment 19, on page 10, which provides that all suits which have now been entered and previously determined against the Veterans' Bureau on account of insurance claims shall go on to completion, and that those judgments, insofar as those suits are concerned, shall be valid, but that no future suits shall be brought along.

Mr. DOWELL. Will the gentleman yield?

Mr. TABER. I yield.

Mr. DOWELL. And except for this amendment, unless this amendment is adopted, those having suits pending would be cut off entirely under the bill?

Mr. TABER. That is correct.

Mr. DOWELL. Then this amendment merely gives them the right to the claim?

Mr. TABER. It merely gives them the right to go on with the suit.

Mr. DOWELL. And if they recover, they are entitled to whatever they may get?

Mr. TABER. That is correct; and it also provides that a judgment previously obtained in that shall be good.

Mr. DOWELL. Then, unless we do adopt this amendment, these benefits would not accrue to the veteran?

Mr. TABER. That is correct.

Now, the burial allowance was wiped out by the House bill. Under amendment no. 20 that is restored to the limit of $107.

The SPEAKER. The time of the gentleman from New York [Mr. TABER] has expired.

Mr. McDUFFIE. I yield 3 additional minutes, Mr. Speaker, to the gentleman from New York.

Mr. TABER. I want to call attention particularly to amendment no. 25 which, I think, answers many questions that have been asked. Under this, power of the President to change the regulations which he may issue, under which pensions may be paid and under which different things may be done, ceases 2 years after date of the enactment of this bill. So that all changes which come in the future, after 2 years from the date of the enactment of this bill must be made by Congress and not by the Executive. This is a temporary delegation of the power to act. It is not a permanent delegation of our power over the pension system.

Mr. McCLINTIC. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. McCLINTIC. I notice that, under this legislation, compensation is allowed to be paid as high as $275 a month. Is sufficient authority given in this bill that the President can reduce this amount wherever he sees fit?

Mr. TABER. Yes; he is allowed to cut that if he wants to. There are a few men who are absolutely and totally disabled, who are blind and have lost both legs, where the situation is rather aggravated. There are perhaps a couple of dozen such men on the rolls at this time.

Mr. McCLINTIC. There is sufficient authority to enable reduction to be made wherever thought desirable?

Mr. TABER. Yes.

Mr. JOHNSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. JOHNSON of Texas. What reduction does this legislation make in regard to veterans of the Indian wars?

Mr. TABER. Ten percent.

Mr. MANSFIELD. The same as for the Spanish-American War?

Mr. TABER. Yes.

Mr. EVANS. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. EVANS. There is an allowance of $107 for funeral expenses.

Mr. TABER. That is the present limit.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. DONDERO. As I understand it, the powers granted to the President by this legislation expire in 2 years?

Mr. TABER. All power to change regulations and change the method of determining pensions, compensation and such matters, and governing hospitalization.

Mr. DONDERO. Then Congress will be asked to pass new legislation at that time?

Mr. TABER. No. The regulations which the President issues during the next 2 years will govern unless Congress passes other legislation superseding them.

Mr. CARPENTER of Kansas. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. CARPENTER of Kansas. Is it not true the President hopes to reduce expenditures on account of World War and Spanish-American War veterans something like $400,000,000?

Mr. TABER. No.

Mr. CARPENTER of Kansas. What is the amount?

Mr. TABER. I do not know. The maximum reduction that might be made is something like $350,000,000, including Indian and Spanish War veterans, administrative expense, and compensation.

[Here the gavel fell.]

Mr. TABER. Mr. Speaker, I ask unanimous consent that the statement of the committee be printed in the RECORD, clarifying and explaining all amendments.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The matter referred to follows:

SENATE AMENDMENTS

Amendments nos. 1, 2, and 3 (p. 2): These amendments merely restate the House provisions in affirmative language so as to clearly show the proposed act relates to veterans of the Spanish-American War, including the Boxer rebellion and the Philippine insurrection and the World War.

Amendment no. 4 (p. 3): This amendment is a limiting proviso to the effect that a pension shall not be denied to any Spanish-American War veteran past the age of 62 years who is entitled to a pension under existing law, but it permits the President to reduce the rate of such pension as he may deem proper.

Amendments nos. 5 and 6 (p. 2): These amendments merely restate the House language and provide affirmatively that the widow or child of a deceased Spanish-American War veteran who dies of a non-service-connected disability shall be subject to the provisions of regulations to be issued by the President.

Amendment no. 7 (p. 5): This amends the House bill by adding those persons suffering with tuberculosis or neuropsychiatric ailments as eligible for domiciliary care irrespective of whether the condition is a permanent one.

Amendment no. 8 (p. 5): This amendment confers upon the President, under such limitations as he may prescribe, power to grant medical and hospital treatment for disease or injuries irrespective of whether they may be service-connected. The House bill would have limited medical and hospital treatment, except such as might be incidental to domiciliary care, to disease or injuries incurred or aggravated in line of duty in the active military or naval service.

Amendment no. 9 (p. 6): This amendment provides that no person entitled to any benefits under title I of the act shall participate in any determination or decision with respect to any claim for benefits under title I. This prohibits persons receiving benefits under title I of the act from participating in decisions as to entitlement of benefits.

Amendments no. 10 (p. 6) and no. 11 (p. 7): These amendments amend section 10 of the House bill, which restricted emergency officers' retirement pay to those officers who incurred injury or disease between April 6, 1917, and November 11, 1918, directly resulting from the performance of military or naval duty, so as to permit officers so disabled who entered the service prior to November 11, 1918, but who incurred the disease or injury subsequent to November 11, 1918, to be entitled to continue to receive retired pay.

Amendment no. 12 (p. 9): This is a clarifying amendment to specifically show that the laws granting special allowances in addition to compensation, such as the $50 for arrested tuberculosis, the $50 for attendant, etc., are repealed.

Amendment no. 13 (p. 9): This is a clarifying amendment making the repealing clause applicable to the laws granting pensions to the dependents of veterans of the Spanish-American War. The House bill as drawn contemplated such repeal.

Amendment no. 14 (p. 9): This is merely a clarifying amendment for grammatical purposes.

Amendment no. 15 (p. 9): This is also a clarifying amendment for grammatical purposes.

Amendment no. 16 (p. 9): This amendment specifically includes the laws relating to the dependents of Spanish-American War veterans as being subject to repeal. This was contemplated in the bill as originally drawn and is simply a clarifying amendment.

Amendment no. 17 (p. 9): This is merely a clarifying amendment to include the retirement of officers and enlisted men of the Coast Guard as being excepted from the repealing clause.

Amendment no. 18 (p. 10): This is a clarifying amendment changing the word "first" to "last" in connection with the clause which directs that payments under existing law shall continue for 3 calendar months following the month during which this act is enacted. The use of the word "first" was thought to be confusing, and thus the clarifying amendment.

Amendment no. 19 (p. 10): This amendment saves from the effect of the repeal of the laws pertaining to yearly renewable term war-time insurance suits filed in the courts and pending at the time of enactment of the act. All other claims are automatically barred from any future consideration. The House bill barred also pending suits from further consideration by the courts, but the Senate amendment permits such suits filed prior to the enactment of this act to continue to final judgment.

Amendment no. 20 (p. 10): This amendment authorizes the President, in his discretion, to make an allowance up to $107 in any one case for burial and funeral expenses, including preparation and transportation of the body. The present law authorizes the payment of this allowance, and the Senate amendment empowers the President to continue to pay the full allowance, any part of the full allowance, and in such cases as he deems proper.

Amendment no. 21 (p. 11): This amendment adds a new paragraph to the House bill by providing that compensation or pension now being paid, except as to the rate to be paid, the required time of entry into active service, and special statutory allowances, such as for arrested tuberculosis, attendant, etc., shall not be entirely denied to veterans disabled, or dependents of veterans who died as a result of disease or injury directly connected with active military or naval service, without benefit of statutory or regulatory presumption of service-connection. It should be understood that this Senate amendment does not protect existing rates nor the special statutory allowances over and above the general rates and does not protect those persons now receiving benefits solely because of statutory or regulatory presumptions. The paragraph specifically provides that it shall not be applicable to retired emergency officers.

Amendments nos. 22, 23, and 24 (p. 11): These amendments are merely clarifying amendments for grammatical purposes and to insure that the reduction of 10 percent provided shall not be applicable to the Coast Guard. The House bill excepted the Regular Army, Navy, and Marine Corps, but omitted the Coast Guard. These retired officers and enlisted men, however, are subject to reduction under title II of the bill, which will be later explained.

Amendment No. 25 (p. 12): This amendment adds a new section, providing that at the expiration of 2 years after the date of enactment the regulations shall become "frozen" and no further changes thereafter can be made except by act of Congress.

Amendment no. 26 (p. 12): This amendment adds a new section, which directs that the President shall transmit to the Congress as soon as practicable after the date of their issue copies of all regulations issued pursuant to title I, which relates to veterans.

Amendment no. 27 (p. 12): This amendment is a clarifying amendment which excludes the Speaker of the House from the definition of officer and employee, so that he will not be subject to the salary reduction prescribed by the President, but will, in lieu thereof, be subject to the 15 percent reduction provided in section 4 (c).

Amendments nos. 28 and 29 (p. 13): These are amendments to correct typographical errors.

Amendment no. 30 (p. 14): This amendment inserts language which provides that the investigation of the cost of living for the purpose of ascertaining what reductions shall be applied shall be conducted through established agencies of the Government.

Amendment no. 31 (p. 15): This amendment corrects a typographical error.

Amendment no. 32 (p. 15): This amendment provides that in the case of persons included within the Pay Adjustment Act of 1922 (Army, Navy, Marine Corps, Coast Guard, etc.) the reduction to be applied under this title shall not be in addition to reductions made in subsistence and rental allowances in these cases (which are generally based upon reductions in cost of living) but such reductions shall be considered a part of the amount of reduction to be applied under this title.

Amendment no. 33 (p. 15): This amendment strikes out of the Economy Act and the continuation of it section 211, which

reduces night differential and overtime compensation. This amendment restores extra compensation for night and overtime work and thus avoids a double cut on the persons affected by section 211.

Amendment no. 34 (p. 17): This is a technical amendment made necessary by reason of amendments which are discussed elsewhere.

Amendments nos. 35 and 36 (pp. 18 and 19): These amendments accomplish the result of restoring the leave provisions applicable before the economy act to officers and employees holding official station outside the continental United States or in Alaska.

Amendment no. 37 (p. 19): This is a technical amendment made necessary by amendment no. 39, which reduces the compensation of the Vice President, the Speaker, Senators, Representatives, Delegates, and Resident Commissioners, and Capitol employees.

Amendment no. 38 (p. 19): This amendment repeals section 112 of the Economy Act which reduces the rural carriers' equipment allowance by one eighth. Whereas the House bill restored the equipment allowance and applied the reduction in compensation to rural carriers' total pay during the fiscal year 1934, it did not do so for the remainder of 1933. The Senate amendment does the same thing for the remainder of the fiscal year 1933 as the House bill did for the fiscal year 1934.

This amendment also repeals section 211 (night differential and overtime pay). See amendment no. 33.

Amendment no. 39 (p. 20): This amendment reduces the compensation of Capitol employees by the percentage applicable by law to Government employees generally. The amendment continues the substance of the present law with respect to clerk hire in the House. The $5,000 allowance for clerk hire is reduced by the percentage applicable by law generally, but the Representative can distribute the amount remaining among his clerks as he determines, subject to the limitations of the present law.

Amendment no. 40 (p. 21): This amendment restores the first part of section 205 of the Economy Act so that the amount of compensation upon which the rate of retired pay or retired benefits is based shall be the amount calculated without regard to the reductions brought about by this title. It is provided, however, that in the case of retired pay which is reduced, the reduction shall be made in that retired pay. Thus, if an Army officer would, without the reduction contained in this title, receive pay at the rate of $4,000 per year, and he was retired on three fourths pay, his compensation for the purpose of ascertaining his pay at the time of retirement would be considered $4,000, but his retired pay ($3,000) would be reduced by whatever percentage was applicable thereto under the title.

Amendments nos. 41 (p. 21), 43 (p. 22), and 44 (p. 22): These amendments merely make necessary clerical corrections in the text of the bill.

Amendment no. 42 (p. 22): This amendment provides for covering into the Treasury appropriations unexpended by reason of the operation of the act as a whole rather than those unexpended by reason of the operation of title II of the act.

Mr. McDUFFIE. Mr. Speaker, I yield 10 minutes to the gentleman from Kansas [Mr. McGUGIN].

Mr. McGUGIN. Mr. Speaker, there is no question but that this bill is far-reaching legislation. There is no question but that the conditions and the times out of which this bill grows are far-reaching. Speaking from the standpoint of a veteran, one of the most distressing things that has happened during the last 2 years is that the leadership of the veterans very largely has held up before the veterans that there was no end to the amount of money which could be drawn from the Federal Treasury for them, leading millions of men throughout the country to believe that the Federal Treasury was overflowing with money and that all that was necessary was for the veterans to organize and demand it.

My heart goes out to the great mass of veterans, who have been given to understand that there was no end to the money which they might receive from the Public Treasury when the facts were that the Treasury of their Government was going down into bankruptcy day by day.

This policy went on until the situation became so drastic that the President of the United States was obliged to send a message to this Congress last week telling Congress and the country that this Government was facing bankruptcy, that its credit was impaired, and that drastic and immediate action was necessary; and that the drastic and immediate action necessary is this bill, which is drastic.

Now, of course, there are many things in this bill which do not appeal to me, which do not appeal to you. To say that I like this bill would be to say that I like the depression and to say that I like the situation of my country being impoverished. But the matter has dragged along until the time has come when something must be done quickly. It would be most miraculous if the ingenuity of man has reached that stage of perfection where a bill as far-reaching as this may be drafted and not carry some provisions which time and experience will show need to be corrected.

I am confident that the President of the United States—especially a President who was elected only a few months ago by carrying 42 of the 48 States, and who was very largely elected with the overwhelming majority of the veterans' vote—will administer this bill justly to the veteran, consistent with the ability of the Government to pay. I cannot conceive of the President of the United States' not coming back to Congress and asking for additional authority, or correcting authority, to take care of any imperfections in this bill.

Section (d), on page 2, provides for the granting of a pension to the widows of veterans who died from non-service-connected disability, but it limits the class of widows entitled to these benefits to the widows of veterans of the Spanish-American War. If I had my way about it, this provision would be expanded to include the widows of the World War.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. McGUGIN. I yield.

Mr. PATMAN. The gentleman is a member of the committee, and I am seeking information. It was stated a while ago that the largest amount that could be drawn by anyone would be $275 a month. Is it not a fact that Admiral Byrd, who draws about $4,600 a year, under this bill will be reduced only 15 percent, and that the $275 provision will not apply to him? And is it not likewise the fact as to General Harbord, Admiral Sims, General Pershing, and all the retired officers who are now drawing from $6,000 to $21,500 a year? They will be restricted only by the 15-percent reduction.

Mr. McGUGIN. My answer to that is that all retired compensation is in title 2, paragraph (b), which will mean a 15 percent reduction in all retired pay.

Mr. PATMAN. General Pershing will still draw $18,000 a year and Admiral Byrd more than $4,000 a year.

Mr. McGUGIN. It will be 15 percent less than what they are now drawing.

Mr. PATMAN. In other words, this limit of $275 does not apply to them.

Mr. McGUGIN. That is my understanding. They are drawing this retired pay as retired officers of the Regular Army. They would draw such pay if there had never been a World War. Their pay comes from an act different from the act providing for veterans' relief.

Mr. HOEPPEL. Will the gentleman yield for a question?

Mr. McGUGIN. I yield.

Mr. HOEPPEL. Will the gentleman kindly explain how he reconciles himself to the fact that on page 2, subsection (d), there is provided a pension to widows of Spanish-American War veterans, regardless of how wealthy they may be, whereas on the same page there is a provision taking away pensions or disability allowances to veterans who are 99 percent disabled and who served in one or two or more wars? Can the gentleman explain this?

Mr. McGUGIN. No; I cannot explain the question the gentleman asks, because his question presumes something that does not exist. [Laughter.]

Mr. HOEPPEL. It does exist.

Mr. McGUGIN. The amount that the widow of a Spanish-American War veteran will draw will be subject to the regulations prescribed by the President of the United States; and does the gentleman think that the President of his own party will by regulation provide for an excessive pension for the widow of a Spanish-American War veteran? The gentleman's question indicates there is no limit to the amount of pension that might be paid to the widow of a Spanish-American War veteran. There is a limit, and it is the limit that the President of the United States will in good conscience prescribe by rules and regulations.

Mr. HOEPPEL. Will the gentleman yield for a reply?

Mr. McGUGIN. I will.

Mr. HOEPPEL. I think the gentleman misunderstood me. I am going on the assumption that the President will cut the Spanish-American War veteran from $30 to $20 a month; but are we justified in voting a pension of $20 a month to wealthy widows, many of whom I know [laughter], and at the same time taking away pensions from men who served in war?

Mr. McGUGIN. I am not at all fearful that the President of the United States is going to be so solicitous of the welfare of wealthy widows that he will allow them to raid the Treasury. He can put a needs clause on this, if he wants to, and give them nothing.

Mr. CONNERY. Will the gentleman yield?

Mr. McGUGIN. I yield to the gentleman from Massachusetts.

Mr. CONNERY. As the gentleman knows, this is called emergency legislation. If it is emergency legislation, why is it that in the case of the Government employee a time limit of one year is put on and in the case of veterans it is permanent legislation? What about the emergency there?

Mr. McGUGIN. There is a well-founded idea in this country of ours that there are some veterans' benefits which should have never been placed on the statute books, and such is the idea of your President, and he does not want that only to be emergency and temporary legislation. He wants the privilege of eliminating such class of cases permanently. [Applause.]

Mr. WEIDEMAN. Will the gentleman yield?

Mr. McGUGIN. Yes.

Mr. WEIDEMAN. In order to get after the boys in the higher brackets, General Harbord and Admiral Byrd, we will have to vote "no" on these amendments, so that we can get after them. Is that it?

Mr. McGUGIN. I do not so understand it.

Mr. WEIDEMAN. How are we going to do it otherwise? Will the gentleman inform me?

Mr. McGUGIN. If I were the gentleman and belonged to his party I would go down to my President and ask him to send up a recommendation for such legislation or I would introduce such a bill in this House and take my chances upon a committee controlled by my party bringing out such legislation cutting such benefits, if the gentleman does not like them. [Applause.]

Mr. WEIDEMAN. Will the gentleman explain how, as a member of the committee, these men were distinctly left out of this bill, or, in other words, why they were not included in the bill?

Mr. McGUGIN. This bill came to Congress from the President, with his request for immediate enactment. The gentleman must ask the President why he left out of this bill the men the gentleman has in mind.

[Here the gavel fell.]

Mr. McDUFFIE. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. DUNN. Will the gentleman yield?

Mr. McGUGIN. I yield.

Mr. DUNN. Why were not the widows of the World War veterans considered in this bill?

Mr. McGUGIN. That is a question I wish to answer, and I trust no one will interrupt me until I finish answering the question.

The widows of World War veterans, which veterans died from non-service-connected disability, are not considered in this bill and are excluded. This is the point I mentioned a moment ago. Get this straight. The widow of a World War veteran, which veteran died from service-connected disability, receives her pension. The widow of a World War veteran, which veteran died from non-service-connected disability, does not receive benefits under this bill; and they do not receive any benefits now. So nothing is taken away from them that they now have, and this is the point I am making. This is a class of benefits which would have been taken care of long ago, in my judgment, except for the bonus demand here last spring which, in my judgment, was ill-advised and turned the country against veterans' benefits at a time when we were about to obtain for the widows of World War veterans the just consideration which they should receive. [Applause.]

Mr. RANKIN. Will the gentleman yield?

Mr. McGUGIN. I yield to my friend from Mississippi.

Mr. RANKIN. I wish to say to the gentleman from Kansas that we passed a widows and orphans bill in this House last year, 316 to 16, and it went over to the Senate and died there.

Mr. McGUGIN. That is exactly what I had in mind a moment ago. We passed the widows and orphans bill in the House, and while it was in the Senate the bonus drive was started. It brought such public protest that the widows pension bill died in the Senate.

[Here the gavel fell.]

Mr. McDUFFIE. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, while I am opposed to the passage of this so-called "economy bill", voted against it when it passed the House, and am opposed to its passage now, at the same time I believe it is better to accept the Senate amendments than it would be to defeat them and have the bill become a law with those amendments eliminated. I do not mean that they make the bill acceptable, but they do improve it, in several particulars, and it will be better for the veterans and for the country to have this bill pass with these amendments added than it would be for it to pass without them.

I went over to the other end of the Capitol after this measure passed the House, and while it was being considered by the other body, and urged certain Senators to see that an amendment was adopted to take care of the neglected widows and orphans of veterans of the World War, but they failed to do so. We were denied the opportunity to offer such an amendment in the House.

There are many widows and orphans of World War veterans who died from service-connected disabilities, but who had not been able to establish their claims or had refrained from making claims, who are now denied one penny under the present law, and who will not be taken care of under this bill. There are widows and orphans of men who were totally disabled in the war, some of them on the firing line, but who later died from other causes. These widows and orphans are denied one penny of compensation under this bill.

Since this measure passed the House a few days ago, under the gag rule, which prohibited a Member from offering a single amendment, the subsidized press has been maligning and abusing those Members of the House who dared to oppose it, and they have particularly trained their guns on me. They have tried to make it appear that every man who voted against this measure was against the administration. Of course, that charge is ridiculous. I see it charged in the press that I voted against the bill because it reduced the salaries of Congressmen 15 percent. That statement is also ridiculous. I voted for the amendment offered recently to reduce Congressmen's salaries 25 percent. The RECORD shows that I am one of the few men in the House who opposed raising Congressmen's salaries in the beginning. I will vote to reduce them 50 percent, or 75 percent, or any other percent, rather than see our disabled veterans and their helpless widows and orphans begging bread from door to door.

If this bill would relieve the overburdened taxpaying homeowners, farmers, and laborers of the country, God knows I would support it. But it will not do that. It may increase their taxes to take care of these unfortunate veterans and their dependents. Only the income- and inheritance-tax payers of the country will be relieved.

It is charged that there are many men on the roll who ought not to be there. No doubt that is true, but that is the result of administration by the very Bureau to which this stupendous proposition is being turned over, and to which has been granted arbitrary and dictatorial powers without any right of appeal on the part of the veteran.

The country has been led to believe that I was the author of the disability allowance bill. The facts are that a few

years ago we found that a great many veterans who were suffering from disabilities evidently connected with their service in the World War were unable to establish their claims; some of them for the reason that no records were made of their injuries or illnesses at the time and that their comrades were so badly scattered they were unable to gather the proof. Others had not been sufficiently informed as to their rights in the premises and had failed to make application until it was too late. There were other men whose pride restrained them from asking help of their Government until the time for making application had expired. Then when they did break down and had to call for help they found that they were precluded from doing so.

A great many of these men were suffering from tuberculosis, cancer, paralysis, and other chronic constitutional diseases that undoubtedly had their inception in the World War. I attempted to have the presumptive period in such cases extended to January 1, 1930, in order to take care of these unfortunate men. We brought a measure to the floor of the House for that purpose. It was commonly referred to as the Rankin bill. It passed the House by 324 to 49, and passed the Senate by 66 to 6. It was vetoed by President Hoover, and in order to secure a sufficient number of votes in the House to sustain his veto the administration prepared this disability allowance bill. It had the approval of the White House, the Treasury Department, and the Speaker of the House before it was ever submitted to Congress. As soon as the vote was taken sustaining the President's veto of the Rankin bill this disability allowance bill was called up and passed under suspension of the rules, with only 20 minutes' debate on a side, when we did not even have time to read it, much less discuss it intelligently. While it provided for the disabled veterans, it left out their widows and orphans.

This bill was turned over to the Veterans' Bureau for construction and administration, and instead of strictly construing it as they had done other veterans' legislation, they gave it such liberal construction in some localities as to provoke criticism of the disabled veterans that was unjust and undeserved.

Mr. Speaker, I have every faith in our President. If he could administer this gigantic Bureau, personally, I am sure that he would do equal and exact justice to all, insofar as this law would permit. But this stupendous responsibility is now to be turned over to this same Veterans' Bureau, which will, in all probability, give the President more trouble in the next few years than any other one thing with which he will have to deal.

In my opinion, the President has been deceived in this matter. He has been misled by men upon whom he had a right to rely. When he realizes the grave injustices this measure will produce, I believe he will be one of the first to demand a change.

While this bill only reduces salaries of Congressmen 15 percent, it reduces the compensation of many disabled World War and Spanish-American War veterans 100 percent. It only reduces the compensation of old Federal soldiers of the Civil War, and their widows, 10 percent, and that for only 1 year. Many of those widows were born after the Civil War and married those old soldiers 40 years after that war closed, yet they are reduced only 10 percent for 1 year, while a large number of widows and orphans of the veterans of the World War, many of whom died as the result of their services in France, and of injuries incurred in line of duty, are left without a penny for life.

This drive against the veterans has been going on for some time by the so-called "Economy League", a Wall Street organization financed by the large-income- and large-inheritance-tax payers of the country. Our wealth is now concentrated into the hands of a few. Less than 5 percent of our people are said to own more than 90 percent of our wealth. When the country begins to come back, these "big boys" will get in on the ground floor, just as they did during the war, and reap untold millions in incomes which they hope to place beyond the pale of taxation and balance the Budget on the disabled veterans.

This bill is very unjust to our Spanish War veterans—those old boys who volunteered their services to defend their country in a plague-infested foreign land and against an uncertain foe. It is also unjust to World War veterans with war-risk-insurance claims. It abrogates many of their insurance contracts for which they have paid their own money. It is unjust to thousands of presumptive cases—men suffering from mental troubles, cancer, paralysis, tuberculosis, and other chronic constitutional diseases.

These men were put on the roll by presumption, because it was impossible for many of them to prove service-connection, owing to the "red tape" of the Veterans' Bureau, and owing to the fact that these men—many of them the best soldiers America furnished during the World War—did not know their rights or else they attempted to carry on, attempted to make a living without asking their Government for assistance, until finally, when they broke down, they found they were too late.

The men suffering from nervous troubles, these neuropsychiatric men, invariably owe their disabilities to shell shock and to the strain and stress of the war and the intensive training through which they passed during the time we were in the conflict.

Not only that, but this measure is unfair to those unfortunate tubercular men to whom I have just referred.

Mr. Speaker, tuberculosis is the great white plague of America—the dreaded enemy of mankind. He is the commander in chief of the allied forces that are fighting for the destruction of the human race.

He is more dangerous than any foreign power, and more destructive than any antagonist our country has ever encountered on the field of battle.

He is the friend of none, yet he is the confederate of every disease and the ally of every foe of mankind.

He is more devastating than the sword, more treacherous than poison gas, more sinister than the submarine, and more cruel than Caligula.

In the heat of battle, in the fullness of his pride and strength, the soldier takes little heed of the hissing bullet or the bursting shell. He is urged on by his patriotism, and the consciousness of his country's support, and cheered on by his comrades to victory or to death. But he who dies of tuberculosis must in a measure fight his battles alone. He lingers for days, and weeks, and months, and even years, while this insidious foe stealthily performs his deadly work.

Tuberculosis comes not up like a brave and daring enemy storming by sudden onset the fortress that resists. He besieges. He draws his line around the doomed garrison. He cuts off supplies. He undermines. He never summons to surrender. He asks no quarter and gives none. He observes no armistice. He recognizes no flag of truce. He halts at no Rubicon. He pauses at no Delaware. He is grim, stealthy, insidious, malignant, relentless, and implacable. His arena of constant warfare spreads throughout the earth. The devastating wake of his ravishing march leads through every land. Wherever he goes he conquers.

He conquers amidst the burning sands of the south where the phalanx of Alexander halted in mutiny. He conquers admist the snowdrifts of the north where the grand army of Napoleon found its winding sheet.

Unlike a common warrior, he tortures his helpless victim and gradually puts him to a slow and painful death—he smothers him to death. When finally the spark of life has fled, instead of relenting his assault he gloats over the dead and moves on to attack and, if possible, destroy his defenseless loved ones.

Thus, while Congress quibbles over the cost, his relentless march goes on, leaving in his deadly wake a hundred thousand victims yearly in the United States alone, many thousands of whom are veterans of the World War.

For these tubercular victims, whose cause I am now pleading, the war has never closed. For them the battle will rage until they sink into the grave.

I have no patience with people who profess to believe that the ex-service men will ruin the Republic or wreck the Treasury. I would suggest that they look back across the

lapse of history and see whether or not our ex-service men have ever injured or weakened this great country of ours.

The ex-soldiers of the Revolution, who followed Washington during the dark and bloody years of our war for independence, did not wreck the country after the war closed. On the other hand, they wrote the Constitution and gave to the world the greatest Government our civilization has yet known.

The soldiers of the War of 1812, those sturdy pioneers who followed Andrew Jackson at the Battle of New Orleans, where they taught the newly fledged American eagle to "match his talons with the lion's strength" and elevated America for the first time to the dignity of a world power—those men did not wreck the Nation in times of peace. But, on the other hand, they added to it that great southern country from which so many of us hail today.

The soldiers who followed U. S. Grant, Robert E. Lee, and Jefferson Davis in the War with Mexico not only defended the Nation in times of war but strengthened it in times of peace; they added to the country a new domain and carried our flag westward to the Golden Gate.

Your veterans of the Civil War did not wreck the country at its close but brought together and restrengthened a war-torn nation and built for us that great western empire whose splendid and patriotic sons sit before me at this hour.

Take our veterans of the Confederacy, who came back home and faced a condition of desolation that would have caused the hearts of men of iron to quail. Did they wreck the States from which they came? No; but by their devotion, their courage, their patriotism, and their industry they brought order out of chaos, turned defeat into victory, and caused the genius of devastated Dixie to rise like a Phenix from the ashes of her destruction and bathe her golden plumage in the sun.

When the war clouds of 1898 marshaled their black battalions, and it looked as if we were on the verge of a world conflict, there came from our towns and cities, our fields and plains, our hills and valleys, an army of several hundred thousands of America's patriotic sons who volunteered to go forth into the plague-infested tropics to defend the honor and perpetuate the glory of this great Republic. And when the war was over—as the storm cloud dissipates itself to be found the next day falling in the form of the gentle rain that nurtures the tender plants or sparkling in the dew drops of the meadow—we find this great army melted back into the walks of private life, nurturing American enterprises and strengthening American institutions.

Our boys who answered the call and offered their lives in defense of their country during the World War will not wreck American institutions or deplete the Federal Treasury. They are just as patriotic today as they were in 1917 and 1918. On their shoulders rests the burden of maintaining in times of peace the country they defended in times of war. That burden will be fully and faithfully met. Let us treat them justly and we may be assured that American patriotism will not die or diminish with the passing of this generation. The veterans of the World War claim no monopoly of that virtue; it will be passed on down to the generations yet to come.

I believe with Ella Wheeler Wilcox when she said:

Weep not for vanished ages, with their great heroic men,
Who live on history's pages or dwell in the poet's pen;
For the grandest times are before us, and the world is yet to see
The noblest worth of this old earth, in the men that are to be.

Mr. McDUFFIE. Mr. Speaker, I yield to the gentleman from Texas [Mr. JOHNSON].

Mr. JOHNSON of Texas. Mr. Speaker, I shall vote to concur in the Senate amendments to this bill. Last Saturday, when it passed the House, I voted against the bill. It was, in my judgment, too hastily considered by the House. Copies of the bill were available only a few hours before its consideration by the House, and with only 2 hours of debate, did not afford sufficient time to study the bill or become familiar with its terms and provisions. The bill covered more than 20 printed pages, and many of its provisions were couched in technical language, rendering it exceedingly difficult for anyone within such a short time to comprehend its full meaning and effect. I did not feel warranted in voting for a bill of this magnitude without opportunity of knowing what its effect would be.

Furthermore, the rule under which it was considered did not permit any amendments to be offered. The gentleman from Tennessee [Mr. BROWNING] sought unsuccessfully recognition for the purpose of making a motion to recommit the bill, to the effect that the pensions and other benefits now received by veterans should not be reduced more than 25 percent.

I voted for this amendment in the Democratic caucus and would gladly have done so in the House if opportunity had been afforded, and feel yet that such an amendment should have been incorporated in the bill.

The Senate was more liberal in its consideration of the bill, having debated it for 3 days, and it now comes before us with 44 amendments having been placed thereon by the Senate.

While many of these amendments are merely formal and to clarify its provisions, a number of them go to the substance of the bill, and practically all substantive amendments liberalize its terms and make more equitable its provisions in dealing with the veterans of all wars. Notable among these liberalizing amendments are the following:

First. Amendment no. 4, to the effect that Spanish-American War veterans past the age of 62 years entitled to a pension under existing law shall not be denied pensions.

Second. Amendment no. 7, relating to section 6 of the bill, affirmatively directs that domiciliary care, medical and hospital treatment shall be afforded not only to veterans suffering with permanent disabilities but also to those suffering with "tuberculosis or neuropsychiatric ailments."

Third. Amendment 18, which provides that payments discontinued under the act shall be continued to the "last" day of the third calendar month following the month during which this act is enacted.

Fourth. Amendment 19 to section 17 of the bill expressly provides that payments shall not be discontinued—

On any judgment heretofore rendered in a court of competent jurisdiction in any suit on a contract of yearly renewable term insurance, or which may hereafter be rendered in any such suit now pending.

This amendment is most vital, in that the bill as it passed the House would have denied payment of judgments already obtained in courts or hereafter obtained in the courts in suits upon war-risk insurance. Without such an amendment the act would have set aside, vacated, and held for naught judgments obtained in courts upon contracts of insurance issued by the Government.

Fifth. Amendment No. 20 provides for the payment of burial and funeral expenses and transportation of the bodies of deceased veterans to places of burial, in a sum not to exceed $107 in any one case.

Sixth. Amendment 21 adds a new paragraph to section 17 to the effect that the law—

Shall not apply to compensation or pension (except as to rates, time of entry into active service, and special statutory allowances) being paid to veterans disabled, or dependents of veterans who died, as the result of disease or injury directly connected with active military or naval service (without benefit of statutory or regulatory presumption of service connection) pursuant to the provisions of the laws in effect on the date of enactment of this act.

This amendment is most important, in that it prohibits the denial of compensation to veterans or their dependents where their disability results from disease or injury directly connected with their military or naval service, and guarantees that those suffering from such disabilities or their dependents shall be compensated.

Seventh. Amendment 23 to section 18 directs that not only the veterans who served in wars prior to the Spanish-American War but also "their dependents" shall not have their pension reduced by more than 10 percent.

This amendment is important in protecting the dependents of the veterans of Indian wars, and, as amended, not only the veterans of the Indian wars but their dependents

will not suffer a greater reduction than 10 percent in their present pensions.

I shall not undertake to discuss or even enumerate the numerous other Senate amendments to the bill. However, all of these amendments, especially those to which I have referred, make the bill far more equitable and just than it was when it was considered in the House.

Personally I feel that the bill should have been still further liberalized in dealing with veterans, especially those of the World War and the Spanish-American War. Veterans of the Civil War and of the Indian wars are guaranteed that they shall not suffer a reduction in their pensions of more than 10 percent, and it occurs to me that if we are to limit the reduction of the pensioners of these wars some similar limitation should have been made in reduction of the pensions or benefits received by those of the World War and Spanish-American War.

When the bill was being considered in the Senate Senator CONNALLY offered this amendment:

SEC. 19. Notwithstanding any of the provisions contained in this title, in no event shall World War service-connected disability compensation of any veteran or the pension of any veteran of a war prior to the World War be reduced more than 25 percent of the amount thereof according to existing rates and subject to any rerating of disability under this act.

This amendment would have permitted the reconsideration of all cases, and those found to be unworthy of compensation would have been eliminated, but those found to be worthy would not be subject to a reduction of greater than 25 percent of the present rate structure in existing law. The Senate saw proper, however, to reject this amendment, which I very much regret.

If we are to confer upon the President the extraordinary powers conferred in this bill, Congress should, in the instrument conferring that power, declare its intention of an equitable and just treatment to the pensioners of all wars, and there should be no discrimination.

Due to the emergency situation now confronting the Nation and the insistence of the President that the bill should pass immediately, I realize the futility of attempting to secure further liberalization of the terms of the bill and that the amendments added by the Senate is all that can be hoped for at this time, and I shall therefore support the pending resolution to concur in such amendments.

With the vast deficit in the Federal Treasury, I realize the imperative necessity for the most rigid economy and have consistently voted for all measures to accomplish that purpose.

When the legislative appropriation bill was recently considered in the House I voted for the amendment to reduce my own salary 25 per cent.

I realize also that there are veterans who are receiving compensation to which they are not entitled and others have been denied it who are justly entitled thereto, and to correct these injustices I favor the most sweeping investigation by any constituted authority which the President may create.

After all, the administration of the terms of this bill and the regulations thereunder will be left to the President of the United States.

During the 12 days that President Roosevelt has been in the White House he has demonstrated his masterful leadership, and no one who knows him doubts for a moment his love of humanity and his high sense of justice.

It is to him that we shall look for a fair and just administration of this law.

Mr. McDUFFIE. Mr. Speaker, I yield two minutes to the gentleman from New Hampshire [Mr. ROGERS].

Mr. ROGERS of New Hampshire. Mr. Speaker, it seems to me in reading the discussions on the bill and listening to them that we are too apt to get away from the proposition that is dear to the hearts of everyone, and that is contained in the title to the bill itself—to maintain the credit of the United States Government.

It involves two principal objections only. One is it grants too much legislative power to the Chief Executive of the country. If there was any time in the history of the Nation when the President of the United States deserved more power, it is to-day. Let us give it to him, and he will use it right and for the benefit of the people of the Nation as a whole. [Applause.]

The only other objection offered is that it withdraws protection of the veterans. I am for protection of the veterans, but, Mr. Speaker, the veterans cannot be helped unless the country is solvent and a going institution. So I say that every one of us owes it to himself, his district, his State and his Nation to do all in his power to give the authority which this bill gives to the President of the United States of America. [Applause.]

Mr. McDUFFIE. Mr. Speaker, I yield to the gentleman from New York [Mr. GAVAGAN], 2 minutes.

Mr. GAVAGAN. Mr. Speaker, ladies and gentlemen of the House, I do not know that the Congress of the United States has yet abdicated its power. So far as I am concerned, all the propaganda in America shall not force me to violate my oath of office, to maintain and support the Constitution of the United States. Section 1 of article I of the Constitution vests in the Congress legislative power.

This bill is a grant of legislative power to the Chief Executive in violation of that provision of the Constitution. It is a grant of legislative power, pure and simple, and constitutes a cowardly surrender of legislative function to the Executive, authorizing him to do what we have not the intestinal stamina to do; that is, to legislate fairly and honestly, to cut down the pensions of the veterans and the salaries of Government employees.

We are attempting to do indirectly that which we dare not do directly, so that when the cut comes, you Members may be able to say, "I did not do it." This bill violates article I, section 1, of the Constitution.

Mr. Speaker, the Constitution represents the greatest form of self-government known to man. The great Bryce declared that the provisions of the Constitution of the United States creating three separate and distinct department of government was the genius of the American form of government. He declared that this separation was what made the American form of government unique in the history and progress of mankind and declared it the greatest guaranty for the preservation and continuance of constitutional government. The Constitution still remains—it shall remain, please God, even through the force and strife of the present. A surrender of constitutional power is not only unwise but, in the last analysis, unjust. The repair of our shattered economic system cannot be attained through the surrender of constitutional authority. Our Constitution has survived men and civil war and shall survive economic disorder. Constitutional authority cannot be maintained or attained through surrender. We represent the legislative branch of the Government and have our duties and responsibilities separate and distinct from the functions, duties, and responsibilities of the Executive. We do not seek to encroach upon his duties, powers, or responsibilities, and should not permit encroachment upon ours.

I cannot support this legislation. To my mind, rather than pass this legislation it would be a far better thing, at least a cheaper thing, if we should abdicate entirely and let the Chief Executive perform all the functions of government. [Applause.]

I regret sincerely the inability of my mind and conscience to support the Chief Executive in his request for this legislation. While such regret is keen, the pain is less great than that I should suffer should I meekly follow his judgment and accede to his wishes. Honor, intellectual honesty, courage, and sincerity, all prompt me to refuse to yield, what to my mind suggests an unwarranted and unconstitutional grant of legislative power to the President. "To thine own self first be true" is the motto I choose to heed and follow, confident in the soundness of my position, certain of its intellectual honesty, and mindful of my oath of office, "To protect, maintain, and defend the Constitution of the United States." Therefore, Mr. Speaker, serene in the confidence of my position, I have and shall vote against the bill as proposed.

Mr. McDUFFIE. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. HOEPPEL].

Mr. HOEPPEL. Mr. Speaker, I am sorry that I have only 1 minute. I have studied the Army and veteran question for the past 35 years, and I think I am qualified to speak on it. I am in favor of economy, as I stated, when I appeared before the Joint Veterans' Committee, but this bill has in it iniquities and injustices, and potential inhumanities. It is unfair. This bill today provides double salaries to thousands and thousands of veterans who do not need relief. You are taking pensions and disability allowances from veterans who served in battle, who cannot prove service-connected disability, but you are not taking anything practically from the high-grade emergency officers who served here at home. One of these men is now receiving $7,500 a year in civil occupation, and still is receiving $241 a month from the Government. You are continuing him and thousands of others similar to him in the passage of this bill.

The SPEAKER. The time of the gentleman from California has expired.

Mr. McDUFFIE. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Speaker, so far in this debate nothing has been said concerning the effect of this measure on our Federal employees. Briefly, I shall explain the differences between the House and Senate bills as they pertain to Federal employees.

When the bill left the House it prohibited the higher rate of pay for overtime, Sunday, and holiday work, and it reduced the night differential pay by 50 percent. The Senate amended the bill so that the higher rate will be paid for overtime, Sunday, and holiday work, and the Senate also restored the night differential pay. This action on the part of the Senate prevents double and treble cuts which some employees would be forced to accept under the House bill. These Senate amendments are acceptable to postal employees and should be adopted and thereby included in the bill. Even with these liberalizing amendments the bill is unfair to many of our employees. The worst feature of the bill as it applies to our workers is that it reduces the wages of substitutes, laborers, helpers, and others in this department by a greater percentage than it does those of the postmasters.

Many of our substitutes are now being supported by charity, for thousands of them are not receiving as much as $10 a week. This measure will relieve the Federal income-tax payers, but it will add to the burdens of local real-estate taxes. These Senate amendments are both humanizing and corrective and should be adopted. If we vote them down, we send the bill back to conference; and you know, under such circumstances, a bill far worse than this one will be agreed upon. [Applause.]

For the RECORD I desire to explain the methods adopted by the House and Senate in the consideration of this important legislation.

The economy bill, H.R. 2820, was introduced on Friday evening, March 10, 1933, by its sponsor, Representative McDUFFIE, of Alabama. On Saturday morning at 10 o'clock copies of the bill were available for Members of the House. However, at 10 o'clock on the same morning the Democratic Members were called into caucus in an attempt to bind them to support a measure which no one had had sufficient time to read or consider.

At the caucus an amendment to the bill was adopted which would authorize the President to reduce compensation or pension by not to exceed 25 percent, which amendment was in harmony with the Democratic platform pledges as well as the promises made during the recent campaign. The caucus favored the amendment, and a majority of the Democrats indicated their opposition to the bill in the form in which it was originally submitted. Nevertheless, the leaders presented the measure to the House at 12 o'clock noon on the very same day in its original form and under a severe and restrictive gag rule which prevented the offering of amendments of any nature whatsoever. It was a case of voting for the bill, which in the judgment of many contained palpable and indefensible discriminations, or being whipped into line by the coercive tactics employed. The only other alternative was to vote "no" as a protest against these unfair methods.

That the measure was given but scant consideration even by the committee is evident, for the Economy Committee itself was not selected until the day before the bill was voted on in the House, and, as one of the members of the committee explained, the bill was considered by that committee for only 5 minutes before it was favorably reported to the House.

Everybody knows the President did not write the bill, but it is rather generally conceded about the House that it was prepared by one who has consistently opposed labor and veteran legislation. No Member of the House who is considered liberal or reasonable in his attitude toward either our veterans or our workers was permitted to as much as look at the bill before it was introduced. No one expects the President to find time to write bills or to suggest the language which should be contained in legislation. Such tasks must of necessity be intrusted to others, and therefore, in voting against this bill, we were not voting against our President. We were, however, protesting against the unfair methods by which the bill was considered, and we were also demanding an opportunity to be heard.

The bill was neither analyzed nor explained, and only after it had passed the House were its provisions and the effect of the legislation known to our Membership. In all my legislative experience I have never seen a bill of so much importance rushed through the House with as little consideration as was given this measure. There was absolutely no reason for the rush, because after we had passed the bill the House adjourned in the middle of the afternoon, and the Senate had already adjourned for a 2-day period.

These protests, unsuccessful because of failure to consider properly the measure in the House, were carried to the Senate, with the result that about 40 amendments were successfully added to the bill. These amendments liberalized, clarified, and humanized the legislation; and when the bill came back to the House, they were adopted by an almost unanimous vote.

In the Senate, the Economy Committee was gracious enough to grant the representatives of the employees and of the veterans an opportunity to be heard, and the Senate itself considered the measure for several days. This action on the part of the Senate was most helpful, and I feel certain the amendments which they adopted are satisfactory to the President.

If the President of the United States had the time to administer all the provisions of this so-called "economy bill", I feel certain that uniform justice would be meted out in every specific case. But the President of the United States is a busy man; he must of necessity trust the administration of this all-important legislation to the heads of the various departments of the Government. In the last analysis this measure will be enforced by bureaucrats, and, as has been the case altogether too often in the past, the small pensioner and the underpaid worker will be called upon to make the greatest sacrifice.

On two different occasions while I have been a Member of Congress we attempted to reclassify salaries and to provide a decent living wage for the laborers and underpaid employees in the Government service, but in each case the Reclassification Board raised the salaries of those in the higher grades all out of proportion to the increases granted the men and women in the lower brackets. In most cases those in the upper brackets received increases of from one to two and in some instances as much as four thousand dollars annually while, on the other hand, laborers and clerks were given increases which amounted to but $5 a month. This was grossly unfair and contrary to the intention of Congress.

In view of what has transpired in the past, I was very anxious that Congress should be given an opportunity of

being heard in legislative matters of this kind, but, unfortunately, we were denied the privilege, and an attempt was made to force the Members to vote for a measure which they had not had time to read or consider.

The worker will be called upon again to bear the burden, to make the sacrifices for the mistakes and wrongdoing of our blind financial and industrial leadership.

Mr. McDUFFIE. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. KNIFFIN].

Mr. KNIFFIN. Mr. Speaker, it is extremely unfortunate that the provisions contained in the Senate amendments to this bill—economy bill—were not included in the original draft of the measure as presented to the House last Saturday. These amendments protect the war-wounded veterans and those suffering from tuberculosis and other service-connected diseases. The bill does not now limit the jurisdiction of the Federal courts in matters arising out of insurance claims, nor are hospitalization benefits endangered.

I shall vote for the final passage of the bill this afternoon, but desire to call attention that we should now go all of the way in effecting Government economies. Any other course would be unwarranted discrimination. I call attention to the subsidy of the great metropolitan newspapers and the magazines of the country which cost our taxpayers $102,236,000 last year. They are pressing for economy in Government, but none of them have suggested taking their own hands out of the Federal Treasury. I also call attention to the Parcel Post Service which cost our taxpayers $32,716,000 last year. That service is used extensively by the great chains and mail-order houses in open competition with the taxpaying independent merchants throughout the land. I could call attention to the ship subsidy running into millions yearly, and many other similar items.

I earnestly hope, Mr. Speaker, that we may now have the courage to go clear down the line and do a complete job of eliminating all of these tax burdens which are without justification.

Mr. McDUFFIE. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. PATMAN].

FIFTY WIDOWS COSTING GOVERNMENT $18,000 A YEAR STRICKEN FROM PENSION ROLL WHILE ONE OFFICER CAUSING THEIR DISMISSAL WILL DRAW $18,000

Mr. PATMAN. Mr. Speaker, a few retired officers who are drawing from $6,000 a year to $21,500 a year are responsible for the passage of this legislation, not wholly, but largely. In this bill these officers can be reduced by only 15 percent. The President will not have authority to reduce them more than 15 percent, but widows of World War veterans, veterans who died of disability, which the law presumes to be connected with the service, will be automatically stricken from the pension rolls. The President will not have the power to keep them on the rolls. These widows draw $30 a month, and a few dollars for each child, some of them have 5 and 6 little children. They will be stricken off immediately, but officers drawing from $6,000 a year to $21,500 a year will continue to draw the amount they are now drawing, with the exception that the President may, if he so desires, reduce them not exceeding 15 percent. One of these retired officers will continue to draw as much after the 15 percent deduction as 50 of these World War widows are now drawing.

Permission having been granted, I am inserting herewith an extension of remarks to more fully explain a few of the Senate amendments.

QUESTION BEFORE HOUSE

We are called upon, at this time, to vote on the following resolution:

Resolved, That immediately upon the adoption of this resolution H.R. 2820 (the so-called "economy bill") be, and is hereby, taken from the Speaker's table and the Senate amendment thereto agreed to.

We are not permitted to vote on the bill. We are only permitted to vote on the Senate amendments. We are not permitted to offer an amendment. If I were called upon to vote on the bill as amended, I would vote against it. We are called upon to vote on the Senate amendments only; and believing that the Senate amendments liberalize the terms of the bill and being in favor of most of the amendment, I expect to vote in favor of agreeing to them.

WRIT OF OUSTER

One amendment inserted by the Senate is no. 7 to section 6 of the bill. The bill as passed by the House was a "writ of ouster" against every veteran in every Government hospital who could not show that he was being treated for a disability connected with his military service. It would prevent the President from issuing a regulation permitting them to continue to receive hospitalization, although there were plenty of vacant beds not needed by service-connected cases. The Senate amendment permits the President to authorize the hospitalization of veterans who are suffering from tuberculosis and mental trouble.

Congress has authorized the construction of hospitals for service-connected cases only, anticipating what the hospital load will be at its peak. The hospital beds are not all needed at this time for service-connected cases. Therefore the Government has permitted veterans suffering from disabilities not connected with their service to be hospitalized on the theory that the Government maintains the equipment, provides the doctors, nurses, and medical supplies anyway, and it will not be expensive to the Government for the vacant beds to be filled by these non-service-connected cases.

I think the amendment should have gone farther and permitted the hospitalization of all honorably discharged veterans suffering from paralysis or bedridden.

INSURANCE

World War veterans paid on an average of $6.60 a month for insurance while they were in the service. The base pay of a private was $30 a month. The policy provided that the veteran may collect his policy in the event he was permanently and totally disabled while his policy was in full force and effect. There are many thousands of lawsuits still pending in the United States district courts against the Government on these policies.

The bill as it passed the House would have denied these veterans their day in court on these lawsuits, thereby denying them the privilege of a court and jury trial on the merits of the case, and even went so far as to deny payments to a veteran who had succeeded in getting his case tried and the jury and the court had decided unanimously in his favor, but payments had not commenced under the contract due to delay caused by the Government appealing the case or otherwise.

These veterans paid for this insurance with their own money; it was a contractual obligation with the Government. It was wrong to deny them a day in court.

The Senate-amended section 17 of the bill permits these lawsuits to continue, and if the veterans prove to the satisfaction of the court and jury that they are entitled to insurance benefits by reason of a disability suffered while the policy was in full force and effect and the judgment is sustained by the higher courts, the Government will be required to pay the judgments. That is no more than a private insurance company would have to do under existing law. The veterans paid for this protection with their own money. Why should they not be entitled to it?

BURIAL BENEFITS

Under the bill as it passed the House, the President would not be authorized to expend any sum for the burial of a deceased honorably discharged veteran, thereby changing existing law. Senate amendment no. 20 to section 17 of the bill restored this privilege by providing:

That, subject to such regulations as the President may prescribe, allowances may be granted for burial and funeral expenses and transportation of bodies (including preparation of the bodies) of deceased veterans of any war to the places of burial thereof in a sum not to exceed $107 in any one case.

SPANISH-AMERICAN WAR AMENDMENT

Under the bill as it passed the House the President may eliminate from the pension roll entirely all veterans of the Spanish-American War suffering from disabilities that they could not prove to the satisfaction of the Government to be connected with their military service.

Senate amendment no. 4 amends the bill as follows:

Provided, That nothing contained in this title shall deny a pension to a Spanish-American War veteran past the age of 62 years entitled to a pension under existing law, but the President may reduce the rate of pension as he may deem proper.

This amendment improves the bill. I see no reason why World War veterans 62 years of age are not included.

THE PARLIAMENTARY SITUATION

Suppose we vote against the resolution to concur in the Senate amendments and the resolution is defeated. The bill will then be sent to free conference. "Conference" means compromise. A committee from the House and a committee from the Senate will meet and iron out the difference between the two Houses. Nothing can be considered by this free conference committee of the two Houses except the Senate amendments. Those of us who are against the bill but favorable to the present Senate amendments have nothing to gain by a free conference but would stand a chance of losing the favorable amendments inserted by the Senate. Therefore, I expect to vote in favor of concurring in the Senate amendments.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. McDUFFIE. Mr. Speaker, I will just take half a minute to say that those officers to whom the gentleman refers, and to whom the gentleman has continued to refer month after month and day after day in this House, may be reduced under regulations ordered by the President of the United States. Some of us are drawing our own conclusions, and it may be the wish is father to the thought, as to the effect of this bill. This bill gives the President the right to deal with the whole subject of veterans' relief, as a whole.

Now, I yield 1 minute to the gentleman from California [Mr. STUBBS].

Mr. STUBBS. Mr. Speaker, I could not concur in the bill as it was presented by our President the other day because I did not consider it entirely satisfactory to all of my constituency; but after these few days of deliberations on the part of the Senate and myself, I feel that the amended bill as returned to us today should receive our support. I want to concur with this committee in saying that I shall support the amendments.

The SPEAKER. The time of the gentleman from California [Mr. STUBBS] has expired.

Mr. McDUFFIE. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Speaker, article I of the Constitution of the United States reads as follows:

All legislative powers herein granted shall be vested in a Congress of the United States which shall consist of a Senate and House of Representatives.

I believe that by this bill we are giving away our constitutional powers to legislate; therefore, I believe that this bill actually is unconstitutional. Under the present parliamentary situation in the House, I believe the only way I can express my opposition to this entire bill, even though the Senate amendments have liberalized the bill, is to vote "no," and I intend to vote "no" when the resolution comes to a vote.

Mr. Speaker, I yield back the balance of my time.

Mr. McDUFFIE. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, this bill is no more unconstitutional than the banking bill that was passed last week. It is no more unconstitutional than the emergency rent laws which were passed in the various States and which were declared constitutional by our Supreme Court.

Our country is in a slough of despond. We are well-nigh in the throes of bankruptcy. Certainly, when the credit of the country is thus demonetized, when it is so imperative to stabilize the finances of the Nation and prevent unlimited inflation; and, when further, after a 2-year trial it is evident that the Congress cannot give the relief by cutting deep into expenditures, some other agency must act. We are in an extreme emergency. The Supreme Court will take judicial notice of our dire financial distress. During wars and during such emergencies our Constitution takes on new color and outline. It must expand and contract, depending upon the needs of the occasion. As the President so well said in his inaugural address:

* * * Our Constitution is so simple and practical that it is possible always to meet extraordinary needs by changes in emphasis and arrangement without loss of essential form. That is why our constitutional system has proved itself the most superbly enduring political mechanism the modern world has produced. It has met every stress of vast expansion of territory, of foreign wars, of bitter internal strife, of world relations.

It is to be hoped that the normal balance of executive and legislative authority may be wholly adequate to meet the unprecedented task before us.

We must recognize the flexibility of the Constitution, and by virtue thereof this bill is not unconstitutional. Our Supreme Court must recognize that a great danger hovers over us. The Supreme Court will go a long way in putting the imprimatur of its approval upon any measures that we may submit, especially if these measures will preserve the Republic from financial doom and destruction. I am willing to rely upon the liberalism and wisdom and the sound sense of the Supreme Court, led by those eminent jurists, Chief Justice Hughes and Justices Stone, Roberts, Brandeis, and Cardozo.

We are not abdicating our powers in favor of the President, necessarily. The power to create is the power to destroy. We can take that power back any time we wish. For 2 years I have witnessed an abortive attempt to retrench. I did my bit. I voted against the bonus. Most of you did not. You were tied hand and foot by lobbies. You still lie prostrate, unable to untie the knots that bind you. Let the President unfetter us and untie the cords that entwine us and keep us from doing the right thing.

It may be true, as the gentleman from New York [Mr. GAVAGAN] and the gentleman from Massachusetts [Mr. CONNERY] stated, that article I, section 1, of the Constitution vests all legislative powers in the Congress. But who is disturbing these powers? When we set up the Interstate Commerce Commission it was argued that we were delegating legislative power to the Executive. The Supreme Court held as follows:

Congress has laid down general rules for the guidance of the Commission, leaving to it merely the carrying out of details in the exercise of the power so conferred. This, we think, is not a delegation of legislative authority. (*I.C.C.* v. *Cincinnati, etc., R. Co.*, 76 Fed. 183, affirmed in 167 U.S. 479; *Kansas City Sou. R. Co.* v. *U.S.*, 231 U.S. 423.)

When the Congress created the Federal Reserve Board, it was similarly argued that since the Board had authority to grant to national banks the right to act as fiduciaries, the Congress was conferring legislative power on the Board. This the Supreme Court denied in the case of the *First National Bank* v. *Union Trust Co.* (244 U.S. 416). We had the same old story when we set up the Federal water power act. *See Alabama Power Co.* v. *Gulf Power Co.* (283 Fed. 606).

All we do in the present bill is to lay down general rules for the guidance of the President. We leave to him only the carrying out of the details. That is not a delegation of legislative authority.

The cases are many and long which may be cited in defense of this bill as to constitutionality, but time will not permit.

It is interesting to note in this connection, however, that by this bill, in a way, we reverse somewhat the regular procedure. In a way we allow the President to initiate the expenditures within the frame and limits that we set. We make the appropriations after the President makes his announcements as to what the expenditures shall be for and who shall receive the money. The usual method is to permit Congress to take the entire initiative; that is, to pass the pension bills, set up the subsidies, enumerate the public buildings that are to be erected, and so forth, and in addition the Congress makes the appropriations. This makes us the prey of organized minorities and lobbies. It takes Congressmen of courage and character to set their faces against

the appeals and importunings of these organized minorities. That is why the last House of Representatives passed the bonus bill. That Congress could not resist the pressure.

The English House of Commons in 1707, more than 200 years ago, tied its own hands and adopted a standing order precluding itself from considering any motion involving a charge upon the public revenue without having first obtained a recommendation from the Cabinet. This principle has been adopted by all self-governing dominions of the British Commonwealth. This is the principle underlying the instant bill.

Within the limits laid down by us the President will enumerate the expenditures to be made, and then we shall appropriate the moneys. I willingly and cheerfully give all this power to the President. He will not abuse it. [Applause.]

The SPEAKER. The time of the gentleman from New York [Mr. CELLER] has expired.

Mr. McDUFFIE. Mr. Speaker, I yield 1½ minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS. Mr. Speaker, I have asked for this brief moment for the purpose of expressing the hope that practically every Member of this House will vote for these Senate amendments. It seems to me that in discussing this bill many of those who have preceded me have overlooked the real and the only object of this bill, and that is to balance the Budget. If this bill is not passed, if this bill does not become law, it will be impossible to balance the Budget next year. The result will be that we will have a deficit of probably four or five hundred million dollars in 1935. Unless you give the President the right to reduce expenditures of this Government, there will be a large deficit. It is clear that Congress is not going to do it. Now, let us give this right to the man whom the people chose by an overwhelming majority last November to lead the Nation and to restore prosperity in this country. The chief way in which you can render aid to him is to balance the Budget and maintain the credit of the Nation both at home and abroad. [Applause.]

Mr. McDUFFIE. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas [Mr. GUYER].

Mr. GUYER. Mr. Speaker, in my opinion, this is one time we should follow the classic admonition of our late and beloved colleague, Hon. Percy Quin, when he said, "This is the time to rise above principle." This is a supreme national emergency in which all must sacrifice and balance and buttress the national credit. When this bill was first before the House I voted for it rather under protest, hoping that in another legislative body it would be so amended that it would not do what I consider a great injustice to at least one great group of veterans. I refer particularly to the Spanish War veterans. Congress was very tardy in granting benefits to them, and just when they need it—when age is incapacitating them for gainful employment—we are taking away what was so grudgingly granted.

While I know that in the interest of these veterans as well as all the people this legislation must be enacted, I will say that I cast this vote more reluctantly than any vote I ever cast in the House. I say that because I know that we are imposing an injustice upon those fine men who volunteered to serve their country a third of a century ago. But we must extend our aid to the President in his effort to balance the Budget, without which there can be no prosperity; without which in the end we will not be able to pay any of these veterans. Let us hope that this holiday for these men will soon end.

I cannot refrain at this time from expressing my regret that we did not over a year ago pass the manufacturers' excise tax, which would have balanced the Budget and that without doing this rank injustice to the veterans.

I want to call attention, and I do it without any partisan bitterness, to this matter of granting extraordinary power to the Executive. In doing so I wish to commend the patriotic attitude of my colleagues on the Republican side and at the same time remind our Democratic friends across the aisle of their position when Herbert Hoover merely requested power to reorganize bureaus and commissions in the interest of economy. As I remember, President Hoover was merely granted power to reorganize certain bureaus and commissions subject to the veto of Congress.

I am sure that if Mr. Hoover had asked the broad and sweeping powers granted in this bill the eminent leader of the majority, like some lean and hungry Cassius, would have forewarned us about such drastic concentration of power in the hands of the Executive, and no doubt some Democratic Brutus would have suggested that Herbert C. Hoover did not signify Herbert Clark Hoover, but Herbert Caesar Hoover, who sought to usurp the powers of a dictator in an effort to cut Government expenses.

I am not surprised at this because the Democratic Party has always assailed the principles of Alexander Hamilton and exalted those of Jefferson, yet they have asked us to grant power to the Executive which would have staggered even Alexander Hamilton who, above all things, insisted upon the independence and complete separation of the three departments of government. I merely call attention to this obvious inconsistency which is not at all unexpected because so usual.

I do not wish to criticise the President for demanding this power as he did in the case of the banks, in both of which cases I voted in the affirmative. I am going to support this measure today, notwithstanding its obvious injustices to the veterans, only because of the extreme crisis which faces our country and which demands immediate action. The President has, with characteristic Rooseveltian audacity, assumed the responsibility of cutting Government costs, including pensions and compensation, and I have that confidence in his fairness and sympathetic attitude toward the ex-service men of all wars which leads me to believe that he will soften these injustices as much as possible. I would vote against this measure if I was not thoroughly convinced that both the interest of the people of the United States as well as that of the veterans themselves, in this supreme crisis, demanded its passage. Nothing short of this would justify such obvious injustices and such extraordinary grant of Executive power. [Applause.]

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

Mr. McDUFFIE. I wish first to yield to the gentleman from Tennessee to request permission to extend his remarks.

Mr. MITCHELL. Mr. Speaker, when H.R. 2820 was submitted to the House on last Saturday I voted against its passage. The wisdom of that vote seems now to have been verified by the action of the Senate in adding more than 40 amendments to the bill. These amendments all liberalize very greatly the provisions of the bill, affording greater protection to the veterans and causing greater savings by reducing additional salaries.

No man in this Chamber has greater admiration, love, and affection for our President than have I. The people of my district hold him in the highest admiration. He received the largest majority of votes in my district of any in the State except one. I fought his battles on every stump and am proud of it. I am anxious to support him and his program whole-heartedly. This I expect to do to the fullest; but in doing so I must exercise the duties of a Member of the House, observe my oath of office, and insofar as possible reflect the will and preference of the people who have so signally honored me with my commission by their vote of confidence.

The various amendments now included and made a part of this bill enables me to support the same. While much depends upon the way and manner in which it is administered by the President, I have great faith in our leader that he will see that just and sympathetic consideration be given the veterans in its administration.

I do not have time in which to refer to the many amendments added to the bill since it was before us on last Saturday, but suffice it to say it affects very materially the bill as a whole and is a different one than that presented to us previously.

As amended, the bill now provides a pension for Spanish-American War veterans past the age of 62 years, entitled to a pension under existing law, but the President may reduce

the rate of pension as he may deem proper. It also provides for their widows.

The bill now provides for hospitalization and domiciliary care to veterans suffering from tuberculosis or neuropsychiatric ailments, also medical and hospital treatment for diseases and injuries, which provisions were not in the bill until now.

Another important and most vital amendment provides that no interference shall be had with payments made or to be made under contracts of yearly renewal term insurance which have matured or any judgment heretofore rendered in a court of competent jurisdiction in any suit or contract of yearly renewal term insurance or which may hereafter be rendered in any suit now pending. This is a most important amendment, as it protects many veterans who have carried these contracts for years. It affects the validity of contracts made with the Government.

It is amended so as to provide burial, funeral expenses, and transportation of the bodies of deceased veterans of any war to the place of burial. This expense shall not exceed $107 and be subject to the regulations of the President.

The bill as amended further provides that the act does not affect compensation drawn by veterans or their dependents for disabilities or death received while in line of duty, except as to rates, and so forth. It now exempts the pensions of all veterans of all wars disabled in line of duty on active service.

Another very material amendment adds many Government employees to the list receiving salary cuts of 15 per cent, not so included in the original bill upon which we voted. This is in full accord with the fight I have been making to reduce Government expense and means a reduction in salary. This is not enough reduction, but is a further step toward economy. I hope we may be able to further reduce salaries in the higher brackets. This should be done. The veterans should receive every consideration for the sacrifice they have made for us on the field of battle. They are the last group that should be cut. I voted last Saturday in the Democratic caucus to accept a reduction of 25 percent for them if necessary to balance the Budget, but I think those being paid higher salaries should have been first reduced. The retired Army officers, the highly paid officials in the different boards and bureaus, should be reduced materially and in many instances eliminated altogether. Our own salaries should be reduced one half in this time of national emergency. We should stop subsidizing shipping industries, railroads, insurance companies, and banking institutions, and every other American industry except agriculture, with billions of dollars of the people's money, if we expect to balance the Budget.

My objection to the bill is that it cuts the compensation of the soldiers too much while our own pay and that of other officers of the Government is not cut enough. I hope this may be remedied during the session by proper legislation. We have time to do this and it must have our attention.

There is no doubt extravagance and injustice is done the Government in the way veterans' compensation is now being administered, but I hope this bill will have the effect of correcting these defects. I do not think unworthy cases should be on the rolls, but I do think worthy cases should receive proper consideration. I want full justice for the veterans and nothing more. Likewise, justice to the taxpayers. That is all they want or expect. The soldiers are patriotic and have shown their patriotism by sacrifice for their country and many of them giving up their lives when it was demanded in our defense. They need no greater eulogy than their patriotic service rendered on foreign battlefields. If the President could determine each individual case and the merits of it in administering this law, I would have no fear and would not hesitate to grant him the power, for I know he loves the Nation's defenders. But this he cannot do. He must rely upon others. This is my greatest fear of the results of this legislation. I hope no injustice will be done by it.

My support of the bill is on the ground that our country is in a crisis and that we must all sacrifice to preserve the institutions of the fathers and to preserve the credit of the Nation and maintain the integrity of the flag. If there are mistakes in the bill and it is not administered sympathetically and generously toward the disabled soldiers, the Congress should in its wisdom correct and amend the law. All power is vested in the Senate and House of Representatives to do this, and I will be ready to join in to bring about relief where justice, mercy, and duty require it.

Mr. McDUFFIE. Mr. Speaker, I yield to the gentleman from New York, and then I shall move the previous question.

Mr. O'CONNOR. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. O'CONNOR. Mr. Speaker, I desire to have the Chair correct me if I am wrong in my understanding of the parliamentary situation. As I understand the vote today, it is merely on the amendments of the Senate. It is not a vote for or against the bill. That vote was taken Saturday, and is a thing of the past.

The SPEAKER. The gentleman is correct.

Mr. O'CONNOR. And the Members who voted for the bill on Saturday can vote for these amendments; the Members who voted against the bill Saturday can vote against the amendments today, and it does not change the situation.

The SPEAKER. The vote now is on the Senate amendments; that is all.

Mr. McDUFFIE. Mr. Speaker, several gentlemen have asked for time, the gentleman from Massachusetts [Mr. GRANFIELD], the gentleman from Tennessee [Mr. MITCHELL], and others, but the time has been exhausted. I regret very much to have no more time to yield.

The Committee on Economy has done the best it could with this bill. I think I should say for the benefit of the Members, some of whom are anxious to know, that the Senate amendments cut the savings proposed in the House bill approximately $25,000,000 annually. We regretted to yield, but in the interest of time and passage of the legislation at the earliest possible moment, the committee did yield.

Mr. Speaker, I now move the previous question on the resolution.

The previous question was ordered.

Mr. McCORMACK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McCORMACK. As I understand it, the question before the House is not the pasage of the bill but the acceptance or rejection of the amendments of the Senate to the bill.

The SPEAKER. The gentleman is correct.

Mr. CONNERY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CONNERY. But the effect of accepting the Senate amendments is that the bill becomes law.

The SPEAKER. The bill becomes law, yes, of course.

Mr. BLACK. Mr. Speaker, may we have the resolution again read before the vote is taken?

The SPEAKER. Without objection, the resolution will be read again.

The Clerk again read the resolution.

The SPEAKER. The question is on the adoption of the resolution.

Mr. McDUFFIE. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 373, nays 19, not voting 37, as follows:

[Roll No. 6]

YEAS—373

Abernethy	Bacon	Bloom	Browning
Adair	Bailey	Boehne	Brunner
Adams	Bakewell	Bolleau	Buchanan
Allen	Bankhead	Boland	Buck
Allgood	Beam	Bolton	Bulwinkle
Andrew, Mass.	Beedy	Boylan	Burch
Andrews, N.Y.	Beiter	Brennan	Burnham
Arnold	Berlin	Briggs	Busby
Auf der Heide	Biermann	Britten	Byrns
Ayers, Mont.	Blanchard	Brooks	Cady
Ayres, Kans.	Bland	Brown, Ky.	Caldwell
Bacharach	Blanton	Brown, Mich.	Cannon, Mo.

Cannon, Wis.	Gavagan	Lloyd	Rudd
Carden	Gibson	Lozier	Ruffin
Carley	Gifford	Luce	Sabath
Carpenter, Kans.	Gilchrist	Ludlow	Sadowski
Carpenter, Nebr.	Gillespie	McCarthy	Sanders
Carter, Calif.	Gillette	McClintic	Sandlin
Carter, Wyo.	Glover	McCormack	Schaefer
Cary	Goldsborough	McDuffie	Schuetz
Castellow	Goodwin	McFadden	Schulte
Celler	Goss	McFarlane	Secrest
Chapman	Granfield	McGrath	Seger
Chase	Gray	McGugin	Shallenberger
Chavez	Green	McKeown	Shannon
Christianson	Greenwood	McLean	Simpson
Church	Gregory	McLeod	Sinclair
Claiborne	Griswold	McReynolds	Sirovich
Clark, N.C.	Guyer	McSwain	Sisson
Cochran, Mo.	Haines	Major	Smith, Va.
Cochran, Pa.	Hamilton	Maloney, Conn.	Smith, Wash.
Coffin	Hancock, N.Y.	Maloney, La.	Snell
Colden	Hancock, N.C.	Mansfield	Snyder
Cole	Harlan	Mapes	Spence
Collins, Calif.	Hart	Marland	Stalker
Collins, Miss.	Harter	Martin, Colo.	Steagall
Colmer	Hartley	Martin, Mass.	Strong, Tex.
Condon	Hastings	Martin, Oreg.	Stubbs
Connolly	Healey	May	Sullivan
Cooper, Ohio	Henney	Mead	Sumners, Tex.
Cooper, Tenn.	Hess	Meeks	Sutphin
Cox	Higgins	Merritt	Swank
Cravens	Hildebrandt	Millard	Swick
Crosby	Hill, Ala.	Miller	Taber
Cross	Hill, Knute	Milligan	Tarver
Crowe	Hill, Sam B.	Mitchell	Taylor, Colo.
Crowther	Hoidale	Monaghan	Taylor, S.C.
Culkin	Hollister	Montet	Taylor, Tenn.
Cummings	Holmes	Moran	Terrell
Darden	Hooper	Morehead	Thom
Darrow	Hope	Mott	Thomason, Tex.
Dear	Howard	Moynihan	Thompson, Ill.
Deen	Huddleston	Muldowney	Thurston
Delaney	Hughes	Musselwhite	Tobey
DeRouen	Imhoff	Nesbit	Traeger
Dickinson	Jacobsen	O'Brien	Treadway
Dickstein	James	O'Connell	Truax
Dies	Jeffers	O'Connor	Turner
Dingell	Jenckes	O'Malley	Turpin
Dirksen	Jenkins	Oliver, Ala.	Umstead
Disney	Johnson, Okla.	Oliver, N.Y.	Underwood
Ditter	Johnson, Tex.	Owen	Utterback
Dobbins	Johnson, W.Va.	Palmisano	Vinson, Ga.
Dockweiler	Jones	Parker, Ga.	Vinson, Ky.
Dondero	Kahn	Parker, N.Y.	Waldron
Doughton	Kee	Parks	Wallgren
Douglass	Kelly, Ill.	Parsons	Walter
Dowell	Kelly, Pa.	Patman	Warren
Doxey	Kemp	Perkins	Watson
Driver	Kennedy, Md.	Peterson	Wearin
Duffey	Kennedy, N.Y.	Pettengill	Weaver
Duncan, Mo.	Kenney	Peyser	Weideman
Durgan, Ind.	Kerr	Pierce	Welch
Eagle	Kinzer	Polk	Werner
Edmonds	Kleberg	Pou	West
Eicher	Kloeb	Powers	Whitney
Elizey, Miss.	Kniffin	Prall	Whittington
Eltse, Calif.	Knutson	Ragon	Wigglesworth
Englebright	Kocialkowski	Ramsay	Wilcox
Evans	Kopplemann	Ramspeck	Williford
Faddis	Kurtz	Randolph	Williams
Farley	Lambertson	Rankin	Wilson
Fernandez	Lambeth	Ransley	Withrow
Fiesinger	Lamneck	Rayburn	Wolcott
Fitzgibbons	Lanham	Reed, N.Y.	Wolfenden
Fitzpatrick	Lanzetta	Reilly	Wolverton
Fletcher	Larrabee	Rich	Wood, Ga.
Ford	Lea, Calif.	Richards	Wood, Mo.
Fuss	Lee, Mo.	Richardson	Woodruff
Foulkes	Lehr	Robertson	Woodrum
Frear	Lesinski	Robinson	Young
Fuller	Lewis, Colo.	Rogers, Mass.	
Fulmer	Lewis, Md.	Rogers, N.H.	
Gambrill	Lindsay	Rogers, Okla.	

NAYS—19

Arens	Cullen	Keller	Shoemaker
Black	Dunn	Lemke	Somers, N.Y.
Brumm	Focht	Lundeen	Studley
Connery	Hoeppel	Murdock	White
Crosser	Johnson, Minn.	Scrugham	

NOT VOTING—37

Almon	De Priest	Lehlbach	Smith, W.Va.
Beck	Doutrich	McMillan	Stokes
Buckbee	Drewry	Marshall	Strong, Pa.
Burke, Calif	Eaton	Montague	Sweeney
Burke, Nebr.	Fish	Norton	Tinkham
Cartwright	Flannagan	Peavey	Wadsworth
Cavicchia	Gasque	Reece	Zioncheck
Clarke, N.Y.	Griffin	Reid, Ill.	
Corning	Kramer	Romjue	
Crump	Kvale	Sears	

So the motion was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Drewry with Mr. Wadsworth.
Mr. Griffin with Mr. Beck.
Mr. Sweeney with Mr. Cavicchia.
Mr. Flannagan with Mr. Doutrich.
Mr. Burke of California with Mr. Reid of Illinois.
Mr. Crump with Mr. Lehlbach.
Mr. Gasque with Mr. Stokes.
Mr. Smith of West Virginia with Mr. Reece.
Mr. Burke of Nebraska with Mr. Strong of Pennsylvania.
Mr. Kramer with Mr. Eaton.
Mr. Zioncheck with Mr. Marshall.
Mr. Romjue with Mr. Peavey.
Mr. Kvale with Mr. De Priest.

Mr. BOYLAN. Mr. Speaker, the gentlewoman from New Jersey, Mrs. NORTON, under the orders of her physician, is confined to her home. Were she present, she would vote "yea."

Mr. TAYLOR of Tennessee. Mr. Speaker, my colleague, Mr. REECE, has been called home on account of urgent business. Were he here, he would vote "yea."

Mr. ENGLEBRIGHT. Mr. Speaker, the gentlemen from New York, Mr. WADSWORTH, Mr. FISH, and Mr. CLARKE, and the gentlemen from Illinois, Mr. BUCKBEE and Mr. DE PRIEST, are unavoidably absent. Had they been present, they would have voted "yea."

Mr. SEGER. Mr. Speaker, my colleagues Mr. CAVICCHIA, Mr. LEHLBACH, and Mr. EATON have been called away on account of important business. Had they been present, they would have voted "yea."

Mr. BYRNS. Mr. Speaker, the gentleman from Florida, Mr. SEARS, is confined to his home on account of illness. He was ill when this bill was passed last Saturday. Were he present, he would vote "yea."

I wish to announce that the following gentlemen are confined at home either on account of illness or important business: Mr. MCMILLAN, Mr. CORNING, Mr. MONTAGUE, and Mr. CARTWRIGHT. Were they present, they would vote "yea."

Mr. HOWARD. Mr. Speaker, may I ask if Mr. BURKE of Nebraska voted or was paired?

The SPEAKER. The gentleman from Nebraska, Mr. BURKE, is not recorded.

Mr. HOWARD. I am authorized by Mr. BURKE, who went away to attend a funeral, to state that if he were present he would vote "yea."

Mr. McDUFFIE. Mr. Speaker, the gentleman from Alabama, Mr. ALMON, is unavoidably absent on account of illness. If he were present, he would vote "yea."

The result of the vote was announced as above recorded.

On motion of Mr. MCDUFFIE, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

H.R. 2820—EXTENSION OF REMARKS

Mr. McDUFFIE. Mr. Speaker, I ask unanimous consent that each Member have 5 legislative days within which to extend his own remarks in the RECORD upon the provisions of this bill and the amendments thereto.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOEPPEL. Mr. Speaker, Members of the House, I am forced to oppose the passage of the bill granting dictatorial powers to the President in reference to veterans' affairs for many reasons, several of which I here express.

I appeared before the Joint Veterans' Committee, specially appointed by Congress, and my testimony in volume 4 will disclose that I proposed radical but sensible innovations and far-reaching economies in veterans' administration. The suggestions I there advanced I consider extremely practical, humane in their adaptation, and I believe they would have been generally accepted by the veterans with very little complaint because of the fairness of the plan.

The proposed law under discussion here today is loaded with injustices, inequalities, and potential inhumanities, especially if administered under the present Veterans' Administration.

From long years of experience and correspondence with the Veterans' Administration I consider that department extremely expensive, inefficient, and not in sympathy generally with the worthy veteran who comes within its purview, without influence, to prosecute his claim. By many it is termed a national "racket", which the disclosures before the Military Affairs Committee last year seemed to substantiate. The doctors, in my opinion, are in many instances inefficient or unsympathetic and their findings are completely at variance with those of civilian physicians. Consequently, as the Veterans' Administration appears to be the vehicle under which the proposed law will be administered, from this angle alone I feel justified in protesting the passage of radical changes in veterans' administration without giving the Members of Congress the right to fully debate the issues involved.

IRREFUTABLE INJUSTICES EXIST

As typical of the general content of this bill, I note where retired civilian employees are by enactment saved from a reduction of the $100 per month retired pay which they receive. They are exempt upon the weak alibi that they have contributed to their retirement fund, whereas up to July 1, 1932, they contributed only $690.96.

It should be understood that civil-service employees during their service received high remunerative compensation, very short hours, with 60 days per annum sick and annual leave, and with absolutely no hazards of service. The proposed law will permit them to continue to receive their retired pay, plus in addition thereto pension, compensation, or retired emergency officer's pay. In other words, retired civil-service employees are permitted dual checks from the Government each month.

I submit for comparison, to show the discriminatory and unjust provisions of this proposed law, the case of retired enlisted men who receive less retired pay on an average than do civil-service retired personnel. The retired enlisted man is not permitted to receive a dual pay check for pension, compensation, or retired emergency officer's pay. Consequently, even though totally disabled, as some are who are personally known to me, they receive only one pay check. True, they did not contribute to a retirement fund; but is any individual so unfair as to believe that because of this they should be doubly penalized over civil-service retired personnel?

The retired enlisted man accepted the hazards of war. Many of them served in three wars. Many were decorated for bravery in battle. Their compensation in service was as low as $13 per month. They were denied the comforts of a home and family contacts. Like a faithful servant, they followed the beck and call of Congress from Cuba to the Philippines, China, and to France and Siberia. They hoped in the justice of Congress to grant, after their earned retirement, that which Congress promised them as they pleaded with them to enlist in the days when enlistment in the Army was recognized by everyone as a distinct hardship. Today, in their old age—some few are Civil War veterans—we find that Congress is repudiating its solemn contract with these aged men and is proposing to take from them up to 15 percent of their earned retired annuity.

As a retired enlisted man, who is fully conversant with the problems of the service, especially that of personnel, and who, as editor of a national veteran periodical for the past 5 years has made a close, detailed study of these questions, I solemnly protest any act which will grant to retired civilian employees special consideration over retired enlisted men as does this bill.

WAR VETERAN DISCRIMINATIONS

Thousands upon thousands of honorable and most worthy veterans would not permit their names to appear on the sick reports during war. In fact, in the regular service, men with a sick record were more or less ridiculed as puny individuals. Therefore, even though sick and physically distressed, they would not build for themselves a medical record. I am personally acquainted with Spanish War veterans who came from Cuba and the Philippines as mere skeletons, who accepted their discharge from the service and went to their homes; and, with the help of their families, recuperated their health to some extent and took upon themselves the problems of life. These men were not considered for any veteran benefits until 22 years thereafter. Even then and now, with their health decisively and completely broken as a result of their war service, they cannot prove service-connected disabilities; and yet, we here are legislating to take from these worthy men the benefits to which they are justly entitled and which, if withdrawn, will place them in the line of charity which certainly is not an edifying example to set before the youth of America as we ask him to be patriotic.

These worthy men, in an instance which I can recall personally, served continuously in campaign and under fire for 2 years in the Philippines. Today we are proposing to send these men to the poorhouse.

And at the same time, in this same bill, we are permitting thousands upon thousands of veterans who had no service in combat and who, perhaps, served safely here in Washington, to continue to receive service-connected disability benefits, to which, I subscribe, they are justly entitled, and at the same time we are permitting them to receive a dual salary if employed by the Government. In other words, one man is granted the right to receive two checks from Uncle Sam while from another, equally as worthy and who served in battle and was decorated for bravery, we are taking the pittance which maintains his life.

The proposed law mandatorily continues the present retired pay of emergency officers. One such individual personally known to me is receiving a civilian stipend of $7,500 per year and will continue to receive $234 per month retired pay from the Government under the proposed law. It is reported that in the State of Maryland 20 such retired emergency officers are millionaires. Here we have the anomaly of providing that the veteran gratuity paid to millionaires shall not be reduced more than 15 percent notwithstanding that some of these men are only 30 percent disabled from strenuous duty in Washington, while this bill gives the President full power to take away pension or disability allowance from a veteran who has absolutely no other income, who is 99 percent disabled, and who served in the front-line trenches. It should be considered in connection herewith that the service of an enlisted man was more arduous, hazardous, and with less compensation than that of the emergency officer. This statement is made without prejudice to the emergency officer law.

HOSPITAL DOMICILIARY PROVISIONS INHUMAN

The provisions of the bill restricting domiciliary care to our disabled veterans, to those only who are 100 percent disabled, is so palpably unjust and erroneous, that I am unable in this brief space to recite them in detail. In my opinion, it is a repudiation of a solemn pact to which the Government subscribed when these men volunteered and offered their lives and their all to the defense and the ideals of our Nation.

From the standpoint of finance, in my opinion, it is a niggardly repudiation by the Government, as the assets of our Nation were increased beyond every measure of contradiction at least $8,000,000,000 through the successes of our armed forces in the War with Spain. A small amount involved in the domiciliary care of the veterans of this war is infinitesimal compared with the wealth which these men created and of which our Nation has been reaping the benefits since the strenuous days 35 years ago.

To deny the above benefits to these men is in a sense worse than a repudiation. It is in my opinion an ungrateful gesture to men who suffered through the strenuous days in Cuba and the Philippines, whose health was permanently impaired thereby, and who having only a few more years yet to live are placed on the road over the hill to the poorhouse by a grateful Government whom they were honored in having an opportunity to serve.

FAVOR SENSIBLE ECONOMIES

I reiterate that I am whole-heartedly in favor of economies, but I cannot subscribe to any legislation which takes one cent from our disabled veterans without a just and fair hearing, as long as we continue to pour our millions into the rat

hole of the Reconstruction Finance Corporation and as long as we continue to exempt from taxation billions of dollars invested in bonds and securities which were handed down to the possessors by inheritance. The billions of dollars which the American people lost through the failure of our banks has disappeared in a bottomless pit, or rather into the coffers of those who today are pleading for economy, at the expense only of the man who patriotically and zealously advanced the honor and dignity of our Nation on every field of battle since the days of sixty one.

I will not join the rabble led by the high priests Annanias and Caiphas (international bankers) or lend my vote in any way, shape, or form to crucify those with whom I have served in the years past.

Mr. TAYLOR of Tennessee. Mr. Speaker, I regret that sufficient time was not allowed for those opposed to this measure to register their protest on the floor, instead of being compelled to do so by obtaining leave to print. In my opinion, there is seldom if ever justification for gag rule, and it certainly never should be invoked to pass legislation of such far-reaching importance and consequences as the measure before us today.

I am opposed to this legislation for three major reasons: First, I am against it because it violates the very fundamental principles upon which our Government is founded, in that it provides for an invasion of the functions and prerogatives of both the legislative and judicial departments of the Government by the Executive. In this bill Congress voluntarily admits its impotency and tamely abdicates its functions to the White House, which is repugnant to my conception and appreciation of the genius of our Government. Second, I am opposed to this bill because it sets up a dictatorship in the United States, the like of which has seldom been attempted in the history of the world. The autocratic nature of this bill attains its climax in section 5, which is as follows:

> All decisions rendered by the Administrator of Veterans' Affairs under the provisions of this title, or the regulations issued pursuant thereto, shall be final and conclusive on all questions of law and fact, and no other official or court of the United States shall have jurisdiction to review by mandamus or otherwise any such decision.

Mr. Speaker, I doubt if even Mussolini in his most ambitious moments ever dreamed of such tremendous power as is carried in this astounding provision. And, third, I am against this measure because it is unfair, unjust, and cruel to our ex-service men and their dependents, and subverts and uproots the policy of treatment accorded our soldiers and their dependents which has distinguished our Nation for gratitude and liberality to those who rallied to the colors in times of stress and storm.

Mr. Speaker, I yield to no one in my zeal for economy in government and my desire to see our National Budget balanced; but I most respectfully decline to be a party to restoring our financial equilibrium at the expense of our crippled and diseased ex-service men, along with their widows and orphans. "If this be treason" to the administration, Mr. Speaker, "make the most of it."

Inspired by the promise of a "new deal," more than 75 percent of our ex-service men voted for the present occupant of the White House. They had been induced to believe that the Hoover administration had been unfriendly to them, notwithstanding the fact that practically all the legislation that has been enacted in their favor has been at the hands and on the responsibility of the Republican Party. Mr. Speaker, I venture to say that the soldier influence in this country represents more than 10,000,000 voters, and, as I said before, more than 75 percent of it was exercised in favor of the Democratic candidates last year. In the light of recent events, I wonder what the ex-service men of this country and their friends think of the "new deal" about which we heard so much during the campaign last fall!!

And, Mr. Speaker, who is demanding that the welfare of our ex-service men, their widows and little children be sacrificed on the altar of national economy? What influence is it that insists that this Government reverse its past proud record and policy of caring for those who wore the uniform when Old Glory was in jeopardy? It is the so-called "Economy League", an organization conceived and financed by the big predatory interests of this country in an effort to shift the burden of taxation—yes, shift it from their own shoulders to the backs of our soldier boys, their widows and orphan children. It might be of interest to analyze the origin and manifest purposes of the so-called "National Economy League, which has carried on a Nation-wide campaign to discredit the disabled veteran. Its managing editor is one Henry H. Curran, who receives a salary of $15,000 a year. According to the testimony before a congressional committee this gentleman is employed as a propagandist. His chief duty, it appears, is to smear and vilify the veterans of the Republic.

The following is an excerpt from the statement issued only last Tuesday by this selfish and un-American organization, and is characteristic of the slander it has been constantly circulating to poison and prejudice the minds of the American public against our ex-service men:

> For a number of years the American Legion and the Veterans of Foreign Wars have ruthlessly plundered the American people under the guise of an appeal to the sense of patriotism of our people and by perverting that praiseworthy sentiment to selfish ends. The American Legion and the Veterans of Foreign Wars will counterattack and continue their ceaseless warfare against the stability of the country.

In this cruel indictment those who wore the uniform of their country are not only branded as racketeers but enemies of the Government itself!

Mr. Speaker, the so-called "Economy League" was incorporated less than a year ago, and, according to testimony given to a congressional committee some time since, it has already garnered approximately $200,000 in contributions. This huge "slush fund" has been employed in propaganda inimical to the credit and reputation of the veterans and to influence legislation to their detriment. It is interesting to note that 17 individuals contributed a total of $35,100 to this "slush fund," and among them are such well-known characters as John D. Rockfeller, Jr., E. R. Harriman, H. H. Rogers, and others of similar ilk. A review of the contributors to the so-called "Economy League" and its activities will suffice to convince anyone of its selfish and sordid motive and mission.

But, Mr. Speaker, what we need in this country today more than anything else is a reduction of unemployment and an increase of purchasing power. Will this legislation put a single idle man to work? It will not. Will this legislation increase our purchasing power? Most certainly not; but, on the contrary, it will further curtail purchasing power, increase our already swollen breadlines, and materially add to the already unbearable burdens of local welfare organizations.

Bearing on the economic phase of this proposition, allow me to call your attention to a statement issued on January 6 of this year by Mr. Roger W. Babson, a well-known and recognized expert on fiscal and economic subjects. In this statement Mr. Babson said:

> Of course, there may be inequalities and abuses in the matter of cost of veterans' aid. If so, they should be corrected. Yet how can cutting the veterans improve business? In most cases reducing Federal aid to veterans would result in increasing local aid to their families.

But, Mr. Speaker, the sponsors of this extraordinary legislation seek to arouse hysteria in the Nation on the fictitious claim that this legislation is necessary to preserve the financial credit of the country. While it is true that financial conditions in this country are far from what we would like to have them, I insist that our situation in this respect has been grossly exaggerated.

Is our national credit in real jeopardy, Mr. Speaker? And even if it were, would we be justified in meeting the situation by robbing the soldiers and penalizing the poor unfortunate scrubwomen in Federal employment throughout the country? You know, my friends, we would have no National Government but for the services and sacrifices of those who wore the uniform!

I repeat, Mr. Speaker, are we really in dire extremity? Is our national credit really seriously threatened? Listen! Just yesterday the Treasury Department sold two short-term national obligations aggregating $800,000,000, and in less than 24 hours they were oversubscribed 100 percent. Does this look like national bankruptcy?

Mr. Speaker, according to statistics, the national debt of the United States is only about $160 per person, whereas the debt of Great Britain amounts to $800 per capita.

Oh, yes, Mr. Speaker, I am in favor of balancing the Budget, but I do not believe in balancing it on this sort of "blood money." The people who ought to bear the burdens of government are those who are best able to pay. If after reducing the cost of governmental administration to a minimum there is still a deficit, let us devise some new revenue scheme that will be distributed among all the people in sufficient amount to balance the Budget. Let us not perpetrate this iniquitous crime on our soldier boys. Let us not press down upon their heads this crown of thorns and crucify them upon this cross of so-called "economy."

And so, Mr. Speaker, for the reasons enumerated and for the further reason that I seriously doubt the constitutionality of some of the provisions of this measure, I cannot give it my support.

Mr. DUNN. Mr. Speaker, my reasons for not supporting the economy bill (H.R. 2820) and the amendments made by the Senate are as follows:

Having carefully studied House bill 2820 and its amendments, I was not convinced that said bill and its amendments meant any relief for the working class.

I do not believe it is economy when you reduce the salaries of people who receive less than $150 a month; neither do I believe it is economy to deduct 15 percent from the relief and compensation of our soldiers, sailors, and marines who nobly sacrificed practically all they had to make the world safe for democracy.

It seems to me sufficient funds could be obtained to balance the National Budget if we could compel the public utilities and other gigantic corporations to pay a just tax on the property and money they possess. The small-business man and private-home dweller must pay the full amount of their taxes or lose their property. Why this rank discrimination and class legislation?

If we could have a law enacted compelling all big interests to pay their just taxes, our Budget would always be balanced and there would be a surplus which could be used to provide adequate pensions for the disabled veterans, the aged, widows, and others who are physically incapacitated.

Mr. McSWAIN. Mr. Speaker, I have supported President Roosevelt unreservedly in every proposal coming before the Congress. I intend to continue to do so until this emergency is lifted. It is necessary for us to submerge our individual views during such perilous times. Secretly I may differ with the President as to the best way to handle the situation, certainly in many details, but I suppress my individual views in order to strengthen his leadership. When you are in war you must have a general and obey his commands instantly and unconditionally. Our country is now in a condition worse than war. President Roosevelt is not only our Commander in Chief but he is our political and economic leader. If the country is to be saved, it must be saved by him. The country has elected him as President, and as leader, and therefore as savior. The country did not elect me President, and it is my patriotic duty to follow the leadership of him on whom hang the hopes of the American people.

Mr. Speaker, after the emergency has passed—and it will soon pass, for we are again on the highway to normal times—I reserve the right to express, and to seek to impress, my individual views on political and economic questions. Of course I am foreclosed by the platform of the Democratic Party, and wherever that platform is specific, there I will stand and vote. But where the platform is general and details are left to be worked out, I will exercise my individual judgment upon what is best for the country. I am several years older than the President and believe that I have done as much hard study and have the welfare of the Nation as much at heart as he has. I know that I have not the same natural ability and may not have the will power and the courage, but I yield to no man in my devotion to this Nation and in my deep desire to make conditions better for our children and posterity. I know that no one single man, not even President Roosevelt, is all-wise and cannot comprehend all information and cannot understand all political and economic and commercial and financial problems. But it is better to follow the leadership of one man, however defective may be his knowledge and understanding, than to have a confusion of counsels. If every one of the 531 Members of Congress were trying to have his individual way, and to pull in a different direction, we would get nowhere. We would go around in a perpetual circle. But if we follow the leadership of one brave and courageous man, like President Roosevelt, we will get out of this trouble and soon be on the highway to prosperity.

Mr. Speaker, in connection with the passage of the economy bill, which was described as a bill "to maintain the credit of the United States," appeals have properly been made to the patriotism of the ex-service men of this country to sacrifice and surrender at least part of what they have been receiving as compensation and disability allowance on account of their military service. Most of these former soldiers are patriotic, and many of them have written to me, expressing their willingness to make any sacrifice, just so they are allowed bread to maintain life. But while this sacrifice is being made by the common man, who has been receiving $12 a month, or $18 a month, or $24 a month, or even $40 a month, should not some sacrifices be made, of a very substantial nature, by officers of high rank whose retired pay is very large?

Take, for instance, General Pershing. He certainly is a great man and a good soldier, but he is not the only great man in America and not the only good soldier. He did a good job in France, but he only did his duty. There are many other soldiers in the Army who could have handled the situation and could have accomplished the same results. In fact, I think that there were some soldiers even in the National Guard who could have handled the situation about as well. With unlimited money and unlimited men, and with the help of wonderful allies that had been fighting 4 years, it is too much to ascribe all the glory and honor of the war to one man.

Mr. Speaker, about a year ago General Pershing made some very uncomplimentary and ungracious remarks while he was in Paris concerning his former comrades in arms who left their families and civilian occupations and went forth to battle and to die for the ideals of America, under his leadership. Tens of thousands of them did die, and hundreds of thousands were wounded, and he got unlimited glory and honor and magnificent financial reward. If he is so patriotic, and I believe he is, then he should come forward now and surrender more than 15 percent of the $21,500 retirement pay he is receiving. I remember that it was a surprise to the American public that he should have been retired at that much pay. It so happened that there was an old statute which had not been repealed but had been passed for the benefit of General Grant, who in old age became destitute and well-nigh poverty stricken. This statute was used to retire General Pershing at $21,500 a year, when nobody thought that he would get more than $6,000 a year. If General Pershing needed the $21,500, as General Grant needed it, it would be a different question. But General Pershing has no family dependent on him. His child or children must have inherited millions of dollars from their grandfather, the late Senator Francis E. Warren. It is reported that General Pershing received royalties for his book aggregating about $250,000. Probably this book was compiled with the help of clerical services furnished by the Government, in the War Department. I know that he is furnished an office free, and all the clerical services that he needs, and an orderly or valet to wait on him. Since his retirement General Pershing has already collected nearly $200,000 retired pay. He also has free doctors, nurses, medicines, and hospitals.

Therefore, Mr. Speaker, I submit that it would be a most gracious and magnanimous deed if General Pershing will come forward in a spirit of self-denial and of unalloyed patriotism and offer to surrender and return to the Treasury all of his retired pay except eight or ten thousand dollars a year. Surely, with what he has and with no family, he can live most handsomely on that amount of money. Such self-surrender and self-sacrifice would electrify the Nation and would restore him to that pinnacle of hero worship that the Nation elevated him to during the World War. If he wants the common citizen to surrender his few dollars a month in the spirit of patriotism, when this poor man has wife and little children looking into his eyes daily for bread and shelter and clothes, surely General Pershing can set a noble example by saying that he will help to maintain the credit of the Government and contribute to his Government out of his retired pay at least $10,000 a year. Ten thousand dollars a year, divided into $12 a month and distributed among 70 families, will mean the difference between destitution and starvation for 70 families on the one side and a chance to get bread on the other side. Will not General Pershing take under his wing at least 70 of the poor boys that were willing to spit out their lifeblood in the execution of his commands, especially since General Pershing does not need this surplus $10,000 a year? If he will do this, and I believe he will as soon as he thinks of just the significance of such self-denial and of what it would mean in allaying the jealousies and envies and dissatisfactions and disappointments and heartburnings of the men who were willing to die at his command, then the ranks of all patriotic Americans will close up, and all will march forward with the same step, making the same sacrifice, serving in the same spirit the same beloved flag and the same devoted Nation that we all sought to serve and sacrifice for in 1917 and in 1918.

Mr. SHOEMAKER. Mr. Speaker, ladies and gentlemen, little did I dream several days ago when my right to sit in this august body was questioned, that today I would be standing here upon this floor in defense of the very Constitution of the United States of America. Little did I dream that this immortal document should be cast aside under the guise of economy and trampled under foot by those who swore to uphold and protect it. I refer to H.R. 2820. Far remote, if ever, did I think that the United States Congress would vote a dictatorship into the hands of any individual regardless of who that gentleman might be. The graveyards of ancient history are cluttered with the bones of nations who placed explicit faith in the hands of a dictator, and today I am asked in this bill to assist history in repeating itself and to start the United States into the rut that has been the cause of more sorrow and suffering throughout the history of the past than any other cause.

Mr. Speaker, I have every faith in the President. I do not question his motives or his sincerity. He is entitled to every respect that is humanly possible for this body to accord him, and I shall fight that this respect shall be maintained, and it is my plan and intention to assist him in regaining the confidence that has been lost through the general apathy shown the American people by the past administrations.

CONTROLS BOTH HOUSES

Mr. Speaker, the President of the United States was elected upon the pledge to "bring the Government back to the people" and not to further take it away from them, and this bill, if passed, will surrender the rights of democratic government in the United States of America and place it in the hands of one man. The President has a large friendly majority of his own party in both houses of Congress, and any law that he may want will be passed in the regular manner as is required by the Constitution of the United States. Had the President of the United States in his campaign speeches asked the people of the country to make him a dictator, he would have been repudiated overwhelmingly by the very people who elected him. Had the Democratic Party asked such a thing in its platform the entire party would have been repudiated.

Mr. Speaker, ladies, and gentlemen, I say here and now, and I believe that history will record me as being correct, that when this Congress votes to relinquish the power it was granted under the Constitution we will have sounded the deathknell of American liberties and American traditions. The President, Mr. Speaker, may use this power to the advantage of the American people—I do not question his good intentions—and he may carry them out to a successful conclusion, but fate may again at the next election bless us with a tyrant of the same caliber as the last occupant of the White House. Then we, ladies and gentlemen, shall bury our heads in shame for having voted for this bill, and we shall be responsible for a Government that may shame the Hitler dnasty, when it comes to tyranny, off the face of this earth. There is the danger, ladies and gentlemen.

SACRIFICES FOR DEMOCRACY

The very soil upon which this Capitol Building stands, ladies and gentlemen, was painted red with the blood of our fighting forefathers that we might have representative government; these patriots waded through their own blood to establish a government of, by, and for the people, and guarded it with a constitution so that it might not perish from the earth. Are we today to vote to sully the high and noble purpose of the very founders of this democracy; shall we today vote in such manner as to cause them to despise us from the high heavens? And all this because some one yells economy or emergency. Why, ladies and gentlemen, George Washington, the Father of this Country, could have lain down to the British and surrendered on the same pretext, and done it as an emergency or for economy reasons; but did he and his followers? No; emphatically no! He did not. Must we do today what he would never consider doing, and surrender American principles such as no other country possesses? Again I say no!

ECONOMY IN DISGUISE

For years, ladies and gentlemen, there has been carried on in the United States a propaganda by an organization known as the "National Economy League"; its members consist largely of millionaires and its sole purpose is to dodge taxes for the rich. This is the same group of individuals who during the World War coined the life- and death-blood of our American soldiers on the fields of France into millions and billions for themselves; this is the same group who invested their unearned and stolen millions in Liberty bonds after the war and after they had caused an artificial deflation of the American people, thus buying these bonds at a great discount. They coined their wealth from blood, misery, and suffering during the war; and they are now living off the fruits of their chicanery and the suffering and misery of the common people today, who are paying the taxes with misery money so that they may continue to wallow in wealth and splendor. This, ladies and gentlemen, is the tribe of cutthroats and society gangsters that "toil not, neither do they spin," who now yell through the press and over the radio, "Stand by the President." Yes; vote to give the President the power to take crutches away from crippled soldiers—not, ladies and gentlemen, that I fear that President Roosevelt would even think of exercising such power; but let me ask, After Roosevelt, what?

REAL ECONOMY

If Congress and the President really want to put over a program of real economy, let them declare an emergency and call in all United States bonds and pay for them with newly printed currency. Give these Shylocks 30 days to surrender their tax-free Government bonds, of which there are some twenty-odd billion dollars outstanding, eliminate the interest that is now going to the money changers, to whom President Roosevelt so aptly referred in his acceptance address. Give them their ill-gotten money and make them invest it elsewhere so that they may pay taxes upon their wealth the same as other citizens do; this will eliminate an interest charge of over a billion dollars a year and force the present holders to pay taxes of approximately $700,000,000 a year. This, ladies and gentlemen, will balance the Budget and do it quickly, without picking the pocket of the poor

citizen who wants to toil and cannot, because the money changers refuse to let go. Oh, yes; you may say, "That would be a violation of a sacred contract." Yes; so sacred that it smells to the high heavens. No; never cancel a contract with the money changers; that is sacred; but take it away from those who spilled their blood; this contract is not sacred. It would impair credit, yells another. Whose credit, let me ask? If the money is no good, neither are the bonds. We drafted life to fight the war, we exempted capital, and then paid it a high rate of interest; but, of course, property rights must be respected in this great land that was founded upon human rights.

I SHALL STAND OR FALL

Mr. Speaker, ladies and gentlemen of the Seventy-third Congress, I cannot desert the Constitution of the United States. I cannot vote to delegate to any one man the power of dictatorship; our Constitution is filled with provisions that guard sacredly against this very thing. I hold too highly the efforts of our founding fathers who gave their all, including their lives, to give us a democracy. I would never be able to face my constituents and in my own mind claim to be an American if I voted for this bill; no manufactured wave of false sentiment, propagated over the radio and through the press, will ever cause me to surrender our American Government to any dictator, whether he uses that power or not; and I believe that posterity will concur in my sentiments. I shall vote "no."

Mr. LUDLOW. Mr. Speaker, when I voted on the President's economy bill I tried to envision truly what would happen if it failed, and what I saw in the balance was the fate of a nation.

I doubt that a more momentous issue has faced the Representatives of the people in a hundred years of history. If the House had failed to pass that bill, its failure would have broken the backbone of the incoming President's prestige and his power to do good, and it would have broken the backbone of the Government of the United States. No less important than that was the issue involved. It would have been a deathblow to the credit of the United States. It would have served notice to the world that the Budget would not be balanced; that in a time of great emergency, more grave and serious than has confronted any other President since Lincoln, with 11,000,000 unemployed and banks crashing on every hand like houses of cards, the Congress of the United States had repudiated the President and had hamstrung him in his efforts to maintain the Nation's credit and honor.

The weakened financial and banking structure would have collapsed, business already driven to its last extremity would have settled into a coma of total paralysis, a pall of suffering and anguish would have spread over millions of fireless and foodless homes.

I voted "aye" to save America. I voted "aye", believing under the circumstances that was the best vote for the veterans themselves, whom I have always served devotedly. I voted "aye," believing that if confidence and credit are fully restored breadlines will disappear and there will be work for everybody. I voted to rescue our Government from the yawning abyss of anarchy and to preserve it in its ancient form and meaning with all its loved and cherished benefits and guaranties for our children and our children's children.

As a friend of the veterans, I voted to preserve, protect, and defend the Nation for which they fought so magnificently; and I know of no grander or more patriotic utterance in modern literature than the inspiring call of Louis A. Johnson, national commander of the American Legion, to his legionnaires when he bade them today to make one more contribution to their noble sacrifices and rally to the support of the President of the United States. The conduct of the national commander at this time and under these circumstances elevates him to sublime heights and insures for him an enduring place in the affections of his countrymen.

We who voted "aye" will be misunderstood by many who are not fully acquainted with the issue and its far-reaching implications, but I have perfect faith that history will vindicate our act. As individuals we may suffer, but what does that matter in comparison with the service we are privileged to render to our country in these awful times of stress?

Since I voted to sustain the President notice has been served on me in sundry communications that my official career will soon be at an end. I can understand the viewpoint of those who criticize me with such asperity, and I have only love in my heart for them. I feel that I have done my duty for my country, and threats have no terror for me. What becomes of me is of no consequence, but what becomes of the Government of the United States is of a great deal of consequence to all of our people, veterans and nonveterans alike, and to the limitless procession of posterity.

Mrs. McCARTHY. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following letter addressed to the President of the United States from the American Legion and the Veterans of Foreign Wars of Smith Center, Kans.:

SMITH CENTER, KANS., *March 14, 1933.*

To the Hon. FRANKLIN D. ROOSEVELT,
President of the United States of America,
Washington, D.C.

Mr. PRESIDENT: Our attention has been called to H.R. 2820, which has been passed by the House of Representatives and is now awaiting action in the Senate, wherein you are endowed with power to curtail or eliminate, as your judgment suggests, expenditures of the Government, including those of the Veterans' Administration, in which we are especially interested.

At a special joint meeting of United States Center Post, No. 220, American Legion, and the Larue S. Kingsbury Post, No. 1141, Veterans' Foreign Wars, held in Smith Center, Kans., the following resolutions were adopted.

"*Be it resolved*, That we, as ex-service men are heartily in sympathy with your economy program which includes H.R. 2820; be it further

"*Resolved*, That in your administration of veterans' affairs we feel that you will be fair and that you will not unjustly penalize the veterans; be it further

"*Resolved*, That we are not in sympathy with payment of unjust claims for compensation and administrative salaries which are out of proportion to present conditions; be it further

"*Resolved*, That we feel that the small pensions allowed veterans are not as damaging to the balancing of the Budget as are many other governmental expenditures, some of which we feel are nothing more or less than graft, such as steamship mail subsidies, exorbitant retirement pay, and large salaries drawn by men who are at the same time drawing pay for disability; be it further

"*Resolved*, That we pledge our undivided support and cooperation toward the promotion of good government and the welfare of our Nation."

I. J. NICCELL, *Adjutant,*
A. F. RADER,
Committee American Legion Post, No. 220.
L. V. CUMMINS,
J. G. ALBRIGHT,
Committee Veterans' Foreign Wars.

Mr. SMITH of Washington. Mr. Speaker and Members of the House, I intend to vote to concur in the amendments which were adopted in the Senate H.R. 2820, being the bill to repeal veterans' legislation, reduce the pay of Federal employees, and balance the Budget. I voted against the original bill when it was passed by this body a few days ago, and I would vote against it again if it were before us for passage today. However, we now vote merely upon the proposition of accepting or rejecting the amendments which were made in the Senate. In view of the fact that these Senate amendments improve the original bill and to some degree render it less objectionable, I shall vote for these amendments, notwithstanding the fact that I cannot give my approval to the original bill.

I have received several protests today from Spanish-American War veterans against the age limit being placed at 62 years in paragraph B of section 1, and that 55 years would be a more just age limit. I agree with them, and if the parliamentary situation permitted, that change would be made here today, but it cannot be done.

I reiterate what I have heretofore stated, that this bill will decrease the purchasing power of many of our citizens and only add to the existing misery and economic chaos in this country. I repeat that this bill is not in accordance with the letter and spirit of the Democratic platform, which promised the American people and the veterans of our wars a policy of economy and method and manner of

reducing the expenditures of the Government and balancing the Budget wholly different from that which is certain to result from this measure. Our plank with reference to balancing the Budget reads as follows:

We favor maintenance of the national credit by a Federal Budget annually balanced on the basis of accurate executive estimates within revenues raised by a system of taxation levied on the principle of ability to pay.

We told the people that we would balance the Budget by increasing the income and inheritance taxes on the big fortunes of this country, "levied on the principle of ability to pay."

We promised to practice economy in this fashion:

We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government.

In other words, we stated we would make our saving by "abolishing useless commissions and offices, consolidating departments and bureaus." We did not say that we would balance the Budget by slashing the compensation and disability benefits being paid to the veterans, their widows and dependents in service-connected cases, but we promised this "new deal" to the veterans:

We advocate the full measure of justice and generosity for all war veterans who have suffered disability or disease caused by or resulting from actual service in time of war and for their dependents.

These, my colleagues, were not intended to be idle promises, for we stated as follows:

We believe that a party platform is a covenant with the people to be faithfully kept by the party when intrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe.

Mr. Speaker, I am going to append hereto, as a part of my remarks, for the information and convenience of the Members of the House, the platform of the Democratic Party, which was adopted at Chicago:

In this time of unprecedented economic and social distress the Democratic Party declares its conviction that the chief causes of this condition were the disastrous policies pursued by our Government since the World War, of economic isolation, fostering the merger of competitive businesses into monopolies, and encouraging the indefensible expansion and contraction of credit for private profit at the expense of the public.

Those who were responsible for these policies have abandoned the ideals on which the war was won and thrown away the fruits of victory, thus rejecting the greatest opportunity in history to bring peace, prosperity, and happiness to our people and to the world.

They have ruined our foreign trade, destroyed the values of our commodities and products, crippled our banking system, robbed millions of our people of their life savings, and thrown millions more out of work, produced widespread poverty, and brought the Government to a State of financial distress unprecedented in time of peace.

The only hope for improving present conditions, restoring employment, affording permanent relief to the people, and bringing the Nation back to the proud position of domestic happiness and of financial, industrial, agricultural, and commercial leadership in the world lies in a drastic change in economic governmental policies.

We believe that a party platform is a covenant with the people to be faithfully kept by the party when intrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe. We hereby declare this to be the platform of the Democratic Party:

"The Democratic Party solemnly promises by appropriate action to put into effect the principles, policies, and reforms herein advocated and to eradicate the policies, methods, and practices herein condemned. We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government, and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.

"We favor maintenance of the national credit by a Federal Budget annually balanced on the basis of accurate executive estimates within revenues, raised by a system of taxation levied on the principle of ability to pay.

"We advocate a sound currency to be preserved at all hazards and an international monetary conference called on the invitation of our Government to consider the rehabilitation of silver and related questions.

"We advocate a competitive tariff for revenue, with a fact-finding tariff commission free from executive interference, reciprocal tariff agreements with other nations, and an international economic conference designed to restore international trade and facilitate exchange.

"We advocate the extension of Federal credit to the States to provide unemployment relief wherever the diminishing resources of the States make it impossible for them to provide for the needy; expansion of the Federal program of necessary and useful construction affected with a public interest, such as adequate flood control and waterways.

"We advocate the spread of employment by a substantial reduction in the hours of labor, the encouragement of the shorter week by applying that principle in Government service. We advocate advance planning of public works.

"We advocate unemployment and old-age insurance under State laws.

"We favor the restoration of agriculture, the Nation's basis industry; better financing of farm mortgages through recognized farm-bank agencies at low rates of interest on an amortization plan, giving preference to credits for the redemption of farms and homes sold under foreclosure.

"Extension and development of farm cooperative movement and effective control of crop surpluses so that our farmers may have the full benefit of the domestic market.

"The enactment of every constitutional measure that will aid the farmers to receive for their basic farm commodities prices in excess of cost.

"We advocate a navy and an army adequate for national defense, based on a survey of all facts affecting the existing establishments, that the people in time of peace may not be burdened by an expenditure fast approaching a billion dollars annually.

"We advocate strengthening and impartial enforcement of the antitrust laws, to prevent monopoly and unfair trade practices, and revision thereof for the better protection of labor and the small producer and distributor.

"The conservation, development, and use of the Nation's water power in the public interest.

"The removal of Government from all fields of private enterprise except where necessary to develop public works and natural resources in the common interest.

"We advocate protection of the investing public by requiring to be filed with the Government and carried in advertisements of all offerings of foreign and domestic stocks and bonds true information as to bonuses, commissions, principal invested, and interests of the sellers.

"Regulation to the full extent of Federal power of—

"(a) Holding companies which sell securities in interstate commerce;

"(b) Rates of utility companies operating across State lines;

"(c) Exchanges in securities and commodities.

"We advocate quicker methods of realizing on assets for the relief of depositors of suspended banks, and a more rigid supervision of national banks for the protection of depositors and the prevention of the use of their moneys in speculation to the detriment of local credits.

"The severance of affiliated security companies from, and the divorce of the investment banking business from, commercial banks, and further restriction of Federal reserve banks in permitting the use of Federal Reserve facilities for speculative purposes.

"We advocate the full measure of justice and generosity for all war veterans who have suffered disability or disease caused by or resulting from actual service in time of war and for their dependents.

"We advocate a firm foreign policy, including peace with all the world and the settlement of international dispute by arbitration; no interference in the internal affairs of other nations; the sanctity of treaties and the maintenance of good faith and of good will in financial obligations; adherence to the World Court with appending reservations; the pact of Paris abolishing war as an instrument of national policy, to be made effective by provisions for consultation and conference in case of threatened violations of treaties.

"International agreements for reduction of armaments and cooperation with nations of the Western Hemisphere to maintain the spirit of the Monroe Doctrine.

"Independence for the Philippines; ultimate statehood for Puerto Rico.

"The employment of American citizens in the operation of the Panama Canal.

"Simplification of legal procedure and reorganization of the judicial system to make the attainment of justice speedy, certain, and at less cost.

"Continuous publicity of political contributions and expenditures; strengthening of the Corrupt Practices Act and severe penalties for misappropriation of campaign funds.

"We oppose cancellation of the debts owing to the United States by foreign nations.

"We advocate the repeal of the eighteenth amendment. To effect such repeal we demand that the Congress immediately propose a constitutional amendment to truly representative conventions in the States called to act solely on that proposal. We urge the enactment of such measures by the several States as will actually promote temperance, effectively prevent the return of the saloon, and bring the liquor traffic into the open under complete supervision and control by the States.

"We demand that the Federal Government effectively exercise its power to enable the States to protect themselves against importation of intoxicating liquors in violation of their laws.

"Pending repeal, we favor immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution and to provide therefrom a proper and needed revenue.

"We advocate continuous responsibility of government for human welfare, especially for the protection of children.

"We condemn the improper and excessive use of money in political activities.

"We condemn paid lobbies of special interests to influence Members of Congress and other public servants by personal contact.

"We condemn action and utterances of high public officials designed to influence stock-exchange prices.

"We condemn the open and covert resistance of administration officials to every effort made by congressional committees to curtail the extravagant expenditures of the Government and to revoke improvident subsidies granted to favorite interests.

"We condemn the extravagance of the Farm Board, its disastrous action which made the Government a speculator of farm products, and the unsound policy of restricting agricultural products to the demands of domestic markets.

"We condemn the usurpation of power by the State Department in assuming to pass upon foreign securities offered by international bankers as a result of which billions of dollars in questionable bonds have been sold to the public upon the implied approval of the Federal Government.

"We condemn the Hawley-Smoot tariff law, the prohibitive rates of which have resulted in retaliatory action by more than 40 countries, created international economic hostilities, destroyed international trade, driven our factories into foreign countries, robbed the American farmer of his foreign markets, and increased the cost of production."

In conclusion, to accomplish these purposes and to recover economic liberty we pledge the nominees of this convention the best efforts of a great party whose founder announced the doctrine which guides us now in the hour of our country's need:

"Equal rights to all; special privileges to none."

Mr. PALMISANO. Mr. Speaker, on March 11, 1933, I voted against H.R. 2820, which is known as the "Economy bill." In so doing I was endeavoring to protest those unfortunate veterans who are receiving $12 to $18 a month under the disability allowance act of 1930. I was not at the time, nor am I now, so much interested in preventing reduction of salaries or in defending the case of those vetarans who, while able-bodied men, are nevertheless receiving from $125 to $250 a month under the emergency officers' act. I had, and have, no intention of defending those men that you read about frequently in the newspapers who are receiving large sums of money and at the same time capable of performing civil duties for which they receive substantial pay.

In my vote today concurring in the amendments of the Senate, I want it understood that I have not changed my views. I have voted for the amendments solely because it liberalized the original bill in the House. In listening to the discussions on the amendments, I find that the emergency officers can only be reduced 15 percent. The retired officers, who are receiving from $6,000 to $21,500 a year, are also protected beyond the 15 percent reduction. Of course, if the President should find some men whose disabilities are not service-connected he has the right to strike them off the rolls. For further clarification of this part of the measure I am quoting the debate of my colleagues in the House.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. McGUGIN. I yield.

Mr. PATMAN. The gentleman is a member of the committee, and I am seeking information. It was stated a while ago that the largest amount that could be drawn by anyone would be $275 a month. Is it not a fact that Admiral Byrd, who draws about $4,600 a year, under this bill will be reduced only 15 percent, and that the $275 provision will not apply to him. And is it not likewise the fact as to General Harbord, Admiral Sims, General Pershing, and all the retired officers who are now drawing from $6,000 to $21,500 a year? They will be restricted only by the 15 percent reduction?

Mr. McGUGIN. My answer to that is that all retired compensation, is in title 2, paragraph (b), which will mean a 15 percent reduction in all retired pay.

Mr. PATMAN. General Pershing will still draw $18,000 a year, and Admiral Byrd more than $4,000 a year.

Mr. McGUGIN. It will be 15 percent less than what they are now drawing.

Mr. PATMAN. In other words, this limit of $275 does not apply to them.

Mr. McGUGIN. That is my understanding. They are drawing this retired pay as retired officers of the Regular Army. They would draw such pay if there had never been a World War. Their pay comes from an act different from the act providing for veterans' relief.

* * * * * * * *

Mr. MAY. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MAY. On page 2, amendment no. 4 provides that nothing contained in this title shall deny a pension to a Spanish-American War veteran past the age of 62 years entitled to a pension under existing law, but the President may reduce the rate of pension as he may deem proper.

Does that mean that the Spanish-American veteran up to the age of 62 can be pensioned only as allowed by the President?

Mr. WOODRUM. Exactly. It means that the President cannot remove from the pension rolls a Spanish-American War veteran above the age of 62 years, though he does have the absolute power to prescribe the amount of compensation that he may receive.

Mr. BOILEAU. Was that provision in the bill at the time we passed it?

Mr. WOODRUM. No; that is a Senate amendment.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. GREEN. I suppose that those who now have service connection will be ruled as still having service connection.

Mr. WOODRUM. That depends. A great many veterans now have presumptive service connection.

Mr. GREEN. Their disabilities are service connected now under the presumptive clause of the law. Will that still obtain?

Mr. WOODRUM. It will not. One of the prime purposes of the law is to remove some of these presumptive cases; but the President has absolute authority to prescribe such rules and regulations as in his discretion and judgment may be proper to meet the situation with reference to presumptive cases.

It is a strange thing that Congress should pass a bill empowering the President to strike off the pension rolls a private, who receives a trifling sum, and yet not give the President permission to do so in the case of officers who come under the emergency officers' act and the retired officers.

The Baltimore Evening Sun and the Baltimore Post of March 15 disclose that:

In Maryland there are 4,096 veterans who come within the disability-compensation allowance and receive a total sum of $2,746,902 per year.

There are 3,762 veterans who come under the Disability Allowance Act of 1930, who receive a total sum of $707,984 per year.

There are 127 emergency officers, who receive a total sum of $222,663 per year.

You will note that the President has unlimited power to strike any amount from the disability compensation which is presumed to be service connected, but, on the other hand, he is denied the right to reduce the compensation of the 127 emergency officers, who receive an average of $1,753 a year, more than 15 percent unless he can show that the disabilities are not service connected.

This bill also gives the President the right to take from the pension rolls the Spanish-American War veterans except those who have reached the age of 62. Even in that case he has unlimited power to reduce their pension to $6 a month.

The World War veterans under the act of 1930 receive approximately an average of $185 a year. This group of veterans will be wiped out entirely because of the fact that they are unable to prove that their disabilities are service connected, which may be due to the fact that they applied too late and the law of limitation prevented them from proving service connection or because the Government kept incomplete records.

The 4,096 veterans of the World War receiving $2,746,902, an average of $670 a year, are all veterans who have service-connected disabilities, many of whom have lost their eyesight, legs, or arms. The President in this case will be permitted to reduce their compensation, if he sees fit, to $6 a month, but, as I stated, in the case of emergency officers, who receive the sum of $1,753 a year, many of whom are well and hearty, his authority is limited to 15 percent unless he proves that the disability is not service connected. The President is also denied the right to reduce the retired officers' pension more than 15 percent.

The Economy League and the Baltimore newspapers play up to the public tales of unfair compensation given to the veterans of the World War. They cite as an example some emergency officer receiving $200 a month, who is able to

attend to public and private business, their object being, of course, to show the extravagance of Congress in taking care of the veterans. They seek to make the public believe that all of the veterans receive similar amounts. The Economy League and the newspapers hide from the public the fact that under this bill the emergency officers are protected, men, who in my mind, should be the ones to be exposed, if any should be exposed.

Representing a district of working people, I cannot conscientiously vote for this bill. I voted for the Senate amendments because they limited the President to a degree as to the rank and file of the veteran. If I were given the opportunity to vote on the passage of this bill as a whole, with the amendments, I would have voted against it, as I did on March 11. I sincerely feel that the private who was willing to give his all in an emergency should not be denied a small sum which the Government has seen fit to award him solely for the benefit of the rich who are now asking for this reduction in order that the income tax in the higher brackets may be reduced.

Mr. BEITER. Mr. Speaker, ladies and gentlemen of the House, being a new Member of this body, I appreciate the courtesy which has been extended to me in permitting me to say a few words relative to the proposed legislation, commonly termed by my colleagues the "Economy Act."

This act proposes to cut further the wages of Government workers, prohibits automatic promotions, and continues the administrative furlough, with an amendment that no employee under the classified civil service shall be furloughed under the provisions of this section for a total of more than 90 days during the fiscal year 1934, except after full and complete compliance with all the provisions of civil service laws and regulations relating to reductions in personnel.

It further permits the Postmaster General to make temporary assignments, such as clerk to carrier or carrier to clerk, without change of pay-roll status. It also prohibits filling of vacancies and a higher rate for overtime (either day or night) or for work on Sundays or holidays.

This act also proposes to abolish pensions to the widows and orphans, and compensation for veterans of our wars, hospitalization, and so forth, and thereby eliminates immediately Federal expenditures of approximately $500,000,000. In other words, in the face of the impending inflation of the currency with its consequent rise in prices as a result of the new banking and currency bill so promptly passed by Congress on Thursday, it is proposed to reduce the purchasing power of a half million or more men and women in every section of the country and to abolish completely pension payments to a million veterans likewise scattered throughout the Nation.

Then again many thousands of those who will be deprived of pensions and compensation have been dependent upon this Federal payment as their sole means of subsistence. With it gone they must needs apply to their local government for relief. Therefore, the passage of this bill should be notice to State and local governments to get ready to appropriate many additional millions of dollars for poor relief. Which means, of course, that there will be a direct tax upon the small-home owner, who is already overtaxed, while thousands of others profitably employed will continue to receive their civilian salaries and at the same time receive only the same cut as the veteran without an income.

It will be quite interesting to watch the increase in the city and county tax budget and tax rate, due to increased demands from those who have had their small allowances cut by this bill.

Of the total tax dollar covering all taxes for all purposes, the Federal wage bill amounts to less than 4 per-cent. Thus, all the civil government agencies could be completely abolished without substantially reducing taxes.

William Green, president of the American Federation of Labor, in an address given at a luncheon by the New York Board of Trade, said:

Wage-cutting policy of employers and discharge of millions of employees has reduced labor's buying power billions of dollars and has accantuated the depression.

He further stated:

Labor warned and labor protested against the pursuit of such a policy. It repeatedly sounded a note of warning and in every instance endured and accepted wage reductions only because the workers were compelled by sheer force to do so. Many industrial managers now admit that a mistake was made, that wage cutting must stop, and that the wrong which has been done must be repaired through a restoration of buying power.

A sorry picture is now presented. The Nation has gone through more than 3 years of wage cutting—a policy forcibly applied by industrial management as a remedy for our economic ills. What is the picture and what are the results?

Our social order is on the verge of collapse; almost 13,000,000 unemployed, many millions more partially unemployed; 50 percent of our population suffering and billions of values completely wiped out; homes lost; mortgages foreclosed; small-business men forced into receiverships; our public-school system practically destroyed in some sections, menaced in others, and greatly impaired throughout the entire Nation—confidence destroyed. This picture would be incomplete if we fail to bring into it the millions of underfed, undernourished, underprivileged children, whose impaired vitality and lowered physical standard will be manifest in the next generation of the Nation's citizenship.

It is the duty of the National Government to provide relief for veterans; it is not the duty of the States. If this bill passes, the relief that is now being extended by the Government at the expense principally of the large income-tax payers will have to be borne by the States and by people who pay taxes on what they owe rather than on what they own. Suppose the large income-tax payers are saved $500,000,000 a year, will they buy any more shoes, clothing, automobiles, or anything else that requires the employment of labor? No; they are purchasing now everything they need and desire. If, however, they are forced to pay this money into the Treasury and it is distributed to every section of the Nation purchasing power will be considerably increased.

On February 10, 1932, Mr. Roosevelt, then Governor of New York, sent a message to the legislature against cutting appropriations to provide work for the unemployed.

There is a real difference—

Said Governor Roosevelt then—

between true economy and a mere cutting of appropriations. It is important to consider the actual effect each of these reductions will have on the economic and industrial structure.

What kind of an example is it that the State is about to show private business? How can you and I appeal to private enterprise when you yourselves insist upon the State throwing out of employment thousands of its own citizens?

The words of Governor Roosevelt a year ago should guide President Roosevelt today. Federal wage cuts would be the signal for a general slash which would lower buying power still further, and it is far too low already.

It should not be necessary to say that I am anxious, desperately anxious, to have the Roosevelt administration succeed. That is a point at which selfishness and patriotism are at one. I admire the President's courage and vigor.

Limited time prevents me from giving you many other glaring inconsistencies and injustices in the proposed law.

Mr. IMHOFF. Mr. Speaker, I desire to say that I cannot give my support to this bill for the reason that I believe some of its provisions are unfair and uncalled for.

This bill is under consideration in the House today, when only five Members, as I understand it, knew the contents of this measure beforehand, and the rest of us knew nothing of its far-reaching provisions until after it was called up for passage today. As a result, we are called upon to pass judgment upon the most momentous and far-reaching piece of legislation that has been before Congress since the World War, with only 80 minutes allowed for debate.

The Constitution clearly limits and defines the prerogatives and powers of each department of this Government. Under this bill the President is given not only legislative powers that should belong to the House and Senate but judicial powers that belong to the courts; in fact, it is an abject surrender of the rights of the men who went through the hell of war into the hands of one man without any right of appeal on the part of the veterans. This is unfair and un-American, as every man has a right to his day in court. If the President could give his personal attention to each case of compensation that might come before him, no doubt justice would be done; but you and I and everyone know that this cannot and will not be done—that blanket regulations must be made that will result in injustices by

the thousand, whereby the very bread of life will be taken away from thousands of veterans, their widows and children.

Mr. Speaker, I am in favor of the most rigid economy in Government expenses, and believe there should be a most substantial cut in the salaries of Senators and Representatives. But this bill provides for a cut of only 15 percent in the salaries of Government employees while, on the other hand, it empowers the President to slash away at veterans' appropriations without any limit whatsoever. Why the discrimination? There should either have been a limit placed upon the reduction to be borne by the veterans or there should have been no limit on the salary cuts of Government employees, including Senators and Representatives.

Mr. Speaker, no man goes before me in my admiration for and confidence in Franklin D. Roosevelt; but I am unwilling to become a party to making the war-torn, mangled, and disabled veterans, their widows, and their children, the goats of a so-called "Economy Bill". I am hoping that this bill may be so amended in the Senate and some of the provisions which are so unfair and inequitable so changed that I may be able to give it my support.

Mr. DICKSTEIN. Mr. Speaker, I am as well aware as any member of this party that these are unusual and trying times. We cannot go by any precedents heretofore established, and the conditions which confront us today are wholly unprecedented in the history of the country.

Only a few months ago did I address this House on the pernicious policy of wagecutting and particularly did I call the attention of the House to the fact that I was always the champion of the Government worker whose only source of income is the salary paid to him by the Government, and who as a rule has given up any prospect of promotion or increased emoluments such as the reward of private business for service to the Government to which he has devoted his life.

So that, speaking of the Government employee, the man who toils in the service of the United States for meager pay, I would be the last person to urge any deduction from his pay or any decrease in his compensation. I have always voted for appropriations which adequately compensated our underpaid Government servants, and recently I again spoke to Congress on the subject of administrative furloughs in certain departments, which I deprecated and found very discouraging; but, as I said before, these are unusual times. All precedents have been thrown to the wind and since the 4th of March of this year we have been living so to speak in a new era. We are about to rebuild the United States on a new foundation, and we admire the courage and leadership of our President, who has set himself the task to get us out of the slough of despond and into a world of a broader and more satisfactory economic regeneration.

It is therefore not up to us, Members of Congress—though we represent the cross-sections of our people and though we owe a duty to our constituents—it is not up to us, as I said, to thwart the President and his program. Our President's path has been a conscientious one and is directed toward one aim and object—the sanation of our finances, the restoration of an economic equilibrium, and a return to normal prosperous conditions. To achieve his aim the President found it necessary to ask the assistance of Congress in working out a definite plan which will protect our National Treasury and, in the language of the appeal, "maintain the credit of the United States Government." The bill which we are called upon to vote for (H.R. 2820) is not without reason entitled "An act to maintain the credit of the United States Government." In the President's message reference is made to the fact that unless our Treasury is put into proper condition our country will be bankrupt. Such must be the fair interpretation of our President's remarks, and it is the duty of all of us in this House not to permit such situation to occur.

It is with a sad heart and very much against my better wish that I am obliged to vote in favor of the Economy Act. I am doing so fully conscious of the fact that I have repeatedly declared on the public platform and on this floor that I am opposed to a policy by which the purchasing power of the employee of our Government should be diminished. I am doing so fully conscious of the fact that with normal conditions restored and the present emergency passing, our President will be the first one to inform Congress that no further need exists for the Economy Act.

Nay, more than that, the President will not exercise the power which we now confer upon him unless need for it will exist and continue to exist. Should things take a spurt upward before the end of our present fiscal year or during the next fiscal year, I do not believe the President will wish to exercise the broad powers which are now being conferred upon him to reduce expenditures and cut employees' salaries. Nor will the President exercise his power with reference to veterans of the World War, a power which we are also conferring upon him now, although we are doing it under the stress of economic conditions and not with any desire to hurt our veterans of the World War otherwise.

It is true that we have been liberal with our World War veterans, that we have paid compensation to them not only when their disabilities were due to their service in the World War but also very often when later on the ex-soldier found himself physically impaired so as to call upon our Government for assistance.

The power we are now conferring upon the President, I am sure, will be exercised wisely, exercised moderately, exercised only when needed, and exercised with a heart, because Franklin D. Roosevelt is not only an efficient Executive, not only a brilliant statesman, but, what is more important, he is a man whose heart beats in unison with his fellow citizens and whose heart always goes out to the poor and downtrodden and those who have no other champion in the world but the spirit of fairness permeating our national administration.

So I am quite convinced that, notwithstanding all that might be said to the contrary and notwithstanding our own convictions, we shall not be making a mistake by conferring this broad power upon the President of the United States of America. We elected him by an overwhelming vote; we trust him; we know the qualities of his heart and his statesmanlike abilities; and we can rest assured that the power so conferred upon him will not be misused, but will be applied only for the public good.

Mr. CARPENTER of Kansas. Mr. Speaker, under leave to extend my remarks in the RECORD upon the provisions of H.R. 2820, as returned to the House with Senate amendments thereto, entitled "A bill to maintain the credit of the United States Government", I wish to include as a part of my remarks covering this subject a letter that I have written to the Marion Review, Marion, Kans., a newspaper located in the town in which I live. The letter is as follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C.

The MARION REVIEW,
Marion, Kans.

DEAR FRIENDS: Because of the attacks made upon me by the partisan newspapers that fought me the hardest in the campaign, and who opposed and bemeaned President Roosevelt, then Governor Roosevelt, at the same time, no doubt my constituents are interested to know and I owe it to them to tell them why I voted "no" on the so-called "economy bill" when first presented in the House.

I am, therefore, inclosing you copy of my remarks taken from the CONGRESSIONAL RECORD, which I would be pleased to have you publish, together with this letter, in your paper. I only request, however, if you care to use this material that you print both my letter and remarks in full.

It should be kept in mind that my remarks taken from the CONGRESSIONAL RECORD were made upon the bill as first presented to the House, and my letter is written since it came back as amended.

Let me say, first, while I would have liked to have been placed on the Agricultural Committee, and made such a request, as did Mrs. MCCARTHY, that neither of us had an opportunity to get on this committee, as this is one of the first five big committees of the House, and there were too many ahead of us lined up for it. Any reports to the effect that I was punished by not being put on the Agricultural Committee by reason of my vote are without any truth or foundation. The Roosevelt administration does not do business that way. Some of those who are the President's leaders and who have had charge of some of his important bills on the floor of the House voted both times against the economy bill. I was afterwards called in and asked what committee I desired to be put on, and my requests were acceded to. I was placed on the Committees for Expenditures in Executive Departments and World

War Veterans' Legislation. I was especially desirous of being placed upon the Expenditures in Executive Departments Committee, for the reason that this committee has to do with the reducing of expenses in governmental departments.

The first bill I introduced in the House was bill no. 3078, to reduce the compensation of Senators, Representatives, Delegates, and Resident Commissioners to $7,500 per annum, and the second bill—although it is numbered ahead of the bill above mentioned—is bill no. 3077, to reduce the mileage of Senators, Representatives, and Delegates to 10 cents a mile.

Some may think these bills are mere gestures, but both were introduced before the economy bill came up in the House, and were assigned to the Committee on Expenditures in Executive Departments, which committee I am on.

In regard to mileage, I might say that by automobile it is about 1,250 miles from Marion to Washington. At 20 cents a mile going to Washington and back to Marion, I would be entitled to about $500, which is now reduced 25 percent, making $375 due. In making my claim for mileage I sent to the Committee on Accounts the following letter:

COMMITTEE ON ACCOUNTS,
Washington, D.C.

GENTLEMEN: My expenses incurred in coming to Washington are as follows:

Traveling expenses	$25.40
Gasoline and oil	18.10
For express	23.00
Making a total	66.50

I traveled in my own car, for which I am making no charge, nor for the expenses of my family.

When you allow my claim for mileage, I wish you would just allow it for $66.50.

Very truly yours,

RANDOLPH CARPENTER.

Therefore I only intend to keep this amount for each one of my trips, making $133 for the round trip. So that my action in regard to the salary reduction bill is sincere on my part, I will, as I have repeatedly announced before coming to Washington, return to the Government all over $7,500 a year, and I believe that all other Members who are sincere in regard to economy in Government should do the same thing.

I have also introduced two other bills, one to repeal the 2-cent tax on checks, as I think this would do as much as anything else to encourage people to deposit their money in banks, and the other to reduce postage back to 2 cents.

Now to get back to the economy bill. I might say if it had been in my mind to play politics in regard to this matter that I would have voted the other way when this bill was first presented. I want to further state in regard to the economy bill, as first presented, that I was in favor of it, so far as it had to do with economy in governmental departments. However, it did not go far enough, and what I opposed was that part of the bill cutting out all compensation to the Spanish-American War and the World War veterans. I was willing to cut them 25 percent, which is 15 percent more than the governmental employees are being cut in this bill, and as a matter of fact the law does not require governmental employees to be cut that much, and provides that their pay may be raised if the cost of living goes up. The bill as first presented to us aimed to save the salaries of the high-paid governmental employees at the expense of the veteran.

It is unfortunate that the matters presented in this bill were not contained in two separate bills.

It is unfortunate that large gratuities, as high as $6,000 to $21,500 a year, are being paid to General Pershing, Admiral Byrd, and General Harbord (who is, incidentally, getting $50,000 salary a year from the radio companies of which he is the head), none of whom were wounded or disabled in any war. Why they do not come within the veterans' provisions of this bill, and have their gratuities entirely wiped out I do not know. Instead they are reduced only 15 percent, leaving them still drawing these enormous amounts from the Government. Whereas the widows of World War veterans who died of disabilities which the law presumes to be connected with the service and who are drawing $30 a month and a few dollars for each child, will automatically be stricken from the pension rolls.

It is unfortunate that so many billions of dollars have been refunded by the Government on income-tax returns the past few years, including $28,000,000 that was appropriated by the last session of Congress for this purpose. If all this had not been done, we would not have any deficit in the United States Treasury today.

It is unfortunate that the Government has paid such huge sums for the carrying of ocean mail. Incidents where they have paid $789,258 for carrying mail on which only $655 was paid in postage; $607,792 where only $62 postage was paid, and many other instances of this nature, and others where the Government paid $5,000 a pound for carrying this mail. So far as the American taxpayer is concerned, this money might as well been thrown in the ocean. Here is one leak if stopped will help balance the Budget.

It is unfortunate that the Government does not call the United States bonds that are now callable and reissue them at a lower rate of interest, and there is no question about the ready sale, and the Government could thereby save some $175,000,000.

The veteran did not fail his country when his country needed him, and his country should not fail the veteran when he needs his country. Someone had to look after the interest of the "poor devil" and make the fight for him, and in so doing I believe my position on this bill so far as the veteran provision of the bill was concerned was vindicated by the action of the Senate, and the amendments there made. If we had had an opportunity to have debated this bill and been permitted to offer amendments in the House, we no doubt would have straightened it out there. However, due to the fact that 138 Members of the House were opposed to the provisions in regard to the veteran when the bill was first submitted to us, the Senate took some 3 or 4 days to debate the bill and consider it thoroughly, and when it came back to the House it came back with 44 amendments placed thereon by the Senate, and while many of these amendments merely clarified its provisions, as many as 7 of them have a great effect in liberalizing the bill concerning veterans and removed a great many of the objections of House Members. Evidently President Roosevelt had not realized the harm this bill did to the Spanish-American War veteran or the disabled, service-connected World War veteran, because upon further consideration he quite willingly accepted these amendments; and I was glad to support and vote for them in the form presented in the amended bill when it was returned to the House.

I am not receiving any compensation from the Government for any disabilities growing out of military service and never have asked for any. I thought it was my duty to serve my country and welcomed the opportunity; however, I have always offered my services free of charge to all veterans since the war. I have always refused to assist in any claim that I did not think worthy and justifiable. Every claim that was allowed that I had anything to do with was allowed after a great deal of difficulty and the great majority that were service connected and were most worthy were disallowed.

It may be for the moment the popular and smart thing to point a finger of scorn and derision at the man who wore the uniform of his country a few short years ago, but I say here and now that I am not going back on the men I led into the battle, who fell by my side, some of whom have suffered ever since, and will continue to suffer the remainder of their lives, and vote to take entirely away from them the little pittance the Government after long delay has finally allowed them, and I am not without opposition on my part going to see them and their children turned out to starve. And furthermore, I know that they, in the precarious circumstances they find themselves in, have confidence in me not to go back on them.

And so far as I am concerned, as long as I hold this office I intend to support and champion what in my judgment and conscience I believe to be right, and the consequences, affecting me personally, will have to take care of themselves.

Cutting the cost of government has just commenced. I hope the people of this country will not be satisfied to leave the greater burden of this economy on the veteran alone, but will see to it that that plank of the Democratic platform, which reads as follows, is supported and carried out:

"We advocate an immediate and drastic reduction of Government expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance to accomplish a saving of not less than 25 percent in the cost of the Federal Government."

President Roosevelt in the short time he has been in office has been faced by more important questions and more serious situations than ever confronted any President since the time of Lincoln. The way he is meeting the situations is doing much to restore confidence and start us back on the road to prosperity. I am sure that my comrades, as the true loyal soldiers I know them to be, will do their duty and again make such personal sacrifices in the interest of their country as is necessary to back up President Roosevelt in the administration of this law to obtain economy in governmental affairs and to balance the Budget, and we will expect all others to do likewise, trusting in his sense of justice that fair play will be done to the deserving ex-service men.

RANDOLPH CARPENTER.

Mr. MARTIN of Colorado. Mr. Speaker, I shall avail myself of leave to extend my remarks in the debate on the Senate amendments to the economy act by directing attention to the hospitalization provisions of the act as embodied in the Senate amendments to section 5. I foresee a serious controversy over this highly important feature of the law unless the forthcoming regulations shall deal liberally with it. I say "serious" because hospitalization is one of the major objectives, and to tens of thousands of veterans the most important objective, of the programs of all veterans organizations.

Press summaries of the Senate amendments to section 5 are to the effect that it vests the President, meaning the Veterans' Administrator, with "discretion" to hospitalize nonservice injuries and diseases. I want to point out and stress the fact that the language of the amendment bears no such interpretation, but that all veterans enjoy hospitalization rights under the amendment.

In order to set out in one place and make perfectly clear what happened with respect to hospitalization during the

passage of the act I quote section 5 as it was introduced and passed by the House, and then as amended by the Senate and now part of the law.

Section 5 of the House bill reads:

SEC. 5. In addition to the pensions provided in this title the Administrator of Veterans' Affairs is hereby authoried under such limitations as may be prescribed by the President, and within the limits of existing Veterans' Administration facilities, to furnish to veterans of any war, including the Boxer rebellion and the Philippine insurrection, domiciliary care where they are suffering with permanent disabilities, and medical and hospital treatment for diseases or injuries incurred or aggravated in line of duty in the active military or naval service.

Section 5 as amended by the Senate and now in the law reads:

SEC. 5. In addition to the pensions provided in this title the Administrator of Veterans' Affairs is hereby authorized under such limitations as may be prescribed by the President, and within the limits of existing Veterans' Administration facilities, to furnish to veterans of any war, including the Boxer rebellion and the Philippine insurrection, domiciliary care where they are suffering with permanent disabilities, tuberculosis, or neuropsychiatric ailments and medical and hospital treatment for diseases of injuries.

By comparison it will be seen that the following changes were made in the Senate: After the words "permanent disabilities", the words "tuberculosis and neuropsychiatric ailments" were inserted; at the end of the section the words "incurred or aggravated in line of duty in the active military or naval service" were stricken out.

As originally drawn, therefore, the House bill provided only domiciliary (home) care for permanent disabilities not of service origin, and medical and hospital treatment for service-connected injuries or diseases. Clearly there were no nonservice hospital rights under the House bill.

The language of the Senate amendment reads awkwardly. This awkward reading comes about through the manner in which the section was amended, as already pointed out. When the bill was returned to the House with the Senate amendments the Members were furnished with a printed copy of the bill (H.R. 2820) showing in italics the inserted words "tuberculosis and neuropsychiatric ailments", and showing the elimination of the words "incurred or aggravated in line of duty in the active military or naval service", by a line drawn through them.

It would have been better form to have recast the section after these amendments were agreed upon, but the meaning of the section as it now reads clearly continues hospitalization for all diseases or injuries regardless of service origin.

During the debate in the House on the question of agreeing to the Senate amendments I sought to nail this proposition down beyond controversy, as will be seen by the following colloquy as it appears in the CONGRESSIONAL RECORD of March 16, page 550:

Mr. TABER. If the Members will turn to amendment no. 8, on page 5, they will see that the Senate amendment liberalizes the hospitalization of veterans, so that it covers all disabilities of a permanent character, plus tuberculosis and neuropsychiatric trouble, regardless of whether it is service connected or not.

Mr. MARTIN of Colorado. I would like to set my mind at rest on that point, because, in my opinion, if this language is as I construe it, this is the most important and beneficial amendment made to the bill in the Senate. As I read the amendment, although it is rather confusingly worded, this still continues hospitalization for all diseases or injuries, whether service connected or not.

Mr. TABER. That is correct, but however, is under regulations of the President. That is, the President can prescribe, just as is done now, that those with service-connected disabilities have priority of treatment.

The power to regulate does not include the power to deny or destroy. This is axiomatic. The bill as introduced plainly denied hospitalization in nonservice cases. The bill as passed as plainly grants such hospitalization. The original denial cannot be put back into the bill by regulation. And the fact that such hospitalization was not in the original bill and was inserted during its passage puts the intent of Congress beyond question.

Mr. MOTT. Mr. Speaker, I oppose this legislation now just as I opposed it when it came into the House last week. I voted against it then. If I had an opportunity to vote against it now, even with the Senate amendments, I would do so. Unfortunately, we have no such opportunity. The only question which is now presented or which will be presented to the House, so far as this bill is concerned, is the question of concurrence in the Senate amendments. I shall vote to concur in those amendments, not because they make the bill a good one but because the bill having already passed both Houses, there is left to its opponents but one alternative. They can take the bill as it originally passed the House or they can take it with the amendments the Senate has attached to it. The measure is more objectionable without the amendments than with them. For that reason and that alone I vote for a concurrence in the amendments.

I welcome the opportunity to extend my remarks upon this bill so that at least the people I represent may know with some exactness not only my views upon it but that they may also know something about the bill itself. For I speak advisedly when I say that the people of the country even yet have little conception of what the Congress did when it passed this bill. The people fondly believe that the bill is what its title says it is—an act to maintain the credit of the United States. They refer to it by its short title and call it the economy bill. They believe that, like other major legislation, it must have passed this body after due, though speedy, consideration and that the Members of the House at least understood what they were voting on.

The fact of the matter is that this is not a bill to maintain the credit of the United States. Neither is it an economy bill. It is not an economy bill unless you call it economy to make salary reductions of the same maximum percentage limits to apply to all Government employees alike, rich or poor, without regard to whether the employee affected is drawing a salary of $1,000 or of $50,000 per year. For that is what this economy bill provides. It is not a bill to maintain the credit of the United States unless you are ready to say that the only way to maintain the credit of this great Nation is to take away from the disabled veterans of the World War every statutory right that they now have and to make the amount of the pensions that they may draw a matter entirely within the whim and the discretion of a bureau chief, while in the self-same bill you specifically limit the amount that may be cut from the retirement pay of a professional Army officer to an insignificant 10 percent.

These are some of the things about this bill that the people do not know, because, like some gentlemen here who voted for the bill, they have never read it. They have had no opportunity to read it. All they know about it is what they have learned from the propaganda which accompanied the bill into the House and which has never left it. They do not know, for example, that it passed this body on a wave of admitted hysteria; that it was not referred to any standing committee of this House; that no hearing of any kind was held upon it; and that it came in under a gag rule which prohibited any amendment and which limited debate to 2 hours—2 hours in which 435 Members of the popular branch of the greatest parliamentary body in the world might consider one of the most revolutionary and far-reaching proposals ever presented to the Congress.

Never before in the history of this body have the people affected by important legislation received such scant consideration at the hands of Congress. Never before have those opposed to legislation of this scope and magnitude been denied at least a reasonable opportunity to express their views. Never before has a parliamentary body been directed immediately and without consideration to do a thing which no Member of it had ever before even contemplated doing. The bill came into the House like a thunderbolt out of a summer sky. Not a word or a syllable had ever been uttered in the long campaign which preceded the election that would intimate to any man that a bill of this kind would be proposed by the President. On the contrary, the platform of the Democratic Party had assured the people that under no circumstances would the rights of the disabled veterans of the World War be molested. No utterance in the inaugural address gave any hint that such

a demand would be made upon the Congress. Instead, in that very splendid address the President specifically stated that he would ask Congress for such particular legislation as he thought might be expedient and necessary, and he distinctly implied that he would ask for dictatorial powers only in event Congress, upon his request, should refuse to pass such legislation. Everyone here believed, and the country believed, that the President would recommend legislation cutting down to a reasonable extent the compensation heretofore paid to certain classes of veterans. The disabled veterans themselves expected this, and patriotically they announced through their legislative committee their entire willingness to take a reduction in an amount far greater than the fixed cut provided in this bill for the pay of retired professional Army officers who are not disabled and many of whom never went nearer the front than Washington, D.C. The country also expected that the President would recommend amendments to existing veteran laws for the purpose of curing certain specific evils in the administration of those laws. In this the disabled veterans were also willing to cooperate and that they so announced.

But did the President recommend any such legislation? Did he ask the Congress to reduce by any amount, specific or otherwise, the compensation to disabled veterans? He did not. Did he ask Congress to pass any law or laws eliminating any of the evils or inequalities either in the administration of the veterans' acts or in the acts themselves? He did not. Did he ask Congress to pass any legislation which would reduce the total annual amount to be paid to sick and disabled veterans? He did not. What, instead, did he do? He sent to this House a bill by the plain and definite terms of which it is proposed that the Congress of the United States wipe clean from the statute books all World War veteran legislation, good or bad, which it has ever enacted, and that it turn the welfare and the destiny of every disabled World War veteran in the land over to the tender mercies of the head of the Veterans' Administration, unbound and unfettered by any law.

Let the country take heed of the scope and the revolutionary character of this legislation. I say the country is not aware of it now. The deliberate, insidious propaganda to which I have referred has made the people think that Congress, at the behest of the President, has passed legislation cutting down compensation to veterans who may not reasonably be entitled to it. They believe Congress at the most has broadened the Executive power so that, like a judge in equity, the President may dispense justice and correct evils in those particular cases wherein the law by reason of its inflexibility is inadequate. I know that is the belief of many of the people I represent, because it is the opinion clearly expressed in the multitude of letters and telegrams I have received from them.

But what, in fact, are the provisions of this bill which the House has passed within the space of 48 hours from the time it first received the President's message on the subject? What are the provisions of the law set forth under the bold title "An act to maintain the credit of the United States"? What is actually provided in this legislation which has been blazoned forth in every newspaper in the country as "the Economy Act"? In the first place, it provides that in a single enormous step and by a single roll call every piece of veteran legislation that has been enacted by the Congress of the United States since the close of the World War shall be repealed—not amended or changed or corrected, but repealed. Under the specific terms of the bill not a single shred of the veteran legislation which it has taken 14 years to build remains. Every statutory right of compensation given to any disabled veteran of the World War is taken away. There is no exception. So far as the disabled is concerned, this bill, as it was originally passed by the House, makes but one concession, and that a qualified one. It provides that if a veteran is now disabled as a result of injury or aggravation of injury incurred in line of duty, he may be paid a pension. Mark that word "may." Not even the permanently and totally disabled veteran suffering after 14 years from a battle wound is guaranteed a pension by this bill. It provides only that such a veteran may be given a pension in the discretion of the President or of any bureau chief to whom he may delegate his discretion. The pension in such a case may be given or withheld, just as the Executive chooses, and in case he does choose to grant it, then such a disabled veteran, under the terms of this bill, may be given a pension of as little as $6 per month. As to every other class of disabled veteran this measure, as the House passed it, denied to them the right even to have a claim for pension considered. It put them without the pale even of Executive mercy. Among the veteran outcasts created by this bill, veterans who are admittedly disabled, are the poor, the helpless, the jobless, and the starving. They are to be turned back to private charity or to the charity of the municipalities, the counties, and the States, that are now staggering under a burden of debt and poverty compared to which, and in proportion to its resources, the lot of the Federal Government is light indeed.

I repeat, Mr. Speaker, let no one misapprehend either the purpose or the scope of this bill. By it we are amending no existing veteran legislation. We are correcting none of the particular evils which have been the subject of criticism either in the law itself or in its administration by the Veterans' Bureau. We are makng no specific reductions in compensation or pensions paid to any disabled veteran of the World War. We are not attempting any specfic economies in the administration of the Veterans' Bureau. We are not eliminating any of the useless personnel of that bureau. By this bill we are simply repealing, permanently and forever, all World War veteran legislation and are surrendering to the Chief of the Veterans' Bureau, who is a professional soldier, if you please, all jurisdiction, legislative and otherwise, over the 4,000,000 men who offered their bodies as breastworks to the Nation in the hour of that Nation's greatest need.

And this brings me to the second ground of my objection to this bill, which from the viewpoint of government, at least, is the most serious objection of all. Where, I ask, is the emergency which demands that in peace time the legislative branch of our Government should abdicate all of its constitutional authority in this regard to a bureau chief? Do gentlemen seriously contend that the Congress is either unwilling or unable to effect by legislation whatever economies the exigencies of the situation may demand or which the President may suggest? That assertion has been made here. But the very fact that the House has passed this bill, which gives to the executive branch of the Government the power and authority to effect such alleged economy by cutting pensions and compensation without limit and even to deny the right of compensation or pensions altogether, gives the lie to any such contention. I say that this Congress as now constituted would pass any law curtailing to any reasonable extent any expenditures in behalf of the World War veterans. The Members of this body are just as anxious to effect economies and to cure whatever evils there may be in existing veterans' laws as the President is. Let the President say what economies he wants. Let him name the evils and abuses he wants corrected. For the enactment of any legislation he might suggest in this regard he has an overwhelming majority on both the Democratic and Republican sides of the House.

Personally, I will go as far as the President is willing to go for the purpose of effecting economy in the administration of veterans' affairs, if he will tell me what economies he has in mind. I will go as far as the President desires to go in correcting any abuses, faults, or inequalities in the matter of the payment of compensation to veterans, if he will tell me what they are. But, as a Member of the legislative branch of our Government, charged by the Constitution with both the duty and the responsibility of helping to make its laws, I demand to know what reductions, what curtailments, and what specific economies he desires; and then I demand that those economies and reductions, whatever they are, shall be effected by legislative enactment and

not by an order or proclamation either of the Chief Executive or of any subordinate to whom, under the provisions of this bill, he may delegate his power. I am willing to follow the leadership of the President. I am willing to give him any law which, in his considered judgment, is necessary to enable him, as the head of the executive branch of the Government, to meet any emergency. I am willing to give him whatever executive power may be necessary to enable him to enforce and administer that law. But, as a Member of Congress, I am not willing to surrender to him the right or the power to make law, either on this or any other subject. That is the right and the duty imposed by the fundamental law of the land upon the Congress, not upon the President. To contend that the Congress, composed, as this one is, wholly of men whose chief desire is to cooperate with the President, is not capable of effecting legislation to meet this emergency without abdicating all its legislative jurisdiction over veterans to a bureau chief is to admit that parliamentary government in America has failed.

Mr. Speaker, I see in the enactment of this law the first step toward the creation of a dictatorship. It is entirely probable that the people may never regain the power they have this day surrendered. Under the sweeping provisions of this law it would require, in event of the Presidential veto, a two-thirds vote of both the House and the Senate not only to repeal this grant of power itself but to repeal even an order or a regulation made by the Chief of the Veterans' Bureau in regard to a disabled veteran.

The iniquity and the inhumanity of this law is almost beyond my comprehension. It makes a violation of an executive or bureaucratic regulation punishable by fine or imprisonment. To the veteran whose claim is disallowed by the Bureau Chief it denies even the right of appeal to the courts of the country for whose safety and welfare that veteran has offered his life. By this act the power of the people to deal justly or even humanely with the sick, the injured, and the helpless among the 4,000,000 of their defenders of a decade ago is gone. By it the future and the destiny of these same millions have been intrusted to a bureau created years ago by Congress to administer the acts of Congress, but which, under the provisions of this law, is no longer responsible either to Congress or to the people.

And for what, pray, has the Congress done this thing? For the purpose of saving to the Federal income-tax payers, for the present at least, a sum not exceeding $200,000,000 per year. Oh, I am well aware that propaganda has gone out to the effect that by this act economies in veteran administration can be made to the extent of two or three times that much. But that was propaganda only. The President has never made such a statement, and when this law fails to accomplish its purpose, as any law so steeped in wrong and inhumanity must eventually fail, the President will not overlook the opportunity to remind the country in no uncertain terms that he never made any such claim for the law. Be that as it may, it is a fact that the most ardent supporters of this bill no longer seriously contend that by reductions in compensation to disabled veterans a greater saving to Federal income-tax payers can be made than the sum I have mentioned. Even that, I admit, is a large amount of money, but compared to the total expenditures of the Federal Government for all purposes, it is nothing. Compared to the total legitimate expenditures, it is nothing. Compared to the total useless expenditures of the Government, it is nothing. And finally, compared to the total amount of income taxes paid by the wealthy and the prosperous of this country, it is also nothing.

I say wealthy and prosperous income-tax payers because these are the only persons in the country, individual or corporate, who under the present system pay any direct taxes whatever for the support of the Federal Government. It is from these Federal income taxes that the expenditures for the care of disabled veterans are made. Not one citizen in a hundred pays a Federal income tax. Not one farmer in a thousand pays such a tax. They are too poor to pay it. The entire expense of caring for the veterans is borne by that portion of our population who have income, earning power, and wealth. It is for the benefit of these alone that Congress has disinherited the veteran and abdicated its entire jurisdiction over him.

But this, Mr. Speaker, this immediate annual saving to the Federal income-tax payer, is only a part of the reason for this law. It is but the shadow cast before the real substance and the purpose of the law. If it were a matter merely of saving $200,000,000 per year to these income-tax payers, that could easily be brought about by eliminating the useless activities of useless bureaus, which have become the scandal of the country. But the real forces behind this revolutionary act have made no such demand for economy. They have not considered that such a step was necessary in order to maintain the credit of the Government. That, I say, is not their purpose here. The wealthy and the prosperous of the country realize two great facts. They know that the Federal income-tax law will never be repealed. They know that if in the future the disabled, the aged, and the indigent veteran is to be cared for, that the cost of that care will necessarily have to be borne by them. They know also that it has been the historic policy of this Nation, from the American Revolution down to and including the Spanish-American War, to pay to those of its citizens who have borne the battle a reasonable compensation to help to maintain them in the twilight and evening of their lives. They know that, just as in the case of the Civil War veteran, a grateful people will not deny this aid to the Nation's defenders when they are in actual need of it, if the people have power to give that aid. They know that if the people still maintain the power to give it they will not deny it to the old and needy and the deserving veteran, no matter whether the disability from which he then suffers is service connected or not service connected. To do so would be unthinkable and repugnant to the whole history and tradition and desire of our people.

It is for this reason that those who under the present law must bear the burden have struck now, upon the flood tide of the most vicious and successful campaign of propaganda that has ever been waged in this country, at the very foundations of representative Government. It is for this reason that, taking full advantage of the flame of hysteria and despair that has swept the country since the 4th of March, they have persuaded Congress to abdicate its legislative jurisdiction over the World War veteran; to make a wholesale repeal of its pension law; to make the very right of pension of a disabled veteran suffering from a service-connected disability dependent upon the will of a bureau head; to deny by statute the right of compensation to any veteran at any time in the future unless he can prove that the disability for which he then might ask the pension was actually incurred in line of duty and within the time limits prescribed by this act as the duration of the World War. This law so long as it stands forecloses even the bare right of Congress to legislate upon this subject.

Thus has the cost of the war for all time to come been lifted from the shoulders of those most able to bear it, from those who in many cases profited by the war and from a whole army of those whose fortunes were made as a result of the war. Thus has the scriptural injunction come into its full flower and virtue by this act of Congress:

> To him who hath shall be given, but to him who hath not shall be taken away even that which he hath.

Mr. Speaker, the business of this day will return to plague the Congress and the President as well. An act so inherently and so fundamentally wrong cannot endure the awakened conscience of the people when they realize, as at last they must, what they have done. Already the whirlwind of hysteria which made possible the enactment of this law is passing. Already regrets are heard from those who have thought it incumbent upon them to support this bill. I hope and I believe that in the not distant future the country will be ready to stand behind us in an effort to undo this wrong; to bring back at least within the scope of legislative jurisdiction the veterans who have this day been disinherited by their Congress and to again restore con-

stitutional and parliamentary government to the United States.

Mr. LUNDEEN. Mr. Speaker, when some of the larger newspapers throughout the country found out how the Representatives of their State voted on the economy bill in its original form, they broadcast propaganda of the most scathing kind, accusing those who voted against the bill of playing politics to gain the support of a powerful minority—the veterans and Federal employees—accusing them of wilfully tying the hands of the President so as to prevent the Budget from being balanced, accusing them of trying to bankrupt the country and kill every hope for economic recovery. "Stand by the President!" is their cry—no matter what he may do.

SHEEPLIKE STATESMANSHIP

"Stand by the President!" was the cry in 1917, when propaganda was broadcast which plunged the country into war. We who refused to follow the President like sheep were branded traitors to the cause—traitors, because we dared to speak the truth, because we dared to predict that war would bring to us just the disastrous economic consequences it has brought. Time has vindicated us, and time will vindicate us again.

A national emergency calls for more than sheeplike statesmanship. It calls for courage to speak the truth. Mr. Speaker, if I wanted to play politics, if I wanted to gain for myself political power, would I openly fight against a measure which apparently has the sanction of those in power? Would I openly denounce the editorial policies of the country's large and powerful newspapers? Would I openly say that I am out to conscript wealth for the war on want? No; I would forget my conscience, forget the people who had the faith to send me here, and cater to wealth and power. But I did not do that in 1917, and I am not going to do it now.

PURCHASING POWER AND HOARDED GOLD

Every day the Federal Reserve banks are receiving a flood of letters revealing the names of people who are hoarding gold, and some of these letters are from office boys who say their employers are keeping gold out of circulation. Now the gentlemen who advocate this measure say the Treasury needs that gold. Do they think they can get it from veterans and Federal employees? The millions of dollars they take from our veterans and Federal employees they will take from the meager income of the grocer, the baker, the butcher, and other local merchants. Do the gentlemen realize this fact? The veterans and the Federal employees do not hoard their gold; they have no gold to hoard. The money given them falls like a gentle, warming rain into the frozen channels of trade throughout the entire country. Do we want those channels to remain frozen?

My plea is this: Do not let the large newspapers who are dependent upon the advertising, and consequently the good will, of large business interests prevent you from learning the truth. Do not let them prevent you from hearing my warning. You cannot end the panic by taking purchasing power away from the rank and file of the people.

That is one reason why I am going to vote against this bill. It takes purchasing power away from the people who have none to spare and a source of income away from the local merchants. Economic distress will be intensified by such measures.

AMERICA REPUDIATES HER DEBT

But there is another reason, one in which the honor of the Government is involved. This country has never approved a national policy which favored the repudiation of debts. Our Government refuses to recognize Soviet Russia largely on the ground that she repudiated the debts of the old Tsarist government. But what about the solemn promise made to the men we drafted onto the battlefields of Europe? When we passed the conscription law by which about 85 percent of our Army was drafted we assured these men we would stand by them in their hour of need. They fought for us. They won the war—if there can be said to be such a thing as victory in modern war—and now, in their hour of need, we propose to desert them.

The veterans of the Spanish-American War under this bill are to receive their pensions if they are 62 years old or over. The average age of the Spanish-American War veteran is 59. This bill proposes to cut off the pension of the average Spanish-American War veteran during the 3 years when he needs it most—during a time when it is virtually impossible for a man 59 years old to find work to do. The contention is that if the veteran can establish the fact that his disability is service-connected he shall receive compensation. But I ask you: How is it going to be possible to obtain the affidavits and other evidence technically necessary to establish service-connection 35 years after the war?

BURDEN OF RELIEF TO BE THROWN ON LOCAL COMMUNITY

What are you going to do with these men after the Government has repudiated its debt to them? You cannot escape the burden of veterans' relief by lopping off four or five hundred million dollars from the expenditures of the Veterans' Administration. Everyone must have food, clothing, and shelter, whether he is a veteran or not. Who is going to pay for that? The local merchant is not going to have the money he used to get from pension checks. His trade further diminished, he is not going to be able to hire veterans or anyone else to work for him. Our veterans must be cared for. We cannot evade that fact. It is the price we pay for war hysteria.

You cannot escape the burden of veterans' relief. I warn you, it will merely be shifted from the National Government to your own State and local community. What other alternative?

NATIONAL TREASURY ISSUES OVERSUBSCRIBED 8 TO 1, YEAR 1932

This bill proposes to maintain the credit of the United States Government. But the credit of our Government is good. There is no doubt about that. We have repudiated no national debts, and there is no danger of our doing so—unless the debt to our veterans is to be repudiated. On March 15, 1933, two issues were floated by the Treasury Department, one at 4 percent and one at 4¼ percent. On the 4 percent issue the total amount subscribed was $913,593,600; the total amount alloted was $469,131,000, an oversubscription of $444,462,600. On the 4¼ percent issue, the total amount subscribed was $918,222,000; the total amount allotted was $473,373,500, an oversubscription of $444,848,500.

When the Government calls for money, offers an investment of the safest kind for 4 percent and 4¼ percent, twice as much money as is called for, and more, comes rolling in. During the year 1932, for every dollar the Government asked for it was offered eight. The total subscription on long-term Treasury issues from December 15, 1931, to December 15, 1932, was $42,505,465,000; the total allotment was $5,798,931,000. I say this on the authority of the United States Treasury Department.

I repeat, there is plenty of money in this country. The issues of the Treasury are oversubscribed 8 to 1. The United States has the largest gold reserve in the world, and there are plenty of rich people and rich corporations still in existence. If the gentlemen are afraid our country is going bankrupt, why do we not draft into the Treasury the excess profits of the rich instead of cutting our Federal employees once more and throwing our veterans on charity?

There is plenty of money in the country. There is evidence to prove it. The total gold earmarkings for foreign account on March 3, 1933, amounted to $438,000,000. These earmarkings were largely for the account of rich Americans. The saving proposed to be effected by this economy bill could be raised in very short order from the amount of money American patrioteers are pouring into foreign countries. It has even been disclosed that the recent alleged dollar raiding by foreigners in Paris, Hamburg, Rome, and London was nothing more than the sale of dollars by Americans—Americans of the disgraced-banker type who are fleeing to Europe, a rapidly growing class.

Some of the newspapers in this country are now accusing us who are opposed to this bill of favoring a strong minority. But they have no scruples against favoring a minority,

providing that minority holds the wealth and power of the Nation. Plenty of legislation has been passed recently favoring minorities, on the ground that the protection of this minority is necessary to the welfare of the country.

Now it is revealed that the charges against one of our prominent bankers, Joseph W. Harriman, were delayed for nearly 3 months upon orders from the Department of Justice in the last administration. The reason for the delay was that Harriman had to have time to reorganize his national bank, which was not reorganized and was not allowed to reopen after the national bank holiday. Now Mr. Harriman is charged with financing bank-stock purchases through false entries in customers' accounts. The case of Mr. Charles E. Mitchell is notorious. A man who sells 18,000 shares of National City Bank stock to his wife, then buys it back "at a loss," evading his income tax completely, is certainly of great credit to his industry. But the investigation of banking activities has only begun.

A DOLE FOR THE BANKERS

Why is it that we must preach economy to the veteran and Federal employee, while we hand lump sums of millions of dollars to bankers and corporations—to keep them on their feet? The Government proposes now to stand back of the banks until the depression is over, and then it may possibly have time to consider the veterans and Federal employees. Does the past action of banks and corporations warrant such discrimination in their favor?

Both Mr. Harriman and Mr. Mitchell are links in the great Morgan international banking chain—links in the great power-trust combination which controls about 87 percent of all the electric-light facilities in the United States.

The member corporations of this great power association are generously aided by banks, since they are bound together by interlocking directorates. The United Corporation, Morgan-controlled, spreads all over the United States. This corporation showed a profit of $13,824,187 which was applicable to dividends in the depression year of 1932. There is still wealth in America. The Commonwealth & Southern system, which spreads all over the South, had a net income of $13,243,000 in 1932.

The Union Electric Light & Power Co. of Missouri showed a net income of $7,252,044 which was applicable to dividends for the 12 months ending September 30, 1932. The Philadelphia Electric Co. system shows a net income for the nine months ending September 30, 1932, of $16,291,329. The North American Co. for the 12 months ending September 30, 1932, shows a net income of $18,992,252. E. I. du Pont de Nemours & Co.—and wholly owned subsidiary companies—showed a net income for 1932 of $26,234,779, which, added to the surplus at the beginning of the year of $198,933,044, certainly shows that there is money in America. The Atchison, Topeka & Santa Fe Railway system shows a net railway operating income of $17,659,793 for the year 1932. And the Union Pacific system shows a net income of $18,012,537 for the 12 months ending December 31, 1932. These are just samples from a long list of companies which are still making money. This list may be found in the Monthly Earnings Record, New York, for February 24, 1933.

LOOPHOLES IN THE INCOME TAX LAWS

The loopholes in the income tax laws by which corporations escape payment of millions of dollars every year are notorious. The United Corporation was able to make the profit of $13,000,000 that it did last year partly because it was able to create a temporary holding company, with the aid of the American Super Power Corporation, and to keep this company, the Public Electric Holding Co., in existence just 4 days, long enough to effect the transfer of securities from the American Super Power Corporation to the United Corporation. This revelation has been made by the Federal Trade Commission.

EXCESS WEALTH IN AMERICA

These corporations have money and there is no reason why that money should not be used in a national emergency such as this. The men we sent to Europe in 1917 met one emergency for us; there is no reason why they should be called upon again when we have wealthy corporations throughout the country which can well afford to part with millions and billions.

The officers of these corporations, these banks, and these railroad companies have money which it would be no hardship for them to turn over to the Government, giving the American laborer some work to do. There are still dividends being declared; there are still large salaries being paid, and there are institutions operating at a greater profit than in 1929. There are four New York banks today whose 1932 dividends topped the dividends they declared in 1929—Fulton Trust, Guaranty Trust, Irving Trust, and New York Trust.

For the year 1932 the Central Hanover Bank & Trust Co., of New York, paid out $7,350,000 in dividends, the Chase National paid out $16,650,000, the First National paid out $10,000,000, the same as the previous year; the Guaranty Trust paid out $18,000,000, the National City paid out $13,950,000. There is still money in this country of ours—more than enough to balance the Federal Budget, and more than enough to pay our veterans and Federal employees. The salary and bonus payments to the Bethlehem Steel officials have averaged all the way from $19,123 to $814,993 per year for the last 10 years. Mr. E. G. Grace has on three occasions received over a million dollars a year in salary and bonus from that corporation.

The last information available indicates that there were 1,038 individuals who paid income taxes in 1931 on incomes from $150,000 to $300,000; 261, who paid on incomes of $300,000 to $500,000; 146 on incomes from $500,000 to $1,000,000; and 75 who paid on incomes of $1,000,000. These figures, of course, do not show the amounts which should have been paid by income-tax dodgers.

INCOME OF ECONOMY LEAGUE OFFICIALS

In considering an Economy League bill, let us consider the sincerity of those individuals who are talking about economy in government. Archibald D. Roosevelt, General Harbord, Gen. John J. Pershing, Admiral Byrd, and Rear Admiral Sims, are all receiving generous contributions from the United States Government, much more than is drawn by those whose earnings they now want to subject to the pruning knife. Admiral Richard Byrd draws $5,000 retirement pay; Maj. Gen. Joseph G. Harbord draws $6,000 retirement pay; Rear Admiral Sims draws $6,000 per year; Gen. John J. Pershing draws the sum of $21,500 retirement pay.

What are these gentlemen sacrificing for the cause of economic recovery? What are the railroad magnates and the bank presidents sacrificing? If they reduce their own salaries, it is for the purpose of increasing their dividends. They aid the Economy League by posting bulletins in their factories for their employees to read. These bulletins state that the Economy League is a worthy organization, which is attempting to reduce taxes, and that the officers of the company would like to have its employees sign a card and become a member of the Economy League. The employee is obliged to sign, to reduce his employer's taxes, and to keep his employer's good will—the employee cannot afford to take any chances of losing his job.

But the employee's burden is not thereby reduced. The employee has no income of $500,000 and over on which to pay taxes.

That is the injustice of this bill. The burden of the millionaire is lightened, but there is no relief for the rank and file of the people. There is no relief for the State and local community. The purchasing power of the common man and woman is not increased; the purchasing power of the Federal employee is cut; the Government's debt is repudiated, and the veterans are thrown on State and local charity. Is this the road to recovery? I say it is not.

Mr. Speaker, I want to say to this House and to the people of the country that I am voting against this bill because I believe no good will come out of it for the rank and file of the people. I am voting against it in spite of the bitter

criticisms of powerful interests. I am voting against it, and I challenge the opposition to disprove a single statement I have made. Sixteen years ago I voted with the minority against the war; that vote meant defeat and disgrace in the eyes of the majority. But time vindicated me and the people of Minnesota returned me to Congress. They know I did not bend my knees before the captains of industry and they know I will not do it now. This bill receives its inspiration from the National Economy League, the spokesman of big business in its war against the veterans and Federal employees. You cannot end panic by taking purchasing power away from the rank and file of the people. I warn you, and wait for the vindication of time.

RECESS

Mr. BYRNS. Mr. Speaker, a message from the President on the subject of farm relief is momentarily expected.

I ask unanimous consent that the House stand in recess for a few minutes subject to the call of the Chair.

The SPEAKER. The Chair will state that the Chair is advised the message will be here at about 3:30.

Mr. BYRNS. Mr. Speaker, it occurs to me we could save time if we would take a recess subject to the call of the Speaker. If we should say 3:30 it might be 3:35 or 3:40, and then we would have to take another recess.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Accordingly, at 3:21 o'clock p.m., the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, at 3:40 o'clock the House was called to order by the Speaker.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER. The Chair is compelled to leave the Chamber for a short while and designates the gentleman from Missouri [Mr. CANNON] to preside in his absence.

Without objection, the House will stand in recess subject to the call of the Speaker pro tempore.

There was no objection.

Accordingly, at 3:41 o'clock p.m., the House stood in recess subject to the call of the Speaker pro tempore.

AFTER RECESS

The recess having expired, at 4:19 o'clock p.m., the House was called to order by the Speaker pro tempore (Mr. CANNON of Missouri).

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

RELIEF OF AGRICULTURE (H.DOC. NO. 5)

The SPEAKER pro tempore laid before the House the following message from the President of the United States:

To the Congress:

At the same time that you and I are joining in emergency action to bring order to our banks, and to make our regular Federal expenditures balance our income, I deem it of equal importance to take other and simultaneous steps without waiting for a later meeting of the Congress. One of these is of definite, constructive importance to our economic recovery.

It relates to agriculture and seeks to increase the purchasing power of our farmers and the consumption of articles manufactured in our industrial communities; and at the same time greatly to relieve the pressure of farm mortgages and to increase the asset value of farm loans made by our banking institutions.

Deep study and the joint counsel of many points of view have produced a measure which offers great promise of good results. I tell you frankly that it is a new and untrod path, but I tell you with equal frankness that an unprecedented condition calls for the trial of new means to rescue agriculture. If a fair administrative trial of it is made and it does not produce the hoped-for results, I shall be the first to acknowledge it and advise you.

The proposed legislation is necessary now for the simple reason that the spring crops will soon be planted, and if we wait for another month or 6 weeks the effect on the prices of this year's crops will be wholly lost.

Furthermore, by action at this time the United States will be in a better position to discuss problems affecting world crop surpluses at the proposed world economic conference.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 16, 1933.*

Mr. BYRNS. Mr. Speaker, I move that the message, with the accompanying papers, be referred to the Committee on Agriculture and ordered printed.

Mr. BANKHEAD. Mr. Speaker, can the chairman of the committee or the majority leader give us any intimation as to how soon we may be able to procure the substance of the recommendations made by the President in his message? Will any effort be made to publish the bill in the RECORD of tomorrow or by what method will the general Membership of the House become acquainted with the recommendations at the earliest possible moment?

Mr. JONES. Mr. Speaker, I may state that we hope to have a meeting of the committee in the morning for the consideration of the message, and in the meantime to have printed, at least for the use of the committee, the form in which the recommendations of the Department of Agriculture and others are made. We will have enough of them printed so that the Members of the House may have access to them.

Mr. BYRNS. May I ask if it is the purpose of the gentleman to introduce the bill this evening?

Mr. JONES. I do not know whether the bill will be introduced today or not, but at least we will have a committee print made for the use of the committee, which will be available to the Members of the House.

Mr. BYRNS. That will serve the same purpose.

Mr. JONES. Yes.

Mr. MARTIN of Massachusetts. Will the gentleman tell us when he would expect to have the bill reported to the House?

Mr. JONES. I cannot give the gentleman that information, because the committee has not met this session for any purpose. We will have our first meeting in the morning.

Mr. Speaker, I ask unanimous consent that for the remainder of the session the Committee on Agriculture be permitted to sit during sessions of the House.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I do not intend to object, does the gentleman intend to have the bill up this week?

Mr. JONES. I cannot give the gentleman any assurance about that. If favorable action is taken on the measure, we hope to get it up just as soon as possible.

Mr. WOODRUFF. Mr. Speaker, reserving the right to object, may I ask the gentleman from Texas if he cannot be a little more explicit with regard to the consideration of his bill in the House. I received a telegram today which necessitates my leaving the city for 2 or 3 days. I am very anxious to be here during the consideration of the bill, or at least a part of the time, and I cannot possibly return to the city of Washington before Monday. I am hopeful the bill will receive the consideration of the House at least until Monday afternoon.

Mr. JONES. I may state to the gentleman in that connection that, as the message states, the recommendations are of such a nature that to serve the best purpose they must be made effective at an early date.

Mr. WOODRUFF. I quite agree with the gentleman.

Mr. JONES. I can see no reason why we should not be in a position to take this bill up soon after it is reported.

Mr. WOODRUFF. Could the gentleman inform the House that if it is taken up Saturday it will be considered Saturday and also on Monday?

Mr. JONES. No; I cannot give the gentleman such assurance.

Mr. WOODRUFF. Further reserving the right to object, Mr. Speaker, may I ask the gentleman if it is going to be the policy of the Committee on Agriculture to bring before the House a bill of this importance to the farmers of the country and give it the scant consideration that other measures have had in the House during this session of the Congress?

Mr. JONES. The bill is an emergency measure.

Mr. WOODRUFF. I appreciate that.

Mr. JONES. And I hope it will be in a simplified form, so that it may be voted one way or the other without a long amount of discussion.

Mr. WOODRUFF. I appreciate the importance of haste in connection with this particular measure. I appreciate the importance of doing something for agriculture, and I am in hopes that the bill will not have passed the House before I have an opportunity to indorse it. I have no definite idea what the bill is to be, except some indirect information that has come to me.

Mr. JONES. The gentleman will have that information, and the gentleman understands that the business of the House and the country cannot wait on the gentleman.

Mr. WOODRUFF. I appreciate that. If the bill is hurried through Saturday, the gentleman knows it will be days in the Senate, and the gentleman ought to know that a reasonable amount of debate on the bill can be had and proper consideration given by the House without delaying the time when it becomes a law.

Mr. JONES. I think a reasonable amount of debate will be allowed the House on the bill. If the bill is simplified, it ought not to have a long debate.

Mr. BYRNS. If the gentleman will yield, I want to say that from my information it is likely that sometime before Monday the Senate will have concluded its deliberations on the beer bill that is now pending in the Senate, and the Senate will be in an attitude of waiting for further legislation from the House. If we delay the matter until the first of the week, we might, as the gentleman from Texas says, delay the passage of the bill.

I want to suggest this to the gentleman from Texas—of course, his committee will take proper time to consider it; but if they can in a morning session recommend the bill tomorrow, if the House is entirely willing, it can be taken up tomorrow, and perhaps disposed of by Saturday.

Mr. JONES. The only reason I did not state that was because I did not know whether the committee would get through; but if it does, we might take it up at any time.

Mr. WOODRUFF. May I say to the gentleman, I think this is one of the most important measures that will come before this Congress, not alone at this session, but any other session. I would not think of leaving the city when this bill was to be called up, if it were not for the fact that I am forced to go to Michigan to attend the funeral of my old father. I want it understood that nothing I have said was for the purpose of delaying the measure. I do not want my absence from the city to be construed as a lack of interest in this legislation or enthusiasm for it.

Mr. JONES. I am sure that neither the House nor the country will misunderstand the peculiar circumstances in which the gentleman is placed. Of course, he will be pardoned for leaving under the circumstances.

Mr. DOWELL. Will the gentleman yield?

Mr. JONES. I yield.

Mr. DOWELL. Can the gentleman advise us when we may have copies of the bill?

Mr. JONES. We expect to have the committee print ready embodying suggestions for distribution in the morning.

Mr. DOWELL. And it will be sent to our offices before 12 o'clock?

Mr. JONES. No; they will be available, and we will undertake to have enough printed to make them available at that place for any Member who desires to send down for one.

Mr. DOWELL. Anyone in the morning may have access to the printed bill?

Mr. JONES. Yes.

Mr. HOPE. Is it the intention of the gentleman to ask the committee to report out this bill without holding any public hearings?

Mr. JONES. We are meeting in the morning for the purpose of determining our course. I am not permitted to speak for the committee. There are 25 members of the committee.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. JONES. Yes.

Mr. BLANTON. The Printing Office delivers to our homes for breakfast every morning a copy of the RECORD. I will arrange to get a copy of this bill at that time. Cannot the gentleman make the request of the Printing Office that they send a print of the bill in the morning to all Members with their copy of the RECORD? That could be done. Members will have access to it then immediately.

Mr. JONES. The Printing Office has been very busy these days, and I think anyone who is interested enough can send to the committee room and have a copy. There is no use to send a copy of a bill to any Member who does not wish a copy at the time.

Mr. BLANTON. I assumed all Members were interested in it. Mr. Speaker, I ask unanimous consent to have that done. This is an important matter. Members want to know what is in this bill. They are not mockingbirds. They want to go along with the President and are going along with the President, but they want to know what is in all of these emergency measures.

Mr. JONES. The gentleman will have full opportunity to find that out.

Mr. BLANTON. Yes; certainly I will. Would the gentleman yield to me to ask a unanimous-consent request such as I have suggested, so that all Members may receive a copy?

Mr. JONES. I will ask the gentleman to wait until we dispose of the present request.

The SPEAKER pro tempore. The Chair will put the request of the gentleman from Texas [Mr. JONES]. The gentleman from Texas asks unanimous consent that during the remainder of the session the Committee on Agriculture be permitted to hold meetings during the sessions of the House. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. Has the gentleman's committee decided whether or not this bill will be open to amendment on the floor?

Mr. JONES. That has not been decided.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the Public Printer be instructed by this request to deliver to Members, with their RECORD in the morning, a copy of this bill that is to be printed tonight.

The SPEAKER pro tempore. Is there objection?

Mr. LESINSKI. Mr. Speaker, I object.

Mr. BLANTON. By objecting the gentleman is depriving himself and his other colleagues from getting a copy of the bill. I will have a copy of it early in the morning.

The SPEAKER pro tempore. The question recurs on the motion of the gentleman from Tennessee [Mr. BYRNS] to refer the message of the President to the Committee on Agriculture and that it be printed.

The motion was agreed to.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. KRAMER for two days, on account of illness.

WITHDRAWAL OF PAPERS

By unanimous consent, Mr. MILLARD was granted leave to withdraw from the files of the House, without leaving copies, papers in the case of Mrs. Elizabeth H. Camp, H.R. 4263, private pension bill, Seventy-second Congress, first session, no adverse report having been made thereon.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 320. An act to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases, and for other purposes; to the Committee on Banking and Currency.

ENROLLED JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J.Res. 75. Joint resolution to provide for certain expenses incident to the first session of the Seventy-third Congress.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

Mr. GOSS. Mr. Speaker, will the gentleman withhold that for a parliamentary inquiry?

Mr. BYRNS. Yes.

Mr. GOSS. Is the House to understand that this bill will be printed either in confidential committee print or otherwise before it is introduced?

The SPEAKER pro tempore. The gentleman will have to address his inquiry to the chairman of the Committee on Agriculture. The question is on the motion of the gentleman from Tennessee that the House do now adjourn.

The motion was agreed to; and accordingly (at 4 o'clock and 37 minutes p.m.) the House adjourned until tomorrow, Friday, March 17, 1933, at 12 o'clock noon.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HARTER: A bill (H.R. 3641) to amend the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes", approved March 9, 1933; to the Committee on Banking and Currency.

By Mr. CELLER: A bill (H.R. 3642) to relieve the unemployment emergency by amending the National Defense Act so as to organize a special Army reserve, in which unemployed men to the number of 250,000 may enlist for a period of not to exceed 1 year; to the Committee on Military Affairs.

Also, a bill (H.R. 3643) to fix the salaries of certain judges of the United States; to the Committee on the Judiciary.

Also, a bill (H.R. 3644) to amend section 24 of the Trading with the Enemy Act, as amended; to the Committee on Ways and Means.

Also, a bill (H.R. 3645) to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes", approved May 22, 1920; to the Committee on the Civil Service.

Also, a bill (H.R. 3646) to create a negro industrial commission; to the Committee on the Judiciary.

Also, a bill (H.R. 3647) to amend section 283 of the Judicial Code, same being section 420, title 28, the Code of Laws of the United States of America in force December 6, 1926; to the Committee on the Judiciary.

Also, a bill (H.R. 3648) to establish a fish-cultural station on Long Island Sound at Montauk Point; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H.R. 3649) to authorize the Secretary of War and the Secretary of the Navy to furnish a firing squad to fire the customary salute for any ex-service man; to the Committee on Military Affairs.

Also, a bill (H.R. 3650) repealing the act of July 31, 1912, prohibiting the importation and the interstate transportation of films or other pictorial representations of prize fights, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 3651) to amend the act of March 2, 1929 (45 Stat., ch. 536); to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 3652) to provide for the immediate payment of the face value of their adjusted-service certificates to veterans who are unemployed and in need; to the Committee on Ways and Means.

Also, a bill (H.R. 3653) to amend the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", approved September 26, 1914; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 3654) to prevent obstruction and burdens upon interstate trade and commerce in copyrighted motion-picture films and to prevent the restraint upon the free competition in the production, distribution, and exhibition of copyrighted motion-picture films, and to prevent the further monopolization of the business of producing, distributing, and exhibiting copyrighted motion pictures by prohibiting blindbooking and blockbooking of copyrighted motion-picture films and by prohibiting the arbitrary allocation of such films by distributors to theaters in which they or other distributors have an interest, direct or indirect, and by prohibiting the arbitrary refusal to book or sell such films to exhibitors in which they have no such interest; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 3655) to provide for the payment to veterans of the present value of their adjusted-service certificates; to the Committee on Ways and Means.

Also, a bill (H.R. 3656) to incorporate the Marine Corps League; to the Committee on the Judiciary.

Also, a bill (H.R. 3657) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes; to the Committee on Ways and Means.

By Mr. GLOVER: A bill (H.R. 3658) authorizing the erection of a marker suitably marking the site of the Battle of Arkansas Post; to the Committee on Military Affairs.

By Mr. ENGLEBRIGHT: A bill (H.R. 3659) to extend the mining laws of the United States to the Death Valley National Monument in California; to the Committee on the Public Lands.

By Mr. DUNN: A bill (H.R. 3660) to amend the National Banking Act, to limit the amounts that may be loaned by national banking associations upon shares of stock of corporations used as collateral security for such loans, to prevent stock-market panics and the bank failures and the industrial depressions that inevitably follow abnormal stock-market booms; to the Committee on Banking and Currency.

By Mr. MAJOR: A bill (H.R. 3661) to provide annuities for certain former rural letter carriers; to the Committee on the Civil Service.

By Mr. DICKINSON: A bill (H.R. 3662) to repeal the tax on checks, drafts, and orders for the payment of money; to the Committee on Ways and Means.

By Mr. HOEPPEL: A bill (H.R. 3663) to amend the laws relating to postal-savings depositories to provide an additional circulating medium, to restore confidence and eliminate hoarding, to guarantee deposits without cost to the depositor, and to reduce interest expenditures on the public debt, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. MILLIGAN: A bill (H.R. 3664) to provide for the appointment of an additional district judge for the eastern and western districts of Missouri; to the Committee on the Judiciary.

By Mr. McFARLANE: A bill (H.R. 3665) to prohibit Members of Congress from employing their kinsfolk; to the Committee on Accounts.

By Mr. McFADDEN: A bill (H.R. 3666) to establish a postal-check system; to the Committee on the Post Office and Post Roads.

By Mr. DUNN: A bill (H.R. 3667) to abolish all chain-gang systems; to the Committee on the Judiciary.

By Mr. THOMASON of Texas: A bill (H.R. 3668) providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the

Supreme Court of the United States entered April 9, 1928; to the Committee on the Public Lands.

By Mr. CHURCH: A bill (H.R. 3669) to indemnify depositors in "member banks", as defined by the Federal Reserve Act, and in such other banks as shall comply with requirements prescribed by the Federal Reserve Board, against loss in the event of the failure or suspension of business of such banks; to the Committee on Banking and Currency.

By Mr. GLOVER: A bill (H.R. 3670) fixing the salary of the Commissioner of the United States District Court for the Western Division of the Eastern District of Arkansas, whose office is located at Hot Springs National Park, Ark.; to the Committee on the Judiciary.

By Mr. CARPENTER of Kansas: A bill (H.R. 3671) to reduce first-class postal rates and repealing subdivisions (a) and (c) of section 1001 of title VIII of the Revenue Act of 1932; to the Committee on Ways and Means.

Also, a bill (H.R. 3672) to repeal the tax on checks, drafts, or orders for the payment of money; to the Committee on Ways and Means.

By Mr. DICKSTEIN: A bill (H.R. 3673) to amend the law relative to citizenship and naturalization, and for other purposes; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 3674) to clarify the application of the contract-labor provisions of the immigration laws to actors; to the Committee on Immigration and Naturalization.

By Mr. DIES: A bill (H.R. 3675) to clarify the application of the contract-labor provisions of the immigration laws to singers and choristers; to the Committee on Immigration and Naturalization.

By Mr. WHITE: A bill (H.R. 3676) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska; to the Committee on Mines and Mining.

By Mr. KELLY of Pennsylvania: A bill (H.R. 3677) to define the intent of the antitrust laws as to certain agreements; to the Committee on the Judiciary.

By Mr. PETERSON: A bill (H.R. 3678) to amend the act entitled "An act to provide for loans to farmers for crop production and harvesting during the year 1933, and for other purposes", approved February 4, 1933; to the Committee on Agriculture.

By Mr. BLAND: A bill (H.R. 3679) to amend section 21 of the act approved June 5, 1920, entitled "An act to provide for the promotion and maintenance of the American merchant marine, to repeal certain emergency legislation and provide for the disposition, regulation, and use of property acquired thereunder, and for other purposes", as applied to the Virgin Islands of the United States; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. CARY: A bill (H.R. 3680) to liquidate and refinance agricultural indebtedness and to encourage and promote agriculture, industry, and commerce by establishing a credit system through which farm mortgages may be liquidated and refinanced or refunded at a reduced rate of interest through the Federal Reserve Banking System and the Federal farm-loan system; to the Committee on Banking and Currency.

By Mr. JENKINS: Resolution (H.Res. 54) favoring an expression on Mother's Day of our love and reverence for motherhood; to the Committee on the Judiciary.

By Mr. COFFIN: Joint resolution (H.J.Res. 92) authorizing the fixing of grazing fees on lands within national forests; to the Committee on Agriculture.

By Mr. McREYNOLDS: Joint resolution (H.J.Res. 93) to prohibit the exportation of arms or munitions of war from the United States under certain conditions; to the Committee on Foreign Affairs.

By Mr. BOYLAN: Joint resolution (H.J.Res. 94) authorizing the Secretary of the Treasury to accept certain gifts; to the Committee on Coinage, Weights, and Measures.

By Mr. CELLER: Joint resolution (H.J.Res. 95) establishing a peace college; to the Committee on Foreign Affairs.

By Mr. McLEAN: Joint resolution (H.J.Res. 96) proposing an amendment to the Constitution of the United States fixing the term of the President and Vice President; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. KELLY of Pennsylvania: Joint resolution (H.J. Res. 97) to provide for essential work on the public-school grounds of the District of Columbia; to the Committee on the District of Columbia.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of Montana, memorializing Congress to enact legislation reducing the rate of interest required to be paid on loans made by the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEITER: A bill (H. R. 3681) granting a pension to William Riege; to the Committee on Pensions.

By Mr. BURNHAM: A bill (H.R. 3682) granting a pension to Clara H. Miller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3683) granting an increase of pension to Sarah M. Rust; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3684) granting an increase of pension to McLean W. Terry; to the Committee on Invalid Pensions.

By Mr. CONNERY: A bill (H.R. 3685) for the relief of Herbert F. Williams; to the Committee on Military Affairs.

Also, a bill (H.R. 3686) for the relief of Harrison F. Morton; to the Committee on Military Affairs.

Also, a bill (H.R. 3687) for the relief of Joseph Warren Roach; to the Committee on Naval Affairs.

Also, a bill (H.R. 3688) for the relief of William J. B. Hughes; to the Committee on Naval Affairs.

Also, a bill (H.R. 3689) for the relief of Joseph H. Higgins; to the Committee on Naval Affairs.

Also, a bill (H.R. 3690) for the relief of Frank Hansen; to the Committee on Naval Affairs.

Also, a bill (H.R. 3691) for the relief of Joseph O'Toole; to the Committee on Naval Affairs.

Also, a bill (H.R. 3692) for the relief of Daniel Joseph Hartie; to the Committee on Naval Affairs.

Also, a bill (H.R. 3693) for the relief of Philip F. Haley; to the Committee on Naval Affairs.

Also, a bill (H.R. 3694) for the relief of Harold F. Jones; to the Committee on Naval Affairs.

Also, a bill (H.R. 3695) for the relief of Ellen A. Farrelly; to the Committee on Naval Affairs.

Also, a bill (H.R. 3696) for the relief of Franklin R. Kelley; to the Committee on Naval Affairs.

Also, a bill (H.R. 3697) for the relief of Harry Melville Rollins; to the Committee on Naval Affairs.

Also, a bill (H.R. 3698) for the relief of Andrew V. Donovan; to the Committee on Naval Affairs.

Also, a bill (H.R. 3699) for the relief of Joseph W. Christ; to the Committee on Naval Affairs.

Also, a bill (H.R. 3700) for the relief of Arthur Janelle; to the Committee on Naval Affairs.

Also, a bill (H.R. 3701) for the relief of Adelard A. Lamoreaux; to the Committee on Naval Affairs.

Also, a bill (H.R. 3702) for the relief of William Cavanaugh; to the Committee on Naval Affairs.

Also, a bill (H.R. 3703) for the relief of Edward John Bradley, deceased; to the Committee on Naval Affairs.

Also, a bill (H.R. 3704) for the relief of William A. Ambrose; to the Committee on Naval Affairs.

Also, a bill (H.R. 3705) for the relief of Julia E. Smith; to the Committee on Claims.

Also, a bill (H.R. 3706) for the relief of Edward J. Fegan; to the Committee on Naval Affairs.

Also, a bill (H.R. 3707) for the relief of Orzo F. Rideout; to the Committee on Military Affairs.

Also, a bill (H.R. 3708) for the relief of Suzanne Ridley; to the Committee on Claims.

Also, a bill (H.R. 3709) for the relief of Daniel W. Tanner; to the Committee on Military Affairs.

Also, a bill (H.R. 3710) for the relief of George R. Whyte; to the Committee on Military Affairs.

Also, a bill (H.R. 3711) for the relief of Charles A. Worth; to the Committee on Military Affairs.

Also, a bill (H.R. 3712) for the relief of Herbert E. Robbins; to the Committee on Military Affairs.

Also, a bill (H.R. 3713) for the relief of Edward F. Maney; to the Committee on Military Affairs.

Also, a bill (H.R. 3714) for the relief of Frank H. Vose; to the Committee on Military Affairs.

Also, a bill (H.R. 3715) for the relief of Henry J. McCann; to the Committee on Military Affairs.

Also, a bill (H.R. 3716) for the relief of Andrew J. Wendling; to the Committee on Military Affairs.

Also, a bill (H.R. 3717) for the relief of John Charles Smith; to the Committee on Naval Affairs.

Also, a bill (H.R. 3718) for the relief of Edward A. Everett; to the Committee on Naval Affairs.

Also, a bill (H.R. 3719) for the relief of Edward M. Holian; to the Committee on Naval Affairs.

Also, a bill (H.R. 3720) for the relief of Richard Rogers Tobin; to the Committee on Naval Affairs.

Also, a bill (H.R. 3721) for the relief of John Joseph Toomey; to the Committee on Military Affairs.

Also, a bill (H.R. 3722) for the relief of John E. Cassidy; to the Committee on Naval Affairs.

Also, a bill (H.R. 3723) to recognize the high public service rendered by soldiers who volunteered and served in trench-fever experiments in the American Expeditionary Forces; to the Committee on Military Affairs.

By Mr. CONNOLLY: A bill (H.R. 3724) granting relief to Samuel J. Burger; to the Committee on Naval Affairs.

By Mr. CRAVENS: A bill (H.R. 3725) for the relief of Capt. Guy M. Kinman; to the Committee on Claims.

By Mr. ENGLEBRIGHT: A bill (H.R. 3726) to grant a patent to Albert M. Johnson and Walter Scott; to the Committee on the Public Lands.

By Mr. GLOVER: A bill (H.R. 3727) for the relief of Robert M. Pennock; to the Committee on Military Affairs.

Also, a bill (H.R. 3728) for the relief of Joseph A. Urrey; to the Committee on Claims.

Also, a bill (H.R. 3729) for the relief of Sam D. Carson; to the Committee on Claims.

By Mr. JENKINS: A bill (H.R. 3730) granting a pension to Fred Tope; to the Committee on Pensions.

By Mr. KRAMER: A bill (H.R. 3731) granting a pension to Wesley A. Finney; to the Committee on Pensions.

By Mr. LUDLOW: A bill (H.R. 3732) granting a pension to Florence Wernsing; to the Committee on Pensions.

By Mr. MAJOR: A bill (H.R. 3733) granting a pension to Sarah J. Clifton; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3734) for the relief of William H. Harris; to the Committee on Military Affairs.

Also, a bill (H.R. 3735) granting a pension to Carrie Isabel Shipley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3736) granting a pension to Frank B. Oatman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3737) granting a pension to Izuma Shipley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3738) granting a pension to Susan Brennan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3739) granting an increase of pension to Laura N. Russell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3740) granting an increase of pension to Nancy Young; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3741) granting an increase of pension to Mary Hillier; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3742) granting an increase of pension to Lena Niemann; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3743) granting a pension to Henrietta Burris; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3744) granting an increase of pension to Mary F. Jarrard; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3745) granting a pension to Susan Coker; to the Committee on Pensions.

Also, a bill (H.R. 3746) granting a pension to Agnes M. Sexton; to the Committee on Pensions.

By Mr. PEYSER: A bill (H.R. 3747) for the relief of the owner of the barge *Consolidation Coastwise No. 10;* to the Committee on Claims.

By Mr. SADOWSKI: A bill (H.R. 3748) for the relief of Mary Orinski; to the Committee on Claims.

By Mr. SMITH of West Virginia: A bill (H.R. 3749) for the relief of Hunter B. Glasscock; to the Committee on Claims.

By Mr. SNYDER: A bill (H.R. 3750) granting a pension to Milton Warner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3751) granting a pension to Albert S. Miller; to the Committee on Invalid Pensions.

By Mr. THURSTON: A bill (H.R. 3752) granting a pension to Mary J. Waltenbaugh; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

70. By Mr. DELANEY: Petition of the Association of Master Plumbers of the City of New York, requesting a continuation of the recently established plumbing and heating products unit of the Department of Commerce; to the Committee on Ways and Means.

71. By Mr. LAMBERTSON: Petition of 59 citizens of Nemaha County, Kans., urging support of the Frazier bill for the refinancing of farm mortgages; to the Committee on Ways and Means.

72. By Mr. MILLARD: Resolution adopted by the members of the White Plains Post, No. 135, of the American Legion, Department of New York, favoring the granting to the President of power to deal with veteran relief; to the Committee on Economy.

73. By Mr. SUTPHIN: Petition of the Exchange Club of New Brunswick, New Brunswick, N.J., opposing the passage of further legislation granting immediate payment of adjusted-compensation certificates and payment of compensation to dependents of veterans dead from other than war causes, etc.; to the Commitee on Ways and Means.

74. By the SPEAKER: Petition of Wilfred R. Hess, requesting the appointment of a special committee to hear his appeal; to the Committee on the Judiciary.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 17, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Almighty God, in a world that is full of labor, full of disappointment, and whose fruitage is often disappointment, we thank Thee that we are sustained by the divine hand that pours light upon our pathway. The great truth of Thy overruling care will never be eclipsed by the vastness of the universe nor the unexplained mysteries of human experience. O Christ of God, Thou whose care was challenged by the humble sparrow, wilt not pass us by. Thou wilt give always the cup of strength. Oh, blessed is that life that carries sweetness, that sows mercy, and gives inspiration. Heavenly Father, lead us in these ways. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 334. An act to amend the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes", approved March 9, 1933.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3341. An act to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes.

RESIGNATION FROM COMMITTEE

The SPEAKER. The Chair lays before the House the following resignation:

The Clerk read as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
March 16, 1933.

Hon. HENRY T. RAINEY,
The Speaker, House of Representatives, Washington, D.C.

MY DEAR MR. SPEAKER: I respectfully tender my resignation as a member of the Foreign Affairs Committee, to which I was recently appointed, and request its acceptance.

Respectfully yours,

GEO. BURNHAM.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION OF MEMBERS TO COMMITTEES

Mr. SNELL. Mr. Speaker, I offer a resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 55

Resolved, That the following Members be, and they are hereby, elected members of the standing committees of the House of Representatives, to wit:

STANDING COMMITTEES

Accounts: James Wolfenden, Pennsylvania; Vincent Carter, Wyoming; Leo E. Allen, Illinois; and Donald H. McLean, New Jersey.

Census: J. Roland Kinzer, Pennsylvania; William E. Hess, Ohio; Benjamin K. Focht, Pennsylvania; Samuel L. Collins, California; and William Lemke, North Dakota.

Civil Service: Frederick R. Lehlbach, New Jersey; Ernest W. Gibson, Vermont; Edith Nourse Rogers, Massachusetts; James L. Whitley, New York; and Charles W. Tobey, New Hampshire.

Claims: U. S. Guyer, Kansas; George N. Seger, New Jersey; Alfred M. Waldron, Pennsylvania; and George W. Blanchard, Wisconsin.

Coinage, Weights, and Measures: Randolph Perkins, New Jersey; Lloyd Thurston, Iowa; Harold McGugin, Kansas; Louis T. McFadden, Pennsylvania; Ralph R. Eltse, California; and Alfred M. Waldron, Pennsylvania.

District of Columbia: Gale H. Stalker, New York; James L. Whitley, New York; Gardner R. Withrow, Wisconsin; Michael J. Muldowney, Pennsylvania; Everett M. Dirksen, Illinois; and George Burnham, California.

Education: James L. Whitley, New York; Albert E. Carter, California; James M. Beck, Pennsylvania; P. H. Moynihan, Illinois; and L. T. Marshall, Ohio.

Election of President, Vice President, and Representatives in Congress: Charles L. Gifford, Massachusetts; Gardner R. Withrow, Wisconsin; Theodore Christianson, Minnesota; and George A. Dondero, Michigan.

Elections No. 1: John B. Hollister, Ohio; Clarence E. Hancock, New York; and Samuel L. Collins, California.

Elections No. 2: Joseph L. Hooper, Michigan; U. S. Guyer, Kansas; and Thomas C. Cochran, Pennsylvania.

Elections No. 3: Charles L. Gifford, Massachusetts; Randolph Perkins, New Jersey; and James W. Wadsworth, New York.

Enrolled Bills: Oscar De Priest, Illinois; and Frank H. Foss, Massachusetts.

Expenditures in the Executive Departments: Charles L. Gifford, Massachusetts; Robert F. Rich, Pennsylvania; John B. Hollister, Ohio; Edward L. Stokes, Pennsylvania; George W. Blanchard, Wisconsin; and Philip A. Goodwin, New York.

Flood Control: Frank R. Reid, Illinois; Robert F. Rich, Pennsylvania; Harry L. Englebright, California; James L. Whitley, New York; Ray P. Chase, Minnesota; and Charles W. Tobey, New Hampshire.

Immigration and Naturalization: J. Will Taylor, Tennessee; Charles D. Millard, New York; Benjamin K. Focht, Pennsylvania; William I. Traeger, California; William L. Higgins, Connecticut; and Everett M. Dirksen, Illinois.

Indian Affairs: Hubert H. Peavey, Wisconsin; Oscar De Priest, Illinois; Fred C. Gilchrist, Iowa; Samuel L. Collins, California; and Theodore Christianson, Minnesota.

Insular Affairs: Carroll L. Beedy, Maine; Lloyd Thurston, Iowa; Joseph L. Hooper, Michigan; Richard J. Welch, California; Ernest W. Gibson, Vermont; and George F. Brumm, Pennsylvania.

Invalid Pensions: Oscar De Priest, Illinois; Charles D. Millard, New York; Albert E. Carter, California; George A. Dondero, Michigan; and George W. Blanchard, Wisconsin.

Irrigation and Reclamation: Vincent Carter, Wyoming; Fred A. Hartley, Jr., New Jersey; William E. Hess, Ohio; J. Roland Kinzer, Pennsylvania; James L. Whitley, New York; and P. H. Moynihan, Illinois.

Labor: Richard J. Welch, California; W. P. Lambertson, Kansas; Fred A. Hartley, Jr., New Jersey; Vincent Carter, Wyoming; Clifford R. Hope, Kansas; and Michael J. Muldowney, Pennsylvania.

Library: Robert Luce, Massachusetts; and Carroll L. Beedy, Maine.

Memorials: Frank Crowther, New York.

Merchant Marine, Radio, and Fisheries: Frederick R. Lehlbach, New Jersey; Frank R. Reid, Illinois; Charles L. Gifford, Massachusetts; Richard J. Welch, California; Francis D. Culkin, New York; and George W. Edmonds, Pennsylvania.

Military Affairs: W. Frank James, Michigan; Harry C. Ransley, Pennsylvania; Thomas C. Cochran, Pennsylvania; Edward W. Goss, Connecticut; Vincent Carter, Wyoming; Walter G. Andrews, New York; Theodore Christianson, Minnesota; and Donald H. McLean, New Jersey.

Mines and Mining: Harry L. Englebright, California; C. Murray Turpin, Pennsylvania; Harold McGugin, Kansas; and L. T. Marshall, Ohio.

Naval Affairs: Fred A. Britten, Illinois; George P. Darrow, Pennsylvania; A. Piatt Andrew, Massachusetts; Nathan L. Strong, Pennsylvania; Charles D. Millard, New York; George Burnham, California; William L. Higgins, Connecticut; and Ralph R. Eltse, California.

Patents: Randolph Perkins, New Jersey; Clarence J. McLeod, Michigan; Fred A. Hartley, Jr., New Jersey; Robert F. Rich, Pennsylvania; Gerald J. Boileau, Wisconsin; and James Simpson, Jr., Illinois.

Pensions: Gale H. Stalker, New York; Hubert H. Peavey, Wisconsin; Richard J. Welch, California; J. Howard Swick, Pennsylvania; Walter G. Andrews, New York; and Benjamin K. Focht, Pennsylvania.

Post Office and Post Roads: Clyde Kelly, Pennsylvania; Frank H. Foss, Massachusetts; Isaac H. Doutrich, Pennsylvania; Oscar De Priest, Illinois; Fred A. Hartley, Jr., New Jersey; Harold McGugin, Kansas; and Philip A. Goodwin, New York.

Public Buildings and Grounds: J. Will Taylor, Tennessee; Gale H. Stalker, New York; Louis T. McFadden, Pennsylvania; Gardner R. Withrow, Wisconsin; Alfred M. Waldron, Pennsylvania; and William I. Traeger, California.

Public Lands: Harry L. Englebright, California; George W. Edmonds, Pennsylvania; James W. Wadsworth, New York; James W. Mott, Oregon; and William Lemke, North Dakota.

Revision of the Laws: Frank R. Reid, Illinois; Thomas C. Cochran, Pennsylvania; James M. Beck, Pennsylvania; and Jesse P. Wolcott, Michigan.

Rivers and Harbors: Nathan L. Strong, Pennsylvania; James J. Connolly, Pennsylvania; George N. Seger, New Jersey; Albert E. Carter, California; Francis D. Culkin, New York; Chester C. Bolton, Ohio; P. H. Moynihan, Illinois; and George A. Dondero, Michigan.

Roads: C. Murray Turpin, Pennsylvania; Clyde Kelly, Pennsylvania; Gardner R. Withrow, Wisconsin; Jesse P. Wolcott, Michigan; James W. Mott, Oregon; and Samuel L. Collins, California.

Territories: Ernest W. Gibson, Vermont; Cassius C. Dowell, Iowa; Louis T. McFadden, Pennsylvania; Harry L. Englebright, California; Everett M. Dirksen, Illinois; and James W. Mott, Oregon.

War Claims: James H. Sinclair, North Dakota; Hubert H. Peavey, Wisconsin; Gerald J. Boileau, Wisconsin; Peter A. Cavicchia, New Jersey; Benjamin K. Focht, Pennsylvania.

World War Veterans' Legislation: Robert Luce, Massachusetts; Randolph Perkins, New Jersey; Ernest W. Gibson, Vermont; Edith Nourse Rogers, Massachusetts; Frederick R. Lehlbach, New Jersey; and J. Howard Swick, Pennsylvania.

The resolution was agreed to.

Mr. SNELL. Mr. Speaker, I offer a further resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 56

Resolved, That EDITH NOURSE ROGERS, of Massachusetts, be, and she is hereby, elected a member of the Committee on Foreign Affairs.

The resolution was agreed to.

REPUBLICAN WHIP

Mr. SNELL. Mr. Speaker, I desire to announce that the gentleman from California [Mr. ENGLEBRIGHT] has been elected Republican whip. [Applause.]

REDUCTION OF EXPENDITURES

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WOODRUM. Mr. Speaker, on yesterday when we considered the bill to maintain the credit of the United States, under very limited time for discussion, quite a great many questions were asked relative to the effect that the provisions of that bill might have on the veterans. At my request the Veterans' Administration, in collaboration with the Bureau of the Budget, has prepared a somewhat detailed analysis of that bill, and I ask unanimous consent to extend my remarks at this point to include this analysis, and I further ask unanimous consent that it be printed in 8-point type, the regular type in which the RECORD is printed.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The matter referred to is as follows:

MEMORANDUM OF EXPLANATION OF H.R. 2820, SEVENTY-THIRD CONGRESS, "A BILL TO MAINTAIN THE CREDIT OF THE UNITED STATES GOVERNMENT"

TITLE I

Section 1 of title I of the bill authorizing the payment of pensions subject to such requirements and limitations as the President by regulation may prescribe and within the limitations of appropriations made by the Congress to the following classes of persons:

(1) Any person who served in the active military or naval service and who is disabled as a result of disease or injury or aggravation of a preexisting disease or injury incurred in line of duty in such service.

(2) Any person who served in the active military or naval service during the Spanish-American War, including the Boxer rebellion and the Philippine insurrection, or the World War, and who is permanently disabled as a result of injury or disease with a provision that a pension shall not be denied to any Spanish-American War veteran past the age of 62 years who is entitled to a pension under existing law, but it permits the President to reduce the rate of such pension as he may deem proper.

(3) The widow, child or children, dependent mother or father of any person who dies as a result of disease or injury incurred or aggravated in line of duty in the active military or naval service.

(4) The widow and/or child of any deceased person who served in the active military or naval service during the Spanish-American War, including the Boxer rebellion and the Philippine insurrection.

For the purposes of pensions for non-service-connected disabilities the World War is deemed to have ended November 11, 1918.

This section prescribes the class of persons serving for the specified periods who may be paid a pension, but does not create any rights to pensions except in accordance with the regulations to be issued by the President.

Section 2 of title I of the bill prescribes the minimum and maximum monthly rate of pension which may be paid. The minimum for disability is $6 per month, and the maximum for disability is $275 a month. The minimum disability payable as a result of death is $12 per month, and the maximum is $75 per month. The minimum and maximum rates specified are those now in effect. Within the limits of these minimum and maximum rates the President is authorized by regulation to prescribe the rates payable to the different classes of veterans specified and the dependents of such veterans.

Section 3 of title I of the bill authorizes the President to prescribe the minimum degree of disability and such higher degrees of disability, if any, as in his judgment should be recognized, and authorizes him to prescribe the rate of pension payable for each such degree of disability. It further authorizes the President in fixing rates of pensions for disabilities or deaths to make such differentiation as he deems just and equitable in the rates to be paid to veterans of different wars and/or their dependents and in the rates to be paid to veterans of the same wars but who rendered different types of service.

Further, the President is authorized to differentiate between the rates payable for disabilities and deaths resulting from (1) service-connected injuries or diseases incurred in war-time service; (2) those resulting from service-connected diseases or injuries incurred in peace-time service; (3) those resulting from non-service-connected diseases or injuries. The principles applicable in the differentiation of rates to be paid to the different classes of veterans as well as any other differentiations which the President may deem just and equitable also may be applied to the dependents of the different classes of veterans.

Section 4 of title I of the bill authorizes the President by regulation to prescribe the date of the beginning and of the termination of the period of each war subsequent to the Civil War which may, for the purpose of this act, be deemed war-time service. Under this provision the President may differentiate between actual war-time service and actual peace-time service during technical periods of warfare. This section further authorizes the President by regulation to specify the required number of days of war- or peace-time service before a veteran shall be entitled to pension, prescribe the time limit for filing of claims for each class of veterans and their dependents, the nature and extent of proofs and presumptions for each class and any other requirements as to entitlement to pension as he shall deem equitable and just. Under this provision the President may prescribe that persons with certain incomes shall not be entitled to pensions or that certain types of discharges from the service under honorable conditions may be required, or any other requirement or condition which he deems equitable and just. The President is further authorized to prescribe such conditions or requirements for the veterans of different wars and their dependents and for veterans of the same wars or the same peace-time service, where, in his judgment, conditions warrant such differentiation.

Section 5 of title I of the bill makes the decisions of the Administrator of Veterans' Affairs under the regulations to be issued by the President final and conclusive on all questions of law and fact, and not reviewable by any other official of the United States or the courts.

Section 6 of title I of the bill authorizes the Administrator of Veterans' Affairs, under such limitations as may be prescribed by the President and within the limitations of existing Veterans' Administration facilities, to furnish to veterans of any war, including the Boxer rebellion and the Philippine insurrection, domiciliary care where they are suffering with permanent disabilities, tuberculosis, or neuropsychiatric ailments, and medical and hospital treatment for diseases or injuries. This section does not authorize, as does the existing law, domiciliary care to those suffering with temporary conditions except that domiciliary care is authorized to those persons suffering with tuberculosis or neuropsychiatric ailments irrespective of whether the condition is a permanent one. Furthermore, the President may further limit the authorization for hospital treatment or domiciliary care.

Section 7 of title I of the bill authorizes the Administrator, subject to the general direction of the President and in accordance with regulations to be issued by the President, to administer, execute, and enforce the provisions of this title, and for such purpose confers on him the same administrative authority and powers as are now provided generally in connection with pensions and specifically under the administrative provisions of the World War Veterans' Act, 1924, as amended. This section of the bill authorizes no benefits, and merely pertains to administration of the measure.

Section 8 of title I of the bill authorizes the Administrator in carrying out the provisions of this title to delegate authority to render decisions to such person or persons as he may find necessary, and within limitations of such delegations gives to the decisions of such person or persons the same force and effect as though the decisions were rendered by the Administrator of Veterans' Affairs. This same provision is now contained in the law with reference to the administration of claims by veterans, and is obviously necessary when it is considered that there are over 1,000,000 allowed claims now being paid, which it will be necessary to review under the provisions of this title of the bill. This section, however, requires the President personally to approve all regulations issued under title I of the act.

Section 9 of title I of the bill requires the filing of claims under such regulations, including the provisions for hearing, determination, and administrative review, as the President may approve, and limits the commencing of payments to the date of application. It further specifically provides that when a claim shall have been finally disallowed under the regulations to be issued, thereafter such claim may not be reopened or allowed. Attention is invited to the fact that under the provisions of this section there will be hearings allowed veterans and a determination of their claim with at least one administrative review before final disallowance. It further provides in the bill that no person entitled to benefits under title I shall participate in any determination or decision with respect to any claim for benefits under this title.

Section 10 of title I of the bill amends the Emergency Officers' Retirement Act of May 24, 1928, so that no former officer now on the rolls may continue to draw retirement pay unless the disability for which he was retired under such act resulted from disease or injury or aggravation of a preexisting disease or injury which was incurred in line of duty during the World War, subject to the requirement that such person entered active service between April 6, 1917, and November 11, 1918, and that the disease or injury or aggravation of the disease or injury directly resulted from the performance of military or naval duty. It is further required that such former officer must also meet the requirements of such regulations as may be issued under the provisions of this act. Under the provisions of this section it will be necessary for an emergency officer, in order to continue to receive retirement pay, to show a causative factor arising out of the performance of duty and in the line of duty which resulted in the 30 percent permanent disability for which he has been heretofore retired.

Section 11 of title I of the bill provides that all offenses committed and all penalties or forfeiture incurred under the acts which grant veterans of the Spanish-American War and the World War compensation, pension, etc., and which are repealed by section 17 of this title, may be prosecuted and punished in the same manner and with the same effect as if said repeal had not been made. It further provides that any person who forfeited rights to benefits under any such acts shall not be entitled to any benefits under this title.

Sections 12, 13, 14, 15, and 16 of title I of the bill reenact and make applicable to claims and claimants under title I of this act the penal provisions now contained in existing laws

which pertain to claims and claimants for pensions and compensation.

Section 17 of title I of the bill repeals all laws granting medical or hospital treatment, domiciliary care, compensation and other allowances, pension, disability allowance, or retirement pay to veterans and the dependents of veterans of the Spanish-American War, including the Boxer rebellion and the Philippine insurrection, and the World War; also the laws granting pensions to former members of the military or naval service for injury or disease incurred or aggravated in the line of duty in the military or naval service, except insofar as such laws relate to persons who served prior to the Spanish-American War and to the dependents of such persons, and except as to the retirement of officers and enlisted men of the Regular Army, Navy, Marine Corps, or Coast Guard. This section further repeals all laws granting or pertaining to yearly renewable term insurance, including the right to institute suit under section 19 of the World War Veterans' Act, 1924, as amended.

Payments of compensation, pension, disability allowance, or retirement pay in accordance with the laws repealed are directed to be continued to the last day of the third calendar month following the month during which this act is enacted. The Administrator of Veterans' Affairs, under the general direction of the President, is required to review all allowed claims under the repealed laws and, where any person is found entitled under this act, to authorize payment of allowance of benefits in accordance with the provisions of this act. It is also provided that no new claim shall be required insofar as persons now drawing benefits are concerned, whose claims may be reviewed and who may be found entitled to benefits under this act.

It is further provided that payments under contracts of yearly renewable term insurance, which matured prior to the date of the enactment of this act and under which payments have been commenced, shall continue in accordance with the terms of such contracts. No new awards can be made or new payments commenced on yearly renewable term insurance under the terms of this section except on any judgment heretofore rendered in a court of competent jurisdiction or hereafter rendered in any suit pending at the date of enactment of the act. Further adjudication of such claims is not permitted.

Although the laws granting allowances are repealed by this section, the President is authorized, in his discretion, to permit the granting of an allowance up to $107 in any one case for burial and funeral expenses, including preparation and transportation of the body.

This title does not apply to compensation or pension (except as to rates, time of entry into active service, and special statutory allowances) being paid to veterans disabled, or dependents of veterans who died, as the result of disease or injury directly connected with active military or naval service (without benefit of statutory or regulatory presumption of service connection) pursuant to the provisions of the laws in effect on the date of enactment of this act. The term "compensation or pension," as used in the part of the section discussed in this paragraph is not to be construed to include emergency officers' retirement pay referred to in section 10 of title I.

Under the provisions of this section payment of benefits under the laws existing at the date of repeal are to continue to the last day of the third calendar month following date of enactment, and new benefits, if any, under title I of this act will commence with the 1st of the fourth calendar month following the enactment of title I of this act. In connection with the review required to be made by the Veterans' Administration it is not intended that there shall be a review of each claim file where obviously such claims are not allowable under this act and regulations issued pursuant thereto. For example, if the President should, by regulation, deny to a certain class of veterans pensions where they are entitled under existing law, and it is known that a certain number of veterans fall within the class not provided for, it will not be necessary to review the claims files in such cases. However, there is no question but that if a man is now drawing disability allowance and, upon review of his claim, he is found to be entitled to service-connection for his disability and eligible under the provisions of this act and the regulations issued pursuant thereto, he shall be paid the benefits prescribed by this act and the regulations.

Section 18 of title I of the bill authorizes a 10 percent reduction in pensions and any other monetary gratuity payable to former members of the military or naval forces in wars prior to the Spanish-American War, and their dependents, for service, age, disease, or injury. It is specifically provided, however, that this reduction does not apply to retired pay of officers and enlisted men of the Regular Army, Navy, Marine Corps, or Coast Guard, as these persons are affected by other provisions of this bill later explained.

Section 19 of title I of the bill provides that regulations of the President which are in effect at the expiration of 2 years after the date of enactment of this act shall continue in effect until Congress by law shall otherwise provide.

Section 20 of title I of the bill provides that the President shall transmit to the Congress, as soon as practicable after the date of their issue, copies of all regulations issued pursuant to title I.

WAR VETERANS ENDORSE PRESIDENT

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a resolution adopted by the War Veterans' Democratic Club of the District of Columbia.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I was happy the other night for an invitation to address a meeting of the War Veterans' Democratic Club of the District of Columbia, and particularly happy to be voted an honorary member of the club.

It was an occasion of great interest to me, because most of the opposition to the President's economy bill last week came from groups of veterans, and I was anxious to know how the rank and file of the organizations felt about the inspiring leadership of President Roosevelt. Needless to say, I was not long in learning their reaction. To every expression of faith in the leadership of our President, to every statement that the terrible financial condition demanded a balanced Budget even at the expense of veterans' compensation, and to every request for a united country in our war upon the depression the club members gave their hearty approval. Their spokesmen pledged their efforts to aid the President in putting over his program. And while we talked in this meeting the news came that the Senate had passed the economy bill by an overwhelming majority. That news met with a burst of applause that was prompted by sincere hearts.

Mr. Speaker, only the other day Senator TYDINGS compared the battle we are waging today with the great conflict on the fields of France more than a decade ago. I was not a member of our great expeditionary force because I was too young to be an effective fighting man. But I am pleased to stand today side by side with the members of that great army in this second war of our century and to face with them the common foes—hunger, unemployment, financial ruin, and despair. President Roosevelt called for a united attack upon our common problems by a "disciplined army." The response of the War Veterans' Club shows that he not only will have a "disciplined army" of civilians but also an army of veterans willing once again to make great sacrifices for the welfare of this Nation. I am proud of such patriotism as this, and I believe that if every veterans' organization shows the same spirit of cooperation as shown by this club it will truly not be long before victory will crown our efforts and happy days come again. The leader of our "disciplined army" has given us inspiring commands and faced his task with inspiring courage. His followers are marching forth to war behind him confident of his ability, his courage, and his true quality of leadership. I am happy to present to you evidence of that sincere faith in his leadership in the form of the following resolutions adopted by the War Veterans' Club after the announcement of the Senate's vote of approval of the economy bill.

WAR VETERANS' DEMOCRATIC CLUB
OF DISTRICT OF COLUMBIA,
March 15, 1933.

Whereas the War Veterans' Democratic Club of the District of Columbia is an organization incorporated under act of Congress to cooperate with the Democratic Central Committee of the District of Columbia; and

Whereas our President has always proved himself to be a sincere friend of the veteran—the soldier, the sailor, the marine—because he is one of us; and

Whereas as Assistant Secretary of the United States Navy during the trying days of the World War, his splendid and untiring work in preparing and equipping the Navy and the Marine Corps for service overseas drew the commendation of all ranks, from the admirals down to the last man; and

Whereas as Governor of the State of New York he approved every measure for the benefit of veterans and their dependents which was sent to him by the Legislature of the State of New York; and

Whereas in his friendship for the veteran President Roosevelt is following the broad and continuing policies of the Democratic Party, which always has demonstrated its understanding of the needs of the veteran; and

Whereas President Roosevelt now faces problems as complex and difficult as ever faced the Chief Executive of the United States and has the task of reestablishing our national faith in our ability to go forward, under God, with the march of democracy; and

Whereas as Chief Executive of our country he has invited the support of all men and women who love their country, who know the meaning of service and sacrifice, and who in every emergency have given splendid and generous services to the Nation: Be it therefore

Resolved by this organization, That we hereby inaugurate a campaign of confidence in the President of the United States; and be it further

Resolved, That this resolution be inscribed on the minute book of our organization and a copy with a letter of transmittal be fowarded to the President of the United States; James A. Farley, chairman of the Democratic National Committee; JENNINGS RANDOLPH, Congressman from the Second District of West Virginia; and John F. Costello, Democratic national committeeman for the District of Columbia.

This resolution was unanimously adopted by the War Veterans' Democratic Club of the District of Columbia at its regular meeting held on the 15th day of March, 1933.

MARTIN A. BEEHAN,
Executive Secretary.

THE BEER BILL

Mr. CULLEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. CULLEN]?

Mr. BLANTON. I reserve the right to object. I wish to ask the gentleman from New York some questions.

Mr. TARVER. Mr. Speaker, I object. There is no use taking up time.

Mr. CULLEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CULLEN. Would it be in order to move to suspend the rules——

Mr. BLANTON. No. That is not in order on this day. This is Friday, the 17th day of March, Irishman's day. [Applause.]

The SPEAKER. That motion would not be in order.

REFERENCE OF A BILL

Mr. TREADWAY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TREADWAY. There is being distributed a committee print entitled "H.R. ——, introduced and referred under —— form to the Committee on Agriculture." In a cursory glance through it I find many references to taxation matters. My parliamentary inquiry is whether this bill should go to the Committee on Agriculture when introduced or to the Committee on Ways and Means?

The SPEAKER. The Chair thinks the bill should go to the Committee on Agriculture.

RELIEF OF DISTRESS IN CALIFORNIA FROM EARTHQUAKE, 1933

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution (S.J.Res. 14) authorizing the President of the United States to expend $5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933.

Mr. BEEDY. Reserving the right to object, Mr. Speaker, I should like to ask where the so-called "Robinson banking bill" is, which passed the Senate on last Tuesday; whether it is on the Speaker's desk or whether it has been referred to any committee?

The SPEAKER. It has been referred to the Committee on Banking and Currency.

Mr. WOODRUM. Mr. Speaker, reserving the right to object——

Mr. STEAGALL. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. STEAGALL. My purpose in making the request is to make known to the gentleman from Maine and other Members of the House that there has been introduced today a bill which will be considered along with the Robinson Senate bill by the Committee on Banking and Currency of the House, and I wish to ask the members of the Committee on Banking and Currency to meet in the committee room at 2 o'clock today for the purpose of considering that legislation.

I ask unanimous consent, Mr. Speaker, that the committee be allowed to sit during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. WOODRUM. Reserving the right to object, and I shall not object, I should like to make this brief statement, if I may: The bill as reported purports to carry direct relief for the sufferers in the California earthquake. As amended, however, and as reported by the Committee on Appropriations, it is an amendment to the organic law creating the Reconstruction Finance Corporation.

I have some very fundamental objections to the method of procedure, and some question as to the necessity for the legislation; but I am not going to adopt any dilatory tactics nor delay the consideration of the bill which the chairman of the committee desires to report. However, I reserve the right to state these objections for the RECORD when the time comes to consider the bill.

Mr. SNELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SNELL. Is there any understanding as to how we shall consider this?

Mr. BUCHANAN. As I understand the rules of the House, in situations like this it is considered under the 5-minute rule in the House as in the Committee of the Whole.

Mr. SNELL. But the gentleman from Texas did not make that request.

Mr. BUCHANAN. No; because I understand that is automatic.

The SPEAKER. Consideration at this stage carries with it consideration in the House as in Committee of the Whole.

Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the resolution as follows:

Resolved, etc., That there is hereby authorized to be appropriated $5,000,000, out of any money in the Treasury not otherwise appropriated, as a fund for the relief of distress in those counties of the State of California which are designated by the President of the United States as having been materially damaged by earthquake in the year 1933: *Provided*, That said sum shall be disbursed by the Treasurer of the United States on the order of the President, or by such person, committee, or corporation as may be designated by him to administer such fund, to such persons, firms, or corporations as may be found by the President or his designees to be in need of relief or assistance: *Provided further*, That such sum shall be used, in such manner and under such regulations as the President may prescribe or as may be prescribed with his approval by any person, committee, or corporation designated by him, for the relief of distress occasioned by earthquake occurring in the year 1933 in such counties of the State of California as may be named by the President of the United States by Executive order.

Any unexpended balance of this appropriation shall be covered back into the Treasury.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That section 201 (a) of the emergency relief and construction act of 1932 (U.S.C., supp. VI, title 15, sec. 605b) is amended by adding to such subsection (a) after paragraph (5) the following:

"'(6) To make loans to profit or nonprofit corporations, with or without capital stock, organized for the purpose of financing the repair or reconstruction of buildings damaged by earthquake in the year 1933 and deemed by the Reconstruction Finance Corporation economically useful. Obligations accepted hereunder shall be collateraled (a) in the case of loans for the repair or reconstruction of private property, by the obligations of the owner of such property secured by a paramount lien except as to taxes and special assessments on the property repaired or reconstructed, and (b) in the case of municipalities or political subdivisions of States or their public agencies, by an obligation of such municipality, political subdivision, or public agency. The corporation shall not deny an otherwise acceptable application for loans for repair or reconstruction of the buildings of municipalities, political subdivisions, or their public agencies because of constitutional or other legal inhibitions affecting the collateral. The collateral obligations may have maturities not exceeding 10 years. Loans under this paragraph shall be fully and adequately secured. No loan hereunder shall be made after December 31, 1933.'"

Amend the title so as to read: "Joint resolution to authorize the Reconstruction Finance Corporation to make loans for financing the repair or reconstruction of buildings damaged by earthquake in 1933."

Mr. STEAGALL. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, this bill amends the Reconstruction Finance Corporation Act. The legislation came to the House in the form of an authorization for an appropriation of $5,000,000 to be used for relief purposes in the area of the State of California that suffered from the recent earthquake. The Committee on Appropriations thought it desirable that such relief legislation should be in the form of an amendment to the Reconstruction Finance Corporation Act authorizing the corporation to make loans to meet the situation.

The chairman of the Committee on Appropriations, Mr. BUCHANAN, called me into conference when the substitute was suggested to the bill passed by the Senate authorizing an appropriation. In order to expedite action on the bill, and in order that the relief to be extended might reach the people affected at the earliest possible moment I agreed, after consultation with some of the members of the Committee on Banking and Currency, that it would be entirely satisfactory to the Committee on Banking and Currency that this legislation should be reported by the Committee on Appropriations.

I desire to make this statement in order that it may be understood that the Committee on Appropriations had no desire to usurp jurisdiction and that the Committee on Banking and Currency had no desire to delay action on this legislation to relieve the deplorable distress in the State of California.

Mr. WOODRUM. Mr. Speaker, I rise in opposition to the pro forma amendment.

I have two objections to this legislation. The first is the method of procedure, which is purely technical and theoretical; that is, I do not like the idea of the House Committee on Appropriations' reporting out banking and currency legislation when the Committee on Banking and Currency has been organized and is just as able and better qualified, I think, to report out the legislation if it ought to be considered.

The second objection is that I think the House ought to understand what it is doing in passing this resolution. In these days of Budget balancing and of passing drastic economy bills it may not be amiss for us to stop for just a minute in our wild rush and see where we are headed for.

This resolution as it came from the Senate provided an appropriation of $5,000,000 for direct relief of suffering in California—for food, for clothing, for shelter, for medical supplies, and whatever emergency relief is needed in this great catastrophe. When the Committee on Appropriations came to consider the bill it developed that the American Red Cross, pursuant to its usual custom and efficiency, was on the ground handling the situation and had appealed locally for funds. Representatives of the Red Cross stated that if those funds were subscribed they would be able to take care of the situation so far as actual human suffering is concerned. At least, it does not now appear to be necessary to make a direct appropriation from the Federal Treasury for the relief of human suffering. The people of California are not asking that.

The amendment brought in by the House Committee on Appropriations authorizes the Reconstruction Finance Corporation to make loans to corporations organized for the purpose of rebuilding the business houses of California. In my opinion, no individual can get a loan under it. No home owner who has been swept out by this catastrophe can get a loan under it. Loans can only be made to the corporations set up for that purpose. It is for the purpose of rebuilding the business district, a departure and a precedent undreamed of in any relief legislation ever passed before by the Congress in such an emergency, and greatly broadening the scope and powers of the Reconstruction Corporation.

Now, if the Congress wants to do this, all well and good, but I thought it proper that we ought to understand the situation, and the departure and the precedent we are setting in this legislation.

Mr. EVANS. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. EVANS. I understood the gentleman to say there was no precedent for such action as this on the part of Congress. Is the gentleman familiar with what the Congress did, or what the Congress authorized in the case of the Puerto Rico disaster a few years ago; and if he is, will he state what action Congress took and whether or not loans were made to individuals for the rehabilitation of property following that catastrophe?

Mr. WOODRUM. Possibly that is true. I say, so far as I know, Congress has never before made such loans for the rebuilding of a business district in a catastrophe of this kind. It may be that such loans have been made; and if Congress wants to establish this precedent, all well and good, but I thought it proper that the attention of the House be called to the extent to which the bill goes. My action in doing so is in no sense because of a reluctance to have the Government respond in the emergency in any proper manner.

Mr. EVANS. Will the gentleman state whether or not Congress has not already established the precedent in the Puerto Rico case?

Mr. WOODRUM. I do not think we have.

Mr. EVANS. And is it not further true that in the Puerto Rico case loans were actually made to individuals for the rehabilitation of property direct from the United States Treasury?

Mr. WOODRUM. That may be so. At any rate this bill establishes a precedent, and I do not believe Congress should broaden the scope of the Reconstruction Finance Corporation at this time when we are trying to reduce governmental expenditures.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. DICKSTEIN. As the Senate passed this bill it was a relief measure?

Mr. WOODRUM. Yes.

Mr. DICKSTEIN. It now appears that the relief is not necessary for the purpose intended.

Mr. WOODRUM. Yes.

Mr. DICKSTEIN. Is this the point the gentleman makes?

Mr. WOODRUM. Exactly. The hearings show that.

Mr. MAPES. Will the gentleman yield to me?

Mr. WOODRUM. I yield.

Mr. MAPES. Mr. Speaker, I want to say that I agree 100 percent with the sentiments expressed by the gentleman from Virginia. I do not believe it is a proper function of the Government to lend money to private individuals for purposes of this kind. [Applause.]

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Speaker, I move to strike out the last three words.

Mr. Speaker, the various constructions that men place upon bills are sometimes amusing. My colleague from Virginia has just said that not a single private-home owner could get a loan under this amended resolution. That is the very purpose for which the amendment was drafted by the general counsel of the Reconstruction Finance Corporation. It is true the amendment states that loans can be made to a corporation organized for the purpose of making loans to the various individuals throughout the area whose homes or business houses have been destroyed by the earthquake, but this corporation is merely a contact agent, a medium through which the Reconstruction Finance Corporation makes the loan to the individual; otherwise, the Reconstruction Finance Corporation would have to deal with 7,000 different and distinct home owners, and it is not equipped to do this. So, if they can deal with them through a corporation organized as a contact agent to attend to all the details, the loans will be expedited and probably more efficiently made.

Now, let me come to the merits of the amended resolution. The gentleman talks about economy. The Senate resolution authorized an appropriation of $5,000,000, not directly for the furnishing of food, medicines, hospitalization, or clothing, as the gentleman said, but the very object and purpose of the $5,000,000 authorization was to provide a direct appro-

priation to rehabilitate both residences and business houses. The hearings show this.

Your committee thought this was an unjust and unwarranted enlargement of the activities of the Federal Government in matters of this kind. It would go beyond any precedent heretofore established in continental United States.

A budget estimate was sent here requesting an appropriation of $5,000,000. Your committee was not willing to appropriate $5,000,000 out of the Treasury, if it could possibly be avoided or unless it was necessary for actual relief of human suffering. We investigated the matter fully and we ascertained that the Red Cross is on the ground like a ministering angel taking care of actual suffering and furnishing food wherever that may be necessary, although we understand there is an abundance of food available. They are furnishing clothing, temporary housing, medicines, and so forth.

So in our judgment it is not necessary at this time for any direct appropriation to be made to take care of actual suffering. Therefore we refused the Budget estimate.

Mr. EVANS. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. EVANS. Is it not true that under the provisions of this resolution every dollar loaned must be adequately secured by paramount first-class mortgages on property to be rehabilitated?

Mr. BUCHANAN. Absolutely.

Mr. EVANS. And there is not one dollar being given to any person to be benefited by this resolution.

Mr. BUCHANAN. Absolutely not, under the committee amendment.

Mr. McFADDEN. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. McFADDEN. Can the gentleman assure us that home owners will have access to these funds the same as owners of business places?

Mr. BUCHANAN. Absolutely; and that is the primary purpose of the amendment, and more money will go for that character of loan than any other.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. EVANS. Did it not appear in the hearings before the Committee on Appropriations on this resolution, as well as in the other one, that there is at this time absolutely no bank or other credit of which these people can avail themselves for the purpose of rehabilitating their property?

Mr. BUCHANAN. I am coming to that, and I will answer the question in a moment.

After satisfying ourselves that the Red Cross, if proper response is made to their appeal for $500,000, can take care of all the cases of human suffering and of immediate necessity, the committee was then confronted with this problem: A strip of California 50 miles long and 25 miles wide has been visited by very severe earthquakes, and, to give you an illustration of the damage done to buildings, 33 out of 48 public-school buildings in Long Beach were completely destroyed. A great number of other buildings were destroyed, absolutely ruined, and many of them materially damaged. People are sleeping out on the lawn because they have no shelter. These people, owing to the financial crisis, closed banks, and so forth, have nowhere to turn to get one penny of credit to rebuild.

Mr. SNELL. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. SNELL. As I understand, the bill does not give any relief for suffering at the present time, as the Red Cross has already taken care of it.

Mr. BUCHANAN. Absolutely.

Mr. SNELL. This bill enters a new field, and is to aid in building and repairing buildings.

Mr. BUCHANAN. Yes; in this great catastrophe.

Mr. SNELL. Was there any evidence before your committee showing that the State of California and these communities are absolutely unable to meet the situation?

Mr. BUCHANAN. There was.

Mr. SNELL. Can the gentleman, in a word, give us that information?

Mr. BUCHANAN. Take Los Angeles, for instance, they are feeding 160,000 people every day. Their resources by reason of that have been exhausted. They are not authorized to issue bonds without calling an election, and they are about to the limit of their bond issue, anyway.

Mr. SNELL. Has there been any evidence that southern California is itself unable to take care of the situation?

Mr. BUCHANAN. They are unable to rehabilitate the houses.

Mr. SNELL. Did that information come from the people of southern California?

Mr. BUCHANAN. It came from the representatives of the people of southern California.

Mr. SNELL. If I am correct, the largest damage by the earthquake was at Long Beach, a city so rich that they do not have to pay taxes—the oil revenues take care of that.

Mr. BURKE of California. I pay taxes in Long Beach.

Mr. BUCHANAN. The city has been very rich, but the financial panic and this disaster have subjected it to extraordinary expenses.

Mr. SNELL. Are they any worse off than any other city? I know of no other city that does not have to pay taxes.

Mr. BUCHANAN. From the evidence before our committee, I believe that the citizens do have to pay taxes.

Mr. SNELL. Has the State of California done anything toward it?

Mr. BUCHANAN. They have contributed $50,000.

Mr. SNELL. And it is one of the largest and richest States.

Mr. EVANS. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. EVANS. The statement that the citizens of Long Beach do not have to pay taxes is incorrect. It is not so rich that the people do not have to pay municipal taxes, and never has been. They have always paid taxes.

Mr. SNELL. I understood that they had such large oil revenues that it largely took care of the municipal taxes.

Mr. EVANS. There was a time some years ago when we had large oil revenues, but they have diminished so that it is not true now.

Mr. SNELL. Has the city done anything?

Mr. EVANS. As much as it can—its bonded indebtedness is limited to 15 percent of property valuation. As stated by the gentleman from Texas, the county of Los Angeles has collected from charitable sources some $24,000,000 during the past year and a half. I have a telegram from the president of the Chamber of Commerce of Los Angeles, saying that unless something is done they will be unable to meet the situation; they are already bled white.

They are feeding each day 180,000 people in Los Angeles County at the present time through charity.

Mr. SNELL. And the Red Cross is doing part of that?

Mr. EVANS. It is not doing any part of it.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. SNELL. Mr. Speaker, I ask unanimous consent that his time be extended 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. SNELL. I understood that the Red Cross is doing a large amount of this work down there.

Mr. BUCHANAN. The gentleman misunderstood the gentleman's statement. He meant that all this enormous amount contributed for food was for feeding the unemployed during hard times, before the earthquake came at all.

Mr. SNELL. But we have that condition in every other part of the country.

Mr. BUCHANAN. The Red Cross is taking care of this earthquake relief by food, and so forth.

Mr. SNELL. That is what I thought.

Mr. EVANS. But the Red Cross cannot take care of any rehabilitation work, and the people cannot, unless they get assistance from some source.

Mr. SNELL. But the big State of California should do more than contribute $50,000 before they come to the Congress asking for an appropriation.

Mr. LEA of California. Mr. Speaker, if the gentleman will yield, since the information was given in the committee showing that California had contributed $50,000, an additional $150,000 has been provided for emergency relief according to late newspaper reports.

Mr. SNELL. Does not the gentleman honestly think that the great, rich State of California should do more than that before it comes to the Congress of the United States to ask for an appropriation? [Applause.]

Mr. LEA of California. That makes $200,000.

Mr. SNELL. Oh, I ask the gentleman just to answer the question.

Mr. LEA of California. According to the information presented $200,000 has been appropriated for emergency relief. This is not a donation or a gift, it is simply providing for a loan through the Reconstruction Finance Corporation. Loans of that corporation are independent of State action.

Mr. SNELL. I would be willing that the State of California should borrow this money, but I think it is a mistake to loan it to these small corporations, with or without capital stock. If you will put the credit of the State of California behind this, I shall go along with it.

Mr. LEA of California. The loans provided under this proposed resolution have all the security that is now required by the Reconstruction Finance Corporation for loans from it, except that at present the loans are limited to self-liquidating projects; but otherwise the security that will be required under this resolution is equal to that that has been required for more than a billion dollars that has been loaned by the Reconstruction Finance Corporation.

Mr. SNELL. That may be true, but we are opening the door wide when we pass this legislation. I want to be fair to the State of California, as we all do, but California is one of the biggest and richest States in the Union. I feel that the State should come forward and appropriate a little more than the amount stated by the gentleman himself before they ask us to open the door wide through the Reconstruction Finance Corporation. There is a limit to what that corporation can do; and if you are not careful, you will destroy this corporation itself.

Mr. LEA of California. Loans proposed are made on paramount liens, first liens other than liens for taxes. There are no better purposes to be served by any loans made by the Reconstruction Finance Corporation, none that will contribute more directly to rehabilitation.

Mr. BRITTEN. Mr. Speaker, will the gentleman from Texas yield for a question?

Mr. BUCHANAN. I want to finish my statement.

Mr. BRITTEN. Oh, we will get the gentleman some more time.

Mr. BUCHANAN. I shall be glad to answer any question.

Mr. BRITTEN. Every Member of the House who knows me knows that I am always anxious to accommodate California—I was raised there. My impression is that California has not requested this loan.

Mr. BUCHANAN. Oh, yes, she has.

Mr. BRITTEN. My impression is that the Members of Congress coming from that area have requested it, but not California.

Mr. EVANS. The gentleman is misinformed on that as usual.

Mr. BUCHANAN. All these cities have sent urgent telegrams here asking for $5,000,000.

Mr. BRITTEN. That is, the mayors of these cities.

Mr. BUCHANAN. Yes.

Mr. BRITTEN. That is not the government of the State of California. California is one of the richest States in the Union. It has more automobiles per capita than any other State, and it has more wealth almost than any other State in the Union. California ought to take care of its own people unless there is some very unusual reason why she cannot.

Mr. BUCHANAN. I have nothing to say contrary to California taking care of its own people so far as it can. I think it is true, if the legislature is in session, or it can be done through any other Government instrumentality, that the State should make a substantial appropriation for relief in this catastrophe, and should have done so within 24 hours after it happened. That is what I think, and that is one reason this committee refused the $5,000,000 direct appropriation. This amended resolution that your committee has brought in is not to relieve that distress. It is just to furnish to those poor people whose homes have been destroyed a little credit that they do not now have and cannot get on adequate security, just as we have furnished it to industrial enterprises throughout the rest of the country.

Mr. BYRNS. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. Yes.

The SPEAKER. The time of the gentleman from Texas has again expired.

Mr. BRITTEN. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. BYRNS. I am asking this question for information. Several gentlemen have told me that the legal rate of interest in California is 8 percent.

Mr. EVANS. It is not. The legal rate of interest in California is 7 percent.

Mr. BYRNS. They have estimated that this money is to be loaned to the corporation at 3 percent, which will reloan it at an excess rate of interest, thereby making a profit by reason of the fact that they have received it at 3 percent.

Mr. BUCHANAN. The resolution provides that the interest rate shall be fixed by the Reconstruction Finance Corporation.

Mr. BLANTON. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. BLANTON. I am wondering if my colleague is going to give an opportunity to the gentleman from New York [Mr. SNELL] and the gentleman from Illinois [Mr. BRITTEN] to vote against this resolution and preserve their vote on record. I would like to see them vote and not talk. I am going to vote against the resolution, but unless drawn into the debate I am not going to talk either for it or against it. [Applause.]

Mr. BUCHANAN. I am sorry the gentleman is going to vote against the resolution.

Mr. GREEN. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. GREEN. I think the main trouble is that some of the sections of the country and the corporate interests that have already practically consumed all the money that was appropriated for the Reconstruction Finance Corporation now even regret to see California get a little loan. This loan is to be repaid. I hope my friends on the other side of the aisle will let them have the loan.

Mr. BUCHANAN. Now, let me make this statement: You have abundantly endowed the Reconstruction Finance Corporation. To do what? To loan money to big enterprises; to loan money to those who had a great many assets and were rich in this world's goods. This is the only amendment that has authorized that corporation to loan a single cent to the little man; to the little home owner.

Mr. MURDOCK. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. MURDOCK. Where in the resolution is there any protection for the small-home owner against exorbitant rates of interest to be charged by the corporation that intervenes between him and his Government?

Mr. BUCHANAN. The resolution provides that the Reconstruction Finance Corporation shall fix the rate of interest.

Mr. MURDOCK. I do not find that here. Will the gentleman refer us to that?

Mr. BUCHANAN. Well, I do not have time to look it up now, but the general law creating the Reconstruction Finance Corporation gives authority to the Reconstruction Finance Corporation, and this is merely an amendment of that general law, creating another paragraph of section 201 (a).

Mr. MURDOCK. But there is nothing in the resolution itself that protects the small-home owner from being charged exorbitant rates of interest.

Mr. BUCHANAN. But it is in the general law creating the Reconstruction Finance Corporation.

Mr. MURDOCK. But this will not be administered by the Reconstruction Finance Corporation.

Mr. EVANS. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. EVANS. The gentleman from Tennessee [Mr. BYRNS] stated that the interest rate in California was 8 percent. That is not correct. The legal interest rate in California is 7 percent.

Mr. WATSON. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. WATSON. I understand where an individual has lost his property from the earthquake, he can borrow money to rebuild his home?

Mr. BUCHANAN. Yes.

Mr. WATSON. Now, suppose he has a large mortgage on his property, does he have to give extra security to borrow the money from the Government to complete his home?

Mr. BUCHANAN. Unless that mortgagee gives to the Government a prior lien, he can not get it. The Government must have a priority lien.

Now, Mr. Speaker, I am going to conclude. As I stated, if the Red Cross gets response to its $500,000 appeal for contributions, it can take care of and will take care of the actual suffering by way of clothing, food, medicines, and so forth. Therefore, in my judgment, it would be a great mistake for Congress to make an appropriation of $5,000,000 contained in the Senate resolution. Therefore we refused it, not only because we thought the Red Cross at present would take care of it, but because we thought it a bad precedent to establish at a time when the Red Cross has heretofore been getting abundant appropriations to take care of these catastrophes and has been taking care of them. I do not want to kill the spirit of charity in the human breast. When you kill that spirit in the United States, it is the deathknell of the Red Cross. Government contributions will kill the spirit of charity in the human breast toward the Red Cross.

The SPEAKER. The time of the gentleman from Texas [Mr. BUCHANAN] has again expired.

Mr. LEA of California. Mr. Speaker, I think an erroneous impression has spread through this House. I approve of the course adopted by this committee. The President recommended an appropriation of $5,000,000 for emergency relief in this case. The committee decided instead to report this resolution, which authorizes the Reconstruction Finance Corporation to loan money to a corporation organized for the purpose of making reconstruction loans to home owners and the owners of other buildings injured or destroyed in this area. Loans on private property are to be made only on paramount liens, and in no case for purposes not found to be economically sound.

Now, is that the proper method of procedure? Visualize what exists out there in this section of California today. Over fifty or sixty million dollars' worth of property destroyed. Nearly 100,000 people have been driven out of their homes and are living outside, sleeping outside, and cooking outside. I went through the earthquake of 1906 and I know exactly what it is. I know what it is when homes are wrecked or destroyed by an earthquake, when thousands of people in one city, for instance, cannot get in their homes to build a fire or turn on the electricity or do any cooking, and all the necessities, including sleeping quarters, must be provided out beneath the open sky.

It is said money should not be loaned for reconstruction purposes. That is a startling proposition. For what better purpose can we loan the funds of the Reconstruction Finance Corporation? What will contribute more to recovery? The Government has loaned much over a billion dollars to great corporations and banks and railroads for the purpose of aiding recovery. In one instance over $15,000,000 went to one corporation. What kind of a philosophy could animate Congress to put itself on record in favor of the vast loans made by the Reconstruction Finance Corporation but on the same class of security deny a loan to a community suffering as they are out there in California today? This is a loan to rebuild. Every dollar is for labor and materials.

The reason for construction and rehabilitation could not be greater. I know in my own little city eight blocks were practically laid flat. The fire followed. Calamity prevailed. Practically every employed person in town lost his job in the 26 seconds the earthquake lasted. People could not get money out of the banks then any more than they could in this quake area last week. Nothing helped us so much as the starting of reconstruction when the people could finance the rebuilding of their homes and their places of business. Men were employed. Necessities were soon provided through employment. That was the solution of the great problem that followed the quake. It was for this reason that I, a Californian, favored this method of loans rather than a direct appropriation as a gift by Congress. It is a sensible plan. It is a humane thing to do. It is warranted by circumstances. The Red Cross may be able to relieve immediate human distress. Then comes the question of restoration beyond the power or purpose of the Red Cross.

It seems to me it would be a startling exhibition to this country if after all these loans to great business concerns you refuse a reconstruction loan on the same class of security where the need is so apparent, so great, and the human appeal so strong. There will be no loan by the Reconstruction Finance Corporation more defensible than this one. One hundred thousand people slept out underneath the skies last night. The Red Cross attempts to provide immediate needs. These loans to be made on first liens or the obligations of municipalities to repay will assure a revival of these areas, a big step toward restoration. This is a sensible and sane way of handling this great problem.

Mr. EVANS. Mr. Speaker, will the gentleman yield?

Mr. LEA of California. I yield.

Mr. EVANS. Does the gentleman know of any instance of major catastrophe in this country where the Government has failed to do something in the way of relief?

Mr. LEA of California. I believe there is no instance in the history of our country in the face of a great calamity when our Government has failed to act.

As for the State of California, she has never failed to do her part in these emergencies. According to newspaper accounts, she has provided $200,000 already for emergency relief, and you need not fear, California will follow up, as she has in the past. The city of Los Angeles alone in the last few months has contributed $24,000,000 for the relief of distress and the unemployed.

Mr. KENNEY. Mr. Speaker, will the gentleman yield?

Mr. LEA of California. I yield.

Mr. KENNEY. What objection, if any, would there be to permitting the Reconstruction Finance Corporation making loans directly to the municipalities involved according to their needs?

Mr. LEA of California. This method of procedure comes from the Reconstruction Finance Corporation. This amendment was drawn by the attorney of the Reconstruction Finance Corporation to carry out the policy it prefers.

Mr. BLANTON. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, I think our colleague from Texas [Mr. BUCHANAN] is to be commended for his action first in holding on this Senate bill a hearing to ascertain the facts regarding its necessity and urgency, and, second, in turning down the Senate bill as a bad precedent, when it has been ascertained that the question of relieving human suffering is not involved.

The only time Congress has ever granted relief was when there was intense human suffering, and my colleague has

well stated that the facts developed on the hearing show the American Red Cross is amply able to take care of, and has been and is now taking care of, the suffering in California.

The only question remaining is whether it is a wise policy to single out these home owners in a certain part of California and give them immediate relief for rehabilitation purposes while at the same time denying all relief to thousands upon thousands of other home owners now suffering intensely in practically every other State in the Nation, who have been turned out-of-doors and their homes foreclosed and taken from them.

I doubt the wisdom of passing this bill, high as is my regard for the chairman of our committee and much as I commend his action in not reporting the Senate bill. I am sorry I cannot go along with him in voting for this bill. I have the friendliest feeling for the people of California. There is not a man in this House more beloved than our good friend from California [Mr. LEA]. We all respect him and love him. We would like to do all we could for him and for his section of the country. That is true of our other California colleagues here.

For 3 years the people of my own State of Texas suffered continuous drought. It brought about a terrible situation. When finally a crop was made last year it brought very little. The farmers during last year and this year have been losing their farms by the thousands. They have been turned out-of-doors with their wives and little children hungry and cold. Thousands of home owners in every city in my State have been losing their homes because they could not meet the little interest payments they owed. Now, why should we help the home owners in one part of California to the exclusion of all the other suffering home owners of the country? It is not equitable. It is not fair. It is not just. The good people in California affected by this disaster have been given every relief the Army can afford. We have given them tents. We have given them the facilities of our Army and our Navy. We have furnished our marines, our soldiers, and sailors to help police their cities, guard their property, and stop the commission of crime.

If these people were in dire distress, if they were suffering without now being adequately relieved by the Red Cross, I would say: "Go down just as deep in the Treasury as is necessary to relieve human suffering"; but this suffering is being taken care of adequately by the Red Cross. This is simply a question of financial rehabilitation. If we could accord help to all citizens needing it, I would not object. It would be good if we could accord special financial rehabilitation to all the other States as well as California; but why should we pick out California and rehabilitate the homes there, letting the homeless in every other State go without homes? I cannot go along with such a program.

Mr. EVANS. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. EVANS. Mr. Speaker, will the gentleman state what the Government did in the case of the Galveston flood, and if he remembers what attitude he himself took?

Mr. BLANTON. I have some relatives in this afflicted area in California. I have lifelong friends in California. I had a brother in that flood at Galveston. I was one of the first persons who went to Galveston on the first boat going there after that flood. I saw the decomposed bodies of the drowned people there. That was a case of extreme human suffering and disaster. There was then no adequate Red Cross relief. There is now adequate relief for California furnished by the Red Cross. The two emergencies are not at all in the same class. I am going to be consistent by voting against every appropriation and expenditure that is not absolutely necessary and in accord with stable precedents.

Mr. BROWN of Kentucky. Mr. Speaker, I rise for the purpose of offering an amendment.

On page 2, line 22 of this resolution, the Reconstruction Finance Corporation is authorized to make loans to profit or nonprofit corporations for the benefit of the suffering people of California.

This aid can be given just as easily and effectively with no one making a profit. I should like to help the people out there who are suffering. This matter has not yet been argued on the floor of the House.

In the last Congress $2,500,000,000 was voted to refinance and rebuild railroads and banks, but when the same gentlemen are asked to refinance the rebuilding of the homes of those who have suffered from the earthquake it hurts their consciences.

I want to help these people, but I want no one to make a profit. So, therefore, Mr. Speaker, I move that we strike from line 22 on page 2 the words "profit or," so that when finally amended it will read "to nonprofit corporations."

The SPEAKER. The gentleman from Kentucky offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Kentucky: Page 2, line 22, strike out the words "profit or."

Mr. BUCHANAN. Mr. Speaker, in view of the fact that many Members of the House misunderstand or misinterpret the word "profit" as used here, I am perfectly willing for it to be stricken out. There is no intention that anyone should make a profit on this money, and these corporations are merely the contact agents of the Reconstruction Finance Corporation; and I shall agree to the amendment.

The amendment was agreed to.

Mr. GREEN. Mr. Speaker, I move to strike out the last two words.

Mr. Speaker, I hope my colleagues will vote favorably on the adoption of this resolution.

This is not a resolution giving $5,000,000 to California; it is a resolution for the authorization of a loan by the Reconstruction Finance Corporation.

As my colleagues very well know, we have established the Reconstruction Finance Corporation and it has made liberal loans, loans to corporations that it seems should not have had them; in fact, many of the corporations that have borrowed money from the Reconstruction Finance Corporation cannot now even meet their interest payments. So in the matter of a disaster like this, where homes have been shattered, where business blocks have been destroyed, where schools have been destroyed, and where they are not asking for a gift but for a loan, I hope that my colleagues will authorize such a loan.

Oh, I believe if the gentleman from Texas had been there when these quakes were causing the very earth itself to tremble and when these buildings were crumbling, maybe he would not be against such loan. I hope the gentleman will recant and that this House will authorize the loan. The press tells us today that the distress of these people is now augmented by cold rain and they are threatened by serious illness.

My heart goes out to these unfortunate people in Long Beach, Los Angeles, and near-by places in southern California, and I hope this House will authorize the Reconstruction Finance Corporation to make them the loan to, in part at least, rebuild their homes and provide shelter and protection for their people. The loans are to be secured adequately; it is not a gift but a secured loan.

Mr. STUBBS. Mr. Speaker, it so happens that the part of California that I represent is not affected by this earthquake, but for the life of me I cannot understand how any of us can object to making this loan, especially as the resolution has been amended by the gentleman from Kentucky [Mr. BROWN].

We have certainly the desire in our hearts to relieve this distress; and I may say to you that the people out there in California who have been affected by this earthquake are in a distressed condition, and I want to raise my voice in behalf of this measure.

I believe, if you folk will seriously consider this resolution, you will grant the loan to the people in this area.

So on behalf of my California neighbors I plead with my colleagues here today to support the measure.

Mr. FORD. Mr. Speaker, I happened to come from a portion of California directly within the earthquake area, and my principal purpose in speaking at this time is to inform correctly some Members of the House who have made a statement or two which shows that while they did not mean to influence the House against this loan, yet they are misinformed.

In the first place, attention was called to the fact that California is a great and rich State and ought to be able to take care of its own problems. This is true, as far as being great and rich, but California has been taking care of anywhere from 500,000 to 1,000,000 people from every part of the United States for the last 2 years by reason of these people coming there, due to our peculiarly warm climate.

Hundreds of millions of dollars have been appropriated in California for the care of indigent people coming from other States. The city of Los Angeles, for instance, with a budget of $19,300,000—and I speak with knowledge, as I was on the finance committee of that city—has not been taking care of people through the gift of money for the last 2 years, but the county of Los Angeles, where there are over 2,000,000 people and somewhat over 500,000 unemployed and indigent people, has been caring for them. The city of Los Angeles normally would be able to assist her sister cities in this matter if it were not for one fact.

Under the law Los Angeles has reached the limit of its bonded indebtedness, and it would be impossible for her to issue bonds at this time to relieve her distress.

Mr. EVANS. Is it not also true that under the law the city cannot create a debt the proceeds of which could be spent outside of the city?

Mr. FORD. It is impossible to create a debt without a two-thirds vote, and that could not be used outside of the city of Los Angeles, and that would apply to the city of Long Beach also. We are only asking for credit to enable us to use our own resources; we are asking for a temporary loan to get us back on our feet, and I hope the House will aid us.

Mr. CARTER of California. Is it not difficult for the State of California to make loans on account of constitutional inhibition?

Mr. FORD. It is; but if it were not, it could not provide a loan in time to be of aid in this emergency.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that all debate on this resolution close in 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TABER. Mr. Speaker, the Committee on Appropriations has held hearings on this resolution. I agree with the statement made by the chairman of the committee, from what we have been able to get, that the Red Cross and local agencies are able to take care of immediate distress. I do not think there is any question about that. They have refused, in connection with Long Beach, a benefit entertainment that the movie actors offered to put on, because they did not need relief for immediate distress.

With reference to the rehabilitation and rebuilding, the evidence on the part of the representatives of the States was that they did need loans.

Now, frankly, our committee has not so far gone into the question as to whether or not the local banking institutions were able to supply it. Of course, if they did they could borrow upon paper that they received from the Reconstruction Finance Corporation without any legislation.

Mr. LEA of California. Will the gentleman yield?

Mr. TABER. I yield.

Mr. LEA of California. Is it not true that these loans would go mainly for labor and material?

Mr. TABER. Undoubtedly, and I have no idea how large an amount it would run to.

Mr. BLANCHARD. Will the gentleman yield?

Mr. TABER. I yield.

Mr. BLANCHARD. Was there any suggestion on the part of the representatives of the State that loans would be made directly to the State?

Mr. TABER. No; because the State has no constitutional authority to borrow for that purpose. It would require a popular vote and considerable delay to get anywhere with a loan of that character.

Mr. BLANCHARD. Will the gentleman yield further?

Mr. TABER. Yes.

Mr. BLANCHARD. Did the Governor of California request a loan?

Mr. TABER. He did not, nor has anyone out there requested a loan.

Mr. GRIFFIN. Is it not a fact that the State of California has reached its limit of indebtedness under the Constitution?

Mr. TABER. That I do not know.

Mr. EVANS. Will the gentleman yield?

Mr. TABER. I will.

Mr. EVANS. The gentleman just stated that no one from California has requested a loan.

Mr. TABER. As far as I know.

Mr. EVANS. May I say to the gentleman that that is erroneous. Even the Board of Supervisors of Los Angeles County passed a resolution, a copy of which I hold in my hand, saying that it would be necessary to request a loan; and, furthermore, various telegrams have come from bankers in Long Beach in which they stated that relief was necessary, and they did not know how it could be met without help from the Federal Government.

Mr. TABER. The gentleman is in a position to say whether banking facilities are available to these people out there, and I should like to hear something about it.

Mr. SNELL. Will the gentleman yield?

Mr. TABER. I yield.

Mr. SNELL. I should like to ask the gentleman if there is any limit to the amount that may be loaned to the borrowers?

Mr. TABER. Absolutely not; it could go to any amount. I have been trying to get some definite statement that there is no local authority prepared to loan any money. I have yielded to those who have asked me to yield, and I have gotten nothing. I am frank to say that my attitude on this is going to be based on facts, and if we cannot get any facts, I do not think we ought to go any farther with this resolution.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. TRUAX. Why has not the Governor of California made a request for this loan?

Mr. TABER. I do not know.

Mr. BUCHANAN. The Governor made an appeal to the people of California for a contribution. The loan proposition has not yet come up.

Mr. DOCKWEILER. Mr. Speaker, I should like to be recognized for a few minutes. I think I can answer the gentleman's question.

Mr. TABER. Very well; I yield to the gentleman for that purpose.

Mr. DOCKWEILER. I am a new Member. I come from the Sixteenth Congressional District of California. Part of my district was destroyed or injured by the earthquake. I have lived through several earthquakes myself, and I know what the experience is, but I shall not go into a discussion of the distress incident to such experiences. The meat of this question is whether or not under our new attitude of government—the "new deal", so-called—we are going to continue to break many precedents, as we have been doing here in the last few days of this session. When you talk of precedents in a time like this I have no sympathy with the subject, because I, as well as many of my colleagues, was elected upon the basis of forgetting and disregarding some of the old, hackneyed, time-worn precedents that have been in vogue for many years.

Answering the question of the gentleman from New York [Mr. TABER] as to what the banking situation is in California, and the opportunity of the people in the earthquake-stricken area of making loans, it so happens that my father

is a director of the largest bank in California. I am certain from my information that which I shall say would hold true with respect to smaller banks in California, that very few banks in California will entertain an application for a mortgage for rebuilding purposes, particularly so in the stricken area. It also happens that all of the building and loan companies, particularly in Long Beach, will not make loans for building purposes. There are but three building and loan companies in the Los Angeles area that are open for business, and they are making an inconsequential number of mortgage or building loans. I happen to be a member of the board of directors of one of those three that are open today for business in Los Angeles, and of the hundreds in California, except a few, they are all closed to ordinary mortgage- and building-loan business. To the question before us, Are we going to permit people in this distressed area to rebuild their homes and business buildings? If an earthquake should happen in the city of New York or in the city of Chicago or in some of the cities in Texas or elsewhere, would this Congress, in such an event, come to their aid and make it possible, since we have the Reconstruction Finance Corporation, for municipalities and homeless and distraught individuals to borrow money to rebuild when their own local banking and mortgage facilities will not permit them to borrow one cent?

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. DOCKWEILER. Yes.

Mr. RICH. The gentleman says that he is a director of one of the building and loan associations. The gentleman's building and loan association at this time can go to the Reconstruction Finance Corporation and ask for a loan, and then can reloan that money to these people and save the Government from going into this kind of business.

Mr. DOCKWEILER. I am not so certain of that. We have not been able so far to get a dime from them.

Mr. RICH. According to the laws that have been passed, extending funds to banks and building and loan associations, the gentleman ought to be able to get that money.

Mr. DOCKWEILER. My association cannot do it.

It has been argued on the floor of this House that this Congress should not appropriate any sum of money to be loaned to the people of the earthquake-stricken area because there are many people in these United States who are homeless by reason of foreclosures and the general economic condition. My answer to such an argument is that we are not appealing through the Government for aid for the many homeless in California or in other States, who by the gradual grinding process of economic and statutory laws of California and other States citizens have been driven from their homes and made to suffer great distress by reason thereof. If Providence has seen fit to visit upon a certain section of this country a flood, fire, or earthquake, or other cataclysm through natural forces which suddenly deprives a great number of people of the necessities of life and, in this case, of their shelter, then it would be just and equitable for our Government to lend a helping hand to such people. We are not asking in this bill now pending before the House for a gift of money to enable the inhabitants of the earthquake-stricken territory to rebuild their homes, but that the law creating the Reconstruction Finance Corporation be modified so as to permit these people to legitimately borrow sums of money through an intermediate nonprofit corporation, which will be organized promptly in California, for the purpose of rebuilding their businesses and their homes. Such loans will be advanced to these people under the stringent rules and regulations of the Reconstruction Finance Corporation and will be amply secured. It seems to me this presents one of the first opportunities that this new Democratic Government of ours has at hand to distribute the benefits of Government to the plain citizen or the forgotten man.

As I understand it, our distinguished President plans to ask for an appropriation in the nature of a bond issue of $500,000,000 to spend through the proper departments of our Government to reemploy some of the vast army of 11,000,000 unemployed in America. It is intended that these men should be put to work principally in a program of reforestation. Overnight, fortunately for the President and our administration, but unfortunately for the people of southern California, an earthquake occurs that presents an opportunity to carry out a small part of the President's program. How much more important it is to permit the peoples of southern California, who, despite the laws of foreclosures and economic necessity, are still left them their homes, to give them this opportunity to rebuild their dwellings and to secure a new lease on life and to reconstitute themselves into that most necessary basic unit of social organization in America known as the family. The few million dollars you may give us could be deducted from the proposed plan of $500,000,000 expenditure just referred to. There was a time, only a few months ago, a gentleman like Mr. Dawes could appeal to the Reconstruction Finance Corporation and secure for his bank in Chicago the tremendous sum of $90,000,000 to save his financial institution from catastrophe. And this has happened all the way down the line through every financial institution of consequence that besought help through the Reconstruction Finance Corporation, and supplied money to insurance companies, to railroad companies and to other of our large industrial corporations. But when the people of California by fearful accident present to this Congress an opportunity for our administration to aid and abet a willing people who will give sufficient security for Government aid, then I say this is no time to argue precedence and for us to entertain an impecunious point of view.

I agree with you gentlemen that so soon as our country is able to go back upon the highway to legitimate and substantial property that then our National Government should gradually withdraw from private interest and from competition with private business enterprise. But assuming that our country was returned to its full measure of prosperity and that we were living again in that blissful state of peace, happiness, and contentment, and that then a natural calamity would be visited upon any section of our country, and the banking- and building-loan facilities were disrupted and lying supine so that an unfortunate people could not receive help in the manner referred to in my remarks, then I am certain that the Congressmen from California would be the first to rise to the occasion and join with their fellow Congressmen from other States to vote for a similar measure as we propose today. For that reason, as a native of California and representing one of her districts, I am grateful for the generous support of the delegates of New York, Louisiana, and of our neighbors from that vast empire located in the Rocky Mountains and the Pacific Slope States and to all of the Members who have seen fit to wholeheartedly grant to us the valuable aid that will be accorded us through this measure.

Mr. EVANS. Mr. Speaker, I move to strike out the last word. I rise to answer one question only, if I am able to do so. The gentleman from New York [Mr. TABER] wanted to know whether the financial institutions of southern California are in position to meet this emergency. No more useless question could have been asked than that. Every Member of this House knows that nearly every bank in the United States for months has been refusing to make additional loans on real estate. That has been peculiarly true during the last few weeks. This catastrophe could not have happened to the people of that section at a more inopportune time than at this time, when the people of the country have been bled white with making contributions to take care of people in distressed circumstances. I am a director in a bank in that section, not in this immediate area but adjacent to it, and I personally know that none of the banks are in a position to, or can, entertain loans for reconstruction of any of this property. Unless we get relief through this measure, properties will remain prostrate, and the Red Cross and other relief agencies will have to continue to furnish relief from month to month. If these people can get money with which to rehabilitate their property, they will be put upon a self-sustaining basis, and the

Red Cross and other relief organizations will be relieved of this great burden.

Mr. O'MALLEY. How will the owner of a piece of property that was destroyed which had a first and second mortgage on it give any collateral to get a loan under this resolution?

Mr. EVANS. The plan is that those who now hold encumbrances on those properties will have to subordinate them to this first lien.

This bill itself provides that the lien shall be a first mortgage, a paramount lien, so that the Reconstruction Finance Corporation takes no chances of getting a secondary security.

Mr. McFADDEN. Will the gentleman yield?

Mr. EVANS. I yield.

Mr. McFADDEN. There seems to be a question of whether or not the State of California is meeting this emergency. Have the localities that are affected applied to the State and been turned down, or just what has happened? In that connection I understand that the State has not exhausted its borrowing capacity.

Mr. EVANS. The State of California could not borrow money under the law for this purpose without a bond issue being submitted through legislation by the State legislature. It would probably take a year and a half or more to undertake to raise money through the State. The State is doing all it can with what it has available for this kind of relief. Under authority of the law, no municipality can issue bonds except upon a vote, and then by a two-thirds vote, and only for municipal improvement purposes.

Mr. McFADDEN. Have those localities applied to the State?

Mr. EVANS. What would they apply for? They have applied to the Governor, and have had temporary relief in the sum of $200,000, but there is no way of issuing bonds to meet this emergency. It would have to go through the legislature and be carried by a two-thirds vote. It is silly to talk about immediate relief through the State of California for this kind of distress.

Mr. TRUAX. Will the gentleman yield?

Mr. EVANS. I yield.

Mr. TRUAX. What is the estimate of the total amount required under this resolution?

Mr. EVANS. This resolution does not limit it, as I understand it.

Mr. TRUAX. Has there been an estimate made by those sponsoring the resolution?

Mr. EVANS. I have no knowledge of such an estimate. The gentleman from California [Mr. LEA] might possibly answer that question.

Mr. SIROVICH. As I understand, the damage done in Long Beach amounts to $25,000,000.

Mr. EVANS. May I say in response to the gentleman from New York that 33 of 48 high schools in the city of Long Beach are lying prostrate without any opportunity of being rebuilt, without some relief here.

The SPEAKER. The time of the gentleman from California [Mr. EVANS] has expired.

Mr. BROWN of Michigan. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. BROWN of Michigan: Page 3, line 15, after the word "years", insert "the total of all", and in line 16, after the word "shall", insert the following: "not exceeding $5,000,000 and shall."

Mr. BROWN of Michigan. Mr. Speaker, the purpose of this amendment is to put a limitation of $5,000,000 on the amount of money which may be loaned. As the bill came from the Senate it was a donation in the sum of $5,000,000. As it now stands, there is absolutely no limitation on the amount which may be loaned under the provisions of this resolution, and I believe it should be so limited.

The SPEAKER. The time of the gentleman from Michigan has expired. All time has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. BROWN].

The amendment was rejected.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate joint resolution.

The bill was ordered to be read a third time, and was read the third time.

Mr. BRITTEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BRITTEN. Is this the proper place to offer a motion to recommit the resolution to the committee from whence it came?

The SPEAKER. It is.

Mr. BRITTEN. Then I make such a motion, Mr. Speaker.

The SPEAKER. The Clerk will report the motion of the gentleman from Illinois [Mr. BRITTEN].

The Clerk read as follows:

Mr. BRITTEN, of Illinois, moves to recommit the Senate joint resolution to the Committee on Appropriations.

The SPEAKER. The question is on the motion of the gentleman from Illinois [Mr. BRITTEN].

The question was taken; and on a division (demanded by Mr. BUCHANAN) there were—ayes 144, noes 97.

Mr. LEA of California. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

Mr. BRITTEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BRITTEN. There seems to be some misapprehension as to just what this vote is. A vote "aye" will recommit the bill to the Committee on Appropriations?

The SPEAKER. That is correct.

The Clerk will call the roll.

The question was taken; and there were—yeas 153, nays 218, not voting 58, as follows:

[Roll No. 7]

YEAS—153

Allen	Ditter	Jones	Pettengill
Andrew, Mass.	Dobbins	Kee	Polk
Andrews, N.Y.	Dondero	Kenney	Powers
Ayers, Mont.	Douglass	Kinzer	Ransley
Bailey	Dowell	Kloeb	Reed, N.Y.
Bakewell	Doxey	Kniffin	Rich
Beedy	Drewry	Knutson	Richardson
Berlin	Duffey	Kocialkowski	Robertson
Blanchard	Duncan, Mo.	Kurtz	Rogers, Mass.
Bland	Durgan, Ind.	Lambertson	Ruffin
Blanton	Eicher	Lambeth	Sadowski
Boehne	Farley	Lamneck	Shoemaker
Boileau	Fiesinger	Lanham	Sisson
Boland	Focht	Larrabee	Smith, Va.
Britten	Foss	Lehr	Snell
Brooks	Frear	Lemke	Stalker
Brown, Mich.	Gibson	Lesinski	Strong, Pa.
Brumm	Gifford	Luce	Taber
Cady	Gilchrist	Ludlow	Terrell
Carpenter, Kans.	Gillette	McCarthy	Thom
Castellow	Goodwin	McClintic	Tinkham
Chase	Gray	McFadden	Tobey
Christianson	Griswold	McGugin	Treadway
Claiborne	Guyer	McLeod	Turpin
Clark, N.C.	Haines	McMillan	Umstead
Clarke, N.Y.	Hancock, N.C.	Maloney, Conn.	Watson
Cochran, Pa.	Hancock, N.Y.	Mapes	Weideman
Colmer	Hart	Martin, Mass.	Whitley
Condon	Hess	Meeks	Wigglesworth
Connery	Holmes	Merritt	Withrow
Cooper, Ohio	Hooper	Millard	Wolcott
Cox	Hope	Mitchell	Wolfenden
Crosby	Howard	Morehead	Wolverton
Crowe	Huddleston	Mott	Wood, Ga.
Culkin	James	Muldowney	Woodrum
Darden	Jenckes	Musselwhite	Young
Darrow	Jenkins	Parker, Ga.	
Deen	Johnson, Minn.	Parker, N.Y.	
Dingell	Johnson, W.Va.	Perkins	

NAYS—218

Abernethy	Briggs	Carpenter, Nebr.	Connolly
Adair	Brown, Ky.	Carter, Calif.	Cooper, Tenn.
Adams	Brunner	Carter, Wyo.	Cravens
Allgood	Buchanan	Cary	Cross
Arnold	Buck	Celler	Crosser
Ayres, Kans.	Bulwinkle	Chapman	Crump
Bankhead	Burke, Calif.	Chavez	Cullen
Beam	Burnham	Church	Cummings
Beiter	Busby	Cochran, Mo.	Dear
Biermann	Byrns	Coffin	Delaney
Black	Caldwell	Colden	DeRouen
Bloom	Cannon, Mo.	Cole	Dickinson
Bolton	Carden	Collins, Calif.	Dickstein
Boylan	Carley	Collins, Miss.	Dies

Dirksen	Imhoff	O'Brien	Snyder
Dockweiler	Jacobsen	O'Connell	Somers, N.Y.
Doughton	Jeffers	O'Connor	Spence
Driver	Johnson, Okla	O'Malley	Steagall
Dunn	Johnson, Tex.	Oliver, Ala.	Strong, Tex.
Eagle	Kahn	Oliver, N.Y.	Stubbs
Elizey, Miss.	Keller	Owen	Studley
Eltse, Calif.	Kelly, Ill.	Palmisano	Sullivan
Englebright	Kelly, Pa.	Parks	Sumners, Tex.
Evans	Kemp	Parsons	Swank
Faddis	Kennedy, Md.	Patman	Tarver
Fernandez	Kennedy, N.Y.	Peterson	Taylor, Colo.
Fitzgibbons	Kerr	Peyser	Taylor, S. C.
Fitzpatrick	Kleberg	Pou	Taylor, Tenn.
Fletcher	Lanzetta	Prall	Thomason, Tex.
Ford	Lea, Calif.	Ragon	Thompson, Ill.
Fuller	Lee, Mo.	Ramsay	Thurston
Gambrill	Lewis, Colo.	Ramspeck	Traeger
Gavagan	Lindsay	Randolph	Truax
Gillespie	Lloyd	Rankin	Turner
Glover	Lozier	Rayburn	Underwood
Goldsborough	Lundeen	Reid, Ill.	Vinson, Ga.
Goss	McCormack	Reilly	Vinson, Ky.
Granfield	McFarlane	Richards	Waldron
Green	McGrath	Robinson	Wallgren
Greenwood	McKeown	Rogers, N.H.	Walter
Gregory	McReynolds	Rogers, Okla.	Warren
Griffin	McSwain	Rudd	Wearin
Hamilton	Major	Sabath	Welch
Harter	Maloney, La.	Sanders	Werner
Hartley	Mansfield	Sandlin	West
Hastings	Marland	Schaefer	White
Healey	Martin, Colo.	Schuetz	Whittington
Henney	Mead	Schulte	Wilcox
Higgins	Miller	Scrugham	Willford
Hildebrandt	Milligan	Secrest	Williams
Hill, Ala.	Monaghan	Shallenberger	Wilson
Hill, Knute	Montet	Shannon	Wood, Mo.
Hill, Sam B.	Moran	Sinclair	Zioncheck
Hoeppel	Murdock	Sirovich	
Hughes	Nesbit	Smith, Wash.	

NOT VOTING—58

Almon	Crowther	Kramer	Romjue
Arens	De Priest	Kvale	Sears
Auf der Heide	Disney	Lehlbach	Seger
Bacharach	Doutrich	Lewis, Md.	Simpson
Bacon	Eaton	McDuffie	Smith, W. Va.
Beck	Edmonds	McLean	Stokes
Brennan	Fish	Marshall	Sutphin
Browning	Flannagan	Martin, Oreg.	Sweeney
Buckbee	Foulkes	May	Swick
Burch	Fulmer	Montague	Utterback
Burke, Nebr.	Gasque	Moynihan	Wadsworth
Cannon, Wis.	Harlan	Norton	Weaver
Cartwright	Hoidale	Peavey	Woodruff
Cavicchia	Hollister	Pierce	
Corning	Kopplemann	Reece	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. Corning with Mr. Wadsworth.
Mr. McDuffie with Mr. Bacharach.
Mr. Montague with Mr. Hollister.
Mr. Fulmer and Mr. Seger.
Mr. Auf der Heide with Mr. Swick.
Mr. Sutphin with Mr. Lehlbach.
Mr. Disney with Mr. Buckbee.
Mr. Browning with Mr. Cavicchia.
Mr. Cartwright with Mr. Doutrich.
Mr. Gasque with Mr. Crowther.
Mr. Lewis of Maryland with Mr. Edmonds.
Mr. Martin of Oregon with Mr. Fish.
Mrs. Norton with Mr. Eaton.
Mr. Romjue with Mr. McLean.
Mr. Weaver with Mr. Stokes.
Mr. Sweeney with Mr. Woodruff.
Mr. Burch with Mr. Moynihan.
Mr. Smith of West Virginia with Mr. Beck.
Mr. Flanagan with Mr. Marshall.
Mr. Almon with Mr. Reece.
Mr. Harlan with Mr. Arens.
Mr. Sears with Mr. Kvale.
Mr. May with Mr. Peavey.
Mr. Pierce with Mr. Simpson.
Mr. Utterback with Mr. De Priest.
Mr. Burke of Nebraska with Mr. Cannon of Wisconsin.
Mr. Foulkes with Mr. Hoidale.
Mr. Kopplemann with Mr. Kramer.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the resolution.

The resolution was passed.

The title of the resolution was amended.

On motion of Mr. BUCHANAN, a motion to reconsider the vote by which the resolution was passed was laid on the table.

BEER BILL

Mr. O'CONNOR. Mr. Speaker, I offer a privileged report from the Committee on Rules and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 57

Resolved, That immediately upon the adoption of this resolution the bill H.R. 3341, with Senate amendments thereto, be, and the same hereby is, taken from the Speaker's table to the end that all Senate amendments be, and the same are, disagreed to and a conference is requested with the Senate on the disagreeing votes of the two Houses.

Mr. BLANTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. Is the request of the gentleman a privileged matter?

The SPEAKER. It is privileged; yes.

Mr. BLANTON. Does it not require unanimous consent to take this bill from the Speaker's table at this time, when the motion is not preferential—to concur; but to disagree to the Senate amendments and ask for a conference?

The SPEAKER. It requires a two-thirds vote on the passage of the resolution.

Mr. BLANTON. But, Mr. Speaker, this is not suspension day.

Mr. O'CONNOR. Upon a two-thirds vote a report from the Committee on Rules can be taken up on the day it is reported. This is provided by paragraph 725 of the rules.

The SPEAKER. The rule is clear.

Mr. BLANTON. Mr. Speaker, regardless of that, the gentleman from New York, who is in charge of the time, is always fair. Will he not give us 5 minutes on this matter?

Mr. O'CONNOR. Certainly.

Mr. BANKHEAD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BANKHEAD. The question now, as I understand it, is one of consideration, whether or not the House, by two-thirds vote, shall agree to consider the resolution.

The SPEAKER. The gentleman is correct.

The question is, Shall the House now consider this resolution?

The question was taken.

The SPEAKER. In the opinion of the Chair, two-thirds having voted in the affirmative, the House decides to consider the resolution.

Mr. O'CONNOR. To begin with, let me assure the House that very few minutes will be consumed in the discussion of this matter.

The beer bill has come back from the Senate with some 43 amendments pertaining to three matters. The first is that the Senate wants to insert wine and vinous liquors, not to exceed an alcoholic content of 3.05 percent by weight. The wine to which I referred the other day I have been given to understand was not so very interesting. The second and the most important amendment added to the bill was that affecting the alcoholic content. Within a few months the House has twice passed a beer bill fixing the alcoholic content of beer as 3.2 percent by weight. The Senate has for the first time passed a beer bill and has fixed an alcoholic content of 3.05 by weight.

Without presuming or attempting in any way to influence the conferees, I express my own personal hope and that of a number of Members of this House who have conferred with me, that the conferees on the part of the House will endeavor to obtain an alcoholic content of 3.2 instead of 3.05.

Mr. LAMNECK. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. LAMNECK. Is it not true that many of the States have passed legislation legalizing 3.2 percent beer and that if we accept an alcoholic content of 3.05 it will necessitate the reenacting of legislation in these States and cause a lot of trouble?

Mr. O'CONNOR. That is one of the reasons I was going to ascribe.

Mr. ALLGOOD. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. ALLGOOD. Is not the contention between the House and the Senate the holding of the Senate that an alcoholic content of 3.2 is intoxicating but that an alcoholic content of 3.05 is not intoxicating?

Mr. O'CONNOR. The gentleman is anticipating what I was going to say. If I may proceed for a few minutes, I think I can clear up the situation.

Mr. ALLGOOD. As I understand, this is the contention between the two bodies.

Mr. O'CONNOR. Yes. After hearing testimony at length before the Committee on Ways and Means in which many experts testified that beer containing 3.2 percent alcohol by weight was not intoxicating, which testimony was in accord with that taken before the Committee on the Judiciary some 2 years ago, this percentage was fixed.

Mr. TREADWAY. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. TREADWAY. Will the gentleman be kind enough to give me his views as to the language appearing in line 5, page 1, and elsewhere in the bill? Is there any such thing as wine with an alcoholic content of 3.2 percent?

Mr. O'CONNOR. Somebody said it might be a prophylactic mouthwash, but I do not think anybody could really call it wine.

We had this testimony before us. It was overwhelmingly the opinion of the House that beer of 3.2 percent alcohol by weight is not intoxicating. When the bill went to the Senate, in the last session, as I understand it, they adopted as their basis of what is or is not intoxicating a report of a commission established by the British Parliament. This commission, I understand, found that 3.05 percent is the point of intoxication.

For one, I have always been willing to rest on the testimony of the American professors and physicians and experts who testified before our House committee, but I believe, beyond this, the American people have made up their minds that 3.2 percent is the beer they are entitled to. I believe they have made up their minds that this beer is not intoxicating, and they will be seriously disappointed if the percentage is reduced.

As I understand it, knowing nothing about the subject, this beer is made substantially 3 percent by weight, which is substantially equivalent to 4 percent by volume. The reason for the margin of two tenths of a percent in our bill is because it cannot be made exactly 3 percent and the experts testified before the Ways and Means Committee that this margin is absolutely necessary. If there were only a margin of 0.05 of 1 percent a strict compliance with the law would be impossible, with the consequent annoyance of inspections, violations, and prosecutions under the act.

So I do hope that our conferees will do all they can to maintain the position of the House, twice expressed, and bring back a bill allowing an alcoholic content of 3.2 percent.

Now, I invite your attention to the third amendment in the bill which involves a very serious principle.

The Blaine bill, when it passed the Senate, contained a provision that this beverage, called nonintoxicating in fact, should not be sold or given away to any minor. As we passed the bill this provision was deliberately taken out of the bill, but the Senate has now reinserted in the bill a provision that this nonintoxicating, harmless beverage shall not be given or sold—and mark the words—to any person under 16 years of age.

Mr. DICKSTEIN. Will the gentleman yield at this point?

Mr. O'CONNOR. Yes.

Mr. DICKSTEIN. Would that not be a matter of State regulation rather than Federal regulation?

Mr. O'CONNOR. Oh, surely, the States should take care of that; but here is the harm involved. It revives the pernicious system of Federal snooping and Federal spying in the homes of the people under such a provision. If a father or a mother gave a teaspoonful of beer to an infant, such parent would be subject to arrest and prosecution and this would invite the invasion of homes. It is not the fact that someone may not want children under 16 years of age to have it, but it opens the door to the very thing that has spelled the doom of the eighteenth amendment and the Volstead Act.

Mr. McFARLANE. Will the gentleman yield for a question there?

Mr. O'CONNOR. I yield.

Mr. McFARLANE. In view of the campaign that the brewers have put on to educate the youth of the land in the ways and means of drinking beer and other beverage permitted to be sold under this bill, that amendment would be very objectionable from their point of view, would it not? It would interfere with their educational program to let the youth of the country get drunk.

Mr. O'CONNOR. The gentleman ought not to pick on me, because if he had been here in the last session of Congress he would know that nobody in this House stood in opposition to anything the brewers wanted more than I did. I am not in favor of a beer bill for the brewers or to make profits for the brewers. I am in favor of a modification of the Volstead Act and of giving beer to the American people who want it and are entitled to it.

These are the three principal amendments and I do hope the conferees will do their utmost to sustain the position of the House.

Mr. LEE of Missouri. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. LEE of Missouri. I want to say to the gentleman that the youth of this country have already been educated on rot-gut whiskey and homebrewed beer. [Laughter.]

Mr. O'CONNOR. Mr. Speaker, I reserve the balance of my time.

Does the gentleman from Pennsylvania [Mr. RANSLEY] desire some time?

Mr. RANSLEY. Mr. Speaker, I should like to have one half of the time granted. I recognize the fact I am late in demanding this, but I shall yield back any time that is not used on this side.

Mr. O'CONNOR. I yield the gentleman 30 minutes for the time being and hope he will not have occasion to use it all.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Speaker, I simply rise to indorse every word that has just been said by my distinguished colleague from New York [Mr. O'CONNOR]. I should like to call to the attention of the House rather briefly, however, just how this 3.05 percent gets into this bill. It is fifteen one-hundredths of 1 percent less alcohol than was provided in the House bill. Just why the body at the other side of the Capitol went to England for its recipe for beer is something very hard to understand. It is true, however, that a very distinguished Member of the other body, a very ardent and sincere and conscientious dry, was responsible for the 3.05 percent limitation in the bill in the last Congress.

It just happens that another very ardent and conscientious dry Senator is responsible for it in the present bill.

Mr. BLANTON. Will the gentleman yield on that point?

Mr. BRITTEN. Yes.

Mr. BLANTON. Does not my friend know that the Senate substituted its 3.05 for the House provision of 3.2 percent at the instance of an attorney for the brewers, who said they could not in the courts maintain 3.2 percent as constitutional but could possibly maintain 3.05 percent?

Mr. BRITTEN. No; the truth of the matter is, so far as corporation insistence is concerned, it was put in at the request of the Cereal Beverage Manufacturers' Association of the United States. This association would benefit if no real beer could be manufactured at any time.

The prohibitionists are back of that slight reduction. The manufacturers of soft drinks are back of it. All cereal beverage manufacturers are back of it.

Let us not go to England for a recipe for beer, because they do not manufacture a good beer. They make very fine ale, porter, and stout.

Mr. BOYLAN. And very fine whisky.

Mr. BRITTEN. Yes; as my friend says, very fine whisky, but as for the beer that is sold in the "pubs", which means public houses, the average American would not drink it at all. Their ale, porter, and stout are fine, but if we really want a foreign recipe for beer, let us go to Germany, where the best beer in the world is made—with the exception of beer made in the United States of America. [Laughter and applause.]

Mr. BLANTON. Talk about what prohibitionists are in favor of. I, as one prohibitionist, in order to get a quick, decisive test of it in the courts, would prefer to have it 100 percent alcohol. Then some of our wet friends might admit that it would be intoxicating.

Mr. BRITTEN. Oh, no; I do not want that, because I could not drink it, and I am very fond of a good glass of beer.

Now, I hope that the House conferees will go along with the suggestion made by the gentleman from New York and insist on 3.2 beer. Many State legislatures have ratified that amount of alcoholic content. It is true they would not have to change their laws, because 3.05 is less alcoholic content.

Mr. McFARLANE. Will the gentleman state how many States have enacted such legislation as he speaks of for 3.2 percent beer?

Mr. BRITTEN. I do not know, but there are quite a number of them.

A MEMBER. Twenty-three.

Mr. BRITTEN. Now, the question about wine's being in the bill, I regard as negligible, because you cannot make a good wine with 3.2 percent alcohol. It would not be wine. It would be grape juice of questionable taste and value. That should be eliminated entirely.

On the question of sale to minors, I agree with my friend from New York. The question of giving a glass of this nonintoxicating beer to minors in the homes is not a matter for Federal Government concern. It would mean another bureau of snoopers. That language ought to be stricken from the bill.

Mr. ALLGOOD. Will the gentleman yield?

Mr. BRITTEN. Yes.

Mr. ALLGOOD. The difference between 3.2 and 3.05 is a difference between tweedledum and tweedledee.

Mr. BRITTEN. It is a difference of fifteen one-hundredths of 1 percent. The House has been accustomed for many years to talking in terms of 3.2—it means 4 percent by volume. During this period of prohibition the brewers of the United States have learned to manufacture beer which is a fine tonic even without alcohol. It has much more substance in it than any beer manufactured heretofore. It is actually a cereal beverage of real nutritious value.

I will ask the gentleman from New York if this bill goes into effect in 30 days after enactment?

Mr. O'CONNOR. Fifteen days.

Mr. BRITTEN. I thought it had been changed in the Senate. When it does go into effect, America will in a short time—and I am not speaking about Chicago but the entire United States where brewers are—manufacture the best and most wholesome, most ideal, the least injurious glass of beer in the world. [Applause.]

Mr. KENNEDY of New York. And the most healthful.

Mr. BRITTEN. And the most healthful, as my distinguished friend from New York says. I hope the conferees will insist upon the House bill. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, even though a fundamental dry, I have not yet lost my sense of humor. There are some of the funniest things connected with this beer legislation that I have ever experienced in my life. The justification that my friends make for voting for this beer is that it is not intoxicating; that it is within the Constitution.

When the House passed the Collier bill with 3.2 percent beer and it went to the Senate, you had the brewers appearing there before the hearing, and they had one of their high-paid, skillful attorneys with them, as they always have, looking after the legislation. All of us who are posted know what happened. That attorney told Senator Blaine, "We cannot maintain 3.2 percent beer before the courts of the country is nonintoxicating and constitutional, because it has been held so many times in so many courts to be intoxicating, and so many experts, scientists, chemists all over the land, even our own chemists, say that it is intoxicating. We cannot maintain it." Therefore in order to meet the brewers' objection the alcoholic content was reduced to 3.05 percent. The brewers admitted that anything above 3.05 percent alcohol by weight would be intoxicating.

I do not care what percentage is specified in the act. The specification will be disregarded. You can make it 3.2 or 3.05 or 2.75 percent by weight. The beer that the brewers are going to make and put on the market, you know and I know is going to be intoxicating. It is going to make people drunk. It is going to be sold to minors. Did they not do that before? Did they not keep open after 12 o'clock midnight in violation of law? Did they not lock the front door at 12 o'clock midnight and immediately open the back door? Did they not sell to habitual drunkards in violation of the law? Did they not break every law? Did they not keep their back room there ready to put the drunks in, so that they could sleep it off by morning? Did not many beer joints throw drunks out into the gutter? All that is going to be done again. It is going to be intoxicating beer no matter what percentage you put in it.

None of us here are fooling even ourselves by asserting that 3.2 percent beer—that is, beer with an alcoholic content of 3.2 percent by weight, which is 4 percent by volume—is not intoxicating. We all know that it is intoxicating. The courts know it judicially. It has been held many times by many courts to be intoxicating.

The press recognizes generally that such beer will be intoxicating. In the Washington Times, just off the press, is the following news item, which is of pertinent significance:

IT WILL BE REAL BEER, PROMISE MADE

RICHMOND, VA., March 17.—"Roosevelt beer" will be "real beer," an analysis of the alcoholic content of the 43 famous brews of days of yore reveals.

Pre-war brews, with the exception of three American extra-heavy and one imported beer, were all less than 4 percent alcohol by weight. Some of them were even lower in content than the 3.2 percentage of the old days.

Among the popular beers listed were Pilsner, with 2.86 percent; Pabst Blue Ribbon, with 2.93 percent; Pabst Red, White, and Blue, with 2.75 percent; and Bohemia, with 2.55 percent.

Hence it is generally admitted that the above four popular brands of pre-war beer all contained less alcoholic content than is proposed to be allowed as legal in both the House bill and the Senate bill, for the Senate bill allows 3.05 percent and the House bill allows 3.2 percent alcohol by weight, which is 4 percent volume.

The strange anomaly of it all is that in one breath the beer bill now before us provides for a beer asserted to be innocent and nonintoxicating, and in the next breath it makes it an offense to sell it to minors, because we are hoping to keep the minors sober. I do not blame our friend from New York for wanting to take that provision out of the bill, for it damns the bill eternally.

Mr. STRONG of Texas. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Yes; I want to yield to one of the greatest prohibitionists ever known in my State, a gentleman who was elected in the last Texas primary at large by the people of Texas by one of the largest majorities they gave anyone in Texas, the Honorable STERLING P. STRONG. [Applause.] I gladly yield to the gentleman.

Mr. STRONG of Texas. Under the Volstead Act, cannot the brewers manufacture beer now?

Mr. BLANTON. Yes; they can and do manufacture it, but it is supposed to contain only one half of 1 percent alcoholic content.

But that kind of beer does not have enough kick in it. It does not satisfy. It does not compete with good buttermilk raised on the farms. The kind of beer our friends are clamoring for now is the real social kind that can be drunk with one foot on the rail; the kind that causes men to forget engagements with their wives; the kind that makes fathers come in home late after all the children have gone to bed.

A dangerous feature about this bill, in addition to bringing back upon the country the demoralizing old-time beer saloon in all of its hideousness, is the provision allowing liquor advertisements. What is the use of providing protection for the dry States when national-hook-up radios in every home in every dry State will daily and nightly advertise the foaming beer from this, that, and the other brewery?

And does anybody of any experience imagine that he will get rid of gangsters by establishing beer joints? Today's press heralds the fact that Al Capone from his penitentiary cell is now planning for his trusted agents to operate three big breweries in as many cities under Government license. The beer saloons will be the meeting places of gangsters. It will be where their pet schemes are hatched. Crimes will be planned there.

I quote the following from a New York item in today's press:

CHEER UP—BEER TO HAVE KICK AFTER ALL

NEW YORK, March 17.—Busy mathematicians today figured out, for the comfort of average moderate drinkers, that in every pint of the proposed 3.05 beer there is as much alcohol as in an ordinary drink and a half of 100-proof whisky.

By volume the new beer will be about 4 percent alcohol. In volume measurements 6 quarts of beer would contain one half pint of alcohol by volume measurement. In 1 pint of beer there would be enough alcohol to fill an ordinary 1-ounce whisky glass about three fourths full.

As ordinary whisky is only about one half alcohol, there thus would be as much alcohol in a pint of beer as in a glass and a half of whisky.

Schlitz, popular brand before prohibition, contained less than 3 percent of alcohol by weight.

I hope my friend from New York [Mr. O'CONNOR] will stand pat in insisting on his 3.2 alcoholic content. I hope the committee will stand pat. We all know that 3.2 percent is intoxicating. I hope whenever they go to legalizing beer they will provide the kind of beer on the market that all beer drinkers are expecting, so that it can be handled through the courts speedily and give the Supreme Court a proper chance at it. Put it at 3.05, and you will find a thousand witnesses coming into court ready, prepared, selected, hand picked, to swear it is not intoxicating. You will find scientists ready to do that. My good friend from New York, Doctor SIROVICH, is fixing right now to get up on the floor and tell you as a scientist that 3.2 beer is not intoxicating. If he were to assure New Yorkers that, they would not have it. Mr. O'CONNOR's constituents want something that is intoxicating, something that has a real kick in it. I hope you will give them the kind they want, and the kind that the constituents of my good friend from Illinois [Mr. SABATH] want. He wants that kind. He is the king bee on this beer proposition here. He has had a bill here for 15 years to give real beer to the people. He is the high priest, the past grand master for real beer. No other kind will suit him or his constituents.

Mr. SABATH. Good!

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, a vote for this resolution will send the bill to conference, and in that way we can secure early action on the bill. If we should defeat the resolution, we shall delay consideration of the legislation. The gentleman from Texas [Mr. BLANTON] paid me a splendid compliment. I plead guilty. I have been advocating good beer for many years, and I hope before long that he himself will come to the conclusion that a good glass of beer will do him as much good as it does those who understand how to take it. My colleague from Illinois [Mr. BRITTEN] wanted to know why they took the English point of view in respect to the percentage. The only way I can explain that is to say that it was done under President Hoover's administration; perhaps that had something to do with why the English percentage was adopted. [Laughter.]

This bill has been drafted on the theory, and properly so, that beer, lager beer, ale, porter, wine, similarly fermented malt or vinous liquor, or fruit juice containing less than 3.2 percent of alcohol by weight are not intoxicating.

The Senate endeavors to prohibit the sale to and use by children under 16 years of age of these beverages, inserting the following provision:

It shall be unlawful to give or sell any of the above-named beverages to persons under 16 years. Any person violating this provision shall be subjected to a fine not to exceed $100 or to imprisonment not to exceed 6 months.

It must be observed that this provision, if correctly construed, will make anyone who may sell or give away any of these beverages with an alcoholic content under 3.2 percent guilty and will subject him to punishment, as there are traces of alcohol in fruit juices, as well as in cider—in fact, in all so-called "soft drinks", including Coca-Cola, the favorite drink of my colleague the gentleman from Texas [Mr. BLANTON], who has paid me such a high compliment.

Therefore, anyone manufacturing or selling any of these soft drinks to any person under 16 years of age will be subjected to the penalty in this amendment. I am satisfied that this was not the intent of the deliberative body on the other side of the Capitol but merely demonstrates that even great men in that august body are apt to make mistakes.

The gentleman from Texas, as is his wont, is of the opinion that the 3.2 percent beverage would be unconstitutional and that this is the reason 3.05 percent by weight has been recommended. I myself am satisfied that there has been ample evidence submitted by the outstanding chemists and experts to prove beyond any doubt that beverages containing only 3.05 percent alcohol by weight are not intoxicating. Therefore, though I should like to see 3.2 percent retained in the bill, being always desirous of complying with the Constitution of my land, I commend those gentlemen on the other side of the Capitol for their aim to give the country a bill that could not be successfully attacked.

I am not going to discuss at this late hour the merits of prohibition. That question has been settled finally by the people of this country. The only question before us is how we can, as speedily as possible, carry out the wishes and the mandate of the people by modifying the Volstead Act, by restoring to the States the rights that have been ruthlessly taken from them, and by restoring to the people their personal liberty and freedom from oppressive and unwise legislation.

I am hopeful, and I am waiting, and I have been waiting for many, many years for an opportunity to vote for a bill that would finally give to the States the rights that have been taken from them, and give to the people a wholesome beverage, not only manufactured, as it has been implied, in St. Louis and Milwaukee but in the city of Chicago, where I think a much better beer is made, and I know the Chicago breweries will be able to supply all those who really enjoy and appreciate a wholesome and nutritious glass of beer without unnecessary delay. [Applause.]

I do not desire to detain the House, but I cannot refrain from saying to my colleague [Mr. BRITTEN] that, notwithstanding his statement as to where the best beer is manufactured, there is no beer in any foreign land that can compare with the celebrated Pilsner lager beer that for 4 centuries has been manufactured in the city of Pilsen in Czechoslovakia.

Mr. O'CONNOR. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. SIROVICH].

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. SIROVICH].

The SPEAKER. The gentleman from New York [Mr. SIROVICH] is recognized for 8 minutes.

Mr. SIROVICH. Mr. Speaker, ladies, and gentlemen, for almost 6 years I have listened to the distinguished gentleman from Texas, our beloved colleague, Hon. THOMAS L. BLANTON, give vent to his sentiments and emotions upon the subject of prohibition. In this great arena of controversy public opinion seems to have looked upon him as the self-anointed, self-appointed, self-constituted guardian of the prohibition forces of our Republic. In the course of his impulsive and spontaneous remarks that the occasion necessitated he has frequently given expression to scientific facts and alleged truths that in my humble opinion the time has now arrived for me to take exception to. The subject that my dear friend, TOM BLANTON, has just discussed is the intoxicating principle of the alcoholic percentage of 3.2 or 3.05 content in beer.

For his enlightenment and for the elucidation and benefit of the new Members of the House let me advise them that beverage alcohol can be divided into four groups or classes:

First. Whisky, gin, rum, dry cognac, and brandy, which contain from 47 to 52 percent alcohol.

Second. Red wines, light wines, and champagne, which contain 10 to 18 percent alcohol.

Third. Porter, ale, and stout, which have from 4 to 8 percent alcohol.

Fourth. All forms of beer, which contain less than 4 percent alcohol.

Mr. Speaker, ladies, and gentlemen, it would necessitate the drinking of 18 glasses of beer at one time, each glass containing 3 percent alcohol to be the equivalent of one glass of whisky containing 52 percent alcohol.

Whenever an individual drinks a glass of whisky, within half an hour this whisky is absorbed through the stomach, goes into the protal circulation, from there into the liver, thence through the inferior vena cava into the heart and, through the pumping action of the heart, is immediately distributed to every cell and tissue in the human organism.

Whenever whisky, rum, dry cognac, which contain from 47 to 52 percent alcohol, is drunk, the alcohol is quickly absorbed in the stomach and is immediately burned in the tissues and cells of the body, leaving no refuse behind.

Strong drink in the form of cocktails and stimulants are usually taken before meals on an empty stomach and are thus quickly absorbed. Beer on the other hand, which contains 3.2 percent alcohol, is usually taken between meals or after meals with food mixed with it. It is not absorbed in the stomach but passes on from the stomach into the intestines where 4 or 6 hours later it is absorbed in the system. Therefore, its strong dilution prevents it from being intoxicating in nature as well as in fact. Alcohol is an antiseptic and, when taken in the form of beer, acts as an antiseptic to the mouth, to the throat, to the stomach, and to the intestines, and helps to destroy bacteria that may be present in the food or beer.

As a student of scientific medicine, I believe the weight of scientific proof is with us that 3.2 percent alcohol in beer is a nonintoxicating beverage. No experienced physician will honestly testify that this alcoholic content can produce alcoholic gastritis, kidney disease, cirrhosis of the liver, or any form of arterial or heart disease. Strong alcoholic liquor, such as gin, whisky, rum, cognac, and brandy, containing 48 to 52 percent alcohol, can cause these diseases if taken in large quantities and for a long period of time.

But the most important thing that I desire to call to the attention of every Member of the Congress of the United States, and particularly to my dear friend, TOM BLANTON, is the fact that so long as beer contains proteins, carbohydrates, minerals, vitamins, and other food products in the stomach the alcohol content of 3.2 is not absorbed from the stomach, but passes from this organ into the intestines, where 4 hours later it is absorbed through the lymphatics and lacteals.

Beer contains proteins, which are the chemicals used to replace the worn-out tissues that are daily taking place in the human system. Besides proteins beer has carbohydrates. Carbohydrates are burned in the tissues and cells, just as the coal is burned in the furnace to produce heat and energy and strength in the human organism. There are very little traces of fat in beer. Fats are burned in the tissue of the body when the carbohydrates are consumed. They are used as substitutes or reserves when the carbohydrates are consumed. Beer contains lactic acid, which the distinguished scientist, Professor Metchnikoff, former chief of the Pasteur Institute, contended was responsible for the prevention of putrefaction in the intestines.

The destruction of these putrefactive organisms by lactic acid in the opinion of Professor Metchnikoff would prolong human life and be responsible for longevity.

Mr. Speaker, ladies and gentlemen of the House, the fundamental object of my address from a scientific standpoint was to prove, first, that 3.2 percent alcohol in beer is a nonintoxicating beverage, and, second, that beer contains all the ingredients that healthful, nutritious food must possess—proteins, carbohydrates, fats, vitamins, minerals, and water. Without these chemical constituencies in food a human being would live but a short time.

What are some of the minerals contained in beer? The first mineral is potassium oxide. Potassium is present in the soft, solid tissues of animal life. It is present in the corpuscles of the blood and is found in the muscle protoplasm of the heart. No human or animal can live without potassium. Sodium oxide is present in beer. It is found in blood and the other fluids of our body. It is present in the gastric, salivary, and intestinal secretions. Sodium and potassium relax the muscles of the heart while calcium contracts it. Calcium is found in beer. It is necessary for the growth of bone and teeth in mankind. Calcium prevents a human being from bleeding to death. Ninety nine percent of the calcium that we take in our body goes to form bone and teeth development. Calcium helps to coagulate our blood. Iron oxide is found in beer. Iron unites with oxygen in the blood and is carried to every cell and tissue in the body. Without iron in the blood life is impossible.

Sulphur trioxide is present in beer. With silicon, it helps to develop the nails and hair of the human body. Phosphoric pentoxide is present in beer. Without phosphorus compounds no living cell could exist in the human body. The acidity of the lungs in human beings is due to the presence of phosphates in our blood. The absence of phosphates causes the lungs to become alkaline in reaction, which makes them susceptible to tuberculosis. Thus you see, Mr. Speaker, ladies, and gentlemen, the wonderful content of minerals that is found in beer that makes beer a fit food for human consumption.

Mr. BLANTON. My good friend, the distinguished scientist, Dr. SIROVICH, of New York, has left one thing unmentioned that alcohol has in it, and that is snakes. [Laughter.]

Mr. SIROVICH. It is the kind of intoxicating snakes that comes from prohibition fanatics who become intoxicated with their own ideas and give vent to sentiments that we expect to hear from those who have drunk whisky, alcohol, and gin, and come here and give these snake talks. [Laughter and applause.] But, Mr. Speaker, intoxication is not only attributable to drink. We have all kinds of fanatics that are intoxicated. We have prohibition fanatics that are intoxicated with the importance of their own thoughts. We have religious fanatics. We have fanatics on wealth, on property rights, on political rights, and the tribute that I want to pay to my friend is the tribute that he would want everyone to pay him. We believe that he is sincere. However, we believe that a man who cannot stand defeat does not deserve victory. I have stood on the floor of this House for 7 years advocating the repeal of the eighteenth amendment and modification of the Volstead Act. I have lived to see it realized. When I began to fight to have the Government remove the poison from alcohol, we had 56 wets. I remember the exhilaration, the fanatic intoxication that animated our distinguished gentleman from Texas [Mr. BLANTON] as he said the time would never come when the eighteenth amendment would be repealed and the Volstead

Act modified. I never believed it would come. However, a new declaration of independence has been proclaimed to the world and to the Republic. It is a liberalization of the temperance laws that will make it possible for human beings to get through education what they could not get through legislation. [Applause.]

Mr. BLANTON. The saloon has not come back yet. It has not gotten by the Supreme Court yet. It has not gotten by the fathers and mothers in the States yet.

Mr. SIROVICH. I have more confidence in the intelligence of the Supreme Court than I have in the wisdom of my friend from Texas. [Laughter.]

Mr. BLANTON. I have more confidence in the opinion of the Supreme Court on what is constitutional than I have in the opinion of Dr. SIROVICH on what beer is intoxicating.

Mr. BOYLAN. Will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. BOYLAN. Did I understand the distinguished medical authority to say that the gentleman from Texas [Mr. BLANTON] was intoxicated here? [Laughter.]

Mr. SIROVICH. The gentleman is as much intoxicated on prohibition as the inebriate who is intoxicated upon alcohol.

Mr. BLANTON. Just as my two wet fanatical friends from New York are becoming intoxicated on antiprohibition. Is it not a fact that when a fellow is drunk, he imagines that everybody else is drunk? [Laughter.]

Mr. SIROVICH. That depends upon what the gentleman means by being drunk. A man once defined a drunkard by saying:

> Not drunk is he who from the floor
> Can rise again and drink some more;
> But drunk is he who from the floor
> Can neither rise nor drink no more.

[Laughter and applause.]

Mr. Speaker, ladies, and gentlemen, personally I have never drunk any intoxicating beverages. I have never condemned the use of liquor, but only its abuse. I believe in moderation in every form of indulgence. That my tolerance goes so far as to respect every word and sentiment that has been expressed by our indefatigable and persevering worker, the Honorable THOMAS BLANTON. Let us give praise to Him from whom all blessings flow. Let us congratulte the people of the United States that in this the twentieth century of civilization reason has again taken possession of the temple of our Government. That passion that fanned the flame of prejudice has been driven from the throne where judgment and reason now calmly deliberate and meditate. Let us again, therefore, celebrate on this St. Patrick's Day the return of temperance to the people of the United States and the indication of a new declaration of human rights that must be respected by civilized society. [Applause.]

Mr. BLANTON. Why does my good friend from New York want to put onto 16-year-old boys something that he has never drunk himself?

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Speaker, I was thinking while listening to my distinguished colleagues from Texas and New York that it might not be amiss today, the 17th of March, the day when people of Irish blood throughout the world are doing honor to the patron saint of Ireland, St. Patrick, to call the attention of the House to the fact that probably the greatest apostle of temperance in history was the Reverend Theobold Mathew, a Catholic priest. He was born in Ireland, and had the honor and distinction of being received by the Congress on the floor of this House many years ago.

I have been a member of a society called the Father Mathew Total Abstinence Society since I was 14 years of age, the minimum age at which one is eligible to enter. Upon entrance a pledge is taken to abstain from all intoxicating liquors. I have kept this pledge since the day I was 14. I say this merely as a preliminary to stating that I think this bill is a temperance bill. There is no use discussing present-day conditions with regard to drink, for we all know what they are. I hope this bill will be sent to conference.

One Senate amendment to the bill is the prohibition of sale or gift to minors under 16 years of age. A beverage with an alcoholic content of 3.2 percent under this bill is supposed to be not intoxicating. Either it is or it is not. If it is not intoxicating, it seems foolish to put in the provision that it shall not be sold or given to minors under 16 years of age. I hope the bill will be sent to conference and this matter ironed out. I think it should be taken out of the bill. I hope we will speedily pass this bill, which I consider a temperance measure, and thereby get some revenue for the Government.

Personally, I do not believe it is the use of beer which has caused our liquor problem, but the abuse of it.

I believe everyone who wants to drink a glass of beer is entitled to do so, provided, of course, he does not abuse the privilege.

I think this bill is a temperance measure. I hope the bill goes to conference, and I trust we will promptly enact this legislation.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. RICH. What is there in this bill which prohibits the return of the saloon?

Mr. CONNERY. The States will take care of that.

Mr. RICH. Does the gentleman think the States will take care of it?

Mr. CONNERY. I know they will. I may say to the gentleman that my father before me for 50 years was an enemy of the saloon. I am an enemy of the saloon. Under no conditions do I wish to see the return of the saloon; but I see how conditions are today throughout the country, and they are just as bad, if not worse, than the saloon. I do not want the saloon to come back, and I believe the people, especially the women, will see to it that it will not come back.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to, and the Chair appointed the following conferees: Messrs. DOUGHTON, CULLEN, MCCORMACK, TREADWAY, and WATSON.

RECESS

Mr. BYRNS. Mr. Speaker, the chairman of the Committee on Banking and Currency requested that the House stay in session until 3 o'clock with the view of giving that committee the opportunity of presenting a bill giving State banks the same privileges that have been given to national banks. Therefore, Mr. Speaker, I move that the House stand in recess until 3:05 o'clock p.m.

The motion was agreed to; accordingly (at 2:51 o'clock p.m.) the House took a recess until 3:05 o'clock p.m.

AFTER RECESS

The recess having expired at 3:05 o'clock p.m., the House was called to order by the Speaker.

STATE BANKS

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take up immediately, as under suspension of the rules, the bill (H.R. 3757) to provide for direct loans by Federal reserve banks to State banks and trust companies in certain cases.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, reserving the right to object, I dislike very much to object to anything that in any way will promote needed legislation, but here is a new bill that is not even in print. It has taken the Treasury Department 2 or 3 days to find out what is in the bill. The Members of the House do not know anything about it, and will have no opportunity to even read it. It seems to me to be only fair to the Members of the House, and we have tried to be fair in all of these matters, to let this matter

go over until Monday, and let us try to digest the bill and find out what is in it. It is not going to hasten matters by passing the bill today, because, as I understand, the Senate has adjourned until Monday. If we could wait and take up the bill on Monday, I think it would be more satisfactory all around, and the people would understand the bill, know what is in it, and we would be in better shape to consider it. I wish the gentleman would let it go over until Monday morning. I am asking this in order that we may better understand the bill, and that it may be more carefully and studiously considered, and not that I am opposing the bill or in any way want to delay the program.

Mr. STEAGALL. Mr. Speaker, I appreciate the spirit of cooperation which the gentleman from New York and other Members on his side have shown in the difficult situation in which we find ourselves at this time. I had spoken to the gentleman about this particular bill and stated the request I expected to submit, and I understood the suggestion to meet his approval.

The Committee on Banking and Currency at a full meeting reviewed this legislation and reported it unanimously.

I agree with the gentleman that ordinarily legislation of this importance should be given more consideration by the Membership of the House. I may say to the gentleman that this bill is necessarily technical in some of its provisions, and, it is true, that in some of the efforts to deal with the problem involved in this bill it has been disclosed that we were in some difficulty from a technical standpoint.

This bill, however, is the result of mature consideration by the Treasury officials, the Federal Reserve Board officials, and their experts, and it has received the personal consideration of the President. It was considered at some length and discussed at considerable length recently with Senator GLASS. I do not offer this as a reason for my request, but I have labored with it considerably for days, along with other members of the Banking and Currency Committee, and attended the conferences in connection with the preparation of the bill, and it is agreed by everybody who has read it or attempted to pass judgment upon it that the legislation will accomplish the result which, according to my information, is desired by practically every Member of the House and Senate, and certainly desired by many people throughout the country.

It brings into the provisions of the emergency act passed on Thursday of last week State nonmember banks and trust companies that will be permitted, under this bill, to borrow, temporarily of Federal Reserve banks and to use as collateral, the same as was provided in the legislation of last week for member banks of the Federal Reserve System, any security whether eligible or not under the general provisions of the Federal Reserve Act that may be found to be satisfactory to Federal Reserve officials, and to permit Federal Reserve banks to take these securities tendered by State banks just as they may do with similar securities tendered by member banks of the Federal Reserve System and use these securities as a basis for the issuance of Federal Reserve bank notes, the kind of currency that we are attempting to supply the banks of the country at this particular time to meet the unusual difficulties of this hour.

There is not any reason why a State bank, supported by citizens of this country, should not enjoy the same benefits conferred in the emergency act of last week upon national banks. There is no reason why the same benefits in allowing use of Government credit to enable banks that are embarrassed or find it necessary to replenish their cash supply should not be extended to State banks just as to other institutions. There is no reason why State nonmember banks in this situation should not enjoy the same consideration at the hands of the Government as member banks of the Federal Reserve System, provided that in extending these benefits through a Federal Reserve bank we require nonmember banks to carry their just portion of the burdens that are borne by the member banks of the Federal Reserve System. This bill is safeguarded in this regard by a provision which requires nonmember banks, during the time of their indebtedness to a Federal Reserve bank, to maintain with the Federal Reserve bank the same reserve requirements that are exacted of a member bank, and a nonmember bank can only receive these loans, when permitted to do so, under the same rules and regulations that are prescribed by the Federal Reserve Board for national banks and for other State banks that are members of the Federal Reserve System.

I know the gentleman feels just as all of us do about the distress in which the banks and the depositors and the public and the trade and commerce of the country are involved at this time, and it is the earnest desire of the administration that this legislation be passed this afternoon by the House, in order that the country may know tomorrow morning that it is the purpose and the determination of the administration and of the Congress to grant this relief to State banks and to deal with this emergency as comprehensively as it is possible to do in the short time we have been allowed for the consideration of this bill.

I want to appeal to the gentleman to show the same spirit of magnanimity, the same desire to cooperate, that he has shown heretofore, and let us pass this legislation, which is only supplementary to the larger bill which was considered in the House last week under a similar rule without objection.

Mr. SNELL. I want to say to the gentleman from Alabama that he did speak to me about this matter, and I supposed he was reporting back the same bill that came from the Senate with minor amendments. I did not go over them. He is right in saying he did speak to me about it.

I want to be fair, but there is a limit to taking everything, every request that comes from the Treasury Department, without any explanation whatever. I know the gentleman would not be in favor of that, except in an emergency, and as a matter of fact the emergency cannot be overcome before Monday, because the Senate will not be in session before Monday.

Mr. STEAGALL. I thought I made clear to the gentleman that it is earnestly desired that the public may be informed of what they may expect in this legislation. There are many communities in the United States whose entire commercial and business life is involved in State banks serving those communities, and they are waiting anxiously the word that will be sent them from Washington as to this legislation.

Let me say this: The gentleman very magnanimously agreed last week to take up under the same procedure which we advocate this afternoon the main bill dealing with this emergency and the difficulties of the banks.

This bill is a part of that legislation and an important part of it. The legislation is not complete without this. Until this is done the State banks of the country are in a sense separated from the benefits of the legislation afforded by Congress, to which they have an equal right with banks that are members of the Federal Reserve System. If we withhold the relief, it would accentuate their difficulties and their distress and perpetuate the action which we all agree is unjust to them.

Mr. SNELL. Does the gentleman take the position that the State banks that are not a part of the Federal Reserve System are as much entitled to the benefits as the banks that have borne the burden and helped build up the system in the last few years?

Mr. STEAGALL. I do not, but I do say that there is no line of differentiation between communities and citizenships in the United States whose commercial life and trade are wrapped up in State banks and those whose interests are tied up with banks that are members of the Federal Reserve System. [Applause.]

Mr. SNELL. I agree with the gentleman as to that.

Mr. STEAGALL. We intend to deal justly with the situation to which the gentleman refers. We have incorporated in this bill a provision that any State bank that receives the benefit of this legislation—that receives a loan through a Federal Reserve bank—must obtain the loan under the same regulations, rules, and restrictions of the Federal Reserve Board that apply to banks that are members of the

Federal Reserve System; and in view of the fact that nonmember banks cannot establish the necessary connection in the short time allowed, we have provided that instead of subscribing to the stock of the Federal Reserve bank, as required of member banks, the nonmember banks may deposit with the Federal Reserve bank in cash the same amount that is required of member banks in the reserve. They must come in under every requirement that would be exacted of them as if they joined the Federal Reserve System. All agree that it is desirable to have State nonmember banks that are in condition to establish connection with the Federal Reserve System to join the system.

There are many State banks that are not members of the Federal Reserve System that would like to join, but that cannot establish that connection in just a day or two in the present confused condition of things. There are many banks that will be admitted under this bill that will be able to solve their difficulties at this time, and once they are in, once they have set up their reserves with the Federal reserve banks and received the benefits of that connection, they will become finally and forever members of the Federal Reserve System. That is a very desirable thing for the banks and for the country.

Mr. BEEDY. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. BEEDY. Under reservation of the right to object, I think we ought to get the facts before the House. There is no Member on the Democratic side of the Chamber who is more anxious to bring all State banks within the purview of this emergency legislation than I, and the same thing can be said of every other Member on this side of the aisle. The gentleman has stated with great detail the purpose sought to be accomplished by the measure whose consideration he asks under the unanimous-consent request, but the fact is that there is very grave doubt as to whether the bill as phrased accomplishes the purpose sought to be accomplished. The gentleman knows that is so.

Mr. STEAGALL. Oh, I beg the gentleman's pardon. The gentleman should not attempt to attribute to me an opinion that I utterly repudiate.

Mr. BEEDY. Let us see. I am not complaining, but I am stating the facts. I have been very much concerned at a delay of some days which have passed without action on this legislation. It ought to have been brought into this House for action before today. The Robinson bill, of which this bill is a disguised remnant, passed the Senate early this week. Since that time it might as well have been lost. I do not know where it has been. Members of the committee today in this House could not tell me where the bill was.

This noon I arose to ask the Speaker where that bill was and learned that it had come over from the Senate and had been referred to our committee. There was not a member of the committee on this side of the aisle who knew a thing about this bill until about a half or three quarters of an hour ago, and the gentleman from Alabama knows it. If it is a bill so complicated, so complex—as the gentleman says it is—if it is so highly technical in its nature that it took several days for the President and the Treasury Department and the Federal Reserve Board to digest it, does the gentleman think it is right to ask our Committee on Banking and Currency to swallow it in 30 minutes and bring it in here now with the plea that it must be passed this afternoon as a matter of emergency?

The fact is that we cannot serve the country today by passing this bill. Let us have a day to determine whether this bill means what it says and says what it means.

Mr. BUSBY. I want to join with the gentleman.

Mr. BEEDY. We want to know a greater measure of assurance as to the force and effect of this bill. A technical phrase in the body of the bill was called to the attention of the chairman of our committee in its hurried meeting of a few minutes only, and the question was asked as to what the phrase meant. It is open to various interpretations. It was suggested that if there be any question as to what the phrase means, it should be made clear by specific reference to the specific section in the emergency legislation of March 9, or in the Federal Reserve Act, so that it may not be susceptible of varying interpretations. Then in its administration there could be no opportunity to make fish of some State banks and fowl of others. But the gentleman said, "Oh, wait a moment; we cannot do that; just let this thing lie; do not disturb it, do not try to define it; we must not do that. If we do, we cannot pass it through the Senate." Does the gentleman now say to this House, in view of these facts, that there is not some question as to how this bill is going to operate, and what it means?

Mr. STEAGALL. Does the gentleman ask me a question?

Mr. BEEDY. Yes.

Mr. STEAGALL. I will say to the gentleman that the President of the United States, the experts of the Federal Reserve Board and of the Treasury, and the Secretary of the Treasury, and the Banking and Currency Committee of this House, unless the gentleman desires to say there are two exceptions to this statement, have all agreed that the language is clear, and I submit to the gentleman as a lawyer that it is clearer to say that State banks may tender their eligible and noneligible paper than it is to say that they may tender eligible and noneligible paper as defined in one particular section of some act, which would limit it absolutely to the provisions of that section. The language here is "eligible and noneligible," and there is not a banker or a lawyer or a Member of this House who does not know that when we say that a State bank may come in and tender its eligible or noneligible paper that we have let that State bank in with all of the paper it has, and that is what is desired.

Mr. BUSBY. Mr. Speaker, will the gentleman yield?

Mr. BEEDY. Oh, the gentleman has asked me a question, and I should like to answer it.

Mr. STEAGALL. I will say to the gentleman that, if he deplores the delay in this legislation, he should join us now in accomplishing its passage.

Mr. BUSBY. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Mississippi.

Mr. BEEDY. Oh, the gentleman from Alabama has asked me a question. Does he now refuse to let me answer it?

Mr. STEAGALL. I beg the gentleman's pardon.

Mr. BUSBY. Mr. Speaker, I demand the regular order, so that we may know where we are.

Mr. BEEDY. I have reserved the right to object, and now I yield to the gentleman.

Mr. BUSBY. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection?

Mr. BEEDY. I shall object, if that is the course to be taken. I reserve the right to object, and I yield to the gentleman from Mississippi [Mr. BUSBY] to say what he wants to.

Mr. BUSBY. All of this talk on one side is all right; but I say that the Banking and Currency Committee in a regular way has had no opportunity to consider this legislation, and I want to disabuse the House of any such impression, if they have that impression.

We have not had an opportunity to consider any of the legislation that has been brought in, and such arrangements as have been made have been made by the chairman for us, and we have met informally and have had no appropriate or reasonable consideration of any of these bills. I do not think it is fair to charge our committee with the responsibility of having considered it maturely. That is what I wanted to say.

Mr. BEEDY. Mr. Speaker, the gentleman from Alabama [Mr. STEAGALL] asked me a question. The gentleman called my attention in the preface of his question to the fact that the President of the United States, the Secretary of the Treasury, the Federal Reserve Board, and other authorities agree that this bill means what it says and says what it means. We have just had an outstanding example of the fact that even the President, the Secretary of the Treasury, the Federal Reserve Board, and other high officials make

mistakes. They set out to accomplish by the so-called "Robinson bill", which passed the Senate the other day, what you now are trying to accomplish here. The President of the United States had read that bill and knew what it meant. The Secretary of the Treasury had agreed to it. The Federal Reserve Board had passed upon it; yet, after it had passed the Senate, someone discovered that it did not do the thing it was designed to do at all. Thereupon the bill which had been conceived and delivered by our high authorities on banking and finance, that bill was held up; and, after being rewritten in secret conclave wherein no minority member of our committee was permitted to enter, must now be swallowed whole by this House in a few minutes. This cannot be. I, for one, refuse to be blindfolded and led in darkness.

I would not hold up this bill for 5 minutes if by passing it now I knew it would accomplish what we want it to accomplish. But whatever hidden meaning it may carry it could not be used by any banks tomorrow, even if it were passed by the House today. The Senate must pass upon this bill before it becomes a law. But the Senate has adjourned until Monday. We can have tomorrow to study this bill. The House can pass it Monday noon and the Senate can pass it before adjournment Monday evening. No delay whatever will be occasioned.

I beseech the gentleman, because we all desire to help the State banks, I abjure the gentleman, to let us sleep on this legislation so that when we do act upon it we can make sure that it will extend the same rights and privileges to all State banks which are not members of the Federal Reserve System.

Mr. STEAGALL. Will the gentleman tell this House that he does not understand the provisions of this bill?

Mr. BEEDY. Yes. I say without any hesitancy that if I were called upon to make loans on "eligible paper", in pursuance of the provisions of this bill, I would not know whether the loans should be confined to "eligible paper" as defined in the Federal Reserve Act or the eligible paper defined in regulations of the Federal Reserve Board, or to the eligible paper classified under section 401 of the emergency act of March 9. It should be made clear whether "eligible paper", as used in this bill, includes all or excludes any one of these classes. Otherwise a broad discretion amounting to a gross discrimination could be exercised. It might be said to bank A, "That is not the kind of eligible paper I am going to loan you money on under the provisions of this act", while it might equally well be said to bank B, "That is the kind of eligible paper I am going to loan you money on." When I vote to give this loaning power—and I want to give it for the benefit of all State banks upon the same terms and conditions—I want to be sure that every State bank, the bank in the small town, with a small capital stock, if it is sound, can take advantage of this law and that fish cannot be made of one bank and fowl of another bank. Does not the gentleman join me in that?

Mr. STEAGALL. I do not join the gentleman——

Mr. BEEDY. Does the gentleman mean to say that he does not want this bill to be so written as to give assurance that all banks will be treated alike?

Mr. STEAGALL. The bill so provides and so requires.

Mr. BEEDY. So you state; but I disagree with your conclusion.

Mr. STEAGALL. Every regulation and rule that applies to a State member bank must be applied to a State nonmember bank who receives the benefit of these loans. The bill that was passed last week provided that national banks and member banks of the Federal Reserve System could enjoy the benefits of the legislation provided in this bill, first, upon the condition that it had no further eligible paper, and then the provision that if they had no eligible paper, they might tender noneligible paper. The language we employed in extending those benefits to State banks is the identical general language employed in the section of the bill last week, which extends the same benefits to member banks of the Federal Reserve System.

There is not in the legislation of last week any such enlargement or definition of the terms "eligible" and "noneligible" as the gentleman seeks to incorporate in this bill. The gentleman voted for that bill last week, in which the collateral to be tendered was described generally as "eligible and noneligible." All we want to do by this bill is to provide that a State bank should tender its eligible or noneligible paper, and that gets all the paper it has, just as it does with a member bank of the Federal Reserve System.

Mr. BEEDY. Now, let us see if we cannot save some time. Will the gentleman agree with me that section 401 of this emergency act does define "eligible paper" for the purposes of this act?

Mr. STEAGALL. It does not define "eligible paper."

Mr. BEEDY. Well, it classifies it, does it not?

Mr. STEAGALL. It classifies paper that may be tendered and regarded as eligible. The section to which the gentleman refers is not the only definition of "eligible paper" in the Federal Reserve Act.

Mr. BEEDY. Exactly; but it is eligible paper for which the gentleman says I voted, and for which he voted the other day.

Mr. STEAGALL. But it is defined there in general language, just as we described here.

Mr. BEEDY. Very good. Then will the gentleman say with me today that in this bill he will agree to insert after the words "eligible paper" the words "as defined in section 401 of this act"?

Mr. STEAGALL. Why?

Mr. BEEDY. Why not?

Mr. STEAGALL. Why particularize when we have employed the very language conveyed in that act?

Mr. BEEDY. You yourself have just told the House that this act of March 9 does not contain the only legal classification of "eligible paper." What kind of eligible paper do you want State banks to be able to borrow on? Do you wish State nonmember banks and member banks to stand on the same footing in this regard? I do. I cannot for the life of me see why the gentleman objects to making it perfectly clear to the public.

Mr. STEAGALL. I object for the very reason the gentleman has suggested, which is untenable, that if we attempt to define "eligible," then we have limited the application of this law to the identical language in which we define the word "eligible"; but if we employ general terms, "eligible and noneligible," as were employed in the bill passed last week for national banks, for which the gentleman voted, we know what we have done. There is no limitation.

Mr. FULLER. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is demanded.

Is there objection to the request of the gentleman from Alabama?

Mr. BEEDY. Mr. Speaker, I object.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KVALE (at the request of Mr. BOILEAU), indefinitely, on account of illness in his family.

To Mr. STRONG of Pennsylvania, for a few days, on account of important business.

To Mr. WOODRUFF (at the request of Mr. MAPES), indefinitely, on account of death in his family.

RELIEF OF DISTRESSED IN CALIFORNIA FROM EARTHQUAKE, 1933

Mr. TRAEGER. Mr. Speaker, I ask unanimous consent to extend my remarks on the relief bill passed by the House this afternoon by incorporating therein a telegram from the Board of Supervisors of Los Angeles County.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. TRAEGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following telegram

from the Board of Supervisors of Los Angeles County, Calif., relative to the relief bill passed by the House this afternoon:

LOS ANGELES, CALIF., *March 13, 1933.*

UNITED STATES CONGRESS,
Washington, D.C.:

Following resolution adopted by the Board of Supervisors, Los Angeles County:

"Whereas there exists in the municipalities of Los Angeles County an immediate emergency as the result of recent earthquakes which calls for the immediate reconstruction and rehabilitation of community industry and property therein; and

"Whereas property owners and other tax-paying persons in the stricken area, due to conditions over which they have no control, cannot support the sudden burden of this reconstruction and rehabilitation program; and

"Whereas damage to public and private properties totaling a sum of several millions of dollars yet undetermined is estimated by a preliminary survey in the stricken area; and

"Whereas there are no local, county, or State sources of finance for the immediate commencement of a needed rebuilding program; and

"Whereas under the Reconstruction Finance Corporation Act money from this source cannot legally be used for the reconstruction and rehabilitation of communities damaged or destroyed by natural disaster: Now, therefore, be it

"*Resolved*, That the board of supervisors petition the Congress now in session to amend the Reconstruction Finance Corporation Act so that money from this source may be used for the relief of the stricken southern California area, or, if this is not possible, that by a special act of Congress appropriations of funds for the hereinbefore-mentioned reconstruction and rehabilitation program be made at once."

MAME B. BEATTY,
Chief Clerk, Board of Supervisors, Los Angeles County.

STATE BANKS

Mr. BYRNS. Mr. Speaker, I wish to inform the gentleman from New York and the gentleman from Maine that several gentlemen left here this afternoon after having been informed we would not have a session tomorrow. If this matter goes over until Monday, would there be any objection to taking it up promptly on Monday and disposing of it?

Mr. SNELL. Not a bit.

Mr. STEAGALL. The gentleman from Tennessee should make the same request on this side.

Mr. BYRNS. I will. Mr. Speaker, I ask unanimous consent that this bill be made the order of business immediately after the reading of the Journal and the disposal of business upon the Speaker's table on Monday next.

The SPEAKER. The Chair suggests that Monday is suspension Day.

Mr. FULLER. Mr. Speaker, reserving the right to object, are there any printed copies of the bill?

Mr. BYRNS. Yes.

Mr. FULLER. Copies of Senate bill no. 320 have been distributed. Is that the same as the bill the gentleman is seeking to bring before the House?

Mr. BYRNS. No; it is entirely different.

Mr. POU. Plenty of printed copies of the bill will be available in the morning.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, may I ask the gentleman from Alabama [Mr. STEAGALL] if this unanimous-consent request is granted, will there be any opportunity in the consideration of the bill Monday to amend it to include the conservator section of the bill S. 320?

Mr. STEAGALL. I may say to the gentleman that I am in sympathy with the suggestion that has been made looking toward an amendment of the Emergency Act in connection with privileges for loans to conservators, but I hope the gentleman will not insist on bringing up a matter extraneous to the purpose sought to be accomplished by this legislation.

Mr. SNELL. Is not the unanimous-consent request, Mr. Speaker, a request that the bill shall be in order to be considered under the rules of the House?

Mr. STEAGALL. Mr. Speaker, I shall not be able to consent to that. If the gentleman is not willing to consider the bill now, I think the House will find a way to adopt a rule to consider it at a later time.

Mr. SNELL. We are willing to grant it now. I just want to know what the unanimous-consent request was.

Mr. BYRNS. I do not want to submit a unanimous-consent request without the consent of the chairman of the committee. I was simply trying to relieve the situation by getting unanimous consent to take this bill up the first thing Monday morning after the reading of the Journal and the disposition of business upon the Speaker's table.

Mr. SNELL. Under the general rules of the House, I suppose.

Mr. BYRNS. Monday is suspension day. Of course, the gentleman can resort to suspension, if the Speaker will agree to it.

Mr. SNELL. I think the bill will go through. We want just a little time.

Mr. STEAGALL. There will be no objection to giving some time. I will agree to that.

Mr. SNELL. I just want to know how it will be taken up.

Mr. GOLDSBOROUGH. Mr. Speaker, I want to ask the gentleman from Maine if he will not withdraw his objection to considering the bill at the present time? All of us are under terrific pressure from banks all over the country to pass this bill.

Mr. BEEDY. I have been anxious to consider this bill ever since it lost itself over in the Senate.

Mr. GOLDSBOROUGH. The gentleman will admit this bill will help the situation?

Mr. BEEDY. Certainly.

Mr. GOLDSBOROUGH. If it is not exactly what the gentleman wants, it can be amended in the Senate.

Mr. BEEDY. The Senate has been making a number of mistakes lately, and I do not care to trust it with this bill.

Now, if the gentleman will yield to me, can we not have a meeting of the Committee on Banking and Currency tomorrow morning to give the other members of the committee a chance to know the contents of this bill and understand it? Then we will be ready to bring it in here on Monday and consider it. We all want it, but we want it right. We do not want to commit an error similar to that which the Senate recently committed.

FORWARD WITH ROOSEVELT

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein an address delivered by my colleague the gentleman from West Virginia [Mr. RANDOLPH].

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. DISNEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by my colleague the gentleman from West Virginia [Mr. RANDOLPH]:

SPEECH OF HON. JENNINGS RANDOLPH, OF WEST VIRGINIA, BEFORE THE WAR VETERANS DEMOCRATIC CLUB OF THE DISTRICT OF COLUMBIA, MARCH, 15, 1933

It is indeed with great pleasure that I consider your kind invitation to become an honorary member of your club and to come to you tonight for a short visit and a brief speech. I thank you for the conferring of membership upon me and I shall hold our relationship in the future, when we come to know each other better, one of the connections that I really prize.

It was not my good or bad fortune to be a soldier. I was too young to become a member of Uncle Sam's great Army in the last war, and so had to content myself with the work of making this country the real second line of defense—the line of defense manned by the men and women who raised the foodstuffs to feed the great starving masses of the world, the line of defense that clothed the soldiers who faced the mud of the trenches and the misery of the conflict, the line of defense that grew glad with your victories and sad with your losses, but which never gave up hope for victory and never wavered in the inglorious work which had to be done that you might bring victory.

But while I was not a member of Uncle Sam's fighting units in the last war, I feel today that I stand among the great army battling this war that faces us from within today. As Senator TYDINGS, of Maryland, who commanded 3,000 men in the last conflict, said on the floor of the Senate the other day, "We are engaged in a great war now." Our enemies are hunger, cold, bad credit, and despair. But the same great conflict is joined. And so as a soldier in the ranks today, adding my humble bit to the cause of defeating the menacing destruction that stares this Nation in the face, I do not feel like an outsider at a meeting of veterans.

During the campaign last fall I often made the statement that in the battle between Main Street and Wall Street I would choose Main Street every time. Today there are some who believe the issue joined on the economy bill, which our wise leader, Franklin

D. Roosevelt, has proposed for the purpose of balancing the National Budget and restoring credit to our Government, is the issue between Wall Street and Main Street, and that the economy bill is the means of subjecting the small-job holder and the veterans to the burden of reestablishing our credit while the barons of Wall Street go unscathed.

My friends, this is not the issue facing the American people today. It is not in the interest of Wall Street that the Congress of the United States voted in favor of the economy bill. There is not any fight between Wall Street and Main Street when the life of our Government is at stake. We are at war, and Wall Street and Main Street must join forces to defeat the common foe. It will be better to reestablish the confidence of our Government today even by you and me and other dwellers on Main Street bearing great sacrifice than to face tomorrow with your national credit gone and our Government overthrown and replaced by a real dictatorship. Dictators arose in Europe when national credit was ruined, when assemblies talked and planned and did nothing to stem the tides of destruction or salvage the wreckage of the first storms that swept over them. Today in this country our Federal expenditures total $4,000,000 and our income to meet this burden is $2,000,000. We borrow $2,000,000 to run our Government—in other words, 50 percent of the amount of our expenditures comes from money lenders and subject to the burden of interest rates.

My friends, we say revolution and failure of the credit of the great Government of the United States is not possible; but when we say that we forget the frailty of the human body and mind. We forget that nations have gone to destruction in a single night. Bank panics should have taught us the truth about the sudden changes of human actions. The wreckage of the past 2 years—financial and human wreckage—bears testimony that we are treading on thin ice when we make such assertions.

For the past 3 years we have heard that everybody had a plan for solving the depression. First there was the Swope plan, the Du Pont plan, the Dewey plan, the 13 or 14 plans of Herbert Hoover. Plans! Nothing but plans! And while we read the plans, people starved, the jobless walked the streets with few clothes on their backs and despair in their minds, our schools closed their doors in many States, and the credit of our Government has dwindled away. We do not plant plans; we want action. And now comes President Roosevelt with a plan, but with more—a practical program of action. He leads the way, and I am happy as a good soldier in this war against the depression, as a man in the ranks fighting side by side with you, to take orders from our leader. We can put our confidence in him, for he is writing confidence into our hearts and minds.

In concluding, let me join with the splendid sentiment as expressed in a stirring and challenging editorial in Sunday's, March 12, New York Enquirer, a part of which is as follows:

"To this great end of national unity, the President asks every citizen and every State of the Union to be dedicated anew. He presents to the world the spectacle of a United States in which the people are ready and willing to submit their lives and property to 'a disciplined attack upon our common problems.' He does not shirk the task he is called upon to assume—leadership of this great army. In the spirit of a 'disciplined army' a united attack upon our common problems must prove irresistible. In times when our dangers are no less imminent than those precipitated by an invasion of our shores, the President's call for a 'disciplined' people will not be made in vain.

"The President sweeps aside the remedies so loudly proclaimed by theoretical socialists and communists, who lack both the experience and the responsibility of governmental action. Action along the lines he indicates, the President assures the country, 'is feasible under the form of government we have inherited from our ancestors.' He rests his solutions of our national problems firmly on the Constitution and existing national institutions. 'We do not distrust the future of essential democracy!' he declares; 'the people of the United States have not failed.'

"With a solemnity befitting the occasion and his responsibilities, President Roosevelt takes from the hands of the people of the Nation the gift they have so deliberately bestowed—leadership; 'instrument of the people's wishes.'"

To the great ends to which President Roosevelt has dedicated himself as chosen leader of the Nation, it is with confidence the people of the United States leave in his capable hands, with a blessing invoked on his task, an opportunity as great as that which has fallen to any statesman in our history of making America in reality safe for essential democracy.

STATE BANKS

Mr. LUCE. Further reserving the right to object, Mr. Speaker, I should regret extremely if, as a result of the colloquy this afternoon there should go out to the country the impression that the House is not unanimous in desiring to accomplish the purpose of this bill.

Also, I hope it may not be understood that by asking a little more opportunity to study we contemplate anything that will detract from the purpose of the bill.

Unfortunately, members of the Banking and Currency Committee from this side of the House did not have an opportunity to see what was proposed until 1 hour and 45 minutes ago. We were confronted with an exceedingly technical proposal. There was no opportunity to compare the proposed amendment with the original law and make the study necessary to form wise judgment. I myself inquired as to the meaning of one very important phrase in this bill and found that gentlemen differed as to what it meant; and I would ask if at this juncture it is wise to send out to the people phraseology that will still further confuse them, will start them making inquiry, and may cast doubt upon the genuineness and sincerity of the purpose itself.

At that time we understood that the House was waiting for our pleasure. We had no idea that the Senate would adjourn. We felt that haste was of the essence, and while hoping and asking that the bill be clarified in these details I was not disposed to vote against its report, inasmuch as I believe the purpose of the bill is all important; but it now develops that nothing is to be gained by action this afternoon; that we cannot advance this measure one step farther in its progress than we can next Monday noon; and that it is a reasonable, proper, and wise thing to give men who are supposed to be in a position to acquaint the House and advise the House the opportunity by study to perfect their own judgments. Therefore, in spite of what I understand the gentleman hopes he may gain by speedy action in public impression, it seems to me the prudent and wise thing is to give the committee an opportunity to study the bill tonight, to consider it again in committee session tomorrow, perhaps come to an agreement as to what it now means, and if we cannot agree as to what it means, amend it so that no one can dispute what it means, and thereafter bring in a bill Monday noon that can be passed in 5 minutes. [Applause.]

Mr. STEAGALL. May I ask the gentleman if he would sanction a similar delay on the part of the Senate with respect to action on this bill after we sent it there next week?

Mr. LUCE. Mr. Speaker, I am profoundly grateful that I do not have to carry on my conscience the processes of another branch of this Government. [Laughter.]

Mr. STEAGALL. The gentleman would not expect a higher or a more expeditious service to the country at the hands of that body than at the hands of this body, would he?

Mr. LUCE. Mr. Speaker, I wish that parliamentary law as I understand it and the suggestion of the Speaker in a previous Congress did not preclude me from expressing my views in that matter.

Mr. STEAGALL. One suggestion to the gentleman is this: If there is any basis of misapprehension as to the results of this legislation or whether or not it is technically framed to accomplish the purpose we all desire, what would be the danger in passing this bill now and letting it be ready for the Senate on Monday, during which time Senate and House Members would have full opportunity to discover any technical error, which certainly would be corrected, if we are correct in assuming that it is desired on all hands to pass the legislation?

Mr. LUCE. If there were extreme emergency, Mr. Speaker, I would grant great force to what the gentleman suggests, but here is a case where, unexpectedly, we do find opportunity to send to the other branch a bill that we can explain and justify in every particular.

Mr. BEEDY. Will the gentleman yield?

Mr. FULLER. Mr. Speaker, what is before the House?

The SPEAKER. A unanimous-consent request by the gentlemen from Tennessee.

Mr. FULLER. Reserving the right to object, what is it the gentleman is asking consent to do—to take up and consider this measure today?

Mr. STEAGALL. Yes.

The SPEAKER. No; that is to be taken up on Monday.

Mr. FULLER. Mr. Speaker, reserving the right to object, I want to say that I am interested in the banking business and I am very interested in this measure, but I am going to object to any consideration of this bill today, or

at any time, until this committee has shown some consideration and courtesy to the Membership of this House. The committee only considered the bill for a few moments. It has not even been printed, although a short time ago they informed me that it had been printed. All that is in existence are duplicate typewritten copies that a few members of the committee have. This is attempting the same procedure of the past, a committee came before this House with a special rule for the economy bill, the principle of which we were all for, and by that special rule you rammed it down our throats without giving us an opportunity to even study it. They did not give us an opportunity to read it before it was considered; we were not even permitted to offer amendments. It went to the Senate and there they added 40 amendments to the bill.

You are today attempting to force this bill through the House without giving us any consideration or an opportunity to study its merits, and your own explanation shows that you do not know exactly what it means.

It is an insult to the Membership of this House and a reflection upon the leadership for a committee to try to force through this House a bill without an opportunity for amendments, with not even a copy of the bill before us. The members of the committee, except the chairman, say they do not know much about it and they want more time to study it, and yet the chairman of that committee asks us to pass this measure and send it over to the Senate, and thus it would go out to the world that we are nothing but rubber stamps, not capable of deliberating and legislating, but that our duty is to pass measures without any consideration, drawn by clerks in the various departments and a few interests outside of Congress, with the possible aid of a few Members of Congress, and then allow the Senate to have the opportunity of correcting our mistakes. We have promised the Membership of this House that we would give them recognition and consideration in the legislation of this body. We have 150 new Members to whom this measure is new as it is to the old Membership. If we are to rely entirely upon the representations of the chairmen of these various committees and not give an opportunity to study, amend, and pass upon the real merits of these measures, we might just as well leave our proxies here with a few and go on back home and save expense.

We are all very interested to the extent that we want the same privilege granted by the Government to the State banks in this hour of peril and emergency that we are granting to the national banks. We want to know when this measure is passed that they are getting that relief, and we want to know that the State and national banks are treated alike and granted the same relief by this Government. We are not willing, without an opportunity to study and investigate, to take a bill, no doubt fathered and approved by the Federal Reserve banks, unless the language is clear, positive, and well understood that the relief will be obtainable. We have just listened to members of the committee state upon the floor of this House that there was grave doubt as to whether or not the language of this bill was specific enough to require the Federal Reserve banks to accept various kinds of good securities for loans from State banks.

It remains to be seen as to whether or not the leadership of this House will get into the same old rut and follow the same old beaten path or procedure of the past, or whether the Membership of this House will have a voice in legislation and an opportunity to pass upon amendments. I have the highest respect and admiration for the excellent ability of the Chairman of the Banking Committee [Mr. STEAGALL] but I here and now serve notice that I am going to resist at all times such procedure as is attempted here to-day.

Mr. BYRNS. May I say to the gentleman that the request is that this be made in order on Monday morning.

Mr. FULLER. Then why all this argument?

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. BEEDY. Why can we not consider this bill tomorrow?

Mr. BYRNS. The trouble about tomorrow is that we have already told some gentlemen that there would be no session tomorrow.

Mr. PARKS. Regular order!

The SPEAKER. The regular order is, Is there objection to the request of the gentleman from Tennessee that the bill be made the order of business on Monday next under the rules of the House? Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, the gentleman from California [Mr. KRAMER] has been confined to his home on account of illness for several days. He was absent on that account when the Senate amendments to the economy bill were voted on yesterday, and also when the so-called "beer bill" was passed. If he had been present, he would have voted "aye" on both of those matters.

He was absent today for the same reason. If he had been present when the relief to California for the earthquake matter was up, he would have voted "no" against the motion to recommit.

THE RULES OF THE HOUSE

Mr. SNELL. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. SNELL. There has grown up recently a custom for Members to explain the absence of their colleagues from the floor. I have been a party to it myself; but it never has been the custom of the House in all the years I have been here to do this. I think it is a mistake for men to be running into the well saying that if their colleagues had been here they would have voted so-and-so. I think we should follow the custom that has been followed for years, and let the pair clerks take care of this situation. This always adds to the confusion in the House. Nothing is gained by it, and I think it should be eliminated.

The SPEAKER. It is done by unanimous consent.

Mr. SNELL. I know it is done by unanimous consent; but if it is to be followed, it will necessitate every man looking out for his colleagues, going into the well of the House, explaining if they had been here they would have voted so-and-so. I think it is a mistake, and respectfully suggest to the Speaker that he refer these matters to the pair clerks. That is all I know of that they have to do.

ADJOURNMENT OVER

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2820. An act to maintain the credit of the United States Government.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 148. An act for the relief of Agnes M. Angle;

S. 149. An act for the relief of Daisy Anderson;

S. 150. An act for the relief of W. H. Hendrickson;

S. 151. An act for the relief of the Holy Family Hospital, St. Ignatius, Mont.;

S. 152. An act to authorize the Secretary of War to grant a right of way to the Alameda Belt Line across the Benton Field Military Reservation, Alameda, Calif.;

S. 153. An act to convey certain land in the county of Los Angeles, State of California;

S. 154. An act confirming the claim of Francis R. Sanchez, and for other purposes;

S. 155. An act for the relief of A. Y. Martin; and

S. 156. An act providing for an exchange of lands between the Colonial Realty Co. and the United States, and for other purposes.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H.J.Res. 75. Joint resolution to provide for certain expenses incident to the first session of the Seventy-third Congress.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 56 minutes p.m.) the House, under its previous order, adjourned until Monday, March 20, 1933, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BUCHANAN: Committee on Appropriations. S.J.Res. 14. Joint resolution authorizing the President of the United States to expend $5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933; with amendment (Rept. No. 4). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Rules. H.Res. 57. Resolution for the consideration of H.R. 3341 (Rept. No. 5). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOUGHTON: A bill (H.R. 3753) to repeal the tax on bank checks, to restore the 2-cent postage rate on certain mail matter, to extend the gasoline tax for 1 year, and for other purposes; to the Committee on Ways and Means.

By Mr. RAYBURN: A bill (H.R. 3754) to amend sections 15a and 19b of the Interstate Commerce Act, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 3755) to amend section 5 of the Interstate Commerce Act, as amended, relating to the consolidation and acquisition of control of carriers by railroad, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 3756) to regulate the transportation of passengers and property in interstate and foreign commerce by motor carriers operating on the public highways, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEAGALL: A bill (H.R. 3757) to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases; to the Committee on Banking and Currency.

By Mr. SHALLENBERGER: A bill (H.R. 3758) to insure payment of bank deposits in national banks and member banks of the Federal Reserve System; to the Committee on Banking and Currency.

By Mr. CELLER: A bill (H.R. 3759) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. RAYBURN: A bill (H.R. 3760) to establish the Federal Communications and Power Commission and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. EDMONDS: A bill (H.R. 3761) to assure to persons within the jurisdiction of every State the equal protection of the laws, and to punish the crime of lynching; to the Committee on the Judiciary.

By Mr. McLEOD: A bill (H.R. 3762) to provide for the election of a Delegate in Congress from the District of Columbia; to the Committee on the Judiciary.

By Mr. McFADDEN: A bill (H.R. 3763) to increase to $10,000 the maximum amount which may stand to the credit of any one person in a postal-savings account; to the Committee on the Post Office and Post Roads.

By Mr. McCORMACK: A bill (H.R. 3764) to restore the 2-cent rate of postage on first-class mail matter; to the Committee on Ways and Means.

By Mr. RANKIN: A bill (H.R. 3765) to amend the World War Veterans' Act, 1924, as amended, by providing allowances for widows and children and dependent parents of veterans of the World War; to the Committee on World War Veterans' Legislation.

By Mr. THURSTON: A bill (H.R. 3766) to authorize the occupancy by the United Veterans of the Spanish War camp at Bedford, Iowa, of a portion of the Federal building in such town; to the Committee on Public Buildings and Grounds.

By Mr. McCORMACK: A bill (H.R. 3767) to authorize the Reconstruction Finance Corporation to make loans to aid the fishing industry; to the Committee on Banking and Currency.

Also, a bill (H.R. 3768) to change the name of the retail liquor dealers' stamp tax in the case of retail drug stores or pharmacies; to the Committee on Ways and Means.

By Mr. REILLY: A bill (H.R. 3769) to divest certain activities of their interstate character; to the Committee on Interstate and Foreign Commerce.

By Mr. WELCH: A bill (H.R. 3770) to provide for the promotion of watchmen, messengers, and laborers employed in the Post Office Department; to the Committee on the Post Office and Post Roads.

By Mr. PETERSON: A bill (H.R. 3771) to amend the Emergency Relief and Construction Act of 1932 with respect to time for payment of loans to fruit growers made by regional agricultural credit corporations; to the Committee on Banking and Currency.

By Mr. LAMNECK: A bill (H.R. 3772) to repeal section 1001 (a) of the Revenue Act of 1932, which increased the rate of postage on certain mail matter of the first class; to the Committee on Ways and Means.

By Mr. DINGELL: Resolution (H.Res. 58) to provide for an investigation and determination of the underlying causes for the closing of the First National Bank, Detroit, and the Guardian National Bank of Commerce, both Federal banking corporations doing business in the city of Detroit, Wayne County, Mich., and for comprehensive report concerning these matters to aid Congress in any remedial legislation; to the Committee on Rules.

By Mr. MEAD: Resolution (H.Res. 59) to provide for further investigation of expenditures of the Post Office Department; to the Committee on Rules.

By Mr. KELLY of Pennsylvania: Joint resolution (H.J.Res. 98) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

By Mr. McREYNOLDS: Joint resolution (H.J.Res. 99) authorizing an annual appropriation for the expenses of participation by the United States in the International Institute of Agriculture at Rome, Italy; to the Committee on Foreign Affairs.

By Mr. CELLER: Concurrent resolution (H.Con.Res. 5) authorizing and requesting the President of the United States to negotiate trade agreements with the Dominion of Canada; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES of Kansas: A bill (H.R. 3773) for the relief of Jessie T. Lafferty; to the Committee on Claims.

Also, a bill (H.R. 3774) granting an increase of pension to Hannah Engler; to the Committee on Invalid Pensions.

By Mr. BURNHAM: A bill (H.R. 3775) for the relief of Cora A. Snyder; to the Committee on Military Affairs.

Also, a bill (H.R. 3776) for the relief of Lee Acrey, also known as Barnett Lee Acrey; to the Committee on Military Affairs.

By Mr. CLARKE of New York: A bill (H.R. 3777) granting an increase of pension to Mary J. Brown; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3778) granting a pension to Grace A. Walker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3779) granting an increase of pension to Emma R. Pettie; to the Committee on Invalid Pensions.

By Mr. MEAD: A bill (H.R. 3780) for the relief of William Herod; to the Committee on Claims.

By Mr. EDMONDS: A bill (H.R. 3781) for the relief of Lt. Comdr. Cornelius Dugan, retired; to the Committee on Naval Affairs.

By Mr. EVANS: A bill (H.R. 3782) for the relief of Gladding, McBean & Co.; to the Committee on Claims.

By Mr. GREENWOOD: A bill (H.R. 3783) granting a pension to Amanda C. Bodenhamer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3784) granting a pension to Edward Butler; to the Committee on Invalid Pensions.

By Mr. HOLLISTER: A bill (H.R. 3785) for the relief of Leo B. Dreyfoos; to the Committee on Claims.

By Mr. JOHNSON of Oklahoma: A bill (H.R. 3786) granting a pension to Norman S. Bailey; to the Committee on Pensions.

By Mr. KELLER: A bill (H.R. 3787) for the relief of Arlie Boyt; to the Committee on Military Affairs.

By Mr. KLEBERG: A bill (H.R. 3788) granting a pension to Mildred A. Moore; to the Committee on Pensions.

Also, a bill (H.R. 3789) granting a pension to Margaret K. Pierce; to the Committee on Pensions.

By Mr. McLEOD: A bill (H.R. 3790) granting a pension to Roxy A. Perry; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3791) for the relief of Gustav Welhoelter; to the Committee on Claims.

Also, a bill (H.R. 3792) granting a pension to Anna W. Donnert; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3793) for the relief of Anthony Hogue; to the Committee on Claims.

By Mr. McREYNOLDS: A bill (H.R. 3794) granting a pension to Mariah Jenkins; to the Committee on Invalid Pensions.

By Mr. RANDOLPH: A bill (H.R. 3795) to authorize appointment of Robert T. Ellertson as warrant officer United States Army; to the Committee on Military Affairs.

By Mr. SNELL: A bill (H.R. 3796) granting an increase of Pension to Laure C. Rock; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H.R. 3797) granting a pension to Edward H. Latterell; to the Committee on Pensions.

Also, a bill (H.R. 3798) granting a pension to Henry Dodsworth; to the Committee on Pensions.

Also, a bill (H.R. 3799) granting a pension to Mary A. Fay; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3800) granting a pension to Cora B. Dwyer; to the Committee on Pensions.

Also, a bill (H.R. 3801) granting an increase of pension to Clara E. Mann; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3802) granting a pension to Mary M. Thomas; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3803) granting an increase of pension to Fannie R. Sayler; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3804) granting an increase of pension to Mary P. Bruner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3805) granting an increase of pension to Irena L. Lynch; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3806) granting an increase of pension to Amanda J. Griswold; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3807) granting an increase of pension to Catherine E. Morley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3808) granting an increase of pension to Emma S. Dolaway; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3809) granting an increase of pension to Jennie Rust; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3810) granting an increase of pension to Ella J. Winegar; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3811) granting an increase of pension to Mary J. Corchran; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3812) granting an increase of pension to Emma Campbell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3813) granting an increase of pension to Sally Strock; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3814) granting an increase of pension to Marion A. Peterson; to the Committee on Invalid Pensions.

By Mr. STRONG of Pennsylvania: A bill (H.R. 3815) for the relief of Frank A. Farris; to the Committee on Military Affairs.

By Mr. TRAEGER: A bill (H.R. 3816) for the relief of Elijah W. Leonard; to the Committee on Military Affairs.

By Mr. TURPIN: A bill (H.R. 3817) for the relief of Jacob H. Denke; to the Committee on Military Affairs.

By Mr. WALTER: A bill (H.R. 3818) granting an increase of pension to Annie L. Wolf; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3819) granting an increase of pension to Augusta J. Barnes; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3820) granting an increase of pension to Emma Frey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3821) granting an increase of pension to Elizabeth Starner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3822) granting an increase of pension to Mary E. Benner; to the Committee on Invalid Pensions.

By Mr. WEIDEMAN: A bill (H.R. 3823) for the relief of Patrick O'Keefe; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

75. By Mr. BOYLAN: Resolution adopted by the board of directors of the West Side Association of Commerce, Inc., New York City, N.Y., opposing the treaty between the United States and Canada for the construction of the St. Lawrence River improvement as being unwise, unnecessary, and prejudicial to the interests of the people of this country; to the Committee on Rivers and Harbors.

76. By Mr. BRUNNER: Memorial of 400 small-home owners living in Long Island City, urging that concurrent legislation be introduced at Albany and Washington providing, during the period of emergency, that, on small homes, mortgage interest payments above 4 percent be waived, etc.; to the Committee on Banking and Currency.

77. By Mr. GIBSON: Petition of the Vermont State Grange, Patrons of Husbandry, opposing any curtailment in the Rural Mail Delivery Service now being rendered the patrons on established routes; to the Committee on the Post Office and Post Roads.

78. By Mr. LINDSAY: Petition of F. O. Pierce Co., Brooklyn, N.Y., urging the passage of the Shannon bill, H.R. 235; to the Committee on Expenditures in the Executive Departments.

79. Also, petition of Association of Master Plumbers, New York City, requesting continuance of the recently established plumbing and heating products unit of the Department of Commerce; to the Committee on Interstate and Foreign Commerce.

80. By Mr. MEAD: Petition of the South Buffalo Citizens Association, in regard to opposing the St. Lawrence canal project; to the Committee on Interstate and Foreign Commerce.

81. By Mr. RUDD: Petition of F. O. Pierce Co., paint and varnish manufacturers, of Brooklyn, N.Y., favoring the Shannon bill, authorizing the elimination of Government competition, particularly as it applies to paints and varnishes; to the Committee on Expenditures in the Executive Departments.

82. By Mr. STALKER: Petition of Mrs. W. W. Root and 200 other residents of Slaterville Springs, N.Y., urging the support of the stop-alien-representation amendment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

SENATE

MONDAY, MARCH 20, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed the joint resolution (S.J.Res. 14) authorizing the President of the United States to expend $5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOUGHTON, Mr. CULLEN, Mr. MCCORMACK, Mr. TREADWAY, and Mr. WATSON were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 148. An act for the relief of Agnes M. Angle;

S. 149. An act for the relief of Daisy Anderson;

S. 150. An act for the relief of W. H. Hendrickson;

S. 151. An act for the relief of the Holy Family Hospital, St. Ignatius, Mont.;

S. 152. An act to authorize the Secretary of War to grant a right of way to the Alameda Belt Line across the Benton Field Military Reservation, Alameda, Calif.;

S. 153. An act to convey certain land in the county of Los Angeles, State of California;

S. 154. An act confirming the claim of Francis R. Sanchez, and for other purposes;

S. 155. An act for the relief of A. Y. Martin;

S. 156. An act providing for an exchange of lands between the Colonial Realty Co. and the United States, and for other purposes; and

H.R. 2820. An act to maintain the credit of the United States Government.

THE JOURNAL

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that the Journal for the calendar days of Wednesday and Thursday, March 15 and 16, 1933, be approved.

The VICE PRESIDENT. Is there objection? The Chair hears none.

RELIEF OF EARTHQUAKE SUFFERERS IN CALIFORNIA

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the joint resolution (S.J.Res. 14) authorizing the President of the United States to expend $5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933.

Mr. GLASS. I move that the Senate disagree to the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. GLASS, Mr. MCKELLAR, Mr. KENDRICK, Mr. HALE, and Mr. KEYES conferees on the part of the Senate.

AMENDMENT OF THE VOLSTEAD ACT

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HARRISON. I move that the Senate insist upon its amendments to the bill, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. HARRISON, Mr. KING, Mr. WALSH, Mr. REED, and Mr. COUZENS conferees on the part of the Senate.

SENATOR FROM MONTANA

Mr. WHEELER. Mr. President, the credentials of the Senator-designate from Montana, Hon. JOHN E. ERICKSON, are on file, and he is present and ready to take the oath. I ask that he may be sworn in at this time.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Senator-designate will present himself at the desk to receive the oath.

Mr. ERICKSON, escorted by Mr. WHEELER, advanced to the Vice President's desk; and the oath prescribed by law having been administered to him by the Vice President, he took his seat in the Senate.

PUBLIC BUILDINGS COMMISSION

The VICE PRESIDENT. Under authority of section 1 of chapter 1 of title 40 of the United States Code, the Chair appoints the Senator from New Hampshire [Mr. KEYES] as a member of the Public Buildings Commission to fill the vacancy caused by the expiration of the term of service as Senator of Hon. Reed Smoot.

BOARD OF VISITORS TO THE NAVAL ACADEMY

The VICE PRESIDENT. On February 28 last the Senator from Virginia, Mr. Swanson, resigned as a member of the Board of Visitors to the United States Naval Academy, and the junior Senator from Florida [Mr. TRAMMELL] was appointed to fill the vacancy. The Senator from Florida was subsequently appointed chairman of the Committee on Naval Affairs, thereby becoming an ex-officio member of the board, leaving a vacancy to be filled by the appointment of the Vice President. The Chair now appoints the junior Senator from Virginia [Mr. BYRD] to fill the vacancy.

ANNIVERSARY OF BIRTH OF NEAL DOW—WORLD PEACE, TOTAL ABSTINENCE, AND PROHIBITION CONFERENCE IN CHICAGO

Mr. FRAZIER. Mr. President, today is the anniversary of the birth of Gen. Neal Dow, the father of prohibition. He was born March 20, 1804. It seems quite fitting that some mention should be made of the anniversary day in these times when the repeal of the eighteenth amendment is being agitated and a bill for the legalization of beer is being considered by the Congress. I ask unanimous consent to have read at the desk a message from the Neal Dow Association for World Peace and Prohibition. This association was organized 10 years ago today.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read, as directed.

The Chief Clerk read as follows:

A MESSAGE TO ALL NATIONS

"And like a bell, with solemn, sweet vibrations,
I hear once more the voice of Christ say, 'Peace!'

"Peace! and no longer from its brazen portals
The blast of war's great organ shakes the skies!
But beautiful as songs of the immortals,
The holy melodies of love arise."

—*Longfellow.*

Call for a world peace, total abstinence, and prohibition conference at the Century of Progress Exposition, Chicago, July 4, August 4, September 4, and October 4, 1933, these dates to suit the convenience of the largest number of those interested

Whereas war and the liquor traffic are two of the deadliest and most senseless enemies of mankind; and

Whereas an incredible number of honest and well-meaning as well as selfish and unscrupulous individuals and interests of high and low degree in many lands are persistently and relentlessly seeking to perpetuate and profit by these gigantic and merciless evils; and

Whereas a great international exposition is to be held in Chicago during the summer of 1933 to celebrate a century of progress, which will be attended by thousands of representative citizens from all nations of the world: Now therefore

A world peace, total abstinence, and prohibition conference is hereby called to meet at the Century of Progress Exposition in Chicago on July 4, August 4, September 4, and October 4, and to continue from each of these dates for such period or periods as the conference may determine; to receive reports from and to plan action in all States and Nations; to consider a century of progress toward peace, total abstinence, and prohibition; and ways and means for the abolition and permanent elimination by all nations of war and the liquor traffic as the two most outstanding, barbaric, colossal, monstrous, and unnecessary evils of the century.

All persons, churches, and other organizations in sympathy with these purposes are urged to be present at one or more sessions in person, or by typewritten communications for publication or radio broadcast, and to sign this call and mail to

THE NEAL DOW ASSOCIATION FOR WORLD PEACE AND PROHIBITION,
ARTHUR CHARLES JACKSON, *President, Washington, D.C.*

"Were half the power that fills the world with terror,
Were half the wealth bestowed on camps and courts,
Given to redeem the human mind from error,
There were no need of arsenals or forts.

"The warrior's name would be a name abhorred!
And every nation, that should lift again
Its hand against a brother, on its forehead
Would wear forevermore the curse of Cain!"

—*Longfellow.*

RESOLUTION OF NATIONAL DEFENSE CONFERENCE

Mr. REED. Mr. President, in January last at the National Defense Conference held here in Washington there was a considerable number of delegates from Pennsylvania. The Pennsylvania delegates met and adopted a resolution which I should like to have embodied in the CONGRESSIONAL RECORD and appropriately referred. I ask unanimous consent that that may be done.

There being no objection, the resolution was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

[National Defense Conference, January 1933]

Whereas the following resolution was introduced into the Senate of the General Assembly of the Commonwealth of Pennsylvania under date of January 11 and was unanimously passed by that body under date of January 16 and was concurred in by the house of representatives of the general assembly with but one dissenting vote on January 16, 1933:

"Whereas the present Congress of the United States is considering under the guise of economy the radical cutting of appropriations for the support of the Army, Navy, and Marine Corps of the United States and of the National Guard of the several States; and

"Whereas, the Army is at present pitifully insufficient for the defense of our mainland without regard for our insular possessions; and

"Whereas the Navy is far below the standard decided upon as necessary for the safety of the United States and agreed to by the powers in a far less settled time; and

"Whereas the Marine Corps, although small, has proven for more than a century the most mobile and effective police force in any national or international emergency this Nation has ever had; and

"Whereas through Federal aid and supervision the National Guard has risen to a point of efficiency heretofore unknown; and

"Whereas no reasoning person can believe in pacific safety in the face of existing facts—every peace pact, treaty, or League of Nations action has proven and is at present proving futile and useless to turn any nation from a policy of aggrandizement; and

"Whereas events within the last 20 years have proven the futility of preserving the neutrality of the United States in the event of a major conflict; and

"Whereas the existing national and international debts are the result of past unpreparedness and the existing brawl over the collection thereof the result of present unpreparedness; and

"Whereas the voice of the United States in the interests of universal peace is respected only in proportion to its existing and active power; and

"Whereas the effects of the present economic chaos on the governments of the world have conclusively proven that only strong, well-sustained governments can survive: Therefore be it

"Resolved (if the house of representatives concur), That the senate and the House of representatives of the 1933 session of the General Assembly of the Commonwealth of Pennsylvania hereby memorializes the present Congress of the United States to refrain from taking any action for the purpose of economy or other purposes that will further decrease the strength and effectiveness of the armed forces of the United States and the several States thereof; and be it further

"*Resolved*, That a copy of this resolution be forwarded by the secretary of the Commonwealth to the Senate and the House of Representatives of the Congress of the United States and to each Senator and Representative from the Commonwealth of Pennsylvania therein"; and

Whereas his excellency the Governor of the Commonwealth of Pennsylvania, despite the fact that he has heretofore from time to time approved such concurrent resolutions memorializing Federal officers and Congress to do or refrain from doing certain things; and despite the fact that by the opinion of a prior attorney general and by decisions of the Supreme Court of this Commonwealth, such resolutions were held not to require the approval or disapproval of the Governor, has seen fit to disapprove such resolution as follows:

"*To the Honorable the Senate of the Commonwealth of Pennsylvania:*

"I return herewith, without my approval, senate resolution of January 11, 1933.

"This resolution memorializes the Congress of the United States to refrain from taking immediate action for the purpose of economy or for any other purpose which will further decrease the strength and effectiveness of the armed forces of the United States and the several States thereof.

"It is no more appropriate for the Legislature of Pennsylvania to take action upon questions which are distinctively Federal than it would be for the Congress of the United States to attempt to advise the Legislature of Pennsylvania what measures it should pass and what measures it should reject.

"For this reason the resolution is not approved."

Now, therefore, be it

Resolved, That the delegations from the Commonwealth of Pennsylvania to the National Defense Conference view with regret the unwarranted action of his excellency the Governor of Pennsylvania on said resolution and express it as their firm conviction that the resolution as passed by both houses of the General Assembly of the Commonwealth of Pennsylvania truly reflects the desires, opinions, and beliefs of the citizenry of that Commonwealth.

SENATOR FROM MONTANA

The VICE PRESIDENT. The Chair lays before the Senate a communication from a citizen of Montana addressed to the Senate. The Chair thinks the communication should be read.

The Chief Clerk read the communication, as follows:

HELENA, MONT., *March 15, 1933.*

To the honorable SENATE AND SENATORS OF THE UNITED STATES,
Washington, D.C.

SENATORS: In this petition, protest, and address to you, my first observation is that in common with all persons I have the right which may be a duty to communicate information of grave import which otherwise might escape you, to the end that serious wrongs against the people may not be furthered by your innocent agency.

It is true I am a Federal judge, incumbent of no mean office; but it is no less true that long before I assumed that office I was a citizen of Montana and the Nation, and for long after I cease judicial service I expect to continue such citizen. Moreover, my right and duty of citizenship inspiring this communication are diminished none by my official position.

Briefly, Senators, I advise you that soon you will be requested to admit to your membership and to the vacant seat of the worthy and lamented Walsh, one whose claim of title thereto has no other foundation than purchase.

That is to say, ERICKSON, Governor of Montana, and Cooney, lieutenant governor, mutually offered, accepted, conspired, confederated, and agreed that the former would resign as governor, and the latter ipso facto succeeding, would appoint the former to fill the senatorial vacancy aforesaid—the resignation the consideration for the appointment; the appointment the consideration for the resignation. And this huckstering, horse-trading, barter, and sale of great public offices (the chief executive of a sovereign State, and membership in the greatest legislative body of the Nation), despite due warning has been consummated by these men to their large personal advantage and financial profit, contrary though it be to good morals, sound public policy, common and statute law, yea, contrary to the very State constitution they took oath to uphold.

Not only does the thing speak for itself, Senators, but so publicly and brazenly was the transaction conducted, it is within the direct personal knowledge of scores, understood by thousands, admitted and not denied by the principals themselves.

Insofar as the law is concerned, to say naught of morals and common sense, which law not always is, that it condemns and even penalizes the bargain is too clear for argument, even to convince those "who can a hair divide betwixt the north and northeast side." Furthermore, time permits none by me, and no more than the following citations:

Montana Constitution, article 5, section 42; Montana Revised Codes, sections 10713, No. 6, 10823, 10824, 10830, 10842; 1 Russell, Crimes, 619; *People* v. *Pearson* (200 N.Y. 60; *State* v. *Huff* (Ind.) 87 N.E. 144), a case of comment upon corrupt resignations. The resignation void because corrupt created no vacancy in the governorship. In consequence Cooney's assumption of the office and appointment of ERICKSON to the senatorship are likewise void.

It is not enough, Senators, to relegate the matter to prosecution by the State. In Cato's famous aphorism might be immunity. Be that as it may, however, I submit to you whether it is not better for State and Nation, for the Senate itself, that the latter's doors be barred against those who traffic in public office, that the fruits of his illegal bargain be denied the purchaser.

You are to be solicited, Senators, to sanction the evil methods aforesaid, to confirm the sale, to vest the buyer with title to the vacant seat of one who contributed no little to the luster and fame of your august body.

In behalf of Montana, its people and honor, in behalf of Nation and Senate, confidence that you will not comply is surely justified.

And with that, Senators, I have done.

GEO. M. BOURQUIN.

Mr. GEORGE. Mr. President, I ask that the communication may be referred to the Committee on Privileges and Elections.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. GEORGE. Mr. President, may I take this occasion to say that in the Smith and Vare cases, which have occurred within the resent history of the Senate, a preliminary investigation had been made prior to the presentation of the credentials in the Senate by a special committee of the Senate. The other direct precedent that has a bearing on this matter is that of the Senator from Maine, Mr. Gould.

When his credentials were presented, charges which, if they had been supported, would have gone to his fitness to take a seat in the body were brought to the attention of the Senate; but in that case the Senate, by a unanimous vote, as I recall, directed the oath to be administered and that the Senator-elect be allowed to assume the duties of his office. Therefore I move that this communication be referred to the Committee on Privileges and Elections.

The VICE PRESIDENT. The communication will be so referred.

Mr. WHEELER. Mr. President, with reference to the communication that was received by the Senate from George M. Bourquin, I desire to say that, in my opinion, there is not a scintilla of truth in it; I myself resent it; and I am sure the people of Montana, who have honored Governor ERICKSON on three different occasions by electing him Governor of that State by an overwhelming majority, will likewise resent the statements made by this judge.

This morning I received a telegram from E. B. Collidge, who signs himself as chairman of the Progressive Republican Ayers for Congress Club, of Great Falls, Mont., touching upon this subject, and I am going to ask that it may be inserted in the RECORD as a part of my remarks, and referred to the Committee on Privileges and Elections.

The VICE PRESIDENT. Without objection, it is so ordered.

The telegram is as follows:

GREAT FALLS, MONT., *March 19, 1933.*

The SENATE COMMITTEE ON ELECTIONS,
United States Senate, Washington, D.C.:

George M. Bourquin, professedly in the capacity of a private citizen, though he happens to occupy the position of Federal judge, has preferred charges with your committee to the effect that the Hon. JOHN E. ERICKSON, thrice elected Governor of Montana, in resigning to become United States Senator by appointment of his successor was and is guilty of corruption. The people of Montana demand a show-down on these charges. Call on Judge Bourquin to divest himself of his office, which is supposed to be free from partisanship and divorced from politics, and to assume in fact his character as a private citizen and prosecute his charges. All Montana people welcome a full, fair, free investigation prosecuted by Bourquin, provided he does so in the capacity of an ordinary citizen without benefit of protection accrued from his Federal office.

PROGRESSIVE REPUBLICAN AYERS FOR CONGRESS CLUB,
By E. B. COLLIDGE, *Chairman.*

Mr. WHEELER. The State statute in Montana provides that in case of a vacancy in the office of Senator the Governor of the State shall have power to make temporary appointment to fill such vacancy; and in this instance the only thing that happened was that the Governor resigned and the new Governor appointed JOHN E. ERICKSON to fill the vacancy in accordance with the law.

It is generally recognized in Montana that the gentleman who signed this letter at the time he retires from the bench himself intends to become a candidate for the Senate; and the thing, in my judgment, that inspired this letter was simply the fact that he was seeking the limelight and desired to help his own candidacy, if possible. I am sure, however, that the reaction in Montana will be quite contrary to what he has expected.

I think it is not necessary for me to add anything either with reference to the qualifications of the Senator-elect or with reference to his honesty and integrity, because his sterling traits of character are so well known in Montana and in neighboring States that any statement from me on the subject at this time would seem to me to be out of place and quite unnecessary.

Mr. BORAH. Mr. President, I was unable to hear the Senator from Georgia [Mr. GEORGE]. Did I understand the Senator from Georgia to say that the charges which have been made would be investigated by the committee?

Mr. GEORGE. They were referred to the Committee on Privileges and Elections.

Mr. BORAH. And I assume a report will finally be made on them?

Mr. GEORGE. Yes.

THE LATE SENATOR HOWELL, OF NEBRASKA

The VICE PRESIDENT laid before the Senate resolutions adopted by the Senate of the State of Nebraska as a tribute to the memory of Hon. Robert Beecher Howell, late a Senator from the State of Nebraska, which were ordered to lie on the table and to be printed in the RECORD, as follows:

Resolution in memory of United States Senator Robert Beecher Howell (introduced by Senators Hawxby, Warner, and Van Kirk)

Again we are informed that the messenger of death has taken from our midst another great statesman and national character in the person of United States Senator Robert Beecher Howell, who has so ably represented Nebraska in the United States Senate for many years; and

Whereas it is conceded that United States Senator R. B. Howell has been the persistent and faithful champion of the agricultural interests of this State for many years in the United States Senate; and

Whereas the city of Omaha, the metropolis of our State, is greatly indebted to Senator Howell because of his services in behalf of the public ownership of utilities in that city; and

Whereas he has at all times given of his talent and energy and his services so unsparingly to promote the interests of the great State of Nebraska in the United States Senate; and

Whereas for many years he has been an outstanding figure in the councils of the Nation, and especially because of his persistent and continuous efforts to promote the agrarian interests of the Central West: Therefore be it

Resolved, That the State of Nebraska has lost one of its greatest statesmen and the outstanding champion of the agricultural interests and the Nation has lost one of its most cultured and useful statesmen; be it further

Resolved, That the Senate of the State of Nebraska joins with the Nation in mourning the loss of our United States Senator, who has given his life in the service of the Nation; and be it further

Resolved, That the Lieutenant Governor be authorized to appoint Senator Frank McCarter, president pro tempore of the State Senate of Nebraska, to accompany the Lieutenant Governor to represent this body at the funeral of United States Senator Howell, and that a copy of these resolutions be mailed to the United States Senate and to the family of the deceased Senator.

Introduced March 15, 1933.
Adopted March 15, 1933.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Colorado, which was referred to the Committee on Agriculture and Forestry:

House Joint Memorial 3 (by Representatives Hallen, Wilson, Childress, and Johns)

A memorial regarding grazing fees on national forest reserves

Whereas the livestock men of the Western States are in dire financial distress caused by the necessity of selling their livestock during the past 4 years far below the cost of production; and

Whereas it is almost impossible for any of our livestock men to borrow money for current expenses, and entirely impossible for a still greater number of such livestock men to obtain any loans at all; and

Whereas the livestock interest in normal times is one of the largest assets of the western country, and it is imperative to

preserve this great industry and to stop the depletion of the herds: Now, therefore, be it

Resolved by the House of Representatives of the Twenty-ninth General Assembly of the State of Colorado (the senate concurring therein), That it respectfully petitions and memorializes the Congress of the United States to pass enabling legislation authorizing the Secretary of Agriculture to put into effect for the year 1933, and all the year 1934, the same order which prevailed during 1932, viz, the waiving of the first payment on grazing fees on national-forest reserves for the year 1933, and collecting the second payment only; and be it further

Resolved, That copies of this memorial be forwarded to the Speaker of the House of Representatives and the President of the Senate of the Congress of the United States, the Honorable Henry A. Wallace, Secretary of Agriculture, and to each of the Representatives and Senators from Colorado in said Congress.

RAY H. TALBOT,
President of the Senate.
BYRON W. ROGERS,
Speaker of the House of Representatives.
JAMES H. CARR,
Chief Clerk.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Idaho, which was referred to the Committee on Finance:

STATE OF IDAHO,
DEPARTMENT OF STATE.

I, Franklin Girard, secretary of state of the State of Idaho, and legal custodian of the original enrolled copies of all acts passed at the various sessions of the Legislature of the State of Idaho, do hereby certify that the annexed constitute a full, true, and complete transcript of the original enrolled copy of House Joint Memorial No. 12, enacted by the twenty-second session of the Legislature of the State of Idaho, and filed in this office the 13th day of March, 1933.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State. Done at Boise, the capital of Idaho, this 13th day of March A.D. 1933.

[SEAL]
FRANKLIN GIRARD,
Secretary of State.

IN THE HOUSE OF REPRESENTATIVES.

House Joint Memorial No. 12 (by State affairs committee), a joint memorial to the honorable Senate and House of Representatives of the United States of America in Congress assembled.

Received and filed March 13, 1933.

FRANKLIN GIRARD, *Secretary of State.*

IN THE HOUSE OF REPRESENTATIVES.

House Joint Memorial 12 (by State affairs committee)

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

Whereas the Yellowstone National Park was created and the boundaries thereof were defined by act of Congress dated March 1, 1872, as amended by act of Congress dated May 7, 1894, and as so created and established includes within its boundaries areas of the States of Wyoming, Montana, and Idaho; and

Whereas in the act creating Yellowstone National Park and providing rules and regulations therefor no special provision has been made authorizing the assessment and collection of taxes upon property in private ownership included within the boundaries of said park; and

Whereas there now exists in private ownership a large amount of property situated within the boundaries of said Yellowstone National Park aggregating millions of dollars in value, the taxation of which would greatly benefit said States of Wyoming, Montana, and Idaho; and

Whereas the various acts of Congress establishing the several national parks, including Glacier National Park, Sequoia National Park, Yosemite National Park, Mount Rainier National Park, and Rocky Mountain National Park, each expressly authorizes the taxation of property in private ownership situated within the boundaries thereof, and no good reason exists why such law should not be applied to the Yellowstone National Park; and

Whereas there is now pending in the Senate of the United States a bill known as S. 1043, to confer upon the States of Montana, Wyoming, and Idaho the right to tax, for State and county purposes, persons, copartnerships, and corporations, and their property within that portion of the Yellowstone National Park which lies within the boundary lines of said States: Therefore be it

Resolved by the House of Representatives of the State of Idaho (the senate concurring), That we most respectfully urge upon the Congress of the United States to enact into law the pending measure, S. 1043; be it further

Resolved, That the secretary of state of the State of Idaho be authorized, and he is hereby directed, to immediately forward certified copies of this memorial to the Senate and the House of Representatives of the United States of America and to the Senators and the Representatives in Congress from this State.

This house joint memorial passed the house on the 27th day of February 1933.

ROBERT COULTER,
Speaker of the House of Representatives.

This house joint memorial passed the senate on the 1st day of March 1933.

E. G. VAN HOESEN,
President of the Senate pro tempore.

I hereby certify that the within House Joint Memorial No. 12 originated in the house of representatives during the twenty-second session of the Legislature of the State of Idaho.

DONALD D. STEWART,
Chief Clerk of the House of Representatives.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Minnesota, which was ordered to lie on the table:

STATE OF MINNESOTA,
DEPARTMENT OF STATE.

I, Mike Holm, secretary of state of the State of Minnesota, do hereby certify that I have compared the annexed copy with record of the original instrument in my office of House file no. 1475, being Resolution No. 11, Laws of Minnesota for 1933, and that said copy is a true and correct transcript of said instrument and of the whole thereof.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State, at the capitol, in St. Paul, this 16th day of March A.D. 1933.

[SEAL] MIKE HOLM, *Secretary of State.*

Resolution 11

A concurrent resolution memorializing the Congress of the United States and the President of the United States to the end that the Federal Government may continue to discharge its obligations to the men and women who have defended this Nation in time of war

Whereas it has come to our attention that the National Economy League, the Chamber of Commerce of the United States, and some other organizations have taken a decided stand against pending veterans' legislation, including pension to Spanish-American war veterans' disability compensation to World War veterans for service-connected injuries, disability allowance to World War veterans' service-connected proof not established, insurance benefits bought and paid for out of the World War veterans' pay, administration expenses for veterans of all wars, hospitalization of the veterans of all wars; and

Whereas we feel that such stand on the part of the National Economy League, the Chamber of Commerce of the United States is improper, unfair, and contrary to the better judgment of the rank and file of the American people, and that such propaganda is taking an unfair and arbitrary advantage of the men and women who rendered service to their country in times of national peril, many, and most of whom, served for $1 per day, out of which was paid their insurance, Liberty bond payments, and other deductible items; and

Whereas we feel the stand taken by the United States Chamber of Commerce and so-called "Economy League" is un-American and unreservedly disapprove of such a step, which in its final analysis is propaganda put out by capital, a large portion of which was created and made during the period of World War, and as a direct result of the war; and

Whereas that to encourage and approve of such an attitude as proposed and sponsored by the Chamber of Commerce of the United States of America, and the so-called "Economy League", is outright renunciation of the responsibility and duty which is justly owing to ex-service men and women and their dependents; and

Whereas should the benefits now given veterans and their dependents in the State of Minnesota be taken away, the expenses for the care of these disabled service men and women and for the maintenance of domiciliary quarter for these veterans and their dependents, would fall upon the taxpayers of the State, when it is in truth a Federal obligation: Therefore, be it

Resolved by the House of Representatives of the State of Minnesota (the Senate of the State of Minnesota concurring), That we earnestly memorialize the Congress of the United States and the President of the United States to the end that the Federal Government may continue to discharge its honest obligation to the men and women who offered their service to the said Government in time of national peril; be it further

Resolved, That this resolution be forwarded at once to Washington and spread upon the records of this house.

CHAS. MUNN,
Speaker of the House of Representatives.
K. K. SOLBERG,
President of the Senate.

Passed the house of representatives the 13th day of March 1933.

FRANK T. STARKEY,
Chief Clerk House of Representatives.

Passed the senate the 14th day of March 1933.

G. H. SPAETH, *Secretary of the Senate.*

Approved March 15, 1933.

FLOYD B. OLSON,
Governor of the State of Minnesota.

Filed March 16, 1933.

MIKE HOLM,
Secretary of the State of Minnesota.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Tennessee, which was referred to the Committee on Civil Service:

STATE OF TENNESSEE,
DEPARTMENT OF STATE.

To all to whom these presents shall come, greeting:

I, Ernest N. Haston, secretary of state of the State of Tennessee, do hereby certify that the annexed is a true copy of Senate Joint Resolution No. 31, acts of 1933, the original of which is now on file and a matter of record in this office.

In testimony whereof I have hereunto subscribed my official signature and by order of the governor affixed the great seal of the State of Tennessee at the department in the city of Nashville, this 16th day of March A.D. 1933.

[SEAL] ERNEST N. HASTON,
Secretary of State.

Senate Joint Resolution 31 (Denning)

Whereas William L. Covington is a native of Williamson County, Tenn., a lifelong Democrat, a graduate of the academic and law departments of Vanderbilt University, and has been for 16 years a member of the Nashville bar and a resident of Davidson County until a few years ago when he moved to Washington, D.C., as a member of the legal staff of the United States Civil Service Commission, in which capacity he is now serving; and

Whereas he served with distinction in the military forces of the United States during the World War and has since his discharge from active service continued as an officer in the reserve branch of the Army, for the past 7 years as major of Cavalry, and is an active member of Nashville Post, No. 5, of the American Legion; and

Whereas he is now a candidate for appointment as United States Civil Service Commissioner, and it does not appear that there is any other Tennessee man of the Democratic Party that is a candidate for this office, and Tennessee has never been represented on the commission throughout the 50 years of its existence; and

Whereas his candidacy has the endorsement and support of the Nashville Post, No. 5, of the American Legion, and other posts of the Legion in Tennessee, as well as the endorsement and support of numerous individuals who are personally acquainted with him; and

Whereas he is eminently fitted to serve the State of Tennessee and the United States as a member of the United States Civil Service Commission by reason of his acquaintance with its rules and regulations through his service on the legal staff thereof, as well as by reason of his education, training, and experience, and his appointment to membership on the commission would reflect honor and credit to the State of Tennessee: Now, therefore, be it

Resolved by the Senate of the Sixty-eighth General Assembly of the State of Tennessee (the house concurring), That the General Assembly of the State of Tennessee favors and recommends the appointment of the said William L. Covington as a member of the United States Civil Service Commission, and respectfully solicits his excellency, Franklin D. Roosevelt, President of the United States, to make such appointment; and be it further

Resolved, That this resolution be spread upon the journals of each house and that copies thereof be forwarded by the secretary of state to his excellency, Franklin D. Roosevelt, President of the United States, and to the clerk of the United States Senate, and to the Honorable NATHAN BACHMAN and the Honorable KENNETH D. MCKELLAR, at Washington, D.C., to the end that the President and the Senate may have before them this expression of the attitude of the general assembly of this State with respect to this appointment.

Adopted March 14, 1933.

A. F. OFFICER,
Speaker of the Senate.
FRANK W. MOORE,
Speaker of the House of Representatives.

Approved, March 16, 1933.

HILL MCALISTER,
Governor.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Washington, which was referred to the Committee on Indian Affairs:

STATE OF WASHINGTON,
DEPARTMENT OF STATE.

To all to whom these presents shall come:

I, Ernest N. Hutchinson, secretary of state of the State of Washington and custodian of the seal of said State, do hereby certify that the annexed is a true and correct copy of House Joint Memorial No. 17, as received and filed in this office on the 8th day of March, 1933.

In testimony whereof I have hereunto set my hand and affixed hereto the seal of the State of Washington. Done at the capitol, at Olympia, this 11th day of March A.D. 1933.

[SEAL] ERNEST N. HUTCHINSON,
Secretary of State.
By A. M. KITTS,
Assistant Secretary of State.

House Joint Memorial 17

To the Honorable the Senate and the House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the House of Representatives of the State of Washington, in legislative session assembled, respectfully represents and petitions your honorable bodies as follows:

Whereas we think you should know that during the coming administration of Mr. Roosevelt it is likely many changes will be made in administration of affairs of the Indians all over the United States. Reform in administration of Indian affairs has been indicated as desirable for many years, and there appears to be a growing sentiment for change for the benefit of the Indian.

Whereas as one instance of what we deem mismanagement of the business of the Indians there is paid from the Government and tribal funds $72,000 annually for salaries in administration of the Colville Reservation. Balancing this is the $10 per-capita allotment given to the Indians this year, totaling less than $35,000 for this reservation.

Therefore, on behalf of the Indians of the Colville Reservation, in Ferry County, State of Washington, we ask your aid in expediting relief action for these 3,500 wards of the Federal Government, who face a serious situation at this time in the winter through lack of funds. We urge that you investigate the plight of the Colville Tribe, with the view of authorizing speedy and sufficient relief to prevent further suffering and present starvation. The Colville Reservation has suffered from drought since 1907, and the majority of the Indians who farm have been unable to raise sufficient crops for their own needs. Streams have dried up; the Rock Island Dam in the Columbia has checked our salmon runs and virtually no fishing remains; hunting has been ruined; and sheepgrazing has spoiled our berrypicking. The Indians are virtually dependent on the Federal Government for subsistence. In 1912 and 1913 the tribe received $1,500,000 from the sale of the north half of the reservation. Since then the tribe has received 3 allotments from the Indian Bureau, 1 for $20 per capita, 1 for $15 per capita, and 1 last year for $20 per capita. This year we are to get an allotment of $10 per capita, which is all the money the tribal members can hope to receive from the Government unless some relief action is applied. The Indian faces a dreary prospect in planning his budget for the year with $10 capital. Conditions on the reservation are growing steadily worse. Serious suffering, especially among the older members of the tribe, is inevitable unless something is quickly done: Now, therefore, be it

Resolved, That your memorialists, the House of Representatives of the State of Washington, now in session, do respectfully urge upon Congress that something must be done in taking care of the Indians of the Colville Reservation; be it further

Resolved, That a copy of this memorial be forthwith transmitted to the Senate and House of Representatives at Washington, D.C., and to each Member of Congress from the State of Washington.

Passed the house February 27, 1933.

GEO. F. YANTIS,
Speaker of the House.

Passed the senate March 6, 1933.

VICTOR A. MEYERS,
President of the Senate.

Filed March 8, 1933, 12.05 a.m.

ERNEST N. HUTCHINSON,
Secretary of State.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was ordered to lie on the table:

STATE OF WISCONSIN.

Joint resolution expressing confidence in, and support of, the measures taken by President Roosevelt and the national administration in the present banking crisis

Whereas since President Roosevelt assumed office he has acted promptly and energetically to end the banking crises and restore normal business activity, and in his message to Congress outlined an intelligent program to this end; and

Whereas it is manifest that only through united action can confidence be restored in the safety of deposits in banks, without which it is not possible to resume normal business activity: Therefore be it

Resolved by the senate (the assembly concurring), That the Legislature of Wisconsin hereby expresses its confidence in, and support of, President Roosevelt and the national administration in the measures which they have taken to end the present banking crisis and assures the President that this State and its people will cooperate whole-heartedly with the national administration in the present difficulties; be it further

Resolved, That this legislature urges all depositors in banks to remain calm and to have confidence in the measures taken by the President and the Congress of the United States, and calls their attention to the fact that these measures, while causing temporary inconvenience, are designed to protect their interests in banks hereafter; be it further

Resolved, That properly attested copies of this resolution be sent to President Roosevelt, to both Houses of the Congress of the United States, and to each Wisconsin Member thereof.

THOMAS J. O'MALLEY,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.
C. T. YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Public Buildings and Grounds:

STATE OF WISCONSIN.

Joint resolution relating to the use of Wisconsin granite in Federal construction

Whereas Wisconsin is one of the leading granite-producing States; and

Whereas granite is the most suitable material to insure durability, dignity, and beauty of permanent public buildings; and

Whereas it is apparent from its general use in recent Federal construction that Indiana limestone has been unduly favored; and

Whereas it is neither desirable nor proper for a substantial portion of the benefits of Federal construction to be confined to one State when superior materials are readily available in many other States: Therefore be it

Resolved by the assembly (the senate concurring), That United States Senators and Congressmen from this State be, and are hereby, urged to secure proper consideration for granite in Federal construction in this and other States; be it further

Resolved, That properly attested copies of this resolution be sent to each United States Senator and Congressman from Wisconsin.

THOMAS J. O'MALLEY,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.
C. T. YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.

The VICE PRESIDENT also laid before the Senate a memorial of the House of Representatives of the State of Colorado, concerning social economic planning with regard to emergency-relief measures, which was referred to the Committee on Education and Labor.

(See memorial printed in full when presented today by Mr. COSTIGAN.)

He also laid before the Senate a resolution adopted by the City Council of Minneapolis, Minn., favoring the passage of legislation increasing the Federal-aid appropriation for public works by an issuance of $7,000,000,000 in bonds, the same to be loaned to cities, counties, and States for financing public works, etc., for unemployment relief, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution of the City Council of Lynwood, Calif., endorsing a resolution of the board of supervisors of Los Angeles County, favoring amendment of the Reconstruction Finance Corporation Act providing for the use of money from that source for the relief of the southern California area stricken by earthquake, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted by the Democratic Precinct Club of the sixteenth precinct, fourth representative district, Territory of Hawaii, endorsing Ralph Julian MacBryne for appointment as Collector of Customs at Honolulu, Hawaii, which was referred to the Committee on Finance.

He also laid before the Senate a letter from Frank I. Hogan, Esq., of Cleveland, Ohio, making certain suggestions relative to banking, the liquor traffic, moratoriums, etc., which was ordered to lie on the table.

He also laid before the Senate resolutions adopted by the City Council of Cambridge, Mass., commending the President of the United States for his prompt action in the economic emergency and urging the Senate to accept his proposals immediately and without modification, which were ordered to lie on the table.

Mr. CAPPER presented a petition of sundry citizens of Reno County, Kans., praying for the passage of farm legislation embodying the domestic-allotment plan, or a similar plan, making the tariff effective on that part of farm production domestically consumed, which was referred to the Committee on Agriculture and Forestry.

Mr. ROBINSON of Arkansas presented a paper in the nature of a petition of the Bible class of the Presbyterian Church of Helena, Ark., praying for the passage of legislation to prohibit the exportation of arms or munitions of war under certain conditions, which was referred to the Committee on Foreign Relations.

Mr. TYDINGS presented the petition of members of Glasva Grange, No. 393, in the State of Maryland, praying for the passage of legislation to discontinue the issuance of tax-exempt bonds, which was referred to the Committee on Finance.

He also presented petitions of sundry citizens of Baltimore, Md., praying for the passage of legislation to revaluate the gold ounce, which were referred to the Committee on Banking and Currency.

Mr. COPELAND presented resolutions adopted by the Kiwanis Club of Gloversville, N.Y., favoring the regulation of trucks, busses, and intercoastal transportation, and the balancing of the Budget, which were referred to the Committee on Interstate Commerce.

He also presented the petition of members of the Dobbs Ferry Woman's Club, Inc., of Dobbs Ferry-on-the-Hudson, N.Y. praying for Federal regulation of the motion-picture industry, which was referred to the Committee on Interstate Commerce.

He also presented a petition of sundry citizens of the State of New York praying for the enactment of legislation to prohibit the exportation of arms or munitions of war, which was referred to the Committee on Foreign Relations.

He also presented resolutions adopted by the Chambers of Commerce of Waddington and Carthage and the Board of Trade of Cape Vincent, in the State of New York, favoring the ratification of the Great Lakes-St. Lawrence seaway treaty with Canada, which were referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the West Side Association of Commerce in the City of New York, Inc., remonstrating against the ratification of the Great Lakes-St. Lawrence seaway treaty, which was referred to the Committee on Foreign Relations.

He also presented resolution adopted by Otego-Susquehanna Valley Grange, no. 1417, of Otego, N.Y., remonstrating against any curtailment in rural-mail delivery service, which was referred to the Committee on Post Offices and Post Roads.

He also presented the petition of William E. Lockner, of Lockport, N.Y., attorney for the Tuscarora Nation of Indians, of New York State, supplementing a petition presented in the Seventy-second Congress, second session, praying for the placing of the Tuscarora Indian Reservation and residents thereon under the protection of the general laws of the State of New York, with exemption from taxation, which was referred to the Committee on Indian Affairs.

He also presented a petition and resolution adopted at a mass meeting of homeowners at Long Island City, N.Y., praying for the enactment of legislation to modify certain contractual rights, to prohibit the foreclosure of mortgages on small homes, and that mortgage-interest payments above 4 percent and amortization payments be waived and deficiency judgments be abrogated, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by First Sergt. Charles H. Adrean, Distinguished Service Cross Post, No. 368, Veterans of Foreign Wars, of Utica, N.Y., remonstrating against any reductions in pensions, compensation, or disability allowances to veterans, which was ordered to lie on the table.

He also presented resolutions of Far Rockaway (N.Y.) American Legion Auxiliary, No. 423, and of the Eighth Woman's Patriotic Conference on National Defense, Albany, N.Y., favoring the maintenance of the land, sea, and air defense forces and the carrying out of the provisions of the National Defense Act, which were ordered to lie on the table.

He also presented resolutions adopted by veterans' and other organizations of the State of New York urging the support of the President of the United States in his efforts to balance the Budget and to provide for the economic ad-

justment and recovery of the Nation, which were ordered to lie on the table.

He also presented memorials of sundry citizens of Wyoming County, N.Y., remonstrating against the holding of State conventions for the repeal of the eighteenth amendment to the Constitution, which were ordered to lie on the table.

FARM RELIEF BILL—MEMORIALS

Mr. WALSH. Mr. President, I present certain telegrams referring to the farm relief bill, which I ask may be treated as in the nature of memorials and referred to the Committee on Agriculture and Forestry.

There being no objection, the telegrams in the nature of memorials were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

[Telegram]

BOSTON, MASS., *March 17, 1933.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D.C.:

Refer my letter 15th. Believe farm relief bill impossible of equitable enforcement, and section 9 entirely unworkable. Based upon retail prices advertised today's Boston papers tax to be imposed indicates increased cost consumer pork products 60 percent, beef and mutton 33, flour 60, butter 100, bread 20 to 30, milk 15 to 20 percent. Sales tax proposed year ago averaged 2 percent and excluded all foodstuffs. With millions unemployed and their dependents with reduced incomes all around, with universal clamor for reduced taxation imposition of such increased cost of living unjustifiable.

BERNARD J. ROTHWELL.

[Telegram]

BOSTON, MASS., *March 20, 1933.*

Hon. DAVID I. WALSH,
United States Senate:

Have read administration farm relief bill. It gives most arbitrary power to Secretary of Agriculture to practically control cotton mills. I question advisability of such dictatorship. Hope you will give the bill your most careful consideration. We need farm relief, but I object to Government control of business.

FRANKLIN W. HOBBS.

[Telegram]

SALEM, MASS., *March 20, 1933.*

Senator DAVID I. WALSH,
United States Senate:

As president National Association of Cotton Manufacturers urge modification of farm relief bill as it relates to cotton. Advocate adoption Smith plan for relief of cotton farmer for this year. Protest inclusion domestic allotment plan and fear the results of unlimited dictatorial powers given Secretary of Agriculture.

ERNEST N. HOOD, *President.*

[Telegram]

EAST BOSTON, MASS, *March 20, 1933.*

Hon. DAVID I. WALSH,
United States Senate:

Urge you oppose agricultural relief bill because authority given Secretary of Agriculture too broad empowering him to direct operations of Massachusetts cotton mills. Also processing tax of domestic-allotment plan is discriminatory sales tax which can not fail to decrease cotton consumption, employment of labor, and ultimate return to grower.

MAVERICK MILLS.

[Telegram]

BOSTON, MASS., *March 20, 1933.*

Hon. DAVID I. WALSH,
Senate Office Building:

Strongly opposed to any artificial farm-relief legislation, especially allotment plan. We believe for cotton Smith-George bill by far the best proposal yet made, and if any compromise necessary strongly urge that you work for this.

PACIFIC MILLS.

SPECIAL AND ECONOMIC PLANNING IN EMERGENCY RELIEF

Mr. COSTIGAN. Mr. President, the House of Representatives of the Legislature of the State of Colorado recently adopted a thoughtful and suggestive memorial, sponsored by Representatives Vincent, Aspinall, and Brownlow, addressed to this body on the subject of social and economic planning with regard to emergency-relief measures. I ask that this memorial may be incorporated in the RECORD and appropriately referred.

The memorial was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

House Memorial 5, concerning social economic planning with regard to emergency relief measures (by Representatives Vincent, Aspinall, and Brownlow)

Whereas unemployment, caused almost entirely by displacement of several millions of man and women by labor-saving machines and devices, and by new scientific methods and processes of production, has left in its wake social disaster and business paralysis; and

Whereas a general resumption of production in all fields and a restoration of markets for farm and factory products depend largely upon rebuilding and spreading purchasing power among workers—among the employable who are now unemployed, and among the employed whose wage incomes are too low to permit them to purchase supplies of commodities adequate for their needs; and

Whereas experience emphatically answers that the understanding and initiative of industrial management and financiers cannot be relied upon to voluntarily formulate and put into operation plans to so distribute the national work and income that the purchasing power of our people will be gradually built up to the point of ability to purchase production, stabilize values, and maintain economically sound and healthful living standards; and

Whereas it is now a self-evident fact that the several branches of Government—National, State, and local—must be relied upon to furnish social-economic planning, which will reestablish and maintain desirable living standards in which all of our people can share; and

Whereas the Government is already providing money for self-liquidating projects, through the Reconstruction Finance Corporation; and

Whereas this furnishes precedent for a comprehensive national housing program; and

Whereas an equally comprehensive public-works program is being considered and urged; and

Whereas emergency relief, which should take forms consistent with long-range plans, must be speedily provided for present intolerable conditions; and

Whereas such emergency-relief measures now planned or considered furnish an opportunity for the exercise of governmental powers which can pave the way to a permanent plan and system in which public welfare will ultimately find security; and

Whereas a failure to utilize such measures in a manner to assist permanent economic and social gains will result in an indefensible waste of money and leave the Government's final responsibility untouched: Now, therefore, be it

Resolved by the House of Representatives of the Twenty-ninth General Assembly of the State of Colorado, That it respectfully memorializes the Congress of the United States of America to enact such enabling legislation as will provide the necessary authority and machinery for applying the following principles to emergency-relief measures:

First. That the contract method be abolished and that Government construction work be done by direct Government management, which includes direct employment of labor and purchase of materials.

Second. That the Government find and establish the minimum income necessary to comfortable living standards for workers, technicians, directors, and supervisors of work, in each field of employment in which the Government is directly engaged; establish living standards in each field of work or employment in which the Government purchases materials; and in each field, business or industry, in which the Government makes Reconstruction Finance Corporation loans for self-liquidating projects or loans for other forms of financial relief. That such standards be made the basis for fixing wages, salaries, and period of employment in Government construction work to yield the amount of money or income required to meet the living standards set up.

Third. That shorter work hours and week days be established (such, for example, as the 6-hour day and 5-day week) to more widely spread work and income, basing wage and salary income, however, upon the living-standard requirements set up as indicated in the second paragraph.

Fourth. That it be made a condition of all purchases of materials for use in Government construction that the manufacture, sale, and distribution of such materials shall be upon, or not below, the standards of living, wages, salaries, hours, and days of work so established by the Government in those particular fields of employment.

Fifth. That it be made a condition of Reconstruction Finance Corporation relief loans that those concerns (banks, railroads, insurance companies, building-and-loan associations, and others) applying for and obtaining such relief shall adopt and maintain in their business operations the living, work, wage, and salary standards found and set up by the Government in each such field of business and work.

Sixth. That the executive department of Government be authorized to exercise the powers required to put into effect such proposed measures; and be it further

Resolved, That copies of this memorial be sent to the President of the Senate, the Speaker of the House of Representatives, and to the Senators and Representatives of Colorado in Congress.

BYRON G. ROGERS,
Speaker of the House of Representatives.
JAMES H. CARR,
Chief Clerk.

FLOOD CONTROL AFFECTING DRY CIMARRON RIVER, OKLA.-N.MEX.

Mr. THOMAS of Oklahoma. Mr. President, I present a memorial from the State Legislature of Oklahoma asking that the Dry Cimarron River be considered in connection with any flood-control program adopted by the Congress. I ask that the memorial be printed in the RECORD and referred to the appropriate committee.

The memorial was referred to the Committee on Commerce and ordered to be printed in the RECORD as follows:

STATE OF OKLAHOMA,
DEPARTMENT OF STATE.

To all to whom these presents shall come, greeting:

I, R. A. Sneed, secretary of state of the State of Oklahoma, do hereby certify that the following and hereto attached is a true copy of enrolled house Concurrent Resolution No. 13, by Cox and Williams, of the House, and Johnston, of the Senate, a resolution memorializing the Congress of the United States to include in the plan for an adequate flood control of the Mississippi River area the construction of flood-control reservoirs of the Dry Cimarron River within the State of Oklahoma and State of New Mexico, the original of which is now on file and a matter of record in this office.

In testimony whereof I hereto set my hand and cause to be affixed the great seal of state. Done at the city of Oklahoma City this 15th day of March A.D. 1933.

[SEAL] R. A. SNEED, *Secretary of State.*

House Concurrent Resolution 13 (by Cox and Williams, of the House, and Johnston, of the Senate)

A resolution memorializing the Congress of the United States to include in the plan for an adequate flood control of the Mississippi River area the construction of flood-control reservoirs on the Dry Cimarron River within the State of Oklahoma and State of New Mexico

Whereas the Congress of the United States on May 15, 1928, passed a flood control act for the purpose of controlling the devastating floods in the lower Mississippi River; and

Whereas stream control, not only in the lower Mississippi Valley but throughout the watershed of the entire Mississippi River, is necessarily part of an adequate plan to solve this situation; and

Whereas control by reservoirs of tributary streams for the purpose of withholding and controlling flood and waste water as well as for irrigation and other beneficial uses is a necessary part of any adequate plan for the control of the Mississippi Valley; and

Whereas the Dry Cimarron River in the States of New Mexico and Oklahoma is a tributary of the Mississippi River and annually contributes large and disastrous amounts of water to the Mississippi River under flood conditions; and

Whereas the hydrographic survey of the Dry Cimarron River in New Mexico, made by the State of New Mexico, shows three dam sites for flood-control reservoirs, which are sufficient and adequate for the control of water arising in New Mexico; and

Whereas it is a matter of common knowledge that dam sites might be with propriety constructed on the Dry Cimarron River in Oklahoma, which would have for their purposes the control of flood waters, and it is further apparent that such flood-control reservoirs would be sufficient and adequate for the control of water arising in both the States of New Mexico and Oklahoma which finds its way to the Mississippi River: Now, therefore, be it

Resolved by the Fourteenth Legislature of the State of Oklahoma, That—

SECTION 1. The State of Oklahoma does hereby request the Congress of the United States and all bureaus and departments of the Federal Government connected with flood control to include in the plans for Mississippi Valley flood control the construction of adequate flood-control reservoirs on the Dry Cimarron River in the States of New Mexico and Oklahoma; and be it further

Resolved, That a copy of this resolution be forwarded to the representatives of Oklahoma in the National Congress.

Adopted by the house of representatives the 3d day of February 1933.

JULIUS W. COX,
Acting Speaker of the House of Representatives.

Adopted by the senate the 1st day of March 1933.

J. C. NANCE,
Acting President of the Senate.

Correctly enrolled.

JULIUS W. COX,
Acting Chairman Committee on Enrolled and Engrossed Bills.

WORLD COURT

Mr. BARBOUR. Mr. President, I ask consent for the printing in full in the RECORD and appropriate reference of a resolution adopted by the New Jersey State Legislature memorializing the Senate to ratify the treaties relating to the adherence of the United States to the World Court.

The joint resolution of the General Assembly of New Jersey was referred to the Committee on Foreign Relations and, under the rule, ordered to be printed in the RECORD, as follows:

STATE OF NEW JERSEY.

Joint Resolution 4, laws of 1933

A joint resolution memorializing the Senate of the United States to ratify the treaties now pending before it relating to the adherence of the United States to the World Court

Whereas the present economic disturbance in this country and throughout the rest of the world is directly related to the late war and to the present lack of international confidence; and

Whereas the completion of the adherence of the United States to the World Court, as one practicable substitute for war, would be a stabilizing influence in world affairs; and

Whereas the United States is in good faith bound to make effective in the resolution passed by the United States Senate 7 years ago, in 1926, by a vote of 76 to 17, providing for the entry of this country into the Court if five conditions were met; and

Whereas in the view of the Department of State, the American Bar Association, and the New Jersey Bar Association, these five conditions are entirely met by the three World Court treaties now on the United States Senate's Executive Calendar; and

Whereas to subject to further postponement a question which is of first importance and which has already been before the Senate and the country in some form for 10 years is a contradiction of sound legislative procedure: Be it

Resolved by the Senate and General Assembly of the State of New Jersey:

1. That the Legislature of the State of New Jersey respectfully urges the Senate of the United States speedily to ratify the three pending World Court treaties, thus completing the adherence of the United States to the World Court.

2. That copies of this resolution be transmitted to the Honorable HAMILTON F. KEAN and the Honorable W. WARREN BARBOUR, the representatives of this State in the United States Senate.

3. This joint resolution shall take effect immediately.

Approved March 14, 1933.

STATE OF NEW JERSEY,
DEPARTMENT OF STATE.

I, Thomas A. Mathis, secretary of state of the State of New Jersey, do hereby certify that the foregoing is a true copy of an act passed by the legislature of this State, and approved by the Governor, the 14th day of March A.D. 1933, as taken from and compared with the original now on file in my office.

In testimony whereof, I have hereunto set my hand and affixed my official seal at Trenton, this 16th day of March 1933.

[SEAL] THOMAS A. MATHIS,
Secretary of State.

PREFERRED STOCK IN BANKING

Mr. CLARK. Mr. President, I ask to have read at the desk a telegram from the commissioner of finance of Missouri, and ask that it be considered as a petition and referred to the Committée on Banking and Currency.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read, as requested.

The Chief Clerk read as follows:

JEFFERSON CITY, MO., *March 17, 1933.*

Senator BENNETT CLARK,
Washington, D.C.:

Provision for preferred stock to be taken by Reconstruction Finance Corporation of no practical benefit to Missouri, as constitution requires consent of all stockholders to issue preferred stock. This in most cases impossible to obtain on account of death, pledges, widely scattered ownership, etc. Suggest provision in pending amendment to banking bill permitting banks in States where double liability exists to issue demand notes and debentures for sale to Reconstruction Finance Corporation to improve capital structure be further amended to include those States where constitution requires unanimous consent of all stockholders for preferred stock. Otherwise State banks in several States will be denied benefit of bank legislation intended to cover all.

O. H. MOBERLY,
Commissioner of Finance.

The VICE PRESIDENT. The telegram in the nature of a petition will be referred to the Committee on Banking and Currency.

TAX ON ISSUANCE OF SCRIP

Mr. BLACK. Mr. President, I send to the desk and ask to have read an exceedingly brief house joint resolution passed by the Legislature of the State of Alabama, and when read I ask that the joint resolution may be referred to the Committee on Banking and Currency.

The VICE PRESIDENT. Is there objection? The Chair hears none and the clerk will read, as requested.

The joint resolution was read and referred to the Committee on Banking and Currency, as follows:

House joint resolution

Whereas under the Ogden bank bill, approved March 9, 1933, authority is given, by and with the approval of the State banking department, to issue scrip by employers for salaries and wages due their employees; and

Whereas many employers of labor in Alabama desire to issue such scrip for the convenience of their employees during the period of the banking crisis: Now, therefore, be it

Resolved by the House of Representatives of Alabama (the senate concurring), That Congress be requested to suspend all laws levying a Federal tax on such scrip for the period of the present emergency created by the banking crisis; be it further

Resolved, That a copy of this resolution, certified by the secretary of state, be sent to the Senators and Congressmen of Alabama with the request that they take steps immediately to suspend all Federal laws taxing scrip of the kind heretofore mentioned.

Approved March 15, 1933.

THE STATE OF ALABAMA,
DEPARTMENT OF STATE.

I, Pete B. Jarman, Jr., secretary of state of the State of Alabama, do hereby certify that the pages hereto attached contain a true, accurate, and literal copy of House Joint Resolution 82, by Allen, approved March 15, 1933, as the same appears on file and of record in this office.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State at the capitol, in the city of Montgomery, this 18th day of March 1933.

[SEAL] PETE B. JARMAN, Jr.,
Secretary of State.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on today, March 20, 1933, that committee presented to the President of the United States the following enrolled bills:

S. 148. An act for the relief of Agnes M. Angle;

S. 149. An act for the relief of Daisy Anderson;

S. 150. An act for the relief of W. H. Hendrickson;

S. 151. An act for the relief of the Holy Family Hospital, St. Ignatius, Mont.;

S. 152. An act to authorize the Secretary of War to grant a right of way to the Alameda Belt Line across the Benton Field Military Reservation, Alameda, Calif.;

S. 153. An act to convey certain land in the county of Los Angeles, State of California;

S. 154. An act confirming the claim of Francis R. Sanchez, and for other purposes;

S. 155. An act for the relief of A. Y. Martin; and

S. 156. An act providing for an exchange of lands between the Colonial Realty Co. and the United States, and for other purposes.

REPORTS FROM COMMITTEE TO AUDIT AND CONTROL THE CONTINGENT EXPENSES OF THE SENATE

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report nine resolutions and ask unanimous consent for their consideration at this time.

The VICE PRESIDENT. The Senator from South Carolina asks unanimous consent for the present consideration of the resolutions reported by him. Is there objection? The Chair hears none, and the clerk will state the resolutions in their order.

HEARINGS BEFORE COMMITTEE ON EDUCATION AND LABOR

The resolution (S.Res. 19) submitted by Mr. WALSH on the 11th instant and this day reported by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Education and Labor, or any subcommittee thereof, is hereby authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and employ a stenographer at a cost not exceeding 25 cents per hundred words to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

HEARINGS BEFORE THE COMMITTEE ON IRRIGATION AND RECLAMATION

The resolution (S.Res. 27) submitted by Mr. BRATTON on the 14th instant and this day reported by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Irrigation and Reclamation, or any subcommittee thereof, is authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per hundred words to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

HEARINGS BEFORE THE INTERSTATE COMMERCE COMMITTEE

The resolution (S.Res. 28) submitted by Mr. DILL on the 15th instant and this day reported by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Interstate Commerce, or any subcommittee thereof, is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and employ a stenographer at a cost not exceeding 25 cents per hundred words to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the session or recesses of the Senate.

HEARINGS BEFORE THE COMMITTEE ON PATENTS

The resolution (S.Res. 31) submitted by Mr. WAGNER on the 16th instant and this day reported by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Patents, or any subcommittee thereof, is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

TEMPORARY EMPLOYMENT OF MAIL CARRIERS

The resolution (S.Res. 32) submitted by Mr. MCKELLAR on the 16th instant and this day reported by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Sergeant at Arms hereby is authorized and directed to employ six mail carriers for service in the Senate post office for 7 days to be paid from the contingent fund of the Senate at the rate of $1,620 each per annum.

HEARINGS BEFORE THE COMMITTEE ON AGRICULTURE AND FORESTRY

The resolution (S.Res. 33) submitted by Mr. SMITH on the 16th instant, and this day reported by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Agriculture and Forestry, or any subcommittee thereof, is hereby authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid from the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

HEARINGS BEFORE THE COMMITTEE ON APPROPRIATIONS

The resolution (S.Res. 17) submitted by Mr. GLASS on the 11th instant, and this day reported by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Appropriations, or any subcommittee thereof, is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

HEARINGS BEFORE THE COMMITTEE ON MILITARY AFFAIRS

The resolution (S.Res. 25) submitted by Mr. SHEPPARD on the 13th instant, and this day reported by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Military Affairs, or any subcommittee thereof, is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

EXPENSES OF IMPEACHMENT TRIAL

The resolution (S.Res. 14) submitted by Mr. ASHURST on the 10th instant, and this day reported by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That not to exceed $5,000 is authorized to be expended from the appropriation for miscellaneous items, contingent expenses of the Senate, for the fiscal year 1932, to defray the expenses of the Senate in the impeachment trial of Harold Louderback.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. WAGNER:

A bill (S. 509) to amend the Emergency Relief and Construction Act of 1932; to the Committee on Banking and Currency.

A bill (S. 510) to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes; to the Committee on Education and Labor.

By Mr. COSTIGAN:

A bill (S. 511) providing for the suspension of annual assessment work on mining claims held on location in the United States and Alaska; to the Committee on Mines and Mining.

By Mr. WHEELER:

A bill (S. 512) for the relief of Peter Pierre; to the Committee on Claims.

By Mr. TYDINGS:

A bill (S. 513) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Lillian Stecher Waldecker, formerly Lillian A. Stecher; to the Committee on Claims.

A bill (S. 514) authorizing the President to order Maj. E. P. Duvall before a retiring board for a hearing of his case and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his resignation; to the Committee on Military Affairs.

By Mr. NEELY:

A bill (S. 515) to amend section 113 of the Judicial Code, as amended, with respect to the southern judicial district in the State of West Virginia; to the Committee on the Judiciary.

A bill (S. 516) for the relief of Clay W. Leps; to the Committee on Claims.

A bill (S. 517) for the relief of Emma Susan McMurdo; to the Committee on Finance.

A bill (S. 518) granting a pension to Fred Starling;

A bill (S. 519) granting an increase of pension to Fred Cook; and

A bill (S. 520) granting an increase of pension to Frank Spradling; to the Committee on Pensions.

By Mr. WALSH:

A bill (S. 521) for the relief of Henry Poole; and

A bill (S. 522) for the relief of Patrick J. Sullivan; to the Committee on Military Affairs.

A bill (S. 523) for the relief of Grant MacInnes; and

A bill (S. 524) for the relief of Napoleon Moran; to the Committee on Naval Affairs.

By Mr. FRAZIER:

A bill (S. 525) to restore to national farm-loan associations commissions illegally withheld by Federal land banks and to assure payment of such commissions hereafter; and

A bill (S. 526) to reimburse national farm-loan associations for losses sustained on account of illegal denial of the privilege of obtaining their funds in the form of farm-loan bonds instead of cash; to the Committee on Banking and Currency.

A bill (S. 527) for the relief of Lillian Morden; to the Committee on Claims.

A bill (S. 528) relating to the removal of certain employees in the Indian Service; and

A bill (S. 529) authorizing the creation of Indian tribal councils, and for other purposes; to the Committee on Indian Affairs.

A bill (S. 530) for the relief of Mary L. Crowell;

A bill (S. 531) for the relief of Dan Davis;

A bill (S. 532) for the relief of Harvey R. King; and

A bill (S. 533) for the relief of Charles F. Poitra; to the Committee on Military Affairs.

A bill (S. 534) granting a pension to Nellie Gates;

A bill (S. 535) granting a pension to Patsy Dennis Johnson;

A bill (S. 536) granting a pension to Rosalia Lange;

A bill (S. 537) granting a pension to Margaret M. Miller;

A bill (S. 538) granting a pension to Mary Perry;

A bill (S. 539) granting a pension to Edwin K. Williams;

A bill (S. 540) granting an increase of pension to Sarah J. Carpenter; and

A bill (S. 541) granting an increase of pension to Orpha D. Bell King; to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 542) for the relief of William J. Ewing;

A bill (S. 543) for the relief of Kate Hatton; and

A bill (S. 544) for the relief of Theodor Knudson; to the Committee on Claims.

A bill (S. 545) to authorize the Secretary of the Navy to make a long-term contract for a supply of water to the United States naval station at Guantanamo Bay, Cuba; to the Committee on Naval Affairs.

A bill (S. 546) granting a pension to Edith Corbit;

A bill (S. 547) granting a pension to Edwin C. Derrick; and

A bill (S. 548) granting a pension to Thomas A. Rinehart; to the Committee on Pensions.

A bill (S. 549) to provide for the acquisition of certain timberlands and the sale thereof to the State of Oregon for recreational and scenic purposes; to the Committee on Public Lands and Surveys.

By Mr. THOMAS of Oklahoma:

A bill (S. 550) for the relief of Beryl Elliott;

A bill (S. 551) for the relief of A. W. Holland;

A bill (S. 552) for the relief of Manuel Merritt;

A bill (S. 553) for the relief of William Sheldon; and

A bill (S. 554) providing for per capita payments to the Seminole Indians in Oklahoma from funds standing to their credit in the Treasury; to the Committee on Claims.

A bill (S. 555) to authorize the acquisition by the United States of the land upon which the Seneca Indian School, Wyandotte, Okla., is located; to the Committee on Indian Affairs.

A bill (S. 556) for the relief of Sidney M. Blackburn;

A bill (S. 557) for the relief of John Ernst; and

A bill (S. 558) for the relief of Beryl M. McHam; to the Committee on Military Affairs.

A bill (S. 559) for the relief of Joseph Thompson; to the Committee on Naval Affairs.

A bill (S. 560) granting a pension to Minnie Cantlon; to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 561) for the creation of a Housing Board and authorizing the incorporation of limited-dividend housing corporations in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

A bill (S. 562) relating to the prescribing of medicinal liquors; to the Committee on the Judiciary.

A bill (S. 563) for the relief of Elizabeth Bolger;
A bill (S. 564) for the relief of G. Elias & Bro., Inc.;
A bill (S. 565) for the relief of G. Elias & Bro., Inc.;
A bill (S. 566) for the relief of James Elliott & Co., Inc.;
A bill (S. 567) for the relief of J. A. Finn & Co., Inc.; and
A bill (S. 568) for the relief of Winifred Meagher; to the Committee on Claims.

A bill (S. 569) granting a pension to Anna McNamara;
A bill (S. 570) granting a pension to Joseph F. Sourek;
A bill (S. 571) granting a pension to Carl M. Toepper; and
A bill (S. 572) granting a pension to Samuel Herkowitz; to the Committee on Pensions.

A bill (S. 573) to repeal the act entitled "An act to authorize the acquisition for military purposes of land in Orange County, N.Y., for use as an addition to the West Point Military Reservation," approved March 3, 1931; to the Committee on Military Affairs.

By Mr. METCALF:

A bill (S. 574) for the relief of Lillian G. Frost; to the Committee on Claims.

A bill (S. 575) for the relief of Maurice M. Keleher; to the Committee on Naval Affairs.

A bill (S. 576) granting an increase of pension to Lena Hook;

A bill (S. 577) granting an increase of pension to Martha W. Howland;

A bill (S. 578) granting an increase of pension to Lillian M. Hoxie;

A bill (S. 579) granting an increase of pension to Louise M. Ide; and

A bill (S. 580) granting an increase of pension to Annie Monkhouse; to the Committee on Pensions.

By Mr. KING:

A bill (S. 581) to provide for the protection of watersheds in and adjacent to national forests; to the Committee on Agriculture and Forestry.

A bill (S. 582) to secure greater economy and efficiency in the disbursement of public money, and for other purposes; to the Committee on Appropriations.

A bill (S. 583) relating to the classified civil service; to the Committee on Civil Service.

A bill (S. 584) to extend the powers of the Commissioners of the District of Columbia;

A bill (S. 585) relating to the release of real-estate mortgages and deeds of trust in the District of Columbia;

A bill (S. 586) to regulate foreclosure of mortgages and deeds of trust in the District of Columbia; and

A bill (S. 587) to amend section 1180 of the Code of Law for the District of Columbia with respect to usury; to the Committee on the District of Columbia.

A bill (S. 588) to amend the Judicial Code by adding a new section to be numbered 274D; to the Committee on the Judiciary.

A bill (S. 589) to provide for the establishment and maintenance, under the Bureau of Mines, of a research station at Salt Lake City, Utah; to the Committee on Mines and Mining.

A bill (S. 590) to amend the act approved March 3, 1927, entitled "An act granting pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes"; to the Committee on Pensions.

A bill (S. 591) granting certain lands to Salt Lake City, Utah; and

A bill (S. 592) granting certain lands to the State of Utah for use and benefit of the Utah State Agricultural College; to the Committee on Public Lands and Surveys.

By Mr. REED:

A bill (S. 593) to amend the act entitled "An act to give war-time rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States," approved June 21, 1930, so as to give class B officers of the Army benefits of such act; to the Committee on Military Affairs.

By Mr. WAGNER:

A joint resolution (S.J.Res. 26) to promote the establishment of unemployment insurance systems and wage reserves, and for other purposes; to the Committee on Finance.

By Mr. THOMAS of Oklahoma:

A joint resolution (S.J.Res. 27) to provide protection and relief to farmers by aiding them to conserve and liquefy their mineral rights through recognized and established cooperative agencies engaged in the pooling of mineral rights underlying farm lands; to the Committee on Banking and Currency.

By Mr. WALSH:

A joint resolution (S.J.Res. 28) directing the President to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

HEARINGS BEFORE COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. KING submitted the following resolution (S.Res. 34), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on the District of Columbia, or any subcommittee thereof, is hereby authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid from the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

HEARINGS BEFORE COMMITTEE ON POST OFFICES AND POST ROADS

Mr. McKELLAR submitted the following resolution (S.Res. 35), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Post Offices and Post Roads, or any subcommittee thereof, is hereby authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

SHIPPING BOARD

Mr. STEPHENS. From the Committee on Commerce I report three nominations of members of the Shipping Board, and ask unanimous consent for their immediate consideration.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read the nominations.

The Chief Clerk read the name of Hutch I. Cone, of Florida, to be a member of the United States Shipping Board.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the name of Gatewood S. Lincoln, of California, to be a member of the United States Shipping Board.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the name of David W. Todd, of New York, to be a member of the United States Shipping Board.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. FLETCHER. Mr. President, I ask unanimous consent that the President may be notified of the confirmation of these nominations.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the President will be notified.

EUGENE O. SYKES

Mr. ROBINSON of Arkansas. Mr. President, last Thursday the Senate confirmed the nomination of Judge Eugene

O. Sykes to be a member of the Radio Commission. I ask unanimous consent that the President may be notified of that action.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the President will be notified.

The Senate resumed legislative business.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had appointed Mr. RAGON a manager on the part of the House at the conference of the two Houses on the amendments of the Senate to the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, vice Mr. DOUGHTON, resigned.

RECESS

Mr. ROBINSON of Arkansas. Mr. President, there is no unfinished business before the Senate. It is expected that an amendment to the Emergency Banking Act will be sent to the Senate this afternoon and that an opportunity may be afforded for its consideration or reference and that a conference report may be submitted during the day. For these reasons I move that the Senate take a recess until 3 o'clock p. m.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 12 o'clock and 26 minutes p.m.) the Senate took a recess until 3 o'clock p.m.

AFTER RECESS

At the expiration of the recess the Senate reassembled, and the Vice President resumed the chair.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

AMENDMENT OF VOLSTEAD ACT—CONFERENCE REPORT

Mr. HARRISON. Mr. President, I submit to the Senate the conference report on the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, and ask for its immediate consideration.

Mr. MCNARY. Mr. President, does not the Senator think we should have a quorum call?

Mr. HARRISON. I think it would be well to do so.

Mr. LEWIS. Mr. President, I suggest the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	La Follette	Reynolds
Ashurst	Couzens	Lewis	Robinson, Ark.
Austin	Dickinson	Logan	Robinson, Ind.
Barbour	Dieterich	Lonergan	Russell
Barkley	Dill	Long	Sheppard
Black	Duffy	McAdoo	Shipstead
Bone	Erickson	McCarran	Smith
Borah	Fess	McGill	Steiwer
Bratton	Fletcher	McKellar	Stephens
Brown	Frazier	McNary	Thomas, Okla.
Bulkley	George	Metcalf	Thomas, Utah
Bulow	Glass	Murphy	Townsend
Byrd	Gore	Neely	Trammell
Byrnes	Hale	Norbeck	Tydings
Capper	Harrison	Norris	Vandenberg
Caraway	Hatfield	Nye	Van Nuys
Carey	Hayden	Overton	Wagner
Clark	Hebert	Patterson	Walcott
Connally	Johnson	Pittman	Walsh
Coolidge	Keyes	Pope	Wheeler
Copeland	King	Reed	White

Mr. REED. I desire to announce that my colleague the junior Senator from Pennsylvania [Mr. DAVIS] is necessarily detained from the Senate by illness.

Mr. HEBERT. I desire to announce the necessary absence of the following Senators: Mr. DALE, Mr. GOLDSBOROUGH, Mr. HASTINGS, Mr. CUTTING, Mr. SHIPSTEAD, Mr. KEAN, and Mr. SCHALL.

Mr. LEWIS. I announce the absence of the junior Senator from Tennessee [Mr. BACHMAN], who for the moment is indisposed at his home; and the absence of the Senator from North Carolina [Mr. BAILEY], the Senator from Alabama [Mr. BANKHEAD], and the Senator from Wyoming [Mr. KENDRICK], they being detained on official matters at the present moment but hope to be in the Chamber a little later in the day.

The VICE PRESIDENT. Eighty-four Senators having answered to their names, a quorum is present.

Mr. HARRISON. Mr. President, I move the adoption of the conference report.

The VICE PRESIDENT. The conference report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 5, 8, 10, 13, 17, 26, 27, 31, 33, 37, 40, 41, 42, and 43.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 7, 9, 11, 12, 14, 15, 16, 18, 19, 20, 21, 24, 25, 28, 29, 30, 32, 34, 35, 36, 38, and 39, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: Strike out the figures "3.05" in said amendment and insert "3.2"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: Strike out the figures "3.05" in said amendment and insert "3.2"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: Strike out the figure "3.05" in said amendment and insert "3.2"; and the Senate agree to the same.

PAT HARRISON,
WILLIAM H. KING,
DAVID I. WALSH,
DAVID A. REED,
JAMES COUZENS,
Managers on the part of the Senate.

HEARTSILL RAGON,
THOMAS H. CULLEN,
JOHN W. MCCORMACK,
ALLEN T. TREADWAY,
HENRY W. WATSON,
Managers on the part of the House.

Mr. HARRISON. Mr. President, there were three questions in disagreement between the House and the Senate. One was the alcoholic content, the Senate standing on 3.05 and the House on 3.2. The second was the so-called "Borah amendment", prohibiting the giving away or sale of enumerated beverages to anyone under 16 years of age. The third was the inclusion of the Senate amendment relating to wine and fruit juices. The Senate receded on the so-called "Borah amendment" and receded on the 3.05 amendment and agreed to the House provision for 3.2, while the House receded and accepted the Senate amendment with reference to wine and fruit juices. The matter is before us in that form.

Mr. BORAH. Mr. President I suppose it is the desire of the Senator to take up the report immediately?

Mr. HARRISON. Yes. I have moved the adoption of the report.

Mr. BORAH. Of course, under the rule, it would have to go over on request, but I do not know that anything is to be gained by having it go over.

I understand that the amendment prohibiting the sale of the enumerated beverages to anyone under 16 years of age was eliminated because it was in the nature of or supposed

to be an admission that they are intoxicating. I do not know how much information anyone is entitled to have from the conferees, but that is my understanding. The newspapers have reported that the House leaders were particularly insistent that the antiminor amendment should go out of the bill. The whole theory of their support of 3.2 or 3.05 percent beer, so they claim, is that it is a nonintoxicating beverage, and they said the inclusion of an amendment barring sale to minors would be a prima-facie admission that something was wrong with the beverage.

Mr. President, it does not seem to me that can be urged as to this bill with any degree of consistency. There is a frank, unquestioned admission in the bill that the beverage is intoxicating if we are to consider it in the light of all the terms of the bill; that is to say, if we take the terms of the bill as a whole, there is unquestionably an admission in the bill that this beer is intoxicating. We have put in the bill the Webb-Kenyon Act. It can have no place in the bill except upon the theory that we are dealing with an intoxicating beverage to which dry States object. We have prohibited the beverage from being exported into dry States or into States where it is prohibited.

Now, upon what possible theory can we exclude beverages from interstate commerce except upon the theory that they are intoxicating? We could not exclude from interstate commerce nonintoxicating beverage or a nondeleterious and nonharmful commodity. We could not exclude meat if it were not diseased meat. We could not, in my judgment, exclude bread from interstate commerce. We can only exclude from interstate commerce that which is harmful to society, which is hurtful in some way, which is dangerous to society. The sole foundation upon which this provision of the bill rests is the theory that it is in some way harmful to the people of the States into which it might be exported. If it is nonintoxicating, then what is the difference between a dry State and a wet State? If it is not harmful, if it is a nonintoxicating wholesome drink, then by what authority under the Constitution do we deny the right of anyone to ship it in interstate commerce? The Webb-Kenyon law was enacted to deal with intoxicating beverages. It would have been clearly unconstitutional had it attempted to deal with nonintoxicating beverages. It is said in this bill:

SEC. 7. Whoever orders, purchases, or causes beer, ale, porter, wine, similar fermented malt or vinous liquor, or fruit juice, containing 3.2 percent or less of alcohol by weight, to be transported in interstate commerce, except for scientific, sacramental, medicinal, or mechanical purposes, into any State, Territory, or the District of Columbia, the laws of which State, Territory, or District prohibit the manufacture or sale therein of such fermented malt or vinous liquor or fruit juice for beverage purposes, shall be fined not more than $1,000—

And so forth. That is the principle of the Webb-Kenyon Act. Taken together with the preceding section, it is the Webb-Kenyon Act. The Webb-Kenyon Act was sustained solely upon the ground that the Government had a right to exclude from channels of interstate trade a commodity such as intoxicating liquor because it was deemed harmful to society.

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. BORAH. I yield.

Mr. BARKLEY. I should like to inquire of the Senator from Idaho whether he thinks the reenactment of the Webb-Kenyon law in this bill is based upon the theory that the beverage is intoxicating, or is it based upon the fact that it may violate some State law that fixes a smaller alcoholic content in the beverage permitted, even though it might not be intoxicating? For instance, if, instead of fixing 3.2 percent, we had fixed 2 percent as the alcoholic content of this beverage, we still probably might have been under the obligation of protecting any State that insisted on one half of 1 percent from the importation of the liquor from the outside in violation of its own law, and yet beverages of both percentages might be nonintoxicating. Has the Senator thought about that phase of it?

Mr. BORAH. Yes; I have thought about that phase of it. Mr. President, a State cannot prohibit so as to exclude the exercise of the power of Congress over the interstate channels of commerce; it cannot prohibit an article which is not in some way regarded as detrimental or injurious to the community. In other words, the ipse dixit of a State or the judgment of a State alone would not control Congress and could not control Congress as to what should come over the line in interstate commerce. For instance, if the State should see fit to prohibit the shipment of certain kinds of meats into the States, such a law would not be sustained unless it were shown that the meat was diseased or something of that kind, and then Congress might approve. Congress alone must determine what shall be shipped in interstate commerce. It may do this, as in the Webb-Kenyon law where the commodity or article is deemed hurtful, but in my judgment neither Congress nor the Congress and the State combined can exclude from interstate commerce a useful, harmless, nondeleterious commodity or beverage.

Mr. BARKLEY. Mr. President, I understand that, but in dealing with this subject many of the States, operating under their own constitutional amendments, or in harmony with the Volstead Act which we passed subsequent to the eighteenth amendment fixed one half of 1 percent as the legal alcoholic content. The Webb-Kenyon Act prohibited the shipment of any liquor into any State in violation of the law of that State, or——

Mr. BORAH. Any intoxicating liquor.

Mr. BARKLEY. It made it subject to the law of the State after it arrived in the State. Cannot Congress take notice of the laws of any State on the subject so as to prevent the shipment of a beverage into a State in violation of the State law, even though, as a matter of fact, it is not intoxicating?

Mr. BORAH. No, Mr. President. That would give the States control over interstate commerce.

Mr. BARKLEY. Not necessarily; it would not give them control unless Congress saw fit to enact a law making an article in interstate commerce subject to the law of the State.

Mr. BORAH. I beg the Senator's pardon. The Supreme Court has held of late years that the failure of Congress to act upon the question does not give a State any control whatsoever in excluding an article from interstate commerce. If Congress fails to act, then that is construed as the desire of Congress that the subject shall be free of legislation.

Mr. BARKLEY. I understand that; I am not contending that it does; but where Congress does act in recognition of some State law to prevent the shipment into that State of something regarded in the State as harmful, whether it be an intoxicating liquor or something else—and that is as far as we have gone so far—that is quite a different proposition from where Congress simply remains silent and allows the legislature to act as it may see fit.

Mr. BORAH. If the Congress remains silent, the fact that Congress does remain silent is an indication conclusive that the Congress desires the subject to be free from legislation. That was decided by the Supreme Court a number of years ago. The only reason for excluding liquor from interstate commerce at that time was based upon the fact that it was intoxicating, and therefore, as the court said, harmful to society, and the State would be given permission to protect itself and the health of its citizens against such liquor by consent of Congress. It will be remembered that when the Webb-Kenyon Act was passed, the Attorney General rendered an opinion that it was unconstitutional, basing his view upon the proposition that the commodity was entitled to enter the channels of interstate trade; that it was a commodity; that there was a right to sell it and to ship it. Mr. Taft, who was afterwards Chief Justice, vetoed the bill on that ground. The Supreme Court finally sustained the law by a divided court. I read from the syllabus:

The power, in the case of intoxicants, because of their character, extends to the total prohibition of their transport in interstate commerce.

Now, we are considering a beverage which, it is contended, is nonintoxicating; that it is not harmful to society; that it is not hurtful to the health of the community; and it is sought to exclude it from interstate commerce. I venture to say that it cannot be excluded from interstate commerce under the decision of the Supreme Court unless it is found to be hurtful, or, in other words, is found to be intoxicating.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. BORAH. I yield.

Mr. BARKLEY. Let us assume that under the law of Massachusetts alcoholic content may be 1 percent, that under the law of Missouri it may be 1½ percent, and that under the law of Nebraska it may be 2 percent, so as to make the question of intoxicating character a matter of legal decision by the legislature of each State, with no uniformity at all. Does the Senator contend that Congress could not pass an act making it unlawful to ship liquor to any and all those States in violation of the State law as to the alcoholic content of the liquor or that Congress could not make the liquor subject to the law of the State after it arrived within the confines of the State?

Mr. BORAH. The test is not what the State has legislated, but it is the character of the commodity which it is sought to exclude.

Mr. BARKLEY. The Court at that time in passing upon the Webb-Kenyon Act did prescribe as the test whether the article was intoxicating in fact, but, as I understand, there has been no such test applied in any decision by the Supreme Court to the question involved in this proposed law.

Mr. PITTMAN. Mr. President, I think the principle stated by the Senator from Idaho is correct under the decision of the Supreme Court; but, on the other hand, while Congress under the Constitution is vested with the power to control interstate commerce, it has power to waive that control, has it not?

Mr. BORAH. It has power to waive that control according to the particular character of the commodity over which the waiver is asked, but it cannot take it out of interstate commerce unless the article or commodity is in some way deemed hurtful. That was decided in the *Child Labor case*, where the Court decided that Congress could not take an article out of interstate commerce except on the ground that it was in some way deleterious.

Mr. PITTMAN. Now, let us see whether Congress has not attempted to waive its rights under the interstate-commerce clause. Take, for instance, prison-made goods; there is no distinction between prison-made goods and any other goods, so far as the eye can determine or the effect on the wearer is concerned; and yet Congress has waived its jurisdiction over prison-made goods to the extent of allowing such goods when entering a State to be subjected to the laws of the State. In that case there is a distinction; the goods are not deleterious in themselves. In the child-labor case the Supreme Court held that Congress could not prevent the introduction of goods into a State because they were made by child labor if the goods in themselves were not deleterious; but Congress in that instance attempted to prevent them from going in. Now, in the case of prison-made goods it was just the opposite. As in the case of goods made by child labor, they were not in themselves deleterious, and, therefore, Congress could not stop them from going into a State, but in the case of prison-made goods the Congress waived its control to the extent that they said, "We will not enforce the power against you by compelling you to receive these goods, but we will only compel you to receive them subject to the laws of your own State." It seems to me that is what we are doing in this case.

Mr. BORAH. Mr. President, as I understand the decisions of the Supreme Court, the Congress, by reason of the interstate commerce clause of the Constitution, cannot legislate to take out of interstate commerce any commodity unless that commodity is adjudged or deemed to be in some way injurious to the public health or contrary to what is deemed the welfare of the State.

Mr. LOGAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. BORAH. I yield.

Mr. LOGAN. I ask the Senator, according to his expressed view, if the beverage allowed by this bill is not intoxicating, is not the provision prohibiting shipments into States that prohibit the use or sale of such beverage violative of the commerce clause of the Constitution?

Mr. BORAH. I think so.

Mr. LOGAN. On the other hand, if that provision is valid and Congress may prohibit the shipment into dry States upon the ground that that is an intoxicating beverage, then the bill violates the eighteenth amendment, does it not? So we do admit that it is an intoxicating beverage when we prohibit the shipment into certain States. Is that the Senator's view?

Mr. BORAH. That is my position, well stated.

Mr. LOGAN. That view seems to be backed up by the Supreme Court of the United States in every case, so far as I know, that has been decided.

Mr. BORAH. Mr. President, I now wish to call attention——

Mr. BLACK. Mr. President, will the Senator from Idaho yield on the point he has been discussing? I merely wish to get his view on another phase of it.

Mr. BORAH. I yield.

Mr. BLACK. The Supreme Court has held, has it not, that under the eighteenth amendment Congress can not only prohibit the sale of that which is intoxicating but that which may not be intoxicating in order to aid to protect the law of a State prohibiting the sale of intoxicants? In other words, the Supreme Court has held, as I understand, that Congress may prohibit the sale of that which is not intoxicating in order to help enforce the law of the State against the sale of that which is intoxicating. If that be true, I would be interested to hear the Senator discuss why, if the eighteenth amendment would authorize preventing the sale of that which is not intoxicating, Congress would be precluded from attempting to aid a State to enforce that provision of its law which is admittedly valid under the eighteenth amendment.

Mr. BORAH. Mr. President, I will discuss that question as I proceed. Let us refer for a moment to what is known as the child-labor decision. In that case the Court says:

> But it is insisted that adjudged cases in this Court establish the doctrine that the power to regulate given to Congress incidentally includes the authority to prohibit the movement of ordinary commodities, and therefore that the subject is not open for discussion.

It was contended in that case that the goods being shipped in interstate commerce could be prohibited although they were not tainted and although they were in no sense injurious to the public, for the reason that it was within the power of Congress to prohibit the shipment of any commodity that it saw fit, in interstate commerce.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. BORAH. Let me finish the quotation:

> The cases demonstrate the contrary—

That is, Congress cannot prohibit just any commodity that it sees fit to prohibit—

> The cases demonstrate the contrary. They rest upon the character of the particular subjects dealt with and the fact that the scope of governmental authority, State or national, possessed over them is such that the authority to prohibit is as to them but the exertion of the power to regulate.

I now yield.

Mr. BARKLEY. Mr. President, it seems to me that there is quite a difference between the decision of the court in the *Child Labor* case and the situation we now have before us. There Congress was seeking to set up a national standard in the case of the manufacture of goods by children. It would have been quite different if Congress had passed a law preventing the shipment of such goods into a State where the

State law prohibited the manufacture of goods as a result of child labor.

Mr. BORAH. No; under the decision of the Supreme Court that would make no difference whatever, because such a decision would give over to the State the control of interstate commerce. The State might pass a law prohibiting this or that; but simply because the State had passed that kind of a law, could it be said that the Congress must yield upon the proposition and that it would leave to the States to say what shall be shipped in interstate commerce and what shall not? The Court has settled that question in several cases.

In Clark Distilling Co. against Western Maryland Railroad Co., Two Hundred and Forty-second United States Reports, page 311, the power of Congress over the transportation of intoxicating liquor was sustained. In the course of the opinion it was said:

> The power conferred is to regulate, and the very terms of the grant would seem to repel the contention that only prohibition of movement in interstate commerce was embraced.

And, concluding the discussion which sustained the authority of the Government to prohibit the transportation of liquor in interstate commerce, the Court said:

> The exceptional nature of the subject here regulated is the basis upon which the exceptional power exerted must rest—

That is, prohibiting it—

> and affords no ground for any fear that such power may be constitutionally extended to things which it may not consistently with the guaranties of the Constitution embrace.

In other words, the Supreme Court said that by reason of the fact that the beverage was intoxicating, and by reason of the fact that the courts had held in numerous cases that intoxicating liquor was hurtful and that a State might, by reason of that fact, act upon it, Congress consented to waive its power to control interstate commerce in that particular commodity to prohibit its going into the State.

Mr. BARKLEY. Mr. President, will the Senator yield again?

Mr. BORAH. I yield.

Mr. BARKLEY. In what instance prior to the passage of the Webb-Kenyon Act has Congress ever attempted to regulate commerce, or the transportation of any commodity into a State, based upon the laws of that State?

Mr. BORAH. I think the case of Leisy against Hardin settled that matter.

Mr. BARKLEY. I know; but that was not the result of an act of Congress undertaking to limit interstate commerce so that it would be governed by the laws of the State. I realize that the courts have frequently held that no State, by its regulations or by its laws, can prevent the importation of anything from another State, but I do not recall that prior to the Webb-Kenyon Act Congress ever passed a law making any article of interstate commerce subject to the State law after it arrived in the State.

Mr. BORAH. I do not know that it did, but it dealt with that proposition in the Webb-Kenyon decision.

Mr. BARKLEY. So that that question was not passed upon by the Supreme Court.

Mr. BORAH. That identical question was passed on by the Supreme Court. It said, in passing upon the Webb-Kenyon Act, that the sole authority which it had for keeping the beverage out of interstate commerce, and permitting the State to deal with it, was because it was an intoxicating beverage, which settled the same question we are discussing here.

Take the lottery case. In the lottery case the act was sustained by the court, but the court held that the lottery was a gambling device, hurtful to society, and therefore that the shipment in interstate commerce of the instruments representing the gambling device could be prevented. There is no case that I have been able to find in which the Court has intimated that there was any power to exclude a commodity from interstate commerce, either by act of Congress or by the combined act of Congress and of the State, unless the commodity was deemed to be in some way injurious to the public.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. WAGNER. Of course, I disagree with the Senator that Congress does not find as a matter of fact that the limit prescribed in the pending statute provides for a nonintoxicant. Otherwise, we would not in the same act permit its sale. That would be a violation of the eighteenth amendment. Nevertheless, we leave to the State—do we not?—the determination of the question as to whether it will permit the sale of a beverage having an alcoholic content of 3.2 percent. And the State may reduce that down to one half of 1 percent, or 1 percent, or whatever, in the judgment of the legislative authority, it deems wise. The State having enacted that particular law as it deems necessary to enforce the eighteenth amendment, have we not the right under those circumstances to divest the particular commodity of its interstate character when it is attempted to be imported into a State that has that limitation?

Mr. BORAH. I do not think so. The Congress must always determine its power, and that is determined by the character of the commodity.

Mr. WAGNER. Personally, I do not think there is any question about it.

Mr. BARKLEY. Mr. President——

Mr. BORAH. Mr. President, let us assume that this case should go to the Supreme Court. The first question which the Supreme Court would be called upon to determine would be whether this beer is intoxicating.

If it decides that it is intoxicating, of course this statute falls. Suppose the court decides that it is not intoxicating; that it is noninjurious as an intoxicating beverage. Then the court has before it the second proposition, that we have undertaken to prohibit the shipment in interstate commerce of a harmless beverage, just the same as soda water, near-beer, cider, Coca-Cola, or anything else. We have undertaken, they will say, to prohibit the entry into interstate trade of a harmless commodity, a nonintoxicating beverage, and we have undertaken to prohibit interstate commerce from entertaining in its channels that kind of beverage. We have the naked question then as to whether Congress has the power to take out of interstate commerce a commodity or a beverage which the Supreme Court holds is nonintoxicating and nonhurtful to society.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. BORAH. I yield.

Mr. BARKLEY. I think we cannot overlook the fact that the eighteenth amendment confers as much power on the State legislature within its jurisdiction as it does on the Congress of the United States. It confers upon every State legislature in this country concurrent power to enact such legislation as may be necessary to enforce the eighteenth amendment within its confines. Now, if in the exercise of that concurrent power, which within the confines of the State is as great as the power of Congress, a legislature sees fit to make unlawful the sale of a beverage not actually intoxicating, but the prohibition of which is made necessary in order to enforce the eighteenth amendment, does the Senator contend that we cannot protect that State in the enforcement of that law?

Mr. BORAH. I contend that the eighteenth amendment did not modify in the slightest degree the provision of the Constitution with reference to interstate commerce. It did not give the States any more power to deal with a commodity in interstate commerce than before the eighteenth amendment was passed. It gave them power to deal with liquor under the eighteenth amendment, to enforce the eighteenth amendment; but it modified and changed in no respect the terms and implications of the interstate commerce clause.

Mr. BLACK. Mr. President, will the Senator yield there?

Mr. BORAH. In just a moment.

Mr. BLACK. I desire to ask a question on that point.

Mr. BORAH. Very well; I yield.

Mr. BLACK. As I understand, the present Volstead law prohibits the shipment in interstate commerce of any beverage containing more than one half of 1 percent of alcohol. Of course, I do not think anyone has claimed that a beverage containing one half of 1 percent of alcohol is intoxicating. Under the Senator's argument, would not that part of the Volstead law be stricken down, because it now prohibits the shipment in interstate commerce of anything containing more than one half of 1 percent of alcohol?

Mr. BORAH. No; but Congress had declared that that content was intoxicating, and the Supreme Court had held that it was within the discretion of the Congress, within reason, to declare what was intoxicating.

Mr. WAGNER. Mr. President, will the Senator yield right there?

Mr. BORAH. I will.

Mr. WAGNER. In one of the cases before the United States Supreme Court, involving the definition of one half of 1 percent, it was conceded on the record that a beverage containing one half of 1 percent of alcohol was nonintoxicating. Nevertheless, the Supreme Court said that the Congress had the power to define the beverage, and as long as it was not an unreasonable exercise of that power it was sustained.

Mr. BORAH. That is repeating what I said, that the Court had held that it was within the discretion of Congress to establish a certain percentage, and that while it was within reason the Court would not disturb the law; but they accepted it in Congress as intoxicating.

Mr. WAGNER. But we did prohibit that nonintoxicant from being imported.

Mr. BORAH. And the Supreme Court held that we had the power within certain limits to do that, and that the Court would accept the judgment of Congress as to what was intoxicating; but the decision of the Court turned upon the fact that it was intoxicating in the view of Congress. The Court accepted the declaration of Congress that it was intoxicating and rendered its opinion based upon that assumption.

Mr. LEWIS. Mr. President, may I offer to the Senator from Idaho the remainder of that definition?

The Supreme Court of the United States, if I recall correctly, had accepted the definition of Congress "if not arbitrary." Those were the words of the Court, as I recall. Am I not right?

Mr. BORAH. I think the Senator is correct in principle. I do not know that they used that language, but I think he is correct in principle.

Mr. WAGNER. Mr. President, in my last interruption the point I was trying to make was that on the record in this particular case before the United States Supreme Court it was conceded that a beverage containing one half of 1 percent of alcohol was nonintoxicating.

Mr. BORAH. I do not know whether it was conceded or not; but I know the Court said that whether it was nonintoxicating or not, Congress had a wide discretion in determining what was intoxicating, and that if it were not an arbitrary figure or content the Court would accept the decision of the Congress as to what was intoxicating. Therefore the case turned upon the question after the Court had settled that it was intoxicating because Congress had said so.

Again, the Supreme Court says in this case that I was reading from (*Hammer* v. *Dagenhart*, 247 U.S. 251):

> In each of these instances—

That is, the lottery case, the distillery case, and the White Slave Act—

> In each of these instances the use of interstate transportation was necessary to the accomplishment of harmful results. In other words, although the power over interstate transportation was to regulate, that could only be accomplished by prohibiting the use of the facilities of interstate commerce to effect the evil intended.
>
> This element is wanting in the present case. The thing intended to be accomplished by this statute is the denial of the facilities of interstate commerce to those manufacurers in the States who employ children within the prohibited ages. The act in its effect does not regulate transportation among the States, but aims to standardize the ages at which children may be employed in mining and manufacturing within the States. The goods shipped are of themselves harmless.

Therefore the Court held that the act of Congress was void. If the Court determines that this beer is harmless, as the Senator says, and is nonintoxicating, we will have the exact case which the Court passed upon, and from which I have just been reading.

Mr. President, I say that it does not seem to me that this amendment was taken out of the bill because it was a tacit admission that the beverage was intoxicating. We had that settled before we got to the children. I believe that this beverage is intoxicating; but I would have offered this amendment even if I had believed otherwise, because I am satisfied, under the overpowering weight of opinion, that while it might be nonintoxicating and be conceded to be as to adults, it is not as to children under 16 years of age; and that distinction has been made over and over again continuously by the experts. I was seeking to protect those where the overwhelming opinion is to the effect that as to them it was intoxicating; that it was appetite-breeding, and therefore harmful to them. I would have offered the amendment had I been of a different opinion, because I felt that they should be protected against it.

But, Mr. President, there is another proposition. Let me read a statement which was made yesterday by a gentleman in New York by the name of Liebmann, who represented the brewers. He said that the Brewers' Board of Trade was not concerned over the fate of legislation before Congress. They regarded the beer being provided for, having either 3.2 or 3.05 percent alcoholic content, as entirely satisfactory to them, and were confident of its enactment.

> The beer that will be legal under the pending legislation will be as good or better than the preprohibition beer.

Mr. President, it is almost a universal rule, I am told—I have not looked it up myself—that in the States where this preprohibition beer was sold there was a prohibition against selling it to minors. Prior to prohibition there was a prohibition against selling to minors the same beverage covered by the conference report, for the reason that it was not thought well to invite the minors and children to the places of drinking, where the additional practices which accompany those places are followed.

At Richmond, Va., a brewer said:

> It is good beer, real beer. It is a better and stronger beer than preprohibition beer was.

It would seem to me that that kind of a beverage should not be sold to boys and girls under 16 years of age. Let us not invite them into these saloons, the nursery of crime and all evildoing. We do not need money so badly as to entice into these dens of wrongdoing the children of the country, and there divest them of their small savings.

I ask for the yeas and nays on the adoption of the conference report.

The yeas and nays were ordered.

Mr. SHEPPARD. Mr. President, I have stated my opposition to the bill at length, and I do not desire to take up the time of the Senate further. In my judgment, the liquors authorized by the bill are intoxicating, and the measure is therefore a violation of the Constitution of the United States and of the Democratic platform.

Mr. WALSH. Mr. President, the conferees representing the Senate urged that the amendment proposed by the Senator from Idaho [Mr. BORAH] be retained. We were unsuccessful in our efforts to have the amendment retained, and we were confronted with this argument by the House conferees: First, that the measure was a declaration that beverages containing less than 3.2 per cent of alcohol were nonintoxicating; secondly, that the purpose of the legislation was to release control by the Federal Government over this nonintoxicating beverage after it had been manufactured and to place sale and distribution of this nonintoxicating liquor solely and entirely within the control of the several States.

It was because they believed that the legislatures of the several States were the proper tribunals to decide who should and who should not purchase this liquor, the terms under which it should be sold, and where it should be sold, that they insisted that the amendment be eliminated from the bill.

Furthermore, they took the position that the retention of the amendment would permit the Federal Government still to maintain in the Prohibition Bureau agents and officials who would of necessity be obliged to enforce this provision of the law, which would result in duplication of effort and would result in extra expense to the Government. Because of the belief that the States, and the States alone, should control absolutely this nonintoxicating beverage, the House conferees insisted upon the elimination of the amendment, and the Senate conferees thereafter withdrew their opposition.

As to the alcoholic content, the difference between 3.05 percent and 3.2 percent is very slight indeed. The testimony before the conferees was that the alcohol contained in 48 ounces of 3.2 percent beer is 1,536 ounces; the same amount of 3.05 percent beer contains 1.464 ounces. In four so-called "pint" bottles of beer, which actually are 12-ounce bottles, there would be only 0.072 percent more alcohol in the 3.2 percent than in the 3.05 percent. This is practically three fourths of one tenth of 1 ounce.

An ounce contains 8 small teaspoonsful; therefore in the 48 ounces of 3.2 percent beer there would only be three fifths of a teaspoonful more than in the same quantity of 3.05 percent beer.

The Senate conferees accepted the House provision of 3.2 percent.

The VICE PRESIDENT. The question is on agreeing to the conference report. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BLACK (when Mr. BANKHEAD's name was called). My colleague [Mr. BANKHEAD] is unavoidably absent from the Senate. He is paired on this question with the junior Senator from Tennessee [Mr. BACHMAN]. If my colleague were present, he would vote "nay." I understand that if the junior Senator from Tennessee were present he would vote "yea."

Mr. GORE (when his name was called) answered "present."

Mr. HEBERT (when his name was called). On this vote I have a pair with the senior Senator from Delaware [Mr. HASTINGS]. If he were present, he would vote "nay." If I were permitted to vote, I would vote "yea."

Mr. LOGAN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. DAVIS]. If he were present, I understand he would vote "yea." If I were permitted to vote, I would vote "nay."

Mr. SHIPSTEAD (when his name was called). On this vote I am paired with the senior Senator from North Carolina [Mr. BAILEY]. If he were present, I understand he would vote "nay." If I were at liberty to vote, I would vote "yea."

The roll call was concluded.

Mr. LEWIS. I desire to announce the absence of the senior Senator from North Carolina [Mr. BAILEY] and the senior Senator from Wyoming [Mr. KENDRICK], both being detained on official business. If present, Mr. BAILEY would vote "nay," and Mr. KENDRICK would vote "yea."

Mr. HEBERT. I desire to announce the necessary absence of the senior Senator from Vermont [Mr. DALE], the senior Senator from New Jersey [Mr. KEAN], the junior Senator from Maryland [Mr. GOLDSBOROUGH], the junior Senator from Minnesota [Mr. SCHALL], and the junior Senator from New Mexico [Mr. CUTTING].

I am authorized to announce that the Senator from Maryland [Mr. GOLDSBOROUGH] is paired with the Senator from Wyoming [Mr. KENDRICK]. If Senator GOLDSBOROUGH were present, he would vote "nay" on the pending question, and Senator KENDRICK would vote "yea."

I also wish to announce that the Senator from Vermont [Mr. DALE] has a pair with the Senator from New Jersey [Mr. KEAN]. If the Senator from Vermont [Mr. DALE] were present, he would vote "nay," and if the Senator from New Jersey [Mr. KEAN] were present he would vote "yea."

Mr. REED. My colleague [Mr. DAVIS] is absent because of illness. If he were present, he would vote "yea."

The result was announced--yeas 43, nays 36, as follows:

YEAS—43

Ashurst	Copeland	Lonergan	Reynolds
Barbour	Couzens	Long	Robinson, Ark.
Barkley	Dieterich	McAdoo	Steiwer
Bone	Dill	McCarran	Thomas, Utah
Brown	Duffy	McKellar	Tydings
Bulkley	Erickson	McNary	Van Nuys
Bulow	Harrison	Metcalf	Wagner
Byrnes	Johnson	Murphy	Walcott
Carey	King	Overton	Walsh
Clark	La Follette	Pittman	Wheeler
Coolidge	Lewis	Reed	

NAYS—36

Adams	Costigan	Hayden	Robinson, Ind.
Austin	Dickinson	Keyes	Russell
Black	Fess	McGill	Sheppard
Borah	Fletcher	Neely	Smith
Bratton	Frazier	Norbeck	Stephens
Byrd	George	Norris	Thomas, Okla.
Capper	Glass	Nye	Townsend
Caraway	Hale	Patterson	Vandenberg
Connally	Hatfield	Pope	White

NOT VOTING—16

Bachman	Dale	Hastings	Logan
Bailey	Davis	Hebert	Schall
Bankhead	Goldsborough	Kean	Shipstead
Cutting	Gore	Kendrick	Trammell

So the conference report was agreed to.

Mr. GORE. Mr. President, on the roll call just finished I answered "present" for the same reason and on account of the same dilemma which I stated a few days ago to the Senate, a direct conflict between the State platform on which I was elected and the national Democratic platform concerning the modification of the Volstead Act. The Senate was courteous enough to excuse me on that occasion, and I avail myself of its courtesy on this occasion.

Mr. TRAMMELL. Mr. President, I was out of the Chamber for the moment when the vote was just had. I heard the bells, but was under the impression it was a quorum call. I ask unanimous consent that I may have permission to be recorded as voting "aye" on the adoption of the conference report.

Mr. ROBINSON of Arkansas. Mr. President, I believe that under the rule that may not be done.

The VICE PRESIDENT. The Chair is advised by the Parliamentarian that the rule of the Senate, as well as the custom, is not to permit unanimous consent to be granted for the purpose.

Mr. TRAMMELL. Very well. I will let the RECORD show that if present I would have voted "yea" on the adoption of the conference report.

OCEAN MAIL CONTRACTS

Mr. McKELLAR. Mr. President, I ask consent to have printed in the CONGRESSIONAL RECORD a letter to me from Hon. Ogden L. Mills, Secretary of the Treasury, dated February 4, 1933, relative to the Federal securities listed in a tabulation of construction loans in the CONGRESSIONAL RECORD for May 27, 1932; and also several other letters and papers bearing on the dependability of Senate Document No. 210, Seventy-first Congress, and of the above-mentioned tabulation.

The letters and papers are as follows:

OCEAN MAIL CONTRACTS AND CONSTRUCTION LOANS UNDER THE MERCHANT MARINE ACT, 1928

LETTERS AND PAPERS BEARING ON THE ACCURACY AND DEPENDABILITY OF SENATE DOCUMENT NO. 210, SEVENTY-FIRST CONGRESS, ENTITLED "THE TRUTH ABOUT THE POSTAL CONTRACTS", AND ALSO THE TABULATION PUBLISHED IN THE CONGRESSIONAL RECORD OF MAY 27, 1932, ENTITLED "STATEMENT OF LOANS BY THE UNITED STATES SHIPPING BOARD AT INTEREST RATES LOWER THAN 3 1-2 PERCENT"

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, February 4, 1933.

Hon. KENNETH MCKELLAR,
United States Senate, Washington, D.C.

MY DEAR SENATOR: I have your letter of February 1, 1933, enclosing a tabulation taken from the CONGRESSIONAL RECORD of May 27, 1932, entitled "Statement of loans by the United States Shipping

Board at interest rates lower than 3½ percent." You request that the data appearing in columns 4, 5, 6, and 7 be checked, and that you be advised as to whether the information contained therein is substantially correct.

I have had the statement checked and find that the information contained therein is substantially correct. In this connection I am transmitting herewith a statement showing the rate certified by the Secretary of the Treasury in each case, the coupon rate of the obligation concerned, together with the market quotations, and the yield of such obligation based upon the market quotation.

The Merchant Marine Act of May 22, 1928, created the construction loan fund, out of which the United States Shipping Board was authorized to make loans under certain conditions at rates of interest per annum "equal to the lowest rate of yield (to the nearest one eighth of 1 percent) of any Government obligation bearing a date of issue subsequent to April 6, 1917 (except postal-savings bonds), and outstanding at the time the loan agreement is entered into or the advance is made by the Board, as certified by the Secretary of the Treasury to the Board upon its request", with a proviso that no rate shall exceed 4 percent per annum.

I am opposed to the method of determining interest rates on loan contracts as stipulated in the original Merchant Marine Act, and also in the Agricultural Marketing Act of June 15, 1929, covering loans by the Federal Farm Board out of the $500,000,000 revolving fund. The act approved February 2, 1931, amended the Merchant Marine Act so as to provide that the rate should be fixed by the Board on all contracts entered into after that date, but the rate so fixed is not to be less than 3½ percent per annum. The Federal Farm Board, I understand, is still making loans at rates determined on the yield basis.

Very truly yours,

OGDEN L. MILLS,
Secretary of the Treasury.

WASHINGTON, D.C., *March 18, 1933.*

Hon. KENNETH MCKELLAR,
United States Senate, Washington, D.C.

MY DEAR SENATOR: It is gratifying that you have had rechecked the accuracy of the "Statement of loans by the United States Shipping Board at interest rates less than 3½ percent", published in the CONGRESSIONAL RECORD for May 27, 1932, a tabulation of facts in eight columns with descriptive headings. The first three columns present the amounts, interest rates, and length of the loans listed. The next four columns relate to the Federal securities used as a basis for fixing the interest rates; and in respect to these it is gratifying to know that Hon. Ogden Mills, Secretary of the Treasury, by letter to you dated February 4, 1933, has written you as follows:

"• • • You request that the data appearing in columns 4, 5, 6, and 7 be checked and that you be advised as to whether the information therein contained is substantially correct. I have had the statement checked and find that the information contained therein is substantially correct. • • •"

The eighth column is, of course, a mere arithmetical computation which anyone can verify; they are interest computations based on the amounts, the length, and the foreign-trade interest rates set forth in the first three columns; these factors were, of course, in the official knowledge of the Shipping Board, and your letter of February 27, 1933, to its Chairman, with his reply of March 1, 1933, which you have been kind enough to let me see, have been considered with great interest.

As you had this tabulation published in the CONGRESSIONAL RECORD, you are naturally concerned as to its dependability. Its compilation was not a voluntary contribution by a "benevolent" citizen; it was done, as you know, incident to professional work I was doing under a retainer by a committee of the Senate—a relationship demanding that the facts be impartially and accurately presented. It deals with 32 loans, all which provided for foreign-trade interest rates less than 3½ percent—some of them as low as one eighth of 1 percent per annum. Its purpose was to reveal the abnormally low rates which had resulted from the manner in which the law had been interpreted and applied, and also to present data concerning the Federal securities involved. The Secretary of the Treasury has assured you that the extended and detailed data set forth in columns 4, 5, 6, and 7 is substantially correct.

Now, as to the data in the first three columns, showing the amount, foreign-trade interest rate, and length of the loans; what errors are there in these? Of the 32 loans listed, only in respect to one, namely, the loan to the Dollar Steamship Co. for improving the steamships *President Fillmore* and *President Johnson* (see items 18 and 23), is there error. The length of the loan is given as 15 years in item 18, and it should be 5 years—a typed error in the initial manuscript of the compiler, evidently, for the length is correctly given—5 years—in item 23 for the companion vessel. And the amounts for these items should read: Item 18, $580,000; for item 23, $420,000. These corrections are not sufficient to affect the accuracy of the statement in the tabulation that the interest losses, on the basis of the initial authorizations of the Board, will exceed $22,000,000 on the 32 loans listed, if they run to maturity and in foreign trade.

The question of accuracy, of course, has reference to its accuracy tested by the official reports of the Board current with the date of the tabulation. If subsequent events may have caused, or may yet cause, variations from the original authorizations, these certainly have no bearing on the question of the accuracy of the work done. I will therefore not dwell on any such changes. It has been suggested, for instance, that while the amount named in item 26 of the tabulation is correct, on the basis of the loan contract, that contract contemplated 5 vessels, and only 2 have been built; this fact does not affect the commitment of the Board for the remaining 3, for the Board's own statement filed with the Senate committee (p. 703) shows it as a continuing obligation; but if it were not, and if the building of the additional 3 vessels were entirely abandoned, this would, of course, not bear on the accuracy of the tabulation when compiled.

Reference to items 30, 31, and 32 of the tabulation will show that the vessels not having then been completed the Board had not then fixed the foreign-trade interest rates, but that it had then recently applied one half of 1 percent, and that rate was used tentatively by the compiler to facilitate the computation. The subsequent facts of the rates adopted as the vessels are completed, and these prove to be different, does not show error. In two instances—namely, items 31 and 32—the vessels have been completed since the tabulation, and with the following result: Whereas one half of 1 percent was tentatively used, as above mentioned, the rate finally fixed was only one eighth of 1 percent per annum, with the result that the amounts put down as the interest losses on these two items must be increased by more than $450,000.

The Chairman of the Board (Mr. O'Connor) in his letter to you comments to the effect that it is unfair to segregate a group of low interest rate loans, as in this tabulation; that all loans from the beginning should be included and averaged, and if the average does not reveal a loss to the fund in its entirety, then there is no room for criticism. In other words, the loan by the Board to the Grace interests (the items 31 and 32 mentioned above) for 20 years of the very large sum of $12,285,000 at one eighth of 1 percent, when it in fact costs the Government 0.039 percent, must not be criticized, notwithstanding the result in dollars is that the Government will actually pay out over $4,000,000 more than it receives as interest on these two loans; we have treated them together, for they are both to the Grace interests, through their subsidiaries.

The group of loans tabulated not only relate to foreign trade but are at interest rates lower than the minimum prescribed by the 1931 amendment of the law. If otherwise subject to criticism, it is not apparent how they can be justified, because some years ago the law imposed a minimum of 4½ percent, even in foreign trade, nor by the fact that loans in coastwise trade—an entirely different competitive condition—are even higher. The tabulation was addressed to the inquiry, What loss might the Government sustain from the manner in which the interest provision of the 1928 act had been interpreted and applied?" At the hearing before the Senate Committee on Appropriations (pp. 713, 776) the chairman with great emphasis stated the loss would be about $15,000,000, and Mr. Barnett, Director of the Bureau of Construction, placed the loss at over $18,000,000 (p. 891, including footnote). The loss, if the loans run to maturity, in foreign trade will greatly exceed that amount; it was to demonstrate that fact the tabulation was prepared.

Let me again assure you that all the basic data used in preparing the tabulation was taken from official reports, etc., furnished or filed by the Board, with the single exception of the average interest cost of money borrowed by the United States, that was taken from the report of the Secretary of the Treasury.

Very respectfully,

JOHN NICOLSON.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1933

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C., March 29, 1932.

The subcommittee met, pursuant to adjournment, at 10 a.m. in the committee room, Capitol, Senator Tasker L. Oddie presiding.

Present: Senators Oddie (chairman), Jones, Smoot, Dickinson, Moses, McKellar, Broussard, Copeland, and Morrison.

The following letters were put in evidence:

NOVEMBER 22, 1929.

Hon. WALTER F. BROWN,
Member Interdepartmental Committee, Washington, D.C.

MY DEAR SIR: We take pleasure in sending herewith, personally, An Analysis of Certain Postal Contracts under the Merchant Marine Act, 1928."

Experience gained officially with postal subventions granted under the Merchant Marine Acts, 1920 and 1928, respectively, has prompted this unofficial document; it is sent with the hope that criticisms it contains may be helpful in promoting an equitable and permanent system of aid for our merchant shipping. We have confidence that the American people will not permit to remain in force, unamended, a system which makes possible such amazing "contracts" as some awarded prior to March 4, 1929, under the 1928 act.

When we find awards providing payments to one company (the Munson Line) aggregating $12,000,000 and to another company (the Dollar Line) aggregating $14,000,000 without requiring, in either case, the building of a single vessel, reference to them as "amazing" seems amply justified, especially when the vessel subsidized had been previously subsidized, by their sale at a price far below their normal market value, so as to offset the handicap resulting from their operation under the American flag.

Since this analysis was written it has been mentioned in the press that certain trade routes may soon be advertised for postal contracts. We have no preferential interest in various lines competing for this award, but we are interested in policies affecting

the future of American shipping, and for this reason the following comments are made, supplementary to the analysis.

Among the routes advertised will doubtless be one from the Gulf, for which the Munson Line will unquestionably bid in competition with the Mississippi Shipping Co. That the Munson Line will be the lowest bidder, if it maintains its purpose to bid, is not subject to serious doubt. That it is placed in a position to be the lowest bidder by the bounty it has already obtained, is equally free from doubt; that bounty is large enough to absorb operating differentials on several routes.

A similar situation is presented on the Pacific coast. Among the routes advertised will doubtless be a direct service between San Francisco and Manila, P.I. Bids will be received from the Matson Co. and from the Dollar Line. The latter now maintains an indirect service, via Japan and China, the time of transit being much greater, of course, than by the direct route. It is for this indirect route Dollar has the great subsidy mentioned above, a bounty large enough to absorb operating differentials on several routes.

Because of our relations with the Philippine Islands, the proposal that a direct service between the Pacific coast and Manila is justified, seems axiomatic. The Matson Co. having installed one, the Dollar Co. then installed one. The official records indicate that a bid from the Dollar Co. will have but one purpose, viz, to prevent this competitive service being firmly established by the Matson Co.

The situations thus presented both prompt the suggestion whether a bidder receiving a subsidy may not be required to consent to its revision, as an incident of an award of a second subvention. There is ample precedent for this suggestion; it was followed in the evolution of the New York subway system. The lessee of the original line acquired rights, as a pioneer, far more liberal than those conceded for subsequent routes, and as a condition for such lessee acquiring subsequent routes, it was seriously proposed it should consent to a modification of the original agreement.

Our reference to the two contracts mentioned is incidental only. This letter does not purport to indicate the scope of the matters covered by the analysis.

I am, sir, very respectfully,

JOHN NICOLSON.

(NOTE.—A letter identic with the above was sent to each member of a special committee President Hoover had appointed to advise with respect to the award of postal contracts, and it was known that the committee intended meeting within a few days after the date of the above letter to determine whether they would advise that certain proposed contracts should be awarded.—J. N.)

UNITED STATES SHIPPING BOARD,
Washington, D.C., November 23, 1929.

From: John Nicolson, Director Bureau of Traffic.
To: T. V. O'Connor, Chairman.
Subject: Analysis of certain postal contracts.

The annexed Analysis of Certain Postal Contracts under the Merchant Marine Act, 1928, is sent you as information. It was prepared as an unofficial document for obvious reasons, and sent by me, individually, to the members of the Interdepartmental Committee now examining the entire subject. It is frankly critical of some of the amazing postal contracts which have been made under the 1928 act, and I hope you may find time to read it.

When we find awards by the Post Office Department providing payments to one company (the Munson Line) aggregating $12,000,000 and to another company (the Dollar Line) aggregating $14,000,000 without requiring, in either case, the building of a single vessel, reference to them as "amazing" seems amply justified, especially when the vessels subsidized had been previously subsidized by the Board by their sale at a price far below their normal market value, a concession which was, of course, made only to offset the handicap resulting from their operation under the American flag.

We have not at any point in the analysis referred to the work of the Board preliminary to the award of such contracts, for the work officially prescribed is incidental only, and the adoption or rejection of bids is, in the last analysis, under the control of the Post Office Department.

However, I feel the Board is very largely responsible for some of the contracts made by Postmaster General New, and I very earnestly desire an opportunity to appear before it sometime (preferably after Mr. Plummer returns to the office), not only to explain this analysis more fully, should this be desired, but to supplement it with criticisms—constructive criticisms, of course—of the part the Board has heretofore taken in the matter, having in view improved procedure in the future.

JOHN NICOLSON,
Director Bureau of Traffic.

(NOTE.—A letter identic with the above was sent to each member of the United States Shipping Board. Pursuant to last paragraph, first hearing, November 29, 1929. Chronologically the paper entitled "Assurance of Continuance" given at the board meeting held January 23, 1930, should appear at this point, but appears later. The following letter, dated also January 23, 1930, was sent by the chairman subsequent to and notwithstanding that "assurance."—J. N.)

JANUARY 23, 1930.

Mr. JOHN NICOLSON,
Bureau of Traffic, United States Shipping Board,
Washington, D.C.

DEAR MR. NICOLSON: In view of the fact that the Board has set up other methods of conducting mail contracts, construction loans, and looking after legislation matters, and in view of the necessity for reducing personnel in the Bureau of Traffic, I am obliged to advise you that your resignation from duty here will be accepted effective February 1, 1930; your salary will be allowed on a leave status until March 11.

As has already been stated to you, this Board will be pleased to receive from you any time any statement you may desire to present.

Very truly yours,

T. V. O'CONNOR, *Chairman.*

UNITED STATES SHIPPING BOARD,
Washington, D.C., January 25, 1930.

Hon. T. V. O'CONNOR,
Chairman United States Shipping Board, Washington, D.C.

DEAR SIR: I am in receipt of your letter of the 23d instant and will be guided accordingly.

While this letter is couched in terms applying the usual amenities, please permit me to waive these and state concisely the reasons for my severance from the Board.

In November, 1929, I sent the members of the Interdepartmental Committee, now passing on ocean postal contracts, An Analysis of Certain Postal Contracts under the Merchant Marine Act, 1928, which embodied many of my personal views on contracts made prior to March 4, 1929, under the 1928 act. It contained no reference whatever to the Shipping Board, as it was intended only to inform those charged by the new administration with the award of the contracts of the grave and costly errors which had been committed during the preceding year.

A copy of the analysis was promptly sent each commissioner of the Board, with a letter containing the statement:

"When we find awards by the Post Office Department providing payments to one company (the Munson Line) aggregating $12,000,000, and to another company (the Dollar Line) aggregating $14,000,000, without requiring, in either case, the building of a single vessel, reference to them as 'amazing' seems amply justified, especially when the vessels subsidized had been previously subsidized by the Board, by their sale at a price far below their normal market value, a concession which was of course made only to offset the handicap resulting from their operation under the American flag."

And closing with the statement "the Board is very largely responsible for some of the contracts made * * *."

Members of the Board asked to be informed how they were responsible for the postal contracts referred to, and in response, I prepared a memorandum on "Several aspects of the Board's relation to certain postal contracts made under the 1928 act", which was read at the board meeting January 23, and the situation generally discussed. This was a communication within the Board, and the question of the measure of the Board's responsibility, whether technical, or because of advisory functions in relation to the Postmaster General, were very frankly dealt with.

The items of work mentioned in your letter, Mr. Chairman, are further evidence of your desire to be courteous. The fact is, however, 26 pages of the 1929 report of the Board to Congress are devoted to the activities of the Bureau of Traffic, of which it has been my privilege to be Director for some years. In these 26 pages there is no reference whatever to construction loans; less than 1 page applies to postal contracts; and there is no reference whatever to the work of the committee on legislation. These pages record activities of the Bureau of a wholly different kind; they especially concern the development of privately owned shipping, and the economic development of ports, especially as the latter involves cooperation with the Interstate Commerce Commission.

However, the real reasons for the severance of our relations are fully understood. I will leave with many gratifying memories of some of my experiences and contacts here, and with all good wishes for the further development of an adequate and permanent American merchant marine.

Yours very truly,

JOHN NICOLSON.

JANUARY 31, 1930.

T. V. O'CONNOR, Esq.,
Chairman United States Shipping Board,
Washington, D.C.

DEAR SIR: Your letter, dated the 23d instant, contains the statement, "Your salary will be allowed on a leave status until March 11", and I am informed that under this statement I may expect a further remittance of about $825.

My understanding is that the additional amount is a normal allowance, authorized by law, incident to the services which I have rendered and that its acceptance will be entirely consistent with the fact that after February 1, 1930, so far as the Shipping Board is concerned, my relations with the Government will leave me entirely free to express my own views on all matters, including those within the jurisdiction of the United States Shipping Board. I, of course, cannot accept the supplemental payment on any other basis. On the other hand, I am not to be understood as

waiving it, if I am entitled to it under the law. It is not apparent that there is any conflict, but I am writing you to guard against any misunderstanding.

Very respectfully,

JOHN NICOLSON.

FEBRUARY 1, 1930.

Mr. JOHN NICOLSON,
Chastleton Hotel, Washington, D.C.

DEAR SIR: Your letter of January 31, 1930, has been received. You have apparently misunderstood my letter of January 23, 1930. The Board has no desire to limit your conduct, after you are no longer an employee of the Shipping Board.

Would it not be better for you, therefore, under the circumstances, to have your resignation take effect at once, without any leave? We shall so understand it.

Yours truly,

T. V. O'CONNOR, *Chairman.*

WASHINGTON, D.C., *February 3, 1930.*

Hon. T. V. O'CONNOR,
Chairman United States Shipping Board,
Washington, D.C.

DEAR SIR: Your letter of the 1st instant has been received. My letter of the 31st ultimo does not justify the last clause, if the meaning of it is that the supplemental payment would not be paid.

We are in the field of financial obligation. Your letter of the 23d ultimo, by its terms, was effective February 1. If as an incident of 8 years' service the law contemplates and justifies a supplemental payment, I, of course, want it remitted.

From the entry on my service with the Government to the present time, I have never initiated a request for compensation, or for an increase of compensation, and do not want to do so now. The emoluments legally incident to the work, however, should be paid.

My position is simply this: If as a matter of law the acceptance of the payment restrains my freedom to discuss with other persons interested in the Government of the United States, including Members of Congress, matters even under the jurisdiction of the Board, I would not accept it, and thus have this freedom postponed until March; it will greatly surprise me if it should appear the law imposes or justifies any such restraint.

The amount involved is relatively unimportant—though by no means negligible; but the principle involved is very important.

Very truly yours,

JOHN NICOLSON.

FEBRUARY 3, 1930.

Mr. JOHN NICOLSON,
The Chastleton Hotel, Washington, D.C.

DEAR SIR: Your letter of February 3, 1930, is received.

My letter to you of February 1, 1930, is final.

Should you desire to further correspond on this subject, please address your communications to the general counsel, Mr. Chauncey G. Parker.

Very truly yours,

T. V. O'CONNOR, *Chairman.*

WASHINGTON, D.C., *February 4, 1930.*

T. V. O'CONNOR, Esq.,
Chairman United States Shipping Board.

DEAR SIR: Your letter of the 3d relative to the supplemental payment has been received. If the views expressed in my letters do not commend themselves to the Board, I wish to assure you I have no thought of following the matter into the office of the general counsel; my reference to the law was not made in that spirit, Mr. Chairman.

Very respectfully,

JOHN NICOLSON.

Senator McKELLAR. Now, Mr. Chairman, I should like to have Mr. Nicolson say whether he ever received the $825 that Mr. O'Connor had told him was due him.

Senator ODDIE. Can you answer that, Mr. Nicolson?

Mr. NICOLSON. Mr. Chairman, the payment of the $825 seemed conditioned upon my remaining silent from February 1 to March 11, and I declined to accept it. It was never paid me.

ASSURANCE OF CONTINUANCE GIVEN AT MEETING OF BOARD HELD JANUARY 23, 1930

Mr. NICOLSON. Yes, sir. Mr. Chairman, all I wish to read is the last page of the hearings held—and, by the way, the hearing was January 23, not January 22, as I stated yesterday—and it was my intention, in closing this first paragraph, to tender my resignation; but repeatedly I had asked for the presence of Mr. Plummer. On the occasion mentioned they had assured me that further opportunity would be given to get Mr. Plummer or his statement * * *.

(The "last page" referred to above is not printed in the committee hearing. It, and the immediate letters arranging the hearing, supplementing the original request in the above letter of November 23, 1929, from Mr. Nicolson to the Board, follow. Commissioner Plummer was not present at the hearing on January 23, notwithstanding the request in said letter of November 23 that he should be—a request several times subsequently repeated—hence the continuance:)

Mr. NICOLSON. Gentleman, I thank you for letting me come before you, in accordance with the suggestion in my letter. I deem the matter of the postal contracts that have been made a very serious matter. I regret exceedingly if the course which has been followed meets with your disapproval. The mere difference of our opinions has no weight. And whether my opinion is right or not is now immaterial, so far as anything connected with official work is concerned incident to postal contracts, as such work is no longer in my charge. But as much as I regret these differences, I cannot see how I could justify the sacrifice of my right with respect to an important matter of which another department of the Government had jurisdiction, especially when I so carefully sought to avoid making any adverse reference to the Shipping Board, or indeed any reference to the Shipping Board. I trust it will be brought to my attention if there is anything in that paper [the "analysis"] which refers to the Board. I will avail myself of your willingness to receive a supplemental statement in addition to the others which have been made.

Chairman O'CONNOR. Only when you get your statement—how long will it take you to get a reply in, or a statement in, to the Board?

Mr. NICOLSON. Certainly not later than February 1; probably earlier.

Chairman O'CONNOR. I have no objection.

Commissioner SMITH. Take as long as you want.

Mr. NICOLSON. I think it will be ready by then.

Chairman O'CONNOR. I think it ought to be as soon as possible.

Mr. NICOLSON. I am interested, Mr. Chairman, also, in disposing of the matter as soon as possible.

Chairman O'CONNOR. That is all, I believe, for the present.

UNITED STATES SHIPPING BOARD,
Washington, January 10, 1930.

DEAR MR. CHAIRMAN: Will you kindly arrange, if convenient to you, to let me confer with the Board further about my letter of November 23, 1929, concerning postal contracts, at the meeting of January 22? I hope the way will be clear to do this, and I will plan accordingly.

Very respectfully,

JOHN NICOLSON.

UNITED STATES SHIPPING BOARD,
Washington, January 15, 1930.

[Interoffice memorandum]

From: The Chairman.

To: John Nicolson, Director Bureau of Traffic.

Reference is had to your letter of January 10, 1930, and you are advised that it is agreeable to the Board to hear you at its meeting of January 22, 1930.

T. V. O'CONNOR, *Chairman.*

(NOTE.—The meeting was in fact held January 23, 1930.)

Senator McKELLAR. I want to put into the record at this time a copy of a letter written on January 14, 1928, to Hon. William R. Wood, Chairman Subcommittee on Appropriations, House of Representatives, signed by W. S. Benson, commissioner in charge, Bureau of Construction, and E. C. Plummer, commissioner in charge, Bureau of Traffic, of the Shipping Board.

Senator ODDIE. That will go in the record.

UNITED STATES SHIPPING BOARD,
Washington, January 14, 1928.

Hon. WILLIAM R. WOOD,
Chairman Subcommittee on Appropriations,
House of Representatives.

MY DEAR SIR: We regret we were not present when the questions were asked January 5 about Mr. John Nicolson's work with the Shipping Board, and as he is officially connected with Bureaus under our control we want to furnish your committee with the following information:

The work of our bureaus relates to those provisions of the shipping acts which impose on the Board the support and development of the merchant marine in private hands. While these promotional activities can be conducted through well-trained experts who are not lawyers, and are of course not "legal work", there can be no doubt that a legal training and experience are of great value as a background.

You asked questions which indicated you wanted to know who attended to the duties Mr. Nicolson is discharging now, before he took charge. It happens, Mr. Chairman, that Mr. Nicolson joined our staff about 6 months after the Merchant Marine Act, 1920, went into effect. He was brought here by the Chairman of the Board to concentrate exclusively in studying and emphasizing the provisions of those acts which impose on the Board investigations and duties of special value to the privately owned merchant marine. A new department was created as an instrument for him to conduct this work, and at all times he has been subject only to the Commissioners of the Board.

The problems of the Fleet Corporation have at all times very largely absorbed the attention of the Board, but especially so for several years after the enactment of the Merchant Marine Act, when we had over a thousand vessels in active service and when the initial plans were being developed by the new Board for the

management and disposal of portions of the fleet. Under these circumstances, while we of course kept in mind these important items bearing directly and constructively on private ownership and operation, it was very difficult to give them the detailed personal attention their development deserved; it was for this reason Mr. Nicolson was assigned duties relating especially to promotional items of the Board's work. The general public is not aware (because difficulties relating to the fleet are brought so much more forcibly to their attention) that the Board is engaged in this active work in behalf of the privately owned merchant marine—having no relation whatever to the operation of the Government fleet and intended solely to advance and promote private construction and operation.

Among the items of promotional work with the inauguration and conduct of which Mr. Nicolson has been identified are the following:

1. The first loan from the construction-loan fund, maintained under the authority of section 11 of the Merchant Marine Act, 1920, was negotiated and developed through him; and, subject to and in immediate consultation with the Commissioner in charge, he has been the administrative agent who has negotiated and supervised all the loans which have been made from the fund; he had much to do also with securing the legislation enacted March 4, 1927, by which the authorized fund was increased to $125,000,000.

2. He has been identified also, from its very inception, with the Diesel conversion program of the Board, under which $25,000,000 is being expended in the promotion of the manufacture in this country of modern propulsive machinery for American vessels, not only in assisting the commissioner in charge with the presentation of the matter to the committees of Congress, when the money was obtained, but also since in all matters of general administration other than engineering matters.

3. As the result of investigations and conferences conducted through him in immediate consultation with the commissioner in charge, rules and regulations making available to citizens the benefits provided by section 23 of the Merchant Marine Act, 1920, were developed to the satisfaction of the Secretary of the Treasury and the Board; and, by their application by the commissioner in charge, through him assisting, substantial aids to new vessel construction have accrued to private owners—a notable instance of which is the steamship *Malolo*, which would never have been built but for the assistance the owners thus received from the Government.

4. The first postal contract arranged under the provisions of section 24 of the Merchant Marine Act, 1920, was negotiated and developed by the commissioner in charge with his assistance; and he has been similarly identified with the arrangement of every mail contract since made under section 24; and these are yielding annually to citizens over $1,800,000 as mail compensation in aid of the maintenance of private lines.

The above are cited as illustrations only of instances when he has been identified with the inauguration of promotional work of the Board.

In the development of the Board's organization our bureaus were created, and Mr. Nicholson is the only person we have had as director; as such, he of course acts under our immediate supervision and is in frequent consultation with us on all important items. He has, as a matter of fact, worked also at the request of various commissioners of the Board on matters quite apart from items coming under the bureaus mentioned. In some instances, because of his experience and because of his intimate knowledge of the details, etc., he has been intrusted with legal matters incident to items otherwise receiving his attention.

We have found it convenient and economical to combine the supervision and development of our work as thus indicated; both bureaus function through him solely with reference to promotional items in aid of private owners and operators, and these activities divide themselves rather naturally into items encouraging private construction and those helpful in traffic matters.

We have not attempted to present in this letter the scope of the activities of the Bureau of Construction and of the Bureau of Traffic—the two bureaus here involved; nor has this been done in the evidence heretofore given before your committee, hence we request the privilege of sending you a statement showing these activities more fully, and we trust it may be made a part of the record.

Yours very respectfully,

W. S. BENSON,
Commissioner in Charge, Bureau of Construction.
E. C. PLUMMER,
Commissioner in Charge, Bureau of Traffic.

UNITED STATES SENATE,
COMMITTEE ON COMMERCE,
Washington, March 11, 1929.

Mr. JOHN NICOLSON,
Director of Traffic,
United States Shipping Board, Washington, D.C.

MY DEAR MR. NICOLSON: Will you kindly send me a copy of your remarks [relative to postal contracts under the 1928 act and southern ports—J. N.] before the American Association of Port Authorities at its convention in Houston in 1928?

Commander Court, of the Navy, has called that to my attention, and I assure you I shall be glad to have a copy of it. Any time that you may get out any article or make any speech on the merchant marine I shall appreciate it if you will give me a copy, because I know that your suggestions and statements will be not only interesting but valuable.

Believe me to be very sincerely yours,

W. L. JONES, *Chairman.*

UNITED STATES SENATE,
COMMITTEE ON COMMERCE,
Washington, March 19, 1929.

MY DEAR MR. NICOLSON: Your kind favor of March 14, sending me copy of paper read by you before the American Association of Port Authorities, November 1928, at hand.

I have read your statement with very much interest. It is a splendid paper and a very informative one.

Believe me to be very sincerely yours,

W. L. JONES, *Chairman.*

PERSONNEL CLASSIFICATION BOARD—CLASSIFICATION SHEET

[Extracts from bureau sheet no. 235; P.C.B. sheet P–7–1—date of sheet June 5, 1928—the last sheet the United States Shipping Board submitted re Mr. John Nicolson, who left February, 1930]

I

Name: John Nicolson; department: United States Shipping Board; bureau: Bureau of Traffic and Construction; present annual salary: $7,500; title of position: Special expert.

II

"Description of work: Mr. John Nicolson is the Director of the Bureau of Traffic and also of the Bureau of Construction of the Board, and the work of these bureaus includes items arising under the Shipping Act, 1916, and the Merchant Marine Acts of 1920 and 1928, imposing duties on the Board in its relation to the privately owned and operated merchant marine, as well as items of direct concern to the Board as custodian of the Government fleet; his activities primarily may be classed under the single designation of 'promotional work' having in view the development of an American merchant marine, in private hands. The following indicates the subjects currently in his charge, and for the efficient administration of which he is responsible to the Commissioners:

"1. The conduct of negotiations with applicants for loans from the construction-loan fund (now containing over $70,000,000) involving the preliminary work re: Terms, security, trade routes, charters, and underlying facts bearing on merits, for action by the Construction Loan Committee. Also advancements on such loans during construction of vessels, ascertaining whether borrower has performed his obligations, etc.

"2. In the development of postal contracts, under section 24 of the Merchant Marine Act, 1920, and under title IV of the recent White-Jones Act (S. 744); conducting investigations of facilities and earnings of applicant companies, etc., for guidance of commissioner in charge in his recommendation of compensation to be paid and of types and kind of vessels to be employed; preparation of certifications to Postmaster General, and conferences from time to time with department of foreign mails.

"3. Cases arising under section 23, Merchant Marine Act, 1920, in aid of new ship construction, by waivers in certain cases of taxes due the United States, under rules and regulations by the Board, in cooperation with the Secretary of the Treasury; to illustrate: The steamship *Malolo*, which would not have been built but for the Board's cooperation whereby $2,000,000 in taxes were waived in its favor. The approval of types of vessels and proper application of money are under the supervision of the Shipping Board.

"4. Cases involving cooperation with and conduct of proceedings before the Interstate Commerce Commission, under section 3 of the Merchant Marine Act, 1920, for the development of ports, to the end that ports may ultimately have the commerce which should naturally move through them, and having in view the removal of any railroad conditions or regulations which block their development.

"5. Investigations under section 7 of the Merchant Marine Act, 1920, relative to some aspects of ocean trade routes in foreign trade, in coordination with work incident to rail problems relating to ports developments referred to above; having also in view what routes may qualify, possibly, for postal contracts.

"6. Cases of foreign discriminations against American shipping by the laws, regulations, or practices of foreign governments or officials; the studies of remedies therefor, as contemplated by section 26 and section 14a of the Shipping Act, 1916, including presentation of such cases to Tariff Commission, the Department of State, or Congress, according to circumstances. (Note.—H.R. 12043 introduced as result of our inquiries and reports.)

"7. Proposed transfer of American vessels to aliens or to foreign registry with view of Board determining whether approval under section 9 of the Shipping Act, 1916, should be given; also what conditions should be imposed, if any, under the power conferred by section 41, Shipping Act, 1916.

"8. Conditions presented by Canadian transportation of American commerce, both imports and exports, to the prejudice of American ports and transportation services, including studies contemplated by Senate Resolution 220 (70th Cong.).

"9. Cases incident to the protection and extension of our coastwise laws systems, as contemplated by sections 21 and 27 of the

Merchant Marine Act, 1920, including violations thereof involving principles or policies by foreign or other vessels not qualified for that trade.

"10. The Diesel conversion program. The administration of matters (preliminary to final action thereon by the Commissioner in charge or by the Board) requiring action in Washington (excluding, therefore, engineering items and work in the field) incident to the conversion of about 20 vessels to motor ships, Congress having appropriated $25,000,000 for this purpose.

"11. As counsel to the Committee on Legislation of the Board, he studies bills pending in Congress bearing on shipping or water transportation and brings the facts before the Committee on Legislation and, when the Board's attitude has been stated, he appears before committees of Congress having the bills in charge, respectively. This work also includes study of international conventions, e.g., that relating to Hague rules for uniform bills of lading and questions of legislative procedure thereon.

"12. This does not purport to be a complete enumeration of all Mr. Nicolson's work, as special items are from time to time assigned to him for attention in addition to the regular subjects mentioned above.

"Insofar as the items enumerated above involve engineering, construction, or operating matters, his work is administrative only in the relation of the commissioner in charge to technical experts in the fields mentioned."

The personnel sheet from which the above "Description of work" is taken verbatim bears the following signatures:

"(Signed) EDWARD C. PLUMMER,
"*Commissioner in Charge of Bureau of Traffic.*
"(Signed) W. S. BENSON,
"*Commissioner in Charge Bureau of Construction.*

"Reviewed by committee appointed by the Chairman.
"(Signed) SAMUEL GOODACRE,
"*Secretary.*"

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate several messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(For nominations this day received see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Megill, one of its clerks, announced that the House insisted upon its amendments to the joint resolution (S.J.Res. 14) authorizing the President of the United States to expend $5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BUCHANAN, Mr. TAYLOR of Colorado, Mr. AYRES of Kansas, Mr. TABER, and Mr. BACON were appointed managers on the part of the House at the conference.

LOANS BY FEDERAL RESERVE BANKS TO STATE BANKS AND TRUST COMPANIES

Mr. ROBINSON of Arkansas. Mr. President, the Senate some days ago passed the bill (S. 320) to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases. The bill was held on the desk for the reasons that were explained here, and finally went to the House. The House passed another bill in its stead, embracing the provisions of the Senate bill and adding provisions thereto. I had hoped that the House bill might be received by the Senate this afternoon in time for consideration; but I am informed that, although the bill has passed the House, it probably will not reach the Senate until tomorrow morning. I therefore move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and the Senate (at 4 o'clock and 2 minutes p.m.) took a recess until tomorrow, Tuesday, March 21, 1933, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 20 (legislative day of Mar. 13), 1933

FOREIGN SERVICE OFFICER OF CLASS 2, CONSUL GENERAL, AND SECRETARY IN THE DIPLOMATIC SERVICE

Irving N. Linnell, of Massachusetts, now a Foreign Service officer of class 2 and a consul general, to be also a secretary in the Diplomatic Service of the United States of America.

MEMBER OF THE FEDERAL HOME LOAN BANK BOARD

C. B. Merriam, of Kansas, to be a member of the Federal Home Loan Bank Board for the unexpired portion of the term of 4 years from July 22, 1932.

PUBLIC HEALTH SERVICE

Asst. Surg. Donald J. Hunt to be passed assistant surgeon in the Public Health Service, to rank as such from March 1, 1933.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 20 (legislative day of Mar. 13), 1933

MEMBERS OF THE UNITED STATES SHIPPING BOARD

Hutch I. Cone.
Gatewood S. Lincoln.
David W. Todd.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 20, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

O blessed Providence that never forsakes us, O wonderful promise of the Father's redeeming love, we thank Thee that we cannot drift beyond divine care. For every conquest over sin, for every hope of salvation, for every aspiration toward a good life, for every ambition that lifts our face toward the holy mount, we offer Thee our praise. O speak to us in benediction; shield us all with a faith that cannot be shattered; temper us with great convictions that will stand the fire of combat; keep our hearts from bitterness and our spirits from repining. May we count no struggle too great, no sacrifice too costly, that the days of happiness and contentment may return to all our people and of every section. Through Christ. Amen.

The Journal of the proceedings of Friday, March 17, 1933, was read and approved.

THE BEER BILL

Mr. CULLEN. Mr. Speaker, the gentleman from North Carolina [Mr. DOUGHTON], who is one of the conferees upon the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, is unavoidably detained and will not be present. As the conferees are to go into session at 12:15 today, I ask unanimous consent that Mr. DOUGHTON be relieved as one of the conferees and that the gentleman from Arkansas [Mr. RAGON] be substituted in his place.

The SPEAKER. Without objection, the gentleman from North Carolina [Mr. DOUGHTON] will be excused from service as a conferee upon the bill, and the Chair appoints Mr. RAGON, of Arkansas, to serve in his place. Is there objection?

There was no objection.

The SPEAKER. The Clerk will notify the Senate of the change.

STATE BANKS

Mr. STEAGALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3757) to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That title IV of the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933, is amended by adding at the end thereof the following new section:

"SEC. 404. During the existing emergency in banking, or until this section shall be declared no longer operative by proclamation of the President, but in no event beyond the period of 1 year from the date this section takes effect, any State bank or trust company not a member of the Federal Reserve System may apply to the Federal Reserve bank in the district in which it is located and said Federal Reserve bank, in its discretion and after inspection and approval of the collateral and a thorough examination of

the applying bank or trust company, may make direct loans to such State bank or trust company under the terms provided in section 10 (b) of the Federal Reserve Act, as amended by section 402 of this act: *Provided*, That loans may be made to any applying nonmember State bank or trust company upon eligible security. All applications for such loans shall be accompanied by the written approval of the State banking department or commission of the State from which the State bank or trust company has received its charter and a statement from the said State banking department or commission that in its judgment said State bank or trust company is in a sound condition. The notes representing such loans shall be eligible as security for circulating notes issued under the provisions of the sixth paragraph of section 18 of the Federal Reserve Act, as amended by section 401 of this act, to the same extent as notes, drafts, bills of exchange, or bankers' acceptances acquired under the provisions of the Federal Reserve Act."

SEC. 2. During the time that such bank or trust company is indebted in any way to a Federal Reserve bank it shall be required to comply in all respects to the provisions of the Federal Reserve Act applicable to member State banks and the regulations of the Federal Reserve Board issued thereunder: *Provided*, That in lieu of subscribing to stock in the Federal Reserve bank it shall maintain the reserve balance required by section 19 of the Federal Reserve Act during the existence of such indebtedness.

The SPEAKER. Is a second demanded?

Mr. LUCE. Mr. Speaker, I demand a second.

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

Mr. SNELL. I should like to ask the chairman of the committee a question.

Mr. STEAGALL. Mr. Speaker, I shall be very glad to accommodate the gentleman's wishes if he desires further time for discussion.

Mr. SNELL. We should like to have additional time.

Mr. STEAGALL. How much time does the gentleman think we should have?

Mr. SNELL. We think there should be an hour and a half of discussion, which would be three quarters of an hour on a side.

Mr. STEAGALL. That is agreeable. Mr. Speaker, I submit a unanimous-consent request that the time for debate be extended to one hour and a half in all. It is my purpose to yield one half of the time to the gentleman from Massachusetts [Mr. LUCE].

The SPEAKER. The gentleman from Alabama asks unanimous consent that the time for discussion be extended to one hour and a half in all, and that the gentleman from Massachusetts control half the time and that the other half be controlled by himself. Is there objection?

There was no objection.

Mr. GOSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GOSS. Are we to understand that the gentleman has withdrawn his motion to suspend the rules?

The SPEAKER. Oh, no; that is pending.

Mr. STEAGALL. Mr. Speaker, I am sure the House appreciates the situation confronting Congress in the effort to pass legislation dealing with the emergency that has recently arisen in relation to the banks of the country. All of the banks were closed when we took up this task. It presented perhaps the most important, the most involved, and the most difficult undertaking that ever confronted this body in the lifetime of any Member of it. On Thursday of week before last we passed the measure designed to remedy as far as might be done under the circumstances the immediate emergency confronting the Nation. Not only the public but the Treasury as well was profoundly concerned in opening the banks of the country because of the financing program about to be undertaken. Necessarily, therefore, we proceeded with unusual haste. In that legislation was included provisions giving unusual privileges to individuals, to partnerships, to corporations, and to banks in connection with the credit facilities of the Federal Reserve System and the use of the credit of the Government to tide over the period of emergency and distress in which we found ourselves. In that legislation a provision was incorporated to permit member banks of the Federal Reserve System to obtain loans from Federal Reserve banks upon any security tendered by them and found to be satisfactory to the Federal Reserve banks to which the applications may be addressed. Upon notes backed by the unusual securities that were to be tendered the Federal Reserve banks were permitted to apply for the issuance of Federal Reserve bank notes. They might apply for Federal Reserve bank notes to the amount of 100 percent of Government obligations tendered as security or, in the case of other securities, they might apply for the issuance of Federal reserve bank notes up to 90 percent of the value of the securities.

It will be understood by those who are familiar with the Federal Reserve Act that Federal Reserve bank notes are distinguished from Federal Reserve notes in that Federal Reserve notes must be supported by 40 percent of their value in gold in addition to the securities offered by an applying bank, whereas in the case of Federal Reserve bank notes, no such gold requirement is exacted by the law.

It was found that a large number of State banks throughout the country were deeply affected by this legislation on account of the peculiar conditions that existed as a result of the sudden closing down of our banks. There are perhaps 10,000 State banks and trust companies, nonmembers of the Federal Reserve System, that had been able to carry on satisfactorily and happily in the service rendered by them to the various communities in which they are located. Of course when the order came that all banks should be closed, there was an accentuation of the state of fear and unsettled public mind respecting banks. In working out a program of reconstruction it was decided to undertake to open the banks by gradual processes. That has been done. There are still several thousand banks, most of them State banks and trust companies, that are nonmembers of the Federal Reserve System that have not reopened, save on a conditional basis. Some, of course, are members of the Federal Reserve System. Those banks that are not members are left to fight their own battles, to finance themselves as best they can, to deal with their difficulties in their own way, and handle the problem of deposit liability without the privileges of using emergency currency that is extended to banks which are members of the Federal Reserve System under the emergency act passed the other day.

A member bank of the Federal Reserve System, under that bill, not only may use its bonds or other papers in its portfolios that are eligible for the credit facilities of the Federal Reserve banks but they are permitted, under that legislation, to tender their own notes, secured in any manner, with any kind of collateral that is satisfactory to the Federal Reserve bank, and obtain loans, and the Federal Reserve bank may in turn take such securities, in the case of a bank that is a member of the Federal Reserve System, and have Federal Reserve bank notes issued upon them to the amount of 90 percent of those securities. So it will be seen that what we did was to provide a method by which member banks of the Federal Reserve System could take their collateral securities and have Federal Reserve bank notes, backed by the credit of the United States, issued to pay off their depositors; but nonmember banks in the same situation, with the same kind of security and with every reason applying, from the standpoint of the public welfare, that could apply in the case of a national bank or a member bank of the Federal Reserve System, were left without the benefits of that provision of the law.

Now, somebody said it is not right or fair to permit State banks that have not joined the Federal Reserve System, that have had no part in upbuilding that great System and establishing it on a successful basis, to come in and share the credit facilities of the System the same as the member banks which had helped develop and support it. There is some basis for that view.

If we look at the matter alone from the standpoint of the private banking interests involved in the two systems, that is quite true; but this body represents all banks and all interests and all phases of the agricultural, industrial, and commercial life of the people of the United States; and there is not any reason why we should discriminate in favor of one class of banks as against the other in extending the use of Government credit to relieve this emergency. The people

of a city or of a community whose commercial and industrial life is inseparably linked with nonmember banks in the communities are just as much entitled to the benefits of relief legislation passed by the Congress in this hour of distress as in the case of member banks of the Federal Reserve System in the communities whose interests are wrapped up in member banks of the Federal Reserve System. [Applause.] It is for the people of the United States, for all the banks, and all interests—every legitimate interest in the United States—that we are seeking to restore the banking structure of this country, as far as it can be done, to where it was before the recent crash. That is what this legislation is designed to do.

Mr. SNELL. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. SNELL. I have a letter from an important banker, and he seems to take the position that it is rather unfair to the member banks, who have borne the burden all these years, who have had their money in there without any special interest, and have really owned the Federal Reserve System, to give these banks the same privileges that the member banks have always had and paid for, and the new banks have practically not put up any money and they will not have to pay for those privileges. What does the gentleman say about that?

Mr. STEAGALL. There are several things to be said in reply to the inquiry submitted by my friend the gentleman from New York. First, let me say that the banker to whom the gentleman refers does not own an interest in the Federal Reserve System in the sense in which he imagines he does. The plain fact is that all this banker can get out of the Federal Reserve System is a flat, arbitrary return of 6 percent on the capital stock of his bank in the Federal Reserve bank, and not another dollar. Notwithstanding the Federal Reserve System has made a profit of more than a half billion dollars, this banker has never gotten anything out of it except his arbitrary return of 6 percent, to which he is limited under the Federal Reserve law. The earnings of the Federal Reserve banks have been paid in part into the Treasury of the United States, somewhere between a hundred and seventy-five and two hundred million dollars, and the balance of the earnings of the Federal Reserve System have been accumulated into a surplus fund which the central Federal Reserve banks now have. That is the interest which the gentleman's banker has. But this also is an answer to the gentleman's inquiry. We have incorporated in this bill a provision which requires a nonmember bank to deposit the same reserves with the Federal Reserve bank that the member bank carries, so long as the loans obtained under the provisions of this act are outstanding. So that we have not dealt unjustly with the member banks at that point. But the best answer of all, I may say to the gentleman from New York, is that we should not legislate wholly with regard to the selfish interests of the bankers of this country, or direct our efforts toward solving to an exact nicety any differences of opinion or of interest among them.

What we are trying to do here is to restore a banking system that will serve the legitimate interests of all the American people who are involved in this situation. This is our program. This is what we are undertaking to do by this legislation, and this is what the bill before the House will accomplish if it is administered in accordance with its purpose. I do not mean for a moment to intimate that it will not be so administered either by those who will be immediately in charge of the legislation following its passage or by any officers of the Federal Reserve banks who may be in charge at any time to come. I assume that all these officials of the Government and of these banks will respect the legislative purpose of the people of the United States as expressed in the enactments of Congress, and I assume that the administration which has been called into responsibility for the administration of all the laws of our Government will see that justice is done and that the system is administered in the public interest and in accordance with the public will as expressed through the Congress.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Texas.

Mr. PATMAN. I am in agreement with what the gentleman has said. Is it not a fact that the old Federal Reserve bank notes are backed up by the assets of the Federal Reserve banks only.

Mr. STEAGALL. That is right.

Mr. PATMAN. But under the new law the credit of the Nation is being used.

Mr. STEAGALL. That is quite true.

Mr. PATMAN. Therefore the credit of the Nation should not be used just by member banks, but should be used also by State banks?

Mr. STEAGALL. Yes. I am glad the gentleman has asked these questions. I thought I had covered the situation, but certainly the gentleman has made it quite clear. This is exactly the situation.

It is a question as to whether or not we will use the credit of the United States in this hour of distress and emergency to relieve one set of banks as against the others or to relieve communities and citizens affected by one class of banks and permit the others to suffer a continuation of the distress. Depositors in State banks are taxpayers and citizens. They are entitled to the same consideration at our hands that is shown depositors in national banks or member banks of the Federal Reserve System. The public welfare is our chief concern.

Mr. McFADDEN. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I am pressed for time, but I shall be pleased to yield to the gentleman from Pennsylvania.

Mr. McFADDEN. I am interested in one particular phase of this legislation. I want to ask the gentleman if this legislation is intended to help those State nonmember banks that have been permitted to reopen or those that are still closed?

Mr. STEAGALL. There is no differentiation at that point. We want to aid every one of the State banks, just as we have tried to aid every one of the national banks, that is in position to open its doors and enable the public to deposit their money there, with a reasonable assurance to the depositing public that their deposits are safe and will be returned in accordance with the obligations of the banks.

Mr. McFADDEN. The reason I asked the question is that banks that are closed are apparently insolvent or have an impairment of capital. I fail to see where new borrowing ability is going to restore these banks. Their capital has got to be repaired. So I cannot see where this legislation would apply to this class of nonmember banks that are closed now.

On the other hand, those State banks which are nonmember banks, which have been permitted to open, can go to the Federal Reserve bank.

Mr. STEAGALL. Certainly; they may go to a Federal Reserve bank by joining the Federal Reserve System. But there is no time now to establish that connection.

Mr. McFADDEN. After all, will it not be a question of the administration of the Federal Reserve banks?

Mr. STEAGALL. Oh, yes.

Mr. McFADDEN. There is nothing to compel the Federal Reserve banks to loan to these people.

Mr. STEAGALL. Certainly not.

Mr. McFADDEN. Therefore I think there is going to be extreme difficulty in the administration, as it is now constituted, in giving relief to these nonmember State banks.

Mr. STEAGALL. I have expressed myself on that point. But I repeat that I do not think we should assume that the officials of the Government, or even the officials of these banks, will not respect the will of the American people as expressed through their Congress in this legislation; and there is a power now that I venture to say may be trusted to see that this legislation is administered in accordance with the purpose of the Congress. If it is, many hundreds of solvent banks will be saved—banks that are not accorded equal consideration with national banks or member banks of the Federal Reserve System, unless this bill is passed. I

believe the Federal Reserve Board will find they must enforce this legislation with regard to its purpose.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield for a question.

Mr. GIFFORD. The gentleman will recall that a year ago we passed a bill authorizing the Federal Reserve banks to deal directly, for six months, with individuals. He well knows the results of that legislation, and how little, if anything, was done.

I want to ask the gentleman what he thinks the Federal reserve banks will interpret as eligible security, and if since March 9 he has had any information whatever from the Reserve banks will intepret as eligible security, and if since what classes of security they are going to construe as eligible security.

Mr. STEAGALL. I may say to the gentleman from Massachusetts that under the language of this bill it matters not what the provision of the Federal Reserve Act is defining eligible paper or noneligible paper, or classifying paper; and it makes no difference what rules or regulations may be promulgated by the Federal Reserve Board defining such paper or classifying such paper. Under this act we have stated that State banks may come in either with noneligible paper or with eligible paper, or with any paper they have got, just as we have done in the case of the banks that are members of the Federal Reserve System. Anything short of that in legislation allowing the use of Government credit would be unfair and unjust.

Mr. HILL of Alabama and Mr. McFADDEN rose.

Mr. HILL of Alabama. Will the gentleman yield for just a short question?

Mr. STEAGALL. I yield to my friend from Alabama, but I must then decline to yield further, as I want to save some time for others members of the committee.

Mr. HILL of Alabama. There are banks in the District of Columbia that are neither national banks nor members of the Federal Reserve System. I take it these banks can come in as State banks and will enjoy all the benefits of the provisions of this bill.

Mr. STEAGALL. Some of those banks are incorporated under State laws and some under direct act of Congress. I am not so sure that when this bill gets to the Senate it may not be found desirable to add language that will include banks in the District of Columbia.

Mr. HILL of Alabama. The desire of the distinguished chairman would be to take care of these banks?

Mr. STEAGALL. Oh, certainly.

Mr. Speaker, I reserve the balance of my time. [Applause.]

Mr. LUCE. Mr. Speaker, 20 years ago, when the Federal Reserve System was established, one of its chief purposes was to meet the short-time needs of agriculture, industry, and commerce. To this end the discounting of paper was restricted to short-term paper, and this restriction was provided: "It must not be a note, draft, or bill of exchange, the proceeds of which have been used or are to be used for permanent or fixed investments of any kinds, such as land, buildings, or machinery, or for any other capital purpose."

I want to make it perfectly clear that this deliberately excluded, so far as they related to land, buildings, machinery, or any other capital purpose, what we now speak of as frozen assets. We ought to know just how far we are letting them in as security for loans.

In this bill is a provision to which I would direct the attention of the chairman of the committee. It is on page 2, line 9:

Provided, That loans may be made to any applying nonmember State bank or trust company upon eligible security.

The chairman of my committee, my very good friend, has just replied to my colleague from Massachusetts that the bill covers both eligible and noneligible securities. In order that the record may be perfectly clear, that wherever else this bill is considered its scope may be understood, in order that the courts and the lawyers may know what we meant, in order that the public may not be confused or deceived, I would ask the chairman of the committee to reiterate, if he would be so good, the fact that this proviso does not by implication restrict loans to eligible paper.

Mr. STEAGALL. The gentleman is speaking of the bill before us?

Mr. LUCE. I am speaking of the proviso I have just read on page 2, that loans may be made to any applying nonmember State bank or trust company upon eligible security.

Mr. STEAGALL. What was the gentleman's question?

Mr. LUCE. My friend was engaged at the moment.

Mr. STEAGALL. I am sorry, but I was interrupted.

Mr. LUCE. I will repeat it. The gentleman has just told my colleague from Massachusetts that this left in both eligible and noneligible securities.

Mr. STEAGALL. That is quite correct.

Mr. LUCE. Then what are the meaning and intent of this proviso?

Mr. STEAGALL. Has the gentleman read it?

Mr. LUCE. I have read it several times.

Mr. STEAGALL. The proviso says very distinctly loans may be extended on eligible paper. Does not the gentleman construe that to mean that loans may be made on eligible paper—I will ask the gentleman that question?

Mr. LUCE. I am the only Yankee engaged in this colloquy [laughter], so the only one privileged to reply to a question with a question.

Mr. STEAGALL. If the gentleman desires me to answer in his time, I will be pleased to answer. I did not go into the technicalities of the bill quite so fully as I might have done, because it was necessary to save some time for other members of the committee who desired to follow me. The bill, as originally drawn, provided that nonmember banks should be permitted to apply for loans just as member banks were permitted to make such applications under section 402, subsection 10 (b). If the gentleman will take the original act and turn to section 402, subsection 10 (b), he will find that that section was drawn at a time when it was not expected that State banks would be included in the legislation, and the provision of that section, applicable only to member banks, was that when a bank found itself without further eligible security, it might tender paper otherwise noneligible. So that as originally drawn the provision would have included State banks in that provision, which would have limited loans to a State bank to noneligible paper; and worse than that, it would have placed a State bank not only in a position where it was limited to noneligible paper, but a State bank could not have obtained a loan on noneligible paper if it had any further eligible paper in its portfolio.

So that, to make it clear and to place beyond dispute the purpose of the Congress, a provision was written into the bill, as just read by the gentleman, which says that loans may be made to any applying nonmember State bank or trust company upon eligible security. Having included State banks in the provisions of 402, subsection 10 (b), we put them in the same class as member banks so far as noneligible paper is concerned. We followed that up with the provision which says specifically that they may also obtain loans upon eligible paper and then we provide, just as in the case of national banks, that notes representing such loans shall be eligible as security for circulating notes issued under the provisions of the sixth paragraph of section 18 of the Federal Reserve Act, as amended by section 401 of this act, to the same extent as notes, drafts, bills of exchange, or bankers' acceptances acquired under the provisions of the Federal Reserve Act. Paragraph 6 of section 18 of the Federal Reserve Act is the provision of the Federal Reserve Act which permits the issuance of Federal Reserve bank notes as distinguished from Federal Reserve notes that must be protected by margin of 50 percent in gold, in addition to 100 percent of commercial paper.

I hope I have made it clear to the gentleman.

Mr. LUCE. What I am asking is whether section 10 (b) permits what he says to be loans on eligible and noneligible securities?

Mr. STEAGALL. The gentleman did not understand me. What I attempted to say was that section 402, subdivision 10,

only relates to member banks as originally drawn, and extends to member banks the privilege of borrowing on noneligible paper after they have exhausted their eligible paper.

Mr. McFARLANE. I would like to ask the gentleman from Alabama why cannot we get a copy of the bill so that we may study it?

Mr. STEAGALL. The bills are printed, and available.

Mr. PARKS. I tried to get a bill and there were none down there.

Mr. STEAGALL. If the gentleman from Massachusetts will yield, I want to say that I did not state to the House on Friday the circumstances under which the legislation was sought. I did not think it was necessary to go into details, because of the stress and the strain under which we were proceedings, for the reason that it was simply an effort to complete by amendment legislation passed a week before, which was the larger bill and which was considered in the House by consent without having been referred to the Committee on Banking and Currency. The fact is, I will say to my friend and the Membership of the House, these bills are available, and have been since last Saturday, and any Member of the House who desires to see what is in the bill can find one on the desk at the door.

Mr. LUCE. Mr. Speaker, I do not think that of grave importance one way or the other, because if gentlemen read the bill I doubt if they will understand it. [Laughter.]

Now, may I ask the gentleman from Alabama one more question for the sake of the RECORD, and this can be answered "yes" or "no." Is it the intention of the gentleman from Alabama to give any privileges to nonmember banks that are not accorded to member banks?

Mr. STEAGALL. No.

Mr. LUCE. In that case my objection on that score, for I have been unable previously to ascertain that fact, is now met; but for the sake of the other body where the bill is to be considered, for the sake of lawyers, courts, and the public, it will be well to be a matter of record that it is not intended by this bill to give nonmember banks any privilege not given to member banks.

Mr. STEAGALL. If the gentleman had participated in the struggle which some of us have to put State banks upon the basis of equality in this legislation with member banks, I am sure the gentleman would not have made the inquiry.

Mr. LUCE. Perhaps it was to my advantage that I came into the committee meeting without having shared with the chairman in the burden of the task of which he speaks. Had the situation been otherwise, I appreciate that he might then have been able to give me the answer that would have saved much of my apprehension.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. LUCE. I beg the gentleman's pardon, but I have not the time.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. LUCE. Mr. Speaker, if time is left after the members of the committee desiring to speak have finished, I shall be very glad to answer any questions, but not now.

Mr. Speaker, the gentleman from Maine [Mr. BEEDY] will show, I think to complete satisfaction, from outside of the four corners of this bill there is to be presented no reason whatever for its enactment. I shall confine myself to the reasons why, within the four corners of the bill, there is no such reason.

The gentleman's explanation shows an intent which is admirable, but to my mind the proviso to which I have called attention adds superfluity to the bill that can but arouse controversy and can conduce to no good result. If gentlemen should consult 10 (b) of Public Act No. 1, to which the gentleman from Alabama referred, and then study the language of this bill, I think they can but conclude that the bill was hastily drawn, and that this proviso is at any rate confusing if not superfluous.

Just one further comment. When the Federal Reserve Board was established, all national banks were compelled to enter the System, and State banks which were not members were allowed to come into the System. As a result of that, according to the latest figures at my command, something like 10,000 State banks have failed to come in, and less than 1,000 have come in. For that reason my first reaction to this bill was one of sharp hostility, because I could not see the justice of allowing nearly 10,000 banks to get the advantage of a system that through 20 years they have refused to help sustain. Therefore, I was inclined to oppose the bill most heartily, but upon reflection I realized that it is not the owners of the banks, it is not the stockholders who today are our chief concern, but it is the depositors. [Applause.] So, Mr. Speaker, in spite of my belief that the State banks have treated the country unfairly, have shirked their responsibilities, have invited the destruction that now confronts them as State institutions, I shall not argue against the purposes of the bill, but I do argue against repeating here things that have already been enacted.

It may be that this is a time when from the housetops we ought to repeat everything that may encourage the public. There is no politics in the Banking and Currency Committee, and there is no politics in what I wish now to express. I wish there could be repeated day after day through every corner of this land the pledge of the Democratic Party in favor of sound money and against inflation, and I wish that other pledges of the Democratic Party might be repeated; but, however anxious I might be for that, I do not desire by useless legislation here to encumber the statute books, accomplishing no additional purpose on top of what has already been accomplished by legislation, but confusing the people and raising false hopes. I reserve the rest of my time.

Mr. CELLER. Mr. Speaker, will the gentleman yield? I think there should be no disinclination on the part of members of the committee to yield.

Mr. LUCE. Mr. Speaker, I have already told the gentleman that if after members of the committee have spoken there is any time I shall be glad to yield.

Mr. CELLER. I want information, and I hope to get it from the members of the committee.

Mr. LUCE. Mr. Speaker, I reserve the remainder of my time.

Mr. STEAGALL. Mr. Speaker, I yield 4 minutes to the gentleman from Mississippi [Mr. BUSBY].

Mr. BUSBY. Mr. Speaker, it has been pointed out to you that the short measure we are now asked to pass upon is but an attempt to complete the bill that passed the House a few days ago. The debt situation of this country is the problem that we have to contend with. Practically all of the legislation that has been passed here, that we have termed "relief legislation", has been an attempt to set up machinery whereby the National Government could be substituted for some private creditor. In other words, we have made arrangements so that the credit of the National Government may be used and substituted for what some private individual formerly held. By this type of legislation—and I am in favor of the passage of this bill because it is in line with many other pieces of legislation that we have passed—what we are attempting to do is to set up machinery so that we can step in as a nation and place the Nation's credit, as a sort of first mortgage, so to speak, on the income of the country through the taxing power exercised by Congress, and instead of having some private individual carry these debts, let the Government itself carry them, and owe somebody else—the purchaser of the bonds we issue to raise the Government credit.

We have arranged to permit member banks to pledge eligible paper, what was formerly known as "ineligible paper", to secure the National Government for loans to these member banks, so that the member banks may pay off some private claimant or some depositor. They ought to pay off their private claimants and depositors. Now, the State banks that are not members have not been taken into this plan.

The credit of the Nation has not been made available to them as it has been made available to the member banks and the national banks of the country. In a few words, what we are trying to do here is to give the State banks the same privileges that we have given the member banks

of the Federal Reserve System and the national banks of the country, namely, an opportunity to use the Nation's credit so as to weather the financial storm confronting them. For the reason that I believe the depositors in State banks are just as much entitled to consideration as the depositors in member banks and national banks I expect to support the legislation.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. CELLER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CELLER. I want to ask the chairman of the Committee on Banking and Currency whether he will answer questions put to him from the floor?

The SPEAKER pro tempore. That is not a parliamentary inquiry.

Mr. LUCE. Mr. Speaker, I yield to the gentleman from Maine [Mr. BEEDY] such time as he may desire.

Mr. BEEDY. Mr. Speaker, I beg the cooperation of the House to the end that quiet may obtain and that what I have to say may be heard. It has always been regrettable to me that when we undertake to consider legislation as important as that which is now before us it so frequently becomes necessary for a Member to yell and harangue the House in an effort to make himself heard. Such methods of discussion do not comport with the dignity of this body, nor with the serious consideration of important legislative matters. [Applause.]

At the very outset I feel that it is my duty to say what I am now about to say. As a Member of this House, I plead with the Committee on Banking and Currency, to which is intrusted the writing and recommendation of laws which are of extreme importance, to see to it that this House is accorded every courtesy and that the customary procedure and amenities are observed whenever legislation originating in this committee is brought before this body.

It was improper, I submit, to present this bill to the House on last Friday, when only a half dozen typewritten copies were available and not a single printed copy could be had for the use of Members. Whatever the chairman [Mr. STEAGALL] may have thought as to the necessity for rushing this bill in here Friday afternoon and urging its passage before it had even been read by members of the committee, the fact remains that at that time I opposed such procedure, and requested that the chairman call this committee together between Friday night and Monday noon, in order that we might have some opportunity for calm and deliberate consideration of the bill by the Committee on Banking and Currency. That request was not heeded. The committee has never considered this legislation, regardless of the fact that there has been ample opportunity for the chairman to call the committee into session.

This morning at about 11 o'clock I, for the first time, succeeded in securing a printed copy of this bill. This I was unable to do until I had made a personal request, as a member of the Banking and Currency Committee, of the Superintendent of the House Document Room to secure me a copy of the bill. He informed me that only a few copies were available, but that as a personal favor, I should have one.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. GOLDSBOROUGH. I did not know of that condition myself. I did not have a copy, but does the gentleman think that anybody is to blame for that except the Public Printer? Certainly the majority Members of the Committee on Banking and Currency did not know that copies were not available.

Mr. BEEDY. I am not attempting to place the blame upon anybody. I am calling the attention of the House to this situation in the hope that whoever is to blame, it may not occur again. When legislation is to be passed by this House, it should first be considered by the proper committee, especially when there is ample time for such consideration. The committee should then make its report. No committee should expect this House to follow its recommendations unless it in turn has followed usual procedure, has properly considered the proposed legislation itself and is prepared to give the House the benefit of such consideration. I take this position on the ground of general principle.

I want to say that the chairman of our committee is one of the most lovable men in this House. I realize that he is laboring under great responsibilities. Whatever omissions he may have committed, I am confident that it has not been his intention to show any disrespect to this House or to the members of his committee. The fact remains that this bill came into this House on Friday in a highly irregular manner and it became my duty, as I saw it, to assume the responsibility of stopping its premature and immediate consideration. In the light of subsequent events and discoveries I have no regrets for my action of Friday.

The origin of this bill is shrouded in mystery. I have been unable to discover in any department of this Government or among any of its officials one man who knows just where the Robinson bill originated or who wrote it. Generally, sound legislation is sponsored by some responsible person who does not attempt to conceal his authorship.

In the present instance I have my own surmises, and every Member of the House is entitled to his. I surmise that this bill was hastily thrown together by some person who was inexperienced in the drafting of legislation, and for the sole purpose of making such a gesture as would satisfy a certain vociferous Member of another body. I surmise that it was decided when that Member was called in and had agreed that the Robinson bill suited him, I repeat, I surmise that it was then decided that the Member in question should not introduce it but that the leader of the majority party in the Senate should introduce it.

Mr. STEAGALL. Will the gentleman permit me to answer him?

Mr. BEEDY. I surmise that this decision as to the introduction of the bill was made on the pure grounds of expediency. It was no doubt felt that the bill in question would have little or no possibility of passage if its true originator should introduce it.

Mr. STEAGALL. Will the gentleman yield?

Mr. BEEDY. I yield for a question.

Mr. STEAGALL. Well, this is rather in the nature of an answer to the gentleman's inquiry.

Mr. BEEDY. I yield to the gentleman, and it is my desire to be courteous to him. But I trust the gentleman will not take as long to answer my question as he did in answering the questions of my friend the gentleman from Massachusetts [Mr. LUCE].

Mr. STEAGALL. I just wanted to say the authorship of this bill is traceable to the President of the United States directly, and it grows out of his concern for the State nonmember banks of this country and the public whose fortunes are tied up with those banks. [Applause.]

Mr. BEEDY. As long as the gentleman has seen fit to draw the President of the United States into this discussion, will the gentleman answer another question? Will he tell us who it was that the President of the United States, when he drafted this bill, first called to ask if it would be satisfactory and in accordance with prior suggestions?

Mr. STEAGALL. Oh, well, I will say to the gentleman that his inquiry is scarcely in keeping with the dignity which he says should characterize the proceedings of this body.

Mr. BEEDY. I venture to state that my inquiry is quite as much in keeping with the dignity of this House as is the gentleman's statement bringing the President of the United States into this discussion. The gentleman realizes that such statements have long since been looked upon by this House as an exhibition of poor taste, to say the least.

The fact is that the gentleman from Alabama knows where this bill originated, and so do others. But they do not care to disclose the facts. The purpose which this bill would apparently accomplish is laudable enough, and I would be in hearty sympathy with it if it could accomplish anything for State banks which cannot now be accomplished under exist-

ing law. In truth, the only purpose which this bill will accomplish is to put a curb upon the protestations and harangues of a certain Member in another body.

Let us now see whether this bill, if passed, would accomplish anything in the way of practical results which cannot be accomplished under existing law. Section 402, subsection 10 (b), of the Emergency Act of March 9, 1933, reads as follows—I do not ask you to take my interpretation of it; I quote it directly:

> In exceptional and exigent circumstances, and when any member bank has no further eligible and acceptable assets available to enable it to obtain adequate credit accommodations through rediscounting at the Federal Reserve bank or any other method provided by this act other than that provided by section 10 (a) (which for the purposes of this discussion it is not necessary to consider), any Federal Reserve bank, under rules and regulations prescribed by the Federal Reserve Board, may make advances to such member bank on its time or demand notes secured to the satisfaction of such Federal Reserve bank.

This provision of law clearly states that a member bank can borrow from a Federal Reserve bank upon noneligible paper, but only in the event that the member bank has exhausted its eligible paper. In other words, this provision of law compels a member bank to borrow first upon eligible paper and only in the event of its exhaustion upon noneligible paper.

The original Robinson bill, of which the pending bill is a modified redraft, provided that nonmember banks could borrow of a Federal Reserve bank just as member banks were authorized to borrow under the provisions of section 402, subsection 10 (b), of the Emergency Act of March 9, 1933. In other words, the original Robinson bill stated that a nonmember bank could borrow of a Federal Reserve bank first upon eligible paper and never upon noneligible paper until its eligible paper was exhausted through such borrowings.

So far as I am concerned, I do not see how language could state more clearly than the language in the Robinson bill stated that nonmember banks could borrow from a Federal Reserve bank on eligible and noneligible paper but never upon noneligible until its eligible paper was first exhausted through such borrowing. Yet this House is asked to pass the pending bill for one reason because it contains, among other provisions additional to the Robinson bill, one which authorizes a nonmember bank to borrow from a Federal Reserve bank on eligible paper.

Is there a thinking man in this House who does not see clearly that this additional provision in the pending bill is useless and meaningless? If the Robinson bill clearly provided that a nonmember bank could not even borrow upon noneligible paper until it had first borrowed on its eligible paper, what in the name of common sense is the occasion for adding the words in the pending bill, "Provided that loans may be made to any applying nonmember State bank or trust company upon eligible security"?

I submit that there is no need for the addition of any such phrase. The reason, therefore, for the passage of the pending bill in this behalf, at least, fails.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. BEEDY. Yes; I yield to the gentleman who had no opportunity to ask a question within the time granted to his own side of the House.

Mr. CELLER. I am very grateful to the gentleman on the Republican side for yielding to me.

I should like to ask whether or not section 304 of the Emergency Bank Relief Act, which provides that the Reconstruction Finance Corporation may advance loans on preferred stock of State banks also implies that the stock upon which loans may be made must be nonassessable stock; that is, stock that is not subject to double liability?

Mr. BEEDY. I believe that when the Reconstruction Finance Corporation loans money on preferred-stock issues of a State bank, whose laws provide for double liability of stockholders, it would have no power whatever to relieve the owners of that stock from obligations imposed under State laws. Such an obligation could be removed only by changing the State laws. However, I understand that under the provisions of the Emergency Act of March 9, 1933, which authorize the Reconstruction Finance Corporation to loan money on preferred-stock issues of State banks, a way will be found to relieve depositor purchasers of such stock, under reorganization plans, from double liability.

Mr. CELLER. I made this inquiry for the reason that Governor Lehman, of my State, and I think Governor Ritchie, of Maryland, propounded the question and I——

Mr. BEEDY. If the gentleman will pardon me, I must state that I can not yield further. The question which he asks is not pertinent to the pending bill or to the present discussion. The House is in no way immediately concerned with it. The pending bill does not touch upon it.

Mr. CELLER. It goes to the parity between member and nonmember banks. State banks are discriminated against.

Mr. BEEDY. The pending bill does not apply in any way to section 304 of the act of March 9, 1933. Any discussion respecting that section, therefore, would contribute nothing to a proper understanding of the pending bill, and I trust that the gentleman will cooperate with me to conserve what little time remains for pertinent discussion.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. BEEDY. Certainly.

Mr. JENKINS. The gentleman has been making a most logical and persuasive argument. It is very unfortunate that such a lucid address should have been interrupted, but now that it has been interrupted, I should also like to state that the gentleman's argument and that of the gentleman from Massachusetts [Mr. LUCE] have clearly explained a matter that is brought out by Mr. Forsythe, a very capable banker from Athens, Ohio, in a letter which I received this morning. He is much concerned about whether the taking in of State banks might not weaken the whole fabric of the Federal Reserve System. Since this is an emergency measure, we all hope that it may do much good and no harm.

Mr. BEEDY. The fact is that by the very terms of the pending bill only sound banks can obtain any relief. But nonmember banks which are sound can already obtain relief under existing law. They may obtain it by coming into the System itself by borrowing from the Reconstruction Finance Corporation or by applying to a correspondent member bank which, as I shall later explain, is now permitted to act directly as an agent for any nonmember State bank or trust company and to secure loans for such State bank or trust company on paper containing the endorsement of the applying nonmember banking institution.

But why was it that the Robinson bill did not come to this House until the third day after it had passed the Senate? Why was it that when it did come it was no longer the Robinson bill but a completely remodified draft known as the "Steagall bill"? The fact is that the Robinson bill, as it passed the Senate, had not even been submitted to the legal division or the drafting division of the Federal Reserve Board in the Treasury Department. Its passage by the Senate was the first notice of its existence which certain eminent authorities on our banking law and the Federal Reserve System had been given.

Fortunately, there are sound men in the Senate and the Treasury Department who understand the value to national credit of maintaining the soundness of the credit facilities of the Federal Reserve System. Fortunately, there are those who still appreciate that the Federal Reserve System has held the line against a widespread attack upon the credit structure of our entire banking system. These men know that the Federal Reserve System is today holding the last line of trenches in this gigantic war against sound credit. These men realize that any legislation which, even by the mere possibility of its improper administration, may weaken the credit facilities of the Federal Reserve System is a threat to the credit of the Government itself.

The Robinson bill was unsound in the extreme. It would have put a strain upon the Federal Reserve banks of the Nation by unsound State banks. It contained no provisions, as does the present bill, limiting its operations to sound nonmember State banks. It did not even contain a provision for the issuance of any currency to cover the loans which it sought to authorize. Such a provision is now to be found in the pending bill on page 2, beginning with line 17.

Again, it was discovered that the Robinson bill would have permitted unsound nonmember State banks to tap the credit of the Federal Reserve banks without assuming any obligation whatever to maintain balances by way of deposit with the Federal Reserve banks during the indebtedness incurred by loans. Therefore the provision was written into the present bill requiring nonmember State banks who make loans from the Federal Reserve banks to maintain the reserve balance required by section 19 of the Federal Reserve Act during the existence of such indebtedness.

It was further insisted that an additional provision to the original Robinson bill should be made giving the President the power, by proclamation, to declare this proposed legislation nonoperative at any time he sees fit. It was only when such additional safeguards had been written into the pending bill that the Federal Reserve Board at length, but most reluctantly I am informed, consented to let the proposal go by without a protest. This reluctant consent on the part of the Federal Reserve Board doubtless was given because it realized that under the terms of the bill as we now have it in the House no unsound State banks could be accommodated.

What do I mean when I say that under the terms of the present bill no unsound State banks can ever obtain any relief if it becomes law? If you will turn to page 2 of the bill, you will note another provision additional to the terms of the Robinson bill as it passed the Senate. The provision is to the effect that when—

> Any State bank or trust company not a member of the Federal Reserve System—
>
> Applies—
>
> to the Federal Reserve bank in the district in which it is located * * * said Federal Reserve bank, in its discretion and after inspection and approval of the collateral and a thorough examination of the applying bank or trust company, may make direct loans to such State bank or trust company under the terms provided in Section 10 (b) of the Federal Reserve Act, as amended by section 402—

of the Emergency Act of March 9, 1933.

Not only that, but if you will read further, you will find that another provision has been written into the pending bill making it necessary before such loans can be made that the Federal Reserve bank must receive in writing from the State banking department or commissioner of the State from which the State bank or trust company has received its charter, a statement—

> That in its judgment said State bank or trust company is in a sound condition.

I repeat, then, that under the terms of the pending bill no unsound State bank or trust company can ever secure any relief. All this talk about the necessity of passing this bill in order that thousands of closed banks may open is therefore absurd. Before this bill can become law sound State banks and trust companies will have opened their doors under a license from the Federal authorities in pursuance of the Emergency Act of March 9.

The enactment of this bill into law will never help to open the doors of a single unsound State bank or trust company. I repeat that this bill is a mere gesture by the present administration to State banks. The Robinson bill when it passed the Senate was more than a gesture. It was a dangerous innovation. It opened wide a door through which unsound State banks might have brought extreme pressure and strain upon the Federal Reserve banks. Its modified redraft, namely, the Steagall bill now before the House, has been so circumscribed with provisos and safeguards that it gives no borrowing power to sound State banks which they do not have under existing law. I am opposed to the passage of any bill which amounts merely to a gesture.

Under existing law only those State banks are members of the Federal Reserve System which make voluntary application for membership and comply with the System's requirements. There are, therefore, and have been since the Federal Reserve Act was written, several thousand State banks and trust companies which are not members of the Federal Reserve System. Such banks have been accustomed to receive credit accommodations through correspondent member banks. These correspondent member banks have profited by large deposit balances kept with them by the nonmember State banks. The correspondent member banks therefore have very generally encouraged nonmember State banks to remain outside the Federal Reserve System.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. BEEDY. Not now. The gentleman will please excuse me for lack of time.

Mr. GOLDSBOROUGH. Will the gentleman yield right at this point.

Mr. BEEDY. No. The gentleman will please excuse me. He will soon have some time of his own.

Why am I referring to these correspondent member banks? You shall see presently. I desire to read from section 19, page 47, of the Federal Reserve Act. This provision has been law, I believe, from the passage of the original act in 1913. I quote:

> No member bank shall act as the medium or agent of a nonmember bank in applying for or receiving discounts from the Federal Reserve bank under the provisions of this act, except by permission of the Federal Reserve Board.

Unless the Federal Reserve Board gave its permission for member banks to act as the agent of a nonmember bank in applying for or receiving discounts from the Federal Reserve bank, the correspondent member bank was powerless to take the paper of any State bank or trust company bearing the endorsement of the State bank or trust company and procure a loan on it from the Federal Reserve bank. What they did do and what they have done for years was this: The correspondent member bank took the paper of the State bank or trust company which applied for a loan, put its own endorsement on the paper of the applying bank or trust company, and secured upon such paper of the State banking institution the desired credit accommodation.

However, within a day or two after the passage of the emergency bank legislation on March 9, 1933, the Federal Reserve Board passed a vote granting authority to correspondent member banks to act as the agent for applying nonmember State banking institutions during the present emegency.

Today, therefore, under existing law, any sound State bank or trust company can take its promissory note or paper bearing its endorsement to its correspondent bank, which, in turn, may deposit such note or paper of the State institution with the Federal Reserve bank and procure the desired credit. I repeat, that under existing law any sound State bank or trust company—and that is the only kind of a State banking institution covered by the pending bill—may secure just as much accommodation from a Federal Reserve bank on its own promissory note or paper bearing its endorsement as it could secure if the present bill were enacted into law.

Mr. BLANTON. Will the gentleman yield?

Mr. BEEDY. Not now.

Mr. GOLDSBOROUGH. Will the gentlman yield?

Mr. BEEDY. No.

Mr. GOLDSBOROUGH. I only want to ask the gentleman if he is for the bill or against the bill.

Mr. BEEDY. I am against the bill because it is merely a gesture to State banks. It would lead unsound State banks to believe that its passage would result in the extension of credit to such banks by the Federal Reserve banks. It will accomplish no such purpose. I am opposed to any legislation which misleads the public.

When the illegitimate child, known as the "Robinson bill", was left on the doorstep of the United States Senate it was innocent enough in its outward appearance, but after its adoption by the Senate it was subjected to careful scrutiny. This scrutiny disclosed the fact that the attractive child was not only of doubtful parentage but was in every way capable of sucking from the credit supply of the Federal Reserve System sufficient nutriment in the form of loans to temporarily resuscitate undernourished State banking institutions. Whereupon very effective devices were employed to wean the child and to disguise its former identity. In its present guise

it is offered to the House for adoption under the plea that the child is still healthy, and though weaned of its first supply of milk is nevertheless able to secure rich nourishment in the form of credits for languishing State banks.

The truth is, I repeat, this infant prodigy, soon to be known as the "Steagall-Robinson bill", is now able to secure nourishment only for those State banks which are already well supplied or which have available sources of supply within ready access.

As a practical matter, if the pending bill should ever become law, many unsound State banks and trust companies would rush to avail themselves of its aid only to be disillusioned and disappointed. They would first be forced to submit to a thorough examination by the agents of the Federal Reserve bank in their district. The physical limitations involved in an attempt to make thorough examinations of all State banks applying for credit would necessarily involve the passage of time whose extent is not to be depreciated. They would also be forced to exercise every pressure upon their State banking departments to secure from State bank commissioners a written statement that the applying State banking institution was in a sound condition.

After the lapse of time, examination of all unsound applying State banking institutions would disclose the true facts and the loan would, of necessity, be denied. For one, I refuse to become a party to inveigling our State banking institutions into any such a mockery and disillusionment.

In this hour of emergency I stand only for such bank legislation as will serve to buttress and strengthen the credit structure of the Nation. The whole is greater than any part. The well-being of the majority of the people, who have their deposits in banks and must rely upon preserving existing credit facilities in sound banks, should be our first concern. We should make no false gestures at this time. We should hold out no misleading hopes. We should do everything possible to save the Federal Reserve System and those sound State banks which are holding the fortress of national banking credit. This is a time when every sound State bank should be induced to become a member of the Federal Reserve System. No move should be made by the Congress at the present time which will in any way encourage sound nonmember State banks to remain outside the Federal Reserve System. If we can not strengthen the credit facilities of that System and hold it intact in this emergency, then we may look to see the Government's credit wholly destroyed, with attendant suffering upon millions of people. In my judgment, the pending bill is in no sense calculated to contribute to any such desirable result. [Applause.]

[Here the gavel fell.]

Mr. STEAGALL. Mr. Speaker, I yield to the gentleman from New York to make a request.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a telegram from the Governor of my State, Governor Lehman, to a Member of the Senate.

The SPEAKER. Without objection, it is so ordered.

Mr. CELLER. I rise to propound a question as to a difference of opinion that now exists concerning section 304 of the emergency bank relief bill.

This section enables member banks to issue preferred stock which shall be nonassessable for debts or deposits. States like New York, Maryland, and others are unable under their statutes and constitutions to have their State banks issue stock unless it provides for double liability and is assessable to make up deficiencies for the payment of deposits and debts.

Section 304 permits the Reconstruction Finance Corporation to subscribe to preferred stock of any State bank. It also permits the Reconstruction Finance Corporation to loan upon the whole or any part of such perferred stock. Reading section 304, together with the other sections of the bill, there is, to my mind, a clear indication that the preferred stock must be nonassessable before the Reconstruction Finance Corporation can loan thereupon. If that is the case, then my State, New York, is discriminated against, since its State banks cannot issue bank stock unless it incurs double liability.

Governor Lehman, of my State, is anxious about this matter, and has sent the following telegram:

> New York State banks and trust companies, both member and nonmember, are prohibited by the State constitution from issuing stock, preferred or common, without double liability. Other States have similar restrictions. These institutions would therefore be denied benefits of section 304 of the Bank Relief Act, if the language of this section refers to nonassessable stock only.
>
> Is it not possible to have this doubt removed by including in Senator ROBINSON'S proposed amendment to the act a provision authorizing the Reconstruction Finance Corporation to buy or loan against debentures or other obligations subordinate to deposit liability, which obligations shall have a position at least equal to that of preferred stock?

I have asked the chairman of the Banking and Currency Committee, Mr. STEAGALL, if it is the intention of his committee and of the similar committee in the Senate to provide some amendment which would authorize the Reconstruction Finance Corporation to buy or loan against debentures or other obligations of the State banks, which obligations shall be subordinate to deposit liabilities. The gentleman from Alabama [Mr. STEAGALL] informs me that it is his purpose and that of his committee to cover this situation to the satisfaction of Governor Lehman. He implies that this may be done in conference. This, of course, satisfies me. However, I shall again refer to the matter unless there is performance of the promise.

Mr. GOLDSBOROUGH. Mr. Speaker, in my time I yield to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, I am for this bill. It in effect provides that the Federal Reserve banks may make loans to nonmember State banks under practically the same conditions that loans are made to member banks. It will place all State banks on an equality with national banks in securing loans from the Federal Reserve. It will destroy a very obvious benefit that the member banks have obtained, which has placed nonmember State banks in these times of stress and depression at great disadvantage.

Those financial institutions which in the opinion of the people have the greatest stability, whose resources, they believe, are the most liquid, are given their confidence, and the others are always in danger in times of stress of large withdrawals, which they are often unable to meet.

The advantages in these times national banks have enjoyed by reason of having the opportunity to liquefy their assets have worked a great hardship on the nonmember banks. The passage of this measure, while primarily helping the State banks, is essentially for the welfare of the manufacturing, commercial, industrial, and agricultural interests, whose prosperity is dependent upon their continued solvency and operation.

There are in the United States, exclusive of the Territories and possessions, 12,958 State banks, with total resources as of June 20, 1932, of $34,584,838,000. As of December 31, 1932, there were 805 State banks, members of the Federal Reserve, with resources of $12,991,000,000. State banks, with almost $22,000,000,000 of resources, are not members of the Federal Reserve, and will be the beneficiaries of this legislation. In New York alone the assets of the 487 State banks were $6,732,950,000. In the State of Kentucky there were 362 State banks, with resources of $248,031,000.

The mere reading of these figures will indicate the importance of the financial soundness of the State banks to the business interests of our country. Every community is dependent to a large extent upon them. Banks, as we all know, are entirely dependent upon the confidence of the people. The psychological effect of the passage of this bill will be of inestimable benefit, even though no bank may ever avail itself of the privileges. Every bank that fails brings fear and lack of confidence to the community. Every bank failure destroys the trust of the people in all other banks. This bill, if enacted into law, will not only save the many State banks by reestablishing confidence but will have a very helpful effect upon the banking interests in general, including national banks. If the bill should fail of passage,

it will cause large withdrawals from State banks for redeposit in national banks or for hoarding, which will have a most disastrous effect on the general welfare.

It is most constructive and essential legislation to maintain the financial stability of our institutions for the reestablishment of confidence, upon which will be built the restoration of our prosperity. [Applause.]

Mr. GOLDSBOROUGH. Mr. Speaker, I yield to the gentleman from Kentucky [Mr. CARY].

Mr. CARY. Mr. Speaker, ladies and gentlemen of the House, during this great national crisis the Congress is compelled to enact emergency legislation to meet the demand of the hour. During the few days this present Congress has been in session, under the leadership of our great President, much has been accomplished to meet the emergency and bring relief to a stricken Nation.

By his fearless and brilliant leadership and by prompt response of the Congress the country is on an upward trend and we are on the road to recover in a manner that is astounding and which will, I believe, in a short time lead to a normal economic condition and to a great national prosperity.

His superb leadership is meeting with a splendid response from all the people of this Republic in every walk of life, irrespective of party affiliations. This is indicative of the faith of the American people in our form of government under real leadership, the kind of leadership that has been produced in every hour of crisis in our national life. Faith and confidence has been restored in our people and fear has been dispelled. May we continue to follow President Roosevelt until his program is completed and this Government is again functioning for the benefit of the great masses of our people.

When he took the oath of office as Chief Executive of this Nation on the 4th day of this month he assumed far greater responsibilities than any other man in that position had ever assumed before. The country's business was prostrate; our economic system was in a state of complete collapse and our entire banking system from one end of the country to the other had failed. Fear, gloom, and despair enveloped the whole people and pandemonium reigned everywhere. But this man of the hour, the deliverer of the American people, assumed his herculean task with a coolness, deliberation, and determination that immediately made him the master of the situation which instilled confidence in the Congress and the American people of his ability as a leader in an hour of national peril.

His first step was to recommend to Congress legislation to provide relief in the existing national emergency in banking, and it was a great emergency, as every bank in the United States was closed at that time and business was at a standstill. Following his recommendation, Congress promptly enacted H.R. 1491, which amended the Federal Reserve Act and extended aid to banks that are members of the Federal Reserve System and enables them to borrow needed money from the Federal Reserve banks under certain conditions upon collateral paper they had not heretofore been able to borrow upon, under the law. This act has brought prompt relief to many banks and enabled them to reopen which could not have opened otherwise and has thereby saved many communities from the devastating effects of bank failures. This act, however, did not extend these benefits to State banks that are not members of the Federal Reserve System, and we find that many small State banks are unable to open, and those banks and the communities which they serve can not get the benefit of the aid provided in the original act. Certainly these State banks and the people served by them are entitled to as much consideration by this Government and should be helped in the same way as the national banks and the large State banks that are members of the Federal Reserve System.

Mr. Speaker, the bill we have before us, which is reported by the Committee on Banking and Currency, H.R. 3757, is merely an amendment to the bill recommended by the President and passed by Congress a few days ago. This bill simply extends the provisions of that act so as to give the benefits to State banks and trust companies which are not members of the Federal Reserve System. It provides that any State bank or trust company not a member of the Federal Reserve System may apply to the Federal Reserve bank in the district in which the applying bank is located and the Federal Reserve bank, at its discretion and after inspection and approval of the collateral and a thorough examination of the applying bank or trust company, may make loans to such State bank or trust company. In other words, it merely puts State banks and trust companies which are not members of the Federal Reserve in the same position as member banks during this emergency and extends the help and benefit of the law to them without compelling them to become members of the Federal Reserve System, which would require considerable time to do and would compel them to subscribe for stock in the Federal Reserve bank and, in this present condition of banks, they should not be required to invest any of their assets in stock in the Federal Reserve banks nor wait the delay that would be occasioned for them to become members. They are required, however, to maintain the reserve balance required by the Federal Reserve Act, and this is a fair provision and can meet with no serious objection.

This is temporary emergency legislation and a part of the President's relief program for banking and should be passed by the House at the earliest possible moment. It is fair and just and would result in great benefit to the small State banks all over the country. It perfects the original bill passed by Congress and extends relief to the little bank and big bank alike. May we pass it without delay. We should have no delay whatever in enacting into law temporary emergency legislation recommended by the President at this critical time. Delay in our action here now may mean disaster to many sections of the country. Promptness with which this Congress has responded to the demands of our leader has had a wonderful effect upon the business of this country, and this House cannot now afford to falter or hestitate for one moment in providing every means of relief possible to the people.

We know and the country knows that our present banking system is a complete failure and will not function in an hour of need. When the necessary emergency legislation is passed and we have rescued the country from the depths of depression, this Congress must then set itself to the task of building a new and modern banking system, one that can carry on both in times of prosperity and depression and that will not permit a few bankers in Wall Street to control the entire system and wreck and ruin the Nation. We must have such a system that will be sound at all times and that will afford absolute security for the depositing public. I am convinced that the only way to stop hoarding completely and restore the confidence of the people in banks is to have a Federal guaranty of bank deposits with the strictest possible supervision of banks. This the people demand and will eventually have.

I urgently insist that the bill before us be passed at once that many State banks throughout the country may be saved. [Applause.]

Mr. BEEDY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection?

Mr. BLANTON. I reserve the right to object, though I do not intend to object, merely for the purpose of asking a question. The gentleman from Maine [Mr. BEEDY] in his speech complained that this bill now before us would not permit any unsound bank to open. I want to ask him whether he is in favor of opening up any unsound State banks?

Mr. BEEDY. No.

Mr. BLANTON. I felt sure that he was not. I am not in favor of permitting any unsound bank to open its doors. It is the interests of the depositors I want to protect. There have been entirely too many unsound banks just drifting along preying upon trusting and credulous depositors. Not one of them should ever again be permitted to do business.

There is quite a difference between a bank honestly managed with frozen assets that are good, which with help and time can get back on a good footing again, and a bank dishonestly managed, with assets practically worthless, which can never be sound again, no matter what help and time is given it. One is a sound bank. The other is an unsound bank. It is the sound banks, temporarily crippled by frozen assets, that are to be given help and time by this bill. They are entitled to help. This Government will lose no money by helping them. But it would be throwing public money away, worse than pouring water into a prairie dog hole, to make loans to unsound banks with worthless assets, that would never pay back the loans, and would never be sound again.

And in such connection I want to say again, as I have said many times before, that before we adjourn this Congress must pass proper legislation to guarantee 100 percent all bank deposits, which in my judgment is the only way to again stabilize the banking business.

I have no objection to the request of the gentleman from Maine.

The SPEAKER. Is there objection?

There was no objection.

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GOLDSBOROUGH. Mr. Speaker, I yield myself the balance of the time. This bill at this time is absolutely necessary in order to save about 50,000,000 of those who are either depositors in State banks or who are dependent on depositors in State banks.

When this emergency legislation was passed last Thursday week the nonmember State banks were left out of the picture entirely. All this does is to give State banks the same access to this emergency money that other banks have. This bill does not give the nonmember State banks access to the ordinary Federal Reserve notes. It simply gives them access to these emergency notes, just as the national banks are given.

I want to say this to you: There are about 14,000 State banks in this country; there are 9,000 who have never applied for loans from the Reconstruction Finance Corporation; they have been closed up without any fault of theirs. All this bill does is to give them on the same kind of paper the same access to the emergency money that other banks have.

I want to say for the benefit of those who heard the gentleman from Maine, that the gentleman from Alabama [Mr. STEAGALL] and I have hardly slept for 10 days trying to get something before the House that could be passed to help depositors in State banks. I want to say to Members of Congress and to the people of the country that they should be forever indebted to the work done by the gentleman from Alabama [Mr. STEAGALL] in bringing this bill before the House. [Applause.]

The only purpose of the amended Emergency Act was to expand the currency; that was the purpose of it, and when it was passed it left out the State banks.

When the State banks began to close by reason of the fact that they had not access to the emergency currency, that brought about a deflationary process, and it tended to counteract the inflationary process of the Emergency Act. It did something else. As soon as the State banks began to fail because of the fact that they had not access to this fund, that immediately frightened depositors in all banks, and banks immediately began to hug their money to themselves, as they have done in the past, so that unless the State banks are let into this picture you have not done a thing except to postpone the entire collapse of the banking system of this country. As long as banks hug this money to their breasts, as long as it does not get out into productive industry, as long as it is kept from circulation, you have a falling price level and a contracted currency, and that continues until it will break every bank in the United States. The sole purpose of this legislation is to prevent the collapse of the banking structure in this country until there is a reflationary process, and this emergency money constitutes a reflationary process if all of the sound banks are given access to it. It is a practical proposition; it is not a technical proposition.

Before the emergency legislation was passed the gentleman from Alabama [Mr. STEAGALL] and I bemoaned the fact that the State banks were not in. The legislation came from the President immediately after his inauguration. It had to go through as it was. We could not do anything with it then, but we immediately realized that if the State banks were not let in the currency would not be expanded and that State banks that were perfectly solvent would close by the hundreds. Realizing that the deposits of 50,000,000 people and their dependents would be unnecessarily wiped out and destroyed, we began to work on this legislation, which puts the State banks in the same category as the member banks. When I say that I mean that I assisted the gentleman from Alabama [Mr. STEAGALL], but the gentleman from Alabama is responsible for the fact that we have the cooperation of the Treasury Department and of the President of the United States. There is not any legislation in existence that will let the State banks enter the picture if this bill is not passed. I say frankly, and I say it with all courtesy, that I do not know whether the gentleman from Maine [Mr. BEEDY] is for this bill or against it.

Mr. BEEDY. Does the gentleman want to know?

Mr. GOLDSBOROUGH. The gentleman did not yield to me, and I cannot yield to him, but I say further that there is no such legislation. The gentleman from Maine had reference to the Wagner bill, which was passed in July 1932, which provides that upon the affirmative action of five members of the Federal Reserve Board, individuals, partnerships, and corporations can, under certain conditions, secure money from the Federal Reserve banks.

Mr. BEEDY. Mr. Speaker, I rise to a point of order. I made no reference to that in my remarks.

Mr. GOLDSBOROUGH. I presume that is the legislation that the gentleman had reference to.

Mr. BEEDY. I made no reference to it and I did not have it in mind.

Mr. GOLDSBOROUGH. Then I say that that is the only legislation that he could have had in mind, because it is the only legislation that bears on the question. In August of last year—1932—the Federal Reserve Board in its August number of the Federal Reserve Bulletin expressly declared that within the meaning of the circular the term "corporation" did not include banks, so that State banks did not have access to the Federal Reserve banks under the Wagner bill, as construed by the Federal Reserve Board. When the Robinson bill passed the Senate, I called up the Governor of the Federal Reserve Board and I said, "The Robinson bill only lets in State banks as to ineligible paper, and I presume that the Federal Reserve Board has changed its ruling and is going to let State banks in now under the Wagner bill." He replied, "No; the Federal Reserve Board has not changed its attitude. The conception of the Federal Reserve Board is that the Wagner bill, when it speaks of corporations, does not include banks, and they cannot secure money under the Wagner bill." Therefore the only thing that we could do to let the State banks have access to this emergency money and save their depositors and save another series of bank failures and save a further deflation of the currency, was to try to get this legislation through. That is the history of it, I say to the Members of the House, and that is all there is in it.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. For a short question.

Mr. HOLMES. Every nonmember bank in sound condition today can by application join the Federal Reserve System now.

Mr. GOLDSBOROUGH. It would take several months for them to do it, and they could not be reopened.

Mr. HOLMES. I said sound banks.

Mr. BRIGGS. The passage of this legislation will make it possible for the State banks immediately to get the aid and benefit of this emergency currency.

Mr. GOLDSBOROUGH. They can get aid immediately, and it is only during the emergency and during the time until the President shall proclaim that the emergency is over that they have access to this fund.

If it is desired that they should come into the Federal Reserve System—and I do not think it desirable they should be forced into it—they can be notified that at the end of this emergency they will not have any further access to this money, but it is absolutely necessary now; and I hope, and I believe I speak from knowledge, that for the sake of the country, for the sake of the distressed depositors in the State banks, in order to prevent another period of collapse and fear, no single Member of this House will register his vote against this legislation, so necessary for the preservation of the peace and happiness and prosperity of this country. [Applause.]

The SPEAKER. The time of the gentleman from Maryland has expired. All time has expired.

The question is on the motion of the gentleman from Alabama [Mr. STEAGALL] to suspend the rules and pass the bill.

The question was taken; and two thirds having voted in favor thereof, the rules were suspended and the bill was passed.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate disagrees to the amendment of the House to the joint resolution (S.J.Res. 14) entitled "Joint resolution authorizing the President of the United States to expend $5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GLASS, Mr. MCKELLAR, Mr. KENDRICK, Mr. HALE, and Mr. KEYES to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3341) entitled "An act to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HARRISON, Mr. KING, Mr. WALSH, Mr. REED, and Mr. COUZENS to be the conferees on the part of the Senate.

RELIEF OF EARTHQUAKE-STRICKEN COUNTIES IN CALIFORNIA

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BYRNS. Mr. Speaker, Hon. CHARLES KRAMER, of California, has been ill for several days and unable to attend the sessions of the House. For that reason he was not able to be present when the House considered the proposal to relieve earthquake sufferers in California. He asked me to read to the House a telegram, which I am going to do, with your indulgence:

Hon. CHARLES KRAMER,
House Office Building:

We are very much disturbed over failure of Congress to appropriate $5,000,000 for relief and rehabilitation of families and small individuals. This is pressing need, and relief must come immediately if we are to successfully cope with situation in earthquake area. Situation cannot wait for Nation-wide appeal for Red Cross funds, and whatever can be secured by that process will be needed in any event. Also important that some action be taken to secure from Reconstruction Finance Corporation funds for rehabilitation of business, public, and school buildings, to be repaid over long period of time and at lowest possible interest rate. Banks and financial houses here cooperating fully, but will not be able to handle bulk of necessary rehabilitation loans.

W. S. SIMPSON,
President Los Angeles Chamber of Commerce.

AGRICULTURAL RELIEF

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the Rules Committee may have until 12 o'clock tonight to report a rule relating to the agricultural relief bill. I do that for the purpose of obviating any necessity for taking a recess this afternoon.

Mr. SNELL. Reserving the right to object, and I am not going to object if I can get a little light on the program, I wish the majority leader would tell us what the program is in connection with the consideration of this bill and other matters that are liable to come forward in the next few days.

Mr. BYRNS. Mr. Speaker, I think the time for hurried action on these bills has passed, to an extent at least. I have no disposition, as one Member of Congress, to deprive any Member of the House of the right to express himself upon any legislation that may come before it. While I do not know what the Rules Committee may do with reference to the agricultural relief bill, I do hope and I feel sure they will give ample time for discussion. I believe that in the future, since we now have standing committees, that all bills unquestionably should go to the proper committee and afford such committee ample time to give full consideration to the bill before reporting it to the House.

The gentleman will recall that I have only made three requests for unanimous consent to pass legislation. One was the banking bill, which everybody knew was urgent. The other was the economy bill, which the House very kindly granted, because both of those bills were passed before standing committees had been appointed. The other was in relation to the so-called "beer bill" which had been considered by the Ways and Means Committee and was on the calendar.

Mr. SNELL. I am very glad the gentleman has made this statement to the House, because I entirely agree with him that the time has passed when we should rush legislation through without reasonable consideration. Now, this farm-relief measure that is coming before us is very important. It is probably one of the most important measures that will come before the House this session. It is very complicated in every respect. I do not know whether there have been any hearings on the bill so as to give the House ample information, so I hope that whatever rule the committee brings in will provide a reasonable time for discussion, and that we may know what we are doing at least, before that bill is passed by the House.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Mr. Speaker, I also ask unanimous consent that the Committee on Agriculture have until midnight tonight to report upon the agricultural relief bill now pending before the committee. I make the same request relative to the report of the conferees on the beer tax bill.

The SPEAKER. Is there objection to the two requests of the gentleman from Tennessee [Mr. BYRNS]?

Mr. SNELL. Mr. Speaker, I should like to ask another question. Is it the intention to bring the agricultural bill before the House tomorrow.

Mr. BYRNS. That is the intention, if the committee concludes its consideration today. I think we will have it before the House tomorrow.

I may say in the same connection that the gentleman from Mississippi has asked me to announce that the Committee on Agriculture will meet at 2 o'clock in the committee room of the Committee on Appropriations.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. I yield.

Mr. BLANTON. Did I understand the gentleman from Tennessee to state to the gentleman from New York that the farm-relief measure which the President sent up here as an emergency matter is not quite so emergent after all?

Mr. BYRNS. Oh, no, no; I did not say that.

Mr. BLANTON. Then so far as being emergency legislation it is put in the same class with the beer bill?

Mr. BYRNS. I did not intend to convey any impression that it was not important to pass it at the earliest possible moment, because, as the President in his message said, it

was important that it become law at an early date because of the nearness of the spring planting season, but 24 hours would not be fatal to the proposition if by that delay we could give Members an opportunity to know what they are doing when they vote on the bill.

Mr. BLANTON. I hope, then, that the House and country understand that the farm relief bill is as much an emergency measure as was the beer bill and that it is fully as important as the beer bill.

Mr. BYRNS. When we consider the balancing of the Budget, I may say to the gentleman from Texas, we must admit both of them are exceedingly important. I do not think there is anything more important than giving some sort of relief to agriculture.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

RELIEF OF DISTRESS IN CERTAIN COUNTIES OF CALIFORNIA

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 14, authorizing the President of the United States to expend $5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933, with amendment of the House, insist upon the amendment, and agree to the conference requested by the Senate.

The Clerk read the title of the Senate joint resolution.

Mr. BLANTON. Mr. Speaker, reserving the right to object, is this another Senate bill to grant $5,000,000 to California, or is it the same one we amended in the House the other day authorizing loans to be made by the Reconstruction Finance Corporation?

Mr. BUCHANAN. This is the same measure which we sent over to the Senate with an amendment striking out the $5,000,000 and authorizing loans. The Senate did not agree to the House amendment, and now they request a conference.

Mr. BLANTON. This is just a request to send that bill to conference?

Mr. BUCHANAN. That is all.

Mr. BLANTON. I presume the gentleman from Texas has not changed his mind as to his position on the bill?

Mr. BUCHANAN. The gentleman may depend upon the gentleman from Texas doing everything possible to protect the Treasury of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BUCHANAN, TAYLOR of Colorado, AYRES of Kansas, TABER, and BACON.

FARM RELIEF

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HILL of Alabama. Mr. Speaker, the gentleman from New York, the distinguished leader of the minority, has just stated that the farm bill was a very important measure. Surely each Member of the House is interested in this bill.

On last Saturday the Secretary of Agriculture, Hon. Henry Wallace, delivered an address over the radio in which he told the story of the farm bill and gave the main features of this bill. I ask unanimous consent, Mr. Speaker, to extend my remarks in the RECORD by setting out therein the address of Mr. Wallace.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The matter referred to follows:

RADIO ADDRESS ON THE FARM BILL BY HENRY A. WALLACE, SECRETARY OF AGRICULTURE

I am sure all of you wish to know as much as possible about the farm bill which the President of the United States sent to Congress Thursday afternoon with a special message. First, however, let me tell you the story of how this bill came into existence.

The farm problem, as you know, is very close to the heart and mind of President Roosevelt. When he became President, his first duty was to meet the banking crisis. But as soon as he had met the crushing emergency of that problem, his mind turned to the agricultural situation, and as a result I sent out a hurry-up call to the leaders of agriculture to meet with me on Friday of last week.

At that meeting were men who had spent a lifetime in cotton, wheat, hogs, corn, dairy, etc. Because of the necessity of attending a Cabinet meeting, and for other reasons, I was unable to sit with this group of farm leaders for more than a few minutes. Assistant Secretary Rex Tugwell, therefore, presided.

It seems that after extended debate the farm leaders reached the conclusion that no one plan of production control could serve all the major farm crops equally well. A plan that might work well with wheat might not work so well with cotton. The farm leaders realized, in a word, that different methods of production control would have to be used for different farm products. They also realized that, as the plan went into effect for any crop, a method that had looked good on paper might not work out so well in practice. Accordingly, they wanted to give the administrators of the plan leeway to modify their methods whenever necessary.

Above all, the farm leaders wanted something practical and they wanted it quick. They therefore recommended that very broad powers be conferred on the President and the Secretary of Agriculture to deal with the national emergency. Their recommendations, in general, were in line with the Topeka speech made by President Roosevelt last fall.

The next step was to give these recommendations legal form. Because of the constitutional problems we found this exceedingly difficult, and it was not until day before yesterday that we were sufficiently satisfied with the job to pass it on to the President.

In the meantime representatives of the packers, the millers, the cotton spinners, and the grain exchanges came to Washington in large numbers. Many of them told me they intended to cooperate in every way possible in case the bill became law. I told them that for my part I wanted to draw to the limit on their technical knowledge and long years of experience.

So much then for the steps leading up to the introduction of the bill into Congress. The farm leaders kept their pledge to stay in session until they could agree upon a plan to affect this year's crops; we have drafted a bill to implement their plan; the President has sent it to the Capitol, and now the question of farm relief is in the broad lap of Congress.

Now for the things the new farm bill proposes to do.

Its basic purpose, first of all, is to increase the purchasing power of farmers. It is, by that token, farm relief, but it is also by the same token, national relief, for it is true that millions of urban unemployed will have a better chance of going back to work when farm purchasing power rises enough to buy the products of city factories.

The method to be used in increasing the farmer's purchasing power is by restoring the balance between production and consumption as rapidly as possible. Let us help the farmer, the bill says in effect, plan his production to fit the effective demands of today's and tomorrow's—rather than yesterday's—market.

The goal of the bill, in terms of price, is pre-war parity between the things the farmer sells and the things the farmer buys. Let me explain that. In the pre-war years, 1909 to 1914, wheat brought around 88 or 90 cents a bushel on the farm, cotton better than 12 cents a pound, and hogs better than 7 cents a pound. But at the same time, the prices of the things the farmer had to buy—his fertilizer, farm machinery, and the like—were on a comparable level. In general, these items bought by the farmer were a little lower than they are right now. But the prices the farmer got for his wheat and cotton and hogs were, in those pre-war days, more than twice as high as they are now. It is that gap that we want to bridge. And this bill provides the bridge.

To reach that goal—a goal not to be attained, perhaps, in one brief year—the bill gives the Secretary of Agriculture these powers:

(1) To obtain, by contract with farmers, a voluntary reduction in acreage or production of certain crops, in return for which reduction producers will be compensated by means of rental or benefit payments.

(2) To enter into marketing agreements with producers, marketing agencies, and processors of farm products. The intent of this provision is that there may be organized commodity councils which will include both growers and processors of a crop. These councils will help determine which plan of acreage reduction, what scale of taxation on the processed goods may be wisest. The recommendations of the council will then be considered by the Secretary of Agriculture before any regulations are issued.

(3) To license processors and distributing agencies that handle agricultural products in interstate or foreign commerce, in the event that such licensing becomes necessary in order to achieve the purposes of the bill.

(4) To use the Smith cotton-option-contract plan on the 1933 crop of cotton.

(5) To impose taxes on the processing of the basic farm products. The amount of the tax, however, cannot be greater than is required to bring the market price up to the pre-war parity price. Thus, if wheat is selling at 50 cents a bushel, whereas the pre-war price was 88 cents, there is a difference of 38 cents a bushel. The tax on flour might, therefore, be as much, but no more than, 38 cents (considering flour in terms of bushels of wheat). The chances are that the tax would start at a relatively

low figure, so as not to restrict retail sales of flour and thus reduce consumption.

The purpose of the tax, of course, is to collect funds with which to compensate those farmers who have contracted to reduce their production of the commodity so taxed.

The basic products to which the bill may apply are these: Wheat, cotton, corn, tobacco, rice, hogs, cattle, sheep, and milk and its products. But before any move is made to tax any one of these products, or to attempt a reduction in production, it will be essential to call in the representatives of both producers and processors of the product involved. With their help, we can work out for each commodity that method of production control, of taxation, and compensation, which offers the best hope of success. Under the taxing power, furthermore, there is provision for public hearings, so that in each step of the way we shall have the expert advice of those directly interested.

As I have said, different methods of production control may be applied to different crops.

Thus in reducing the production of hogs, the best method may be for the Government to pay the hog producer rent on a specified amount of his corn land, provided he retires that acreage from corn production and also restricts the tonnage of hogs marketed.

For a crop such as wheat, the rental or benefit payment may be based primarily upon a reduction in acreage of wheat, with certain provisos as to alternative uses of the land so rented.

Under the bill the Secretary is also at liberty to rent land in large tracts or in selected regions, or to allot the sums for land rentals by States and counties, so that every producer will have an equal opportunity to rent a part of his land to the Government and to receive rental payments.

Nor is the consumer's interest ignored. The consumer is amply safeguarded, first of all, by the fact that the tax passed on to him by the processor declines just as rapidly as the price the farmer receives for his product climbs to the pre-war level. Once pre-war parity is reached, the tax is completely removed. But even more important, the slight contribution the consumer will make through retail prices will be more than compensated for by the revived power of farmers to buy the goods and services the city has to sell. It is provided that in no case will the farmer's share of the consumer's dollar be more than in the pre-war period.

This bill, as the President says, follows a new and untrod path. The successful operation of it depends on the whole-hearted cooperation of farmers, processors, and consumers. Has the time come when all elements of our society are willing to pull together to restore economic balance and attain social justice?

It may be true that the things which this bill strives to attain here and now may be brought about 10 or 15 years hence by the slow working of economic law. This action, we hope, will speed the inevitable readjustments with much less suffering than under the harsh hand of uncontrolled competition.

Some farmers join with urbanites in repudiating with horror the idea of reducing production at this time. They point out, very properly, that the world is full of hungry people and that the great quantities of surplus foodstuffs should be used to feed them. No supporter of this new farm bill will disagree with this as an ideal program.

As our economic system works, however, it seems that the greater the surplus of wheat on Nebraska farms the longer the bread lines in New York. In a complicated world system of exchange it seems to be necessary to maintain a balance between different groups of producers if we are to avoid suffering. Our surpluses of food crops seem to have had as disastrous an effect upon national well-being as crop shortage used to have on the isolated communities of a simpler age.

This bill attempts a major social experiment. It looks toward a balanced social state. It is trying to subdue the habitual anarchy of a major American industry and to establish organized control in the interest not only of the farmer but of everybody else.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. ROBERT F. RICH (at the request of Mr. DARROW), indefinitely, on account of illness.

To Mr. BLANCHARD (at the request of Mr. FREAR), for 2 days, on account of business.

To Mr. HANCOCK of North Carolina (at the request of Mr. WARREN), for 2 days, on account of the death of his secretary.

To Mr. ELTSE of California (at the request of Mr. CARTER of California), for 3 days, on account of death in family.

MESSAGE FROM JAPANESE HOUSE OF REPRESENTATIVES

The Chair laid before the House the following telegram, which was read:

TOKYO, *March 14, 1933.*

His Excellency HENRY THOMAS RAINEY,
Speaker House of Representatives, Washington, D.C.:

We are very much grieved to learn tragic disaster of earthquake which has recently befallen south California. On behalf of House of Representatives of Japanese Empire I beg to present you my sincere sympathy.

AKITAKIYOSHI.

DEFENSE OF STATE BANK DEPOSITORS—EXTENSION OF REMARKS

Mr. AYERS of Montana asked and was given permission to extend his remarks in the RECORD.

Mr. AYERS of Montana. Mr. Speaker, actual physical facts, yes, stern realities and not theories, are confronting us on the banking situation today. No living person has ever witnessed a condition the like of that which reached its climax a few hours before the President was inaugurated. In addition to the unemployment situation, the bankruptcy of the entire agricultural industry, and the centralization of so large a percentage of all the money of the Nation into the pockets of the few, our financial structure collapsed in the President's very face as he was ascending the platform to take the oath of office. If ever a country was in a perilous condition, if ever a country demanded immediate bold leadership, it was our country at that instant.

President Roosevelt assumed that role. His first official acts were to proclaim a bank holiday and to convene Congress into extra session that it might pass emergency legislation on the subject. Now, obedient to his message, Congress has passed the Bank Conservation Act. This gives the Chief Executive and his subordinate officers absolute and effective control of the national banking system and the Federal Reserve System, as well as all coin, bullion, and currency of America. There are provisions in this act I did not like. There are provisions in it that many Members of the Congress did not like, but the people are looking to the President to pull us out of this quagmire into which we are so deeply bogged. With that in mind and with due faith and confidence in our leader, I supported the bill. I believed then, and I believe now, that it should have also contained additional provisions, but it was not subject to amendment in the House; therefore those matters could not be discussed then.

Two paramount subjects I thought should be contained in the bill were, first, the inclusion of State banks; and, second, a guaranty of bank deposits. Of course we all knew these matters could be subjects of later legislation.

STATE BANKS

Now at this early date, the first subject, namely the inclusion of State banks, is before us in House bill No. 3757, and in support of that bill I direct these brief remarks.

The country banks, which are mostly State banks and nonmembers of the Federal Reserve, are the ones that have undertaken the financing of the farmer, the rancher, and the little business man of this land. These banks find themselves face to face with a condition that is opening the big banks and locking their doors more securely than ever. I make that statement advisedly because I believe that just as soon as a bank opens, if it cannot come within the requirements and secure the benefits of the act, no matter how strong it may be, the depositors will move to a bank that does enjoy the benefits of the act; hence, under such circumstances the opening of a State bank or any nonmember bank would be followed almost immediately by a locked door containing heavier bolts than the first one did.

The argument is advanced that State banks and banks which are not members of the Federal Reserve, should not be privileged, no matter how solvent or strong, to enjoy the benefits of the Bank Conservation Act, primarily because they have not helped to finance the building up of the powerful Federal Reserve structure. Such argument, in this crisis, is not sound. It is not just. It is not equitable. On the contrary, it is unsound, unjust, and cruel to the extreme. And, you will understand, I am not holding a brief for the stockholders but I am rising in defense and am arguing the case of the depositors and the borrowers of these banks.

If the State bank and the nonmember bank is solvent, and if it can undergo the same scrutiny, and pass the same test, and put up like securities as the others, then in the name of high heaven why should it not enjoy the same privileges and the same benefits, under this emergency act, to the end that its depositors and its borrowers be saved as well as the depositors and borrowers of the member bank. Can anyone say that a depositor should be mitigated against, just because he, in choosing between two banks of equal

stability, happens to choose the one that is not a member of the Federal Reserve? The depositors of these nonmember banks as well as the borrowers from them are largely farmers, ranchers, and toilers—the producers of this Nation—and surely we are not going to fall into the error of the past administration and absolutely forget all those classes of our people.

Aside from what the Government is doing in the way of seed loans in the agricultural areas, these same State banks and nonmember banks, if permitted to open under the act and enjoy like benefits of the act, will be the greatest factor in planting the 1933 agricultural crop. If these banks are left to battle their own way while the other class of banks are assisted, it will simply mean that agriculture will be deprived, at this critical time, of this help to plant the 1933 crop. If Federal Reserve members, assisted by the strong arm of the Government, can take their securities and on them have money issued to pay off their depositors and loan to their customers, while a State bank or nonmember bank, having equally as good securities, has the door to this class of credit absolutely barred against it, then it is unilateral legislation.

This Government surely is not going to discriminate in favor of one class of banks and against another class. Such discrimination would indeed be a discrimination against communities which have only State and nonmember banks. Surely it is the purpose of the Government and the purpose of the President, in this crisis and emergency, not to discriminate but to help all alike. If we do not adopt this bill, which in reality is an amendment to the original Bank Conservation Act, we are going on record for discrimination; and the sad part of it is that if we do not pass this act we are discriminating in favor of the big banks and their depositors and borrowers and against the small bank and its depositors and borrowers; and since the credit of the Nation is used it should apply to all with equal impartiality.

GUARANTEE BANK DEPOSITS

On the second proposition, namely, the guaranty of bank deposits, while not included in this proposed legislation, nevertheless is a pertinent subject at this time. A large percentage of the people of my State, and I believe elsewhere, strongly favor having the Federal Government guarantee depositors against loss. It seems that anything short of such guaranty will fail to bring into the banks the usual and normal amount of money where it can be used and made to serve the various commercial and production needs of communities and the Nation. We cannot longer afford to cling to tradition in our banking system when it may be wrecked overnight, so to speak, by a wave of fright which permeates the general public. A system which may be so wrecked or completely paralyzed as ours has so recently been has, in a large measure, outlived its usefulness and is not adapted to our state of modern movement.

This recent crisis has already convinced us that our system must be reformed, reconstructed, and supplemented at least by placing back of it the credit of the United States; for we have now in this emergency act done that. We must go still further if we are to put our banking system back to a place where it in turn can and will put the money of the country to work according to our standard of society. To do this the Government must guarantee bank deposits. That will be a bold step, but it seems imperative that the Government do it. We have started. It has now lent its credit through the Reconstruction Finance Corporation, supplemented by the Bank Conservation Act, to preserve our financial structure. We cannot turn back. We must proceed.

In the last analysis it seems it would be much less expensive for the Government to guarantee the deposits and have a sound, unquestionable financial structure. Our recent experience teaches us that all the banking skill, and all the financial acumen, and all that goes with modern finance, could not even start to cope with our recent difficulties. It was necessary to exercise the strong arm of the Government to save the situation.

Men generally recognize that due to the shrinkage in value of securities, in all forms of personal property, in city real estate, and in agricultural lands, a strain was cast upon our financial system which unavoidably entailed losses, regardless of the care exercised by bankers. Added to this was the wild orgy of speculation by the bankers—big bankers—themselves. The marvel is that our banks have withstood for so long the pressure incident to the conditions and the behavior, or misbehavior, of the bankers. Now, if the Government guaranteed the deposits, there would be a different class of bank-examining, and bankers would vaccinate against the bug of speculation, and, last but not least, there would be no more Mitchell banking scandals.

No person, however, expects the Government, in guaranteeing bank deposits, to guarantee or attempt to guarantee against past losses; that is water over the wheel, but they do expect the Government to work out a new system under which all future deposits will be guaranteed, a system which will canvass the assets of the various banks, and gradually, as far as possible, extend the guaranty without limit to the depositors of our banks which are found sound and permitted to reopen.

The Postmaster General, by reason of his official capacity and by reason of the assurance he gives his depositors that their money will always be available on demand and returned in full, is the largest and most patronized banker in all the world today. His banking regulations may be somewhat cumbersome and make it inconvenient for depositors at times; nevertheless, his patrons are all well satisfied, because they have the one thing that is to them most desirable—absolute safety—for back of each deposit received by him is pledged the Nation's credit, its taxing power, and all its wealth. Indeed, he is a strong, even though unwilling, competitor with every bank created and organized under the laws of the United States or of any State, and primarily for the reason that he gives to each depositor that which is given by no other bank in the land—absolute safety.

It would be wise, salutary, and decidedly in the interest of our financial structure if legislation could be brought about whereby the Postal Department could go out of the banking business and transfer to our banking structure proper the safety and assurance which is now given to postal depositors. When this is done, practically all of our coin and currency will find its way into the banks and be there ready to serve the legitimate needs of the public.

H.R. 3757—EXTENSION OF REWARKS

Mr. TRUAX asked and was given permission to extend his remarks in the RECORD.

Mr. TRUAX. Mr. Speaker and Members of the House, I shall vote for this bill because it provides relief for those financial institutions who up to the present time have been known as the "forgotten" banks. More than $2,000,000,000 have been loaned by the Reconstruction Finance Corporation to the big bankers of this country. When the Honorable Charles G. Dawes resigned as chairman of the Reconstruction Finance Corporation it was my belief, and I so publicly stated, that he was resigning so that his own bank in Chicago could get its share of the money before the funds were gone. It later developed that Mr. Dawes and associates negotiated a loan of $95,000,000—this in the face of the failure of thousands of national and State banks. A few large banks in my own State of Ohio—in the city of Cleveland and in other cities—obtained as high as $15,000,000 by the mere stroke of a pen. These loans were made on the old Hamiltonian theory of "help the few, make the rich richer, the prosperous more prosperous." Then a few drops of those riches and that prosperity will trickle down on the masses below.

Congress created the Reconstruction Finance Corporation upon the pledge and promise of the Hoover administration and the knights of the aristocracy of wealth that its creation would stop the panic, lift the people out of the slough of depression, provide jobs for the unemployed, help the farmer so that he would gaily bestride his high-priced tractor attired unto the like of Solomon, and that prosperity would be even at his door.

So a tragic sequence of events followed. So dismal was the failure, so complete the collapse that Herbert C. Hoover in his campaign for reelection found it necessary in one of his major speeches, which was broadcast to all parts of the country, to devote 20 minutes to the explanation and defense of the raid on the Treasury by Dawes & Co., of Chicago.

Ninety-five million dollars of taxpayers' money was doled out to save this insolvent and erstwhile great financial institution from demolition. Yet at the same moment, Mr. Speaker, the State banks in Ohio and in practically every State in the Union were closing their doors because of the lack of modest loans to save themselves and to preserve and protect the money of their depositors. No attention was paid to these banks—most of them country banks holding mortgages of the farmers, holding the farmers' notes for loans he had procured to pay his taxes, to pay his interest to the money lenders—to the Shylocks who were squeezing the lifeblood from him.

No consideration was given to these depositories of the funds of the common people of this land. In the eyes of the captains of this costly reconstruction ship, these banks represented the little fellows—"the forgotten men" and they were not interested in little fellows or in "forgotten men." They were consecrated to the heroic duty of saving the big bankers, salvaging the railroads, granting new leases of life to the insurance companies, providing new strangling cords for the 36 percent loan sharks so they can carry on their nefarious practice of foreclosing on bankrupted farmers and jobless workmen.

One of the provisions of the Reconstruction Finance Corporation Act in granting loans to insurance companies was that these loans could be used for the payment of delinquent or defaulted premiums and for an extension of time on the payment of interest and principal on mortgaged farms and homes. Betraying every confidence imposed in them, debasing all the respect accorded them by their stockholders—the policyholders—these discredited insurance companies turned right-about-face and with venom and glee sold out, and are still selling out, thousands upon thousands of worthy farmers and homeowners. Worse than that, they have confiscated thousands of homes and farms by due legal process, so we are told, by reactionary courts and lawyers whose concepts of the law and of justice are those of a century ago. New law thinking and modern interpretations of the law in the interest of justice to all, rather than benefits for the few are needed today. Yet each time when the insurance companies get in trouble they cry for help from Government, and that cry is heeded by the State and Federal Government.

In Ohio, within the past 4 weeks, legislation has been enacted for the insurance companies which makes it impossible for policyholders to withdraw the accumulated cash reserve of their policies. Then within the past week another enactment has been made which prohibits mutual insurance companies from paying regular dividends justly and rightly due policyholders. Yet when the premium due the company is defaulted by the policyholder, his policy and insurance, which has meant years of privation of even the necessities of life, is voided, leaving his family and dependents without protection in the event of his death. No doubt we may next witness the spectacle of the insurance companies' asking for a moratorium on death claims. In the view of the past such a procedure would not be unthinkable. The big bankers have withdrawn millions and millions—then when it is safely deposited in their vaults they sit tight on it and refuse to loan to other banks, corporations, and individuals in dire distress.

The railroads, under the guise of being public benefactors and under the enticing lure of promises to use the money to put men back to work, have had their millions to pay taxes, interest charges, and to pay off their loans to international bankers who own and run the country and debauch its manhood and womanhood—the Morgans, Mellons, Rockefellers, Kuhn, Loeb & Co.—yet never a thought do these same railroads give to reducing the salary of their $100,000-a-year presidents, the amount of their watered stock, their iniquitous freight rates, and prohibitive passenger rates.

Fortunate indeed are we that we now have a President who has the courage to propose a plan that will cause these foul abuses of taxpayers' money to come to an end.

I support this bill because it makes it possible to rehabilitate many of the State banks—the smaller banks of the country, whose resources are built upon the fertility of the soil and upon the prosperity of obscure individuals and the factoryworkers.

I would not for one moment condone the lending of money to any bank, National or State, which is insolvent. Insolvent banks, big or little, should be liquidated immediately in the interest of all concerned. But in the case of State banks, where it can be shown that the assets of those banks are largely assets that are temporarily frozen—notes and mortgages of farmers or unemployed workers, of business men now hanging on by the skin of their teeth—these banks should be taken care of. Where it can be established that only a temporary extension of time is needed—an extension of time sufficiently long to enable the emergency legislative program of President Roosevelt to be enacted into law, to have the necessary administrative machinery set up so that all banks to be reopened will be solvent, will be a safe depository for the people's funds—then, and then only, will they gain the confidence of the people, so brazenly betrayed, once again. When the Budget is balanced by the Roosevelt Economy Act, farm prosperity restored through the Roosevelt farm bill, when jobs are provided for the unemployed through the President's unemployment measure, then, and then only, can these smaller banking institutions, so vital to the progress and welfare of the common people of this country, be on an even keel once again.

These small banks are entitled to their respite, to their help, to their day in court, the same as the big bankers of plutocratic wealth. Until distress struck them, until their assets were frozen, until loans were denied them, these State banks were the most lenient and considerate of all in handling the loans and mortgages of the farmers, the small business man, and workman. They displayed a heart, a conscience, and a human fellowship in the banking business, something never witnessed in the operations of the big bankers. They are just as deserving of help from their Government as any. Let us give it to them speedily.

ECONOMIC DISTURBANCES—EXTENSION OF REMARKS

Mr. GLOVER. Mr. Speaker, I ask unanimous consent to extend my remarks by including an address made by J. W. Fulton, a banker in my town, on the cause of our economic disturbances.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The address is as follows:

ADDRESS OF J. W. FULTON, OF MALVERN, ARK., ON THE CAUSE OF ECONOMICAL DISTURBANCES

If we are to check the lightning speed of the depression and effect a permanent cure, it is very imperative that we first know just what brought about these perilous times that threaten the complete collapse of our old economic structure and just who and what are responsible.

While we have always had more or less strife between capital and labor and between the gambling pirates of Wall Street and the farmers, yet never in the history of our country has capital (operators) been so determined to exploit and humiliate labor and never have the gambling pirates of Wall Street gone farther to exploit the farmers of our Nation than has been done in the past 3 years. In fact it has reached such proportions that Wall Street is determined to win even at the cost of the complete collapse of our whole social and economic structure.

There are three things which you might call objectives that Wall Street or big business, if you please, are now determined to accomplish, namely:

First. Discouragement of the Government and the defeat of its plans in trying to uphold the prices of our farm commodities, through the General Marketing Act—Federal Farm Board or any other Federal agencies—a fight that Congress does not appear to realize is going on.

Second. Branch banking. Banking is about the only thing left that Wall Street has been unable to dominate, and it is deter-

mined to dominate and control all the money and all the credit of the Nation.

Third. Labor organizations and labor unions. Wall Street (operators) are determined to give all of these labor unions a good spanking and make a man glad to get a job anywhere and at any price or wage schedule.

In order to obtain the above three objectives the most effective means conceivable have been used, viz:

In order to defeat the efforts of Congress to stabilize commodity prices all commodity exchanges, including the livestock exchange, have been combined in a secret and malicious organization with the deliberate intention to hammer prices of commodities so low that the Farm Board would be absolutely looked on in disgrace and be severely criticized by both the farmers themselves and Congress. These exchanges were already to join in this battle, because they have in the past enjoyed a very lucrative business in making all markets for all of our farm products and livestock by market manipulation, and they, of course, resented the fact that Congress should attempt to interfere with this privilege, feeling that if Congress should be successful in its efforts, it would eventually lead to the doing away with their privilege of operating these exchanges and dealing in the futures. This conspiracy and combined efforts of these exchanges have resulted in a gradual declining of prices for the past 3 years, and these prices of many of our leading commodities reached the lowest point that they have reached in all history. That they will be successful in their fight is very evident, provided Congress does not wake up to the fact that there is a war going on to defeat its efforts to stabilize prices and protect the farmer.

BRANCH BANKING

To be successful in securing a branch banking system under this democratic form of government of ours, Wall Street knew that it would first be necessary to make the unit banks very unpopular in their communities and to have public sentiment to demand a change in our banking laws. To do this it would be necessary to create a wave of hysteria that would cause a spirit of fear to seize the people regarding their banks, and therefore to accomplish this it was necessary to have a great many bank failures. To bring about bank failures and create the spirit of fear, it was only necessary for them to do two things, viz, crash commodity and security markets and shut off credit.

To shut off credit with our 12 Federal Reserve banks and their branches scattered throughout the Nation, it would be necessary for these Wall Street pirates to get control of and be able to dominate the Federal Reserve Board. As to whether or not they have been successful I am willing to let you be the judge after making comparison of their credit policies and other actions during this depression with those used during the depression of 1920 and 1921. The two policies are as follows:

"In 1920 and 1921 in determining the eligibility of paper offered by member banks for rediscount with the Federal Reserve banks, it was the policy, for instance, to value mules at $100 per head provided the mules were not over 8 years old and would weigh 900 pounds each and provided further that the mortgage also covered a growing or anticipated crop. Other livestock was valued in the same liberal proportion; and if there was enough livestock in the mortgage to cover the amount of the farmer's note at these liberal valuations, the Federal Reserve bank would and did handle the paper for the member bank. But the member bank offering the paper was required to pledge additional assets equal to one third of the total amount of notes rediscounted with the Federal Reserve bank and these assets were called "marginal collateral." If a member bank rediscounted notes aggregating $75,000, it would be required to pledge other assets aggregating $25,000, making a total of $100,000 of pledged assets to borrow the $75,000.

"At the present time the credit policy now in force, the Federal Reserve banks in determining the eligibility of paper offered for rediscount by a member bank, mules are valued at only $25 per head less 10 percent up to 13 years of age and other livestock have been lowered in the same proportion. But if there is a bank fortunate enough to have any notes that are secured by enough livestock at these low valuations to cover the notes, the Federal Reserve bank will rediscount them for it but the member bank must pledge additional assets as marginal collateral equal to 100 percent of the total amount of eligible paper sold to the Federal Reserve bank."

The present policy now enforced was not put in operation for the purpose of safety, but was done for no other reason than to make it impossible for a member bank to borrow very much money from its Federal Reserve bank or, in other words, it was to shut off credit.

You or any man can readily see what a spirit of fear would seize a banker the minute he found out he was up against a credit policy at his Federal Reserve bank, so different from the customary policy and so far out of line with common sense and common knowledge values, and you or any other man if you or he were a banker would do just exactly what all bankers have been doing for the past 2 years, viz: You would refuse to loan money for any purpose and you would also be calling in loans and making people pay regardless of prices and sacrifices necessary in order to pay. Hence, you can see that this credit policy of the Federal Reserve bank is wholly responsible for all the dumping of securities and has created a world of sellers with practically no buyers, and gives you the exact reason for the spirit of fear that seized bankers and caused them to pursue the course they did for the past 3 years.

But here is the most important and far-reaching effect that the Federal Reserve banks' credit policy has caused, viz: It is a well-known fact to every banker in the country that any time that any bank puts into effect a policy of refusing credit of every kind to any person, to any and all customers, and of calling in loans and forcing people to pay regardless of market conditions, that the customers of that bank will begin talking, whispering, and gossiping about the bank's condition, and this always brings trouble for the bank either in the form of an out-and-out run made on it by the depositors or by causing a lot of quiet withdrawals. Now, this is exactly what has been going on for more than 2 years over all the United States and, as you know, has caused a world of trouble for everybody. Furthermore, every time any man or woman said anything uncomplimentary about a bank, or became frightened and withdrew his funds from the bank, he did just exactly what Wall Street planned and figured out he would do, thereby contributing that much to the aid and success of the Wall Street branch-banking conspiracy in trying to win its fight for the three objectives previously mentioned and which, as I have said before, brought about bank failures in unheard-of proportions.

This Wall Street conspiracy, which has been supported by our Federal Reserve Board and Federal Reserve banks, has not only caused bank troubles and bank failures but it has caused factories to shut down, railroads to cease operations, and it has created the greatest army of unemployed ever known in our history and it has brought absolute ruin to hundreds of thousands of people; and of all the weapons they have used, the most destructive one and the most disgraceful has been the Federal Reserve Board.

I am talking to you, gentlemen, in a confidential manner, and not for publication, that we may fall on some plan of bringing about a change that will stem the tide of the depression and reestablish confidence; and in conclusion, I want to say this: If the Federal Reserve banks do not change and liberalize their credit policies with their member banks and if they do not dispose of their Government-bond holdings which now aggregate more than $1,800,000,000 and let this sum of money flow back into the channels of trade and commerce through the member banks, we are going to have a complete collapse of our whole social and economic structure, and the time is here when all farmers, business men, and professional men throughout the whole Nation should unite and stand up and fight.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 2820. An act to maintain the credit of the United States Government.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock p.m.) the House adjourned until tomorrow, Tuesday, March 21, 1933, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

5. Under clause 2 of rule XXIV, a letter from the chairman of the Public Utilities Commission of the District of Columbia, transmitting a draft of a bill to authorize the merger of the Georgetown Gas Light Co. with and into the Washington Gaslight Co., and for other purposes, was taken from the Speaker's table and referred to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. FULMER: Committee on Agriculture. H.R. 3835. A bill to relieve the existing national economic emergency by increasing agricultural purchasing power; without amendment (Rept. No. 6). Referred to the Committee of the Whole House on the state of the Union.

Mr. BANKHEAD: Committee on Rules. House Resolution 61. Resolution providing for the consideration of H.R. 3835, a bill to relieve the existing national economic emergency by increasing agricultural purchasing power; without amendment (Rept. No. 7). Referred to the House Calendar.

Mr. STEAGALL: Committee on Banking and Currency. H.R. 3757. A bill to provide for direct loans by Federal Reserve banks to State banks and trust companies in cer-

tain cases; without amendment (Rept. No. 10). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIMOND: A bill (H.R. 3824) to amend section 6 of the act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes", approved June 6, 1924; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. JOHNSON of Texas: A bill (H.R. 3825) to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes", approved May 22, 1920; to the Committee on the Civil Service.

By Mr. SABATH: A bill (H.R. 3826) to amend paragraph 1, section 201, title 2, of the Emergency Relief and Construction Act of 1932; to the Committee on Banking and Currency.

By Mr. CROSS: A bill (H.R. 3827) to provide for the prevention and removal of obstructions and burdens upon interstate commerce in cotton by regulating transactions on cotton future exchanges, and for other purposes; to the Committee on Agriculture.

By Mr. SABATH: A bill (H.R. 3828) to amend paragraph (1), section 201, title 2, of the Emergency Relief and Construction Act of 1932; to the Committee on Banking and Currency.

By Mr. HENNEY: A bill (H.R. 3829) to regulate the importation of milk and cream and milk and cream products into the United States for the purpose of promoting the dairy industry of the United States and protecting the public health; to the Committee on Agriculture.

By Mr. MALONEY of Louisiana: A bill (H.R. 3830) to prohibit a maximum age limit on eligibility to appointment in the classified civil service; to the Committee on Civil Service.

By Mr. SINCLAIR: A bill (H.R. 3831) referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement; to the Committee on Indian Affairs.

By Mr. PATMAN: A bill (H.R. 3832) to provide for the use of net weights in interstate- and foreign-commerce transactions in cotton, to provide for the standardization of bale covering for cotton, for the purpose of requiring the use of a domestic product, and for other purposes; to the Committee on Agriculture.

By Mr. GREEN: A bill (H.R. 3833) to provide for the payment of one half the amount of losses sustained on account of the campaign for the eradication of the Mediterranean fruit fly in Florida, and for other purposes; to the Committee on Agriculture.

By Mr. LEMKE: A bill (H.R. 3834) establishing the Bank of the United States, owned, operated, and controlled by the Government of the United States; defining the scope and manner of its operation, defining the powers and duties of the persons charged with its management, creating a board of directors, and for other purposes; to the Committee on Banking and Currency.

By Mr. FULMER: A bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power; to the Committee on the Whole House.

By Mr. CROSS: A bill (H.R. 3836) for the prevention and removal of obstructions and burdens upon interstate commerce in agricultural commodities, by regulating transactions on commodity exchanges, putting a stop to short selling thereon, and for other purposes; to the Committee on Agriculture.

Also, a bill (H.R. 3837) to regulate stock exchanges, boards of trade, and similar organizations in trafficking in certain securities in interstate commerce, and for other purposes; to the Committee on the Judiciary.

Also, a bill (H.R. 3838) to prevent worthless foreign securities from being sold in this country; to the Committee on the Judiciary.

Also, a bill (H.R. 3839) to provide for the stabilization of the price of cotton by taking the surplus or a sufficient portion thereof off the market during years of overproduction and placing it back on the market during years of underproduction; to the Committee on Agriculture.

By Mr. WALLGREN: A bill (H.R. 3840) for the refunding of certain countervailing customs duties collected upon logs imported from British Columbia; to the Committee on the Judiciary.

By Mr. DOXEY: A bill (H.R. 3841) to restore the 2-cent rate of postage on first-class mail matter; to the Committee on Ways and Means.

By Mr. DIES: A bill (H.R. 3842) to provide for the deportation of certain alien seamen, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. DIMOND: A bill (H.R. 3843) to repeal an act of Congress entitled "An act to modify and amend the mining laws in their application to the Territory of Alaska, and for other purposes", approved August 1, 1912; to the Committee on the Territories.

By Mr. CARTER of California: A bill (H.R. 3844) to authorize the construction of a retaining wall and wharf at the established pierhead line along the southern boundary of the tract belonging to the Federal Government on Government Island, Alameda, Calif., which is being utilized jointly by the Bureau of Public Roads and the Forest Service of the Department of Agriculture and the Coast Guard of the Treasury Department pursuant to the act of Congress approved February 20, 1931; to the Committee on Public Buildings and Grounds.

By Mr. LAMNECK: A bill (H.R. 3845) to amend section 198 of the act entitled "An act to codify, revise, and amend the penal laws of the United States", approved March 4, 1909, as amended by the acts of May 18, 1916, and July 28, 1916"; to the Committee on the Post Office and Post Roads.

By Mr. DOXEY: A bill (H.R. 3846) to repeal a tax on checks, drafts, and orders for the payment of money; to the Committee on Ways and Means.

By Mr. DIES: A bill (H.R. 3847) to restore the normal purchasing power of the dollar and raise commodity prices through an expansion of the currency by using silver to broaden the metallic monetary base, while preserving the gold standard, and to reduce the amount of gold in the dollar from 25⅘ grains, nine tenths fine, to 17⅗ grains of gold, nine tenths fine; to the Committee on Coinage, Weights, and Measures.

By Mr. DIMOND: A bill (H.R. 3848) to repeal an act of Congress entitled "An act to prohibit the manufacture or sale of alcoholic liquors in the Territory of Alaska, and for other purposes", approved February 14, 1917, and for other purposes; to the Committee on Territories.

By Mr. LLOYD: Joint resolution (H.J.Res 100) extending to the whaling industry certain benefits granted under section 11 of the Merchant Marine Act, 1920; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. KOPPLEMANN: Joint resolution (H.J.Res. 101) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

By Mr. EDMONDS: Joint resolution (H.J.Res. 102) requesting the President of the United States to increase employment in the United States by applying the provisions of section 338 of the tariff act; to the Committee on Ways and Means.

By Mr. McSWAIN: Concurrent resolution (H.Con.Res. 6) to survey all the facts relating to the instrumentalities of national defense, to produce economies, and to maintain the credit of the United States; to the Committee on Rules.

By Mr. PATMAN: Resolution (H.Res. 60) to provide for an investigation of certain charges of lobbying, influencing of the Congress and Members thereof, to obtain informa-

tion to be used as a basis for legislation, and for other purposes; to the Committee on Rules.

By Mr. BANKHEAD: Resolution (H.Res. 61) providing for the consideration of H.R. 3835, a bill to relieve the existing national economic emergency by increasing agricultural purchasing power; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of Wisconsin expressing confidence in, and support of, the measures taken by President Roosevelt and the national administration in the present banking crisis; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of Colorado memoralizing Congress regarding grazing fees on national forest reserves; to the Committee on Agriculture.

Memorial of the Legislature of the Territory of Hawaii requesting Congress to provide sufficient funds to complete the Haleakala National Park Road from the boundary of said park to the Summit of Haleakala in accordance with the understanding had with the Territory of Hawaii; to the Committee on Public Lands.

Memorial of the Legislature of the State of Idaho memorializing Congress to enact S. 1043; to the Committee on Public Lands.

Memorial of the Legislature of the State of Minnesota memorializing Congress to the end that the Federal Government may continue to discharge its obligations to the men and women who have defended this Nation in time of war; to the Committee on World War Veterans' Legislation.

Memorial of the Legislature of the State of Wisconsin memorializing Congress relative to the use of Wisconsin granite in Federal construction; to the Committee on Public Buildings and Grounds.

Memorial of the House of Representatives of the State of Colorado memorializing Congress concerning social-economic planning with regard to emergency-relief measures; to the Committee on Ways and Means.

Memorial of the Legislature of the State of Oklahoma, memorializing Congress to enact a law authorizing and empowering the several States to levy and collect license, franchise, gross revenue, registration, or other forms of taxes upon or measured by capital represented by property and business employed in interstate commerce; to the Committee on Ways and Means.

Memorial of the Legislature of the State of Oklahoma, memorializing Congress to include in the plan for an adequate flood control of the Mississippi River area the construction of flood-control reservoirs on the Dry Cimarron River within the State of Oklahoma and the State of New Mexico; to the Committee on Flood Control.

Memorial of the Legislature of the State of Oklahoma, memorializing Congress that it is the sense of the Oklahoma Legislature that the Government of the United States should perform its solemn promise and place American agriculture on the basis of equality with other industries by providing an adequate system of credit, and that adequate system of credit and that adequate legislation to that end should be adopted at the earliest possible date; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of Michigan: A bill (H.R. 3849) for the relief of Harbor Springs, Mich.; to the Committee on Claims.

By Mr. BRUNNER: A bill (H.R. 3850) for the relief of Norman Beier; to the Committee on Claims.

Also, a bill (H.R. 3851) for the relief of Henry A. Richmond; to the Committee on Claims.

By Mr. BURKE of California: A bill (H.R. 3852) for the relief of Romeo B. Monroe; to the Committee on Naval Affairs.

By Mr. CARTWRIGHT: A bill (H.R. 3853) to authorize the Comptroller General to allow claim of district no. 13, Choctaw County, Okla., for payment of tuition for Indian pupils; to the Committee on Indian Affairs.

By Mr. COCHRAN of Pennsylvania: A bill (H.R. 3854) granting an increase of pension to Nancy A. Fisher; to the Committee on Invalid Pensions.

By Mr. COLDEN: A bill (H.R. 3855) granting a pension to Ezekiel Palmer; to the Committee on Pensions.

Also, a bill (H.R. 3856) for the relief of Bertha Ingmire; to the Committee on Claims.

Also, a bill (H.R. 3857) granting a pension to Ida A. Borthwick; to the Committee on Invalid Pensions.

By Mr. CRAVENS: A bill (H.R. 3858) granting a pension to Julia Pitts; to the Committee on Invalid Pensions.

By Mr. CROSS: A bill (H.R. 3859) granting a pension to Edward Wright; to the Committee on Pensions.

Also, a bill (H.R. 3860) for the relief of Ed Symes and wife, Elizabeth Symes, and certain others citizens of the State of Texas; to the Committee on Claims.

Also, a bill (H.R. 3861) granting a pension to William Porter Bible; to the Committee on Pensions.

Also, a bill (H.R. 3862) granting a pension to Georgia L. Grubb; to the Committee on Pensions.

Also, a bill (H.R. 3863) granting a pension to Lucy Mahala Tuggle; to the Committee on Pensions.

Also, a bill (H.R. 3864) granting a pension to J. A. Ross; to the Committee on Pensions.

By Mr. DIMOND: A bill (H.R. 3865) for the relief of Joe Reno; to the Committee on Claims.

Also, a bill (H.R. 3866) for the relief of Erik Nylen; to the Committee on Claims.

By Mr. EDMONDS: A bill (H.R. 3867) granting a pension to D. Marion Geis; to the Committee on Pensions.

By Mr. FORD: A bill (H.R. 3868) for the relief of Arabella E. Bodkin; to the Committee on Claims.

Also, a bill (H.R. 3869) granting a pension to Samuel Max Richter; to the Committee on Pensions.

By Mr. HANCOCK of New York: A bill (H.R. 3870) granting a pension to Nettie J. Brown; to the Committee on Invalid Pensions.

By Mr. HESS: A bill (H.R. 3871) granting an increase of pension to Safrona Elliott; to the Committee on Invalid Pensions.

By Mr. HUDDLESTON: A bill (H.R. 3872) granting a pension to Harrison Rolfe Jennings; to the Committee on Pensions.

By Mr. JOHNSON of Texas: A bill (H.R. 3873) granting a pension to Mary Ann Wilkinson; to the Committee on Pensions.

Also, a bill (H.R. 3874) granting a pension to Mary E. Norwood; to the Committee on Pensions.

Also, a bill (H.R. 3875) granting a pension to Lula Davis; to the Committee on Pensions.

Also, a bill (H.R. 3876) granting a pension to Ella Pitts; to the Committee on Pensions.

By Mr. KENNEDY of Maryland: A bill (H.R. 3877) for the relief of the Southern Overall Co., of Baltimore, Md.; to the Committee on Claims.

By Mr. KLEBERG: A bill (H.R. 3878) for the relief of Llewellyn B. Griffith; to the Committee on Military Affairs.

By Mr. KOPPLEMANN: A bill (H.R. 3879) for the relief of Thomas F. Gibbons; to the Committee on Military Affairs.

Also, a bill (H.R. 3880) granting a pension to Thomas J. Kileen; to the Committee on Pensions.

Also, a bill (H.R. 3881) for the relief of James F. Flannigan; to the Committee on Military Affairs.

By Mr. LAMBERTSON: A bill (H.R. 3882) granting a pension to Mollie A. Honska; to the Committee on Invalid Pensions.

By Mr. MARTIN of Massachusetts: A bill (H.R. 3883) granting an increase of pension to Nora Frazier; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3884) granting an increase of pension to Mary J. Staples; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3885) granting a pension to Marie Baraby; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3886) granting a pension to Mary J. Winslow; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3887) for the relief of William Thibeault; to the Committee on Military Affairs.

By Mr. PARKER of Georgia: A bill (H.R. 3888) for the relief of Maggie Bomar Rivers; to the Committee on Claims.

By Mr. PEYSER: A bill (H.R. 3889) for the relief of James Elliott & Co., Inc.; to the Committee on Claims.

Also, a bill (H.R. 3890) for the relief of J. A. Finn & Co., Inc.; to the Committee on Claims.

By Mr. SHALLENBERGER: A bill (H.R. 3891) granting an increase of pension to Mary Leach; to the Committee on Invalid Pensions.

By Mr. SINCLAIR: A bill (H.R. 3892) granting an increase of pension to Betsy Nelson; to the Committee on Invalid Pensions.

By Mr. WELCH: A bill (H.R. 3893) for the relief of Mark D. Moad; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

83. By Mr. BEAM: Resolution of the City Council of Chicago, Ill., requesting that a firearms law be placed upon the Federal statutes; to the Committee on Interstate and Foreign Commerce.

84. By Mr. CARTER of California: Resolution passed by the Oakland City Council, opposing the proposal submitted to Congress proposing to tax publicly owned utilities; to the Committee on Ways and Means.

85. By Mr. CLARKE of New York: Petition of the Otego Susquehanna Valley Grange, No. 1417, protesting against any curtailing of the rural mail service, such as lengthening routes, combining so as to impair service, discontinuing, or letting by contract; to the Committee on the Post Offices and Post Roads.

86. By Mr. CONDON: Petition of the General Assembly of the State of Rhode Island, urging the use of granite in Federal construction; to the Committee on Appropriations.

87. By Mr. CUMMINGS: Petition signed by John E. Gross, secretary-treasurer, Colorado State Federation of Labor, Denver, Colo., recognizing the unfair burdens of existing taxation upon farms, agricultural property, has consistently fought for tax upon wealth, income, inheritance, and profit and opposed increasing burden of tax upon those least able to pay; to the Committee on Ways and Means.

88. Also, petition signed by John A. Snyder, president Morgan County Dairy Industry Association, and others, of Fort Morgan, Colo., urging the passage of the Frazier bill or similar bill; to the Committee on Ways and Means.

89. By Mr. GOSS: Petition of Charles Saukas and John J. Maher, of Ansonia, Conn.; Dennis O'Sullivan, of Derby; and other citizens of the cities of Ansonia, Derby, Beacon Falls, and Shelton, all in the State of Connecticut, asking for a revaluation of the gold ounce and requesting control of mass production; to the Committee on Banking and Currency.

90. By Mr. LINDSAY: Petition of the Federal Composition & Paint Co., Inc., New York City, favoring the passage of the Shannon bill (H.R. 235); to the Committee on Expenditures in the Executive Departments.

91. By Mr. PARKER of Georgia: Resolution of the Georgia Legislature, requesting the Congress of the United States to inflate the currency in a quantity sufficient to transact the business of the country; to the Committee on Banking and Currency.

92. Also, resolution of the Georgia State Senate, expressing to the President of the United States confidence in all his outlined programs of reconstruction; to the Committee on Ways and Means.

93. By Mr. RUDD: Petition of the Federal Composition & Paint Co., Inc., New York City, favoring the Shannon bill, for the discontinuance of the manufacture of paint and varnishes in the Government navy yards; to the Committee on Expenditures in the Executive Departments.

94. By Mr. SINCLAIR: Memorial of the Twenty-third Legislative Assembly of the State of North Dakota, requesting Congress to pass legislation for the acquisition of land for Federal game reserves in North Dakota, and for the maintenance of such reserves on or near the Fort Berthold Indian Reservation and on the Standing Rock Indian Reservation; to the Committee on the Public Lands.

95. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, expressing confidence in and support of the measures taken by President Roosevelt and the national administration in the present banking crisis; to the Committee on Banking and Currency.

96. Also, memorial of the Legislature of the State of Wisconsin, relating to the use of Wisconsin granite and hard limestone in Federal construction; to the Committee on Appropriations.

97. By the SPEAKER: Petition of Lincoln Central Labor Union, of Lincoln, Nebr., condemning the action of the Congressman for absenting himself from the Halls of Congress; to the Committee on the Judiciary.

98. Also, petition of Joseph J. Menge and other citizens of Cleveland, Ohio, suggesting the enactment of certain laws; to the Committee on Banking and Currency.

99. Also, petition of the Council of the City of Cambridge, Mass., commending the President for the way in which he has assumed leadership and also commending the House of Representatives for its prompt action in accepting the President's program; to the Committee on Ways and Means.

100. Also, petition of the Council of Minneapolis, Minn., requesting the Congress to increase Federal aid for public construction work; to the Committee on Ways and Means.

101. Also, petition of the Council of Sheboygan, Wis., requesting that the Congress enact House Joint Resolution 191, of the Seventy-second Congress; to the Committee on the Post Office and Post Roads.

102. Also, petition of the Council of Jamestown, N.Dak., urging that legislation be enacted establishing a standard of integrity and sound economy of municipal bond issues, and giving to municipalities which meet such standard the same rights enjoyed by national banks to receive national currency on the pledge of their bonds; to the Committee on Banking and Currency.

SENATE

TUESDAY, MARCH 21, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

JOHN B. KENDRICK, a Senator from the State of Wyoming, appeared in his seat today.

The VICE PRESIDENT. The Senate will receive a message from the President of the United States.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H.R. 3757) to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Black	Bulkley	Carey
Ashurst	Bone	Byrd	Clark
Austin	Borah	Byrnes	Connally
Bachman	Bratton	Capper	Coolidge
Barkley	Brown	Caraway	Copeland

Costigan	Hayden	Metcalf	Smith
Couzens	Hebert	Murphy	Steiwer
Dickinson	Johnson	Neely	Stephens
Dieterich	Kendrick	Norbeck	Thomas, Okla.
Dill	Keyes	Norris	Thomas, Utah
Duffy	King	Nye	Townsend
Erickson	La Follette	Overton	Trammell
Fess	Lewis	Patterson	Tydings
Fletcher	Logan	Pittman	Vandenberg
Frazier	Lonergan	Pope	Van Nuys
George	Long	Reed	Wagner
Glass	McAdoo	Reynolds	Walcott
Gore	McCarran	Robinson, Ark.	Walsh
Hale	McGill	Robinson, Ind.	Wheeler
Harrison	McKellar	Russell	White
Hatfield	McNary	Sheppard	

Mr. REED. I wish to announce that my colleague the junior Senator from Pennsylvania [Mr. DAVIS] is still detained from the Senate by illness. I ask that this announcement may stand for the day.

Mr. HEBERT. I desire to announce the necessary absence of the following Senators: Mr. KEAN, Mr. CUTTING, Mr. DALE, Mr. SCHALL, Mr. HASTINGS, Mr. GOLDSBOROUGH, Mr. SHIPSTEAD, and Mr. BARBOUR.

Mr. LEWIS. I desire to announce that the Senator from South Dakota [Mr. BULOW] is necessarily detained from the Senate by a slight illness. I will let this announcement stand for the day. I also desire to announce that the Senator from North Carolina [Mr. BAILEY] is necessarily detained from the Senate.

Mr. BLACK. I wish to announce that my colleague [Mr. BANKHEAD] is necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-three Senators having answered to their names, a quorum is present.

RELIEF OF UNEMPLOYMENT—PRESIDENT'S MESSAGE (H.DOC. NO. 6)

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, which will be read.

The Chief Clerk read the President's message, as follows:

To the Congress:

It is essential to our recovery program that measures immediately be enacted aimed at unemployment relief. A direct attack in this problem suggests three types of legislation.

The first is the enrollment of workers now by the Federal Government for such public employment as can be quickly started and will not interfere with the demand for or the proper standards of normal employment.

The second is grants to States for relief work.

The third extends to a broad public-works labor-creating program.

With reference to the latter, I am now studying the many projects suggested and the financial questions involved. I shall make recommendations to the Congress presently.

In regard to grants to States for relief work, I advise you that the remainder of the appropriation of last year will last until May. Therefore, and because a continuance of Federal aid is still a definite necessity for many States, a further appropriation must be made before the end of this special session.

I find a clear need for some simple Federal machinery to coordinate and check these grants of aid. I am, therefore, asking that you establish the office of Federal relief administrator, whose duty it will be to scan requests for grants and to check the efficiency and wisdom of their use.

The first of these measures which I have enumerated, however, can and should be immediately enacted. I propose to create a civilian conservation corps to be used in simple work, not interfering with normal employment, and confining itself to forestry, the prevention of soil erosion, flood control, and similar projects. I call your attention to the fact that this type of work is of definite, practical value, not only through the prevention of great present financial loss but also as a means of creating future national wealth. This is brought home by the news we are receiving today of vast damage caused by floods on the Ohio and other rivers.

Control and direction of such work can be carried on by existing machinery of the Departments of Labor, Agriculture, War, and Interior.

I estimate that 250,000 men can be given temporary employment by early summer if you give me authority to proceed within the next 2 weeks.

I ask no new funds at this time. The use of unobligated funds, now appropriated for public works, will be sufficient for several months.

This enterprise is an established part of our national policy. It will conserve our precious natural resources. It will pay dividends to the present and future generations. It will make improvements in National and State domains which have been largely forgotten in the past few years of industrial development.

More important, however, than the material gains will be the moral and spiritual value of such work. The overwhelming majority of unemployed Americans, who are now walking the streets and receiving private or public relief, would infinitely prefer to work. We can take a vast army of these unemployed out into healthful surroundings. We can eliminate to some extent at least the threat that enforced idleness brings to spiritual and moral stability. It is not a panacea for all the unemployment, but it is an essential step in this emergency. I ask its adoption.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 21, 1933.*

The VICE PRESIDENT. The message of the President of the United States will be referred to the Committee on Education and Labor and be printed.

RELIEF OF UNEMPLOYMENT

Mr. ROBINSON of Arkansas. Mr. President, out of order, for myself and for the Senator from New York [Mr. WAGNER], I ask leave to introduce a bill, have it read, and referred to the Committee on Education and Labor.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The bill (S. 598) for the relief of unemployment through the performance of useful public work, and for other purposes, was read the first time by its title, the second time at length, and referred to the Committee on Education and Labor, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to select from the unemployed citizens of the United States, as nearly as possible in proportion to the unemployment existing in the several States, a civilian conservation corps, who shall be enrolled for a term of 1 year, unless sooner discharged; no discharges to be permitted except under such rules and regulations as the President may direct. Each member of the civilian conservation corps shall be paid at a rate to be fixed by the President, not to exceed $30 per month, and provided with quarters, subsistence, clothing, medical attendance and hospitalization: *Provided*, That whenever a member of the said corps has a wife or other dependent or dependents, an involuntary allotment from his pay shall be made and paid to or for such dependent or dependents in such amount and under such rules and regulations as the President may prescribe. Each member shall, at the time of enrollment, agree to abide by the provisions of this act and by all rules and regulations issued by the President of the United States hereunder, which shall not include any obligation to bear arms.

SEC. 2. The provisions of chapter 15, title 5, United States Code, are hereby extended to members of the civilian conservation corps insofar as they may be applicable.

SEC. 3. That no right or claim to pension or compensation other than that expressly provided for herein shall arise or accrue under this act or out of enrollment or service in the civilian conservation corps.

SEC. 4. That the President is hereby authorized to utilize the civilian conservation corps and any existing departments or agencies of the Government in the execution of this act in the maintenance, construction, or carrying on of works of a public nature for which sufficient funds are not available, such as forestation on National and State lands, prevention of soil erosion, flood prevention, and construction, maintenance, or repair of roads and trails on the public domain, the national parks, national forests, and other Government reservations: *Provided*, That the foregoing enumeration shall not be construed as a limitation of the kind of projects which may be undertaken hereunder: *Provided further*, That such projects shall be self-liquidating insofar as practicable.

SEC. 5. That whenever in the administration of this act it becomes necessary to secure the services of skilled artisans or other expert employees not available in the civilian conservation corps the President may authorize their employment at the prevailing wage of the locality.

SEC. 6. That to carry out the provisions of this act there is hereby authorized to be expended under the direction of the

President, out of such unobligated moneys in the Treasury heretofore appropriated for public works as may be necessary and available.

SEC. 7. That in the execution of this act the President, or the head of any department authorized by him to construct any project or to carry on any work, shall have the right to acquire real property by purchase, condemnation, or otherwise: *Provided*, That the provisions of section 355, Revised Statutes, shall not apply to lands acquired pursuant to this section.

SEC. 8. That the President is hereby authorized to prescribe necessary and proper rules and regulations; to enter into contracts or arrangements with States, counties, municipalities, and other public bodies; and to do any and all things necessary to carry out and accomplish the purpose of this act.

Mr. McNARY subsequently said: Mr. President, I was interested a few moments ago, in reading the bill proposed jointly by the Senator from Arkansas and the Senator from New York, to observe that the sums of money to be available for unemployment in connection with reforestation and erosion are the unobligated funds heretofore provided for public works, no sums being specifically designated. I should like to know from the Senator from Arkansas what is the estimated amount of the unappropriated funds.

Mr. ROBINSON of Arkansas. Something in excess of $200,000,000.

Mr. McNARY. Are those funds that have been appropriated and allocated for public works like Federal buildings and post offices?

Mr. ROBINSON of Arkansas. Yes.

Mr. McNARY. Or do they include rivers and harbors also?

Mr. ROBINSON of Arkansas. They include public works generally.

Mr. GEORGE. Mr. President, will the Senator from Arkansas advise us what portion of this unexpended balance is made up of unused road funds, public-highway funds, if any?

Mr. ROBINSON of Arkansas. I am not able to give that information, but I shall procure it. I do not understand that it is expected to apply funds of that character to this work.

Mr. TRAMMELL. Mr. President, I suppose the authors of the bill, before its consideration, will furnish details as to the source from which these unexpended funds are coming.

Mr. ROBINSON of Arkansas. The Committee on Education and Labor, to whom the bill has been referred, will be supplied with full information on the subject.

LOANS BY FEDERAL RESERVE BANKS TO STATE BANKS

The VICE PRESIDENT. The Chair lays before the Senate a bill from the House of Representatives which the Chair understands the Senator from Arkansas [Mr. ROBINSON] desires to have referred to the Committee on Banking and Currency. The clerk will state the title of the bill.

The bill (H.R. 3757) to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases was read twice by its title.

Mr. ROBINSON of Arkansas. Mr. President, I wish to make a brief statement in explanation of the reference of the bill to the Committee on Banking and Currency. This is a new bill, passed by the House of Representatives yesterday. It embraces some of the provisions of Senate bill 320, which was passed by this body several days ago, and includes three additional provisions. It is my information that some amendments are to be considered in connection with the bill, including, in all probability, a measure passed by the Senate several days ago, known as the "Bulkley bill" having relation to preferred stock of banks. The Committee on Banking and Currency has arranged to meet this afternoon. I move that the bill be referred to that committee.

The motion was agreed to.

Mr. FLETCHER. Mr. President, I may say that the Committee on Banking and Currency this morning at its regular meeting discussed the matter to which the Senator from Arkansas has referred, and it was the purpose of the committee and their resolution to meet today at 3 o'clock in case the bill was referred to it. So we shall take the measure up at 3 o'clock today and consider it.

REPORTS OF THE TARIFF COMMISSION

The VICE PRESIDENT laid before the Senate six letters from the Chairman of the United States Tariff Commission, transmitting reports of investigations of the Commission in response to resolutions of the Senate, which were referred to the Committee on Finance, as follows:

A report to the President, under the provisions of section 336 of the Tariff Act of 1930, with respect to crab meat (S.Res. 122, 72d Cong.);

A report to the President, under the provisions of section 336 of the Tariff Act of 1930, with respect to optical fire-control instruments and precision drawing instruments (in partial response to S.Res. 227, 72d Cong.);

A report to the President with respect to agricultural hand tools; a supplemental report to be forwarded (S.Res. 295, 71st Cong.);

A report to the President, under the provisions of section 336 of the Tariff Act of 1930, with respect to blown-glass tableware (S.Res. 330, 71st Cong.);

A report to the President, under the provisions of section 336 of the Tariff Act of 1930, with respect to cotton velveteens and velvets; a supplemental report to be forwarded (S.Res. 440, 71st Cong.); and

A report to the President, under the provisions of section 336 of the Tariff Act of 1930, with respect to nonedible gelatin and glue (S.Res. 458, 71st Cong.).

HALEAKALA NATIONAL PARK ROAD, HAWAIIAN TERRITORY

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the Territory of Hawaii, which was referred to the Committee on Territories and Insular Affairs:

Concurrent resolution

Whereas there is located on the summit of Haleakala on the island of Maui a national park known as the "Haleakala National Park", which park includes the extinct crater known as "Haleakala Crater"; and

Whereas the Territory of Hawaii appropriated a large sum of money to construct, and has contracted to construct, a road from the park boundary to the present public-road system on the island of Maui upon the understanding that the United States Government would construct the road from the park boundary to the summit of Haleakala where the crater is located; and

Whereas the Territory of Hawaii would never have entered into the construction of the road constructed by it to the boundary of the said national park unless it had been assured that the Federal Government would have completed the road to the summit of Haleakala; and

Whereas the road constructed by the Territory of Hawaii to the boundary of said national park is of no benefit to the general public unless the same is completed to the summit of Haleakala; and

Whereas the completion of said road from the park boundary to the summit of Haleakala would be of immense public benefit for the relief of unemployment inasmuch as the necessary method of construction would require that the greatest part of the work be done by hand labor: Now, therefore, be it

Resolved by the House of Representatives of the Legislature of the Territory of Hawaii (the senate concurring), That the Congress of the United States be, and it is hereby, requested to provide sufficient funds to complete the Haleakala National Park road from the boundary of said park to the summit of Haleakala in accordance with the understanding had with the Territory of Hawaii; and be it further

Resolved, That a certified copy of this resolution be transmitted to the President of the Senate of the United States, to the Speaker of the House of Representatives of the Congress of the United States, and to the Delegate to Congress from the Territory of Hawaii.

[Resolution duly certified.]

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NORRIS:

A bill (S. 594) granting a pension to Emery Ray Greenwood (with accompanying papers); to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 595) granting a pension to Grace V. Foster; and

A bill (S. 596) granting a pension to Fay B. Weekley; to the Committee on Pensions.

By Mr. HEBERT:

A bill (S. 597) for the relief of Elmer M. Place, Jr.; to the Committee on Naval Affairs.

(Mr. ROBINSON of Arkansas introduced Senate bill 598, which was referred to the Committee on Education and Labor, and appears under a separate heading.)

By Mr. OVERTON:

A bill (S. 599) to authorize removal of wreck of ex-U.S.S. *Cincinnati;* to the Committee on Commerce.

By Mr. McADOO:

A bill (S. 600) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

By Mr. CAREY:

A bill (S. 601) to meet the existing emergency in the agricultural industry, to provide for the reduction of the interest on certain existing farm mortgages, to amend and supplement the Federal Farm Loan Act; to the Committee on Banking and Currency.

A bill (S. 602) to provide for the storage for diversion of the waters of the North Platte River and construction of the Saratoga reclamation project; to the Committee on Irrigation and Reclamation.

A bill (S. 603) granting an honorable discharge to Walter Joseph Shikany; to the Committee on Naval Affairs.

A bill (S. 604) amending section 1 of the act entitled "An act to provide for stock-raising homesteads, and for other purposes", approved December 29, 1916 (ch. 9, par. 1, 39 Stat. 862), and as amended February 28, 1931 (ch. 328, 46 Stat. 1454); to the Committee on Public Lands and Surveys.

By Mr. LOGAN:

A bill (S. 605) authorizing national banks to establish branches in certain cases; to the Committee on Banking and Currency.

A bill (S. 606) to authorize the waiver or remission of certain coal-lease rentals, and for other purposes;

A bill (S. 607) for the relief of the Union Bank & Trust Co., of Lexington, Ky.;

A bill (S. 608) for the relief of the State Bank & Trust Co., of Richmond, Ky.; and

A bill (S. 609) for the relief of the Shelby County Trust & Banking Co., of Shelbyville, Ky.; to the Committee on Claims.

A bill (S. 610) for the relief of Thomas Salleng; and

A bill (S. 611) for the relief of Charles Wilson; to the Committee on Military Affairs.

A bill (S. 612) granting a pension to Winnie Hood;

A bill (S. 613) granting a pension to Green Isaacs;

A bill (S. 614) granting a pension to John M. Roundtree;

A bill (S. 615) granting a pension to William Russell;

A bill (S. 616) granting a pension to W. P. Saling; and

A bill (S. 617) granting an increase of pension to Charles Steffey; to the Committee on Pensions.

A bill (S. 618) to amend the act of May 25, 1926, entitled "An act to provide for the establishment of the Mammoth Cave National Park in the State of Kentucky, and for other purposes"; to the Committee on Public Lands and Surveys.

By Mr. JOHNSON:

A bill (S. 619) for the relief of Arabella E. Bodkin;

A bill (S. 620) for the relief of Catherine Wright; and

A bill (S. 621) conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad; to the Committee on Claims.

A bill (S. 622) to authorize the presentation to Robert A. Roos of a Distinguished Service Medal; to the Committee on Military Affairs.

A bill (S. 623) granting a pension to Wiley E. Bolt;

A bill (S. 624) granting a pension to Robert E. McCann;

A bill (S. 625) granting a pension to Lottie A. Torrance;

A bill (S. 626) granting a pension to Michael L. Walsh; and

A bill (S. 627) granting an increase of pension to Mary E. Jasper; to the Committee on Pensions.

By Mr. WALSH:

A bill (S. 628) for the relief of Joanna A. Sheehan; to the Committee on Claims.

A bill (S. 629) granting compensation to Philip R. Roby; to the Committee on Finance.

A bill (S. 630) for the relief of Ray Funcannon; to the Committee on Naval Affairs.

By Mr. PATTERSON:

A bill (S. 631) for the relief of Charles P. Shipley Saddlery & Mercantile Co.; to the Committee on Claims.

A bill (S. 632) granting a pension to Sallie Babb;

A bill (S. 633) granting a pension to Frank A. Boster;

A bill (S. 634) granting a pension to Ida C. Cantrell;

A bill (S. 635) granting a pension to Angeline Hart;

A bill (S. 636) granting a pension to Tennie Hembree;

A bill (S. 637) granting a pension to Sarah E. Hermanstorfer;

A bill (S. 638) granting a pension a Belle Shanholtzer McGary;

A bill (S. 639) granting a pension to Ida Madden;

A bill (S. 640) granting a pension to Mary J. Mayhew;

A bill (S. 641) granting a pension to Agnes P. Miller;

A bill (S. 642) granting a pension to Mary E. Norris;

A bill (S. 643) granting a pension to Mary A. Phillips;

A bill (S. 644) granting a pension to Mattie Randolph;

A bill (S. 645) granting a pension to Martha E. Robbins;

A bill (S. 646) granting a pension to Melissa P. Seneker;

A bill (S. 647) granting a pension to Clara Slyker;

A bill (S. 648) granting a pension to E. Jane Spencer;

A bill (S. 649) granting a pension to Lillie E. Sullivan (with accompanying papers);

A bill (S. 650) granting a pension to Mollie Turner (with accompanying papers);

A bill (S. 651) granting a pension to Eva Whittington;

A bill (S. 652) granting a pension to Lou C. Witt;

A bill (S. 653) granting an increase of pension to Mary E. Bonebrake;

A bill (S. 654) granting an increase of pension to Anna Callahan;

A bill (S. 655) granting an increase of pension to Adaline Calton;

A bill (S. 656) granting an increase of pension to Rachel C. Carrico;

A bill (S. 657) granting an increase of pension to Mary E. Chenoweth;

A bill (S. 658) granting an increase of pension to Anna L. Cowen;

A bill (S. 659) granting an increase of pension to Alice B. Davis;

A bill (S. 660) granting an increase of pension to Helen Dorsey;

A bill (S. 661) granting an increase of pension to Mary J. Easley;

A bill (S. 662) granting an increase of pension to Mary E. Fields;

A bill (S. 663) granting an increase of pension to Mary M. Fipps;

A bill (S. 664) granting an increase of pension to Lucinda E. Fleming;

A bill (S. 665) granting an increase of pension to Melvin E. Goodding;

A bill (S. 666) granting an increase of pension to Missouri E. Griffith;

A bill (S. 667) granting an increase of pension to Nancy G. Gurley;

A bill (S. 668) granting an increase of pension to Mary E. Hiles;

A bill (S. 669) granting an increase of pension to Sarah Hitchcock;

A bill (S. 670) granting an increase of pension to Hattie Hodges;

A bill (S. 671) granting an increase of pension to Serena Ivey;

A bill (S. 672) granting an increase of pension to Eliza J. Keith;

A bill (S. 673) granting an increase of pension to Virginia Lee;

A bill (S. 674) granting an increase of pension to Sarah E. Lewis;

A bill (S. 675) granting an increase of pension to Sarah A. Lofton;

A bill (S. 676) granting an increase of pension to Julia R. Moore;

A bill (S. 677) granting an increase of pension to Mira A. Murphy;

A bill (S. 678) granting an increase of pension to Maria M. Parmele;

A bill (S. 679) granting an increase of pension to Emma S. Rakestraw; and

A bill (S. 680) granting an increase of pension to Mary R. Ramsey; to the Committee on Pensions.

By Mr. WALSH:

A joint resolution (S.J.Res. 30) to authorize the erection of a monument to Queen Isabella; to the Committee on the Library.

POPULAR ELECTION OF PRESIDENT AND VICE PRESIDENT

Mr. NORRIS introduced a joint resolution (S.J.Res. 29) proposing an amendment to the Constitution of the United States providing for the popular election of President and Vice President of the United States, which was read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Senate Joint Resolution 29

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two thirds of each House concurring therein), That the following be proposed as an amendment to the Constitution of the United States, which shall be valid as a part of said Constitution when ratified by the legislatures of three fourths of the States, to wit:

"The executive power shall be vested in a President of the United States of America. He shall hold his office during the term of 4 years, and, together with the Vice President, chosen for the same term, be elected as follows: The choice of each State for President and Vice President shall be determined at a general election of the qualified electors of such State. The time of such election shall be the same throughout the United States, and unless the Congress shall by law appoint a different time such election shall be held on the first Tuesday after the first Monday in November in the year preceding the expiration of the regular term of the President and Vice President. The electors in each State shall vote directly for President and Vice President, and the laws of such State which apply to the canvassing of votes for chief executive of the State shall apply to the votes cast for President and Vice President. The laws of the State providing for the placing of the names of candidates for the office of chief executive of such State, including the names of independent candidates, upon the official ballot, if any is provided by the laws of the State, shall apply to the names of candidates, including independent candidates, for the office of President and Vice President. Each State shall be entitled to as many votes for President and Vice President as the whole number of Senators and Representatives to which the State is entitled in Congress. Each State shall certify and transmit, sealed, to the seat of the Government of the United States, directed to the President of the Senate, the result of said election. Such certificate shall contain distinct lists of all persons for whom votes were cast for President and for Vice President, the number of votes for each, and the total votes of the State cast for all candidates for President and for all candidates for Vice President. The President of the Senate shall, at a joint session of the Senate and House of Representatives, open all the certificates, and the votes shall then be counted. The votes cast in any State for any candidate for President shall be disregarded, if such votes are less than 1 percent of the total votes cast in such State for President. Each person for whom votes were cast for President in each State shall be credited with such proportion and fraction thereof of the Presidential votes of such States as he received of the total votes cast at said election for President, using for such fraction three decimals. The person having the greatest number of Presidential votes for President shall be President. The foregoing provisions shall apply to the election of Vice President, but no person constitutionally ineligible to the office of President shall be eligible to that of Vice President.

SEC. 2. If two or more persons shall have an equal and the highest number of votes cast for President, then from such persons the House of Representatives shall choose immediately the President. In choosing the President the votes shall be taken by States, the representation from each State having 1 vote. A quorum for this purpose shall consist of a member or members from two thirds of the States, and a majority of such quorum shall be necessary to a choice.

If two or more persons shall have an equal and the highest number of such votes cast for Vice President, then from such persons the Senate shall choose the Vice President.

SEC. 3. Congress may by law provide what procedure shall be followed and the method of obtaining a decision in case there shall be more than one certificate of Presidential votes from any State or in case of any other dispute or controversy that may arise in the counting and the canvassing of the Presidential votes by said joint session of the Senate and House of Representatives.

SEC. 4. Paragraphs 1, 2, and 3 of section 1, article II, of the Constitution and the twelfth amendment to the Constitution are hereby repealed.

INVESTIGATION OF ANTITRUST LAWS

Mr. KING. Mr. President, the Supreme Court of the United States has recently handed down an opinion growing out of the organization of the so-called "Appalachian Coal Association." If I interpret that opinion aright, it means the complete modification of and, indeed, the emasculation of the Sherman antitrust law, if it does not abrogate some of the provisions of the Clayton Act. Without expressing any opinion now as to the wisdom of modifying by judicial opinion a law that has been upon the statute books for many years, and the necessity of which must be apparent, it seems to me, Mr. President, that this is an appropriate time to have the Committee on the Judiciary make a searching investigation into the operations of the antitrust law, including the Clayton Act, with a view to determining what modifications of that law, if any, should be made; whether it should be strengthened or whether it should be abrogated.

I submit a resolution and ask that it may be referred to the Committee on the Judiciary. The resolution is brief, and I should also like to have it read.

The resolution (S.Res. 36) was referred to the Committee on the Judiciary and it was read, as follows:

Whereas to prevent monopolies and combinations in restraint of trade and efforts to obtain monopolistic control of trade and commerce, laws were enacted by the Congress which are still in force; and

Whereas notwithstanding the enactment of said laws, monopolies and organizations seeking monopolistic control of industry, trade, commerce, and credit still exist, and the contention is made that some of them are not within the terms of said laws; and

Whereas it is believed that said laws should be strengthened in order that the purpose for which they were enacted might be realized: Now, therefore, be it

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized to conduct an investigation for the purpose of determining what, if any, legislation is required to strengthen and extend the provisions of said laws.

The committee shall report as soon as practicable the results of its investigation, together with its recommendations, if any, for necessary legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold hearings; to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-third and succeeding Congresses until the final report is submitted; to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths; and to take such testimony and make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

COLUMBIA AND LOWER WILLAMETTE RIVERS, OREG.

Mr. DILL submitted the following resolution (S.Res. 37), which was referred to the Committee on Commerce:

Resolved, That the Board of Engineers for Rivers and Harbors, created under section 3 of the River and Harbor Act approved June 13, 1902, be, and is hereby, requested to review the report on Columbia and lower Willamette Rivers between Portland, Oreg., and the sea, submitted in House Document No. 195, Seventieth Congress, first session, with a view to determining whether modification is advisable to the extent of improving Cathlamet channel.

HEARINGS BEFORE THE COMMITTEE ON IMMIGRATION

Mr. COOLIDGE submitted the following resolution (S. Res. 38), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Immigration, or any subcommittee thereof, hereby is authorized during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof

to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE COMMITTEE ON PUBLIC LANDS AND SURVEYS

Mr. KENDRICK submitted the following resolution (S. Res. 39), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Public Lands and Surveys, or any subcommittee thereof, be, and hereby is, authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not to exceed 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate a message from the President of the United States submitting sundry nominations in the Regular Army, which were referred to the Committee on Military Affairs.

(For nominations this day received see the end of Senate proceedings.)

PROGRAM OF DEMOCRATIC PARTY

Mr. HARRISON. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the senior Senator from Arkansas [Mr. ROBINSON] at the Brooklyn Academy of Music, Brooklyn, N.Y., on March 19, on the subject Does the Democratic Party Program Hold Out Any Substantial Hope for the American People?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

DOES THE DEMOCRATIC PARTY PROGRAM HOLD OUT ANY SUBSTANTIAL HOPE FOR THE AMERICAN PEOPLE?

Two factors—confidence and leadership—are paramount in any discussion of what the country may have in the Democratic program. The Democratic Party shares the first attribute with the Nation as a whole as the result of the positive action of the past 2 weeks, and the steps which have restored confidence have demonstrated leadership such as this country has not experienced since the Wilson administration.

Let me address myself with a great share of the national confidence which we have seen so miraculously restored to the subject which has been assigned to me. The word "miraculous" is used with full knowledge of its import, for we can all remember that 2 weeks ago there was no public confidence. This Nation has passed through stormy periods. There have been many times, both in peace and in war, when the outlook has been dark, but surely we were never under such a cloud as that which shrouded the close of the previous administration.

Then we had panic in a national sense. More than 100,000,000 people were in the grip of anxiety and alarm, a situation as terrible in its implications and possible consequences as any that has ever confronted us. No parallel exists in the history of the United States, for never before had the people through lack of courage come so close to pulling down the structure erected in this country during a period of 150 years. Our greatest national asset—courage—had been temporarily superseded by fear. Millions of persons were, through their individual actions, rushing toward the destruction which they were so rapidly bringing about.

It is, I know, a black picture but not blacker than the facts justify. Inaction, ineptitude, and a lack of leadership had worked relentlessly and irresistibly against pride in government, faith in our institutions, and hope of the future. Bewildered as so many of our citizens already were by the oppression of economic forces over which they had no control and against which they could not even fight for the right to work, a policy of negation in high places only served to accentuate the growing uneasiness which spread through the country.

Two short weeks have passed and the poison which so recently saturated our financial, industrial, and governmental bloodstream already has been counteracted to a great degree. The economic wounds which lay wide open have been cauterized and are healing with a rapidity that indicates the presence of a healthy condition beneath, which only needs an opportunity to reassert itself for the Nation to be on the way to recovery.

Pessimism has given way to idealism of the sort that we have not experienced since the World War. The people have found in President Roosevelt a leader, who through his wisdom and courage has revitalized their spirit and renewed their faith. They, as a whole, are ready to follow the paths on which he sets their feet unfaltering and unafraid.

It must, therefore, have been with a sense of prophecy that the President in his inaugural address said:

"If I read the temper of our people correctly, we now realize as we have never realized before our interdependence on each other; that we cannot merely take, but we must give as well; that if we are to go forward, we must serve as a trained and loyal army willing to sacrifice for the good of a common discipline, because without such discipline no progress is made, no leadership becomes effective. We are, I know, ready and willing to submit our lives and property to such discipline because it makes possible the leadership which aims at a larger good. This I propose to offer, pledging that the larger purposes will bind upon us all as a sacred obligation with a unity of duty hitherto evoked only in time of armed strife."

No more concise yet accurate estimate of the situation could have been expressed. Words, however, were not enough. Action was required, and action was quickly forthcoming. It is not necessary for me to expatiate on what was done. The President by proclamation and by word of mouth has kept the country advised of every step that he has taken. Approval is written deep in the hearts and minds of every citizen. Partisanship has been submerged in Americanism. For whatever the future may bring, and there is no reason to doubt the outcome, we are as certainly a united people now as was ever the case in time of war. Despair has been lifted and we are prepared to fight until victory has been won.

There was ample evidence of this new spirit earlier this week in virtually every city in the land when our banking system began to return to its normal functions. The positive and affirmative action of the previous 10 days gave renewed vitality to our credit structure. Persons from every station in life restored to the normal channels of finance the money which but a short while before they had been afraid to trust to any but their own keeping. No greater or more effective demonstration of the President's statement "that if we are to go forward we must serve as a trained and loyal army" could have been given.

The country gave this expression of confidence because in their new President the people believe they have a strong beacon of light at Washington. He has already added to the reputation which he took with him into the White House. He has acted with promptitude and vigor. Even the banking moratorium which he proclaimed, with its incidental difficulties and hardships, came from him with a ring of confidence. Instead of alarming the country, it seemed to cheer it up. From his fresh mind and resolute utterance the people accepted with great calm and fine spirit what would have seriously upst them if it had been set forth by a dying administration.

More important still is the fact that the President by his actions has made possible the reformation and reconstruction of our banking system. Matters had reached a point requiring more than temporary palliatives when he took the oath of office. Recent testimony had shown physical and moral deficiencies in our financial structure. It had proven that men whose probity had been considered beyond question had not adhered to the ordinary ethical standards in their use of depositors' funds for their own purposes. It had been demonstrated that in some instances there had been no hesitation in passing off on the public securities known to be of doubtful or questionable worth.

The country demands a change in the system that permits such practices. Intelligent and comprehensive banking reform is the need of the hour. The President has proposed, and the Congress has approved, the initial steps. Banks prepared to perform the functions for which they were established have been reopened or are being prepared for such action. Depositors have been assured that they may exchange their credits with the banks for currency with governmental backing. Hoarding has been abandoned. This, however, is not enough. Public opinion calls for additional action to make sure that what has so recently taken place cannot happen again. Legislation must be adopted which will assure safety to every depositor against the waste of his funds in speculation, and at the same time enable our banks to serve without threat of public panic as incident to trade and commerce. It is my conviction and belief that such legislation will be in the early future enacted. In that fulfillment we have hope of a sound banking system.

The restoration and cure of the Nation's private financial structure will not take care of the equally important corollary—revision downward of governmental expenses. It is only too true that our private extravagances were matched in our national expenditures during the era of feverish prosperity through which we passed after the war. Political agencies, local, State, and Federal, took too little thought of tomorrow in the glamor of the day. We all know from personal experience that there is no sadder and more difficult task than that of adjusting ourselves to a reduced income. Yet governments can no more live beyond their means than individuals, without incurring the same risk of bankruptcy. National credit, supported by even such limitless resources as those we possess, can be stretched to the breaking point.

The Democratic Party has chosen, and made, I believe, a wise decision, to place in the hands of the President the power and authority to bring about once more the balance between Federal income and outgo so necessary to national financial stability. This action is in no sense a dictatorship unless it be one of reason. It is no surrender of the power vested in the Congress. It resembles more nearly the action which the legislative branch of the Government has taken before in time of war—action equally necessary in emergencies like the present. Who is there who will dispute that our present emergency is as great as any that we ever faced in time of war?

The checks and balances with which our Government was provided were especially designed for peaceful and normal times. The emergencies through which we have passed could not all be

anticipated by our forbears. They could not even foresee that the time would come when our Congress would consist of 531 men and women representing as many contrasting and varying viewpoints. Legislative machinery, like the mills of God, grind slowly. Normally that is a good thing. In abnormal times there is need for speed of action, for centralized authority, and for a disregard of local and sectional opposition so often unavoidable in congressional consideration.

It may be suggested that Congress in due time might be able to do all of the things which we have now intrusted to the Chief Executive and I will not dispute that statement. There is, however, grave doubt whether it could be done with the same even justice and dispatch, and both are essential in the present emergency. The conflict of local pressure and individual opinion is not always easy to overcome. Zealous advocates are reluctant to compose their ideas with those who fail to agree with them. All of these factors militate not only against an orderly and satisfactory consideration of the problem but are the certain enemies of speedy action.

There is, moreover, on the Congress the pressure of the various organized blocs who, because of selfish aims, fail to view the present situation in the national perspective so essential to our joint welfare. There must, if our efforts toward balancing the Budget are to succeed, be an end to the granting of their demands, as well as a reduction in the favors which have already been extended. This is neither an easy nor a pleasant task. It is in many instances one beyond the individual member, who because of circumstances in his particular section of the country believes sincerely and honestly that there must be an exception made in a matter which to him appears so vital.

It was demonstrated during the last session of the Congress how difficult it is even to obtain effective cooperation looking toward economy in government from such a small body of men as the President's Cabinet. In virtually every instance in which these Government officials appeared before either branch of Congress they favored economy in the abstract but not in the concrete when applied to their departments. The records of congressional hearings are full of evidence to substantiate this statement. Heads of Government departments once adjusted to the routine of their divisions become blind to duplication or overexpansion in their own domain, but remain fully alive to the economies which others might make.

The problem that confronts us cannot be faced in any such spirit or under any such handicaps. The necessity with which we have to deal is national. It must be considered and solved from the standpoint of the Nation as a whole, its solvency, and its future. There must be a final arbiter between conflicting interests and selfish motives. One man, justly and fairly advised, acting with honesty, wisdom, and directness, situated at the center of this governmental maze and cognizant of all its problems, can more nearly reach an exact solution of a problem involving administrative details, who, in the heat of conflicting theories, may forge only compromises inadequate in scope and accomplishment.

It is my conviction—and I am convinced that this conviction is shared by millions of my countrymen—that there is more than hope in the action which the Congress has taken in complying with the President's suggestion that he be given the power to effect the economies which we must have through the application of general principles clearly defined by law. There is promise that we shall reach the objective—balancing of the Federal Budget—so sorely needed and so greviously and dangerously delayed by the previous administration. The day of this fulfillment cannot come too soon.

It seems in fact that it is to fulfillment rather than to hope that I might better address myself. This statement is prompted not only because of the quick and decisive action of the past 2 weeks but also because of the way in which the Democratic Party since its convention has demonstrated determination to carry out the pledges of its platform. Without the slightest intention of disrespect, one may recall the witticism that political platforms, as a rule, are adopted only to be forgotten. There have been numerous occasions certainly when this has proved true. The very fact that party declarations year after year have carried the same old words and phrases evidences the general futility of such documents.

This cannot be said, however, of the platform which the Democrats adopted at Chicago last year and on which President Roosevelt and Vice President Garner went to the country. Already more of its declarations have been enacted into law than ever before in so short a time in my recollection, and I venture to say in the history of the United States.

Let your recollection be refreshed on some of these points. The very first affirmative statement in the Democratic platform is:

"We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance to accomplish a saving of not less than 25 percent in the cost of Federal Government, and we call on the Democratic Party in the States to make a zealous effort to achieve a proportionate result."

It is my recollection, and the record of the last campaign will bear this out, that the opponents of the Democratic Party scoffed at and ridiculed this statement of policy. Orators of the opposition were loud and vigorous in their declarations that it could not be done. They accused the Democratic Party of willful misrepresentation in even advancing such a suggestion. Our opponents may be credited with sincerity, for they did nothing to bring about any such result. They chose merely to make the discussion academic. A Democratic President of the United States, supported by a Democratic Congress and by many Republicans in both Houses, has within 2 short weeks demonstrated that economies can be effected, bureaus can be abolished, consolidations brought about, and that the promised reduction in governmental expenditures consists of more than idle words. Already reductions exceeding $500,000,000 have been assured in the annual Budget.

The Democratic platform promised further, and I quote again, "We advocate a sound currency to be preserved at all hazards." Political potshots were taken at this declaration throughout the campaign. There was no one, either Democrat or Republican, who realized then how soon that statement would be put to the most severe test ever known in the history of this country. The Government was face to face with the issue when the new President took office. The pressure for an inflated fiat national currency was great. Many in their pessimism and haste did not believe that any other expedient would prove adequate. The President and the Secretary of the Treasury refused to be stampeded. They made use instead of the machinery of the Federal Reserve System, the product of a previous Democratic administration. Designed as it was to expand our currency when necessity arose and contract it when that need had passed, the Federal Reserve System with added provisions of law proved equal to the emergency just as it enabled us to finance the World War. It is providing the sound currency which was required to reopen our banks and rebuild our financial structure.

In this connection, remember what President Roosevelt said last Sunday:

"This currency is not fiat currency," he asserted in his radio address. "It is issued only on adequate security—and every good bank has an abundance of such security."

The next section of the Democratic platform to which you are referred is the most prophetic in that entire statement of principles. I ask your indulgence while I read it:

"We advocate," the platform said, "protection of the investing public by requiring to be filed with the Government and carried in advertisements of all offerings of foreign and domestic stocks and bonds true information as to bonuses, commissions, principal invested, and interests of the sellers.

"Regulation to the full extent of Federal power of—

"(a) Holding companies which sell securities in interstate commerce;

"(b) Rates of utility companies operating across State lines; and

"(c) Exchanges in securities and commodities.

"We advocate quicker methods of realizing on assets for the relief of depositors of suspended banks and a more rigid supervision of national banks for the protection of depositors and the prevention of the use of their moneys in speculation, to the detriment of local credits.

"The severance of affiliated security companies from and the divorce of the investment banking business from commercial banks and further restriction of Federal Reserve banks in permitting the use of Federal Reserve facilities for speculative purposes."

This plank in the platform was drawn, if you will recall, before the country had been shocked by the disclosures, which substantiate not only every statement made in it but make evident that some such course must be followed if we are to reestablish public trust and confidence in our banking institutions.

This is not merely my opinion, either. Within the past 2 weeks the president of the largest bank in the United States has advocated that the financial world itself adopt many of these proposals and others which are more drastic in the effect that they will have on the future banking history of the United States. I know of no instance in which a political party has judged so soundly and recommended so wisely the way out of an existing difficulty. Had the party which exercised the power and authority of government for the previous 12 years been willing to take even some of the suggested steps, we might have been spared the 10 days of travail through which we have just passed and the necessity for the strong medicine which we have been forced to take. In this instance there can be no one to challenge the soundness of the Democratic viewpoint, and there will be, I feel sure, no obstruction to the remedial measures the Democratic platform suggested.

Let me turn once more to the Democratic platform. With respect to the treatment of veterans that document said:

"We advocate the full measure of justice and generosity for all war veterans who have suffered disability or disease caused by or resulting from actual service in time of war and for their dependents."

The justice of that position, which by the action of the President and the Congress will soon be put into practical effect, is obvious. This Government has not and never will neglect those who in time of national peril have sacrificed their future in behalf of the Nation. It cannot, however, afford to compensate those who as members of the Military Establishment have suffered no greater injury or deprivation than those who through force of circumstance have served their country in some other fashion. No nation's credit is so inexhaustible that it can make public charges of those it has called upon to protect their own homes and liberties. No nation is so poor or hard-hearted as to deny a single man compensation for wounds suffered on the field of battle or elsewhere in the line of public duty.

The realization of these facts has been driven home to the veterans of our wars. There is a growing appreciation of the fact

that the national welfare demands sacrifices commensurate with those which we made in time of war. Justice, as is now contemplated, is more than this, for it entails no sacrifice on the part of the worthy, no neglect of the deserving, no suffering by the war wounded.

I want to make one last reference to the contents of the Democratic platform. Let me refresh your memories on its prohibition plank. It said:

"We advocate the repeal of the eighteenth amendment. To effect such repeal we demand that the Congress immediately propose a constitutional amendment to truly representative conventions in the States called to act solely on that proposal. We urge the enactment of such measures by the several States as will actually promote temperance, effectively prevent the return of the saloon, and bring the liquor traffic into the open under complete supervision and control by the States.

"We demand that the Federal Government effectively exercise its power to enable the States to protect themselves against importation of intoxicating liquors in violation of their laws.

"Pending repeal, we favor immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution and to provide therefrom a proper and needed revenue."

Our opponents brought against this declaration the accusation that we were insincere and endeavoring to deceive the people of the United States. My reply is to ask where the deception rested. The repeal amendment is already before the States. Provisions for the calling of conventions have been adopted by numerous State legislatures. The entire question, which for more than a decade has vexed and perplexed the Nation, is before the people who have a right to say what our attitude toward it shall be in the future. More important still, the proposal which has been made follows in form and in substance the Democratic platform plank. The constitutional amendment is an almost absolute transcript of that declaration, and it was transferred from the platform to the people in 7 months. The more recent action on the beer bill only serves to emphasize the intention of the Democratic Party to put its promises into effect. Again I say that I know of no other instance in the history of American politics where such celerity and dispatch have been shown in the carrying out of a platform pledge.

Impressive as this record is, it by no means embraces in detail the task that is before us on the long and what may seem at times the slow process of bringing back the day when we shall all be privileged once more to enjoy the right to work and obtain for our families the necessities of normal existence. There are other problems to be considered and faced. With many of these, notably relief for agriculture and diminution of unemployment, the administration has already come to grips. President Roosevelt, despite the pressure of the problems he has already attacked, has recommended to the Congress measures dealing with both these problems. Their speedy enactment with such amendments as be deemed necessary appears to be certain. It is not imposing on the credulity of my listeners to say that the record which the Democratic Party has made to date is evidence if not guaranty of the fact that his proposals will receive consideration, support, and action from the two legislative branches of the Government. The Congress is in a mood to act quickly for the common good.

In order to gear the legislative machinery more accurately with the times you may have already noticed that the Democratic majorities in both the Senate and the House are operating under the rule of caucus. In this the representatives of the people have, as the President has already done, reverted to the theories which we have found so useful heretofore when this Nation has been faced by war. The caucus system does not mean a surrender of conviction or principle. It does eliminate the opportunity for obstruction and time-wasting delay. There are few questions which, when considered within the party, do not lend themselves to agreement in form and very often in detail. In times such as the present the necessity for such unity of action is greater than for obstinate individual opinion. The caucus system gives us that, remembering always that a Member bound by a pledge to his constituents or conscientious convictions may be released from caucus restrictions.

What should interest the country is that the Democrats in Congress have made it possible to coordinate the legislative and administrative branches of the Government into an instrument responsive to the changing situation which confronts us. Any other course under the present circumstances would be indefensible and merit the condemnation of every man and woman whose spirits have been raised by the transformation which straight thinking and prompt action since the 4th of March have wrought on a sorely harassed and depressed country.

It appears to me to be evident that if we are to sustain the faith which already is spread through the land and build upon that hope of a future which will mean to us and those who will follow us a life free of fear and reasonably devoid of worry we must pursue the path on which the Democratic Party is advancing. We have gone a good distance up the road, but we have not reached the goal. We have, however, already demonstrated the fallacy of those statements made a few months ago that a change of administration under existing conditions would mean that months would have to pass before the new officials and the new Congress could begin to function successfully in their new responsibility.

More has been done in the past 2 weeks than at any other similar period in our history. Momentarily the President is the mainspring of all activity; but let me assure you that around his council table are seated men of brains and vision, who are but waiting for a subsidence of the present emergency to present further and more detailed plans to assist in the progress of the Nation.

Patriotic Republican leaders in both Houses of the Congress have shared in the responsibility for quick and decisive legislation.

It is in reconstruction that our hopes lie. We must rebuild the morale of the people as well as our shattered economic system. It is too much to expect that all of the proposals to that end will meet the wishes of their proponents. It is not to be anticipated that we shall have again a situation such as existed in the fall of 1929, when the Nation as a whole thought that jointly and severally we possessed the Midas touch and that we had entered an era in which wealth was inexhaustible and prosperity was above and beyond the natural forces which have governed man's existence in all the ages of this world's history. If that is your hope and expectation, no force on earth can satisfy your desires.

What we may expect, and what the Democratic Party offers you, is an opportunity to change the state of chaos through which we have passed into a healthy existence. It plans to revivify the buying power of the Nation so that all—the humblest wage earner and the greatest industry—may share through the cooperation of labor and capital in the development of the manifold resources of this land. It aims to protect those who honestly and manfully are attempting to retain the material possessions that came into their keeping at a time when it was difficult to count the future cost of the obligations for which they had made themselves liable.

These are the definite objectives to which we are committed. They comprehend the essentials of reform of the present situation. They are the hopes for the fulfillment of which you may look to the Democratic Party. You will pardon me for reverting once again to the Democratic platform. In the preamble of that document you will find the following paragraph:

"The only hope for improving present conditions, restoring employment, affording permanent relief to the people, and bringing the Nation back to the proud position of domestic happiness and of financial, industrial, agricultural, and commercial leadership in the world lies in a drastic change in economic governmental policies."

That change—the "new deal," if you prefer—has begun. How auspicious a start it has had it is needless for me to say. The Nation's press only reflects the psychology of leadership and determination which the Democratic Party, through its leader in the White House, has distributed throughout every State in the Union and in the breast of every citizen in the land.

We have the leadership. We have the confidence and are developing the program. You, my hearers, must have faith. Given that, we cannot help but move forward. The day is not far distant when the period we are living through will be left for historians to describe as still another tribute to the imperishable and unconquerable determination of the American people to triumph over obstacles and to refuse to admit defeat.

If you sustain the faith that is in your President and which the Democrats in Congress have in him, we may all look to the future without misgivings and with the certainty that better times will come.

OPERATION OF ECONOMY LAW

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered over a Nation-wide radio hook-up last evening by the senior Senator from Mississippi [Mr. HARRISON] on the subject of the operations of the so-called "economy law" recently enacted.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

Tonight I am going to try to explain what a balanced budget is, why it is necessary, and the steps which have been taken in less than 2 weeks to accomplish it.

A balanced budget means no more and no less than living within one's income, bringing one's expenditures into balance with one's revenues. This is nothing new to Americans. We all, in our domestic lives, do this very thing. We balance our domestic budget. It is no less important that governments balance their budgets, that they bring their expenditures into equilibrium with their revenues. I say this is no less important than in our domestic lives, because your life and mine in large measure depend for their fullness upon the preservation of the credit of your Government. The security of the deposits which you have in banks rests upon the credit of your Government. The validity of your insurance policies rests upon the credit of this Government. In some measure the security of your employment rests upon the credit of the United States Government. In short, the welfare of every American rests upon the credit of the United States.

During the first year of the depression the deficit amounted to almost $500,000,000. During the second year our governmental expenditures exceeded our revenues by almost $2,500,000,000. During the third year the expenditures will exceed our revenues by more than $1,000,000,000. This makes 3 continuous years in which we have piled deficit upon deficit to the extent of almost $4,500,000,000.

At the same time the total net increase in our national debt will have increased over the same period of time in the amount of more than $5,000,000,000. Nor is this all. It is conservatively estimated that the deficit for the fiscal year 1933 will approximate $1,000,000,000.

This situation cannot be ignored. It is a grim reality. It would not be so serious were our national income at its normal level, but, coincident with the accumulation of these great deficits, our national income has steadily diminished. The revenues have likewise steadily diminished. The expenditures have remained constant or have increased. By reason of the fact that our national income was falling at the time our national expenditures were rising, these deficits were inevitable, and, what is more, the previous absence of a determined effort to eliminate them had aroused a suspicion that the expenditures of the Government would not be brought into balance with its revenues. The credit of the United States was hanging in the balance.

It must, therefore, be clear to you that these large peace-time deficits, the largest ever experienced in the history of the world, are having a profound effect on the safety of our economic order and upon the happiness and fullness of our lives. In large measure, the general suspension of bank payments which we experienced, and out of which I hope we have successfully emerged, can be traced to the policy of continuously living beyond our governmental income. You know, at first hand and by experience, the paralysis, the hardships entailed and resulting from such a general banking collapse. It must, therefore, be clear to you that the fiscal affairs of your Government should be put in order, that a successful accomplishment of this task has a profound effect upon your lives.

An approach to the task may be made in one of two ways: Either through the imposition of new and substantial taxes, or by drastic retrenchment. One billion dollars, on a falling national income, is a stupendous sum of money to raise by new levies. Our people are already overtaxed. The farmer is carrying an insupportable burden. The merchant is dragged down by the sheer weight of taxes. The industrialist is compelled to restrict his production, to put men out of jobs by reason of the tax burden he is carrying. It is not wise, therefore, in the interests of recovery, if it can be avoided, to increase the levies on you. It was only last year that additional taxes were imposed to the amount of more than 1,200,000,000. And, more than that, there is some question as to whether, even if the additional taxes were imposed, they would provide sufficient revenue to accomplish the task; and so, therefore, retrenchment—drastic economy—is the only way in which economic chaos can be avoided. It is for these reasons that immediate action was taken. The bill to maintain the credit of the United States Government, otherwise known as the "economy bill" was the form which that action took.

It dealt with three things: (1) Subject to certain principles which were laid down in it, it authorized the President to make readjustments in veterans' benefits; (2) it directed the President to apply a cost-of-living standard to the compensation of the employees of your Government and to reduce their compensation correspondingly; and (3) it amended certain provisions of existing law giving the President the authority to reorganize the activities of your Government and to eliminate unnecessary agencies.

For a few minutes I propose to deal with each one of these three things.

During the course of the last 10 years, when money was plentiful, when the revenues of the Government were great and all of us were riding on a wave of extravagance, veterans' legislation had been enacted by Congress which imposed not only a present staggering burden upon the Treasury, and therefore upon you, but which also imposed a cost which, projected 20 years into the future, would have absorbed all, and more of the revenues which the Government derived during boom days on account of the income-tax receipts. This was the effect of these laws. What they actually did, quite irrespective of their financial consequences, was to permit veterans who had no disability of service origin, many of whom had been in the Army but for a very short time, thousands of whom had never been in combat with the enemy, to draw substantial monthly cash benefits from the Treasury of the United States, and therefore from you.

The provisions of the economy act having to do with veterans' benefits will restore the just principle of granting pensions to those who made a physical sacrifice for the security of our country. It will not strike from the rolls those men who suffered a disability in the service of their country. It will not injure the man who was wounded or who incurred a disease while following the flag. On the contrary, it protects these men. It makes the pension roll a roll of honor, a roll on which a man can be proud to have his name listed. This is the effect of the veterans' provision of the economy bill.

It is true that the powers granted in that legislation to the President were many, broad, and far-reaching. The regulations that he is to make cover a wide field and will affect millions. But the Congress felt, and I am sure the country feels, that the keen sense of fairness and justice possessed by the President will direct his course, and whatever his conclusions may be, they will be based upon that fine and humane impulse that has moved him throughout his public career.

With respect to that portion of the act which deals with the compensation paid to the employees of the Government several things were provided for.

First, there are no exemptions of any sort or description. Everyone from the highest to the lowest makes his contribution to the maintenance of the credit of your Government.

Secondly, it defines that contribution in the following way: It provides for a determination of the cost of living during the last half of the year 1928. It then provides for a determination of the cost of living during the first half of this year. The percentage of decline in cost of living as between the first half of this year and the last half of 1928 is the percentage of reduction which will be applied to the compensation of employees of your Government.

It then provides that this determination of the percentage decline in the cost of living shall be made every 6 months, and that the percentage so determined shall be applied to the compensation of Federal employees for the following 6 months. There is nothing harsh or unfair about this provision. The cost of living throughout the United States has fallen. We all have sustained very substantial reductions in our income, and it is only fair that the employees of the United States Government, in the interest of the credit of our Government, sustain some reduction in their income.

The act provides that in no event shall the reduction exceed 15 percent of the salaries as they were during the year ending June 30, 1931. It provides that there shall be no pyramiding of cuts. If the survey should reveal an increased cost of living, the President shall order to that extent increases in governmental salaries. It treats all alike with fairness and equity.

The third portion of the bill, having to do with reorganization of the agencies of the Govenment and the elimination of unnecessary functions, merely permits a speeding up of the economies which may be effected in this way, so that the retrenchments incident to the reorganization may be felt as soon as possible in this fiscal year and in the next.

Under the provisions of the bill to maintain the credit of the United States approximately $500,000,000 can be saved. Under the reorganization and elimination powers which the President now has approximately $150,000,000 in economies can be effected.

In addition, there are other items of expenditures which can be reduced in the approximate amount of $100,000,000. It is conservatively estimated, therefore, that retrenchment alone will save aproximately $750,000,000 for the next fiscal year. This leaves still a deficit of approximately $250,000,000. To meet that deficit the Senate today adopted the conference report on the beer bill. The House will adopt it tomorrow, thus assuring to the Government a new and immediate source of revenue to the amount estimated at a minimum of $150,000,000 annually Within a few days the Congress will continue for another year the 1-cent tax per gallon on gasoline, which yields in revenue $137,000,000. Thus, with economies in the amount of $750,000,000, the beer tax and the gasoline tax, in all reasonable expectancy, the indicated deficit for the fiscal year 1934 has been eliminated. There may be some difference between actual revenues and estimated revenues; but as nearly as it can now be stated, the action of the Congress during the last 2 weeks has brought our expenditures for the fiscal year 1934 into equilibrium with our revenues. The goal, therefore, of a balanced Budget is within sight. The credit of the United States has been made secure.

In 2 weeks President Roosevelt and the Congress have accomplished what previous Congresses have been attempting to do for 3 years. The President had a plan and has acted courageously and promptly. It has been refreshing to witness the fine cooperation and splendid readiness upon the part of the Members of both Houses of Congress in carrying forward the ideas into the enactment of law. In the Congress, throughout the discussion and consideration of this measure, there has been a broad and unselfish spirit to meet the situation and solve these delicate problems without thought of selfish political interest or party advantage.

We have passed through trying and hectic days in Congress since Mr. Roosevelt became President. It is not an easy matter to vote to take away from large groups of people something that they have been receiving. It is not a pleasant task to reduce wages. It takes courage and a fine sense of real Americanism to do it. But it has been done, and I am delighted tonight, as a Democrat, to pay my tribute to the Republican Members of the House of Representatives and the Senate, who have risen above party consideration and cooperated in the finest spirit in this great crisis of our country's history.

I have just left a conference at the White House. In that conference, aside from Democratic leaders, there sat with the President such distinguished Republicans as Representative SNELL, the Republican leader of the House of Representatives; Senator MCNARY, the Republican leader of the Senate; and such progressive stalwarts as Senator NORRIS and Senator BORAH.

My heart was thrilled by the fine sentiment of gratitude and appreciation expressed to these men and to the members of the Republican Party in the Congress by the President for their splendid cooperation and support of the emergency legislation.

It may be, when history is written, the happenings of the last 14 days will be of as great significance in the annals of western civilization as any other like period in the history of the world, for it may mean a security, a rock upon which we can stand, a foundation to recovery, a tonic that will restore confidence and give renewed vigor to the economic life of our country.

PROTECTION OF WATERSHEDS IN NATIONAL FORESTS

Mr. KING. Mr. President, I should like to have the attention of the Senator from Oregon [Mr. MCNARY] for just a moment. Yesterday I introduced a bill, but, in view of the measure which was introduced this morning, I am not sure whether the bill which I introduced should remain with the Committee on Agriculture and Forestry, to which it was referred, or should go to the Committee on Education and Labor. I call the attention of the able Senator from Oregon to the bill because of his well-known activity and his splendid services in protecting the forests of the United States.

The bill, among other things, provides that—

The Secretary of Agriculture is authorized and directed to reforest, revegetate, or otherwise safeguard and improve the water-impounding capacity of national forest lands on watersheds within national forests, and, in cooperation with any State or Territory or any political subdivision or district thereof, of lands not in Government ownership either within national forests or on watersheds within any mountain range or other natural topographic or hydrographic division of which a national forest is a part; for the purpose of (1) preventing soil erosion; (2) preventing floods and safeguarding life; (3) establishing, preserving, and renewing forest growth; and (4) conserving water, from snow and rainfall, in the natural reservoirs.

Then there are some other provisions.

I will ask the Senator from Oregon, whose general knowledge of this subject, perhaps, is superior to that of any other Member of the Senate, whether in his opinion this bill has been appropriately referred to the Committee on Agriculture and Forestry and whether it will properly coordinate with measures which the Senator from Oregon heretofore has had enacted into law, or whether the bill ought to be referred to the Committee on Education and Labor, in connection with the measure introduced this morning by the Senator from Arkansas [Mr. ROBINSON].

Mr. MCNARY. Mr. President, answering the inquiry of the Senator from Utah, I will say that the subject matter contained in this bill is wholly within the jurisdiction of the Committee on Agriculture and Forestry and the bill was properly referred to that committee. The committee has in the past given the subject covered by the bill very much study. The only reason the bill introduced by the Senator from Arkansas was referred to the Committee on Education and Labor was that it involves unemployment, although, incidentally, it does treat of reforestation and roads. I have no doubt, however, that the bill introduced by the Senator from Utah to which he refers was properly referred to the Committee on Agriculture and Forestry.

Mr. KING. I am very glad the Senator from Oregon takes that view, and I sincerely hope that the committee will give prompt consideration to the measure.

COMMITTEE SERVICE

Mr. ROBINSON of Arkansas. On behalf of the majority I ask that the Senator from Montana [Mr. ERICKSON] be assigned to the following committees:

Mines and Mining, Education and Labor, Post Offices and Post Roads, and Public Lands and Surveys.

The VICE PRESIDENT. Without objection, the assignments will be made.

LETTER BY CHARLES S. THOMAS ON THE REMONETIZATION OF SILVER

Mr. THOMAS of Utah. Mr. President, I have here a communication from former Senator Charles S. Thomas, of Colorado, who requests that it be inserted in the RECORD. I therefore ask unanimous consent that that be done.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

THOMAS PLEADS FOR SILVER IN LETTER TO ROOSEVELT

TO PRESIDENT ROOSEVELT:

The interval between your election and inaugural has been fraught with successive disasters to the economic structure. The Reconstruction Finance Corporation, approved January 22, 1932, and in active operation since that time, has aggravated the crisis which it was designed to relieve.

Receiverships, bank failures, withdrawal of deposits, shrinking securities, and depressed markets have persisted in increasing numbers and over spreading areas. Great financial institutions hitherto beyond suspicion and carrying billions of deposits have within the current month been suspended by Executive orders and summary legislative decrees as the alternative to speedy ruin. A fitting sequel to the terrible situation comes with the disclosures of rotten banks and bankers now unfolding before the Senate Committee on Banking and Currency, which have weakened and probably undermined all confidence in the morale and integrity of those dominating the financial world, and who, as always, champion their single standard of money as God's best gift to man.

CONCEAL TERRIBLE RESULTS

And, Mr. President, our financial masters tell the country, with full confidence, that theirs is the declared policy of the new administration whatever else betides. They point to your choice of Senator GLASS for Secretary of the Treasury, notwithstanding his lawless assault upon the silver metal in 1920, and failing him, to the selection of a man after his own heart who will use the power of his great office to continue a monetary system long a demonstrated economic failure, which has finally involved the world in disaster.

They tell you falsely but persistently that bimetallism and inflation mean the same thing, and that inflation beggars the Nation by destroying its substance. But they conceal the more terrible results of currency famine, now widely prevalent. For buried gold is ever linked with hidden money. Hence we starve in the midst of plenty. Such a condition must and should result in the dangerous increase of paper money; a practice easy to begin but difficult either to abandon or restrain.

COUNSELORS INCONSISTENT

Your economic counselors, Mr. President, have never learned the virtue of consistency. They brand money inflation as a pestilence, but expansion of credit is "their darling virtue", because the value of money grows as their securities multiply. Can you recall any protest or opposition of capitalism to the inflation of gold securities? Within the decade they have searched the world for them and dumped them on an easy-going investing public under conditions which make racketeering respectable. And they will renew the dose when opportunity again permits.

Mr. President, our economic masters have inflated their gold credit until it exceeds 750 to 1, although the demand of 16 to 1 brings shrieks of protest. But what is the universal cause of world depression? Everyone knows. It is its crushing burden of debt, payable in gold, of which our stock would pay less than one third the annual interest at 5 percent, and whose principal will never be paid. Two thirds of it never should be. Through its agency the Kruegers, the Insulls, and their kind have been "financed" ever since gold became the unit of money; and so the new crop will be whenever it appears.

GOLD COSTLY MYTH

Yet where is the gold standard today? Where has it been since the boom of 1919 was launched? Gold is the scarcest thing on earth. Two nations have grabbed and locked the bulk of it in their vaults. None of them dares to utilize what they have, although its gold has long been a department of French politics. Its coinage has practically ceased. It is a costly myth. The average man has never seen gold in terms of money. But the whole mass of it is, under the curse of the standard, piled on the necks of the people by a fearsome world which shudders at the thought of its union with silver.

Do you realize, Mr. President, why this depression is proof against all efforts to break it? I can tell you in a sentence. It is because the Government will not restore its money to the people. As long as your administration continues to deny them this boon it will be a failure, a mere prolongation of Mr. Hoover's experiment. I am sorely tempted to add that it ought to be. You will shortly participate in an international economic conference, with a view, among other things, of increasing our foreign trade. But, with foreign exchange in its present state, how can you do this? All our competitors, France excepted, have left the gold standard, and it is common knowledge that because of it they possess a tremendous money advantage over us. It gives them a bounty on their export trade, which largely neutralizes any supposed tariff preference we imagine we possess. This advantage will persist until bimetallism appears, and this the gold men have denied to us since they strangled silver.

MAJORITY FOR BIMETALLISM

I affirm that more than two thirds of your countrymen are for the bimetallic standard. I also affirm that a majority of your support came from men and women who justly condemned Hoover as the willing servant of gold, and they hoped you might relieve them. If you fail them, they are undone.

They and their forebears have been fighting for bimetallism for three generations in vain. They are becoming discouraged by hope long deferred. They will not wait for relief much longer. Their substance has shriveled to the zero point, and their energies are well-nigh exhausted.

If their Government is to remain unchanged, albeit they have placed other rulers and another party in the halls of the mighty, they will be heard from. Keep your gold buried just a little longer, and the bimetallic hosts of the land will substitute another and better system for it, a system as old as humanity, which never was, and never can, become a curse to civilization.

With a deep sentiment of loyalty to our party and to you, Mr. President, I crave your close attention to this last appeal.

C. S. THOMAS.

RECESS

Mr. ROBINSON of Arkansas. Mr. President, if there be no further business to be transacted at this time, I move

that the Senate take a recess until 12 o'clock noon tomorrow.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 12 o'clock and 34 minutes p.m.) the Senate took a recess until tomorrow, Wednesday, March 22, 1933, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 21 (legislative day of Mar. 13), 1933

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO JUDGE ADVOCATE GENERAL'S DEPARTMENT

Capt. Neal Dow Franklin, Infantry (detailed in Judge Advocate General's Department), with rank from July 1, 1932.

TO QUARTERMASTER CORPS

Lt. Col. Hugo Ernest Pitz, Coast Artillery Corps (assigned to duty with Quartermaster Corps), with rank from November 10, 1932.

Capt. Roy Crawford Moore, Field Artillery (detailed in Quartermaster Corps), with rank from July 1, 1920.

Capt. Andrew Daniel Hopping, Infantry (detailed in Quartermaster Corps), with rank from August 1, 1932.

First Lt. Ira Kenneth Evans, Infantry (detailed in Quartermaster Corps), with rank from March 1, 1931.

TO AIR CORPS

Second Lt. Herbert Charles Gibner, Jr., Field Artillery (detailed in Air Corps), with rank from June 12, 1930.

Second Lt. Merrick Hector Truly, Infantry (detailed in Air Corps), with rank from June 11, 1931.

PROMOTIONS IN THE REGULAR ARMY

MEDICAL CORPS

To be captain

First Lt. Cleveland Rex Steward, Medical Corps, from March 5, 1933.

CHAPLAINS

To be chaplains with the rank of lieutenant colonel

Chaplain Alva Jennings Brasted (major), United States Army, from March 3, 1933.

Chaplain William Andrew Aiken (major), United States Army, from March 3, 1933.

Chaplain Ernest Wetherill Wood (major), United States Army, from March 3, 1933.

To be chaplain with the rank of major

Chaplain Herbert Adron Rinard (captain), United States Army, from March 10, 1933.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 21, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Almighty God, bring us nearer to the likeness of the Teacher of Galilee. Above the present-day strife, confusion, and discord, O let us hear Thy voice. In this quiet moment may we all acknowledge the need of a simple faith in our Heavenly Father. May we prove our love of country by self-denial, our patience by smiling away worry, our zeal by our continuous efforts to serve, and let sweetness of temper be a sign of our strength. Holy Spirit, mercifully abide with our Republic. Blessed Lord, be in its highways and hedges, be in its dense centers of human life, be Thou on our frontiers. O be with our whole land, making it a garden of the Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed a joint resolution and bill of the House of the following titles:

On March 17, 1933:

H.J.Res. 75. Joint resolution to provide for certain expenses incident to the first session of the Seventy-third Congress.

On March 20, 1933:

H.R. 2320. An act to maintain the credit of the United States Government.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3341) entitled "An act to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes."

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—REFORESTATION AND RELIEF OF UNEMPLOYMENT (H.DOC. NO. 6)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Labor and ordered printed:

To the Congress:

It is essential to our recovery program that measures immediately be enacted aimed at unemployment relief. A direct attack in this problem suggests three types of legislation.

The first is the enrollment of workers now by the Federal Government for such public employment as can be quickly started and will not interfere with the demand for or the proper standards of normal employment.

The second is grants to States for relief work.

The third extends to a broad public works, labor-creating program.

With reference to the latter I am now studying the many projects suggested and the financial questions involved. I shall make recommendations to the Congress presently.

In regard to grants to States for relief work, I advise you that the remainder of the appropriation of last year will last until May. Therefore, and because a continuance of Federal aid is still a definite necessity for many States, a further appropriation must be made before the end of this special session.

I find a clear need for some simple Federal machinery to coordinate and check these grants of aid. I am, therefore, asking that you establish the office of Federal Relief Administrator, whose duty it will be to scan requests for grants and to check the efficiency and wisdom of their use.

The first of these measures which I have enumerated, however, can and should be immediately enacted. I propose to create a civilian conservation corps to be used in simple work, not interfering with normal employment, and confining itself to forestry, the prevention of soil erosion, flood control, and similar projects. I call your attention to the fact that this type of work is of definite, practical value, not only through the prevention of great present financial loss but also as a means of creating future national wealth. This is brought home by the news we are receiving today of vast damage caused by floods on the Ohio and other rivers.

Control and direction of such work can be carried on by existing machinery of the Departments of Labor, Agriculture, War, and Interior.

I estimate that 250,000 men can be given temporary employment by early summer if you give me authority to proceed within the next 2 weeks.

I ask no new funds at this time. The use of unobligated funds, now appropriated for public works, will be sufficient for several months.

This enterprise is an established part of our national policy. It will conserve our precious natural resources. It will pay dividends to the present and future generations. It will make improvements in National and State domains

which have been largely forgotten in the past few years of industrial development.

More important, however, than the material gains will be the moral and spiritual value of such work. The overwhelming majority of unemployed Americans who are now walking the streets and receiving private or public relief would infinitely prefer to work. We can take a vast army of these unemployed out into healthful surroundings. We can eliminate to some extent at least the threat that enforced idleness brings to spiritual and moral stability. It is not a panacea for all the unemployment but it is an essential step in this emergency. I ask its adoption.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 21, 1933.*

PERMISSION TO ADDRESS THE HOUSE

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

Mr. BLANTON. Mr. Speaker, reserving the right to object, on what subject?

Mr. CELLER. For the purpose of reading into the RECORD and making a brief statement concerning resolutions adopted in New York yesterday concerning excesses now practiced by the Hitler government.

Mr. BLANTON. It is not a wet or dry proposition?

Mr. CELLER. No; of course not.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. DIRKSEN. I object.

SWEARING IN OF A MEMBER

The SPEAKER. The Chair lays before the House the following communication.

The Clerk read as follows:

STATE OF GEORGIA,
SUPERIOR COURT OF WESTERN CIRCUIT,
Athens, Ga., March 18, 1933.

Hon. HENRY T. RAINEY,
Speaker House of Representatives, Washington, D. C.

SIR: In accordance with your designation of me, pursuant to Resolution No. 37, adopted by the House of Representatives, to administer the oath of office to Representative-elect CHARLES H. BRAND, of the Tenth District of Georgia, I have the honor to report that on the 18th day of March, 1933, at the city of Athens, county of Clarke, State of Georgia, I administered the oath of office to Mr. BRAND, form prescribed by section 1757 of the Revised Statutes of the United States, being the form of oath administered to Members of the House of Representatives, to which Mr. BRAND subscribed. I have the honor to be,

Yours respectfully,

BLANTON FORTSON,
Judge, Superior Courts, Western Circuit of Georgia.

Mr. VINSON of Georgia. Mr. Speaker, I offer a privileged resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 62

Whereas CHARLES H. BRAND, a Representative from the State of Georgia, from the Tenth District thereof, has been unable from sickness to appear in person to be sworn as a Member of this House, but has sworn to and subscribed the oath of office before Judge Blanton Fortson, authorized by resolution of this House to administer the oath, and the said oath of office has been presented in his behalf to the House, and there being no contest or question as to his election: Therefore

Resolved, That the said oath be accepted and received by the House as the oath of office of the said CHARLES H. BRAND as a Member of this House.

The resolution was agreed to.

RELIEF OF DISTRESS IN CERTAIN COUNTIES OF CALIFORNIA

Mr. BUCHANAN. Mr. Speaker, I present a conference report on the joint resolution (S.J.Res. 14) authorizing the President of the United States to expend $5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933, and ask unanimous consent for its present consideration.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S.J.Res. 14) authorizing the President of the United States to expend $5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the first amendment of the House, and agree to the same with an amendment as follows: After the numerals "1933", in the last line of the matter inserted by the House amendment, insert the following: "The aggregate of the loans made under this paragraph shall not exceed $5,000,000"; and the House agree to the same.

That the Senate agree to the amendment of the House amending the title of the joint resolution.

J. P. BUCHANAN,
EDWARD T. TAYLOR,
W. A. AYRES,
JOHN TABER,
ROBERT L. BACON,
Managers on the part of the House.

CARTER GLASS,
KENNETH MCKELLAR,
FREDERICK HALE,
HENRY W. KEYES,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the Senate Joint Resolution No. 14, authorizing the President of the United States to expend $5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The Senate provided an authorization for the appropriation of $5,000,000 to be disbursed by the Treasurer of the United States, on order of the President, or by such person, committee, or corporation as the President might designate to administer such fund, to such persons, firms, or corporations as might be found by the President or his designees to be in need of relief or assistance; and further required that the fund should be used for relief of distress in such manner and under such regulations as the President might prescribe, or as might be prescribed with his approval by any person, committee, or corporation designated by him.

The House amended the resolution by striking out all of the Senate matter and inserting in lieu thereof an amendment to the Emergency Relief and Construction Act of 1932 authorizing the Reconstruction Finance Corporation to make loans to nonprofit corporations for the purpose of financing the repair or reconstruction of buildings damaged by earthquake and deemed by the corporation economically useful. The House amendment requires obligations accepted to be collateraled in the case of private property by the obligation of the owner secured by a paramount lien except as to taxes and special assessments, and in the case of public property by the obligations of municipalities, political subdivisions of States, or their public agencies. All loans are required to be fully and adequately secured and no loan can be made after December 31, 1933.

The Senate has accepted the House amendment with an amendment limiting the aggregate amount of the loans to not to exceed $5,000,000 and has also accepted the House amendment of the title.

J. P. BUCHANAN,
EDWARD T. TAYLOR,
W. A. AYRES,
JOHN TABER,
ROBERT L. BACON,
Managers on the part of the House.

The SPEAKER. Without objection, the Clerk will read the statement in lieu of the report.

There was no objection.

The Clerk read the statement.

Mr. SNELL. Mr. Speaker, from the reading of the statement, I could not get just exactly what has been agreed to, and I think the chairman of the committee should tell us in a word just what is the agreement.

Mr. BUCHANAN. The agreement is that the Reconstruction Finance Corporation can lend for rehabilitation purposes on adequate security for earthquake damage a total of not exceeding $5,000,000. The loans are limited to a total of this amount.

Mr. SNELL. That is practically as it passed the House, except there is a limit of $5,000,000.

Mr. BUCHANAN. It is exactly the same as it passed the House, except a limitation of $5,000,000 is placed on the loans.

Mr. SNELL. And they are to be loans and not contributions?

Mr. BUCHANAN. Yes.

The conference report was agreed to.

PERMISSION TO ADDRESS THE HOUSE

Mr. CELLER. Mr. Speaker, I renew my request to address the House for 10 minutes. The gentleman from Indiana has withdrawn his objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. BRITTEN. Reserving the right to object, did I understand the gentleman from New York to say that he was going to address the House on something that occurred in Germany?

Mr. CELLER. No; this occurred in New York City. It refers to a resolution passed by a responsible organization.

Mr. BRITTEN. Does the gentleman seriously suggest that that is more important than the bill that is about to come up, which involves the patronage of his party?

Mr. BLANTON. Well, you have been enjoying it for 12 years.

Mr. BRITTEN. I object.

THE BEER BILL

Mr. CULLEN. Mr. Speaker, I call up the conference report on the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 5, 8, 10, 13, 17, 26, 27, 31, 33, 37, 40, 41, 42, and 43.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 7, 9, 11, 12, 14, 15, 16, 18, 19, 20, 21, 24, 25, 28, 29, 30, 32, 34, 35, 36, 38, and 39, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: Strike out the figures " 3.05 " in said amendment and insert " 3.2 "; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: Strike out the figures " 3.05 " in said amendment and insert " 3.2 "; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: Strike out the figures " 3.05 " in said amendment and insert " 3.2 "; and the Senate agree to the same.

HEARTSILL RAGON,
THOS. H. CULLEN,
JOHN W. MCCORMACK,
ALLEN T. TREADWAY,
HENRY W. WATSON,
Managers on the part of the House.

PAT HARRISON,
WILLIAM H. KING,
DAVID I. WALSH,
DAVID A. REED,
JAMES COUZENS,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendments nos. 1, 3, 4, 9, 11, 12, 14, 15, 16, 18, 19, 21, 25, 28, 29, 30, 32, 34, 35, 36, 38, and 39: These amendments include within the bill wines and fruit juices in the same manner and to the same extent as beer. The House recedes.

On amendments nos. 2, 5, 8, 10, 13, 17, 26, 27, 31, 33, and 37: These amendments change the percentage of alcoholic content from 3.2, as provided in the House bill, to 3.05. The Senate recedes.

On amendments nos. 6, 7, 20, 22, and 23: These are technical amendments made necessary by the inclusion in the bill of wines and fruit juices. The House recedes on amendments Nos. 7 and 20 and agrees to amendments Nos. 6, 22, and 23 with amendments making the text conform to the conference action.

On amendment no. 24: This is a change in paragraph number. The House recedes.

On amendment no. 40: This amendment makes it unlawful, subject to fine or imprisonment, to give or sell to persons under 16 any beer, ale, porter, wine, similar fermented malt or vinous liquor, or fruit juice containing not more than 3.05 percent of alcohol by weight. The Senate recedes.

On amendments nos. 41, 42, and 43: These amendments make changes in section numbers. The Senate recedes.

HEARTSILL RAGON,
THOS. H. CULLEN,
JOHN W. MCCORMACK,
ALLEN T. TREADWAY,
HENRY W. WATSON,
Managers on the part of the House.

Mr. CULLEN. Mr. Speaker, in regard to the statement that has just been read and this conference report on H.R. 3341 I desire to say to the House that the Senate receded on the alcoholic content, and agreed to 3.2 percent.

They also recede on the Borah amendment, which relates to serving it to minors under 16 years of age.

The House receded on what is known as the " wine amendment ", by which we agreed that wine should be of the same alcoholic content as the beer.

That is all there is in this report, and it was finally adopted unanimously.

Mr. BRITTEN. Will the gentleman yield?

Mr. CULLEN. Yes.

Mr. BRITTEN. As I understand, the tax applies equally to wine and beer.

Mr. CULLEN. Yes; that was pointed out—it would be $5 a barrel on wine and on beer.

Mr. BRITTEN. I thought that was going to be objected to by the California wine growers, because 3.2 percent is very low alcoholic content for wine.

Mr. CULLEN. The objection did not develop. Mr. Speaker, I have an hour, and I have promised to yield a part of that time to certain gentlemen. [Cries of "Vote! Vote!"]

I am not anxious to use this hour, but I have given my word to the gentleman from Texas that I would yield him time, and I do not want to break it, and I hope the House will bear with me and have patience with the gentleman from Texas.

Mr. BRITTEN. Mr. Speaker, inasmuch as the gentleman from Texas has not spoken to the House on this subject, I think we ought to hear him now. [Laughter.]

Mr. CULLEN. Mr. Speaker, I yield 15 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker and gentlemen, there is no need of being in such a hurry. The future is way out before us, and I am thinking of the future, and that reminds me somewhat of the past.

When I was elected circuit judge of the forty-second judicial district in Texas, which then embraced five large counties, every docket of these counties was crowded and congested. I was elected upon a platform which promised that I would clear these dockets. I carried my district attorney and my court reporter with me from county to county and held court for 8 years, from January 1 until December 31. I held long, tedious day sessions and many night sessions before I cleared those dockets. At Eastland once I had five different juries out at one time deliberating on cases tried.

I tried several hundred felony cases, and in practically every one of those felony cases there was directly, or as the proximate cause, intoxicating liquor.

I tried in the five counties in those 8 years several hundred divorce cases, and I could see in practically every one of those divorce cases directly, or as the proximate cause, intoxicating liquor.

In many of the civil cases I tried—and I tried some of them involving millions of dollars of property—I could see directly or indirectly as a contributing cause that prevented human beings from getting together on the ordinary controversies in life—I could see, directly or indirectly, intoxicating liquor.

I voluntarily left that circuit bench to come to Congress. Naturally I brought with me a feeling of resentment against liquor, which I knew from my judicial experience had brought ruin to so many people and desolation to so many homes. My 8 years' experience on the circuit bench and my experience as a lawyer for 35 years in courthouses has caused me to take an uncompromising stand against intoxicating liquors forever and eternally. I know too much about it.

It is said here, concerning the action of the House and Senate conferees, that the Senate receded on 2 propositions and the House receded on 1. Every recession, however, that was made by the Senate or the House was in favor of intoxicating liquors. Do you get that? The House receded by allowing the Senate to put in an amendment legalizing the sale of wine. The Senate receded and fixed the alcoholic content at 3.2 instead of 3.05 percent. The Senate receded on the Borah amendment, which sought to prevent you from selling intoxicating liquor to little children, to little girls not yet out of the high school, to all children under 16 years of age. When the Senate receded on that proposition, the conferees opened the door of every beer joint in the United States to every little child in and out of every school in any community where beer joints will be opened.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Yes; I yield to my friend, one of the new Congressmen from Texas, who, I am glad to say, thinks as I do on this subject.

Mr. McFARLANE. Is it not true that in the good old days when we had saloons running wide open, even with their lawlessness and brazenness they never sought to allow the youth of the land to go into the saloons to buy liquor?

Mr. BLANTON. Of course, that was in the law. They did not do it openly. Children could not come in at the front door. They had to go to the back door. Then little children could not buy intoxicating liquor lawfully, but you are permitting in this bill beer joints to sell intoxicating beer to children lawfully.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Oh, I regret that I have not the time. I want the gentleman from Illinois to speak in his own time. We have heard from the gentleman from Illinois [Mr. BRITTEN] so seldom on this subject, that I do want to hear from him, but in his own time. [Laughter.]

Mr. Speaker, I received a letter this morning from a former professor in Harvard University. President Franklin D. Roosevelt, it is asserted, was at one time one of his pupils in Harvard. This man is an expert chemist. His letterhead has engraved at the top "Landon C. Moore, S. B., President (Harvard University and University of London)," and then the following in large engraved letters: "Langdon C. Moore, Inc., established 1907. Analytical and Consulting Chemists and Bacteriologists. The Landon C. Moore Laboratory Building. Post Office Box 1597, Dallas, Tex." He wrote me this letter wholly unsolicited. He is a brother of the late Dr. R. B. Moore, who used to be chief chemist of the Bureau of Mines, and who was the discoverer of the use of helium in dirigibles, and also was one of the world's authorities on radium. Listen to what this man says:

I enclose a copy of extract from the report of the greatest scientific commission ever appointed to study the effect of alcohol on the human system. This was the British commission, and its report is published under the title "Alcohol, Its Action on the Human Organism." This report says that 4 pint bottles of a beverage containing 4 percent alcohol by volume, which is 3.2 by weight, is capable of producing drunkenness in the average man weighing 140 pounds.

[Laughter.]

Well, is not 140 pounds the average weight? Here I am afraid that too many beer drinkers have come in who weigh over 140 pounds. Some claim that beer sent them here. If beer sent them here, I am sure they weigh over 140 pounds. But you are not going to get me away from this scientific report. I quote further from Dr. Landon's letter:

This is the third stage of intoxication. One bottle of this same beer will produce the first stage of intoxication in the average individual. This is really the most dangerous stage in this day of automobiles and fast driving. The person shows no outward signs of intoxication, but his brain activity and his power of moving his arms, etc., is reduced from 10 to 20 percent. This may mean the difference between life and death when driving a car. I can unhesitatingly state that 3.05 percent by weight beer will produce intoxication, and therefore is contrary to the eighteenth amendment.

Mr. Speaker, I desire to put the other half of that letter in, together with certain excerpts I have here, without reading them, and I ask unanimous consent to revise and extend my remarks and to put in the remainder of them without reading them.

The SPEAKER. Is there objection to printing the remainder in the RECORD?

Mr. GOSS. Mr. Speaker, I reserve the right to object. Will the gentleman also put in Professor Henderson's ideas on this subject along with this other?

Mr. BLANTON. I shall put in this British commission's report that this man sent, and let the gentleman put in his own. I do not want to put in something that I do not know anything about.

Mr. BRITTEN. Mr. Speaker, did I understand from the gentleman that the writer of this letter is some inventor in Texas who invented a Texas gas?

Mr. BLANTON. No; he is a brother of another distinguished scientist who was the discoverer of the use of helium in dirigibles and was one of the world's authorities on radium, whom you Republicans had in the Bureau of Mines. You vouched for him, and I am sure he must have been all right.

The SPEAKER. Is there objection?

Mr. SABATH. Mr. Speaker, I reserve the right to object in order to ask a short question. The professor states that a man weighing less than 140 pounds might be affected by taking a beverage containing 3.05 percent of alcohol?

Mr. BLANTON. No; he said that this British commission's report certified that 4 pint bottles of 3.2 beer is capable of producing drunkenness in the average man weighing 140 pounds, and that would be the third stage of intoxication.

Mr. SABATH. A man of that type must be a small man, weighing less than 140 pounds.

Mr. BLANTON. I shall leave the report for what it is worth. It is the scientific conclusion of expert chemists of national and international standing.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. The following, Mr. Speaker, is the whole letter, just as I received it this morning from Dr. Landon:

[Landon C. Moore, S.B., President (Harvard University and University of London), LANDON C. MOORE, INC.

Established 1907, Analytical and Consulting Chemists and Bacteriologists, The Landon C. Moore Laboratory Building, P.O.Box 1597]

DALLAS, TEX., *March 18, 1933.*

The Honorable TOM BLANTON,
United States House of Representatives,
Washington, D.C.

MY DEAR CONGRESSMAN: I see that the United States Senate is insisting on 3.05 percent by weight of alcohol in the beer bill, the grounds for this being that a British commission determined that such alcoholic content in a beverage was nonintoxicating. Whoever gave that information to the Senate Judiciary Committee was, I believe, in error. I have done a lot of research work on this subject personally during the last 38 years, and have kept very close to the work of others in this line. My own opinion, based on scientific investigation, is that the maximum amount of alcohol allowable in a beverage to be classed as nonintoxicating is 2 percent. This is borne out by other investigators.

I enclose copy of extract from the report of the greatest scientific commission ever appointed to study the effect of alcohol on the human system. This was the British commission, and its report is published under the title, "Alcohol, Its Action on the Human Organism." This report says that 4 pint bottles of a beverage containing 4 percent of absolute alcohol by volume (3.2 percent by weight) is capable of producing drunkenness in the average man weighing 140 pounds. This is the third stage of intoxication. One bottle of this same beer will produce the first stage of intoxication in the average individual. This is really the most dangerous stage in this day of automobiles and fast driving. The person shows no outward signs of intoxication but his brain activity and his power of moving his arms, etc., is reduced from 10 to 20 percent. This may mean the difference between life and death when driving a car.

The report says "absolute alcohol", which means 100 percent alcohol. Had it said "alcohol", which is generally meant to be 95 percent absolute alcohol, then the alcoholic content would have been approximately 3.85 percent by volume and 3.05 percent by weight of absolute alcohol. This is where the committee, I believe, got mixed up.

I can unhesitantly state that 3.05 percent by weight beer will produce intoxication and therefore is contrary to the eighteenth amendment.

Over a year ago I tried to get President Hoover to appoint a commission of American scientists to investigate the percentage permissible under the Constitution. I have tried to get President Roosevelt, who was a student of mine at Harvard, to do the same thing.

I wrote President Roosevelt the other day and urged him to veto the 3.2-percent beer bill and request 2 percent instead. This would comply with the Democratic platform and conform to the Constitution. Also, I suggested that he ask Congress to allow him to appoint such a commission as spoken of above.

A very palatable, nonintoxicating beer can be made with an alcoholic content of 2 percent. This statement is made after consultation with brewers.

I am a brother of the late Dr. R. B. Moore, who used to be chief chemist of the Bureau of Mines and was the discoverer of the use of helium in dirigibles; also one of the world's authorities on radium. For further information about myself I refer you to Senator MORRIS SHEPPARD and Congressman HATTON W. SUMNERS.

Trusting that the above information may be of some value to you, I remain,

Very sincerely yours,

LANDON C. MOORE,
Box 1647.

I now quote, Mr. Speaker, the extract sent by Dr. Landon from the report of the British commission, which, you will remember, Dr. Landon said was "the greatest scientific commission ever appointed to study the effect of alcohol on the human system", which is as follows, to wit:

ALCOHOL—ITS ACTION ON THE HUMAN ORGANISM

RELATION OF SYMPTOMS TO AMOUNT OF ALCOHOL IN BLOOD

The next point which we have to consider is how drunkenness is related to the amount of alcohol taken and to the particular sort or sorts of alcoholic beverage drunk. We shall deal first with the question of dose. Alcohol reaches the central nervous system by passing from the blood into the fluid—the cerebrospinal fluid, to give it its technical name—which bathes the brain and the spinal cord as they lie within their lining membranes in the skull and the spine; and the amount of the drug which enters this cerebrospinal fluid is strictly proportional to the amount contained in the blood. From experiments on animals and from observations on the man, it has been found that the onset and the intensity of the symptoms of intoxication are roughly dependent on the quantity of alcohol present in the circulation. Thus, in experiments on dogs and horses it was ascertained that the animals began to be slightly affected when the proportion of alcohol in the blood reached the level of 0.12 percent, that with higher proportions the symptoms became more marked, and that profound stupor, frequently ending in death, ensued when the alcohol content rose to 0.72 percent. Similarly, in cases of drunkenness in man, the blood has been found to contain, in one observation, 0.153 percent of alcohol and in another instance, when the intoxication was more pronounced, 0.227 percent; and it is generally accepted that with a blood content of over 0.6 percent, there is a considerable likelihood of death.

These figures, however, do not convey much meaning until we have translated them into terms of doses as drunk. This we can easily do if we refer to what is said in chapter II concerning the absorption of alcohol into the blood and its subsequent fate in the body. It was explained in that chapter that alcohol passes rapidly from the stomach and bowel into the circulation, and that owing to the slowness with which it is burned or excreted the amount present in the blood soon reaches a maximum level, bearing a pretty constant relation to the dose originally drunk, so that knowing the quantity of absolute alcohol taken and the body weight of the drinker, we can at once give an approximate estimate of the maximum proportion of the drug which will be found in the circulation, and conversely we can say what amount of alcohol must be administered to give any particular percentage in the blood. Thus, taking the figures which we have quoted, the proportion on 0.15 percent, which was found in the blood of the less pronounced case of intoxication, would correspond to an original dose of 1.5 cubic centimeters of absolute alcohol for each kilogram of body weight, and this amount, expressed in English measure, would be roughly equivalent, in the case of a man 10 stone, to a total dose of 3½ ounces of absolute alcohol; that is to say, nearly a gill and a half of whisky at proof or rather more than 4 pints of beer of average strength (i.e., containing 4 percent absolute alcohol).

PRACTICAL CONCLUSIONS REGARDING ADVANTAGES OF THE MORE DILUTE ALCOHOLIC BEVERAGES

As our practical conclusions, then, from the evidence at present available, we may say that any form of alcoholic liquor can cause drunkenness, if such a quantity of it is taken, at once or within a short time, as will lead to the presence of the drug in the blood above a certain proportion, which in the case of the average healthy adult, may be put provisionally at from 0.15 to 0.2 percent.

From the above report, Mr. Speaker, which was made by what Dr. Landon said was "the greatest scientific commission ever appointed to study the effect of alcohol on the human system", it is disclosed that Dr. Landon had good authority for his statement, to wit:

My own opinion, based on scientific investigation, is that the maximum amount of alcohol allowable in a beverage to be classed as nonintoxicating is 2 percent.

But in this bill we are allowing not 2 percent but 3.2 percent of alcoholic content by weight, which is admittedly 4 percent by volume; and most of the famous pre-war favorite brands of beer contained a much smaller percentage of alcohol, and all of us here know that pre-war beer did intoxicate. We have seen too many men dead-drunk on pre-war beer..

The foregoing letter from Dr. Landon, enclosing the extract from the report of the British commission, came to me in my mail this morning.

Here is another letter that I got in my mail. Oh, I wish you could read all of the many letters that I have received lately from all parts of the United States. This one is from Mr. B. H. Thayer, whose address printed on his letterhead is post-office box 249, Prescott, Ariz.:

Hon. THOMAS L. BLANTON,
110 Maryland Avenue NE., Washington, D.C.

MY DEAR MR. BLANTON: Permit me to compliment you upon the valuable and efficient services you are rendering your State and Nation.

I read every issue of the RECORD and am proud of your fearless and statesmanlike conduct with regard to governmental economy as well as your unflagging devotion to the cause of human decency and good citizenship.

I am thoroughly aware of conditions existing prior to the enactment of the eighteenth amendment, and while I am not proud of it, I may state that I was at one time a bartender, and later owner of a saloon at 1221 State Street, East St. Louis, Ill.

I am nearly 45 years of age and a disabled veteran of the World War, and am not a member of any religious or other organization except my political affiliation (Republican), nor am I a "reformed boozer", for if there is any place one can see the real need of temperance it is "back of the bar."

The saloon or "wet" element tell us that repealing this law would reemploy a great many people, and with that statement I agree, but they would be extra police, bartenders, gravediggers, morticians, etc.

I feel sure that the flood tide of "wet" sentiment has greatly receded and that the States will never repeal this law. The November elections and the large vote accorded your party was a protest vote and not a repeal mandate.

Again assuring you of my heartfelt appreciation for all you are doing, in which my wife heartily joins, I am, with admiration and respect,

Sincerely,

BEN H. THAYER.

Here is a fair sample of the many letters which came in my mail this morning:

24 KENSINGTON ROAD,
Portsmouth, N.H., March 17, 1933.

Representative BLANTON,
House of Congress, Washington, D.C.

DEAR SIR: I am taking the liberty of thanking you and the New England Congressmen who stood so firmly and bravely against the beer bill yesterday.

You are dead-right. The great middle class of the United States do not want beer or liquor back again, but are in sort of a lethargy or stupor about the whole matter since a great tide of evil seems to be sweeping them off their feet. But sometimes evil overreaches itself, and when beer is sold on roadsides and beer parlors as commonly as soda pop they are in for a rude awakening. Then, unless the end of all things is at hand, sentiment will change and crystallize quickly. May God speed the day!

In the meantime $125,000,000 will be added to our revenue; but, oh, at what a cost! Auto accidents doubled; drunken and cruel fathers who have always been kind to their little families before; misery and suffering for little children; thousands of our young people taking their first drink because so popularized by radio and newspapers; our streets unsafe for women and children, especially after dark.

My heart is just breaking with the thought of it all. I live in what was formerly a brewery city and I know whereof I speak.

How could any Congressman with a conscience vote for that bill? True prosperity will never come to America by selling out to the devil and all his cohorts.

Again thanking you for your courageous stand in the face of so great odds, I am,

Yours sincerely,

MRS. FRED G. PORTER, Jr.

P. S.—My husband is in full sympathy with this letter.

The above, Mr. Speaker, came from New England. It exemplifies just what is in the minds of fathers and mothers living in other congressional districts than my own. It is a fair cross section of hundreds of such letters I have received from the fathers and mothers scattered all over the United States.

And remember, the preceding letter I read you came from a former bartender, living in Prescott, Ariz., and one who once owned a saloon in East St. Louis, Ill. He is living in the great State of Arizona, which sent to us our former beloved colleague, CARL HAYDEN, now in the United States Senate, and which sent us our new Director of the Budget, Hon. Lewis Douglas, whom as our colleague here we all respected and admired.

It is interesting to find out just what is in the mind of this former bartender and former saloonkeeper after 12 years of prohibition have given him time for reflection.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BLANTON. I yield to the great wet leader from New York [Mr. O'CONNOR]. A few minutes ago I yielded to the great wet leader from Illinois [Mr. SABATH] and to the great wet leader from Chicago [Mr. BRITTEN]. They with their great wet chief [Mr. CULLEN] are all here today in full regalia.

Mr. O'CONNOR. Does this ex-bartender give the address of his present speak-easy? [Laughter and applause.]

Mr. BLANTON. Would you do this Arizonian that great injustice? Oh, I want to say this to you: You cannot find a prohibitionist in the United States who is a friend of the speak-easy. You cannot find a prohibitionist who is a friend of any racketeer. You cannot find a prohibitionist in the United States who is a friend of the bootlegger. You cannot find a prohibitionist in the United States who has ever given a smile of comfort to any of them. They get their smiles of comfort from the wets of the country. Without the wets no bootlegger or speak-easy could thrive or exist in the United States.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. BLANTON. I will yield to the general on this subject. We are fast becoming great friends, notwithstanding our divergent views on some subjects.

Mr. MARTIN of Oregon. The gentleman is going to yield to his leader?

Mr. BLANTON. I yield to my new leader.

Mr. MARTIN of Oregon. The gentleman has all these recommendations from the high authorities. Has he got one from his old friend, Bishop Cannon? [Laughter and applause.]

Mr. BLANTON. I want to say this to my distinguished colleague, that I cannot imagine how a man can be so uninformed as to imagine that the great cause of national prohibition is wrapped up in any man or any particular group of men. It is not. Bishop Cannon and I have been together probably not over three times in our lives. He is probably just about as close to Brother TINKHAM as he is to me. And I have been thrown no closer with Dr. Clarence True Wilson. He and I have spoken together not over 3 or 4 times in our lives.

Does my distinguished friend from Oregon imagine that all prohibition activities are connected in some way with Bishop Cannon and the Anti-Saloon League? He is sadly uninformed. The Anti-Saloon League and Bishop Cannon are no more to the great national prohibition cause than FRED BRITTEN [laughter], Brother SABATH, Mr. O'CONNOR, and Chief CULLEN are to the national antiprohibition cause. [Laughter and applause.] Each and all are mere incidents to the two great national movements.

Mr. BRITTEN. Mr. Speaker, I object. [Laughter and applause.]

Mr. BLANTON. They and all of us here could all die and the prohibition cause and the antiprohibition cause would be just as much intact. Bishop Cannon and Dr. Clarence True Wilson and the whole Anti-Saloon League could die today and it would have no effect whatever on the prohibition cause, no more than did the death of our late departed friend, our beloved colleague, Charles Linthicum, of Maryland, have upon the antiprohibition cause.

Did antiprohibition die when he died? No. No. They are mere incidents. Bishop Cannon and Dr. Clarence True Wilson and the Anti-Saloon League have done much for prohibition, but it will not die when they die. The great prohibition cause of the United States is lodged eternally in the hearts and breasts of the motherhood of America, in the fathers of America, in the churches and Sunday schools, and Bishop Cannon can go hence and so can the Anti-Saloon League, and so can TOM BLANTON and so can everybody else connected with it in this House, and it will still move on with unflinching and unconquerable power. [Applause.] This beer bill will pass. We cannot stop it. But no beer can be sold before April 6. Does April 6 mean anything to us? That was the day in 1917 when we declared war on imperial Germany. And April 6, 1933, is the day upon which the fathers and mothers of America will formally declare war upon the beer barons of America. It will be war to the finish. No quarter will be asked or given. And it means the life or death of America.

The SPEAKER. The time of the gentleman from Texas [Mr. BLANTON] has expired.

Mr. CULLEN. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The conference report was agreed to.

AGRICULTURAL RELIEF

Mr. BANKHEAD. Mr. Speaker, by direction of the Committee on Rules I call up a resolution (H.Res. 61) and ask for its consideration.

The Clerk read as follows:

House Resolution 61

Resolved, That immediately upon the adoption of this resolution the House shall proceed to the consideration of H.R. 3835, and any points of order against said bill or any provisions contained therein are hereby waived. That after general debate, which shall be confined to the bill and shall continue not to exceed 4 hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Agriculture, the previous question shall be considered as ordered on the bill to final passage without intervening motion except one motion to recommit.

Mr. BANKHEAD. Mr. Speaker, in private conference with the gentleman from Pennsylvania [Mr. RANSLEY], I understood the gentleman would like 30 minutes on a side on this rule.

Mr. RANSLEY. Thirty minutes on a side is satisfactory to us.

Mr. BANKHEAD. I am willing to yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

I ask for recognition on the rule, Mr. Speaker.

The SPEAKER. The gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Speaker, for the benefit of a number of the new Members of the House, it will be noticed that this is the first time since the convening of the special session of Congress that the consideration of a bill of major importance has been brought forward under the provisions of the authority and jurisdiction of the Committee on Rules. A little later on in the time which I shall consume I shall undertake to explain to the Membership of the House, if in fact it needs any explanation, the provisions of the resolution that has been presented. In that connection I may say it may be necessary, either for myself or some other gentleman on this side, to answer some possible strictures that may be indulged in against this rule by the distinguished minority leader or some of his associates on the committee.

Now, gentlemen, we are confronted here not with a novel but with a very ancient proposition. It is embraced under the general term of an effort by legislation to secure some practical and substantial form of relief for agriculture in the United States. Those of us of somewhat longer service in this Chamber are familiar with the various and repeated efforts that have been made since 1920, when the farm problem first began to assume serious aspects, with the various steps that have been taken and the various proposals that have been brought forward to undertake to deal with this agricultural problem.

For a great number of years the farmers of certain sections of this country were induced to believe that their interests were properly safeguarded and protected under the protective tariff system and that all they had to do in order to continue their prosperity was to continue the high protective tariff system for agricultural products; but it seems that after many decades of trial as to the efficacy of this remedy at least a great proportion of them ultimately came to the conclusion that it was a broken staff upon which to lean. No doubt by virtue of their practical experience under the operation of this system, they came to the conclusion and ultimately learned that although rather large protective duties were laid for the protection of their products under the Fordney bill and other bills, yet in view of the fact they had to buy everything they consumed in a highly protected market and had to rely upon the fixing of the prices of their products in the free and open markets of the world they were not, as a matter of fact, being protected in their interests under such a system.

Mr. SHANNON. Mr. Speaker, will the gentleman yield for a question?

Mr. BANKHEAD. I cannot yield.

Mr. SHANNON. Will not the gentleman yield just for a question? Was it not through a similar rule applied during the consideration of the Smoot-Hawley tariff law that the Democratic Party educated America to believe that gag rule is wrong?

Mr. BANKHEAD. I may say to the gentleman from Missouri in reply to his question that I do not know that the nature of the rule that may be brought in here necessarily has any relation to the problem he has in mind.

Now I hope I may be permitted to proceed.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield at this particular point?

Mr. BANKHEAD. No; not for the present. I shall be very pleased to yield later if I can.

Mr. GIFFORD. I want to ask a question in regard to the argument the gentleman is making.

Mr. BANKHEAD. I had concluded that argument, I may say to the gentleman.

Mr. GIFFORD. The farmers do not want their rates reduced, do they?

Mr. BANKHEAD. I do not want to be discourteous, but I cannot yield further.

Then we are familiar with the subsequent remedies that were brought forward by the so-called "leaders" of agriculture in the country and by certain so-called "farm blocs" here in the House of Representatives, seeking by legislation to remove some of the burdens and conditions under which agriculture in this country was laboring, to cut down and reduce some of the burdens they had to bear which were, in some measure, imposed upon them by legislation and to find a way by which they could engage in profitable agriculture. The equalization-fee proposition was put forward and consumed a great deal of time in the House of Representatives. You are familiar with the results. It finally passed both branches of Congress but was vetoed by the then Republican President.

Considerable attention was paid to the so-called "export debenture plan" which never reached the stage of actual enactment; and in more recent times, of course, you are familiar with the so-called "domestic-allotment plan", which ran the gamut of passage here in the House of Representatives, but subsequently died in the Senate of the United States. You are likewise familiar with the ghastly failure of the Federal Farm Board law.

The net result of all these efforts since 1920, as far as any actual remedial legislation is concerned, has been absolutely impotent and nugatory. What has been the result with the reference to the condition of agriculture? It has constantly gone from bad to worse, and today every intelligent representative of any constituency upon this floor, whether he comes from a farming district or an industrial district, I believe has reached the conclusion which seems to be almost universal that if we expect a real substantial rehabilitation of industrial and economic prosperity in the United States that improvement must begin in the agricultural sections of America because of the very basic nature of this great industry.

Now, we have a new Congress in session under a new administration. The people of the United States of America in the election last November evidently decided by a most preponderant majority to change the policies, the program, and the personnel of the administration of our public affairs; and to the President of the United States, the man who evidently within the last few days has crystallized upon the part of the American people great confidence and trust not only in his wisdom but in his patriotism—to this man the people of the country very largely are looking to make legislative suggestions to the Congress of the United States, on these imperative matters of relief.

This bill, which I trust we will soon begin to consider under the provisions of this resolution if it is adopted, is an administration measure. I say to you very candidly, as the President of the United States said to you very generously and very candidly in his message to the Congress upon this subject, admittedly this legislation is very largely in the nature of a new experiment in legislation. Admittedly it is pioneering largely in a new field of legislative adventure.

Candidly and admittedly it embraces very drastic departures from some of our inherited views and opinions with reference to the power and authority of the Congress of the United States involving what some may say is the abdication of its power. But the practical legislative proposition is that after long and earnest conference the gentlemen who were presumed to represent the interests of agriculture in America in all sections and all phases agreed, with reference to its preparation, that this would be a practical piece of legislation seeking a remedy for the present ills and evils of agriculture.

This bill has been presented as the composite judgment and opinion of the agricultural leaders and of the advisers of the administration and of the administration itself.

As I said, large powers are conveyed by this bill. I am not going to undertake to go into the details of the bill, although I have endeavored to give them very careful consideration. They will be explained by the members of the Committee on Agriculture who are sponsoring the introduction of the bill; but, Mr. Speaker, I think the American people, and particularly those interested in this great basic agricultural problem, have reached the point in their desperation where they are willing to try a decent experiment for the recovery of agriculture even if in the beginning it may be clouded and overhung with some difficulties and with some legalistic and economic complications.

So this resolution provides for the consideration of this measure as it is presented. No doubt the distinguished minority leader, as already indicated by some interviews in the newspapers, will undertake to say that this is a very drastic rule. I admit it. The minority will also say that it is a gag rule. In the common acceptation of this term I admit it; but I want to say that many years ago when, as a somewhat green Member of the House of Representatives, I was assigned to service on the Committee on Rules, under Republican administrations for many years, all that I absorbed or learned about so-called "gag rules" I learned while sitting at the feet of the distinguished gentleman from New York [Mr. SNELL] and his associates.

I may say to the new Members of this Congress, also, and we might as well be candid and frank about the function and jurisdiction of the Committee on Rules, the gentleman from New York and his associates well know what these functions are. The Committee on Rules is the political and policy vehicle of the House of Representatives to effectuate the party program and the party policy. This is what it is, nothing more and nothing less; and although, individually, I express the opinion here and now that we regret the necessity sometimes of bringing resolutions upon the floor of this House that will prevent the ordinary freedom of action and freedom of offering amendments, there come times when, under our system of party government, the Committee on Rules, acting as I have suggested, is requested, as we have been requested in this instance, by the leadership of the House, to bring in the rule that we now have under consideration, for reasons which they thought were wise and appropriate under the circumstances.

So if you adopt this rule for the consideration of this bill, it provides for 4 hours of general debate which will give all gentlemen who desire to do so a fairly reasonable opportunity to express their views upon it, and at the end of that time we are going to have a vote on this bill, if the rule is adopted, and we are going to vote the bill as it is, up or down.

I have no right to appeal to the Republican organization on the other side to support this bill as it is presented. We will be very happy to have their cooperation in its passage if we can secure it, as was so generously promised us a few days ago with reference to these measures; and if we can not have the support of the leadership, I trust many individual Members on that side, who are interested in a real effort to secure agricultural relief, will go along with us on this bill. But the House of Representatives is now controlled by the Democratic Party. This is a part, as I understand it, of the Democratic program; and the leadership at the other end of the Avenue, and in this House, who are the instruments of his policies, as I have said, are making an appeal to the Democrats of this House with reference to this great proposition to waive, in its consideration, some minor or technical objections they may have to some of the details of the bill, and let us pass it here in the House, and at least make it the basis for the compromises or suggestions that may help the bill hereafter.

Mr. BRITTEN. Will the gentleman yield for a question?

Mr. BANKHEAD. I yield to the gentleman from Illinois for a question.

Mr. BRITTEN. The gentleman has repeatedly referred to the bill as being an experiment, to which we all agree. The gentleman has also expressed the hope that the Republican side of the House may help in the passage of the bill. How can we help when the gentleman's rule forbids us from even offering an amendment to the bill?

Mr. BANKHEAD. I have explained that to the gentleman. The gentleman has been here a long time. The gentleman knows how the game is played here in the House of Representatives [laughter and applause]; and as I undertook very fairly and candidly to state, you have the opportunity of doing only one thing, if this rule is adopted, either to vote for the bill from cover to cover or vote against it; and the gentleman, of course, has the privilege of exercising his rights upon that question. [Applause.]

Mr. GIFFORD and Mr. CLAIBORNE rose.

Mr. BANKHEAD. I cannot yield further, because I have promised time to other members of my committee.

Mr. RANSLEY. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I am against this most drastic rule. Surely we could have the time to take the bill up under the 5-minute rule, which, after all, would be in line with orderly procedure. Under the rule, as introduced by the gentleman from Alabama, it will be impossible to amend the bill in any way.

The majority leader, the gentleman from Tennessee [Mr. BYRNS], some short time ago was in favor of opening up the bill for amendment. I presume he is still in favor of doing so. If the House will vote down this rule, we will then have the opportunity of considering the bill in a more orderly manner, giving everyone an opportunity to amend the bill as they believe it should be amended. [Applause.]

Mr. Speaker, I yield 10 minutes to the Republican floor leader, the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, there is always a little amusement in the daily life of congressional procedure, and the anomalous position of my Democratic friends which they are taking here today, after 18 years' experience on the Rules Committee, furnishes me with some of that amusement.

Looking back over the past 15 years, and taking into consideration the offensive position the Democratic membership of this House has always taken in matters of this kind, it is certainly amusing to see them following the advice of my distinguished friend from Alabama [Mr. BANKHEAD] today.

I am not going to refer to any individual on the Democratic side, but you Members who have been here for several years know them as well as I do and the part they have taken on the floor of the House begging, pleading, and imploring the Republicans to be real men, to stand up—not act like sheep being driven through a ring.

I believe in the Rules Committee. I believe in party action. I am just as much in favor of presenting a rule for the consideration of bills as any Member in this House, but I do think there should be a little mite of judgment in connection with the rule presented.

My good friend from Alabama made about as adroit a presentation of the rule as I ever heard presented. He talked in glittering generalities of what we ought to do for the farmer.

With the most of his statements I could agree with him—they were general statements.

We on the Republican side of the House are just as much in favor of doing something for the farmer as anyone else, but we want to do it in a reasonable way. We should like to

know what we are doing; we should like to know in what direction we are progressing, and that we are not progressing too far.

In answer to an inquiry I made of the majority leader here yesterday, he said he thought the time had come when matters should take their usual course of procedure; the committees were now all set up, and he knew of no reason at this time why these matters of legislation should not go to the committees, having reasonable hearings, and be presented on the floor and considered in the usual way in which they are considered. Whether he was just fooling or not, I do not know.

Mr. BYRNS. Will the gentleman yield?

Mr. SNELL. Certainly.

Mr. BYRNS. I said I saw no reason why we should not give full consideration to legislation by committees, and that the House should have the fullest opportunity for discussion of measures.

Mr. SNELL. That is what I said.

Mr. BYRNS. The gentleman said under the general rules of the House. We are operating under a special rule.

Mr. SNELL. I took that to be the intent of the gentleman's statement. The average Member of the House thought we would have a reasonable time to consider the bill. Anyone who knows anything about a special rule knows that a rule can be brought in for the consideration of a bill and still give every man his rights. I have brought in a great many of that kind.

Mr. BANKHEAD. Did the gentleman ever bring in any other kind of a rule? [Laughter.]

Mr. SNELL. I never brought in a rule that did not give a fair and reasonable consideration to the individual Member. There has always been a sugar coating on any rule that I ever brought in. [Laughter.] The way you are giving us this rule it is a straight dose of castor oil without any palliative whatever. [Laughter.]

Mr. BYRNS. Did the chairman of the Rules Committee ever administer any castor oil of this kind?

Mr. SNELL. I never used it in quite this way.

Now, I want to make my position entirely plain, so there can be no misunderstanding. We are not opposed to the consideration of farm legislation.

If you had suggested it and wanted to bring in a bill to the floor of this House for consideration in a normal way, we would have been perfectly willing to give you unanimous consent for its consideration; but I am opposed to the way in which you are proposing to do it at the present time. We want the opportunity to present what we think might be some relief to the farmers of this country. I personally believe that the three outstanding ways in which you can assist agricultural interests and the individual farmer are, first, by reducing the interest on farm mortgages [applause]; second, by passing legislation that will reduce taxes on the farms of this country [applause]; and, third, by alleviating through some sort of legislation the terrific charges for the transportation of farm products from the farm to the market. [Applause.] When you have done those things, and then leave the common-sense American farmer alone for a little while, you will have done more to relieve him from the burdens that he is working under at the present time than by any other piece of legislation that you can pass. [Applause.]

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. SIROVICH. Did the Republican Party while in power try to do those three things?

Mr. SNELL. Oh, the Republican Party has always stood for practical aid to the farmers. But we never advise to chase rainbows as you propose here today.

Mr. SIROVICH. What was the result?

Mr. SNELL. I think they were as good as you will get under this bill.

Mr. CARPENTER of Kansas. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. CARPENTER of Kansas. Does not the gentleman agree that if we would raise the price of agricultural products that would have more to do with relief for agriculture than anything else?

Mr. SNELL. I think there is something to the gentleman's statement.

Mr. PATMAN. Mr. Speaker, will the gentleman yield to me for one question?

Mr. SNELL. Yes.

Mr. PATMAN. The gentleman suggested that we should pass legislation to reduce taxes on farms. Inasmuch as the farmers do not pay direct taxes to the United States Government, how are we going to do that?

Mr. SNELL. I said general legislation somewhere to reduce taxes; and if we do something to reduce taxation, we will help the farmer and everyone all along the line.

Mr. BLANTON. Mr. Speaker, will the gentleman yield for a question?

Mr. SNELL. Yes.

Mr. BLANTON. I am wondering what has happened in the last day or so to make our friend from New York [Mr. SNELL] abandon statesmanship and revert to politics?

Mr. SNELL. Oh, I am still a statesman; but this is not a statesman's bill. This is a pure Democratic patronage bill, and every man on the Democratic side of the House knows it as well as I do, and all you have to do is to read the bill and you will come to that conclusion. When you present something sound and right, I am going to support it.

Mr. CARPENTER of Kansas. And is there any objection to that, if it helps the farmers of this country?

Mr. SNELL. The gentleman asks two questions in one. I do not care anything about the patronage proposition. I am more interested in doing something for the farmer; and when you pass this bill, you will have created more agents and expense than you have done away with in all of your economy measures that passed this House last week. Let us not undo today all the good we did last week.

Mr. SHANNON. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. SHANNON. Is not a discussion of the merits of the bill at this time out of order? The pertinent discussion is with reference to the effect the adoption of the rule will have on individual Members. Will not the adoption of the rule disfranchise them from active participation in the consideration of the bill?

Mr. SNELL. I cannot yield for a speech.

Mr. SHANNON. Then I shall put it in the form of a question. Does not the rule take away from the individual Member any possible participation in the making of this bill other than merely to vote "yea" or "nay"?

Mr. SNELL. It absolutely binds every man here and takes away from him any chance to express his opinion or to say to the people of the country what he would like to do to assist the American farmer. You have lost every right of an individual Member when you adopt the previous question on this rule.

Mr. BANKHEAD. Does the gentleman think that that is an entirely fair statement? I think we have provided rather generously for general debate. Of course, the rule does not give the right of amendment, but I think the gentleman will agree with me that 4 hours' general debate is as much as is ordinarily granted on a proposition of this kind.

Mr. SNELL. Yes, but I have been here long enough to know that general debate does not mean anything. You may fool some of your new Members by that statement, but not me. I have been here too long. We want the right to present an amendment and have consideration of it by this House. That is the way we have been in the habit of considering legislation of this kind, and the gentleman from Alabama well knows it. You are binding this House so that it cannot do a thing, and every man knows it. Why do you not come out in the open? If your bill is good enough to be entitled to the support of this country, with a majority of 200 in this House, it ought to be good enough

to put it through in the open, and you should have faith enough in the bill and your own Members to put it to that test.

Mr. PARKS. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. PARKS. I fully agree with the gentleman that we ought to be able to offer an amendment, but we are simply following the precedent that the gentleman set in his tariff bill.

Mr. SNELL. Oh, the gentleman is mistaken about that. He does not understand the tariff rule at all.

Mr. PARKS. And neither does the gentleman from New York.

Mr. SNELL. Oh, yes, I do; because I drew it. Do not fool yourself that I do not know what it was, and much better than the gentleman from Arkansas.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. HOWARD. The gentleman is opposing this rule, now, is he?

Mr. SNELL. I am opposing the previous question on the rule. I am willing to consider the legislation brought up under it, but not in the way proposed by the majority. I am a liberal like my friend from Nebraska.

Mr. HOWARD. I am at a loss to understand the gentleman.

Mr. SNELL. If the gentleman will wait a minute or two, I shall tell him. If the gentleman will vote with me against the previous question on the rule, we will have a chance to amend the rule, so that we will be able to offer amendments to the bill from the floor of the House.

Mr. HOWARD. I am like the gentleman from New York [Mr. SNELL], only different. I vote against all gag rules. I will vote with the gentleman. [Applause.]

Mr. SNELL. Very well. I am glad to know we have some independent men on that side of the aisle.

Now, there is no reason for rushing this bill through here today. Every man knows this will not become a law for some time. It will be entirely rewritten in another body. You will not recognize your child when it comes back. They are going to make a farm bill out of it. There is every reason, on such an important, controversial measure, to give ample time to consider the bill and let every man know what he is voting for. The bill has only been in print for two or three hours. The members of the committee do not know it. The Members of the House certainly do not know it, and few have read it as presented. All I need say is that the gentleman from Texas [Mr. JONES], who has been one of the most ardent adherents of legislation in behalf of agriculture ever since he has been in the House, refused to introduce this bill and let it bear his name. He knows it is not right now. I am just pleading with you to let us have an opportunity to find what is in the bill. Let us offer amendments, and we will go along with you and do everything that is possible to relieve agriculture from the terrible burden it is bearing at the present time. [Applause on the Republican side, the Members rising.]

The SPEAKER. The time of the gentleman from New York [Mr. SNELL] has expired.

Mr. BANKHEAD. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, it is indeed amusing for me to hear the gentleman from New York [Mr. SNELL] plead and argue against the adoption of this drastic rule that precludes any amendment. For years I have opposed the rule that was brought out today and that the gentleman from New York [Mr. SNELL] was accustomed to bring out for us, which we had to accept, on measures that were not nearly as important as the measure before us, and when legislation was not required, as it is at this time.

As the gentleman from Alabama [Mr. BANKHEAD] stated, for over 10 years we have endeavored to legislate to relieve the agricultural industry of America. Unfortunately, during that period, we had in the White House two Presidents who did not favor legislation that would be actually helpful and beneficial to the Nation, and they refused to listen to the farmers of our country and to those who were sincere and honest in their efforts to aid agriculture. But conditions have changed.

Today we have in the White House a man who understands what the farmers and the people of this Nation want; a man who has devoted many hours, yes, many days, weeks, and months, to the study of our problems. After many consultations with outstanding experts, economists, students, and those most vitally interested in agriculture, he came to the conclusion that the bill which is made in order today by this rule will bring some constructive relief to the farmers of the Nation.

There are no farmers in my district, but I have supported all farm-relief legislation, and I will support this resolution and this bill, because I believe that we cannot expect any betterment of conditions in our country until the farmers of this Nation are relieved and aided. Let us return to the farmer his purchasing power; and if we shall bring that about, I am confident that the man in the city will be aided and assisted. I realize the deplorable conditions that exist on all farms throughout the United States; but, Mr. Speaker, I want you to realize, too, and recognize the deplorable condition of the 15,000,000 unemployed in America—of the 15,000,000 men who for 2 years, many of them for 3 years, have been unable to secure employment in order to provide for their families. I honestly believe that this legislation will aid them secure shortly that employment which they have been seeking, and in that way we shall not only aid the millions of unemployed but we shall bring about a general improvement in conditions throughout the Nation. It is for these reasons that I am for this resolution. I will vote for the bill, and I hope it will do all that the experts who have studied it believe it will do. [Applause.]

I hope that this will be the last time that we are compelled to use this last resort, unless it be to make in order a real relief bill for the workers of America.

"Farmer suffers the loss of his farm," says a press report. But very little do we hear of the hundreds of thousands of homeowners who are losing their homes daily or the thousands of business men who are losing their businesses or the 15,000,000 suffering, hungry, destitute, and unemployed people who are pleading for work so they can provide for their undernourished dependents, most of whom have been living on charity for nearly 3 years.

The SPEAKER. The time of the gentleman from Illinois [Mr. SABATH] has expired.

Mr. RANSLEY. Mr. Speaker, I yield 8 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, my distinguished friend, the ranking member of the Rules Committee, the gentleman from Alabama [Mr. BANKHEAD], says all he ever learned about gag rules was at the feet of our able minority leader. If that be true, then I say the gentleman from Alabama has been a most apt pupil, because in the last 2 years of Democratic administration in this House there have been more gag rules brought before the House than in any other period during the 8 years I have been a Member of this Congress.

Why should a gag rule be brought here today to consider this question? It cannot be because of the minority, because we are few in number. You have a majority of over 200. So I say it cannot be because you fear the Republican minority. My friends, there can be but one interpretation of this action, and that is the leadership of this House does not trust its own membership. There can be no other reason. In the past it has been the practice in nearly all of these major bills to bring the bill into the House, read it under the 5-minute rule, so that the Membership of the House can have an opportunity to amend and make the measure acceptable. I say to you on the Democratic side of this House, I believe it is time for you to ask yourselves, "Am I going to trust continually and always to a few members of the committee to have the say as to legislation which is vital to every person in this country?" For the sake of the prestige of the House, and for orderly procedure, for the thoughtful consideration of

this bill, I hope we will vote down the previous question, and then adopt the substitute which the gentleman from Pennsylvania [Mr. RANSLEY] will offer. If this is done, we may proceed to review this bill as it should be reviewed, under the 5-minute rule and subject to perfecting amendments.

When the emergency program was presented I felt it was the patriotic duty of all to cooperate with the President and enact promptly the measures which could be considered vital in his efforts to save the country from greater distress than it has gone through in recent months.

The farm bill which is now presented does not, in my opinion, come under the classification of emergency. Certainly it cannot be considered as one which has for its purpose the maintaining of a balanced Budget or the giving of greater confidence to the country. The President quite frankly states it is an experiment which would be set aside if it proved to be impracticable.

Now, I am not opposed to farm relief. I would vote gladly for a bill which would bring better days to agriculture because the revival of this great industry would be helpful to the entire country. But I regret I cannot see any hope in giving these tremendous dictatorial powers to the Secretary of Agriculture. I am convinced if the great power is carried out in the manner outlined it will mean the creation of a great army of Government employees, and the result will not be of advantage to the farmers whom it is presumed to aid.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. GIFFORD. The gentleman recalls the very adroit manner in which the gentleman from Alabama tried to claim the futility of the tariff for the farmer and that the farmers were against the tariff; but the gentleman realizes that the administration promised last fall it would not reduce the rates on the farmers' products; and the farmers would not stand for the reduction of a single rate on any of their products in the present tariff.

Mr. MARTIN of Massachusetts. That is true.

What will this bill do? No one can answer that question because it rests entirely on the manner in which the Secretary of Agriculture uses his power. I know its purpose is to levy a sales tax on the food and cheap clothing of the consumers of the country to the extent of $1,000,000,000, a tax which will fall upon the poor people at a time when they are finding it almost impossible to get the bare necessities of life.

Nothing could be more cruel than to do this now, when the extra cost may bring with it, for many, want and starvation.

This bill will put in motion an army of taxgatherers and spies, who will make life unbearable to the farmers, and whose heavy cost of upkeep may fall on the Treasury of the United States. It is interesting to note in passing that the committee which considered this bill has stricken off the provisions requiring the appointees to come under the civil-service classification. They will all be recruited from the army of deserving Democrats.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. REED of New York. Did not the original bill provide that they should be selected from the classified service?

Mr. MARTIN of Massachusetts. Absolutely; but all that has been eliminated in the committee. Now, Mr. Speaker, every farmer whose crops come under the czarlike power of the Secretary of Agriculture will be under close supervision. He will be unable to plant or sell without a permit. Surely it can reasonably be interpreted we are on our way to Moscow. Labor employed in industry may well be alarmed, not only at the heavy burden which is to be levied upon them, but also as to whether or not they themselves will be placed under the same supervision and thus complete the establishment of the soviet system in the United States.

The proposed measure will destroy that which is essential to any permanent recovery, the expansion of our foreign commerce. If the spinner of cotton is obliged to pay 12 cents a pound for his cotton, he is not going to sell cotton goods in competition with a competitor who can secure his cotton for 6 cents. What applies to cotton will apply to any other commodity which comes under this arrangement.

Other objections might be voiced, but these are enough to cause the rejection of the proposed measure. May I venture to express the opinion the cotton and the wheat grower are not suffering more than the people engaged in business in other parts of the country? All have felt the blight of this depression as I am going to show.

The gross income of agriculture fell from $11,900,000,000 in 1929 to $5,200,000,000 in 1932, which was a decrease of approximately 56 percent. In the same time it is estimated factory pay rolls fell 50 percent, and the construction industry, which directly or indirectly is said to give employment to 10,000,000 people, slumped 80 percent. The payroll index in manufacturing, according to the Federal Reserve Board, fell from 110 in September, 1929, to 40 in August 1932. This meant a 64 percent reduction in comparison to the 56 percent reduction in the gross income of the farming population.

Taking another yardstick, we find in 1930 the value of all farms in the United States was $57,000,000,000, while the entire mortgage debt was $9,000,000,000, or 16 percent, if it had been evenly distributed. As a matter of fact, it was not evenly distributed, as 55 percent of the farms in the country have no mortgages, so the burden fell upon the other 45 percent. We might well inquire if the small homeowner would compare as well if the data were available.

It is true the farmer is suffering from heavy taxes, 11 percent of his income goes for taxes in comparison to 8 percent for debt service. The taxes, however, are all of local origin and, in this respect the small-home owner in the city finds himself just as hard-pressed.

In considering measures which have the object of transferring through legislative act the burden from one group of our citizens to another group, it is well to get the full picture so that we may legislate intelligently.

This measure is designed to aid part of our population which in the aggregate has 10,000,000 people in comparison to the 40,000,000 engaged in industries who will not be helped but will rather be further handicapped in the brave fight they are making without Government support. In 1930 the value of agricultural products was $9,400,000,000, while the manufacturing output was 70 billions. Fourteen million workers in industry had pay rolls aggregating $15,000,000,000.

No, Mr. Speaker; agriculture is not going to climb back to prosperity over the prostrate body of industry. American agriculture will again be prosperous when American industry is prosperous. They will both go along the highway of better days together. No permanent progress toward recovery can be accomplished by transferring the burden from one group to another. The solution of our agricultural problem rests not with this bill.

I am opposed to the bill because I firmly believe it will result disastrously as have other ventures in the field of agricultural pricefixing. We have in the past 10 days given courage and confidence to the American people. Let us not destroy that splendid sentiment with an experimental bill which gives promise of failure.

I want to help the farmer but I want to do it in an intelligent way. I do not want to do it by putting him under bondage to the Government and have him harassed by an army of supervisors who will have no knowledge of the problems of the farmer. I want to do it where there is a reasonable chance for success. This is no time to lift the cost of the bread and clothing of the poor man in carrying out a proposal which is classified as experimental. This is no time to do something just for the sake of action. It is no time to push the farmer and the country deeper into the mire, as I am afraid will happen if this bill becomes a law.

Mr. LOZIER. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. LOZIER. Does not the gentleman realize that by impoverishing agriculture the best market of industry is

destroyed, that we can have no rehabilitation of industry until we have a rehabilitation of agriculture?

Mr. MARTIN of Massachusetts. I do not admit that.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield 4 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, I should like to make a brief statement mainly for the benefit of the new Members, and to them I confess that this is not the customary way of bringing before this House for consideration measures of the character of the pending bill.

The bill is an involved affair. It seeks to apply to the solution of a troublesome problem new, untried, fanciful, and seemingly impracticable theories that will lead us no one knows where. The rule which we are invited to adopt in this instance is not altogether unusual. It is confessedly bad practice sometimes indulged in by both parties. It does seek to apply the principle of force which deprives Members of freedom of thought and action which it to be regretted. I am not sure just how much longer the Membership of this body is going to stand for pressure of this kind. I do not want to tax them too much.

If this be dictatorship, it is a dictatorship that is indulged in because of the seeming failure of parliamentary procedure to function with the degree of rapidity necessary to answer the exigencies of the hour. To take the bill as it is, without subjecting it to any kind of test, and pass it on the theory that it will be corrected in the other branch of Congress is to argue that the Membership of this House is incapable of dealing with the problem; and this is not true. But, besides all these considerations, we have been proceeding upon the theory that we are in the midst of economic war, and that an emergency is upon the country which calls for treatment of problems in a speedy and heroic way. This measure comes to us with the sanction, as we are told, of the President. To turn it down or to hesitate now would probably do more injury to this movement toward recovery than any ill effect that might result from application of any unwise provision that it might contain. The country has become aroused. The President has electrified the people. The demand that comes up to us is to support him. The organization of this House wants this rule. I am a good soldier and will vote for this rule and the bill, and trust that all others, because of the circumstances, will do likewise.

Mr. RANSLEY. Mr. Speaker, I yield 6 minutes, or the balance of the time, to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, I want to confine what I have to say to the rule which is under consideration and do not care to discuss the merits of the legislation at this time. I would like to take as a text for what I have to say a statement in an editorial appearing this week in Labor, the newspaper of the railroad brotherhoods, which is friendly to this administration. It says:

> Labor still believes in the institutions of democracy, and the basis of those institutions is a legislative assembly. It is time to end the hysteria which has been showing itself on Capitol Hill and make sure that the laws we pass are not filled with costly jokers. Congress owes the President cooperation, not blind acquiescence, and Members of Congress should insist on performing their real and very important duties.

[Applause.]

The House of Representatives has now been in session 10 legislative days since Congress convened March 9 for this special session, and during that time it has made a record for passing legislation without giving it any real consideration which, in retrospect, I am afraid very few Members of Congress will be able to look back upon with any degree of pride.

I have not looked up the record, but I dare say that we have passed more important legislation in the few days of this session, under gag rules, which did not permit of the reading of the legislation under the 5-minute rule or the offering of amendments, than has been passed before in the last 20 years since I have been a Member of Congress. The gag rule, instead of being the exception, has become the rule of procedure for this Congress.

On March 9, the day we convened, we passed, under a special rule which allowed only 40 minutes of general debate and required a vote at the end of that time without reading under the 5-minute rule, a bill giving the Secretary of the Treasury absolute control over the banks of the country. On March 11 we passed the so-called "economy bill" after 2 hours of general debate, without reading it under the 5-minute rule and without being allowed an opportunity to offer an amendment.

Mr. BULWINKLE. Will the gentleman yield?

Mr. MAPES. I have not the time.

On March 14 we passed the beer bill, with only 3 hours of general debate, with no reading of the bill under the 5-minute rule and no opportunity to offer amendment; and yesterday we passed, under the suspension of the rules, an amendment of the bank act, with no opportunity to amend it.

This is something unheard of as far as general procedure is concerned before this session of Congress. Let me say I think the public sentiment of the country up to this time has sustained this procedure, but I warn my friends here that it will not sustain such procedure from this time on, and I do not believe that it will sustain it on this bill. I want to explain to the new Members of the Congress just how we can remedy this procedure in the consideration of this legislation.

If we vote down the previous question when it is moved on this resolution, then we will have an opportunity to amend the resolution so that at the conclusion of general debate the bill will be read by paragraphs or by sections and every Member as we go along will have an opportunity to offer such amendments as he sees fit.

Mr. BULWINKLE. Will the gentleman now yield?

Mr. MAPES. I am sorry, but I have not the time.

The passage of these rules, as we have been passing them, shows we are afraid of ourselves. It shows that we are afraid of the House of Representatives and that we do not trust ourselves to read the legislation and to perfect it, as has always been done on the floor of the House until this session of the Congress.

I am not afraid to trust the House of Representatives. I am not afraid to trust myself in the consideration of legislation, and I submit that the consensus of opinion of 435 Members of the House of Representatives, familiar with legislation, knowing the needs of the country, is better than that of any one man in some administrative department of the Government. The idea of voting for anything in the House, with the hope that it will be perfected or our mistakes corrected in another body, does not appeal to me. [Applause.]

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield the remaining time at my disposal to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, I regret that I cannot agree with the gentleman from Michigan [Mr. MAPES] in the interpretation which he places on the editorial to which he has just referred. I cannot see in it any commitment of labor against this bill. Labor has every reason to cooperate in the enactment of farm-relief legislation, both from the point of self-interest and in appreciation of past favors. For 20 years at least the representatives of organized agriculture, and Members from agricultural districts, have supported legislation urged by the labor organizations. And now that opportunity is afforded for labor to reciprocate I am certain its representatives will be glad to return the favor. As a matter of fact in supporting this bill labor is serving its own interests. The gentleman from Illinois [Mr. SABATH] just now called attention to the unemployed. Why are these 15,000,000 men walking the streets today without a job? It is for the simple reason that the farmer, who is their best immediate and ultimate customer, is receiving so small a price for his products, so meager a wage for his labor, and so small a return upon his investment

that he is no longer able to buy the output of the mills and plants and factories in which these men were formerly employed. And the only way to put the unemployed back to work is to pay the farmer a fair price, a living wage, and increase his buying power to the point where he can again go into the market and pay for the commodities which these men produce. The cause of agriculture is the cause of labor, and the most effective way of ending unemployment and maintaining union wage scales, and bringing back prosperity to the city, is to raise the price of farm products. There is no other method by which it may be accomplished.

And there is no other method by which real farm relief can be secured. Extension of notes, amortization of obligations, reduction of rates of interest, and lowering of taxes are all highly desirable; but none of them, nor all of them, will afford permanent relief unless farm prices are increased. The farmer does not want to borrow more money. He wants a price for his products which will enable him to pay the money he already has borrowed.

And that is exactly what this bill will do. It will increase the price of farm products. It will reduce the acreage under cultivation and decrease the pressure of the farm surplus on the market. That is the principal objective of this session of Congress.

Now, let us see who is opposing this bill. It is apparent at once to those who have glanced over the flood of letters and telegrams which have poured into the Capitol in the last 24 hours, and who have listened to the specious plea of the lobbyists who infest the committee rooms in the House Office Building like swarms of locusts from Egypt. It is the middlemen. None are so blind as those who will not see. And the middlemen of the country are the most hopelessly blind of all. They forget that in the days when agriculture was prosperous they also were prosperous. They fail to see that it is because agriculture has been impoverished that they, too, have fallen upon evil days. Their shortsighed self-interest also blinds them to the inconsistency of their position. Only a few days ago the great majority of these men were writing and telegraphing, "Stand by the President," and now they are writing and telegraphing, "Desert the President."

This is the President's bill. It is emergency legislation. And in this emergency the farmers for whom this legislation is being formulated are entitled to first consideration. The Transportation Act was not passed until it was approved by the railroads. The Federal Reserve Act was not enacted until it had been endorsed by the bankers. The labor bill did not become a law until it had received the sanction of the labor unions. The tariff bill was not placed on the statute books until it carried the countersignature of the manufacturers. Surely, then, when a farm bill is to be enacted, the farmers should be consulted. Every major farm organization in the United States has expressed formal approval of this bill and asked for its enactment. I submit that under the circumstances we should be guided by the farmer rather than by the middleman. In adopting measures to protect the sheep there is no occasion to consult the wolves.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. SNELL) there were 184 ayes and 102 noes.

So the previous question was ordered.

The SPEAKER. The question now is on the resolution.

The question was taken, and the resolution was agreed to.

Mr. JONES. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MAPES. Reserving the right to object, will that include Members who have spoken on the rule?

Mr. JONES. It is all Members.

The SPEAKER. Without objection, it is so ordered. Is there objection to the request of the gentleman from Texas that all Members have 5 legislative days in which to extend their remarks on the bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the title to the bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that further reading of the bill be dispensed with, and that it be printed in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

The bill is as follows:

Be it enacted, etc., That the present acute economic emergency being in part the consequence of a severe and increasing disparity between the prices of agricultural and other commodities, which disparity has largely destroyed the purchasing power of farmers for industrial products, has broken down the orderly exchange of commodities, and has seriously impaired the agricultural assets supporting the national credit structure, it is hereby declared that these conditions in the basic industry of agriculture have affected transactions in agricultural commodities with a national public interest, have burdened and obstructed the normal currents of commerce in such commodities, and render imperative the immediate enactment of this act.

DECLARATION OF POLICY

SEC. 2. It is hereby declared to be the policy of Congress—

(1) To establish and maintain such balance between the production and consumption of agricultural commodities, and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the pre-war period, August 1909–July 1914; and

(2) To approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as is deemed feasible in view of the current consumptive demand in domestic and foreign markets.

(3) To protect the consumers' interest by readjusting farm production at such level as will not increase the percentage of the consumers' retail expenditures for agricultural commodities, or products derived therefrom, which is returned to the farmer, above the percentage which was returned to the farmer in the pre-war period, August 1909–July 1914.

TITLE I—COTTON OPTION CONTRACTS

SEC. 3. The Federal Farm Board and all departments and other agencies of the Government are hereby directed—

(a) To sell to the Secretary of Agriculture at such price as may be agreed upon all cotton now owned by them.

(b) To take such action and to make such settlements as are necessary in order to acquire full legal title to all cotton on which money has been loaned or advanced by any department or agency of the United States or held as collateral for loans or advances and to make final settlement of such loans and advances upon such terms as may be deemed advisable, in the judgment of the Secretary and the department or agency involved; and to sell this cotton also to the Secretary in the same manner as is provided in the preceding paragraph hereof.

The Secretary of Agriculture is hereby authorized to purchase the cotton specified in paragraphs (a) and (b).

SEC. 4. The Secretary of Agriculture shall have authority to borrow money upon all cotton in his possession or control and deposit as collateral for such loans the warehouse receipts for such cotton.

SEC. 5. The Reconstruction Finance Corporation is hereby authorized and directed to advance money and to make loans to the Secretary of Agriculture to acquire such cotton and to pay the carrying costs thereon, in such amounts and upon such terms as may be agreed upon by the Secretary and the Reconstruction Finance Corporation, with such warehouse receipts as collateral security.

SEC. 6. (a) The Secretary of Agriculture is hereby authorized to enter into contracts with the producers of cotton to sell to any such producer an amount of cotton equivalent in amount to the amount of reduction in production of cotton by such producer below the amount produced by him in the preceding crop year, in all cases where such producer agrees in writing to reduce the amount of cotton produced by him in 1933, below his production in the previous year, by not less than 30 percent, without increase in commercial fertilization per acre.

(b) To any such producer so agreeing to reduce production the Secretary of Agriculture shall deliver a non-transferable-option contract agreeing to sell to said producer an amount, equivalent to the amount of his agreed reduction, of the cotton in the possession and control of the Secretary.

(c) The producer is to have the option to buy said cotton at the average price paid by the Secretary for the cotton procured under section 3, and is to have the right at any time up to January 1, 1934, to exercise his option, upon proof that he has complied with his contract and with all the rules and regulations of the Secretary of Agriculture with respect thereto, by taking said cotton

upon payment by him of his option price and all actual carrying charges on such cotton; or the Secretary may sell such cotton for the account of such producer, paying him the excess of the market price at the date of sale over the average price above referred to after deducting all actual and necessary carrying charges: *Provided*, That in no event shall the producer be held responsible or liable for financial loss incurred in the holding of such cotton or on account of the carrying charges therein: *Provided further*, That such agreement to curtail cotton production shall contain a further provision that such cotton producer shall not use the land taken out of cotton production for the production for sale, directly or indirectly, of any other nationally produced agricultural commodity or product.

SEC. 7. The Secretary shall sell the cotton held by him at his discretion, but subject to the foregoing provisions: *Provided*, That he shall dispose of all cotton held by him by March 1, 1935: *Provided further*, That he is authorized to sell unlimited amounts at any time a price equivalent to not less than 10 cents, basis middling, seven-eighths inch staple, at the ports can be procured.

TITLE II—AGRICULTURAL ADJUSTMENT PROVISIONS

GENERAL POWERS

SEC. 8. In order to effectuate the declared policy, the Secretary of Agriculture shall have power—

(1) To provide for reduction in the acreage or reduction in the production for market, or both, of any basic agricultural commodity, through agreements with producers or by other voluntary methods, and to provide for rental or benefit payments in connection therewith in such amounts as the Secretary deems fair and reasonable, to be paid out of any moneys available for such payments.

(2) To enter into marketing agreements with processors, associations of producers, and other agencies engaged in the handling, in the current of interstate or foreign commerce of any agricultural commodity or product thereof, after due notice and opportunity for hearing to interested parties. For the purpose of carrying out any such agreement the parties thereto shall be eligible for loans from the Reconstruction Finance Corporation under section 5 of the Reconstruction Finance Corporation Act. Such loans shall not be in excess of such amounts as may be authorized by the agreements and shall bear interest at a rate not in excess of 3 percent per annum.

(3) To issue licenses permitting processors, associations of producers, and other agencies to engage in the handling, in the current of interstate or foreign commerce, of any basic agricultural commodity or product thereof, or any competing agricultural commodity or product thereof. Such licenses shall be subject to such terms and conditions, not in conflict with existing acts of Congress or regulations pursuant thereto, as may be necessary to eliminate unfair practices or charges that prevent or tend to prevent the effectuation of the declared policy and the restoration of normal economic conditions in the marketing of such commodities or products and the financing thereof. The Secretary of Agriculture may suspend or revoke any such license, after due notice and opportunity for hearing, for violations of the terms or conditions thereof. Any agency engaged in such handling without a license as required by the Secretary under this section shall be subject to a fine of not more than $1,000 for each day during which the violation continues.

(4) To require any licensee under this section to furnish such reports as to quantities of agricultural commodities or products thereof bought and sold and the prices thereof, and as to trade practices and charges, and to keep such systems of accounts, as may be necessary for the purpose of this act.

PROCESSING TAX

SEC. 9. (a) To raise revenues for the payment of extraordinary expenditures incurred by reason of the national economic emergency there shall be levied, assessed, and collected, during the marketing period (as ascertained and prescribed by regulations of the Secretary of Agriculture) for any basic agricultural commodity with respect to which rental or benefit payments are made under this act, in connection with reductions in the acreage of the crop, or in the production, for market during such period, a tax to be paid by the processor on the first domestic processing of the commodity, whether of domestic production or imported. Such tax shall, except as hereinafter provided, equal the difference between the current average farm price for the commodity and the fair exchange value of the commodity. Such value for any commodity shall be the price therefor which will give the commodity the same purchasing power, with respect to articles farmers buy, as during the pre-war period, August 1909—July 1914. The current average farm price and the fair exchange value shall be ascertained by the Secretary of Agriculture from available statistics of the Department of Agriculture.

(b) If the Secretary of Agriculture, after investigation and due notice and opportunity for hearings to interested parties, finds at any time that the imposition of the tax at the rate hereinbefore provided has resulted or is likely to result in a substantial reduction in the quantity of the commodity or products thereof domestically consumed, he shall fix such lower rate as is necessary to maintain or restore such domestic consumption. Such rate may be revised from time to time pursuant to further findings under this subsection. In making any such finding the Secretary shall give due consideration to the following factors among others:

(1) Reports as to wage scales, employment, and unemployment in urban regions.

(2) Changes in the consumption of the agricultural commodity and of other commodities.

(3) Evidence derived from statistical studies of supply and demand for previous periods which indicate the change in consumption of the commodity which would normally occur in consequence of a particular change in the cost to processors or consumers.

(4) Other relevant data as to changes in the cost of living of consumers, consumers' buying habits, and current and prospective conditions in industry pertinent to determining the probable effective demand for the commodity.

MISCELLANEOUS

SEC. 10. (a) The Secretary of Agriculture may appoint such officers and employees, subject to the provisions of the classification act of 1923 and acts amendatory thereof, and such experts as are necessary to execute the functions vested in him by this act; and the Secretary may make such appointments without regard to the civil-service laws or regulations: *Provided*, That no salary in excess of $10,000 per annum shall be paid to any officer, employee, or expert of the Emergency Agricultural Adjustment Administration which the Secretary shall establish in the Department of Agriculture for the administration of the functions vested in him by this act.

(b) The Secretary of Agriculture is authorized to establish, for the more effective administration of the functions vested in him by this act, State and local committees, or associations of producers, and to permit cooperative associations of producers, when in his judgment they are qualified to do so, to act as agents of their members and patrons in connection with the distribution of rental or benefit payments.

(c) The Secretary of Agriculture is authorized, with the approval of the President, to make such regulations with the force and effect of law as may be necessary to carry out the powers vested in him by this act. Any violation of any regulation shall be subject to such penalty, not in excess of $100, as may be provided therein.

(d) The Secretary of the Treasury is authorized to make such regulations as may be necessary to carry out the powers vested in him by this act, including regulations, with the force and effect of law establishing conversion factors for any commodity and article processed therefrom to determine the amount of tax imposed with respect thereto, and defining processing with respect to any commodity.

(e) The action of any officer, employee, or agent in determining the amount of and in making any rental or benefit payment shall not be subject to review by any officer of the Government other than the Secretary of Agriculture or Secretary of the Treasury.

(f) The provisions of this act shall be applicable to the United States and its possessions, except the Philippine Islands, the Virgin Islands, American Samoa, and the island of Guam.

(g) No person shall, while acting in any official capacity in the administration of this act, speculate, directly or indirectly, in any agricultural commodity or product thereof, to which this act applies, or in contracts relating thereto, or in the stock or membership interests of any association or corporation engaged in handling, processing, or disposing of any such commodity or product. Any person violating this subsection shall upon conviction thereof be fined not more than $10,000 or imprisoned not more than 2 years, or both.

COMMODITIES

SEC. 11. As used in this act, the term "basic agricultural commodity" means wheat, cotton, corn, hogs, cattle, sheep, rice, tobacco, and milk and its products, and any regional or market classification, type, or grade thereof; but the Secretary of Agriculture shall exclude from the operation of the provisions of this act, during any period, any such commodity or classification, type, or grade thereof if he finds, upon investigation at any time and after due notice and opportunity for hearing to interested parties, that the conditions of production, marketing, and consumption are such that during such period this act cannot be effectively administered to the end of effectuating the declared policy with respect to such commodity or classification, type, or grade thereof.

APPROPRIATION

SEC. 12. (a) The proceeds derived from taxes imposed under this act, or so much thereof as may be necessary, are hereby appropriated to be available to the Secretary of Agriculture for rental and benefit payments and administrative expenses, including refunds under this act, personal services in the District of Columbia and elsewhere, contract stenographic reporting services, and printing and paper in addition to allotments under existing law.

(b) The Secretary of Agriculture and the Secretary of the Treasury shall jointly estimate from time to time the amounts currently required for such payments and expenses, and the Secretary of the Treasury shall advance to the Secretary of Agriculture the amounts so estimated. The amount of such advance shall be deducted from such funds as subsequently become available under subsection (a).

(c) The Secretary of Agriculture shall transfer to the Treasury Department and is authorized to transfer to other agencies, out of funds available under this section, such sums as are required to pay administrative expenses incurred and refunds made by such department or agencies in the administration of this act.

TERMINATION OF ACT

SEC. 13. This act shall cease to be in effect whenever the President finds and proclaims that the national economic emergency

in relation to agriculture has been ended; and pending such time the President shall by proclamation terminate with respect to any basic agricultural commodity such provisions of this act as he finds are not requisite to carrying out the declared policy with respect to such commodity. The Secretary of Agriculture shall make such investigations and reports thereon to the President as may be necessary to aid him in executing this section.

SEPARABILITY OF PROVISIONS

SEC. 14. If any provision of this act is declared unconstitutional, or the applicability thereof to any person, circumstance, or commodity is held invalid, the validity of the remainder of this act and the applicability thereof to other persons, circumstances, or commodities shall not be affected thereby.

SUPPLEMENTARY REVENUE PROVISIONS—EXEMPTIONS AND COMPENSATING TAXES

SEC. 15. (a) If the Secretary of Agriculture finds, upon investigation at any time and after due notice and opportunity for hearing to interested parties, that any class of products of any commodity is of such low value compared with the quantity of the commodity used for their manufacture that the imposition of the processing tax would prevent in whole or in large part the use of the commodity in the manufacture of such products and thereby substantially reduce consumption and increase the surplus of the commodity, then the Secretary of Agriculture shall so certify to the Secretary of the Treasury, and the Secretary of the Treasury shall abate or refund any processing tax assessed or paid after the date of such certification with respect to such amount of the commodity as is used in the manufacture of such products.

(b) No tax shall be required to be paid on the processing of any commodity by the producer thereof on his own premises for consumption by his own family, employees, or household; and the Secretary of Agriculture is authorized, by regulations, to exempt producers from the payment of the processing tax with respect to hogs, cattle, sheep, or milk and its products, in cases where the producer's sales of the products resulting from the processing of the commodity do not exceed $100 per annum.

(c) Any person delivering any product to any organization for charitable distribution or use shall, if such product or the commodity from which processed is under this act subject to tax, be entitled to a refund of the amount of any tax paid under this act with respect to such product so delivered.

(d) The Secretary of Agriculture shall ascertain from time to time whether the payment of the processing tax upon any basic agricultural commodity is causing or will cause to the processors thereof disadvantages in competition from competing agricultural commodities by reason of excessive shifts in consumption between such commodities or products thereof. If the Secretary of Agriculture finds, after investigation and due notice and opportunity for hearing to interested parties, that such disadvantages in competition exist, or will exist, he shall proclaim such finding. The Secretary shall specify in this proclamation the competing agricultural commodity and the compensating rate of tax on the processing thereof necessary to prevent such disadvantages in competition. Thereafter there shall be levied, assessed, and collected upon the first domestic processing of such competing agricultural commodity a tax, to be paid by the processor, at the rate specified, until such rate is altered pursuant to a further finding under this section, or the tax or rate thereof on the basic agricultural commodity is altered or terminated. In no case shall the tax imposed upon such competing agricultural commodity exceed that imposed per like unit upon the basic agricultural commodity. The term "competing agricultural commodity" shall include, among others, rayon, silk, linen, and oleomargarine, and any basic agricultural commodity as to which a tax is not in effect under section 9.

(e) During any period for which a processing tax is in effect with respect to any commodity there shall be levied, assessed, collected, and paid upon any article processed or manufactured wholly or in chief value from such commodity and imported into the United States or any possession thereof to which this act applies, from any foreign country or from any possession of the United States to which this act does not apply, a compensating tax equal to the amount of the processing tax in effect with respect to domestic processing at the time of importation. Such tax shall be paid prior to the release of the article from customs custody or control.

FLOOR STOCKS

SEC. 16. (a) Upon the sale or other disposition of any article processed wholly or in chief value from any commodity with respect to which a processing tax is to be levied, that on the date the tax first takes effect or wholly terminates with respect to the commodity is held for sale or other disposition (including articles in transit) by any person other than a consumer or a person engaged solely in retail trade, there shall be made a tax adjustment as follows:

(1) Whenever the processing tax first takes effect, there shall be levied, assessed, and collected a tax to be paid by such person equivalent to the amount of the processing tax which would be payable with respect to the commodity from which processed if the processing had occurred on such date.

(2) Whenever the processing tax is wholly terminated, there shall be refunded to such person a sum (or if it has not been paid, the tax shall be abated) in an amount equivalent to the processing tax with respect to the commodity from which processed.

(b) Notwithstanding the provisions of subsection (a), such subsection shall apply with respect to such portion of retail stocks on hand at the date the processing tax takes effect as is not sold or otherwise disposed of for consumption within 1 month after such date.

EXPORTATIONS

SEC. 17. (a) Upon the exportation to any foreign country (including the Philippine Islands, the Virgin Islands, American Samoa, and the island of Guam) of any product with respect to which a tax has been paid under this act, or of any product processed wholly or in chief value from a commodity with respect to which a tax has been paid under this act, the exporter thereof shall be entitled at the time of exportation to a refund of the amount of such tax.

(b) Upon the giving of bond satisfactory to the Secretary of the Treasury for the faithful observance of the provisions of this act requiring the payment of taxes, any person shall be entitled, without payment of the tax, to process for such exportation any commodity with respect to which a tax is imposed by this act, or to hold for such exportation any article processed wholly or in chief value therefrom.

EXISTING CONTRACTS

SEC. 18. (a) If (1) any processor, jobber, or wholesaler has, prior to the date of approval of this act, made a bona fide contract of sale for delivery after such date of any article in respect of which a tax is imposed under this act, and if (2) such contract does not permit the addition to the amount to be paid thereunder of the whole of such tax, then (unless the contract prohibits such addition) the vendee shall pay so much of the tax as is not permitted to be added to the contract price.

(b) Taxes payable by the vendee shall be paid to the vendor at the time the sale is consummated and shall be collected and paid to the United States by the vendor in the same manner as other taxes under this act. In case of failure or refusal by the vendee to pay such taxes to the vendor, the vendor shall report the facts to the Commissioner of Internal Revenue who shall cause collections of such taxes to be made from the vendee.

COLLECTION OF TAXES

SEC. 19. (a) The taxes provided in this act shall be collected by the Bureau of Internal Revenue under the direction of the Secretary of the Treasury. Such taxes shall be paid into the Treasury of the United States.

(b) All provisions of law, including penalties, applicable with respect to the taxes imposed by section 600 of the Revenue Act of 1926, and the provisions of section 626 of the Revenue Act of 1932, shall insofar as applicable and not inconsistent with the provisions of this act, be applicable in respect of taxes imposed by this act: *Provided*, That the Secretary of the Treasury is authorized to permit postponement, for a period not exceeding 60 days, of the payment of taxes covered by any return under this act.

(c) In order that the payment of taxes under this act may not impose any immediate undue financial burden upon processors, any processor subject to such taxes shall be eligible for loans from the Reconstruction Finance Corporation under section 5 of the Reconstruction Finance Corporation Act.

Mr. JONES. Mr. Speaker, I ask to be notified when I have used 10 minutes.

Mr. Speaker and Members of the House, I have always been honest with the House of Representatives. In ordinary times I would not support a measure of this kind. If I had my own way, I would place first the refinancing of farm mortgages. [Applause.] I am happy to tell you that a provision of that kind is being planned and will be offered as soon as practicable. [Applause.]

The merging of the different farm-lending agencies under one head is being wrought out. This should provide a system of financing outside of regular commercial channels. High interest rates have long been the curse of agriculture.

The question of freight rates was discussed by the gentleman from New York. That is a subject I have repeatedly discussed in the House. We are in accord on the importance of freight rates, but in all the conferences that have been discussed during previous administrations that question did not receive much attention. At any rate, little action resulted. It is manifestly wrong for 10-cent corn to pay 30-cent transportation from Iowa to New York. [Applause.]

Another thing that needs correction is the unfairness of our trade barriers and a tariff system in which surplus agricultural products can have no part. I would, either through debenture or through the issuance of reciprocal-trade warrants, give farm products produced in surplus quantities an equality in the tariff system, whether high or low. In other words, I would place agriculture on the same dead level with industry in every way.

That is my program, but I am only 1 out of 435 Members. We have been discussing and trying to secure these

things for 10 years while agriculture has been languishing. We are in a desperate emergency. The paralysis that has seized agriculture has crept up on industry. Even our institutions have almost been trembling in the balance. Why quibble about rules and about amendments? We are at war, and war is the grimest business that ever engaged the attention of mankind. While this war is on, I am going to follow the man at the other end of the Avenue, who has the flag in his hand. [Applause.] I am not going to quarrel with the Commander in Chief while the great emergency is on. If we give him some powers that are not suited to ordinary times, they can be taken away, and I am sure that he would surrender such powers when the emergency is past. Suppose we had stopped for open consideration of amendments on the banking bill. When the new Commander in Chief came into power, every bank in America was closed. We were in an appalling situation. Through his prompt and courageous action that situation has been saved.

There come times when 435 men do not have time to stop to argue and get together and adjust differences. I am in favor of giving these strong powers in this tremendous emergency in accordance with the desires of the President of the United States, and I am going down the line on that, notwithstanding my personal views.

The President himself says frankly that this is an experiment, that we are in the midst of emergency conditions, that is the reason for urging haste. One feature of the bill relates to a land-leasing proposal, to try to keep crops out of production so that they will not topple over with even greater surpluses. If that is to be effective, if this job is to be done, if it is to have an even chance to accomplish its purpose, it ought to be done at an early date. The bill is not anything like so complicated as one might think at first blush and glance. If you run through the bill, you will find that it is based upon a declaration of policy, simply to try to give the agricultural products named over in the latter part of the bill the same purchasing power that they had in pre-war days. Can anyone deny the fairness of that? We have had some talk about taxes. There will be no tax of any kind when fair prices are reached. It is the declared policy of those who will administer the bill to approach this gradually, as provided in subdivision 2 on page 2. It is not thought that they will undertake at once to levy a processing tax or fee of anything like the difference between the prevailing prices of agricultural products and the pre-war prices but will gradually approach the matter.

Title I is practically the old Smith cotton bill, which takes the 2,360,000 bales of cotton on which the Government has loans in excess of its value, and to contract with farmers who will reduce their production to set apart any profits on that cotton bale for bale with their reduction of production. It is an effort, with nine and a half million bales of cotton in America in the carry-over, more than a year's supply, without appreciable cost to the Government to get back to a normal basis. The first part of the bill—in title II—provides for reduction in acreage or production, or both, in the farm commodities that are named in the bill. They may use either method they wish to use. In carrying out the purposes of the bill the administrative authorities may make marketing agreements with processors in order to endeavor to carry out the provisions of the bill. They may require licenses if anyone endeavors to abuse the privileges in these days as they did in other war days. This is intended to prevent gouging. There is no evidence, according to those who have explained the purpose of the bill and who will administer it, to use anything like a general licensing system, but in an emergency, perhaps in some instances in localities, they may do so.

In order to raise the funds required for carrying out the purposes of the measure a processing fee is authorized. It may be a small one, and it probably will be. It may be on just 1 or 2 commodities at first. That will be left to the President and the Secretary of Agriculture, so that they may proceed cautiously. I am sure they will. The President has said that if this does not work out properly he will be the first to admit that it is a failure, and will cast it aside.

We have had complaints about experimenting. We can not have any recovery in this country with 10-cent corn, 6-cent cotton, and 30-cent wheat. I know a great many people who thought they were being ruined by the banking bill. No doubt every Member here received long-distance calls and telegrams from people who thought they were being destroyed by the banking powers conferred upon the President, but the President was able to work it out, and perhaps he can do it in this instance. Let us give him a chance.

Mr. GOSS. Mr. Speaker, will the gentleman yield?

Mr. JONES. I prefer not to, unless it is just for a question.

Mr. GOSS. It is only for a question. I am wondering if it is contemplated in the bill to bring in a deficiency appropriation bill if this tax or processing fee is not sufficient to carry that out.

Mr. JONES. The measure is intended to be self-sustaining. It provides the funds for its own purposes. There is little, if any, chance of a Treasury loss. In fact, no other funds are provided.

Criticism has been made of the provision in the bill that the Secretary may make such appointments of officers without regard to the civil service laws or regulations. That is permissive. This is an emergency. It may be necessary to get some good men at once. They will probably use the civil service on most of these; but if we are going to do emergency business, we ought not to wait to conduct civil-service examinations to get started. It is not to be without the civil service. It is simply left to the discretion of the Secretary.

Mr. LOZIER. Will the gentleman yield?

Mr. JONES. I yield.

Mr. LOZIER. Is it not true that that same provision is in the Reconstruction Finance Corporation Act?

Mr. JONES. I understand it is.

The commodities named will be found in section 11. I will not take the time to read them.

The act may be terminated at any time the President may, in his judgment, feel that the emergency has passed. I think it is unlikely that it would extend any great length of time. We are all hoping for a turn for the better.

On page 15 you will find an exemption allowed on hogs, cattle, sheep, or milk and its products, to the extent of $100 per annum, to take care of little incidental marketing of local people.

The Secretary of Agriculture is given broad powers in making adjustments in the tax if competing products get into the picture. He is given broad leeway. I do not see how you can develop a power of this kind at all unless you do give broad discretion in the handling and adjusting of it. I do not think they are going to make conditions any worse. God knows, we all hope it will make it better.

There is a provision made under section 18 for existing contracts; a refund is also allowed on commodities and goods that are exported.

There are some very simple principles involved, and most of what they talk about in the way of complications are administrative details. A number of them have been worked out by the Treasury Department and others essentially to make the measure uniform in its operations.

My friends, I believe the American people are rallying to the new President as they have rallied to but few men in our generation. They are thrilling with a new hope, a hope born of faith in a man—a man who has courage and who is unafraid. Like millions of others who have pinned their faith to him, I believe he will lead us out of the darkness into the light of a new day. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. CLARKE of New York. Mr. Speaker, I yield to myself 10 minutes.

Mr. Speaker, like my chairman, I recognize that we are in a great national agriculture emergency. I believe that the floor leader on the Republican side gave a program that

is more sensible, more practical, and will bring help to the farmer much quicker than all of the bunk in this particular bill. Meet the mortgage situation mercifully and lighten the interest burden when it can be done. Reduce taxes by reducing the expenses of government. We can help; the State and local governments must do their share.

I have talked with Republican and Democratic Members who have tried to study and analyze this bill, and there is not one of them who will not admit the bill is the child of the jigsaw-puzzle age. The more you dig into it the more complex does it become.

That national agriculture needs help and needs it quickly every thinking man must agree, but when the effort to restore prewar parities is done through the Government a great number of other interests in the United States rise up to claim, in a government of equality, that they are entitled to recognition under the program. The strongest argument against this bill is that all the principal farm leaders have endorsed it, and I am just wondering whether that endorsement has not been due to the lurking ambition that was in their systems that these 10 commodity councils that are to be set up under this bill provide ten $10,000 jobs.

This Roosevelt-Wallace farm bill provides for increasing the purchasing power of agriculture to the equivalent of what it was in 1909–1914.

PLAN

It hopes to accomplish this through reduction in crop production and reduction in acreage.

COTTON

The cotton producer, under this bill, gets an option—"Heads he wins, tails Uncle Sam loses." If the cotton producer will reduce his 1933 production by 30 percent, he can buy the equivalent amount of cotton he reduces his production up to January 31, 1934.

The number of bales of cotton involved, as nearly as I can figure it out, are 2,296,490 bales, and the amount of money advance is around $94,000,000.

As to the 8 agricultural commodities provided for in this bill, it is proposed to set up 8 commodity councils, 1 for each commodity, and the head of each council to receive $10,000 per year, with each commodity to stand on its own bottom.

PROCESSING TAX

A glorified sales tax through which the processor puts up six or eight hundred million dollars that the general public will have passed on to it. If the processor can not finance himself, he can borrow of Uncle Sam through the Reconstruction Finance Corporation.

LICENSES

The Secretary of Agriculture has power to issue licenses:

1. Processors.
2. Association of producers (cooperatives).
3. Other interests.

To handle "any basic agriculture commodity or product."

Object: Elimination of unfair trade practices or interference with the declared policy of this bill.

AMOUNT OF PROCESSING TAX

The difference between the current average farm price and the fair exchange value. The objective is to give each commodity the equivalent of its purchasing value, 1909–1914; the amount of the tax is a question of statistics, but each commodity is put in the same pot and the law of general average is struck. This is most involved, but it gives the professors, economists, farm leaders, and statisticians a multitude of jobs, and they do away with the civil service to help deserving Democrats.

There are endless details in this new effort to establish parity for agriculture, but time forbids discussing them, so I pass on to you my conclusions:

First. Legally grave constitutional questions are involved, but in the conferences held before this bill was drafted I am assured the diversified interests all intend to see if they can work under this bill and survive.

Second. Administrative—the most difficult, complicated piece of agricultural legislation ever proposed and the greatest power ever conferred upon any member of any Cabinet in peace times in the history of this Government.

Third. Benefits: I do not believe it can be set up quickly enough or made to resolve the theoretical benefits back to our farmers in time to save many of them from the loss of their homes and bankruptcy.

I have hoped with an open mind the Roosevelt farm bill would do the job we all want done. Maybe this bill will do part of it, maybe I am mistaken; I have been many times before; maybe the President and his advisers are right; he is the chosen leader; and, in spite of the fundamental objections I see to this bill, in spite of the failure of the Democrats to back up President Hoover, I shall, not as a Republican but as a patriot, vote for this bill and pray that it will accomplish all its proponents claim it will.

If it fails our farmers in their grave extremity and crisis I will feel that the final pound of flesh has been taken as the price of the hellishness and horror of war, and the final tragedy lies in 6,000,000 farm homes scattered all over the United States.

Mr. JONES. Mr. Speaker, I yield 10 minutes to the gentleman from South Carolina [Mr. FULMER].

Mr. FULMER. Mr. Speaker, last summer, when I listened to Mr. Roosevelt outline his program to the people of this country pledging himself to the "forgotten man", which included agriculture, I immediately got on his bandwagon until the votes were counted and he was elected President of this great Republic.

On the 4th of March, standing within 30 or 40 feet of the President and listening to his wonderful inaugural address, when he again rededicated himself to the task of defeating the international bankers and speculators of this country, who have bled the American people white, I stated that I was perfectly willing to go along with the President. And in every request to this good hour I have stood by the President, and am not ashamed of my position. When this bill was sent to the House, and in speaking with the Secretary of Agriculture about proposing some changes, he stated that he did not want any changes in the bill because if any were made he would have to submit the same to the President. When it came to the question of introducing this bill and getting behind the President's program, I said that I was perfectly willing to introduce the bill and get behind the President's farm-relief program to the last ditch.

Mr. Speaker, I agree with my colleague, Mr. JONES, of Texas, that the refunding and refinancing of land mortgages are of the greatest importance. In fact, may I state to you that this is one of the most important things now pending before Congress. I introduced a bill during the last session of Congress for this purpose, which has received no consideration at the hands of the Committee on Banking and Currency.

Another thing that needs consideration, and needs it before this Congress adjourns, is the refunding and refinancing of drainage districts and irrigation districts. This matter affects 34 States and 5,000,000 farmers of this country. Many of these districts and thousands of these farmers are facing bankruptcy today and, unless they receive this relief during this session of Congress, many of them will be forced into tenant homes and breadlines.

I also agree with the gentleman from Texas that one of the most important questions before the Congress is the reduction of freight rates on agricultural products.

What do we propose to do under this bill? If you will turn to the report, you will notice the present prices are considerably below the pre-war prices on all farm products. We propose in an orderly way to bring cotton, for instance, from 6 cents per pound, which is the price today, to the pre-war price of 12 or 13 cents. By so doing we propose to restore the purchasing power of that great agricultural South. We propose to treat wheat in the same way we treat cotton; and various other major farm products will be treated likewise.

Complaint has been made about the drastic powers we propose to give to the Secretary of Agriculture under this

legislation. Reference has been made to the licensing feature of the bill. Various Members want the license feature stricken from the bill and leave the processor, the manufacturer, and those who handle farm products to go unhampered in connection with the operation of this program.

Mr. Speaker, my only regret in voting for this bill is that I am not permitted to give the President the same power in dealing with agriculture that we gave him in dealing with the banking interests of this country; I am willing to give to the President absolute power and control over production, the marketing of farm products, and the fixing of a minimum price until we can bring agriculture out of the serious difficulty it is in today.

Agriculture unorganized, each farmer trying to work out his own problem as an individual, makes it impossible for the farmer to control his production, marketing, or the prices received for his products. In the meantime he is being robbed by every other interest or monopolized combination, which is able to fix and control not only prices paid for farm products but prices paid by consumers.

Mr. Speaker, just the other day the American Tobacco Co. issued a statement showing that this corporation had made a net profit of 25 per cent on the tremendous capital invested, after all expenses and taxes had been charged off.

I understand that the net profits on the part of these large tobacco corporations amount to more than the farmers receive for all of the tobacco produced by them; and yet, my friends, you do not want to give to the President the right to license the American Tobacco Co. and other processors or manufacturers of farm products so that he will be able to tell them where to get on and where to get off when they try to interfere with this plan.

Now, what would it mean if we were to give to agriculture the pre-war basis price? Is there anything wrong in placing farm prices on a parity with industrial prices or the things that farmers have to buy? Before the war, as a merchant, I bought and sold farm wagons for $50 or $60 to my customers, and at a profit, if you please. In the meantime the farmers of this section of South Carolina doing business with me were able to pay the price of a wagon with 1 bale of cotton, just the other day I happened to write in for prices on wagons for my own farm and they wanted $90 for the same wagon, and it would take 3 perfectly good bales of cotton off of my farm to pay for 1 wagon.

I want to tell you, my friends, with this kind of condition on the part of those who are able to combine and establish trade practices and codes of ethics in doing business, thereby fixing and controlling prices of farm products as well as prices to the consumer, there is no hope for agriculture.

Mr. MAPES. Would it interrupt the gentleman to ask him a question?

Mr. FULMER. I yield to the gentleman.

Mr. MAPES. On page 6, subdivision 2 of section 8, the Secretary of Agriculture is authorized to enter into agreements with processors and others who handle agricultural products. The section does not say anything about what the terms of the agreements shall be. Can the gentleman give the House some idea what is contemplated by this section?

Mr. FULMER. I may say to the gentleman that the purpose of that section is that if they find it necessary in order to bring about orderly distribution and a fair price for farm products, the Secretary will be able to make marketing agreements with processors, associations of producers, and other agencies. This would apply to farm products like potatoes and other products sold without processing.

Mr. MAPES. The section also authorizes loans from the Reconstruction Finance Corporation.

Mr. FULMER. Yes.

Mr. MAPES. Is it proposed by this language to allow these associations to buy agricultural products somewhat like the Farm Board has done, to stabilize the price of agricultural products?

Mr. FULMER. No; I do not think that is the purpose at all. The Government is not proposing to go into any line of business unless it is forced into it.

Mr. MAPES. This gives the Secretary of Agriculture very broad powers.

Mr. FULMER. We have given to the Secretary of Agriculture very broad powers, operating under rules and regulations agreeable to the President, and we are perfectly willing to leave it to the Secretary of Agriculture and the President.

The first portion of the bill includes the Smith plan, which has been discussed at different times. The bill also contains the domestic-allotment plan, introduced by me last June and by my colleague [Mr. JONES], chairman of the committee during the closing days of the last session of the Congress. The bill also includes a rental-basis plan, whereby farmers may receive benefits under either plan, or whichever plan is put into operation in connection with the various products.

Mr. McKEOWN. May I inquire if there are any published figures showing the prices of these commodities during the period referred to?

Mr. FULMER. The gentleman will find these figures in the report on page 2.

Mr. PETTENGILL. Will the gentleman yield?

Mr. FULMER. I yield.

Mr. PETTENGILL. I understand the Grange and the Bureau have endorsed the bill; can the gentleman state the position of the Farmers' Union on the bill?

Mr. FULMER. It is my understanding that all of the farm groups have endorsed this legislation.

Mr. Speaker, in closing, may I state that if the farmers of this country and the processors and handlers of farm products will join heartily and honestly with the Secretary of Agriculture and the President of the United States, it is my belief that it will not be long before agriculture will be well on the road to recovery.

Mr. CLARKE of New York. Mr. Speaker, I yield 10 minutes to the gentleman from Minnesota [Mr. CHASE].

Mr. CHASE. Mr. Speaker, ladies and gentlemen of the House, this bill is bad legislation, yet I intend to vote for it, and I would like to tell you why.

In my home State of Minnesota 7,000,000 acres, much of it agricultural land, has reverted to the State for nonpayment of taxes. Farmers there have lost their farms, have lost their homes, have lost all the property they have amassed in a lifetime of toil. Taxes are so high and farm prices so low they no longer can bear their burden.

They have been promised, and have every right to expect, agricultural relief. Anything that in any way will prove helpful to them demands the support of any Representative from their State, and that is the sole test which determines my vote today.

This Nation is in the midst of a period of national hysteria, where the principles of a representative democracy are being forgotten and the theory of a benevolent autocracy ardently embraced.

Within 2 weeks we have placed in the hands of a dictator supreme control of the wealth of America. We have broken faith with disabled veterans, whose disabilities were war-incurred, and with our soldier dead, whose widows and orphans we are bound in honor to protect.

This bill proposes to create another dictator—this time a subordinate dictator—and place in his hands the future and the welfare of agriculture.

In his message the President said:

> I tell you frankly that it is a new and untrod path; but I tell you with equal frankness that an unprecedented condition calls for the trial of new means to rescue agriculture. If a fair administrative trial of it is made and it does not produce the hoped-for results, I shall be the first to acknowledge it and advise you.

That is, the advocates of this measure have little confidence in it, and promise that if it fails the experiment will be stopped immediately.

Relying on this promise, and consistent with our pledge to agriculture, I shall vote in the affirmative today.

As to the bill itself, there is only one test. Will it help agriculture? I fear that it will not.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. CHASE. I yield.

Mr. OLIVER of Alabama. So the gentleman has found nothing virtuous or meritorious in the bill.

Mr. CHASE. So far I have found little of virtue in the bill.

Mr. OLIVER of Alabama. Since it appears from the gentleman's statement that he has given considerable study to legislation demanded by the farmer, and since there will be an opportunity to recommit the bill, I hope the gentleman will offer a bill which he can affirm is better than this, so that the House may have an opportunity of voting on what the gentleman feels should be passed and what he insists the farmers want.

Mr. CHASE. In theory, the act is wrong. It is an impractical vision, attempting to unite in one measure many plans for agricultural relief, but proposing to leave the machinery and the actual operation of this conglomerate measure to administrative discretion.

Beyond doubt it will lead into troubles now entirely unforeseen. What a striking illustration of the lack of wisdom of the present administration was seen yesterday when the House, within 2 weeks of the time when the first banking bill was forced through, passed a second measure to undo the harm done by the first.

This bill creates another dictatorship, with the Secretary of Agriculture in the title role. There is no limit to the expenditures which he can incur. In proof, read section 10–A, on page 9. Even the size of the tax is to be determined by the Secretary of Agriculture. In addition thereto he may appoint such officers and employees without number, subject alone to his own judgment. It does nothing to relieve agriculture of the twin burdens of farm mortgages and transportation charges.

Sponsors of the bill refuse to predict any commodity legislation. The Secretary of Agriculture refuses to predict such legislation, and the President has outlined none.

Consequently all benefits to agriculture from this bill are uncertain, if any. Not a farm leader from my State of Minnesota, whom it has been possible to contact, has been willing to express himself as whole-heartedly for this bill. Without exception they avoid, hesitate, or disapprove.

Not only is the theory of the measure wrong but the mechanics of the plan are wrong. This bill not only contemplates but expressly provides for another vast political organization to be maintained and paid for at the expense of the taxpayers without limit as to the number of employees and without limit as to the amounts they shall receive, except that imposed in the measure now before you of $10,000 annual salary—a larger sum than is now paid to any Member of either body of the Congress.

This bill creates a second farm board without abolishing the first board. Decisions hereunder will be beyond review of any court, and the measure makes express provision to that effect. Proof of this statement is found in subdivision E of section 10.

Here is a telegram from one of the best-known farm leaders in Minnesota to another recognized agricultural authority:

I am very much concerned with the present proposed farm plan as reported in the press. It begins to assume the appearance of a political pacifying act, including a part of every plan so far proposed. Every possible chance of an experiment should be eliminated from this plan. We cannot afford to take a chance of a failure. It would be the part of wisdom to include much less as a program and have it sound insofar that it will accomplish what it is supposed to do. The new plan invites severe criticism from the processors that I am afraid will spread to the consumer. It is not clear to me how the several plans can be united and be made to function properly. I am afraid it is inviting disaster, which is the most important thing to avoid at this time.

Here is another one:

Hope President's wish to experiment on aid for agriculture warrants your support. It should.

That is the point of this talk. I, too, hope that this experiment warrants our support. But does it?

This bill is bad legislation, because it will work actual hardship to every processor of farm products. There is not a packing plant, not a flour mill, and not a creamery, so far as I have been able in this short time to find, in the entire State of Minnesota, which favors the provisions of this bill. They are compelled to take out a license in order to transact their own private business. They are subject to a fine of $1,000 a day if they do not, and are required to prepare reports as to quantity of commodities or products they buy and sell, as to trade practices and charges, and to keep such a system of accounts as may be directed by the Secretary of Agriculture.

With this act today, they are thoroughly dissatisfied. It is more than possible that their dissatisfaction will spread to the people of the various States.

It is an open question as to whether or not a sales tax is desirable. Proponents of a sales tax specifically exempt from its provisions those articles which constitute the major portion of the purchases of the poor—foodstuffs and cheap clothing. This bill puts a glorified sales tax on the major articles of food used by the poor; that is, on bread, butter, beef, pork, and mutton; and on cotton clothes. From this floor, it has been stated many times during the past few days that in the United States, there are 12,000,000 unemployed men and women, and that 3,000,000 more are employed only a small part of the time. How can these men or these women without employment, and without money, barely able to secure the necessities of life, suddenly become able to pay enough more for food and clothing, to build up a fund of many millions of dollars to reimburse farmers for land rental or crop reduction?

Where does the American Federation of Labor stand on this bill? Where do the business and professional men of Minnesota stand?

Mr. PETTENGILL. Will the gentleman yield?

Mr. CHASE. Yes.

Mr. PETTENGILL. If the gentleman finds so much fault with the bill, why does he not vote against it?

Mr. CHASE. For these reasons:

The only advice in favor of this bill that has come to me in response to repeated inquiries in my home State is the advice to stand by the President. This bill is his bill, and the bill of his experts. It is presented as the finest piece of legislation that their best minds can produce. I regard it as thoroughly bad. They promise to drop it the second it proves a failure. In compliance with their wishes, relying on their promises, and in the sincere belief that everything which can be done to help agriculture in its present tragic position should be tried, I shall vote "aye" on this measure.

Mr. JONES. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. DOXEY].

Mr. DOXEY. Mr. Speaker, ladies and gentlemen of the House, I would that I had the time to answer the distinguished gentleman from Minnesota [Mr. CHASE], but suffice it to say that it is much easier to tear down an edifice than it is to build one.

We all agree that some legislation must be enacted speedily to relieve the existing national economic emergency by increasing agriculture's purchasing power by raising the price of agricultural commodities for the benefit of the producer.

This bill declares its purpose to be to secure such a balance between agriculture and industry as will give farm crops the buying power which they had in the period from 1909 to 1914, while at the same time seeking to protect the consumer's interest.

President Roosevelt on March 16, 1933, sent a stirring message on this subject to Congress in which he in part said:

I tell you frankly that it is a new and untrod path, but I tell you with equal frankness that an unprecedented condition calls for the trial of new means to rescue agriculture. If a fair administrative trial of it is made and it does not produce the hoped-for results I shall be the first to acknowledge it and advise you.

As a Member of this Congress and being a member of the powerful Agriculture Committee of this House and coming from Mississippi, a great agricultural State, this forceful and inspiring message of this peerless leader brought to me re-

newed hopes and strengthened courage in our battle for the relief of distressed agriculture, our basic industry.

With zeal, enthusiasm, vigor, and determination our committee immediately began the consideration of the plans and program of our great President. We have worked night and day, have had experts before us and other witnesses, including the present Secretary of Agriculture, Mr. Wallace, who is the key man to the situation.

We have brought to the floor of this House today for your consideration a bill designed to produce results beneficial to the farmer and thereby helpful to the Nation, if wisely and properly administered.

Would that I had the time to discuss on this floor in your presence this unusual piece of legislation title by title, section by section, but the limited debate forbids, and it is my purpose and desire that as many Members as possible be given an opportunity to express their views on this bill.

Without further trespass upon your time as to the declaration of policy as set forth in the Fulmer bill—H.R. 3835—I most respectfully request that we consider together some of the broad, untried, and far-reaching aspects and provisions of this measure.

At the outset I readily admit that it is an extraordinary proposal and bold experiment, but the times demand it. The Federal Government, as is the case in many other instances, has by necessity been brought into the agricultural picture in this manner as a last resort.

The Secretary of Agriculture is vested with broad powers to curtail production, market crops, and finance his activities by levying a tax on packers, millers, and other processors.

Wheat, cotton, corn, hogs, cattle, sheep, rice, tobacco, and milk and milk products are classed as "basic agricultural commodities".

It is hoped the act will boost the selling price of these commodities by hundreds of millions of dollars, thus increasing the buying power of agriculture.

The bill is a combination of the Smith plan of giving the cottonfarmer an option on cotton now held by the Government in return for an agreement to cut down cotton production, together with what is generally known as the domestic-allotment plan, coupled with some other provisions which I trust I will have time to analyze.

I readily concede that it is impossible to visualize the full effect of this sweeping program upon the American farmer. But agriculture is prostrate, and it is agreed that this plan is purely an emergency measure which, if put into operation and found ineffectual in accomplishing the hoped-for results, will be promptly repealed.

We full well realize the issues are grave, but the dire necessity to expedite farm relief demands some fundamental changes in the agricultural industry. We must do something to get fair returns for this year's crop—1933.

The groundwork of this bill is to reduce production by reducing acreage planted to staple crops, cut down the surplus, insure cost of production plus a fair and reasonable profit to the farmer for his products, and thereby cause the producer to receive a price for the crops he raises that will enable him to buy the products of the factory and pay his obligations.

If this is accomplished to any marked degree, you will then immediately see all business pick up and individuals of all classes able to buy and spend, confidence restored, and our financial circulatory system properly functioning, and prosperity will be at hand throughout the land instead of "just around the corner."

Title 1 of this act relates solely to cotton. It provides, generally, as my limited time necessarily prevents any detailed discussion, that the Federal Farm Board and all other agencies of the Government are directed to sell to the Secretary of Agriculture, at such price as may be agreed upon, all cotton now owned by them; the cotton in which these Government agencies now own an equity or upon which they have loaned money is to be acquired by them on satisfactory terms and this cotton is also to be delivered and title to it in fee simple transferred to the Secretary of Agriculture, who is to pay said agencies a fair price for same.

The Secretary of Agriculture is to borrow the money from the Reconstruction Finance Corporation and put up warehouse receipts for such cotton as collateral.

When title to this cotton by such means is vested in the Secretary of Agriculture he is then authorized to make contracts with the producers of the cotton—the farmers—to the effect that the Secretary of Agriculture is to sell to the farmer an amount of this cotton that he has on hand equivalent in amount to the amount of reduction in production of cotton by such producer below the amount produced by him in the preceding crop year.

This contract between the Secretary of Agriculture and farmer is to be in writing, the farmer agreeing to reduce his cotton crop for the year 1933 below his production in the previous year by not less than 30 percent.

When this contract is entered into, the Secretary of Agriculture delivers a nontransferable option contract agreeing to sell to said producer an amount of cotton equivalent to the farmer's estimated reduction.

The price agreed to be paid by the producer and stipulated in the contract is the average price paid by the Secretary of Agriculture. The producer pays out no money, but in consideration of cutting his production of cotton has a right at any time up to January 1, 1934, to exercise his option upon proof that he has reduced his production of cotton as he agreed to.

When the farmer elects to exercise his option, he either gets the actual cotton contracted for by paying the option price, plus actual carrying charges, and he himself selling it or the Secretary of Agriculture may sell said cotton and pay to the producer the difference in the average price of the cotton at the date of sale over the average price at the date the contract was entered into, after deducting necessary and actual carrying charges. It is further provided that the farmer, in case cotton goes down below the market price on the date of his contract, is not held liable for any financial loss incurred in holding the cotton or the carrying charges on same.

It is further stipulated that the Secretary of Agriculture can sell the cotton at his discretion but has to sell it before March 1, 1935, but at no time to get less than 10 cents per pound for it—basis, middling ⅞-inch staple.

By this means it is the purpose of this act to cause cotton to bring this fall at least 10 cents per pound.

Permit me, in order to make this plain, to give you a practical illustration as to just how this will operate.

Say I am a cottonfarmer, which is true. Say, by way of illustration, that last year, 1932, I raised on my farm 60 bales of cotton. This year, 1933, this law is passed. I hear about it and look up some agent of the Secretary of Agriculture in my community or he comes to me. I tell him I want to take advantage of this law. The agent says "All right. How hany bales of cotton did you raise in 1932?" I tell him 60. He says, "I will contract with you if you want to. The terms are these: You cut your production 30 percent this year, which is 18 bales less than you raised last year; also agree not to use the land taken out of cotton production for the production for sale of any other nationally produced agricultural commodity such as wheat or corn, or so forth, and we will make the contract." I agree. The contract is executed in writing, say, April 15, 1933. At that time the average price paid for the cotton by the Secretary of Agriculture is, say, 6 cents per pound, which means a 500-pound bale will bring, or cost, that day $30. This agent of the Secretary of Agriculture delivers to me a nontransferable option contract agreeing to sell me 18 bales of cotton, the amount I agree to cut my production of cotton for the year 1933 over what I produced in 1932.

This written agreement is entered into on April 15, 1933, when cotton is selling at 6 cents per pound. The Secretary of Agriculture or his agent goes on about his business. I go on about mine. No money is passed. All I have to do is not raise more than 42 bales of cotton this year and not plant the land I let lay out in anything known as a "nationally produced commodity" for the purpose of my selling it and thereby competing with some wheat farmer or corn

farmer somewhere else. I live on my farm and work it, plant, cultivate, and harvest my crops just as I have always done, but I reduce my cotton production 18 bales for this year.

Then, say, November 1, 1933, comes around. I know cotton has gone up. I look up the agent of the Secretary of Agriculture; show him my contract. He asks me have I complied with it? I say yes. He has a right to and no doubt does make some investigation. If he finds I am telling the truth, the 18 bales of cotton that I had an option on are sold. If it brings 10 cents per pound, that is $50 a bale for a 500-pound bale. I am then paid by the Government the difference in the price the cotton brought on date of sale—November 1—and the contract price as of April 15 less actual carrying charges.

In this illustration the difference is 4 cents per pound on the 18 bales, which I get.

I have a perfect right to sell my other cotton wherever and whenever I choose to.

Say I actually raised 40 bales of cotton; that amount is mine to do with as I like.

I get this money from the Government because I cut my production 30 percent. The Government has not lost anything, for they now have the cotton, and it is only worth 6 cents per pound now. I have paid the carrying charges from now until it is sold and on account of the advance in price have benefited to the extent of the difference in the agreed price at the time I made the contract—April 15—to the time it was sold—November 1, 1933.

In other words, if cotton goes up, I win. If it goes down, I cannot lose, because I am not liable for the carrying charges or decline in price. All I have done is reduced my production of cotton and accepted in lieu thereof the right to share and have the advance in price in the number of bales of cotton now owned by the Government equal to the amount I cut my production this year under last year's crop, being the stipulated number of bales set out in the contract, as agreed to on April 15.

My neighbor for some reason fails to or does not care to make a contract of this character. There is nothing compulsory about it. However, regardless of the number of bales of cotton he produced in 1932, he is eligible to contract just so he is a producer and made cotton or other basic commodities in 1932 and agrees to curtail his production for 1933 at least 30 percent, and further agrees as to the land upon which he does not produce the commodity or commodities specified in the contract.

My neighbor says, however, "I will not avail myself of it. I will raise what I want and as much as I can." That is his privilege. He does not get the benefits contained in the contract. But he is benefited if enough of his fellow farmers sign up to cut production and production is cut so the price of the commodity advances, as everyone has the right to get all he can for his farm products.

But if you do not enter into the contract, you are not paid anything by the Government, even though your production is cut voluntarily or by an act of God.

In other words, the Government says you can take the plan or let it alone—just as you please.

But, to my mind, from the farmer's standpoint it is to his material advantage to execute the contract and live up to it according to its terms.

On account of the limited time I have and the number of others interested, who desire time to discuss this measure, I realize that it will be impossible for me here to logically analyze this bill as a whole and discuss its many provisions or consider its relations to the other basic commodities named therein and explain the machinery set up and the powers vested in the Secretary of Agriculture.

However, if you will permit me, as I am from a great cotton State and my immediate district is largely a cotton section, I will very briefly discuss title II with reference to its general provisions and further application to cotton.

TITLE II

The Secretary of Agriculture is given authority to enter into marketing agreements with the processors and other agencies engaged in the handling of any of the agricultural commodities mentioned as basic agricultural commodities, to wit, wheat, cotton, corn, hogs, cattle, sheep, rice, tobacco, milk and its products, and any regional or market classification type or grade thereof.

He may either include them or exclude them as he deems conditions and circumstances warrant. He may issue and revoke licenses, upon investigation, as the circumstances in his judgment demand. He can prevent unfair practices or charges by the processor or any agency in the marketing, financing, or handling of such commodity, and impose penalties therefor.

The Secretary of Agriculture, by means of what is known as a "processing tax", is vested with the authority to raise revenues for the payment of extraordinary expenditures incurred by reason of this national economic emergency.

The tax so imposed on the first processor of such commodities shall, subject to the exceptions therein contained, equal the difference between the current average farm price for the commodity and the fair exchange value of the commodity.

The current average farm price and the fair exchange value shall be ascertained by the Secretary of Agriculture from available statistics of the Department of Agriculture and be the price which will give the commodity the same purchasing power with respect to articles farmers buy as during the pre-war period—August 1909 to July 1914. In other words, as regards cotton, the fair exchange value of cotton, using the pre-war period from August 1909 to July 1914, is 12 cents per pound. The current average price today is about 6 cents per pound, a differential of 6 cents per pound, which is the maximum amount of the processing tax that can be placed on the processor of cotton. This is a graduated tax, however, and the bill sets out the reasons for same, and we know the Secretary of Agriculture will consider these conditions and order a much lower tax at first and only step it up if conditions demand it. The taxes so collected on each commodity are to be used exclusively in the handling of that commodity and be a separate trust fund to be used in relieving that commodity and meeting the administrative costs incident to that particular commodity. Each tub stands on its own bottom in the operation of this law, regardless of which method or plan is determined upon to be used with reference to any of the commodities mentioned.

We all realize the cost of operation in carrying out this law is quite an item to be considered here. We full well know that phase of the question is being strongly urged and argued by the opponents of this bill, who assert it will require an army of employees to cause it to function. In the last analysis, this depends largely upon the management and ability of those in charge and the cooperation of the people interested and affected.

If this law works at all, it certainly will work as to cotton by the very nature of things.

We all know that as the cotton market goes so goes the market of other major commodities. What affects cotton affects directly or indirectly all other agricultural products.

So, my friends, regardless of what might be the major crop of your particular section, if the cotton market is revived, it will be reflected in the price of other commodities.

I know that if and when this bill is finally enacted into a law it will be modified and possibly materially changed by amendments. I trust that whatsoever amendments are adopted, they will be for the purpose of strengthening the bill instead of weakening it.

My position is and has been, as most of you know, that certainly we should legislate and that quickly in regard to farm mortgages. The farmer should be relieved from high interest rates. There should be enacted, by amendments in the Senate or otherwise, legislation that would enable the farmer to refinance himself and lift the $12,000,000 debt he owes and upon which now he is expected to pay an average rate of interest of from 7 to 8 percent. To my mind, this phase of farm relief is truly vital and a great factor in the farm-relief question, and I sincerely hope will be speedily and effectively considered by this Congress.

The farming class of this Nation have been patient and long-suffering. They are now bowed down with an almost unbearable load of debt and taxation.

My colleagues, I urge you with all the earnestness and seriousness of my being to rise to the emergency of this hour and vote for the only immediate measure before us designed to immediately lift the stupendous burden from the back of the American farmer individually and collectively, thereby benefiting all groups and classes of this great Nation.

Anything the Government does to stimulate prices of farm commodities will necessarily be artificial. The Government can and should give farm relief through tax relief and mortgage relief, which are sound and fundamental.

As to the present measure before us, let us all join hands and pass this legislation, feeling and believing it is, to say the least, a step in the right direction. In times of an emergency such as we are now experiencing, it is very necessary that this Congress stand back of our President and his program, taking some action, and that speedily, that will extend immediate relief to distressed agriculture—the heart of our economic life. [Applause.]

The SPEAKER. The time of the gentleman from Mississippi [Mr. DOXEY] has expired.

Mr. CLARKE of New York. Mr. Speaker, I yield 10 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Speaker, I believe this bill will aid agriculture to some extent. I do not believe it will go far enough to give to agriculture the relief that it is now so sorely in need of, but because of the fact that I believe it will do some good I am going to vote for the measure.

The most encouraging thing in the entire picture as it is presented to us is the fact that the President of the United States, in delivering his special message to Congress on this subject of agricultural relief the other day, said that if he found this bill did not work out as he anticipated, he would be the first to acknowledge it. I am inclined to believe that in carrying out that statement he will, in the near future, demand that this Congress enact some real legislation that will give some real relief to American agriculture.

This bill gives to the Secretary of Agriculture a great deal of power and authority. It vests in him certain legislative duties. I find no fault with that if we can actually bring about relief, but I want to call to your attention a few provisions in the bill which I think need some explanation and in which I feel the country at large should be interested.

In the report that has been submitted by the committee in connection with this bill are certain figures which purport to give the price as of February 15 of this year received by the farmers on the farms for the various agricultural commodities dealt with in this bill. This report shows that the dairy farmers on February 15, 1933, received an average price of $1.16 per hundred pounds for milk. I certainly hope that in the administration of this bill the Secretary of Agriculture will go to someone better informed for information as to what the farmer is getting for his milk. One dollar and sixteen cents per hundred pounds is almost twice as much as the farmers of my district received in February, 1933, and my district is one of the most intense dairy-farming districts in the United States. That is almost twice as much as they received during February, 1933.

I have in my hand a letter from one of the farm leaders of my State and my district. My district is so much of a dairy district that we produce about half the cheese produced in the entire United States. During the month of February the figures submitted to me by one of the recognized farm leaders and a dairy farmer in my district show that he received about 85 cents per 100 pounds for milk which tested 4.3. Milk with such a high test is a much higher quality milk and contains a higher percentage of butterfat than the milk that is sold and distributed in bottles for home use. The average milk which you get in your home tests about 3.2 percent. That is about the average test you get when you buy it in bottles. Four and three-tenths percent milk at 85 cents per 100 pounds means about 61 cents per 100 pounds for the average grade of milk. That was the price received in one of the largest dairy districts in the United States by a dairy farmer during the month of February, 1933.

I received another letter this morning from a farmer at Marion, Wis., and he said:

Last month we got only 66 cents per 100 pounds for milk.

I bring these figures to your attention because some of you may have been impressed with the arguments that were advanced when the domestic-allotment plan was under consideration in the last session, to the effect that there was not much differentiation between the so-called "parity price" and the price received by the farmer for milk and dairy products, in comparison with similar prices for other commodities. The Lord only knows where the Department of Agriculture got these figures. If we accept these figures, there is not such a great disparity, but, if you want to find out what the farmers are getting for milk, go to the districts where the milk is produced. They have been receiving a price which has been much below the cost of production for their milk. The dairy farmers or the other farmers of the country will not receive much immediate relief because the bill provides that the Secretary of Agriculture shall administer this bill in such a way that the price shall be gradually stepped up, and he is directed to take into consideration the purchasing power of the American consumer. If you are going to take into consideration the purchasing power of the American consumer, it will be a long time before you can raise the price of agricultural commodities to where the farmer can get his cost of production.

They talk about great surpluses in this country. I recognize there has been some surplus in agricultural commodities, but it is larger than the surplus would be if the American people were able to buy the commodities they actually need. The United States Government had a great surplus of wheat and cotton through the operations of the Federal Farm Board. The Farm Board said, "We will wait until we get a fair price." If they had waited until they could get a fair price before they disposed of that cotton and wheat, they would have had it on their hands for an interminable length of time; but as soon as the Government decided to give it away through the Red Cross, they found that there was a demand and a need for all the cotton and wheat on hand. The best way to aid the farmer is by enacting legislation that will provide for refinancing farm mortgages, with rates of interest as low as 1½ percent per annum. If we will give them low rates of interest and refinance their farm mortgages by an expansion of the currency, we will thereby cheapen the dollar and raise commodity prices immediately. Such legislation would not only relieve the farmer of his interest burden and thereby enable him to keep his farm, but it will give him higher prices for his product and restore his purchasing power, and he will again be a consumer of products manufactured by American labor.

I submit that the Frazier bill, which has been pending in this House and in the other body all during the last session and has been reintroduced here in substance during this session, is the only bill that will afford any real relief to agriculture.

I was glad to hear my distinguished Chairman of the Committee on Agriculture, the gentleman from Texas [Mr. JONES], say here this afternoon that in the near future we are to have a bill on the floor of this House for consideration that will provide for the refinancing of farm mortgages. I hope the money necessary for that refinancing will be made available through an expansion of currency that will cheapen the dollar—that will bring the value of the dollar down to where it was at the time the debts of the people of the country were contracted and thereby help not only the farmers but put millions of men back to work and enable the debtor class of this country to pay its debts with an honest dollar—not a thieving, cheating, stealing dollar such as we have today. Refinancing farm loans with a low interest rate and a cheaper dollar are necessary in order to help American farmers.

I now yield to the gentleman from Alabama [Mr. ALLGOOD].

Mr. ALLGOOD. I think the gentleman has answered the question I desired to ask. I was going to ask the gentleman how he expected this farmer to get the benefit he hopes the bill will bring.

Mr. BOILEAU. I sincerely hope I have answered the gentleman's question. The bill we are now considering, to my mind, is not the best way to provide real relief, but I am glad to speak in favor of this bill because I feel it will, in a minor degree, at least, help agriculture. The farmers of the country are entitled to such help as this bill will give them and I ask the Members of this House to give the authority provided for in this bill to the administration, so it can be in a position to give at least a little relief to the farmers who are now on the verge of bankruptcy.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. MOTT. Will the gentleman explain by what method or procedure the farmer receives a part of the proceeds of the tax imposed by this bill? How does he get that money?

Mr. BOILEAU. The tax is assessed against the processor, as the gentleman knows, and that money goes into the Treasury to be turned over to the Department of Agriculture. The Department of Agriculture has broad authority to grant direct benefits in cash to the producer or to lease lands. These are two ways in which the farmer may get relief. They are indirect ways, but the relief will reach him.

Although I am doubtful of the effectiveness and practicability of the methods espoused in this bill, nevertheless I feel that they will work out at least to a small extent to the interest of agriculture. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas [Mr. GLOVER].

Mr. GLOVER. Mr. Speaker, I presume that in a great matter of this kind all of us can agree.

Not everything in this bill is just to my liking, and I presume it is not to the liking of others; but this is the best we have before us now for the relief of a distressed condition prevailing amongst our farmers, who are in great distress because of low prices for agriculture.

I am not in the attitude of the gentleman from Minnesota, who spoke a few minutes ago. I do not think that this is a bad bill at all. If I did, I would vote against it. I would say to the gentleman that from his own State and from a committee from his own State was delivered to us a few days ago the explicit idea embodied in this bill of control of acreage by rental. This idea came to us from the gentleman's State. Of course, the gentleman will vote for it.

The principle in this bill is the limitation of production. This idea runs all through it and is the main purpose of the bill—the limitation of production until our surplus is disposed of.

What was the matter with the Agricultural Marketing Act? I will tell you. When the stabilization feature was in it there was absolutely nothing in the bill to control acreage. Had such a provision been in it, you would not be here today apologizing for a bill that failed for that reason. The bill had some good provisions in it, yet you are repudiating your own bill because it did not contain the provision this bill does contain, to limit production, or control surpluses.

The President of the United States is for this bill. Four years ago your administration came in here—the first Congress in which I served—and asked for an agricultural bill. You said you would take the responsibility of its passage and its effect. We voted for it. I voted for it, and practically every man in this House did. Out of something over 400 votes only about 30 were cast against that bill. We now ask you to give a trial to another plan after yours has failed. The President has said that if it turns out to be a failure he will not do as you and your administration did, let it remain a failure for 4 years without admitting it; but he said he would admit it if it happened, and change it. If this medicine does not work, we will try something else that will. We must find some relief for agriculture.

Not only is the President for it, but the farm organizations which have studied the question are for it. I do not agree with the gentleman from New York [Mr. CLARKE] that the farm leaders are failures.

Mr. CLARKE of New York. Mr. Speaker, will the gentleman yield?

Mr. GLOVER. Not just now.

Mr. CLARKE of New York. But the gentleman referred to me and I think he should yield.

Mr. GLOVER. I yield to the gentleman if he will give me some time.

Mr. CLARKE of New York. I yield the gentleman 1 minute in which to answer me.

I did not say they were failures. I said that on every farm bill half of them stood for it and half of them stood against it. Half of them are against this bill under cover.

Mr. GLOVER. The gentleman may be correct about that.

Mr. CLARKE of New York. Certainly I am.

Mr. GLOVER. I want to talk just a moment about cotton, as our principal product in the South is cotton. The part of the bill dealing with cotton is the Smith bill, which is a part of this bill. This plan can be applied to cotton, or the allotment plan can be applied to cotton. Personally I think the allotment plan will kite the price higher and quicker than the other plan.

The Smith plan for the control of cotton simply states that the 2,360,000 bales of cotton will be used as a basis or pool and that the cotton producer who reduces his acreage 30 percent will be given an option to purchase a certain amount of Government-owned cotton, and that will save him the rental price of his land if cotton goes up. Is there anything unfair about this? Absolutely not. If cotton does not go up after he purchases his option he does not make a penny out of it.

He cannot let 30 percent of his land stand idle and get along. He cannot make a living and pay his taxes in this way. So it is fair in this respect, and by this method acreage can be reduced.

Now, what does it mean with respect to cotton if you have a 30 percent decrease in acreage? You have about 10,000,000 bales of cotton, or somewhat less than 10,000,000 bales of cotton, as surplus in the United States. We produce annually about 15,000,000 bales of cotton. If this is reduced 33⅓ percent, this would mean a reduction of 5,000,000 bales, or, in other words, in 2 years' time, under this bill, you will practically take the surplus cotton off the market and then it will take care of itself. [Applause.]

[Here the gavel fell.]

Mr. CLARKE of New York. Mr. Speaker, I yield 15 minutes to the gentleman from Kansas [Mr. HOPE]

Mr. HOPE. Mr. Speaker, it is with a great deal of regret that I say I am unable to suport this measure. There are many things about it that I like. All of us, no doubt, will agree with the declaration of policy which the bill contains, and I think there will be few to question the statement that prosperity cannot return to this country until the purchasing power of our great agricultural population is restored. In the past I have supported legislation, some features of which are contained in this bill. I have introduced bills myself which embodied some of the features of this bill. In the last session of Congress I supported the Jones bill which includes some of the features of the allotment plan. I cannot, however, conscientiously vote for this bill in its present form, because I believe that in the final analysis it will be impossible of successful administration and will make conditions worse instead of better.

I hope that when the bill goes to the other body they will adopt amendments which will make it possible for me to support it.

I feel that this is a time when we should follow the President of the United States in any real emergency legislation.

I am willing to go as far as anyone, and I have gone along on the emergency legislation that has been sent to this House, but this is not an emergency bill.

It cannot possibly become effective for at least a year. It will take this long before the intricate machinery which is necessary to put it into operation can be set up. I voted for the Jones bill because it was an emergency measure that could have gone into effect in a very few weeks. It could have been made effective upon this year's crops, and the time that the farmer needs aid is now and not a year or two years from now.

The statements of the Secretary of Agriculture indicate it is not his intention to apply the taxes, from which the money must be raised in order to make payments to the farmers, except in a very small degree at the present time. He intends to start out by levying a very small tax in order not to decrease consumption. On some commodities he may not put any tax into effect. We are not going to get an increase in the price that the farmer receives unless we levy this tax or adopt some other method of increasing the price that the consumer pays. There are no two ways about it; if the farmer gets a higher price for his products, somebody has to pay it.

So this measure, with the interpretation that has been placed upon it by the Secretary of Agriculture in his statements before the committees of the House and Senate and over the radio, cannot in any sense be construed as an emergency matter. It can only be considered as part of a long-time program for agriculture.

I am not willing to go along on a long-time program for agriculture that gives the dictatorial powers to any man that this bill gives to the Secretary of Agriculture.

For fear I be misunderstood, let me say that I think very highly of the Secretary of Agriculture. I congratulate the President upon having selected a man for this important post who has the ability, character, and knowledge of the farm problem which is possessed by Secretary Wallace. He not only understands the agricultural problems which are confronting the country, but he understands as well farmers and the individual problems which confront them. If it is right and proper to have an agricultural dictator, I am glad that it is going to be Secretary Wallace. The trouble is, we are conferring upon the Secretary of Agriculture duties and authority which cannot possibly be exercised by any one individual. The Secretary of Agriculture has a man-size job in running the Department of Agriculture. Now, in addition to that work, it is proposed to place the Secretary of Agriculture not only in absolute control of the production of our principal agricultural crops but of their marketing, processing, and distribution as well. Obviously, no one man has the knowledge or training, to say nothing of the time, to carry out such a program.

Is there any man in the cotton industry today who we would all agree has the ability, knowledge, and training to supervise the growing, marketing, processing, and distribution of the great cotton crop of this country? Is there anyone in the country who has a sufficient knowledge, ability, and training to do the same thing for the grain industry or the livestock industry or the dairy industry or for the many other and various branches of agriculture? And yet this measure confers upon the Secretary of Agriculture the power to do that not only for one branch of agriculture but for all of the important branches. It is obvious that the Secretary must delegate practically all of this authority to others, and he is expected under the terms of this bill to secure men able to supervise every branch of agricultural activity from producer to consumer at a salary of not to exceed $10,000 per year. Under the terms of the bill as it stands at present all appointments made are to be strictly political, and it is evidently contemplated that it will be administered by political henchmen who will not be required under civil-service rules and regulations or any other rules and regulations to demonstrate that they have any qualifications for the job except that of belonging to the Democratic Party. It is only fair to the President and Secretary of Agriculture to say that when this bill came to Congress it provided that the tremendous number of positions which will eventually be created by its terms should be under the civil service, but this safeguarding provision was deleted before the bill was introduced, and all positions in connection with the administration of this act are now to be considered as political spoils.

By this bill you are putting in the hands of one man absolute control over the business of the 30,000,000 people of this country who live on the farms and who directly depend on agriculture for a livelihood, and, in addition to this, you are placing him in control of perhaps this many more people who depend upon the merchandising, processing, and distribution of agricultural products.

Mr. KNUTSON. Will the gentleman yield?

Mr. HOPE. Briefly, yes.

Mr. KNUTSON. Is it true that the operation of this measure, in a large degree, would sovietize American agriculture, and that this whole plan is based upon the plan that is now in such successful operation over in Russia?

Mr. HOPE. I cannot answer the gentleman as to that. It depends entirely upon the way the measure is administered. It does give the Secretary of Agriculture absolute power as far as the production or distribution of agricultural products is concerned.

Mr. KNUTSON. If the gentleman will permit another brief question, How many witnesses did the Committee on Agriculture hear before reporting this bill?

Mr. HOPE. As I recall, there were Secretary Wallace, Assistant Secretary Tugwell, Mr. Ezekiel, the economist for the Secretary, and the attorney who drew the bill.

Mr. LUNDEEN. Will the gentleman yield?

Mr. HOPE. Just briefly.

Mr. LUNDEEN. What is the name of the attorney who drew the bill?

Mr. HOPE. Mr. Lee, formerly of the drafting service in the Senate, now a practicing attorney here in Washington, who has been employed either by the Secretary of Agriculture or the farm organizations to draft this legislation.

Mr. LUNDEEN. I thank the gentleman.

Mr. JONES. If the gentleman will permit, the gentleman realizes that on a somewhat similar proposition, hearings of several days were held in the preceding session of Congress.

Mr. HOPE. That is true, but that measure had nothing like the scope of this one.

I may say also that we have 160 new Members of the House who were not here when the other measure was considered. Also, almost half of the men on the Committee on Agriculture are new men.

Mr. ARNOLD. Will the gentleman yield?

Mr. HOPE. I yield.

Mr. ARNOLD. Does not the gentleman understand that this bill empowers the Secretary of Agriculture to put into operation the allotment plan provided in the bill that was considered in the previous Congress?

Mr. HOPE. It will allow him to put into effect the allotment plan or the leasing plan or any other arrangement he may make by voluntary agreement with the producers.

Mr. ARNOLD. But the allotment plan is in the bill.

Mr. HOPE. If the Secretary of Agriculture desires, he has authority to put the plan into effect. As I said a while ago, I have great confidence in the Secretary of Agriculture, but no man, no matter how able he may be, can oversee personally the duties imposed on the Secretary of Agriculture by the terms of this bill. He is going to have supervision over the production and the processing and distribution of wheat and all its products, of cotton and all its products, of dairying and all its products, of livestock and all its products, and all major agricultural commodities; and no man, no matter how great or how able, can look after all that personally. He will have to have someone in the Department—an expert on wheat-growing and its distribution and processing, and perhaps 3 or 4 experts. The same thing will be true as far as cotton is concerned, and as far as dairy products are concerned, and as far

as livestock is concerned. He is going to have to build up a great organization if he is to carry out the duties imposed on him by this legislation.

He can, at the very least, have very little personal contact and very little to say about the practical operation of the provisions of this act.

Mr. PATMAN. Will the gentleman yield?

Mr. HOPE. Yes.

Mr. PATMAN. What difference does it make to the consumer if he is required to pay on the basis of $2 for wheat because of a short crop, or is required to pay on the basis of $2 for wheat because the Government has artificially raised the price?

Mr. HOPE. I do not think it makes any difference, but that has nothing to do with my opposition to the bill. I am not opposing the bill because it will work, I am opposing it because it will not work. If I thought the Secretary of Agriculture could bring about a higher price of wheat—and my district grows more wheat than any other district in the country—I would vote for this bill or any other in a minute. I am against the bill because I believe it will not work.

Mr. PATMAN. I understand the Secretary of Agriculture may put into effect the allotment plan, which the gentleman voted for heretofore.

Mr. HOPE. He may do it; but from the radio speech made by the Secretary of Agriculture, he does not have that directly in mind at this time. If the gentleman will read the speech, which is in yesterday's RECORD, he will notice that, as far as the practical operation of the bill is concerned, he discusses only the leasing plan. I do not believe such a plan would operate to raise prices. The Smith cotton bill will not raise prices, because I do not believe that you can restrict production under it enough to have any effect on the price. The leasing plan contemplates taking 50,000,000 acres out of production.

There are 973,000,000 acres of tillable land in this country. Of course, there is a lot of that land that is not very productive, but there is that much land that can be cultivated. We have under cultivation on an average every year about 360,000,000 acres. There is something like 54,000,000 acres more considered as crop land which lies fallow each year. So if the Secretary of Agriculture, under the Smith cotton law and under the leasing provision, takes out of cultivation 50,000,000 acres of land, we might by simply using the land that ordinarily lies fallow have just as large an acreage as before. What would be the tendency in the event farmers knew that land was being taken out of active use by the leasing system? It would be the tendency of every farmer who did not lease his land to either increase his production by putting out a larger acreage, by better cultivation, or by using more fertilizer. And you have no assurance under the leasing plan or the Smith cotton plan that you are going to get an actual reduction in production. That is the weakness of the plan. Unless you take out of cultivation a much greater amount of land than this measure contemplates or has been considered in any of the discussions of this legislation that I have heard so far you would not have any effect on production. You are simply going to put a tax on the American people which would be of no benefit in any way to the farmer.

In the long run the success or failure of any legislation of this type must depend very largely, if not entirely, on the cooperation of the processors and the farmers. We know that the processors are not going to be inclined to cooperate in this legislation. Knowing the American farmer as I do, and as you men who come from agricultural communities know him, we know that he is not generally favorable to legislation of this type. The American farmer is an individualist. He is not inclined to favor legislation which is going to affect his right to produce and which means an army of inspectors going through the country checking up on him. He is going to be opposed to that type of legislation; and if you have made any poll among the farmers in your own district—and all of us have come fresh from our districts here since last fall—you know something of what is going on in the minds of the farmers. We know that this is not the type of legislation that the farmers are asking for. They are asking for legislation to lower their taxes, for legislation that will bring about lower interest rates and lower freight rates, and a refinancing of their agricultural indebtedness. If we desire to pass legislation which the farmers of this country themselves want, we will pass legislation of that type.

Just one more point and I am through.

I do, however, want to call particular attention to the fact that we are not only making the Secretary of Agriculture a virtual dictator of agriculture and all industries which process and distribute agricultural products, but we are actually setting up a new Farm Board. If there is any one point upon which the farmers of America are in agreement, it is that the Federal Farm Board has been a failure. Not only are the farmers of this country in agreement on that point, but the Members of this House, I am sure, have the same view of the situation. There are many of you here, on the Democratic side of this House at least, who in all probability would not be here had it not been for the Federal Farm Board, and certainly you would not be here if you had not in your campaigns declared your opposition to the Farm Board and your intention to abolish it. Now, in this bill you are asking to create an even bigger and better Farm Board and to continue the marketing and stabilization operations which have proven so unpopular.

Let me refer to the provisions of the Smith cotton bill, providing for what is essentially a new stabilization operation in cotton; but it is subsection 2 of section 8, on page 6 of the bill, to which I wish to particularly direct your attention. The marketing agreement provided for in this section, together with the provisions for financing the same by loans from the Reconstruction Finance Corporation at not to exceed 3 percent, certainly opens up the way for a resumption of marketing and stabilization in farm products on a greater scale even than was done by the Farm Board.

If there is anything which the farmers of this country do not want, it is further stabilization and marketing operations on the part of the Government or any agency thereof. No doubt the chief beneficiaries under any such marketing agreement will be the same so-called "cooperative associations" which have already benefitted greatly from loans from the Federal Treasury. All of the Members of the House received a few days ago a statement signed by six farm leaders advocating the passage of this measure. Let me call your attention to the fact that at least three of these farm leaders represent organizations which have been and still are direct beneficiaries of Government credit at a low rate of interest. First, there is the Farmers' National Grain Corporation, whose president, C. E. Huff, signed the letter which you received. The Farmers' National Grain Corporation last July refinanced its indebtedness to the Farm Board in the amount of $15,500,000 for 10 years at the rate of one eighth of 1 percent interest. The Farmers' National Grain Corporation, it will be remembered, is the organization which at least until quite recently paid its general manager a salary of $50,000 and enormous salaries to its other officials. No wonder it can do this, when it can borrow money from the Treasury of the United States at one eighth of 1 percent per annum. This statement which you received is also signed by C. G. Henry, on behalf of the American Cotton Cooperative Association. This organization has the greater part of the cotton which will be acquired by the Farm Board under the provisions of this act. After this cotton is turned over, the net amount of its indebtedness to the Farm Board will be $58,000,000, all of which by the terms of this bill will be scratched off the books in consideration of the turning over of this cotton. This is the organization which, in conjunction with the Cotton Stabilization Corporation, at one time at least, paid its general manager the princely salary of $75,000. It is no wonder it can pay such salaries, since it has been able to borrow $58,000,000 from the Federal Treasury, which it will never have to repay. One of the others who signed

this statement is Charles E. Ewing, president of the National Livestock Marketing Association, which is also a heavy borrower from the Farm Board. Now, under the terms of subsection 2 of this bill these organizations and other giant cooperatives will be able to borrow money from the Reconstruction Finance Corporation to further engage in marketing and stabilization operations and to repeat possibly the folly of the Farm Board.

Generally speaking, I think there is a sentiment over the country very much in favor of getting the Government out of business. This bill will put it back into business with a vengeance. Hundreds of thousands of farmers throughout the country today are about to lose their farms and homes. Is there any help or comfort for them in the provisions of this bill, giving giant cooperative associations with their high-salaried officials the right to borrow money from the Reconstruction Finance Corporation at not to exceed 3 percent? Is the farmer, who is about to lose his farm, getting any benefit from the policy of this Government of loaning money to the Farmers' National Grain Corporation with its high-salaried officials, money at one eighth of 1 percent interest for 10 years? Is the average farmer in this country getting any benefit out of the fact that the Federal Farm Board is going to wipe off its slate $58,000,000 indebtedness owed it by the cotton cooperative associations?

Those of you representing agricultural districts, if you have kept in touch with the farmers of your districts, know and realize that what the farmer wants is not legislation providing for further stabilization activities or for Government interference with the production and marketing of crops. Rather, he is interested in being relieved from the burden of taxation, in lower interest rates, in lower freight rates, and in a refinancing of his indebtedness. This bill offers no relief whatever along that line.

This bill has been referred to as an emergency measure. Let us not deceive ourselves. It is not an emergency measure in any sense of the word. To carry out the program which is contemplated by this legislation will require years. It will take months to set up the organization and get it into operation. It is absolutely impossible for an organization to be built up in time to lease land and take it out of production this year. It will take weeks and even months to set up the advisory councils that are contemplated by the act and which the Secretary says he is going to consult before undertaking the operations which this act contemplates.

I have no criticism of the President for submitting a program of this kind. I admire his frankness in suggesting that it is an experiment, and get some comfort from his statement that if it is a failure he will acknowledge it. The chief trouble with that policy, as I see it, is that agriculture in its present condition is in no position to stand many experiments. About one more experiment like the last one will put it completely down and out.

The SPEAKER pro tempore. The time of the gentleman from Kansas has expired.

Mr. JONES. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNIGAN. Mr. Speaker, I shall detain you but for a few minutes. I think I can tell you in a few minutes what I think of this bill.

For the past 4 years the American people have been without leadership. During that time the farmers of America have been flattened to a point where it is impossible for this Congress or any other body to flatten them any flatter. That was due largely, in my opinion, to lack of leadership. The American people have at last succeeded in obtaining a real leader, and I want it known that I am going to follow that leader in an effort to bring back prosperity to the American farmers. [Applause.]

Now, we have talked long enough about farm relief. It is time that we acted. I am glad to see that our present leader is making an honest effort to bring back to the American farmer the purchasing power that he enjoyed during the pre-war period. He has not talked very much. The big thing is that he took action within 12 days after taking the oath of office. Simply stated, the object of this bill is to increase the purchasing power of the farmer. You know and I know that we will not have prosperity in this country until the purchasing power of the farmer has been increased.

Mr. KOPPLEMANN. Will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. KOPPLEMANN. On page 12, under the heading "Commodities", I find tobacco included. At the present moment there is an outrageous and defenseless condition existing in the tobacco-producing industry because of the permission of importation of prison-produced tobacco into this country. My district is greatly interested. I should like to know from the gentleman what effect this bill has upon the tobaccogrowers of this country, in relation to a bill which I believe he is acquainted with, which I presented to this Congress.

Mr. FLANNAGAN. I do not think this bill will take care of the situation which the gentleman has in mind. The gentleman has in mind the shade-grown tobacco grown in the State of Connecticut. I do not think this bill will protect the growers in his district in the way they should be protected. I want the gentleman to know that I am in sympathy with his bill that will place an embargo on tobacco produced by indentured and forced labor and brought into this country and sold in competition with our home-grown tobacco.

Mr. KOPPLEMANN. I thank the gentleman.

Mr. FLANNAGAN. As I said, we must increase the purchasing power of the American farmers. If we can do that, we will make practically every farm mortgage in America worth 100 cents on the dollar. If we can increase the purchasing power of the farmer, we will strengthen the farm paper that is held by practically every banker in the United States.

If we will increase the purchasing power of the American farmer, we will open thousands of factories whose output is largely sold to the farmers of America. I am surprised to hear the statement made on this floor that the American laboringman is opposed to this bill. When we considered the allotment plan in the committee, it was testified to by the experts that if the allotment plan were put into operation, the purchasing power of the farmer would be increased, and thereby over 6,000,000 idle men and women would be put back to work. I know the American laboring people are not expecting the American farmers to feed them at a loss. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Virginia has expired.

Mr. CLARKE of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. MARSHALL].

Mr. MARSHALL. Mr. Speaker, it is my belief that we are attempting this afternoon to legislate on a question that has caused more trouble and is more difficult of solution than any other question with which the Congress has had to deal. This question has been the bugbear of at least two previous administrations. It has not been very long that agriculture has been able to receive a sympathetic ear, but in recent years, and especially in recent months, the whole world has come to realize that if there is to be any prosperity in America, agriculture must have its share therein.

Now, Mr. Speaker, I am a Republican. I was elected as a Republican and I am a believer in party government. I am glad that we have two parties. I feel there are times when partisanship, to a great extent, must be put aside. I have done that on two former votes here. I have attempted to support the President's program on the banking law and on the economy act.

Mr. Speaker, I am going along one step further. I told the people back in Ohio who sent me down here that I would support any measure that bore a hope of benefiting agriculture if that law was within the pale of reason. If our conditions were normal in this country, I would not support this measure. There are 2 or 3 good reasons for that. One is that I feel this bill is no more nor less than a sales tax upon the commodities of life, and I question whether or

not the people of our country are in a position to assume that burden. Another reason is that I would hesitate to place this much power in the hands of any one man in America. Another reason is the temptation to bureaucracy. I want to say to the Members on the Democratic side that in the economy act we are going to strike from the rolls thousands of veterans in this country. I voted for that bill. I do not apologize for it. I was honestly in favor of it, but I want to warn you that if you place on the rolls the people that this bill makes possible to place on the pay roll, the veterans of this country are not going to look with a great deal of favor upon this measure. In other words, the temptation here is great. I have a great deal of confidence in the ability of the Secretary of Agriculture. I have full confidence in his intent, and I believe that the success or failure of this law will depend, more than anything else, upon the method in which it is administered.

Now, Mr. Speaker, with the hope that the passage of this law may benefit agriculture, I expect to support the same.

I yield back the balance of my time. [Applause.]

Mr. FULMER. Mr. Speaker, I yield 6 minutes to the gentleman from Michigan [Mr. HART].

Mr. HART. Mr. Speaker, this measure will be passed under the cry of "back the President." I am one of those who started backing our President away back in 1930. I backed him on his banking legislation; I voted for it. I backed him again on his economy measure. In those two measures he had to, and I think in every measure that he brings before this House he has to consult with people in the lines in which he is dealing. Undoubtedly he consulted bankers when he brought forth his banking program. Undoubtedly he consulted the leaders in the House and Senate and the various departments of the Government when he brought in his economy bill. This time when he began to contemplate an agricultural bill he naturally went to the leaders, those who claimed to represent agriculture, but here is where he was deceived. He reminds me today of the man who came down from Jericho and fell among thieves, because he certainly fell in with a dishonest lot when he fell in with the farm leaders. Why, these are the same gentlemen who dispensed this $500,000,000 they obtained under the Farm Marketing Act. These men are not being supported, and have not been supported for years, by the farmers. When they noticed their falling revenues from the farmers, they came down here and got legislation passed and got their hands into the Treasury; and now as the Farm Board passes out, they have a new and glorified farm board contained in this bill. I predict that not only will they spend $500,000,000 but under this bill there will be expended of the people's money something like $1,500,000,000 before we get through with it.

I cannot go along with any program of this kind. I voted against the Smith cotton bill because the President, in his acceptance speech in Chicago, said we should repeal immediately those provisions of law that compel the Federal Government to go into the market to purchase, to sell, and to speculate in farm products. That is what he said in his acceptance speech at Chicago; yet the very first provision of this bill puts the Government into a huge speculation in cotton.

I am going along with the President, but I am not going along with the farm leaders who bring in this character of legislation.

Let us see who collaborated in the writing of this bill. Professor Tugwell, of Columbia University, is the Assistant Secretary of Agriculture. Another professor, or economist, Mordecai Ezekiel, was the economist who steered the Farm Board through its so-called successful conclusion. He is another one of the gentlemen who collaborated in the writing of this bill.

Let us see who Tugwell is. He is a member of the advisory committee of the People's Lobby. He is a member of a committee of the American Civil Liberties Union. This is the organization which defends anarchists when they shoot somebody. He is one of ten contributors to Socialistic Planning and Socialistic Program. This is Mr. Tugwell's history. He spent 2 years, I am told, in Russia. Mordecai Ezekiel, I am told, spent another year in Russia.

Now let me quote from the Communist of January, 1930, quoting Mr. Tugwell:

> This eminent professor of the University of Pennsylvania believes the only escape from the blind-alley of growing unemployment is the creation of a national planning commission. To this Professor Tugwell, professor of Columbia University, who has been in the U.S.S.R., replied that then it is necessary to study a planned system not at a conference of New York and Philadelphia engineers and economists, but in the Moscow Gosplan (State planning commission), where it is actually functioning. But even that does not help, since the competitive system cannot be reconciled with a planned system.

That is from the Communist of January 1930. I am not going to follow communism.

This bill bears all the evidence of a brain storm. That is the only way I can account for it. I imagine these gentlemen gathered together in the Department of Agriculture, ate something indigestible, and this brainstorm is the result. [Applause.]

[Here the gavel fell.]

Mr. FULMER. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Speaker, one of the easiest things on the face of the earth to do is to criticize. The next easiest thing is to follow the line of least resistance.

On this occasion were I absolutely opposed both to the President and to the measure he presents I would still be and feel myself definitely constrained from voicing openly opposition which, in my opinion, under present conditions can do nothing more than slay the new-born confidence of the people of this country and the hope of those engaged in agriculture.

The gentleman who just preceded me referred to the fact that he would like to back the President. I am at a loss, after following his remarks, to know whether he meant in reality to break the President's back or just what he did mean.

On this occasion there is no question but that the agricultural industry of the United States is on its back on a really desperate sickbed. The question involved is whether after the voters of the Nation, by a majority in excess of 6,000,000, having selected a leader for the united army of the people of our country against the difficulties which confront us, and to which leader we also look as a doctor for our ills—is he going to be permitted by this House to treat the patient according to his ideas, ideas which apparently have instilled in the minds of the people of our country considerable confidence?

To oppose this bill successfully at this time could have no other real effect than to allow the patient to languish on his sickbed and die neglected. For this reason I shall support this bill regardless of whether or not the provisions therein contained, or the appointees of the present administration charged with carrying out the program, meet my personal approval.

I believe a vote against this bill at this time, if such vote should defeat the measure, would have the effect of setting us back in the slough of despond to a point from which recovery to normalcy would be still more difficult.

I believe this bill in the last analysis depends upon two things: First upon the cooperation of the people of the country with their leader and, second, upon the brains and ability of the administration to utilize the powers contained therein to the best advantage of all the people.

I happen to be one of that majority which supported Franklin D. Roosevelt for the Presidency. I happen to be one who at this early date in the troublous period filled with problems which confront him and his administration still have confidence in him. I do not intend by any word uttered by me on this floor in discussing this measure to refer to any part of the measure which does not meet my personal approval. The responsibility for what this measure contains and the results to be attained by its administration are

squarely in the hands of our generalissimo, our Commander in Chief. [Applause.]

[Here the gavel fell.]

Mr. KLEBERG. Mr. Speaker, we know his need for a cooperation based upon a continuing confidence and rare courage on the part of all our people and fellow citizens during this period of emergency.

I feel, Mr. Speaker, even a greater confidence in my people. They have emerged victorious from other critical situations and emergencies and will do so again. They have ever been possessed of the kind of determination and courage, as well as tolerance, which is always found in the victor and never in the vanquished. We cannot fail.

Mr. CLARKE of New York. Mr. Speaker, I yield 10 minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Mr. Speaker, perhaps I have a little different relationship to this bill than any of the other Members of the Congress.

I am from Iowa. For many years there has been a family over in Iowa which has led agricultural thought. This family has distinguished itself throughout the country, and even the world, in that it has taught farmers things that amount to something; and this family has gained the esteem of the people of my State, professional men, business men, as well as farming men. The family has now given to this country two Secretaries of Agriculture, father and son, and one of them now sits up there in the Department of Agriculture and is going to be in charge of this bill. I know him and have known him for many years, and I will say to you that he is a learned man, a competent man, and a God-fearing gentleman. He is a student, and I think is better versed in agricultural matters than any other man in the United States. [Applause.]

Henry Wallace has the confidence of our people. The gentleman from Michigan [Mr. HART] spoke unkindly about Dr. Tugwell and Dr. Ezekiel, both of whom are able and competent men. Abuse of the proponents of this measure should not avail. But the gentleman did not say a word about Henry Wallace. Why? For the reason I have announced to you and because the gentleman cannot find anything to say about the Secretary of Agriculture except things that are good, and the gentleman was not arguing for that side of the bill. [Applause.] Henry Wallace is safe, sound, fair, frank, and unassuming, experienced by education and training, and an incomparable friend of the farmer.

I was a little surprised also to hear my friend the gentleman from Kansas [Mr. HOPE] talk about this bill. I regard him with affection and give him place as one of the leaders on the Agricultural Committee. He is from the great West. He voted for the allotment bill in the last session of the Congress some 2 months ago, and that allotment bill does not, in my judgment, in any way compare in virtue with this bill. The fault with that bill, as announced always in debate, was that it was too rigid and unyielding and that it did not allow for different conditions and circumstances as they might arise. For example, it put a processing tax upon pork products immediately, and as soon as the bill was signed at the White House, amounting to 3 or 4 cents. This, it was said, and I think with some reason, might have destroyed the processing of pork altogether, because the packers could not stand a tax of 3 cents per pound overnight, and they could not sell their product because it would come in competition with meats of other kinds, like mutton and beef and chicken, and so on. I think there were some grounds for the objections that were then made. I cite this as one of the things in the last allotment bill, which my friend from Kansas supported, to show that it was not flexible in character and did not allow for changing circumstances and might have been inappropriate under some possible conditions that might well have arisen.

This bill puts authority in the hands of a man who is conceded to be a man of judgment, a man of wisdom, and who has behind him the experience of a lifetime in dealing with farms, farming, men, and affairs. It puts it into his hands to gradually adjust this processing fee to different commodities and to changing circumstances. It is so much better in this respect than the former bill that I cannot understand the psychology of those who voted for the last bill and who refuse to support the present one.

During the 2 years I have had the honor of being a Representative in the Congress I have heard a great deal of talk about helping the farmer. During these 2 years his farm values have decreased $14,000,000,000. Last year they decreased $9,000,000,000. All of this time I have been here trying to do something for the farmer. It was conceded by everybody that something ought to be done for him, but nothing was done. Oh, we voted a little $25,000,000 to go to the farmers to help take care of some mortgages that were in the hands of the Federal Farm Board. This was merely trifling with his necessities. But nothing has been done of real consequence, and his yearly crop income has decreased in sums amounting to billions and billions of dollars. The figures will show that his gross income in 1929 was pretty nearly $12,000,000,000. Last year, or in 1932, his income was a little over $5,000,000,000. This is exactly what happened to him during the time I have heard the talk on this side and on that side, saying, "Well, we will do something for him, but you must not do it right now or in this particular way. Do not do the thing that is before you today; wait and we will give you something else in a little while."

This has been the talk practically all the time; and what is the situation?

Mr. HART. Will the gentleman yield?

Mr. GILCHRIST. I yield to the gentleman.

Mr. HART. Your side of the House did something for him in 1929 and sunk him still further, did you not?

Mr. GILCHRIST. No; that was the time when the stock gamblers took it on the chin. The farmer got his worst jolt in 1920. I did not intend to say a partisan word, but since you have interrupted me I must recall the facts. Your side of the House was in control here during the entire Seventy-second Congress, and nothing of real importance was done for the farmer during those 2 years. Away back in 1920 your party had full control of the Government. It was when your Democratic Federal Reserve Board was about to put on its ruthless and destructive campaign to take the heart out of agriculture. Your big boys had found out that the farmers were really making a living in those days, so they decided to deflate the agricultural interests of this country. I had a friend down here at that time who appeared before a committee. My friend objected to the program for agricultural deflation, and said to your Democratic Governor of the Federal Reserve Board, W. P. G. Harding, "Why, Governor, this will ruin the farmers of the country." What was the cruel reply of the governor of this breat Banking Board then in Democratic hands? He said, "Oh, well, somebody will farm the land, anyway." How pitiless! How willing to reduce men and women to peonage and penury! How brutal!

And as a result of that policy the farmer was forsaken. He has never recovered from the ruin that engulfed him. Nobody can appraise the financial loss that ensued. Did it amount to fifty billions? Was it more or less than the cost of the World War? Was it five times the amount of monetary gold in the entire world or was it only two times that amount? Nobody has ever answered definitely; but we do know that the deflation of farm values resulting from this policy was the most stupendous, the most wicked and ungodly, as well as the most asinine policy that has ever been designedly and deliberately promulgated in the administration of American finance, and we do know that our farmers have never recovered from its baleful effect.

Let us act on this bill and not on some other proposition. Let us not rely on some illusory promise made by those who are not in sympathy with agriculture whereby they seek to arouse visionary hopes. We have had enough of this ignis fatuus or will-o'-the-wisp business.

Of course, the bill will not do all that must be done for agriculture. It is not written just as any one Member would like to have it written. Nobody proposes it in that sense. No one measure can remedy the situation, because

agriculture has suffered too long and too much. All legislation is the result of compromises made by conflicting ideas. Gentlemen here say that we should reduce the farmer's taxes. Of course we should. The States and local taxing boards should join us in reducing taxes; but, if Santa Claus should come along with his reindeers and pay the farmer's taxes, it would not remedy the economic debacle and distress that now exists in agricultural communities. We must have other measures as well as this one. We must give the farmer relief from the financial conditions that overwhelm him, just as we have given that relief to corporate enterprises, to banks, railroads, and insurance companies, and to commerce and finance.

I believe a greater problem than farm allotment confronts us, and that is to save our farm homes from foreclosure at the hands of the sheriff and to keep the roofs over the heads of our farm people. We must take care of mortgage and farm debts. And a still greater problem is that of revising our monetary system so as to provide stable monetary conditions and an honest dollar. And this honest dollar must be honest to laborers, clerks, business men, bankers, professional men, farmers, and to debtors as well as to creditors. I do not speak for fiats or visionary schemes. I want honesty in dollars so that our people can pay their debts with the same kind of dollars that they borrowed. The dollar is now too high priced.

Mr. Speaker, both parties in their national platforms adopted at Chicago last year promised to do the very thing that is sought to be accomplished by this present bill. The Republican platform pledged itself to amend the laws so as to accomplish the objects set forth in the preamble of the Marketing Act. And that preamble recites among other things, that "agriculture will be placed on the basis of economic equity with other industries." That Republican platform also promised to support plans which would "help to balance production against demand and thereby raise agricultural prices." Let me tell the Republicans that here on this vote is the time and place to redeem that pledge.

Likewise, I cannot understand why any Democrat here would vote against this bill because the platform upon which he was elected promised to give the country "effective control of crop surpluses so that our farmers may have the full benefit of the domestic market."

These, ladies and gentlemen on both sides of the aisle, are the pledges your party gave to agrarian interests, and if you read the credentials under which you sit as a Member of this House, and if you honor your party, you are bound to vote for this bill or else propose a better plan, as well as one which has some chance of being enacted into law, and which will carry out your promises to a patient, patriotic, but despoiled people.

There will be no return to normal prosperity for all classes and kinds of people and no security for our financial institutions which I agree are absolutely necessary for the solidarity of our society, and no jobs for our working people until the restoration of normal agriculture values are completely and positively assured. The country will not be rehabilitated until the farmer is given back his buying power. And he cannot be given back his buying power until the time comes when he will get cost of production for his commodities plus a reasonable profit.

In a former speech I have pointed out that while the raise in values for farm products must be passed on, nevertheless not all of it will be passed on to the consumer because much of it and, indeed, a considerable part of it will be absorbed on the long and devious road of transportation and trade which leads from the farmer's barn to the consumer's dinner table.

And when the farmer's buying power is restored then all business will revive. Railroads will gain enormously. Lumber, of which the farmer takes 40 percent, will be rolling along on our flat cars; and fuel, cement, fertilizer, farm machinery, automobiles, gasoline, and other innumerable articles will crowd our freight depots. Iron and steel activities will resume. Laborers will again be engaged in manufacturing harvesting machinery, furniture, building supplies, clothing, shoes, and in processing our foodstuffs.

Our granaries are full, and yet there are people in want. The farmers of Iowa are now burning their corn for fuel. The coal miners in Illinois need this corn for food. What is the railroad employee and those who are engaged in transportation getting out of this situation? Nothing but idleness and want.

Nine and one half billions of dollars in farm mortgages will immediately gain in value, and $4,000,000,000 in short-time farm paper will be thawed out of the ice which now congeals it, $5,000,000 for rental values will be restored to bless industry and trade, and these things will restore the value of bank stocks and bank securities. Members here profess to be frightened at what they assume to be the magnitude of the amount which may be expected to flow from industry to agriculture by reason of the increase in commodity prices. If you would quadruple their estimates and admit that $4,000,000,000 instead of a few hundred millions were about to be added to the farmer's income, nevertheless, it would still prove to be a blessing because that enormous sum would be spent immediately in the cities for goods, services, labor, manufactures, and capital; and every dollar of it would be passed along and multiplied so as to do $10 worth of business, because the farmer is naturally a good spender. He is not alone entitled to the comforts of life, but he intends to and will get them whenever opportunity offers.

The Government itself is guilty of raising its hand against those who go into the fields to produce the foodstuffs that our people eat. The reports of the Shannon Commission show the enormous amounts that this Government has spent in the reclamation service; and how the Government has put scores of thousands of irrigated farms into competition with the very men who are taxed to support those projects. In this day of overproduction the Government spends the people's tax money to irrigate millions and millions of acres of agricultural land and put it into direct competition with the land owned by farmers who are struggling to pay taxes and whose prosperity is dependent upon the price that farm products will bring. The farmer is a victim of this subsidized competition. This untaxed and subsidized land in the West should be held out of cultivation until the time shall come that our increased population shall demand its cultivation and provide a market for its products.

As one representing the cornfields of Iowa and whose immediate interest is in agriculture I want to voice my thanks to the gentlemen on this floor who represent the cities and urban districts of the Nation and who are earnestly supporting this legislation. They believe in redeeming their party pledges. They want to support the President. They know that their communities cannot be prosperous while agriculture is prostrate and that their constituents will never find work until 30,000,000 farmers in this country are able to buy their goods and the products of their labor. Their relationship to this bill is a secondary one instead of a primary one. But, nevertheless, as far-seeing statesmen they know that progress and prosperity will never be restored until hope is inspired in the breast of the men and women who raise the food that their people must eat. [Applause.]

[Here the gavel fell.]

Mr. FULMER. Mr. Speaker, I yield 3 minutes to the lady from Kansas [Mrs. McCARTHY].

Mrs. McCARTHY. Mr. Speaker, I am taking the floor today in response to some of the arguments made by the gentleman from an adjoining congressional district in Kansas. My colleague [Mr. HOPE] made a statement that he represents the largest agricultural district in the State of Kansas. I want you to know that I represent a district containing 26 counties, the second largest agricultural district in the United States and a territory contiguous to that of my colleague. I called a meeting of the farmers in my district to ascertain their sentiment on this type of farm relief. Perhaps the gentleman from Kansas [Mr. HOPE] was so busy here in Congress at the time that he did not notice the sentiment of the meeting as expressed through the press. Twenty-five counties out of the twenty-six sent representatives to the meeting; 350 farmers were present, also repre-

sentatives of the processors, the livestock interests, and commission firms.

I asked the groups assembled at that meeting to express their opinions in regard to pending farm legislation. Much sentiment was expressed favoring immediate relief through legislation such as the allotment plan, and the only ones who protested were representatives of the commission interests. Not a single voice was raised against the allotment plan by any farmer in the 26 counties. In addition to individual farmers, we had representatives from every farm organization, the Farm Bureau, the Farmer's Union, and so forth, and I asked anyone who was opposed to the bill to take the floor. There was no opposition to the plan by any individual farmer, except one man who said, "I am a livestock man and do not want hogs in the bill". He said, "You cannot control the production of hogs. What will you do if an obstreperous sow wants to produce a litter of 10 pigs instead of 6?" [Laughter.]

At this meeting an opportunity was given for expression in regard to inclusion of only the two major agricultural products—cotton and wheat—and the sentiment was clearly for restricting the application of the act to only these commodities.

This bill gives the President of the United States the option to apply it to certain farm commodities; and if it is not practical, the President does not have to apply it to any particular product. This bill is not as rigid as the original domestic-allotment plan. In other words, it has all the benefits of the original plan and not a single one of its objections.

My colleague has said that he has confidence in the Secretary of Agriculture. The State of Kansas also has the utmost confidence in the President of the United States, as expressed by a majority vote of 76,000 in that rock-ribbed Republican State. My constitutents have faith in this plan as a feasible one for restoring agricultural prices to cover at least the cost of production. [Applause.]

[Here the gavel fell.]

Mr. FULMER. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. KNIFFIN].

Mr. KNIFFIN. Mr. Speaker and Members of the House, the farmers of this country have just cause to feel that they have been pressed into the earth. I represent one of the finest agricultural communities in America—the northwestern Ohio district—composed of small farms ranging in acreage from 20 on up to 40 and 80 on to 160 acres, all highly improved, well underdrained, and farmed by industrious, intelligent, and competent men and women. Yet they are unable to make expenses at this time. I feel that I am warranted in the assertion that the present condition of American agriculture constitutes an emergency of a very grave character. I am not going to quibble about the merits or demerits of any of the various provisions of this bill. I am going to support this bill because the farm people want it, and because I believe it gives some promise of alleviating the sad and distressed conditions that confront the farming men and women of this Nation. I am one who believes that it is a monumental crime for any man or group of men or any government to do anything that will interfere with the passage of a measure that might alleviate the suffering that exists among the farm people of this country, because after all they are the real producers of wealth in our country and the class of people upon whom we must depend for our very existence.

Anyone who believes that we will have employment in our cities and any degree of prosperity throughout the country before the farmer is resuscitated by the restoration of his purchasing power has another guess coming.

This is a serious matter, and I sincerely hope that my good friends here from the large cities will assist in the enactment of this measure. The bill is as sound as any emergency measure of its kind could be expected to be, and I shall vote for it. [Applause.]

Mr. CLARKE of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Speaker, we are here this afternoon listening to the counsels of those who are on the committee and know more than the majority of us in regard to the purposes and provisions of this bill. I agree with the gentlewoman from Kansas [Mrs. MCCARTHY], who preceded me and spoke in reference to the former allotment bill passed by the House last session. I believe that was a good bill, and cannot understand why those who supported that bill would not be disposed to support this one.

I am not in sympathy with Members who take up individuals appointed to administer the bill and criticize them as believers in sovietism. I have been through the Ukraine and studied conditions of those people, and I know something about their problems and government, all radically different from ours. Criticisms of Mr. Tugwell, the Assistant Secretary of Agriculture, or of Secretary of Agriculture Wallace, even though offered by Democratic Members, are unwarranted, for I have been present with both gentlemen when the former bill was studied, and do not believe they know their business. Both have been appointed to their present high places by President Roosevelt, whom their present critic, a Member of the House, claims to have brought out as your candidate for President.

The best evidence of President Roosevelt's good judgment is found, in my judgment, in his appointment of Secretary Wallace and others of his Cabinet. I believe Republican Leader SNELL touched one of the important propositions that affects agriculture today when he spoke about the importance of lowering interest rates now paid on farm mortgages. I regret that amendment was not permitted to this bill. Farmers generally need a reduction of interest rates and an extension of time for payment of their mortgages, and it has been promised them this session, according to Chairman JONES' statement of today. An expansion of prices of agriculture by an expansion of currency or by this allotment or any other aid is needed to bring back to farmers their pre-war purchasing power. When the gentleman from Texas [Mr. JONES] made the statement to us today that corn sold for 10 cents where produced and that the price of transporting that 10-cent corn to New York was 30 cents, it must have brought to every Member a realization that we should increase the purchasing power to the farmer of what is produced on the farm. When 300 percent is added to the producer's price for transportation and as much more for various selling agencies and processing, we can understand that the farmer who raises grain and stock is the forgotten man in farm-production values. The same is true from my colleague [Mr. BOILEAU], who spoke about milk prices today. He said about 60 cents was the price of milk up in our State, which is the best dairy country in the world; whereas the farm producer receives only a fraction of the price paid by the consumer. Farm marketing is an obstacle to fair returns to the one who produces.

Questions have been raised against this rule. We on our side of the aisle have put through rules in former years. They are sometimes necessary. Four hundred and thirty-five Members cannot prepare a complicated bill like the one before us. We have to trust someone who can carefully study its different provisions, and we have trusted this Agricultural Committee, aided by the experts they have called in during its preparation. I believe with the Republican leader of the committee, the gentleman from New York [Mr. CLARKE], that even if it does not meet with all of the promises we have in mind, if of value, as the committee reports, it is worth testing.

Objection has been made here to dictators. Mr. Speaker, we have been following dictators ever since I first came to Congress. The gentleman who spoke before me, and incidentally referred to dictators, has been here for 2 years. I was here when a President of the United States, Mr. Wilson, stood on that platform and laid down a principle of conduct for us that compelled the whole American Congress to declare war. The President of the United States can do that now, and he, not Congress, becomes a dictator to Congress in time of threatened war. A short 2 weeks

ago the President now in the White House ordered the closing of all banks in the United States under an old war time emergency act. What did we do? Congress ratified his order on the first day of the extra session, and in that way accepted a dictatorship which involved the control of over $40,000,000,000 held by the banks of the country. We have to follow someone in an emergency, and we are following the President of the United States without partisanship today so far as we can. We assume that men like Secretary of Agriculture Wallace and his aides will administer this proposed law under the direction of the President; and that if the experiment, as he terms it, is a failure, that it will be abandoned for something better. If not, what have you to offer in place of this bill? I look for another bill, as promised by Chairman JONES, that will reduce interest rates and give extensions on farm mortgages, but the greatest farm need lies in a restoration of purchasing power through better prices for farm products.

I come from an agricultural country, and know the needs of our people. They are in distress and in danger of losing their farms. I understand we cannot change economic laws of supply and demand by legislation, but the farmers of this country are asking Congress what it is going to offer them in helping to raise the price of farm products. I have not heard of any other offer yet from either the Agricultural Committee or anyone else, and all measures have to come from this committee, so I say let us accept the best that we can get in the bill before us, and that is the bill the committee has presented to us. I am always glad to support anything that gives promise of relief and will vote for the bill. [Applause.]

Mr. Speaker, I believe the farm situation is not fully understood by many of my eastern colleagues. Briefly, 6,000,000 farmers, or more, with their families are engaged in agriculture, the largest industry of the Central West. None of these have made much more than a bare living during recent years. War distress, loss of markets, nonconsumption, and various other things have contributed to this result, affecting America's greatest industry.

Not one farmer today out of scores pays any Federal income tax because of extremely small net incomes. Two thirds possibly of all these millions of farmers are unable with present prices to get back their cost of production. Heavy debts, high interest rates, and foreclosures are a constant nightmare to these men, who say that Congress did not hesitate a few years ago to plunge this country into a war to end wars that burned up $36,000,000,000, yet hesitates when they are in need.

I did not join in that war act; but in addition to the vast war-time waste which occurred, we advanced to France $1,370,000,000 after that war was over in postarmistice loans for rehabilitation. This was in addition to $2,000,000,000 of war loans made to France. Now it is seriously proposed to cancel or materially reduce the French indebtedness and also that of all other European debtors, yet we find protests against this bill to relieve our own farm people.

French loans, according to ex-Secretary Mellon, were compromised in the settlement between the countries and made payable during a period of 62 years with 1.64 percent annual interest, which low rate is now delinquent and unpaid. The American Government cannot collect European debts, even though loaned after the war for rehabilitation purposes and scaled down to half of the amount loaned. The payment of such debts can only be forced by arms.

American farmers ask why they are not given equal consideration for the rehabilitation of their own homes instead of having to meet brief periods for mortgage maturities accompanied by 6 percent or 7 percent annual interest rates, or an alternative of foreclosure proceedings and get-off land terms.

I realize a large delegation of power is placed in the hands of Secretary of Agriculture Wallace by this bill, but he is under the direction of the President as was Congress practically when it declared war, involving an expenditure of many billions, and I do not believe the present farm-emergency expenditure, due largely to that same war, will approach 5 percent of our war-time expenditures, possibly not half that amount.

No security was ever offered for those war loans, whereas farmers as well as others with farm loans have pledged all their property for the payment of their debts. After the war Congress gave to ship companies loans based on wind and water, which with ship subsidies to start an American merchant marine to carry troops during another war to end wars reached many hundreds of millions of dollars, with an annual interest of less than one third the interest rates now paid by the average farmer.

These shipping payments with interest have frequently gone the same way as did war expenditures in past years without any return.

Since the war, over five billions of dollars have been expended for the American Navy, and on a naval program to bring our Navy up to parity with that of Great Britain to cost more billions, promised in naval propaganda placed on our desks, yet there is no more danger of war with Great Britain than with Greenland.

I am confident that practically every Representative from States having navy yards and private shipbuilding yards, largely in the East, uniformly has been supporting those naval bills. We have vital interests in our own constituents. When the present depression became severe and Congress created the Reconstruction Finance Corporation, it was to save great banking, insurance, and other interests, some of which have suffered from the manipulations of men like Insull, Mitchell, and others of like character. Our constituents say it is their turn to be saved now.

Mr. Speaker, this bill seeks to balance production and consumption by giving to the Secretary of Agriculture power to reduce acreage or production through agreements with the producer and to provide rental payments to bring about curtailments in surplus production. It is confined to specific crops of wheat, cotton, corn, hops, cattle, sheep, rice, tobacco, milk and milk products, and marketing agreements are authorized with licensed processors, who would receive loans from the Reconstruction Finance Corporation. A tax is levied on processors who are to raise values to equal the difference between current average prices and pre-war prices. It is an emergency bill to expire whenever the President finds the emergency ended. The bill's administration is not for Congress, but for those who drew the bill to execute.

I am not striving to understand all the bill's provisions, nor all the terms that must be agreed upon by the parties to the different agreements. Experts selected by the President will do that. I am interested in giving help to the farmers as soon as possible, both as to the price of their products and in easing up their debt, interest, and other obligations.

The credit of this country is not based alone on the amount of money in the banks that we have properly sought to protect for depositors. It equally depends upon a profitable farming industry, and that includes a score of millions and more of American people depending on that great industry, with their farms and stock their sole property, even as the stocks and bonds of the investor represent his credits.

This bill does not seek to give the farmer a key to the Federal Treasury but enables the Secretary of Agriculture by prescribed means to help lift the farmer out of his present distress. It may cost the Government money to do this, but Representatives who would vote against this bill because of possibility of expenditures and exercise of discretion by the Secretary of Agriculture, have in the past blindly voted approximately $1,000,000,000 for a flood-control Senate bill, which was defeated. That bill, under the direction of President Coolidge, we cut down in the House to less than one third of the amount, and it has never again been proposed for passage since that time. I took active part in that saving, but fear like visionary bills may be in the making in an effort to employ those out of work.

All the expenditures by the Secretary of Agriculture through this bill I predict will be less than was saved by

that one flood control bill, and less than poor investments and transactions by the Farm Board. It is only an insignificant fraction of Government expenditures I have noted, but if it exceeded the anticipated amount I believe it can be justified and should be started without delay.

In common with practically every other Member I have been denounced and abused by those who indulged in like expressions back during the war hysteria. I believe this country is on the upgrade. I also recognize President Roosevelt is the leader not alone of the Democratic Party but of all the people, and as such leader we owe unqualified allegiance to him in his efforts to rehabilitate business.

Thus far I have given complete support to President Roosevelt's banking program and law we then passed. Second, I supported his economy bill that to some degree was improved by amendments in the Senate before final passage. Again, I supported his plea for revenue with which to balance the Budget through a nonintoxicating beer bill. I am not disposed to argue what the Supreme Court will do, nor what my own course has been on the liquor votes in the House. I have no regrets or apologies to offer. Apart from support of the President, who signs the bill, I do not believe he is going to break the law in securing this additional beer revenue. If so, the courts will declare our action so taken to be unconstitutional and void. If not, now that the Federal liquor law prosecutor has directed no further prosecutions are to be had of speak-easies, and a general refusal of States, including our own, to enact enforcement laws, has occurred, the best course to pursue during the period when a repeal measure is being fought out in 48 States is that indicated in my speech and by my vote when that bill was before the House. Through passage of the economy and "nonintoxicating" beer bill the President now says we can balance the Budget and avoid a new tax bill burden.

The best means of arousing public sentiment through license of 3 per cent malt drink over a 50 per cent alcoholic drink now illegally sold in countless speak-easies in practically every State would be through the licenses.

We have had bank "holidays" during which time banks were closed so a survey could be made by Government examiners to pass upon the ability of every Federal banking institution to meet demands of its depositors if another hoarding stampede was threatened. That I believe will not again occur.

We have had forced "holidays" to prevent discharge of Government employees by extending their leaves without pay in order to economize in the effort to balance the Budget, but many of my Eastern colleagues are not familiar with "farm holidays" that are frequent throughout the Middle West during these days of agricultural distress. In an effort to secure production costs on their farm products, force has been used by distracted men to prevent marketing at different farm centers even to the extent of destroying food products in an effort to raise farm prices. To those unacquainted with the distress in agriculture I can say that it is a serious business when force is used that cannot be controlled by law or by the courts.

Refusals to permit forced sales of farms by foreclosure or deficiency judgments to be entered or bids to be had at published sale proceedings have great significance when voiced by lifelong law-abiding hard-working citizens who see their life savings swept away by mounting debts and reduced farm prices.

That condition Congress has promised to remedy so far as legislation permits by reducing interest rates on farm mortgages, by extending a moratorium or debt holiday of years in which to pay farm mortgages even as we extended war payments due from our European debtors to our Government. More important, possibly, in the minds of many is the proposal to revalue the dollar so that the same relative values would pay debts negotiated several years ago.

The bill before us seeks to raise farm prices as stated in the bill:

To provide for reduction in the acreage or reduction in production for market or both of any basic agricultural commodity through agreements with producers or otherwise and to provide rental or benefit payments in connection therewith in such amounts as the Secretary of Agriculture deems fair and reasonable to be paid out of any moneys available for such payments.

In its many provisions the bill expresses a purpose of having the processors bring farm products up to cost of production and permit a profit to the farmer, and if necessary the Government's credit during this emergency is extended so as to make successful the purpose.

To expressed fear that cost of consumption will be materially increased it may be answered that it is not the farmer or producer who is entirely responsible for increased costs often running several hundred percent above the farmer's return like the corn and milk illustrations. Marketing through many instrumentalities, from the different selling agencies, to the transportation charges and cost of processing are all cogs in the wheel of costs some of which are sought to be reduced by cooperatives. The actual effect on retail prices by this bill will be largely absorbed in many cases before reaching the consumer, but in our economic life it is certain that unless the producer can receive the cost of production he must join the already swelled ranks of unemployed.

That is a prospect no country in the world, much less our own, will accept without protest, hence this bill that seeks to meet the farm-income needs without undertaking the experimental method of price-fixing attempted by the Farm Board.

I believe it is the best bill yet offered to bring about better returns to the farm producer although other legislation is needed.

It is an emergency measure conferring on the President power to undertake an experiment approved by the best farm experts he can bring to his aid. It empowers him to act with practically dictatorial powers in this purpose to aid agriculture and at any time to cease operations after determination that the emergency has expired. Only by such means can its purpose be carried out effectively.

Propaganda against all these relief bills has been showered on Members, but I have decided to support the President, who, I trust, is leading us out of the depression. I will trust him until he fails us; and if he fails, we can look to other leadership. He is now at the helm.

Protests against passage of the farm allotment bill are before me; but I believe it is the best bill yet proposed, and I shall vote for it and for any other farm-relief measures that may be offered to give permanent aid to agriculture through lower interest rates and extension of time in which to meet debt obligations. Only by increasing the buying power of agriculture, with its twenty or more million members of farm families, can prosperity be brought back to this country. We have legislated for the banks and their depositors; we now seek to do equal justice to our greatest industry. That is the purpose of this bill.

Mr. FULMER. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Speaker, H.R. 3835 is entitled "A bill to relieve the existing national economic emergency by increasing agricultural purchasing power." It is one of a number of measures proposed by the Roosevelt administration to rehabilitate our economic life and restore normal and prosperous conditions. I am whole-heartedly supporting the President's program, although there are some provisions in each measure that I do not approve, and in reference to the workability and wisdom of which I have grave doubts. But, all things considered, the measures submitted by President Roosevelt are sound, workable, wise, and wholesome and will, in my opinion, help lift the pall of depression, restore confidence, inspire courage, and enable the American people to beat a pathway out of the wilderness to a state of economic balance, ease, and independence.

In a period of unprecedented Nation-wide distress the electorate turned to Franklin D. Roosevelt for relief. They believed he would be mindful of their afflictions, lift the yoke from their necks, and lighten their almost unbearable burdens. Their faith has not been in vain. Their confidence will not be betrayed. President Roosevelt is making good, and conclusively demonstrating that he is a man of

the people, that his heart beats in sympathy with the toiling millions, and that the supreme purpose of his administration will be to establish social justice, promote the welfare of all the people and not merely the prosperity of a few favored groups.

By bold and speedy action our new President caught the imagination of the American people. He delivered no lengthy dissertations on our economic ills, but forthwith grappled with the forces of fear and overcame them. Having made a prompt but correct diagnosis of our governmental and economic maladies, he, like a skillful and resolute surgeon proceeded to administer heroic treatment. His sharp scalpel cut away the putrid and festering flesh of Government waste and prodigality, but halted before it touched a vital organ. He initiated wise constructive legislation, introduced economies and efficiencies in public affairs, and caused 125,000,000 people to right-about-face and march with steady stride back to prosperity and the high ideals of our constitutional fathers.

Some of our Republican friends have said this is not a farm relief bill but a patronage bill because it provides that employees under this act may be selected without reference to the civil service law. If we should require all employees under this act to qualify under the provisions of the civil service law, the examinations would require many weeks and months, and in the meantime the benevolent activities contemplated by this bill would be suspended. It is of vital importance that this act be put into operation at once to the end that its beneficent effects may be secured by farmers in the sale of this year's crops.

When President Hoover and his party leaders drew the Reconstruction Finance Corporation Act they were "as mum as a mouse" about civil service laws. That act was drawn at the White House and was conceded to be a Republican-administration measure. And yet it allowed the board of directors to select their employees without reference to the provisions of the civil service law. Section 4 of the Reconstruction Finance Corporation Act reads as follows:

SEC. 4. The Corporation shall have succession for a period of 10 years from the date of the enactment hereof, unless it is sooner dissolved by an act of Congress. It shall have power to adopt, alter, and use a corporate seal; to make contracts; to lease such real estate as may be necessary for the transaction of its business; to sue and be sued, to complain and to defend, in any court of competent jurisdiction, State or Federal; to select, employ, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary for the transaction of the business of the Corporation, without regard to the provisions of other laws applicable to the employment and compensation of officers or employees of the United States; to define their authority and duties, require bonds of them and fix the penalties thereof, and to dismiss at pleasure such officers, employees, attorneys, and agents.

In writing the Reconstruction Finance Corporation Act, President Hoover and our Republican friends on the other side of this Chamber ignored the civil service and proceeded to appoint an army of Republicans to manage the affairs of that great organization. I am reliably informed that in the first 2 weeks after the passage of the Reconstruction Finance Corporation Act 30,000 persons applied to its directors for employment. I am not informed as to the number of persons employed by that organization, but a call of the roll would not disclose many Democrats. In view of the record of our Republican friends in honey-combing the Reconstruction Finance Corporation with Republican employees it does not lie in their mouths to criticize Democrats for having in the pending bill the same provision with reference to the personnel that was carried in the Reconstruction Finance Corporation bill. People who live in crystal palaces should not propel irregular formations of granite.

Now, the value of any legislation depends largely on its wise and sympathetic administration. A good law improperly and unsympathetically administered is disappointing, and may injuriously affect the people it was designed to help. On the other hand, a law that is in some respects objectionable, if wisely and prudently administered, may be very helpful and materially ameliorate the condition of the people.

The pending bill is not entirely satisfactory to me. Some of its provisions are objectionable, some of doubtful constitutionality, and the benefits that will accrue from certain parts of the act will, I am sure, be exceedingly disappointing. I wish we had time to debate its details, but some of its provisions are highly controversial, and if we do not limit debate, and if the right to amend is unrestricted, no one could with accuracy forecast when a final vote would be reached. Moreover, complicated bills of this character cannot be written on the floor of the House. If the bill in its present form is so objectionable that the House cannot accept it, then it should be sent back to the Committee on Agriculture to be recast.

But considered altogether, I am convinced farmers will be substantially benefited by its enactment. I think we can well afford to try out the measure, which all concede is experimental. The plight of agriculture is so tragic that something must be done and done quickly. If we wait until we are sure we have a perfect bill, agriculture will perish while we debate and quibble.

The bill vests in the President and Secretary of Agriculture broad powers and a wide discretion. They can feel their way carefully and act with the utmost deliberation. I believe every movement by the President and Secretary of Agriculture will be well considered and will be promptly recalled if it appears that the plan is unworkable or liable to injuriously affect the public. Practically all forward steps in government and economics are experimental. Every great political or social reform was prejudged as impractical and unworkable. This is a temporary or emergency measure. I do not expect it to solve the farm problem. Its purpose is only to hold the line until a more satisfactory formula can be worked out to restore agriculture to its rightful place among the profitable occupations.

I have unlimited confidence in the patriotism, sincerity, wisdom, and sound sense of President Roosevelt. I know he will not misuse or embezzle the great power this bill vests in him. He will wisely and well weigh each decision and faithfully administer the trust committed to him by a confiding people. Moreover, I have great confidence in Secretary Wallace. I have known him for years and I highly appraise his fine qualities of heart and mind. For his lamented father I had an unfeigned affection. As Secretary of Agriculture under President Coolidge he unflinchingly and ably championed the cause of American agriculture. In millions of farm homes throughout the Nation the present Secretary of Agriculture is and his father and grandfather were reverenced as outstanding, aggressive, and militant champions of American agriculture.

On a number of occasions I have, on this floor, taken occasion to pay what I considered a deserved tribute to Henry Wallace.

No man in America understands the farm problem better than the present Secretary of Agriculture. No one is more interested in rehabilitating this great basic industry. No man has more studiously and unselfishly dedicated his life and talent to the difficult task of placing agriculture on an economic equality with industry. No man is more securely entrenched in the confidence and affections of the farmers of America. They trust him implicitly and they well know that trust will not be betrayed.

Because of the pathetic state of agriculture, because of my belief that something must be done immediately to save the American farmers from penury and peasantry, because of my unalloyed confidence in the wisdom, prudence, sound sense, and good judgment of Franklin D. Roosevelt and Henry Wallace, I am going to vote for this measure, though objectionable in numerous respects, well knowing that those to whom we commit this far-reaching power will use it wisely and well, or refuse to use it if in their opinion its exercise will be inimical to the best interests of the American people, and who will, after this emergency has passed, yield back to this Congress and the Nation the wise discretionary powers with which we have for a brief season clothed them. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Missouri [Mr. LOZIER] has expired.

Mr. FULMER. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. LAMNECK].

Mr. LAMNECK. Mr. Speaker, I am sorry I have not more than 5 minutes in which to discuss this important subject.

I do not want to take the attitude of in any way interfering with anything that is going to restore normal business conditions. I voted for President Roosevelt's banking bill; I voted for his prohibition bill, and I voted for his economy bill, but I do not believe this is his bill. I give him credit for having better judgment than to present a bill like this.

Now, they say to you in the consideration of this bill that this is a farmer's bill. I want to read something that some of the farmers say about this bill.

Quoting from the National Farmers' Holiday Association convention, held at Des Moines, Iowa, March 11, 1933:

> In considering measures intending to bring relief to agriculture, which merely outlines some idiotic proposal to take certain lands out of production, and for the Government to pay rental for such unused lands, this Congress is wasting its time and the money of the people.

Quoting again from a proposal that was sent to the farmers by the editor of the Kansas City Star, asking this question:

> Do you favor the Federal Government attempting to control prices or production through stabilization or other schemes, directing price movements against natural influences?

Every State that was polled on that proposition voted against it with one single exception. Then they tell you that all the farmers are for this bill. The only thing I am for in this bill is, and it is contained in the title:

> To relieve the existing economic emergency by increasing agricultural purchasing power.

I am in favor of that. I will do anything that has reasonable promise of increasing the agricultural purchasing power of this country. I am here to tell you that you will not have any prosperity until you can do that, but this bill will never do it. It will be absolutely a failure, and it will be disappointing and it will not accomplish the things you intend to accomplish, and I wish I had the time to give my reasons.

Mr. MARTIN of Colorado. Will the gentleman permit a question?

Mr. LAMNECK. I am sorry I cannot yield at this time.

What does this bill propose? The Secretary of Agriculture is going to buy cotton from the Federal Farm Board, and he is going to pay a price for it. What price? They do not tell you. Is it 10 cents a pound? Is it 15 cents? Is it 20 cents a pound, or how much is it? How much are the liens on this cotton? They do not tell you. I will tell you what it is. The liens on this cotton amount to $94,000,000, or $40 a bale, which you can buy now for $25 a bale. Then, they are telling the farmers: "Now, boys, come in on this deal. We are going to make a lot of money for you. We are going to pay $40 a bale for cotton that can be bought for $25, and we are going to make a lot of money on it by 1935 and give you back a big divvy out of it." A 14-year-old schoolboy would not make such a proposal. You cannot make money by paying $40 for something which you can buy for $25. Why do we not forget talking about these quack remedies, and why do we not try to legislate on the real cause of the depression? Do you know what this depression is? This is a money depression. You will never cure the depression until you legislate on monetary matters. [Applause.] What do the farmers out West and other groups of farmers say? "We refuse to pay taxes and other indebtedness until you serve us an honest measure of value in the American dollar." You cannot fool them. They know what is wrong.

What did a committee of this House say on May 14? A committee of our House of Representatives said to the House this:

> This committee, through the weight of testimony, has learned that major depressions have followed governmental action which directly resulted in the dislocation of money and, through it, of commodity values.

What more evidence do you want? What else did they say?—

> Our investigation has revealed that certain European nations, in an effort to protect their manufacturing industries by affording a better cost basis through lowered prices of raw materials and foodstuffs, deliberately depressed the world commodity price levels below bounds that admit of any profit to the American producer.

Why do you not devote our activities to legislation that will cure this depression instead of trying to put up a lot of quack remedies like this bill?

What we need is an American plan that puts America in control of money values, so that we can bring about a price level that gives to American farmers a profit instead of a loss.

The SPEAKER pro tempore. The time of the gentleman from Ohio [Mr. LAMNECK] has expired.

Mr. CLARKE of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Speaker, I have been in this House for 20 years. I went through the Great War with President Wilson, but never in all these 20 years have I voted upon or been called to vote upon so gigantic a pork barrel for political patronage as this bill. The number of jobs will run into scores of thousands.

Now, my friends, do not deceive yourselves when you vote on this bill this afternoon into believing you are voting for a farm relief bill, because you are not. We voted a good bill the other day when we followed your President and aimed to save $500,000,000 next year. Where is this saving coming from? It is coming from the Federal employees and from the veterans, and that $500,000,000 will be taken right out of the general circulation.

What are you going to do today? You are going to pass a bill which will tax every consumer in the United States, every man, woman, and child, from $6 to $10 per year. You are going to collect from them between $800,000,000 and $1,250,000,000.

Where does this money come from? Is it a general manufacturers' sale tax? No; of course, it is not. It is a tax on the essentials of life and nothing else. Mr. Speaker, who is going to pay it? The veterans, the Federal employees, the 15,000,000 men who are walking the streets half-starved. Who is going to pay this $800,000,000 to $1,250,000,000 that you say will be raised by taxing the processor? It is nothing more nor less than a manufacturers' sales tax, but it is a vicious tax because it taxes the very essentials of life. The very things that were excluded in the great Democratic bill that my friend McDUFFIE, of Alabama, tried to put through in the last Congress. They excluded in that proposed sales tax the very things that are being taxed by this bill today. This is the ridiculous part of the whole thing.

Everybody who has talked on this bill on either side of this aisle, absolutely everybody, has more or less apologized for it because they said it is an experiment. Your President refers to it as an experiment.

I will make a prophecy, my friends. This experiment will die an ignominious death just like another noble experiment died in the last 4 years. [Applause.] I refer to the repeal of the eighteenth amendment. You and I heard President Hoover stand here 4 years ago and talk about a noble experiment. He talked for 45 minutes about that one issue. It was a great experiment, but a very costly one. It died because it was impossible. It had to die. This is going to be another noble experiment that will die within 12 months. I will tell you why it will die, and I will use the President's language.

Mr. Speaker, as a candidate for the President, Governor Roosevelt repeatedly informed the country that he had a very definite agricultural relief program which he would submit to the Congress if he were elected, and if he were given a Democratic Congress would guarantee its speedy enactment into law.

At San Francisco, September 23, in his address at the Civic Auditorium, Governor Roosevelt said:

The farm problem is probably the most serious that faces our Government today, and you people in the cities know how dependent you are for your prosperity on the purchasing power of the farmer of your Nation. Until the purchasing power of the farm is restored industry itself will never revive. * * * And I propose as a temporary measure, until we reestablish world trade through a sensible method of tariff by negotiation, to provide for the farmer what he calls a tariff benefit.

That, my friends, in simple terms means that the farmer is to receive a price for his product, that portion of his product that is consumed in the United States, a price equal to the world price on these commodities plus the amount of the tariff.

Now, my friends, that is something definite. It is something that intelligent farm leaders have been asking for and advocating year after year. It is not visionary. It is practical.

Mr. Speaker, referring to his Topeka speech of September 14, Governor Roosevelt at Sioux City, Iowa, September 29 and at Wheeling, W.Va., and Springfield, Ill., also at Atlanta, Ga., said:

The basic purpose of my farm program is to raise prices on certain agricultural products by some form of what the farmers of this country know as a tariff benefit. There is nothing mysterious about this and nothing visionary. It is recognized by the leaders, not only of agriculture but of the industrial world as well that this is a perfectly sound method.

Mr. Speaker, in closing his campaign in a speech at the Metropolitan Opera House, New York City, November 4, Governor Roosevelt reviewed what he had promised the people in the way of a definite program of reconstruction which would lift them out of the depression. The following is an excerpt from that speech:

I have sought during these months to emphasize a broad policy of construction, of national planning and of national building, in harmony with the best traditions of the American system. * * * At Topeka I outlined a complete national plan for the restoration of agriculture.

Mr. Speaker, so much for the definite promises which he continually made.

What is his definite plan which, he repeatedly stated during the campaign, had been worked out? That it was practical; that it was not visionary; that it had received the indorsement not only of agricultural leaders but of industrial leaders that it was workable? He submitted this plan to Congress in a special message, Thursday, March 16. The best he could say for it was as follows:

Deep study and the joint counsel of many points of view have produced a measure which offers great promise of good results. I tell you frankly it is a new and untrod path, but I tell you with equal frankness that an unprecedented condition calls for the trial of new means to rescue agriculture. If a fair administrative trial of it is made and it does not produce the hoped-for results, I shall be the first to acknowledge it and to advise you.

Quite a difference between the President's official presentation of the measure to the Congress and the cocksure promises he made during the campaign!

His message indicates he does not know whether or not it is workable—although in the campaign he said he had a plan which was workable and definite.

In his message he clearly states he does not know whether it is practical—although in the campaign he said the plan he had worked out was practical.

In his message he clearly indicates that he does not know whether or not it is visionary—although in the campaign he assured the people it was not visionary.

In his message he clearly indicates there is nothing definite in his mind as to whether or not it will bring about the desired results—although in his campaign he repeatedly told the people his plan was definite.

Mr. Speaker, I am quite convinced that what the farmer needs more than anything else is to be rid of the racketeers around him who call themselves "farm leaders." The farmer would quite generally work out his own salvation if he were not always hampered by professional farm-organization leaders who lobby with Congress upon the pretense that they are representing millions of farmers when in fact they are but representing themselves and the jobs they hold.

These lobbyist farm leaders no more represent millions of farmers than does Bishop James Cannon represent the sentiment of the millions of good people who happen to belong to the same church that he does, but whose views on prohibition are diametrically opposed to his.

I am told upon the very best authority that 90 percent of all the big farm organizations in the United States are nothing more nor less than "rackets" promoted by clever self-seekers who have for years used the farmer as a decoy for their own political and financial gain.

The bill before the House is more bolshevistic than any law or regulation now existing in Soviet Russia, and if enacted into law in its present form will make Secretary of Agriculture Wallace a more positive dictator of American food control and prices than was President Wilson himself during the World War.

Of course, we all realize that this stupendous undertaking is but based upon a hope that it will prove successful. The President himself expresses but a "hope" for its success, and he frankly says that he will be the first one to admit the defeat of its purpose if it does prove unsuccessful in improving conditions for the farmer and his family.

It is estimated that some $800,000,000 will be spread among the farmers of the country through a tax which will be collected from the processor of farm products. The processor is nothing more nor less than a manufacturer, and this bill, therefore, is nothing more nor less than a manufacturers' sales tax, and while I have always favored a general manufacturers' sales tax I cannot bring myself to favor a legislative measure which will tax the bread, the butter, the lard, the pork, beef, cotton, and every other essential product of life at a time when salaries are being reduced the country over and when unemployment is nearing the 15,000,000 mark. I would much prefer this same kind of a tax on the nonessentials of life and health. This bill is quite contrary and just the opposite in its heavy taxing powers to the manufacturers' sales tax which was before the House in the last session of Congress. It particularly avoided a tax on foodstuffs. This particularly taxes foodstuffs and farm products and nothing else.

If it were not for the presence of the so-called "farm leaders", this House would right now be considering legislation for the refinancing of farm mortgages which are now causing most of the farmers of the country acute embarrassment and sleepless nights. Interest rates and serial payments are of much greater importance to the farmer himself than is the percentage of land which he may or may not be permitted to farm. The reestablishment of his credit facilities is his greatest ambition. An understanding or perhaps railroad legislation which will give the farmer a lower adjustment of his freight rates both in and out of his farm would benefit him tremendously and would undoubtedly bring increased revenues to the railroads themselves.

Improved marketing conditions and a probable adjustment of trade barriers in the interest of his market are important directions for study by congressional committees.

As I have said before, I truly believe that the farmers' greatest obstacle is the so-called "professional farm leader", and the quicker that the farmer and the country gets rid of him, the better for all concerned.

Mr. Speaker, this misnamed relief bill violates every sound principle of taxation.

It is axiomatic that the smaller the wage or income of a family, the greater the proportion of that income which must be spent for food and clothing.

In other words, every family must first provide for food, clothing, and shelter, the three prime necessities of life. These items must be taken out of every family budget before anything else is purchased. Consequently, the smaller the family income the larger the percentage of that income which must go for food, clothing, and rent. Those who are merely existing take practically all their income for these three items.

A survey made by the United States Labor Bureau about 3 years ago of the manner in which the average industrial worker of the United States spends his dollar showed the following division of the average workingman's budget:

	Percent
Food	32.3
Rent	22.6
Clothing	12.2
Fuel and lights	6.0

	Percent
Household furniture and fixtures	5.2
Doctors and medicine	3.8
Insurance	3.4
Car and bus fare	2.2
School expenditures	.4
Miscellaneous	11.9

From this analysis it is seen that food and clothing, under normally prosperous conditions with the wages and the standard of living which prevailed at that time, took 44.5 per cent of the income of the industrial workers of the United States.

As wages decrease, the items contained in the classification of "miscellaneous," which includes recreation, travel, and so forth, and the other items, with the possible exception of doctors and medicines, must necessarily decrease, and it takes a larger and larger percentage of the family income to provide food and raiment.

Under the present industrial conditions it is safe to assume that practically all the income of industrial workers is consumed in an effort to provide food, clothing, and shelter. This is evidenced by the decrease in the purchase of other commodities not classified as necessities, such as automobiles, radios, household furniture, and so forth.

It is a fundamental principle of taxation that taxes should be levied according to the ability of the individual to pay. That is the principle followed in the formulation of the income tax.

The opposition to the general sales tax was based upon the argument that it taxed the poor man out of all proportion to his ability to pay. To rectify this inequality the sales tax as presented to the House proposed to exempt from its provisions all articles of food and clothing.

The domestic-allotment plan is a sales tax confined exclusively to food and clothing. It therefore is a violation of the fundamental principles of just and equitable taxation in that under present conditions it would levy upon practically all of the income of industrial wage earners and other wage earners who are working on greatly reduced salaries. Under the provisions of the bill as introduced, the prices paid the farmer for cattle, sheep, hogs, wheat, cotton, corn, butter, and cheese would be from 150 per cent to 300 per cent greater than the prices now paid, without allowing any pyramiding, which is inevitable in the processing and merchandising of any agricultural commodity. These figures mean that the cost of food and clothing made from the agricultural commodities above named would be increased by that much to the consumer.

Furthermore, the bill hogties the consumer. It allows him no escape from this increase in living costs by the substitution of other articles. For example, if he seeks to avoid an increase in the price of butter by buying oleomargarine, the bill provides the Secretary of Agriculture shall stop such substitution by levying a processing tax on oleomargarine.

Or take clothing made from cotton. If by reason of this bill becoming a law cotton goods would double or treble in price and the ultimate consumer endeavored to escape this increase by switching to rayon or other textiles, the bill provides the Secretary of Agriculture shall immediately levy a high tax on such substitutes.

This proposal is not only a violation of the fundamental principles of equitable taxation, but it is a repudiation of practically every Democratic platform that has been written since the Civil War. All such platforms have demanded that all general taxes should be levied upon the wealthy. The Democratic platform of 1924 states that any system of Federal taxation should not "take from the poor any part of the necessities of life", and that all Federal taxes should be "so adjusted as to lay the burden of government upon the taxpayers in proportion to the benefits they enjoy and their ability to pay. We oppose the so-called "nuisance taxes, sales taxes", and all other forms of taxation that unfairly shift to the consumer the burdens of taxation." The same thought has found place in practically every Democratic platform. For instance, in 1888 the platform said:

All unnecessary taxation is unjust taxation. It is repugnant to the creed of Democracy that by such taxation the cost of the necessities of life should be unjustifiably increased to all our people.

The Democratic platform of 1884 was almost prophetic in its denunciation of this very bill, for it said:

We are opposed to all propositions which, upon any pretext, would convert the General Government into a machine for collecting taxes to be distributed among the States or the citizens thereof.

And the Democratic platform of 1880 was scarcely less prophetic in its denunciation of the present Democratic proposal, for it said:

The Democrats of the United States in convention assembled declare opposition to centralization and to that dangerous spirit of encroachment which tends to consolidate the powers of all the departments into one, and thus to create, whatever be the form of government, a real despotism.

Mr. FULMER. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. SIROVICH].

Mr. SIROVICH. Mr. Speaker, ladies and gentleman of the House, when our Government was founded we had a population of 3,000,000 people, of whom 98 percent were interested in agriculture while 2 percent applied themselves to industry. During the last century the industrial revolution had spread throughout the civilized world, converting agricultural countries into industrialized nations. In our Republic today our Nation has been industralized to the extent of 65 percent, while agriculture balances the equation with 35 percent. In other words, 80,000,000 people who live in our country earn their livelihood as servants of industry, while 40,000,000 people earn their daily bread by tilling, plowing, and gathering the fruits of agriculture. Let me briefly recapitulate the tragedy that has befallen agriculture during the last 12 years.

In the year 1920, 49 banks failed in the agricultural districts. In 1928, 800 banks failed in the agricultural sections of our Nation. From 1928 to 1932, 3,000 banks failed in the farming communities of our country. From October, 1929, to December, 1932, the loss in revenue to the farmers amounted to $14,200,000,000. During that period more than 100,000 farms have been foreclosed. Mortgages have been wiped out. Thousands of farmers have deserted their homes, to travel with their families to the great industrial centers, there looking for work and competing with the army of industrial unemployed.

Mr. Speaker, ladies and gentlemen, were I gifted as a cartoonist I would draw a picture for the Membership of this House that would very readily visualize to our Members the tragic economic suffering that the farming interests of our country are undergoing. Picture a wagon labeled "Prosperity." Its driver is called "Capital." The two horses pulling the wagon are agriculture and industry. So long as the horses driven by capital, pulling the load called "prosperity", were cooperating and harmonizing while harnessed together, prosperity was moving onward, forward, and upward to its destination.

During the last 12 years, however, the driver, capital, has been using a terrible Republican whip, with which he has lashed, beaten, and maltreated unmercifully the horse called "agriculture". What was the result? The horse called "agriculture" was lying helpless, hopeless, and prostrate in the gutter of Republican prosperity. He had collapsed and was no longer able to cooperate with the horse called "industry" to pull the load of prosperity into the hearths, homes, and firesides of our American people. The horse called "industry" is now unable to move and pull the load of prosperity because agriculture has continuously been pulling him down. Industry is now ready to collapse himself. He can no longer continue to pull unless we immediately lift up agriculture to help him pull the load. [Applause.]

Mr. Speaker, ladies, and gentlemen, President Hoover, when he was elected, recognized this condition. He called for a special session of Congress to place agriculture on a parity with industry. When the legislation was completed

it gave birth to the legislative monstrosity known as the "Hawley-Smoot tariff bill". Its object was to place agriculture upon an equality with industry. It failed in its purpose. It sounded the deathknell for agriculture. It was unjust, unfair, and iniquitous to the interests of agriculture. Why? Because it made agriculture the victim of a high protective tariff, that compelled the farmers to purchase their goods and materials in the restricted markets of our country, and sell the product of nature's soil in the cheap-labor competitive markets of the world. [Applause.]

Behold cotton selling today for 6 cents a pound, corn for 10 cents a bushel, and wheat for 30 cents a bushel. The farmer is receiving less for the products of his soil today than he received during the Civil War, while everything that he utilizes, purchases, and needs for his home and family has been increased thousands of percent.

I come from the city of New York, the greatest industrial center of the world. The most cosmopolitan and metropolitan city of our country. I have been consistent in my uniform support of farm legislation. I spoke in years gone by for the McNary-Haugen bill with the principle of debenture and the equalization fee. I raised my voice and supported with my vote the appeal of the farmers for justice in their behalf. I have uniformly supported every Republican measure that has been designed to strengthen, better, and ameliorate the plight of the farmers of our Nation. [Applause.]

Forty million farmers are in destitute and tragic circumstances. Their homes have been confiscated. Their mortgages have been foreclosed. They cry aloud against the frightful taxes that have been levied against them by city, State, and Nation.

My colleagues from the great industrial State of New York will undoubtedly heed their call and respond to their cry. [Applause.]

The reason that hundreds of thousands of the citizens of New York are unemployed is because the goods that they manufacture as dresses, coats, suits, shoes, stockings, underwear, and countless other commodities are unable to be consumed by the best customers of our people, and they are the farmers.

Mr. Speaker, the main purpose of this bill is to raise the price level of farm crops of the present time to the pre-war 1909–1914 level. This will place the entire cost of the farm-relief program directly upon the millers, the packers, and other processors of the commodities affected. Indirectly, it will affect the consuming public, stabilize agriculture, and once and for all honestly and justly attempt to place agriculture upon a fair and true parity with industry. [Applause.]

[Here the gavel fell.]

Mr. FULMER. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. GILLESPIE].

Mr. GILLESPIE. Mr. Speaker, ladies and gentlemen of the House, we stand in the dawn of a new day and shall soon pass out into the sunlight of a general prosperity. To attain this we must follow our leader.

Franklin D. Roosevelt was nominated and elected President figuratively and almost literally by acclamation.

Wisdom is defined as the art to properly use and apply knowledge, and measured by this standard I account our President to be the wisest who has occupied the Executive chair for many years. He has wisdom, courage, industry, and honesty.

He only knows that his platform pledge is a promise to be literally kept by him.

In any great movement that succeeds there can only be one leader.

Columbus found a pathway to a new and better world because just a few—a little crew—followed and stood by him as he sailed the unknown seas.

The children of Israel have given to the world its greatest leaders and statesmen and its finest literature.

For some sin or disobedience this splendid race became the chattel slaves of a tyrant.

In faith, loyalty, and fidelity, through a wilderness for 40 years, they followed their leader Moses out of slavery and degradation into the Promised Land.

George Washington, of Virginia, the greatest man who has lived in the last 2,000 years, the wisest man, the most courageous man, took command of a ragged colonial army of farmers who followed him for 7 long years through the wilderness, through travail, on through Valley Forge, and on to Yorktown, and with these undisciplined but loyal followers he built a new nation upon the principle that every child of the Republic is entitled to a pathway down which to travel, secure in life, liberty, and happiness, with a natural opportunity upon which to work and to eat the bread produced by his toil.

I call you to witness that the mighty walls of this Republic were built by farmers. Washington was a farmer; Jefferson who wrote the Declaration, and Madison, the author of the Constitution, were farmers.

Why, then, have the farmers, the people of this Republic, from the out-of-doors, been outlawed in the market place?

The farmer is engaged in a basic industry producing the food upon which the human family subsists, and the clothing and most of the raw materials.

In normal times he owns less than one third in value of the Nation's property, receives but 10 percent of the Nation's income, and pays more than half of all the taxes collected in the Nation.

This is the finest body, the most earnest congregation of men and women with whom I have ever been associated, and I am mighty proud to have a seat in the Seventy-third Congress with such distinguished colleagues.

In the heart of the Corn Belt, on the rolling prairies of Illinois, the richest lands on earth, lies the Seventeenth Illinois Congressional District, which I have the honor to represent.

The farmer out there has been reduced to bankruptcy because of 7-cent oats, 10-cent corn, 3-cent hogs, and 4-cent cattle.

The politician has promised the farmer often and promised him much, but has done nothing but let him sink into bankruptcy and degradation.

We must here and now come to the farmer's rescue.

This bill to help the farmer and the Nation "by increasing agricultural purchasing power" is the most important bill that will be presented to this Congress.

For 35 years I have been reading statutes, State and Federal, and I have never seen a line of law written anywhere to help the farmer. He has never been protected by any law. There has been no court or commission erected anywhere to which he might appeal for economic justice.

The manufacturer is protected by the tariff, but tariff laws hurt the farmer, because they do not protect his products and they increase the cost of everything he buys.

The Interstate Commerce Commission and the various commissions try to see to it that public utilities, such as railroads, that serve the people receive the cost of the service they produce and above that a living profit of at least 6 percent.

The farmer must sell his product in an unprotected domestic market and must sell his surplus in an unprotected capricious world market in competition with all the world; and the poison surplus that he produces presses down the price of his whole market. The price of his surplus fixes the price of his product.

This is because it is impossible by a tariff to protect the farmer. This is because the American farmer sells corn, wheat, cotton, oats, and livestock and produces a surplus of all of these, and therefore no tariff can protect him. A tariff of a million dollars a bushel placed on corn or oats would not increase the farmer's income a fraction of a cent per bushel.

If we pass a law by which the purchasing power of the farmer is increased, it will be the first law ever written in this country that accomplished that purpose.

For the past dozen years, politicians have promised the farmer. Congress has passed various bills advocated by the farm groups, and two Presidents have promptly vetoed those bills.

In this panic, the Congress erected the Reconstruction Finance Corporation, and it has given billions to the banks and about 300 millions to the railroads, but not 1 cent to the farmer. They were going to save the banks and thereby save the Nation, but before we could inaugurate a President every bank in the United States was closed.

Then we read in the paper that the last regular session of Congress had passed a bill permitting the Federal Government to lend money direct to the farmer in these hard times to relieve his distressed, bankrupt condition. And then we read:

President Hoover has given a pocket veto to a Senate bill intended to broaden the base of Reconstruction Finance Corporation loans to farmers.

Then we read President Hoover's comment—his reason for the veto. He said:

It was an attempt to make a pawnbroker out of the Government.

You see now that the farmer is useful for the purpose of feeding and clothing the world and to pay nearly all of the taxes, and yet he is not, in the minds of some, a customer respectable enough to deal directly with his own Government.

Bowed by the weight of centuries he leans
Upon his hoe and gazes on the ground,
The emptiness of ages in his face,
And on his back the burden of the world.

Because he has been discriminated against and differential privileges have been all given to other groups, the farmer has been destroyed.

Within the past few years the mortgages on nearly a million farms have been foreclosed, with the result that the farmer and his family have been driven from his home into the highways.

He has been promised relief but has been given bankruptcy.

Let us pass a farm bill.

With all these promises through the years, the last session of Congress could hardly get a farm bill out of the committee.

President Roosevelt is to be congratulated and this House is to be congratulated on its work thus far. We have done more for the people in 2 weeks than has been done for them by the Congress in the last 8 years.

BERSHERS PLAN

For the consideration of the House I present to you a well-considered plan that I believe will solve this whole problem and will "increase" agricultural purchasing power.

It is the Bershers plan.

On the opening day of this session I introduced H.R. 1744, which provides:

SEC. 2. It shall be unlawful for any person to sell motor fuel in the United States unless at least 10 percent thereof by volume is alcohol manufactured from agricultural products.

If it becomes a law that all motor fuel, gasoline, shall have a 10 percent by volume of alcohol produced from agricultural products grown in the United States, that law will solve the agricultural difficulty and will afford the farmer a market for all he produces—corn, wheat, oats, and all.

This is no new, untried plan. In the interest of the farmer it has been adopted in many other agricultural countries. It was adopted by France, and the French farmer is now receiving $1.38 per bushel for his wheat. Germany adopted the plan, and I understand her farmer gets $1.85 for his wheat and 7 cents for hogs.

The author of this plan, the Honorable Paul Bershers, of El Paso, Ill., states the plan in plain, understandable terms in this language:

That all petroleum products which have a gravity of 36 percent Baumé, or above, that may be used as fuel in internal-combustion engines, shall be adulterated 10 percent by volume with ethyl alcohol, made from agricultural products grown within the continental United States. Ethyl alcohol can be made from any, or all, agricultural products.

This country uses approximately 17,000,000,000 gallons of fuel yearly, which comes under our definition, 10 percent of which would be 1,700,000,000 gallons, which is the amount of alcohol we would need to make from your products. Translated into corn, this would mean a market for approximately 680,000,000 bushels; translated into wheat, it is about 750,000,000 bushels, or almost one fourth of the corn crop and over seven eighths of our wheat crop.

Instead of asking the farmer to reduce his products, this plan would afford him a market for all he could produce on all of his lands and a much higher price for his products.

How may the farmer who has interest to pay on his mortgaged land, and has his taxes to pay, take care of his creditors and pay his taxes and allow fertile lands to lie fallow?

Under this plan the farmer would not produce a surplus that would press the price of his whole market down, for we would import agricultural products instead of exporting them. One hundred and seventy-six million bushels of corn is the most that has ever been exported. That was in 1922. This plan would afford a domestic market that would absorb three times 176,000,000 bushels of corn, or three times as much as we ever exported. Under this plan corn would surely go to $1 per bushel.

By way of retaliation foreign countries have raised up tariff walls against us and have destroyed the principal foreign markets where we erstwhile sold our surplus farm products.

It is reasonable to ask will this plan work?

We reply it is now working with the best results in many of the foreign countries.

The gasoline-driven engine, the tractor, has supplanted the horse and mule and driven them from the farm, which has materially reduced the quantity of oats and corn that in olden times was consumed for feed, but which now goes to materially increase the poison surplus.

Twenty years ago, before the gasoline-driven tractor came and before the horses and mules were crowded off, it required all of the crops grown on 80,000,000 of acres for feed. This market for the crop on 80,000,000 of acres is now lost to the farmers forever.

The Bershers plan asks that this market be brought back. Under this plan, instead of feeding oats and corn to the mule and the horse, we feed it to the tractor; and under this plan we will feed more than three times the amount of bushels to the tractor than we used to feed the horse and mule.

What a great solution of the paramount difficulty—the question of agriculture.

Alcohol can be produced from corn and wheat and from almost any other agricultural product.

Bear in mind this is no new thing.

It would reguire few Federal employees to enforce this law.

If the bill that I have introduced, or some kindred bill, should be enacted into law it would solve the problem itself, and I am sure it would aid any other general plan that might be adopted. It does not conflict with any other plan. This fuel has been tested by the State Universities of Illinois and Iowa. This gasoline of alcoholic content of 10 percent by volume has been used by practical mechanics and men skilled in handling gasoline-driven engines, and it is acclaimed by all to be not only as good as the ordinary motor fuel but a better fuel. Most of this alcohol would be produced from corn and wheat. There is 2½ gallons of alcohol in a bushel of corn and 2¼ gallons in a bushel of wheat. Anybody who understands the market understands that when corn goes up wheat goes up, and when wheat goes up corn goes up, and hogs, sheep, cattle, and cotton go up when either of these staples rise in price.

When the farmer is prosperous and has buying power he embodies more than half of the domestic purchasing power.

Give the farmer prosperity and factories will instantly start up and the army of unemployed will be restored to jobs and prosperity will be here to stay.

We should go about this task of aiding the farmer and all the workers in the vineyard with energy and all vitality, our blood singing in our veins.

I earnestly invite the Members of the House to examine this plan and collaborate with me and others interested, and to aid us in passing a bill similar to the one I have introduced, based on the Bershers plan.

We are at war. We are in an economic war. Like Brutus, we have been at war with ourselves. I believe that trial by battle—by physical force—that war will go out of fashion and that there will be no more attempts to adjudicate rights by physical force.

We should not forget that at the bar of history prior adjudications of armed force cannot be pleaded and that he who would win in the supreme court of civilized opinion must leave captured colors and the spoil of cities and come with fruits of justice and humanity in his hands.

We are at Armageddon and fighting for the Lord—for justice. The farmer's cause is a holy cause.

From hands that would our land deflower,
From selfish greed and grasping power,
From willful waste of freedom's dower,
From pleasure's flooding wave;

From all unrest by envy bred,
From all assaults by passion led,
From anarchy with banners red,
Good Lord, defend and save.

Let power and justice side by side
Bring civil peace and civic pride;
Still may the ancient order bide
Of law and liberty.

Keep firm the bond of brotherhood,
Keep green the memory of the good,
Defend the ramparts, where they stood,
With men who trust in Thee.

[Applause.]

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3341. An act to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes.

THE AGRICULTURAL RELIEF BILL—EXTENSION OF REMARKS

Mr. CARPENTER of Nebraska. Mr. Speaker and ladies and gentlemen of the House, I have so far been unable to find a practical farmer who is supporting this so-called "farm relief" bill. The officers and leaders of a few farm organizations have seen fit to praise and endorse this measure, just as these same ones praised and supported the Farm Board and the Farm Marketing Act. These men are self-styled farm leaders only. They come to Washington and set themselves up as representing the man on the farm; but I have evidence to show that the real dirt farmers do not think as these "Washington farmers" think.

Out in Nebraska this bill will be supported by Sam McKelvie, a Republican and editor of the Nebraska Farmer, which should be called the official "farm-the-farmer" publication of the West. McKelvie's hand is well smeared from being in the Farm Board pie, and it was his intention to build himself up through the Farm Board so that he could unseat the greatest Senator of modern times, Senator GEORGE W. NORRIS, of Nebraska.

This farm relief bill, as I see it, is merely a rehash of sordid and asinine farm legislation which has previously been advanced and rejected, or has been tried with disastrous results. This measure will set up a dictatorial political agency like the Farm Board, with hundreds of patronage jobs for politicians to hand out. It will provide an unlimited number of $10,000-a-year jobs for so-called "farm organization" heads, with hundreds of clerkships, field men, and helpers. The tremendous cost must be paid. We know that the farmers paid the cost of the Farm Board.

And the farmers of Nebraska do not want another Farm Board. My predecessor in this House, Robert G. Simmons, who served 10 years here, was defeated principally because he was the bird dog of the Farm Board. That shows what the farmers think of bureaucratic farm relief. I represent one of the largest agricultural districts in the United States—30 large counties. I have traveled through this district holding over 30 meetings with those farmers, in the last 90 days. No man who comes from such a district needs these self-styled farm organizations and professional farm leaders to come to Washington and advance a panacea for the farmer—and to provide jobs for themselves! Nebraska has had its fill of such men as Alexander Legge, Sam McKelvie, and their henchmen, the Farmer Browns and the C. B. Stewards.

One of the organizations endorsing this bill is the Farmers National Grain Corporation, and there is a reason for that support. Under the provisions of this bill one of the first to want to enter into marketing agreements and to borrow money from the Reconstruction Finance Corporation will be the Farmers National Grain Corporation and its numerous subsidiaries. No more Farm Board funds are available for these farm racketeers, and they want a new pocket to get their hands into—they want more money from the taxpayers, and this bill provides a way. That is why the Farmers National Grain Corporation and similar groups are strongly urging the support and passage of this bill.

If any of you gentlemen will go direct to the farmers, you will find they do not want this bill. They know that Congress cannot legislate prosperity for the farmer by pouring millions of dollars into the open hands of these so-called "agricultural leaders" and farm organizations. It will be tragic if the new administration follows the advice of the same group of farm racketeers that presumed to represent agriculture in the Hoover administration. The Republican leadership followed the advice of this group, and the Farm Marketing Act was largely responsible for the Republican defeat and the appearance of so many new faces in Congress this session. And the farmers will send many more new members here next time if we grant dictatorial power to the bureaucrats of Washington to regulate and control the marketing of agricultural products.

The farmers have told Congress time after time what they want done. They want the Government to cut down expenses, to combine and eliminate just such forms of bureaucracy as this bill would set up, and to give them a stable and safe banking system. It may be necessary to hang a few crooked bankers, so to speak, but let us show the people of this country that the laws apply equally as much to the rich as to the poor. When banks are insolvent let them go broke, in an orderly way, and that will do as much toward restoring confidence in the country as anything else. Why should we tax people to carry an institution along which is insolvent? The farmers want strong and dependable banks and reasonable credit.

My constituents want to be able to borrow money on those things which have always been the best security on earth for loans—namely, the farm acres and the products from those acres. Those acres are just as wide and just as long and just as rich in soil as ever before. The grain grown is just as golden and just as nutritious for food as ever before. The cattle on the plains are just as sleek and the steaks are just as savory as ever they were. These farm products should be as sound security as they were 15 years ago.

One of the things that will do a great deal toward restoring farm prices and relieving the farmer in his present plight was advocated by a Nebraskan 35 years ahead of his time. In the latter part of the last century William Jennings Bryan advocated bimetallism, the remonetization of silver. Give us a dollar of both silver and gold and the farmers will get more good immediately than a scheme like this can ever bring them. Give us bimetallism and the markets of the world will be opened to the farmers of America, prosperity will come back to the farmers, and the entire world will be helped.

Let me repeat that the farmers do not want a farm-relief scheme. Recently there was a poll conducted by the Kansas City Chamber of Commerce in Missouri, Kansas, Nebraska, Oklahoma, Texas, and Colorado to learn directly from the farmers of those States in just what esteem some of this farm legislation is held. Here are the results for Nebraska:

The vote was 5 to 1 against a continuation of the Farm Board; 77 percent of the farmers were opposed to the domestic-allotment plan; 91 counties out of 93 voted against the Government's attempting to control prices or production through stabilization, allotments, or other schemes, to direct price movements against natural laws; and 10 farmers voted for to 1 against Government aid in refinancing farm mortgages and other indebtedness at lower interest rates with extended maturities.

Now, Mr. Speaker, in my opinion that proves conclusively what the farmers think of some of these agricultural-relief measures. Regardless of what these self-styled farm leaders say, the real farmers—the men who actually live on the farms and till the soil—do not want the Government sticking its nose into the marketing of agricultural products.

Why do not we look into the political activities of the Farm Board? Why do not we investigate all the other activities of that group? I contend that an investigation of all the activities of the Federal Farm Board and its branches will reveal as much stink as official Washington has ever smelled—so much, in fact, that the Teapot Dome deal will smell like a bunch of roses.

Why has not the Farm Board been investigated? A resolution asking for an investigation of the Farm Board and its activities was introduced by Senator GEORGE W. NORRIS on December 9, 1931. Some months later, on April 11, 1932, the resolution was passed. But nothing was ever done about it. Why? Because the administration then in power did not care to take a chance on what might be disclosed.

Mr. Speaker and colleagues, I cannot support this bill in its present form. The features I find objectionable are those which brought the Farm Marketing Act into disrepute. The best farm legislation that can be passed is that which will give all our people an adequate supply of currency, or money, and open the way to an open and unrestricted market. The Farm Board should be abolished in its entirety at once, and the Government should be careful not to set up another such scheme. Silver should be remonetized. When these things are done, the farmers will be on the open road to prosperity without interference from farm racketeers.

Mr. HOEPPEL. Mr. Speaker and Members of the House, I protest the passage of the agricultural bill, H.R. 3835, because it violates the American principle of equality. In my opinion, it is distinct class legislation in which certain agricultural interests are being subsidized at the expense of the American consumer.

What this Nation needs today is an increase in purchasing power, yet, lamentable to say, on the sixteenth instant, this Congress voted a decrease in Federal compensation and veteran benefits approximating over $600,000,000. The twelve to fifteen millions of unemployed have no purchasing power and they are maintained and primarily saved from starvation and human misery through the altruistic and brotherly interest of those who are employed and whom we have bereft of their just compensation at the behest of the National Economy League.

I vehemently oppose subsidies to any one class, and this includes the bankers as well as the farmers. Proper relief for the farmer is at hand, without the expense of a penny to the taxpayers or consumers of America, through the establishment of governmental credits at 1 or 2 percent to the farmers and home owners of America. If loans at reduced rates to farmers are not sufficient to bring them from their present dilemma, I would suggest tax exemption to all farmers who are legitimate tillers of the soil.

I fear the agricultural bill, which I oppose, will grant to wealthy absentee landlords equal privileges with tenant farmers, which is an absurdity, and therefore I cannot subscribe to it.

Twenty-two billion dollars in tax-exempt securities contribute not one iota to the maintenance of National Government. All wealth in America should be taxed. If this were done, the farmer would not be in the distressing condition in which we find him today.

In the agricultural bill we are attempting to treat an isolated affliction and not the basic cause. Just as in the case of a drowning man resuscitation through the establishment of proper functioning through the respiratory organs is necessary, so by analogy is resuscitation of our Nation necessary in the establishment of the Government in the banking business in order that the confidence of the people may be restored, that credits may be revivified, and thus open the channels of trade. It is more essential that the Government enter the banking business in the interest of the whole people than that it enter the agricultural business, as proposed in this bill, in the interests of a certain special class in the agricultural industry.

The "rugged individualism" of Morgan, Mellon, Mills, and kindred ilk should be relegated to the scrap heap of oblivion and the American people should have restored to them the rights prescribed under the Constitution to coin money and regulate the value thereof. The return of the Government to the people in the interests of the people is more essential to our economic recovery than is the bill under discussion.

Mr. HEALEY. Mr. Speaker, I represent a district in the Commonwealth of Massachusetts composed entirely of consumers within the meaning of this bill. Of course, quite naturally, my first thoughts are for their welfare. However, my mind is not so dwarfed by sectionalism that I cannot recognize the basic economic theory of this bill.

It is quite obvious that the prosperity of the farmer is necessary to our national economic readjustment. If his buying power is restored, it follows that the commercial marts and industrial centers of the Nation will benefit thereby. If this legislation provides the solution to the bothersome and troublesome question of farm relief, then, of course, it commends itself to everyone, whether an urban dweller or a rural dweller, and it deserves the support of all.

At this time of national emergency and stress the Members of Congress are not divided by party lines, but all approach these problems and their solutions with unbiased minds and as patriotic Americans. This legislation is not partisan, and its only earmark of partisanship is the fact that it bears the approval of a Democratic President and is introduced to this House by a member of the Democratic majority. I have a feeling of profound admiration and respect for the President of the United States and a sympathy with him in the tremendous task that he has undertaken. No President since Lincoln has entered the White House at a time when the affairs of our Nation were at such a low ebb and has been faced with so many intricate and far-reaching problems. And no President in our entire history has attacked them with more vigor and courage than the present incumbent of that high office. As a member of his party it is my earnest desire to assist him, in my humble way, to enact into law the legislation which he recommends and, by my vote, to uphold his hand.

This legislation which is before us today is of far-reaching and revolutionary proportions. It is a bold experiment with natural laws and the basic and fundamental laws of supply and demand. It affects the producer, the farmer, the processor, and the manufacturer, as well as the consumer, and its provisions are so vast and all-embracing that every citizen of our country will, in one way or another, feel its effects.

Let us pause and survey for a moment the conditions of the people of our Nation everywhere. On one hand the farmer is impoverished and is unable to pay the taxes and interest that has accrued on his holdings. In our industrial centers unemployment is rife, wages are low and decreasing, welfare lists are full and overflowing, real-estate values have decreased and are still decreasing, and taxes are getting higher. The provisions of this bill propose, directly or indirectly, to levy a tax of over a billion dollars on consumers throughout the country. The essentials and necessities of life, such as bread, flour, meat, clothing, and so forth, are to be increased in price. All of this at a time when wages are steadily decreasing and unemployment is mounting. An authority on grain marketing has made calculations to determine what this would do to food prices, and he states that in contrast to present prices the cost of

pork products to the consumer would be increased 60 percent; of bread, 20 to 30 percent; of beef and mutton, 33 percent; of flour, 60 percent; of butter, 100 percent; and of milk, 15 to 20 percent.

In the light of this knowledge, should we not pause and question if this is the time to contemplate, by direct legislation, action which would bring about so great an increase in the cost of living in the Nation's heavily populated industrial centers? Is there not time for us to pause lest what we do in the name of rural relief will invite urban ruin?

I have given great thought and study to the provisions of this bill. I have listened to the debate with great interest, and I am not convinced that this bill, in its present form, will solve the farmers' problems, and I am not, therefore, willing to risk the burden in increased cost of living and in the necessities and essentials of life that it will inflict upon the dwellers in the industrial districts of the Nation. None of its proponents has argued for it without doing so in an apologetic manner, and none of them will vouch for the proposed legislation, in its present form, as being practicable and workable. This bill entails infinite complications, potential and actual. It proposes the creation of a gigantic bureaucracy, with its tentacles reaching over this broad land to control the citizens of this country. There is no unanimity among farmers that this bill will solve the farm problem, and it is extremely doubtful that the American farmers will willingly submit to the strict supervision provided by this bill. The American farmer has always been an individualist.

By our action here we have taken away pensions from many World War veterans and have reduced the salary of Government workers. Now in this legislation we are asked to pass a bill which involves an estimated outlay of twice the amount of the economies effected by the economy bill. Is it safe to hastily pass such legislation without careful consideration and public hearings? Let us not forget that $500,000,000 has been expended in an ill-advised effort to maintain the price of wheat and other commodities, and the net result has been a total loss to the American taxpayer, and it has utterly failed to achieve its purpose.

This bill, when passed here, will be referred to the Senate where, contrary to the procedure under which this bill is being considered here, amendments will be so allowed. I believe that in that body the bill will be so amended and improved as to make it a sound and workable program by the time it again comes before this House. However, my problem as a Member of Congress is to consider the proposed legislation in the form in which it is now being submitted to this body, and the only question which is now before me is this bill, as it now stands, without correction or amendment. I feel on the question which is now before me that my sound judgment and discretion cannot permit me to vote for this bill in its present form, entailing as it does so vast an expenditure of money, and resolving itself as it does to a dubious experiment which if it fails to work can evoke untold harm.

I am anxious to have enacted swiftly and surely legislation which will assist the farmer and alleviate his present deplorable condition. I strongly desire to see his buying power restored so that parity between the city worker and the farmer, between agriculture and industry, may be established. This would tend toward general prosperity and would stimulate a betterment of the economic situation. I sincerely trust that in the Senate, where amendments are allowed, this bill will be so amended that it will provide a sound and workable measure for relief. Then I shall be most happy to cast my vote for such corrective amendments.

Mr. EATON. Mr. Speaker, I have supported President Roosevelt's emergency program without reserve in his banking bill, his economy bill, and his beer bill. I regret that I cannot support him in this so-called farm relief bill.

My reasons for voting against this bill are imperative. It is so drawn that no farmer in the world, no Member of either branch of Congress, and no other ordinary human being could possibly understand it. Of course, it is supposed to have been written for the relief of the American farmer by those three great agriculturalists of Manhattan Island, Mr. Morgenthau, Mr. Mordecai Ezekiel, and Professor Tugwell; but some of its mathematical formulas would indicate that Professor Einstein had a hand in framing it.

I am opposed to this legislation because it lays a sales tax of at least 30 percent upon food and clothing for the masses of consumers in this country. When a sales tax was proposed in the Seventy-second Congress of 2 percent, excluding food and clothing, it was voted down by the Democratic majority as an outrage upon all the citizens of our country. Yet here comes a proposal to lay the heaviest sales tax ever known on food and clothing alone. I cannot understand why this idea of a 30 percent sales tax on food and clothing did not "horrify" the President as did the moderate proposal of a 2 percent tax excluding food and clothing when it was brought to his attention a few weeks ago.

The authors of this bill have stated that it will cost the consumers in direct taxation at least $800,000,000 a year. In addition it will cost around $200,000,000 to enforce the law. This enormous administration cost is justified in the minds of the majority leaders by the fact that it will give employment to large numbers of deserving Democrats, who, by the provisions of this bill will not be embarrassed by any civil-service regulations.

In addition to this enormous sales tax the bill provides for an equally unbearable addition to the tariff which comes with strange grace from the party that for years has been proclaiming that most of our ills are due to a high tariff.

It must be recalled as soon as the President's policy in regard to the banks became known and the economy measure was passed, a wave of renewed confidence swept over the country. Prices of securities went up, and prices of commodities, including grain, cotton, and other farm products rose rapidly. Immediately this farm relief bill was brought out, confidence began to recede and prices rapidly fell again. This would indicate that if we had continued to grapple with the fundamental economic question affecting all the people, relief in the form of increased prices would have reached the farmer as well as all others as a matter of course.

The first need of the farmer, of the home owner, and of the business man of this country is a readjustment of the crushing burden of debt they are carrying and a reduction in interest charges. This has got to come either by universal bankruptcy, by an inflation of the currency, or by cooperative action between creditor and debtor under Government supervision. Relief for the farmer must come also from reduced taxes. This, of course, is a matter for the State and the municipality rather than for the Federal Government.

I see no hope for a final solution of our agricultural problem or for any other economic problem in this country until our people snap out of the hypnotic condition in which they look only to Washington to do for them what heretofore, over 150 years of glorious history, they have done for themselves by American initiative, industry, courage, and cooperation.

The shadow that lies behind this particular bill is the grandiose scheme advanced by many impractical theorists of "nationalizing" our entire American life. In essence this bill is a modified brand of sovietism. It is Russian rather than American in plan and purpose. I am not yet ready to admit that those principles upon which we have created and developed the greatest civilization, from the point of view of the common man, that the world has ever seen are incapable of further use. Modern conditions will require great and radical changes in our social and economic structure, but these changes do not necessarily involve the abandonment of those ideals of life that have made America the hope of the world.

I can conceive of no more discouraging example of this abandonment of American principles than the passage of this bill by the House of Representatives, without adequate debate, without amendment, with an almost unanimous confession of disagreement on the part of those who voted for it, and with the expressed hope that the Senate will do the

legislating necessary in order to give the bill a semblance of sanity.

This bill is in essence a gigantic attempt at price fixing, which has always been and always will be a failure, and it must be borne in mind by the taxpayers that in his message proposing this legislation the President announced that he considered it an experiment which if it failed he would be the first one to frankly admit the failure. Unfortunately, he did not indicate how the long-suffering taxpayers, who will have to put up the money, are to be reimbursed for the expense incurred in this experiment.

Mr. PETTENGILL. Mr. Speaker, the President has, with great courage, offered to attempt the herculean task of alleviating the terrible distress in which American agriculture finds itself. To vote "no" on this bill means that we are not willing to even give him the opportunity to make that effort. The effort may not succeed, but I am willing to give him the right to try. We cannot have a "new deal" from the President unless we give him the cards.

When the allotment bill was before us in January, I said:

> At the special session to be held this spring the plan will be far better matured than it is now and many objectionable features now apparent may be eliminated.

A careful study of this bill discloses that it is not subject to some of the objections that I had to the former bill.

For example, the old bill made inevitable an immediate large rise in the price of farm commodities to the city consumer. It was not apparent to me how the unemployed millions in the cities were going to be able to absorb these increases without very great hardship, or if they refused to pay them and bought substitutes the processor's tax would revert back on the farmer himself, and thus destroy the end sought to be achieved—a restoration of farm buying power.

The present bill, however, has the common sense of being very flexible in its operation. The President may "cut and try." In fixing the processing tax the Secretary of Agriculture "shall" give due consideration to "wage scales" and "employment conditions" in the cities, with power to lower the tax, if necessary, to enable the consumers to continue to buy. No drastic advance is contemplated by this bill, and it is apparent that it is the intent to raise farm prices only as the consuming masses of the cities are able to absorb them in increasing employment and wage scales.

The bill specifically states that in no case shall a greater fraction of the consumer's dollar go to the farmer than was the case before the war. The former bill seemed to be written only in the interests of agriculture, while this bill contemplates just treatment for both consumers and producers. And in this connection I quote the admirable statement of the United States Supreme Court in the recent case of *Appalachian Coals, Inc.*, v. *United States:*

> The interests of producers and consumers are interlinked. When industry is grievously hurt, when producing concerns fail, when unemployment mounts and commodities dependent upon profitable production are prostrated, the wells of commerce go dry.

I do not regard this bill as an isolated effort to push forward "the embattled farmer" alone, but as part of a grand strategy that contemplates an advance along the entire economic front. If it increases the cost of food products in the present vacuum of city wage levels, it is doomed to failure. At the present time the distress in the cities is as great as it is on the farms. The farmer's pay must finally come from the pay envelopes in towns and cities. They will have to go up together.

It is apparent that it is the policy of the administration shortly to give consideration to the question of easing the debt burden of the farmer. This makes it far more certain than was true under the former bill that the increased price received by the farmer will not be absorbed and hoarded by his creditor, and thus not get back to the city worker's pay envelope in the purchase of manufactured goods.

The allotment feature of the bill I like the least, and this is what Simpson, of the Farmers Union, is none too happy about. There are the hordes of inspectors, the cost and irritations of enforcement, and the far-reaching uncertainties and demoralization which it may introduce in the whole field of processing and distribution. Knowing that the tax, and therefore the price, may be raised or lowered any day by the Secretary of Agriculture, who will make future commitments with any confidence? The sword of an economic Damocles would again hang over the market, as it did with the Farm Board. I would much prefer, as against that, a simple leasing bill in which the Government pays out of the General Treasury rentals at least sufficient to cover the taxes on the land taken out of production. The reduced acreage and yield would benefit the farmer at harvest time—that cost would be deferred to the city consumer until that time when it is hoped that there will be a revival of earnings in the cities. In addition, when the acreage is once taken out of production, the only uncertainty left in the growing, processing, and marketing is the ancient gamble against wind and weather. Growers and handlers would not have to gamble against the Government. Further, the rentals being paid out of the General Treasury, you would not be in the position of putting a sales tax on the necessities of life.

The bill in any form is, of course, a subsidy. It seems to me that we are fast coming to the time when the subsidy business will be like a dog chasing its tail—like a dozen men in a circle, all stooping over, lifting the man ahead of him by the bootstraps. Whatever benefit anyone gets as a subsidy by being lifted by the man behind him he in time loses as a taxpayer in lifting the man in front. In this vicious circle, however, it can be said with justice that the farmer has been largely left out. Manufacturing is subsidized by the tariff; shipping by ocean mail contracts; business by free service of the Department of Commerce; railroads in the old days by land grants; inland-water carriers by river improvements; automobiles by Federal-aid highways, and so forth. Most of these have been at the expense of the farmer and have helped to cause the disparity between agriculture and industry. To close that gap is the primary justification for this bill. As long as we are in the subsidy business agriculture can claim the right to be in on the deal.

If, however, we are to attempt this gigantic effort to decrease agricultural production, we should immediately stop increasing agricultural production. We are to spend around a billion dollars in this bill to reduce production, and we still go merrily on spending millions more for new reclamation and irrigation products, bigger and better Boulder Dams, intensive soil culture, and so forth. We have surely been living in a topsy-turvy world in recent years. For myself I have not and will not vote for more irrigation or reclamation projects until by growth of population the land we already have under the plow can no longer feed our people.

I hope this bill will benefit agriculture and in so doing help the towns. But, in my judgment, what would help them both far more is an "honest dollar." The American people will, in my judgment, not much longer tolerate a money system and its control which alternately wipes out the savings of investors and creditors in periods of inflation and then destroys the equities of debtors in periods of deflation. I hope the "new deal" will not overlook grappling with this gigantic evil which catches us coming and going and makes everything else insignificant by comparison. Long ago Thomas Jefferson spoke of a system of money control which he predicted would result in depriving our "people of all property until their children will wake up homeless on the continent their fathers conquered."

I still have many misgivings as to this bill, but I have confidence in our President to be absolutely fair to both consumer and farmer, and, in view of the great emergency confronting us, I am willing to tread with him this "new and untrod path", with his assurance that "if a fair administrative trial does not produce the hoped-for results", he will willingly so advise us.

The bill, in fact, gives the President the right by proclamation to terminate the act with respect to any commodity if he finds that it cannot be made to work. I cannot conceive that he will continue to pour money down what may prove to be a hopeless rat hole. This provision should save us from such an economic debacle as the Farm Board.

It may be that the farm problem is so huge, so complicated, that it is incapable of legislative solution in the light of present conditions affecting both domestic and world markets.

But we cannot get anywhere without going somewhere. It is sometimes better to move in a general direction than to argue too long at the crossroads. For this reason and because I think it extremely important right now for the morale of the entire Nation and all of its interests to "stand by the President", I am voting "aye."

ADJOURNMENT

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 25 minutes p.m.) the House adjourned until tomorrow, Wednesday, March 22, 1933, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. PALMISANO: Committee on the District of Columbia. H.R. 3342. A bill to provide revenue for the District of Columbia by the taxation of beverages, and for other purposes; with amendment (Rept. No. 11). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H.R. 1800) granting a pension to Ada May Fuller, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIMOND: A bill (H.R. 3894) authorizing the Tlingit and Haida Indians of Alaska to bring suit in the United States Court of Claims and conferring jurisdiction upon said court to hear, examine, adjudicate, and enter judgment upon any and all claims which said Indians may have or claim to have against the United States, and for other purposes; to the Committee on Indian Affairs.

By Mr. KNUTSON: A bill (H.R. 3895) to impose a tax on food products containing imported organic fats or oils; to the Committee on Ways and Means.

By Mr. EDMONDS: A bill (H.R. 3896) to protect the candidates for or the President and the Vice President of the United States from assassination or attempted assassination and to provide jurisdiction therefor; to the Committee on the Judiciary.

By Mr. MALONEY of Connecticut: A bill (H.R. 3897) to repeal the tax on bank checks; to the Committee on Ways and Means.

By Mr. BROWN of Kentucky: A bill (H.R. 3898) to repeal the tax on bank checks; to the Committee on Ways and Means.

Also, a bill (H.R. 3899) to repeal section 1001 (a) of the Revenue Act of 1932, which increased the rate of postage on certain mail matter of the first class; to the Committee on Ways and Means.

By Mr. SCRUGHAM: A bill (H.R. 3900) authorizing the Secretary of the Treasury to pay certain subcontractors for material and labor furnished in the construction of the post office at Las Vegas, Nev.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3901) authorizing the Reconstruction Finance Corporation to make advances to the reclamation fund; to the Committee on Banking and Currency.

By Mr. MITCHELL: A bill (H.R. 3902) to regulate the importation of milk and cream and milk and cream products into the United States for the purpose of promoting the dairy industry of the United States and protecting the public health; to the Committee on Agriculture.

By Mr. WHITE: A bill (H.R. 3903) to amend section 616 (relating to the tax on electrical energy) of the Revenue Act of 1932; to the Committee on Ways and Means.

By Mr. GIBSON: A bill (H.R. 3904) to amend paragraph 31 (c) of section 7 of an act entitled "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes", approved July 1, 1902, as amended; to the Committee on the District of Columbia.

By Mr. BYRNS: A bill (H.R. 3905) for the relief of unemployment through the performance of useful public work, and for other purposes; to the Committee on Labor.

By Mr. BEAM: A bill (H.R. 3906) to amend section 726 of the Revenue Act of 1932, increasing temporarily the stamp tax on sales of produce for future delivery; to the Committee on Ways and Means.

By Mr. WILCOX: A bill (H.R. 3907) providing for the establishment of a term of the District Court of the United States for the Southern District of Florida at Orlando, Fla.; to the Committee on the Judiciary.

By Mr. McSWAIN: A bill (H.R. 4003) to regulate commerce among the States, to promote the general welfare by strengthening confidence in life insurance, and by protecting the policyholders of life insurance; to the Committee on Interstate and Foreign Commerce.

By Mr. SCRUGHAM: A bill (H.R. 4004) to provide for the redistribution of the overbalance of population in industrial centers by aiding in the purchase of subsistence farms, and for other purposes; to the Committee on Agriculture.

By Mr. CANNON of Wisconsin: Joint resolution (H.J.Res. 103) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

Also, joint resolution (H.J.Res. 104) directing the President of the United States of America to proclaim October 11 of 1933, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. SABATH: Joint resolution (H.J.Res. 105) authorizing and requesting the President to pardon those serving sentences for violating the Volstead Act and the Attorney General to nolle prosequi certain outstanding indictments; to the Committee on the Judiciary.

By Mr. LESINSKI: Joint resolution (H.J.Res. 106) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of New Mexico, memorializing Congress to remonetize silver and restore said metal to its proper and historic use as money, or as a basis for the issuance of silver certificates to serve as money, and to admit the silver of the world, or at least such thereof as is produced in the United States, to coinage in our national mints, upon such basis of value as compared with gold as may be deemed just and proper; to the Committee on Coinage, Weights, and Measures.

Memorial of the Legislature of the State of Massachusetts, memorializing Congress to regulate the hours and wages of persons employed in manufacturing and industrial establishments; to the Committee on Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREW of Massachusetts: A bill (H.R. 3908) for the relief of Joanna A. Sheehan; to the Committee on Claims.

Also, a bill (H.R. 3909) for the relief of Cyril Ambrose Deery; to the Committee on Naval Affairs.

By Mr. BEITER: A bill (H.R. 3910) granting a pension to Dorothy D. Grabenstatter; to the Committee on Pensions.

By Mr. BLACK: A bill (H.R. 3911) for the relief of Margaret Diederich; to the Committee on Claims.

Also, a bill (H.R. 3912) for the relief of Roland Zolesky; to the Committee on Claims.

Also, a bill (H.R. 3913) for the relief of the legal guardian of Nick Vasilzevic; to the Committee on Claims.

Also, a bill (H.R. 3914) for the relief of the George C. Mansfield Co. and George D. Mansfield; to the Committee on Claims.

By Mr. BURNHAM: A bill (H.R. 3915) granting a pension to John Burton Hughes; to the Committee on Pensions.

Also, a bill (H.R. 3916) granting a pension to Mary H. Wallace; to the Committee on Pensions.

By Mr. CARY: A bill (H.R. 3917) granting a pension to Luther Skaggs; to the Committee on Pensions.

Also, a bill (H.R. 3918) to authorize the transfer of certain land in Hopkins County, Ky., to James D. Meadors; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 3919) granting a pension to Vuna Flener; to the Committee on Pensions.

Also, a bill (H.R. 3920) granting a pension to Margaret Ragland; to the Committee on Pensions.

Also, a bill (H.R. 3921) granting a pension to Lee Rigsby; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3922) granting a pension to Andrew J. White; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3923) granting a pension to Annie Lewis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3924) granting a pension to Benjamin F. Norris; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3925) granting a pension to Squire F. Ashley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3926) granting a pension to Malinda Howard; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3927) granting a pension to Sylvia Abner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3928) granting a pension to Lucinda Bratcher; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3929) granting a pension to Sarah Ann B. Emry; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3930) granting a pension to Bettie Dillard; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3931) granting a pension to Elizabeth Knight; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3932) granting a pension to Donnie E. Moreland; to the Committee on Pensions.

Also, a bill (H.R. 3933) granting a pension to Jamaica Taylor; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3934) granting an increase of pension to William T. Conway; to the Committee on Pensions.

Also, a bill (H.R. 3935) granting an increase of pension to Burley L. Van Fleet; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3936) for the relief of R. A. Williams; to the Committee on Claims.

Also, a bill (H.R. 3937) for the relief of Mrs. Hugh A. Thomas; to the Committee on Claims.

Also, a bill (H.R. 3938) for the relief of O. D. Cardwell; to the Committee on Claims.

Also, a bill (H.R. 3939) for the relief of Charlie T. Annis; to the Committee on Military Affairs.

Also, a bill (H.R. 3940) to extend the benefits of the Employee's Compensation Act of September 7, 1916, to J. P. Moseley; to the Committee on Claims.

By Mr. COCHRAN of Missouri: A bill (H.R. 3941) for the relief of Oscar R. Witte; to the Committee on Claims.

Also, a bill (H.R. 3942) for the relief of George E. Stuckey; to the Committee on Military Affairs.

By Mr. DOCKWEILER: A bill (H.R. 3943) granting a pension to Cora B. Noyes; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3944) granting a pension to Belle B. Craig; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3945) granting a pension to Laura A. Garrison; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3946) for the relief of Harry C. Hall; to the Committee on Claims.

Also, a bill (H.R. 3947) granting an increase of pension to Mont Graham; to the Committee on Pensions.

Also, a bill (H.R. 3948) for the relief of William Clair Wise; to the Committee on Military Affairs.

Also, a bill (H.R. 3949) for the relief of Patrick H. H. Snodgrass; to the Committee on Military Affairs.

Also, a bill (H.R. 3950) for the relief of Robert C. Nicholson; to the Committee on Military Affairs.

Also, a bill (H.R. 3951) for the relief of Edwin G. Blanchard; to the Committee on Military Affairs.

By Mr. DRIVER: A bill (H.R. 3952) for the relief of Grace P. Stark; to the Committee on Claims.

By Mr. EDMONDS: A bill (H.R. 3953) for the relief of Alvin Ernest Whaley; to the Committee on Naval Affairs.

Also, a bill (H.R. 3954) for the relief of Frederick Schwartz, Jr.; to the Committee on Naval Affairs.

By Mr. GUYER: A bill (H.R. 3955) granting a pension to Alice L. Calderhead; to the Committee on Invalid Pensions.

By Mr. JACOBSEN: A bill (H.R. 3956) to authorize Frank W. Mahin, retired American Foreign Service officer, to accept from Her Majesty the Queen of the Netherlands the brevet and insignia of the Royal Netherland Order of Orange Nassau; to the Committee on Foreign Affairs.

By Mr. JAMES: A bill (H.R. 3957) granting a pension to Mary E. Moen; to the Committee on Pensions.

By Mr. JENKINS: A bill (H.R. 3958) granting an increase of pension to Mary C. Keneff; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3959) granting a pension to Minnie B. Leonard; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3960) granting an increase of pension to Sophie M. Swigert; to the Committee on Invalid Pensions.

By Mr. KELLY of Pennsylvania: A bill (H.R. 3961) to correct the military record of Joseph A. Roland; to the Committee on Military Affairs.

Also, a bill (H.R. 3962) granting an increase of pension to Mira E. Hoffman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3963) granting an increase of pension to Harriet A. Drury; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3964) granting an increase of pension to Victoria B. Temple; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3965) granting an increase of pension to Agnes Robertson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3966) granting an increase of pension to Eunice F. Brown and a pension to Ruth M. Brown; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3967) granting an increase of pension to Helena K. Helm; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3968) granting an increase of pension to Mary H. Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3969) granting an increase of pension to Mary C. Reed; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3970) granting a pension to Robert Clark Pollock; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3971) for the relief of Edna Morris; to the Committee on Claims.

Also, a bill (H.R. 3972) granting a pension to Robert McDermott; to the Committee on Pensions.

Also, a bill (H.R. 3973) granting a pension to Maggie Rachael Wilt; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3974) granting a pension to M. R. Smith; to the Committee on Pensions.

Also, a bill (H.R. 3975) granting a pension to Bess B. Mills; to the Committee on Pensions.

By Mr. KOCIALKOWSKI: A bill (H.R. 3976) for the relief of Charles J. Rysko; to the Committee on Military Affairs.

By Mr. KOPPLEMANN: A bill (H.R. 3977) for the relief of Joseph Salinghi; to the Committee on Claims.

By Mr. LINDSAY: A bill (H.R. 3978) for the relief of Albert Bruce Mumma; to the Committee on Naval Affairs.

By Mr. LLOYD: A bill (H.R. 3979) granting a pension to Emma D. Jones; to the Committee on Invalid Pensions.

By Mr. O'BRIEN: A bill (H.R. 3980) for the relief of Carl L. Bernau; to the Committee on Military Affairs.

By Mr. SADOWSKI: A bill (H.R. 3981) for the relief of Lukasz Komajda; to the Committee on Claims.

By Mr. SCRUGHAM: A bill (H.R. 3982) for the relief of cargo laden aboard the United States transport *Florence Luckenbach* on or about December 27, 1918; to the Committee on Claims.

By Mr. SUMNERS of Texas: A bill (H.R. 3983) for the relief of John C. Larkin; to the Committee on Military Affairs.

By Mr. WELCH: A bill (H.R. 3984) for the relief of Thomas H. Dowd; to the Committee on Military Affairs.

Also, a bill (H.R. 3985) for the relief of Charles T. Moll; to the Committee on Military Affairs.

Also, a bill (H.R. 3986) for the relief of Ernst Nussbaum; to the Committee on Claims.

Also, a bill (H.R. 3987) for the relief of Edward Earl Bain; to the Committee on Naval Affairs.

Also, a bill (H.R. 3988) for the relief of Herbert Rogers Cranton; to the Committee on Naval Affairs.

Also, a bill (H.R. 3989) for the relief of Carver A. Thomas; to the Committee on Military Affairs.

Also, a bill (H.R. 3990) for the relief of Martin J. Blazevich; to the Committee on Claims.

Also, a bill (H.R. 3991) for the relief of Abe Rubenstein; to the Committee on Naval Affairs.

Also, a bill (H.R. 3992) for the relief of C. A. Betz; to the Committee on Claims.

Also, a bill (H.R. 3993) for the relief of Thomas Kelly; to the Committee on Naval Affairs.

Also, a bill (H.R. 3994) for the relief of Cornelius F. J. Howard; to the Committee on Naval Affairs.

Also, a bill (H.R. 3995) for the relief of W. A. Belard; to the Committee on Naval Affairs.

Also, a bill (H.R. 3996) for the relief of Frank Bolt; to the Committee on Naval Affairs.

Also, a bill (H.R. 3997) for the relief of Erney S. Blazer; to the Committee on Military Affairs.

Also, a bill (H.R. 3998) for the relief of Rawley Clay Allen; to the Committee on Naval Affairs.

Also, a bill (H.R. 3999) granting a pension to Thomas Hamilton Peckham; to the Committee on Pensions.

Also, a bill (H.R. 4000) granting a pension to Grace M. Eigholz; to the Committee on Pensions.

Also, a bill (H.R. 4001) granting an increase of pension to Deborah Hunter; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4002) extending the benefits of the Emergency Officers' Retirement Act to Thomas Joseph McHugh; to the Committee on World War Veterans' Legislation.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

103. By Mr. BOYLAN: Letter from the Stationers' Association of New York City, urging the repeal of the tax on checks and reduction of postage rates on first-class mail; to the Committee on the Post Office and Post Roads.

104. By Mr. DELANEY: Petition of Louis Segal, president of the Segal Lock & Hardware Co., Inc., of New York, proposing an emergency measure to temporarily meet conditions in the banking situation; to the Committee on Banking and Currency.

105. By Mr. JOHNSON of Texas: Telegrams of Tom Field, secretary-treasurer Brazos Valley Farm Improvement Association, Calvert, and of V. O. Miles, W. A. Daniels, Clyde Moore, and Dr. J. Fain Moore, of Coolidge, all of the State of Texas, urging passage of President's farm relief bill; to the Committee on Agriculture.

106. By Mr. KVALE: Petition of the annual town meeting of Eden Township, of Pipestone County, Minn., urging support and enactment of the President's program; to the Committee on Ways and Means.

107. Also, petition of Benson (Minn.) Woman's Christian Temperance Union, urging enactment of legislation providing for Federal supervision of motion pictures; to the Committee on Interstate and Foreign Commerce.

108. Also, petition of Minnesota Raw Fur Dealers Association, Minneapolis, Minn., urging support of the President's economy program; to the Committee on Ways and Means.

109. Also, petition of Duluth Chamber of Commerce, Duluth, Minn., indorsing President's recommendations; to the Committee on Ways and Means.

110. Also, petition of St. Paul Fire & Marine Insurance Co., St. Paul, Minn., urging support of President's economy program; to the Committee on Ways and Means.

111. Also, petition of officers and employees of the Dairy Supply Co., Minneapolis, Minn., unanimously supporting the banking-control program of the President; to the Committee on Banking and Currency.

112. Also, petition of 17 citizens of St. Paul, Minn., urging enactment of legislation providing for the revaluation of the gold ounce; to the Committee on Coinage, Weights, and Measures.

113. Also, petition of 53 citizens of St. Paul, Minn., urging enactment of legislation providing for the revaluation of the gold ounce; to the Committee on Coinage, Weights, and Measures.

114. Also, petition of 500 members of the Halvorson-Bowers Post, No. 187, American Legion, Minneapolis, Minn., urging Congress to retain its authority in dealing with veterans' affairs; to the Committee on Ways and Means.

115. Also, petition of Minneapolis Chapter of the Disabled American Veterans of the World War, urging retention of allowances to service-connected cases of veterans; to the Committee on Ways and Means.

116. Also, petition of State officers, Minnesota American Legion, urging Congress to maintain its constitutional responsibility to consider existing veterans' laws; to the Committee on Ways and Means.

117. Also, petition of all posts of Veterans of Foreign Wars of Minnesota, opposing granting of dictatorial powers to the President and opposing cutting veterans' benefits; to the Committee on Ways and Means.

118. Also, petition of Granite Falls (Minn.) Post of American Legion, opposing reduction of disability benefits, particularly service-connected cases or those with presumptive connection; to the Committee on Ways and Means.

119. Also, petition of Spanish War Veterans' Camp, Faribault, Minn., protesting any change in pensions for Spanish War veterans; to the Committee on Pensions.

120. Also, petition of Spanish-American War Veterans, Edward Dolan Camp, No. 28, Worthington, and Arthur McArthur Camp, No. 16, Minneapolis, Minn., protesting any reduction in pensions to Spanish-American War veterans; to the Committee on Pensions.

121. Also, petition of American Legion State Executive Committee, St. Paul, and commander tenth district, Robbinsdale, Minn., opposing plan to wipe out present veterans' laws; to the Committee on Ways and Means.

122. Also, petition of Spanish War veterans of Minneapolis, Minn., urging enactment of legislation to provide similar benefits to Spanish War veterans as Civil War veterans receive; to the Committee on Pensions.

123. Also, petition of 71 citizens, Sleepy Eye, Minn., urging enactment of legislation providing for the revaluation of the gold ounce and other measures; to the Committee on Coinage, Weights, and Measures.

124. Also, petition of Warren Women's Club, Warren, Minn., urging Federal regulation of motion pictures; to the Committee on Interstate and Foreign Commerce.

125. Also, petition of Minneapolis Letter Carriers' Association of 600 members, opposing wage-cut proposal in the economy bill; to the Committee on Ways and Means.

126. Also, petition of American Legion Auxiliary, Olivia, Minn., urging enactment of the Rankin bill with the elimination of the "needs" clause; to the Committee on World War Veterans' Legislation.

127. Also, petition of International Falls (Minn.) Trades and Labor Assembly, urging enactment of legislation em-

bodying a 30-hour week, with minimum wage program; to the Committee on Labor.

128. Also, petition of 10 citizens of Minneapolis, Minn., urging enactment of legislation providing for the revaluation of the gold ounce; to the Committee on Coinage, Weights, and Measures.

129. Also, petition of eight citizens of Twin Lakes, Minn., urging passage of legislation providing for revaluation of the gold ounce; to the Committee on Coinage, Weights, and Measures.

130. Also, petition of 30 individuals, citizens of Minnesota, urging enactment of legislation providing for the revaluation of the gold ounce; to the Committee on Coinage, Weights, and Measures.

131. Also, petition of 101 citizens of Minneapolis, Minn., urging enactment of legislation to change the value of the gold ounce; to the Committee on Coinage, Weights, and Measures.

132. Also, petition of members of the Legislature of the State of Minnesota; to the Committee on Appropriations.

133. Also, petition of R. G. Goltz, Ed. T. Johnson, W. A. Anderson, J. F. Houston, and Andrew Fjoslien, committee for the mass meeting called by the Farmers' Holiday Association of Grant County, Minn., urging enactment of the Frazier bill, of legislation for monetary inflation, of legislation fixing a minimum price for farm products, of Government regulation of terminal and storage facilities, of elimination of grain speculation, of protective-tariff rights for imports of grain, meats, and fats, and of Government operation of railroads; to the Committee on Interstate and Foreign Commerce.

134. Also, petition of the legislative committee of the Meeker County Taxpayers' Association; to the Committee on Ways and Means.

135. Also, petition of Nobles County (Minn.) Farmers Union, urging enactment of the Frazier bill, the Swank-Thomas bill, the Wheeler bill, and the Patman bill, urging legislation to withdraw all taxable bonds, and urging legislation to postpone payment of penalties on all tax delinquencies for 2 years; to the Committee on Banking and Currency.

136. Also, petition of 28 individuals, citizens of Minnesota, urging enactment of legislation providing for the revaluation of the gold ounce; to the Committee on Coinage, Weights, and Measures.

137. By Mr. MALONEY of Connecticut: Petition of National Association of Railroad and Utilities Commissioners, adopted at forty-fourth annual convention held in Hot Springs, Ark., November 15 to 18, 1932; to the Committee on the Judiciary.

138. By Mr. MEAD: Petition of Buffalo citizens regarding support of the Capper-Kelly bill; to the Committee on Interstate and Foreign Commerce.

139. By Mr. O'CONNELL: Petition of the General Assembly of the State of Rhode Island, urging the use of granite in Federal construction; to the Committee on Appropriations.

140. By Mr. O'MALLEY: Memorial of the Legislature of the State of Wisconsin, relating to the consideration for granite and Wisconsin hard limestone in Federal construction in Wisconsin and other States because of its durability, dignity, and beauty; to the Committee on Public Buildings and Grounds.

141. Also, memorial of the Legislature of the State of Wisconsin, expressing confidence in, and support of, the measures taken by President Roosevelt and the national administration in the present banking crisis, and urging all depositors in banks to remain calm and have confidence in the measures taken by the President and the Congress of the United States; to the Committee on Banking and Currency.

142. By Mr. SUTPHIN: Petition of Italian Progressive Club, of Asbury Park, N.J., supporting the President of the United States in his economy and banking program; to the Committee on Economy.

SENATE

WEDNESDAY, MARCH 22, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S.J.Res. 14) to authorize the Reconstruction Finance Corporation to make loans for financing the repair or reconstruction of buildings damaged by earthquake in 1933.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, and it was signed by the Vice President.

PUBLIC BUILDINGS COMMISSION

The VICE PRESIDENT. Under authority of section 1, chapter 1, title 40, of the United States Code, the Chair appoints the Senator from Texas [Mr. CONNALLY] a member of the Public Buildings Commission to fill the vacancy caused by the resignation of Hon. Claude A. Swanson as Senator from Virginia.

THE JOURNAL

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that the Journal for the calendar days of Monday and Tuesday, March 20 and 21, 1933, be approved.

The VICE PRESIDENT. Is there objection? The Chair hears none.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Reynolds
Ashurst	Costigan	La Follette	Robinson, Ark.
Austin	Couzens	Lewis	Robinson, Ind.
Bachman	Dickinson	Logan	Russell
Bailey	Dieterich	Lonergan	Sheppard
Bankhead	Dill	Long	Smith
Barbour	Duffy	McAdoo	Steiwer
Barkley	Erickson	McCarran	Stephens
Black	Fess	McGill	Thomas, Okla.
Bone	Fletcher	McKellar	Thomas, Utah
Borah	Frazier	McNary	Trammell
Bratton	George	Metcalf	Tydings
Brown	Glass	Murphy	Vandenberg
Bulkley	Goldsborough	Neely	Van Nuys
Byrd	Gore	Norbeck	Wagner
Byrnes	Hale	Norris	Walcott
Capper	Harrison	Nye	Walsh
Caraway	Hatfield	Overton	Wheeler
Carey	Hayden	Patterson	White
Clark	Johnson	Pittman	
Connally	Kendrick	Pope	
Coolidge	Keyes	Reed	

Mr. REED. I desire to announce that my colleague the junior Senator from Pennsylvania [Mr. DAVIS] is still detained from the Senate by illness. I will let this announcement stand for the day.

Mr. FESS. I wish to announce that the following-named Senators are necessarily absent: Mr. DALE, Mr. HASTINGS, Mr. HEBERT, Mr. KEAN, Mr. SHIPSTEAD, and Mr. SCHALL.

Mr. BLACK. I desire to announce that the junior Senator from South Dakota [Mr. BULOW] is detained from the Senate by a slight illness. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty-five Senators having answered to their names, a quorum is present.

RELIEF OF DISTRESS FROM EARTHQUAKE IN CALIFORNIA

Mr. GLASS. Mr. President, I submit the conference report on Senate Joint Resolution No. 14, having reference to the aid of the sufferers from earthquake in California. The report has been adopted by the other body, and I ask unanimous consent that it be adopted here.

The VICE PRESIDENT. Is there objection to the consideration of the report? The Chair hears none, and the clerk will read the report.

The Chief Clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S.J.Res. 14) authorizing the President of the United States to expend $5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the first amendment of the House, and agree to the same with an amendment as follows: After the numerals "1933," in the last line of the matter inserted by the House amendment, insert the following: "The aggregate of the loans made under this paragraph shall not exceed $5,000,000"; and the House agree to the same.

That the Senate agree to the amendment of the House amending the title of the joint resolution.

CARTER GLASS,
KENNETH MCKELLAR,
FREDERICK HALE,
HENRY W. KEYES
Managers on the part of the Senate.

J. P. BUCHANAN,
EDWARD T. TAYLOR,
W. A. AYRES,
JOHN TABER,
ROBERT L. BACON,
Managers on the part of the House.

The report was agreed to.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions of the House of Representatives of the State of Massachusetts, which were referred to the Committee on Education and Labor, as follows:

THE COMMONWEALTH OF MASSACHUSETTS, 1933.

Resolutions memorializing Congress to regulate the hours and wages of persons employed in manufacturing and industrial establishments

Resolved, That the House of Representatives of the Commonwealth of Massachusetts hereby memorializes Congress to enact legislation to prevent interstate commerce in commodities or articles produced or manufactured in industrial activities in which persons are employed more than 5 days per week or 6 hours per day, and also that it enact legislation to guarantee the payment in such industries of minimum wages commensurate with the American standard of living.

Resolved, That certified copies of these resolutions be sent by the secretary of the Commonwealth to the presiding officers of both branches of Congress and to each of the Senators and Representatives from Massachusetts.

In house of representatives, adopted March 15, 1933.

[SEAL] FRANK E. BRIDGMAN, *Clerk.*

A true copy.

Attest:

F. W. COOK,
Secretary of the Commonwealth.

The VICE PRESIDENT also laid before the Senate a letter in the nature of a petition from R. P. Taylor, of Chicago, Ill., praying for the adoption of the plan known as the "Long plan" for the decentralization and spread of the wealth of the Nation among all the people, which was referred to the Committee on Finance.

Mr. ERICKSON presented a joint memorial of the Legislature of the State of Montana, favoring the passage of legislation reducing the rate of interest required to be paid on loans made by the Reconstruction Finance Corporation in aid of industries, which was referred to the Committee on Banking and Currency.

(See joint memorial, printed in full when laid before the Senate by the Vice President on Mar. 14, 1933, pp. 310–311, CONGRESSIONAL RECORD.

Mr. ERICKSON also presented a joint memorial of the Legislature of the State of Montana, favoring the passage of legislation relating to the suspension of payments and loans to the reclamation funds of irrigation projects, which was referred to the Committee on Irrigation and Reclamation.

(See joint memorial, printed in full when laid before the Senate by the Vice President on Mar. 13, 1933, p. 243, CONGRESSIONAL RECORD.)

Mr. GOLDSBOROUGH presented resolutions adopted by the Eastern Livestock Cooperative Marketing Association, at Baltimore, Md., favoring the retention of the Agricultural Marketing Act and protesting against the consolidation of the Federal Farm Board with any other governmental department, which were referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by the Maryland section of the American Society of Civil Engineers, favoring the making of adequate appropriation for stream-flow measurements, which was referred to the Committee on Appropriations.

He also presented a resolution adopted at a mass meeting of the Business and Professional Women's Council, Maryland Branch, National Woman's Party, at Baltimore, Md., favoring the repeal of section 213 of the so-called "Economy Act", relating to the employment of married persons in the Federal service, passed by the Seventy-second Congress, which was referred to the Committee on Appropriations.

He also presented resolutions adopted by Fort Washington Chapter, No. 2, Disabled American Veterans of the World War, of Cumberland, Md., protesting against the passage of legislation providing for the publication of names of disabled veterans receiving compensation, which were referred to the Committee on Finance.

He also presented a paper and telegrams in the nature of petitions of the United Food Stores, Inc., the Lime and Cement Exchange, and W. F. Schluderberg, the Wm. Schluderberg-T. J. Kurdle Co., all of Baltimore, Md., favoring the repeal of the 2-cent excise tax on bank checks, which were referred to the Committee on Finance.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON:

A bill (S. 681) requiring publicity for certain foreign-loan transactions;

A bill (S. 682) to prohibit financial transactions with any foreign government in default on its obligations to the United States; and

A bill (S. 683) to provide for the more effective supervision of foreign commercial transactions, and for other purposes; to the Committee on the Judiciary.

A bill (S. 684) to grant a patent to Albert M. Johnson and Walter Scott; and

A bill (S. 685) to extend the mining laws of the United States to the Death Valley National Monument in California; to the Committee on Public Lands and Surveys.

By Mr. DILL:

A bill (S. 686) granting a pension to Ferdinand Beyersdorf; to the Committee on Pensions.

By Mr. FLETCHER:

A bill (S. 687) providing for the establishment of a term of the District Court of the United States for the Southern

District of Florida at Orlando, Fla.; to the Committee on the Judiciary.

By Mr. GEORGE:

A bill (S. 688) to provide for the refinancing of farm-mortgage indebtedness by the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

By Mr. TYDINGS:

A bill (S. 689) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Lillian A. Stecher; to the Committee on Claims.

By Mr. BRATTON:

A bill (S. 690) for the relief of Charles L. Graves; to the Committee on Indian Affairs.

By Mr. BRATTON (for himself and Mr. CUTTING):

A bill (S. 691) to authorize appropriations to pay in part the liability of the United States to the Indian pueblos herein named, under the terms of the act of June 7, 1924, and the liability of the United States to non-Indian claimants on Indian pueblo grants whose claims, extinguished under the act of June 7, 1924, have been found by the Pueblo Lands Board to have been claims in good faith; to authorize the expenditure by the Secretary of the Interior of the sums herein authorized and of sums heretofore appropriated, in conformity with the act of June 7, 1924, for the purchase of needed lands and water rights and the creation of other permanent economic improvements as contemplated by said act; to provide for the protection of the watershed within the Carson National Forest for the Pueblo de Taos Indians of New Mexico and others interested, and to authorize the Secretary of Agriculture to contract relating thereto and to amend the act approved June 7, 1924, in certain respects; to the Committee on Indian Affairs.

By Mr. BRATTON (for himself, Mr. CUTTING, Mr. SHEPPARD, and Mr. CONNALLY):

A bill (S. 692) providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928; to the Committee on Public Lands and Surveys.

By Mr. DICKINSON:

A bill (S. 693) relating to the paid-in surplus of Federal land banks; and

A bill (S. 694) to provide for the liquidation of joint-stock land banks, and for other purposes; to the Committee on Banking and Currency.

A bill (S. 695) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to James R. Kelly; to the Committee on Claims.

A bill (S. 696) to authorize Frank W. Mahin, retired American Foreign Service officer, to accept from Her Majesty the Queen of the Netherlands the brevet and insignia of the Royal Netherland Order of Orange Nassau; to the Committee on Foreign Relations.

A bill (S. 697) for the relief of Aileen Random Weber; to the Committee on Claims.

A bill (S. 698) granting a pension to Helen R. Benson;

A bill (S. 699) granting a pension to Charles T. Griggs;

A bill (S. 700) granting a pension to Anna Ross;

A bill (S. 701) granting a pension to Anna M. Shumaker;

A bill (S. 702) granting a pension to Elizabeth Spafford;

A bill (S. 703) granting a pension to Jemima E. Trowbridge;

A bill (S. 704) granting a pension to Mary S. Tuffree;

A bill (S. 705) granting a pension to Mary Jane Willey; and

A bill (S. 706) granting an increase of pension to Lydia J. Barton; to the Committee on Pensions.

By Mr. BORAH:

A bill (S. 707) for the relief of James J. Jordan; to the Committee on Military Affairs.

A bill (S. 708) granting a pension to John Bivens;

A bill (S. 709) granting a pension to Granville Brown;

A bill (S. 710) granting a pension to Charles D. Chinn;

A bill (S. 711) granting a pension to Edwin F. Guyon;

A bill (S. 712) granting a pension to Narcissa Hussey;

A bill (S. 713) granting a pension to Wilbern Alonzo Hussey;

A bill (S. 714) granting a pension to Stephen D. Jones;

A bill (S. 715) granting a pension to Olive A. Lewis;

A bill (S. 716) granting a pension to Taylor C. Lyon;

A bill (S. 717) granting an increase of pension to Tennessee F. Maynard;

A bill (S. 718) granting a pension to Ida H. McCullough;

A bill (S. 719) granting a pension to Hanna White; and

A bill (S. 720) granting an increase of pension to Truman H. Wilkinson; to the Committee on Pensions.

By Mr. WHEELER:

A bill (S. 721) authorizing the Arapahoe and Cheyenne Indians to submit claims to the Court of Claims for adjudication and settlement; to the Committee on Claims.

A bill (S. 722) amending an act entitled "An act to provide for the allotting in severalty lands within the Northern Cheyenne Indian Reservation in Montana, and for other purposes";

A bill (S. 723) to amend the act of March 13, 1924 (43 Stat.L. 21), so as to permit the Flathead, Kootenai, and Upper Pend d'Oreille Tribes or Nations of Indians to file suit thereunder;

A bill (S. 724) defining the term "Indian" with respect to guardianship by the United States;

A bill (S. 725) authorizing the Secretary of the Interior in behalf of Indians to purchase the allotments of deceased Indians, and for other purposes; and

A bill (S. 726) to reduce the area of the Fort Peck irrigation project in the State of Montana; to the Committee on Indian Affairs.

A bill (S. 727) for the relief of Francis N. Dominick; to the Committee on Military Affairs.

A bill (S. 728) granting a pension to Ba-ta-wa-ha-cha, or Take the Bow Numbered 2;

A bill (S. 729) granting a pension to James A. Boone;

A bill (S. 730) granting a pension to James Conroy;

A bill (S. 731) granting a pension to Crooked Faced Child;

A bill (S. 732) granting a pension to Waumdi Duba (Red Eagle);

A bill (S. 733) granting a pension to Sarah J. Gould;

A bill (S. 734) granting a pension to Caroline Henkel;

A bill (S. 735) granting a pension to Jens A. Jepsen;

A bill (S. 736) granting a pension to Daniel S. J. Leif;

A bill (S. 737) granting a pension to John Ransom;

A bill (S. 738) granting a pension to Marie Taylor; and

A bill (S. 739) granting a pension to Joseph E. Williams; to the Committee on Pensions.

By Mr. GOLDSBOROUGH:

A bill (S. 740) for the relief of William G. Fulton; to the Committee on Claims.

A bill (S. 741) for the relief of Jennie Bruce Gallahan; to the Committee on the District of Columbia.

By Mr. BONE:

A bill (S. 742) to establish a national cemetery within the Fort Lewis Military Reservation, State of Washington; to the Committee on Military Affairs.

By Mr. STEPHENS:

A bill (S. 743) to amend the act approved June 30, 1932, entitled "An act providing for the transfer of the duties authorized and authority conferred by law upon the Board of Road Commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes"; to the Committee on Commerce.

By Mr. NEELY:

A bill (S. 744) granting a pension to Eliza Gawthrop;

A bill (S. 745) granting a pension to Elmira F. Miller; and

A bill (S. 746) granting a pension to Cassie Randolph; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 747) to amend section 13 of the Federal Reserve Act by making notes of finance and credit companies subject to discount; to the Committee on Banking and Currency.

A bill (S. 748) for the relief of W. F. Lueders; to the Committee on Claims.

By Mr. STEPHENS:

A joint resolution (S.J.Res. 31) consenting that certain States may sue the United States, and providing for trial on the merits in any suit brought hereunder by a State to recover direct taxes alleged to have been illegally collected by the United States during the fiscal years ending June 30, 1866, 1867, and 1868, and vesting the right in each State to sue in its own name; to the Committee on Claims.

HEARINGS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. KING submitted the following resolution (S.Res. 40), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on the Judiciary, or any subcommittee thereof, is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 20 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

HEARINGS BEFORE THE COMMITTEE ON INDIAN AFFAIRS

Mr. WHEELER submitted the following resolution (S.Res. 41), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Indian Affairs, or any subcommittee thereof, is hereby authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid from the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

AMENDMENT OF THE RULES—COMMITTEE ON INDIAN AFFAIRS

Mr. WHEELER submitted the following resolution (S.Res. 42), which was referred to the Committee on Rules:

Resolved, That clause 6 of Rule XVI of the Standing Rules of the Senate is amended by inserting immediately before the period at the end thereof a semicolon and the following: "and that three members of the Committee on Indian Affairs, to be selected by said committee, shall be ex-officio members of the Committee on Appropriations, to serve on said committee when the items pertaining to Indian affairs are being considered by the Committee on Appropriations in the bill making appropriations for the Department of the Interior, and at least one member of the Committee on Indian Affairs shall be a member of any conference committee appointed to confer with the House upon items pertaining to Indian affairs contained in the bill making appropriations for the Department of the Interior."

HEARINGS BEFORE THE COMMITTEE ON COMMERCE

Mr. STEPHENS submitted the following resolution (S.Res. 43), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Commerce, or any subcommittee thereof, is authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

SPECIAL EMPLOYEES

Mr. HAYDEN submitted the following resolution (S.Res. 44), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Sergeant at Arms hereby is authorized and directed to appoint four special employees to be paid from the contingent fund of the Senate at the rate of $1,000 each per annum until otherwise ordered by the Senate.

LOANS TO STATE BANKS AND TRUST COMPANIES

Mr. FLETCHER. Mr. President, from the Committee on Banking and Currency I report back favorably, with an amendment in the form of a substitute, the bill (H.R. 3757) to provide for direct loans by Federal reserve banks to State banks and trust companies in certain cases, and I submit a report (No. 4) thereon.

Mr. ROBINSON of Arkansas. Mr. President, this is the bill amending the Emergency Banking Act. As heretofore explained, Senate bill 320 passed this body last week, and after some delay was sent to the House of Representatives. The House incorporated in a new bill most of the provisions contained in Senate bill 320, added certain other provisions, and passed a new bill. That bill was received by the Senate yesterday, being H.R. 3757, bearing the same title, and was referred to the Committee on Banking and Currency.

The Committee on Banking and Currency met immediately after the recess of the Senate yesterday and has reported recommending an amendment in the nature of a substitute. As I understand the report, it incorporates the principal provisions of the Senate bill, the modifications of the Senate bill that were incorporated in the House bill, and adds thereto the terms of Senate bill 334 which was introduced by the Senator from Ohio [Mr. BULKLEY] and which passed the Senate several days ago, and concerning which the House has not yet taken action. I ask unanimous consent for the immediate consideration of the bill.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, I desire to propound a question to the Senator from Arkansas. Does the report embody the unanimous judgment of the Senate Committee on Banking and Currency?

Mr. ROBINSON of Arkansas. It is my information that it does. Am I correct in that, I will ask the Senator from Florida?

Mr. FLETCHER. Mr. President, I did not catch the question.

Mr. McNARY. I asked, Does the report express the unanimous judgment of the Committee on Banking and Currency?

Mr. FLETCHER. Yes; and the committee reports an amendment in the nature of a substitute for the House bill.

Mr. CAREY. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield further?

Mr. ROBINSON of Arkansas. I yield first to the Senator from Florida [Mr. FLETCHER].

Mr. FLETCHER. I have no objection to it, and I suggest that the clerk read the report. It is very brief.

Mr. NORRIS. Mr. President, if the Senator from Arkansas will yield, I should like to ask him a question before unanimous consent is given.

Mr. ROBINSON of Arkansas. Very well; I yield.

Mr. NORRIS. I am trying to get in my mind the parliamentary situation. I understand the Senate passed a bill and sent it to the House and then the House passed a different bill on the same subject, a House bill, and sent it to the Senate. When the House took that action was the Senate bill in the possession of the House?

Mr. ROBINSON of Arkansas. It was.

Mr. NORRIS. What explanation is made for the House's proceeding in that way? It seems to me that is quite an irregular proceeding. I never knew it to happen except in the case of the "lame duck" constitutional amendment, when there was the same kind of legerdemain.

Mr. ROBINSON of Arkansas. I have investigated that subject, and I do not think there was any substantial reason for the course taken by the House. I believe the House could easily have facilitated the disposition of the legislation by modifying the Senate bill and sending it back here, so that a motion might have been made to concur in the House amendments if the Senate had desired to adopt that course. But the thought that is in my mind now is that there is no justification for the Senate's becoming involved in a controversy about the legislation. The point I should like to have determined is the merits of the legislation that is proposed.

Mr. NORRIS. Mr. President, will the Senator yield again?

Mr. ROBINSON of Arkansas. I yield.

Mr. NORRIS. I am not going to object, and I am not interested in the authorship of the bill; I am not interested as to whether it is a Senate bill or a House bill, but I am interested in the orderly procedure of legislation in both

Houses. If we pass a bill on a certain subject and send it to the House, and then the House ignores the action of the Senate and passes a House bill with a House number, even though it be in identical language, and sends it to us, and the Senate should pursue a similar course, the Senator knows that under that kind of parliamentary procedure we never would conclude any legislation.

Mr. ROBINSON of Arkansas. That is exactly the reason that I am asking to proceed in the way I have indicated. I am asking to take up the House bill and consider its provisions, in the belief that if we pass the House bill with amendments the House may concur in the Senate amendments and thus accomplish the passage of the legislation. I think it is futile, and, if I may say so, rather a questionable procedure when one body has passed upon a measure for the other body to ignore that action and treat the subject as a new one; but I am anxious to have the legislation considered and acted upon.

Mr. NORRIS. I will say to the Senator that I am likewise anxious to have it considered, and for that reason I thought we ought to ignore what is at least a discourtesy, and what, if practiced generally, would block all legislation and prevent the legislative body's getting anywhere with anything. My principal object really was to call attention to that kind of a procedure. I am willing to overlook it, but I think it ought to be called to the attention of the Congress and to the country, too, that that is not the right way to legislate.

Mr. ROBINSON of Arkansas. I feel that the chairman of the House committee having jurisdiction of the legislation should ask action on the Senate bill. But, may I say to the Senator from Nebraska, this does not represent the sole instance in which a contrary course has been pursued. On other occasions the Senate has passed measures and after they have been transmitted to the body at the other end of the Capitol that body has passed similar measures and sent them over here, with the result that the Senate has adopted the House measures. Of course, the normal and proper procedure would seem to be for the body at the other end of the Capitol to act upon the Senate measure.

I recall on one occasion that a resolution submitted by myself was passed by this body; it went to the House, and after almost a week's delay substantially an identical resolution was passed by the House—a House resolution—and it came back to the Senate. I pointed out the course that had been taken and asked for the passage of the House resolution, and that was done.

However, as the Senator from Nebraska has stated, it is desirable to facilitate action, and that is the reason I am asking for the consideration of the House bill.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. McNARY. Mr. President, the able Senator from Wyoming [Mr. CAREY] was asking for recognition before I concluded.

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Wyoming?

Mr. ROBINSON of Arkansas. I yield to the Senator from Wyoming.

Mr. CAREY. Mr. President, the statement has been made by the chairman of the committee that the committee was unanimously in favor of this bill. I think there were at least 2 or 3 members who were not in favor of it, and I think the chairman is in error in stating that the bill was reported unanimously by the committee. I should like to make that statement.

Mr. LONG. Mr. President——

Mr. ROBINSON of Arkansas. Mr. President, may I make this statement? I have been told that some amendments will be proposed to the bill——

Mr. LONG. Yes.

Mr. ROBINSON of Arkansas. But I did not understand there was any objection to the report that was made by the committee, and I do not now so understand.

Mr. FLETCHER. Mr. President, perhaps the Senator from Wyoming is correct. I had in mind that when the motion was put, the ayes had it, and when the noes were called for I did not hear any, but it may be that there were as many as three out of the whole membership who did not vote for the motion to report the bill.

Mr. McNARY. Mr. President, in view of the action of the committee, I have no objection to the present consideration of the bill.

The VICE PRESIDENT. Is there objection?

Mr. COUZENS. Mr. President, I understand that as yet there are no copies of the bill printed.

Mr. LONG. Yes, sir; here is a copy, I will say to the Senator.

Mr. FLETCHER. There have been printed as yet no copies of the substitute.

Mr. COUZENS. What the Senator from Louisiana has is not a copy of the bill.

Mr. FLETCHER. We have not had time to have the bill printed; the report has just been made. It can be printed very quickly, however, and I have a copy here in typewritten form which I will give to the Senator.

Mr. COUZENS. Mr. President, I am at a loss to understand why the bill that was introduced by the Senator from Arkansas [Mr. ROBINSON] and passed by the Senate apparently was not considered by the Banking and Currency Committee yesterday, especially as it relates to section 212 of the bill of the Senator from Arkansas, which permitted the Reconstruction Finance Corporation and the Federal reserve banks to make loans to any conservator appointed pursuant to section 203. The Senator from Arkansas will recall that when the bill referred to was considered by the Senate, I think he himself offered such a provision as an amendment to his own bill, and it was a very important element, a very important part of the bill, and played a very important part in securing its passage through the Senate. It now seems not to have been considered a part of the bill reported by the Committee on Banking and Currency.

Mr. ROBINSON of Arkansas. Neither was it embraced in the bill as it was passed by the House. I have no information on the subject as to why the provision was not incorporated. I may say, however, that under existing law receivers are authorized to make loans with the Reconstruction Finance Corporation, and that under the Emergency Banking Act which we passed on the 9th of March, as I now remember, the bank conservators appointed pursuant to section 203 of the Emergency Banking Act were given all the rights accorded to receivers. A question arose as to whether that language was sufficient to authorize the conservators to obtain loans from the Reconstruction Finance Corporation. I myself never believed that there was much in the question.

It seems to me that the Emergency Banking Act itself gave that right, but, out of deference to those who expressed a doubt about the matter, I offered the amendment, making the explanation at the time which I am repeating now, and the Senate incorporated section 212 in Senate bill 320. The House, however, failed to take note of that provision and did not include it in House bill 3757, and made some other changes or additions which I am prepared and which others are prepared to explain if consent be given for the consideration of the bill.

Mr. COUZENS. Mr. President, may I ask the Senator from Virginia [Mr. GLASS] if he concurs in the views expressed by the Senator from Arkansas [Mr. ROBINSON] that the conservator has already adequate power to borrow under the act of March 9, 1933?

Mr. GLASS. Yes; that is my view.

Mr. COUZENS. So the Senator does not think that it is necessary to incorporate the amendment which on motion of the Senator from Arkansas was added to Senate bill 320 when it was considered by the Senate before its passage?

Mr. GLASS. That was the thought of the experienced draftsmen at the Treasury Department, and I concur in that belief.

Mr. COUZENS. Does the Senator believe that the Federal Reserve Board will so interpret it?

Mr. GLASS. I think so. I will say for the benefit of the senior Senator from Nebraska [Mr. NORRIS] that the Banking and Currency Committee concurred so completely in the suggestion made today by the Senator from Nebraska as to the appropriate procedure with respect to this bank bill as that it unanimously authorized the bill perfected yesterday by the Senate to be introduced by the Senator from Arkansas as a new bill, to be known as the Robinson bill, and to ask unanimous consent for its immediate consideration, with the statement that it had met the approval of the Banking and Currency Committee.

The action taken by the House, if I am permitted under the rules to say so, was rather irregular and ungracious; and the Banking and Currency Committee of the Senate so thought, in concurrence with the view now expressed by the Senator from Nebraska.

As a matter of fact, the bill before the Senate is the Robinson bill, modified by the seasoned experts of the administration so as to authorize two things that were not authorized by the original Robinson bill; to wit, an examination of the condition of State banks before they should be accorded the privileges of the Federal Reserve facilities, and the issuance of Federal Reserve bank notes, which was not authorized by the Robinson bill. That and one other minor alteration made by the experts of the Treasury and the Federal Reserve Board, with the approval of the President, who was present at the interview, constitute the bill as passed by the House.

Then the Senate will recall that we unanimously passed the bill presented by the Senator from Ohio [Mr. BULKLEY], authorizing the purchase by the Reconstruction Finance Corporation of the debentures of State banks rather than the preferred stock of State banks, for the reason that certain States have laws against the issuance of preferred stock by State banks; and it was to meet that technical difficulty that the Bulkley bill was passed.

This bill, then, is the modified Robinson bill, with the addition of the Bulkley bill already passed by the Senate, and which we had reason to believe would not be acted upon by the House.

I think that definitely states the nature of the bill we are now considering.

Mr. METCALF. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Rhode Island?

Mr. GLASS. I do.

Mr. METCALF. Does this bill allow a mutual savings bank that has no stock to borrow from the Federal Reserve System? The bill uses the expression "nonmember State bank or trust company."

Mr. GLASS. I should not think so.

Mr. METCALF. The Senator does not think it would allow such a mutual savings bank to borrow from the Federal Reserve System?

Mr. GLASS. No; I should not think so, and I should not think it ought to.

Mr. METCALF. Not in these times?

Mr. FLETCHER. Mr. President——

Mr. CONNALLY. Mr. President, may I ask the Senator from Virginia a question?

Mr. GLASS. I prefer that the Senator should address it to the chairman of the Banking and Currency Committee.

Mr. FLETCHER. Mr. President, I want to answer first the question raised by the Senator from Rhode Island. There is this provision in the bill:

> As used in this section, the term "State bank or trust company" shall include other banking corporations engaged in the business of industrial banking and under the supervision of State banking departments or of the Comptroller of the Currency.

Mr. GLASS. The Senator knows that that was intended to take care of what are known as the Morris Plan banks.

Mr. FLETCHER. Yes; I think that is true.

Mr. METCALF. But the Senator does not think a mutual savings bank would have the same privilege?

Mr. GLASS. If the Senator asks me, in frankness I am obliged to say that I do not think the legislation is necessary at all.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas?

Mr. McNARY. Mr. President, a few moments ago, when unanimous consent was requested, I had assumed that the bill was in print and on the desks of Senators. Upon reflection and inquiry I ascertained that that was not possible.

Of course, there is always confusion incident to legislating unless the text of the measure is before us. I have no desire to delay the bill; in fact, I was very happy to assist the Senator from Arkansas in securing its early and present consideration; but much criticism has been leveled at legislation where bills are not before the various Members of the Senate, that they may study the text as the argument proceeds. It occurs to me that the bill might be printed by 2 o'clock or half past 2; and I suggest to the Senator from Arkansas to consider the advisability of a recess until the bill can be printed and placed upon the desk of each individual Senator.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Louisiana?

Mr. McNARY. I yield.

Mr. LONG. If the Senator from Oregon will pardon me just a minute, we understand that this is the House bill that is printed. The only controversial matter is in the House bill. The Bulkley bill has been printed by the Senate, and everybody has seen it. The House bill, H.R. 3757, simply has added to it the Bulkley bill, which has already been printed. We all understand it, I think. The only controversial matter is in this bill.

Now, we need this legislation. If it is going to be enacted, and is all right, why not let us take it up now?

Mr. McNARY. Mr. President, I do not want to delay the bill, but a matter of 2 hours is no delay. When the bill is before us in printed form we can consider it logically and sensibly.

Mr. LONG. There are only two points in the bill, Mr. President.

Mr. McNARY. That may be, but the bill ought to be printed and placed before us in the form in which it is to be presented in argument and in which we are to vote upon it.

Mr. LONG. It can be. There are only two controversial points, and they are whether or not we will eliminate two amendments that have been made, one of which requires a thorough examination of the banks, and the other, a new section, requiring that they deposit certain funds in the Federal reserve banks.

Mr. McNARY. The Senator from Louisiana is very conversant with this subject matter. Some of the rest of us are not; and I think it conforms to a better system of legislation to have the bill in its text before us.

Mr. ROBINSON of Arkansas. Mr. President, of course it is not possible to proceed with the consideration of the bill except by unanimous consent. I think the request for printed copies is a reasonable one, but I do not believe the time suggested by the Senator from Oregon would be adequate to assure that we will have printed copies available. I think we might take a recess until, say, 4 o'clock, and that that would enable us to dispose of the bill today, and not occasion any material delay.

The Senator from Louisiana has correctly stated that the printed bill, H.R. 3757, embraces some of the provisions of Senate bill 320, and that the only change made in that bill relates to what is known as the "Bulkley Act", pertaining to preferred stock. However, if the Senator from Oregon thinks it will conduce to a fairer deliberation upon the measure, I shall ask unanimous consent that the Senate take a recess until 4 o'clock, at which time the Senate will proceed with the consideration and disposition of the bill before the end of the present calendar day.

The VICE PRESIDENT. Is there objection?

Mr. ADAMS. Mr. President, will the Senator yield to me for the purpose of submitting amendments which I propose to offer when the bill comes up?

Mr. ROBINSON of Arkansas. Very well; I think that should be done, and that the amendments that are proposed should be printed so as to be available.

The VICE PRESIDENT. Without objection, the amendments will be received, printed, and lie on the table.

Is there objection to the request of the Senator from Arkansas?

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

Mr. ROBINSON of Arkansas. Certainly.

Mr. FLETCHER. I have just inquired, and I am informed that it would take about 3 hours to get the print here.

Mr. ROBINSON of Arkansas. That is the reason why I suggested 4 o'clock.

The VICE PRESIDENT. May the Chair state that the parliamentarian suggests that in order to make an agreement to vote at a certain hour it is necessary to call the roll of the Senate?

Mr. McNARY. There is no desire to fix a time to vote; merely to consider this particular measure.

Mr. ROBINSON of Arkansas. I will modify the request so as to obviate that necessity and make it in the following form, namely: That the Senate take a recess until 4 o'clock, and that upon reconvening we proceed to the consideration of the bill.

The VICE PRESIDENT. Is there objection?

Mr. CLARK. Mr. President, I have an amendment I desire to offer which I have not yet reduced to writing. I ask unanimous consent that I may reduce it to writing and submit it to be printed and lie on the table.

Mr. ROBINSON of Arkansas. Very well; and the Senator from Washington [Mr. BONE] submitted to me a moment ago a draft of an amendment which I see he is presenting now to be printed.

Mr. BONE. I present the amendment and ask to have it printed and lie on the table.

The VICE PRESIDENT. Without objection, permission will be given to have the amendments printed and lie on the table. Is there objection to the request of the Senator from Arkansas?

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. Before a recess is taken, I move that the Senate proceed to the consideration of executive business.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and the Senate proceeded to the consideration of executive business in open session.

FOREIGN SERVICE

The VICE PRESIDENT. Reports of committees are in order.

Mr. ROBINSON of Arkansas. Mr. President, for the Senator from Nevada [Mr. PITTMAN], the chairman of the Committee on Foreign Relations, who is unavoidably absent, I submit two favorable reports from that committee.

The VICE PRESIDENT. The reports will be read.

ROBERT WORTH BINGHAM

The Chief Clerk read the nomination of Robert Worth Bingham, of Kentucky, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Great Britain.

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent for the present consideration of the nomination.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, in the absence of the Senator from Idaho [Mr. BORAH] and the Senator from California [Mr. JOHNSON], I shall have to object.

Mr. ROBINSON of Arkansas. May I say that I am certain that the Senator from Idaho would like to have the matter disposed of. This represents a unanimous report from the Committee on Foreign Relations.

Mr. McNARY. I suggest to the Senator from Arkansas that he withhold the request at this time.

Mr. ROBINSON of Arkansas. Very well; I will withhold the request until later.

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. NORRIS. As I understand, the Senator from Arkansas asked unanimous consent that the Senate take a recess until 4 o'clock, and that was granted. Are we not in recess? How do we happen to be transacting business?

Mr. ROBINSON of Arkansas. No; the motion to recess has not yet been made.

Mr. NORRIS. But the Senator asked unanimous consent that the Senate take a recess.

Mr. ROBINSON of Arkansas. Consent was given that when the Senate decided to recess it might do so.

Mr. FESS. That is what the Senator meant, but not what he said.

Mr. ROBINSON of Arkansas. Very well; if any Senator desires to be technical, I ask unanimous consent to modify the request. We have proceeded to the consideration of executive business.

The VICE PRESIDENT. The Senator from Arkansas asks unanimous consent to modify his request so that after the executive session the Senate will take a recess upon the motion of some Senator until 4 o'clock. Is there objection? The Chair hears none.

The clerk will read the next nomination.

IRVING N. LINNELL

The Chief Clerk read the nomination of Irving N. Linnell, of Massachusetts, now a Foreign Service officer of class 2 and a consul general, to be also a secretary in the Diplomatic Service of the United States of America.

Mr. ROBINSON of Arkansas. I ask unanimous consent for the consideration of that nomination.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. I think that falls in the same category.

Mr. ROBINSON of Arkansas. It is a routine nomination, but I will let it go over. Of course, it is subject to objection.

The Senate resumed legislative session.

RECESS

Mr. ROBINSON of Arkansas. Mr. President, unless there is some further business to be transacted at this time, I move that the Senate take a recess until the hour of 4 o'clock.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 12 o'clock and 44 minutes p.m.) the Senate took a recess until 4 o'clock p.m., when it reassembled, and the Vice President resumed the chair.

WHEELER BILL FOR REMONETIZATION OF SILVER

Mr. WHEELER presented resolutions of the Butte Workingmen's Union, Federal Labor Union No. 12985, American Federation of Labor, of Butte, and Great Falls Mill and Smeltermen's Union No. 16, International Union of Mine, Mill, and Smelter Workers, of Great Falls, in the State of Montana; of the Lincoln Central Labor Union, of Lincoln, Nebr., and of La Grande Central Labor Union, affiliated with the American Federation of Labor, of La Grande, Oreg., in favor of the passage of the Wheeler bill for the remonetization of silver, which were referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

Be it resolved by the Butte Workingmen's Union, Federal Labor Union No. 12985, American Federation of Labor, of Butte, Mont.:

First. That the Senators and Representatives for the State of Montana be, and they are hereby, requested to give their support to and to vote for Senate bill No. 2487, commonly known as the "Wheeler bill," now pending in the Congress of the United States; and

Second. That a copy of this resolution, signed by the president and secretary and under the seal of this union, be mailed to each of said Senators and Representatives forthwith.

FRANCIS J. MCKELVEY, *President.*

Attest my hand and the seal of the union.

[SEAL] CLINTON L. WILLIAMS, *Secretary.*

The following resolutions were concurred in by the Great Falls Mill and Smeltermen's Union No. 16, of the International Union of Mine, Mill, and Smelter Workers:

"Whereas the business of the world is stagnant and suffering, and causing a serious condition of unemployment and hunger; and

"Whereas it has been conclusively proven by eminent economists and statesmen that one of the principal causes for the present bad economic conditions is the low, unstabilized value of silver: Therefore be it

"*Resolved*, That Local No. 16 of the International Union of Mine, Mill, and Smelter Workers go on record as being in favor of the passage of the Wheeler bill (S. 2487); and be it further

"*Resolved*, That we urge upon the President of the United States, and the United States Senators, and Representatives in Congress, from the silver-mining States, the passage of this bill; and be it further

"*Resolved*, That a copy of these resolutions be forwarded to the President of the United States, and to Representatives in the Senate and Congress, from the silver-mining States; also to the President of the American Federation of Labor; and be it further

"*Resolved*, That this organization will do all within its power to bring about a world conference for the stabilization of silver."

Done in regular meeting assembled, March 13, 1933.

[SEAL] JOHN W. TREAGER, *President*.

LINCOLN, NEBR., *March 3, 1933*.

To the Hon. BURTON K. WHEELER,
Washington, D.C.

DEAR SIR: In a regular meeting of the Lincoln Central Labor Union the following resolution was passed:

"*Resolved*, That the Lincoln Central Labor Union endorse the Wheeler bill, known as "Senate file S. 2487", and that a copy be sent to Senator B. K. WHEELER, and a copy be mailed to Senators G. W. NORRIS, R. B. Howell, Congressmen J. H. MOREHEAD, E. R. BURKE, EDGAR HOWARD, A. S. SHALLENBERGER, and TERRY CARPENTER. Or in case of death or resignation be given to their successor." Also a copy be sent to the press.

[SEAL] LINCOLN CENTRAL LABOR UNION,
BRITT PRYOR, *President*.
ERNEST BOCK, *Secretary*.

Resolution adopted by the La Grande Central Labor Union at their regular meeting held March 9, 1933

Whereas the La Grande Central Labor Union has for the past several months made an exhaustive study of the present economic conditions; and

Whereas in this study we have consulted a number of outstanding men who thoroughly understand the basic principles of money values; and

Whereas as a result of this study we have concluded that one of the major causes of the present depression is the unstable condition of money values; and

Whereas we are convinced that this condition would be corrected by the enactment of Senate bill 2487, known as the "Wheeler bill", for the remonetization of silver: Therefore be it

Resolved, That we as a body memorialize Congress to enact this bill (S. 2487) into law at the earliest possible moment; and be it further

Resolved, That a copy of this resolution be sent to the sponsor of this bill, Senator B. K. WHEELER, and a copy to our Senator and Representative from this district.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	La Follette	Robinson, Ind.
Ashurst	Costigan	Logan	Russell
Austin	Couzens	Lonergan	Sheppard
Bachman	Dickinson	Long	Shipstead
Bailey	Dieterich	McAdoo	Smith
Bankhead	Dill	McCarran	Steiwer
Barbour	Duffy	McGill	Stephens
Barkley	Fess	McKellar	Thomas, Okla.
Black	Fletcher	McNary	Thomas, Utah
Bone	Frazier	Metcalf	Trammell
Bratton	George	Murphy	Tydings
Brown	Glass	Neely	Vandenberg
Bulkley	Goldsborough	Norbeck	Van Nuys
Byrd	Gore	Nye	Wagner
Byrnes	Hale	Overton	Walcott
Capper	Hatfield	Patterson	Walsh
Caraway	Hayden	Pittman	Wheeler
Carey	Johnson	Pope	White
Clark	Kendrick	Reed	
Connally	Keyes	Reynolds	
Coolidge	King	Robinson, Ark.	

Mr. BLACK. I wish to announce that the junior Senator from South Dakota [Mr. BULOW] is detained by a slight illness.

I also wish to announce that the senior Senator from Mississippi [Mr. HARRISON] is necessarily absent.

Mr. FESS. I desire to announce that the following-named Senators are necessarily absent: Mr. DALE, Mr. HASTINGS, Mr. HEBERT, Mr. KEAN, Mr. CUTTING, and Mr. SCHALL.

I also desire to announce that the Senator from Delaware [Mr. TOWNSEND] is unavoidably detained.

Mr. LA FOLLETTE. I was requested to announce that the senior Senator from Nebraska [Mr. NORRIS] is absent on official business.

Mr. DIETERICH. I wish to announce that my colleague the senior Senator from Illinois [Mr. LEWIS] is absent on account of illness.

The VICE PRESIDENT. Eighty-one Senators having answered to their names, a quorum is present.

LOANS TO STATE BANKS AND TRUST COMPANIES

The Senate resumed the consideration of the bill (H.R. 3757) to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases.

Mr. FLETCHER. Mr. President, before other amendments are offered, I would like to propose a formal amendment merely to preserve the proper connection in the bill. On page 6, line 1, after "(c)", I move to insert the following:

Such section 304 is further amended by adding at the end thereof the following new sentence:

And before the word "As" in line 1, and after the word "Currency", in line 5, I move to insert quotation marks.

The VICE PRESIDENT. Without objection, the amendments are agreed to.

Mr. LONG. Mr. President, I send to the desk an amendment and ask that it be reported and be considered at this time.

The VICE PRESIDENT. The amendment will be read for the information of the Senate.

The CHIEF CLERK. Add at the end of the bill a new section, as follows:

The Reconstruction Finance Corporation is hereby authorized and instructed to readjust and rearrange all loans heretofore or hereafter made by it to national banks, member banks of the Federal Reserve System, and to State banks and trust companies, on the basis of collateral so that the respective loan shall be equal to approximately 90 percent of the estimated value of the collateral securing the same.

Mr. LONG. I ask that the amendment be inserted as section 3 at the end of the bill. This is nothing new. It simply places the Reconstruction Finance Corporation loans in the same category as the Federal reserve loans. The Emergency Banking Act which we passed allows the Federal Reserve System to lend on an estimated value of 90 percent; that is, they lend 90 percent of the estimated value of the collateral. The amendment does no more and no less than to allow the Reconstruction Finance Corporation to apply the same yardstick that the Federal Reserve System is applying.

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. I yield.

Mr. BARKLEY. I notice the Senator uses the word "readjust"—that the Reconstruction Finance Corporation shall "readjust" its loans. I presume that means loans already made and outstanding?

Mr. LONG. Yes.

Mr. BARKLEY. How can they readjust their loans so as to make them upon a 90 percent basis without decreasing them or requiring payment in some cases or increasing the loans up to 90 percent?

Mr. LONG. I would state that this is not a matter of any physical or financial difficulty at all. I think I am authorized to say that another Senator in this Chamber and myself—I do not mind stating that it was the senior Senator from Mississippi [Mr. HARRISON]—were present at a conference with the Reconstruction Finance Corporation on yesterday afternoon and we were told that they had the plans made, in the event of such a thing being adopted as a policy, so that they could immediately adopt it.

It would mean just this: Here is a little bank that has put up 3 for 1. The bank has no more collateral. It cannot put up anything more with the Federal Reserve System, because when it borrowed $1,000 it put up $3,000 of collateral. We now come along with a policy of law and say that bank should have been allowed really a loan of $900 on every $1,000 of collateral. That is written in the Emergency Banking Act. They are entitled to have the loan adjusted so as to liquidate on that basis. They have already put up their collateral and there is no reason why they should be closed out. Now that we have propounded a scientific basis of loans, there is no reason why we should shut those people out.

Mr. BARKLEY. In other words, if the Senator's amendment is adopted, where a bank has borrowed $10,000,000 and has put up collateral that is worth $20,000,000, we would force the Reconstruction Finance Corporation to loan that bank on that same collateral $8,000,000 more.

Mr. LONG. If it is worth that money.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Arkansas?

Mr. LONG. I have the floor and I yield to the Senator from Arkansas, and I shall yield to any other Senator who desires me to do so.

Mr. ROBINSON of Arkansas. I point out to the Senator from Louisiana that the amendment as he has proposed it is a direction to the Reconstruction Finance Corporation to readjust loans so that they shall be based upon approximately 90 percent of the estimated value of the collateral securing the same.

Mr. LONG. Yes; the Senator is correct.

Mr. ROBINSON of Arkansas. Yes; I have the amendment before me. The act to which the Senator has referred, namely, the Emergency Banking Act, does not give any such direction to the Federal Reserve System. It fixes a maximum limit so that not exceeding 90 percent of the value of the collateral may be loaned.

Mr. LONG. I have no objection to modifying the amendment in that respect. I would modify the language so that it may accord with the suggestion of the Senator from Arkansas.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. LONG. I yield.

Mr. BARKLEY. If the amendment is adopted with respect to loans which the Senator has in mind, it will actually put a limitation on the power of the banks to make loans. Under the law as it is now they can loan 100 percent if they want to do so. The requirement is that the loans shall be adequately secured. If they want to loan 100 percent on collateral they may do it, but under the Senator's amendment they can only loan 90 percent.

Mr. LONG. I wish to modify the amendment.

Mr. ROBINSON of Arkansas. Before the Senator proposes the modification, may I point out this consideration, that his amendment deals with contracts already in existence?

Mr. LONG. That is true.

Mr. ROBINSON of Arkansas. And with loans that have already been made?

Mr. LONG. Yes.

Mr. ROBINSON of Arkansas. And they have been made within the discretion of the Reconstruction Finance Corporation. Now to take away from them discretion with respect to loans that they have already made under the statute would seem to me to be a very doubtful procedure.

Mr. LONG. For the Senator's information I will state that very frequently after the Reconstruction Finance Corporation has made a loan it has looked over the collateral again and made an additional loan. Have they not done that?

Mr. ROBINSON of Arkansas. They can still do that without any amendment.

Mr. LONG. They can and they cannot. Before proceeding, in order that I may conform to what the Senator from Arkansas has said, I want to modify my amendment by striking out in the second line the words "and instructed."

The VICE PRESIDENT. The Senator from Louisiana modifies his amendment.

Mr. LONG. I also wish to make a further modification by striking out the word "approximately" in the next to the last line and inserting the words "not exceeding."

Mr. BYRNES. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator from Louisiana modifies his amendment as indicated. Does the Senator yield to the Senator from South Carolina?

Mr. LONG. Yes.

Mr. BYRNES. Is there any restriction in the law as to loans by the Reconstruction Finance Corporation other than that the security shall be adequate?

Mr. LONG. I think the law reads "good and adequate security"; but I wish to say to the Senator from South Carolina and to the other Senators that the Reconstruction Finance Corporation has interpreted that provision in such a way that they have required as collateral from two to three times and in some instances four times the amount of the loan.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. LONG. Yes.

Mr. BARKLEY. In other words, they have required that in face value; but, as a matter of fact, the worth of securities may not be as much as they have loaned.

Mr. LONG. No, sir; they have required it in possible worth.

Mr. BARKLEY. "Possible worth"?

Mr. LONG. I mean by "possible worth" potential worth, one might say.

Mr. BARKLEY. Yes. In other words, if the stock market goes back to where it was in 1929, the security would be worth the loan?

Mr. LONG. No, sir; it is not based on stock-market value; the stock market does not affect this kind of loans. I hope that I am not offending the Senate when I am undertaking to quote their own language as to the yardstick. I have tried to put myself in line with the action of the Senate, and I have adopted, as the Senator from Arkansas very appropriately suggests, the language heretofore employed by the Senate. I hope that I will not appear ridiculous if I undertake to measure it by a yardstick that the Senate has seen fit to adopt as proper. I have conformed in every manner and particular with the policy and with the language heretofore adopted by the Senate itself.

Gentlemen of the Senate, a few days ago I tried to get a loan, and was informed by the Reconstruction Finance Corporation that if they were told to apply the same construction to their loans as has been ordered by Congress to be applied to the Federal Reserve loans, they could afford considerable additional extensions in the loans they have made.

I happened to have had a case where on a loan of some several thousand dollars they had required more than 3 for 1. How had they required 3 for 1? The bank, on its original loan, had taken collateral of from $1.50 to $2 for every dollar it had loaned.

Mr. WAGNER. Mr. President, will the Senator yield for a question right there?

Mr. LONG. Yes, sir.

Mr. WAGNER. Is there anything now in the statute which would prevent the Reconstruction Finance Corporation from loaning 90 percent on securities which are offered as collateral for a loan?

Mr. LONG. I must confess to the Senator that I have tried to convince the Reconstruction Finance Corporation that there was nothing to prevent them from doing that.

Mr. WAGNER. All that they are required to ascertain and determine is whether or not the collateral will adequately secure the loan.

Mr. LONG. Yes, sir; that is true.

Mr. WAGNER. In the case of certain types of collateral they may decide that in extending a loan of 90 percent of

its value they are making a perfectly safe loan, and there is nothing in this proposed statute to prevent loans of that kind from being made.

Mr. LONG. I am not talking about what is in the statute; but I should like to have the Senator convince the Reconstruction Finance Corporation that what he has said is correct. I will tell what they did yesterday. They required the bonds of a parish and of a city, the largest city in the South, that are in no wise in default for anything on earth, and they accepted them on a basis of $1.65 for each dollar that they loaned. That happened yesterday, and the obligations were those of a municipality. I talked it over with the Reconstruction Finance Corporation and I talked it over with other members of the administration, and I was informed by them that if we gave them this yardstick by which to act it would mean they would be, possibly as much as from 50 to 75 percent, more liberal in making their loans than they have already been.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. Yes, sir.

Mr. BARKLEY. In other words, whereas now they can "go the whole hog" by loaning 100 percent—

Mr. LONG. They do not do that.

Mr. BARKLEY. If we tell them they cannot go above 90 percent, then they will loan 90 percent, whereas now they only loan 50 percent.

Mr. LONG. The Senator is talking about something that does not exist. They do not "go the whole hog" at all; as they interpret it, they cannot do that.

Mr. BARKLEY. They can do so, provided they think the hog is worth the money.

Mr. LONG. That is what the Senator says, but that is not what the Reconstruction Finance Corporation says.

Mr. BARKLEY. I am now talking about values.

Mr. LONG. I wish the Senator were a member of the board and that the other members would interpret it as the Senator does.

Mr. BARKLEY. I do not know why the Senator wants to wish a thing like that off on me; I have not done a thing to him. However, I know nothing about the value of the New Orleans bonds; I do not know whether they are quoted on the stock market or not; but knowing the difficulty of marketing any kind of municipals or even State bonds at this time, it seems to me that the Reconstruction Finance Corporation is justified in taking into consideration the liquidity of the bonds in making a loan upon them.

Mr. LONG. I will state to the Senator that under the Wagner bill they transferred $7,000,000 worth of bonds for $7,000,000 in cash, and the bonds were no more valuable than those which the Reconstruction Finance Corporation got yesterday, and which they required perhaps $1.65 for $1. That was a self-liquidating project. However, the point I am trying to make to my distinguished friends from New York and Kentucky is that while they may interpret the law to mean that the Reconstruction Finance Corporation can loan up to a dollar, the corporation itself does not interpret it in that way, and they never have interpreted it in that way, for practically every loan they have got in their portfolio is based on from 2 or 3 or 4 to 1.

Mr. BARKLEY. That is because the market value of these securities has fallen to such an extent that the face value does not any longer represent the market value.

Mr. LONG. That is not the information I get. I am satisfied if the Senator had gone around there as many times as I have he would know that the information they give is that they have acted under compulsion to require collateral with sufficient added in order to make the loan safe without any question.

Mr. HATFIELD. Mr. President——

Mr. LONG. I yield to the Senator from West Virginia for a moment.

Mr. HATFIELD. The securities which the Reconstruction Finance Corporation have taken for loans may not be reflected on the stock market; indeed, practically most of them are not.

Mr. LONG. Farm loans are not reflected on any market; and, as an indication of that, after the banks have required 2 for 1 from the farmer the Reconstruction Finance Corporation has required 3 or 4 for 1 from the banks, making all the way from 6 to 8 for 1 in order to get money on the basis of such loans.

Mr. FLETCHER. Mr. President, will the Senator yield to me for a moment?

Mr. BARKLEY. Mr. President——

Mr. LONG. I yield first to the Senator from Florida.

Mr. FLETCHER. Section 10 (b) does not carry any provision about 90 percent at all, as I remember. What we are talking about here is the correct action of the Reconstruction Finance Corporation with reference to the making of loans. We cannot regulate that. We are giving them power to make loans upon adequate security, and they have got to have the discretion to pass upon its adequacy. They might escape all responsibility if we were to pass a law and say, "You can make these loans without any security." Of course if that were written into the law, they might not have a very good excuse to the Senator from Louisiana for not making the loan that he wanted, but their conduct in exacting too much security is not a matter that we can fix by law here any more than we have fixed it by providing that the security shall be adequate. The discretion has got to rest somewhere.

I myself think that they have exacted in many instances two or three times as much as they really ought to have required; I think there is some just complaint about that; but we cannot pass a law and say 60 percent or 70 percent or 80 percent or 90 percent of the value of the security shall be loaned; we have got to leave it finally to them to say what is adequate security.

Mr. LONG. Why was it done in the case of the Federal Reserve Board?

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me?

Mr. LONG. Yes, sir.

Mr. ROBINSON of Arkansas. That was what was done, if I may point it out to the Senator from Louisiana, and as he will see by examining the Emergency Banking Act which we are seeking to amend here, in the case of loans to banks on time and demand notes. The requirement is that the time and demand notes must be secured to the satisfaction of such Federal reserve banks.

As pointed out by the Senator from Florida, or as implied in his statement, that provision of the Emergency Banking Act had relation to member and nonmember banks of the Federal Reserve System; but by the provisions of the pending bill we are extending it to State banks. The provision which the Senator is seeking to modify has relation to the issuance of the Federal Reserve bank notes or the time and demand notes of member and nonmember banks. In other words, the 90 percent limitation applies to the amount of Federal Reserve bank notes that hay be issued and not to the amount of loans that may be made on time and demand notes. The provision——

Mr. LONG. Mr. President——

Mr. ROBINSON of Arkansas. Just a moment.

Mr. LONG. Is the Senator referring to title 4 on page 6?

Mr. ROBINSON of Arkansas. The provision with respect to the issuance of Federal reserve bank notes is that the amount issued shall not exceed 90 percent of the estimated value of the time and demand notes, but that has no direct relationship to the amount of collateral that must be used to obtain a loan on time and demand notes.

Mr. LONG. I think the Senator has overlooked section 401 of title IV, from which I read as follows:

> When such circulating notes are issued against the security of obligations of the United States, the amount of such circulating notes shall be equal to the face value of the direct obligations of the United States so deposited as security; and, when issued against the security of notes, drafts, bills of exchange, and bankers' acceptances acquired under the provisions of this act, the amount thereof shall be equal to not more than 90 percent of the estimated value of such notes, drafts, bills of exchange, and bankers' acceptances so deposited as security.

Mr. ROBINSON of Arkansas. That is exactly what I pointed out to the Senator from Louisiana. The 90 percent

limitation does not apply to collateral for loans, but does apply to the issuance of Federal Reserve bank notes.

Mr. LONG. That is right.

Mr. ROBINSON of Arkansas. In other words, if a State bank under this bill, after it shall have been passed, should apply for Federal Reserve bank notes and should offer Government bonds, it could get the face value of the bonds in the bank notes.

Mr. LONG. That is true.

Mr. ROBINSON of Arkansas. If it offered collateral, it could not get more than 90 percent of the estimated value of the time or demand notes. That is the distinction.

Mr. LONG. That is true; that is the distinction.

Mr. ROBINSON of Arkansas. But neither the Reconstruction Finance Corporation nor the Federal Reserve Board is limited to a loan of 90 percent on the collateral, because, under the law, in theory at least, they have authority to loan the face value of the collateral.

Mr. LOGAN. Mr. President——

Mr. LONG. I yield to the Senator from Kentucky.

Mr. LOGAN. Mr. President, I do not know whether the amendment of the Senator from Louisiana would reach the trouble or not. I ask him if he has considered this phase of bank loans:

A bank has borrowed from the Reconstruction Finance Corporation and put up as much as 3 for 1, sometimes 4 for 1. Then the bank has paid probably a half or a third of the loan, and the Reconstruction Finance Corporation has refused to release the security.

Mr. LONG. It holds every dime of it.

Mr. LOGAN. It holds it all. It was enough, probably, to secure twice the amount.

Mr. LONG. Yes, sir.

Mr. LOGAN. And now it has been reduced still more.

Mr. LONG. Yes, sir; and I am now trying to give a yardstick here.

Mr. ROBINSON of Arkansas. It is not proposed to interfere with that.

Mr. LONG. Well, it does. I went up to them and undertook to get them to rearrange and revalue, and I showed them just exactly what had been done by the Congress with regard to the Federal reserve bank; and they told me that if they had that kind of a stipulation they could revalue the collateral and unfreeze a situation, but they did not feel that they had a right to change the basis upon which they have operated until there was such a law.

Mr. BLACK and Mr. CONNALLY addressed the Chair.

Mr. LONG. I yield first to the Senator from Alabama. Then I will yield to the Senator from Texas.

Mr. BLACK. Mr. President, I might say to the Senator that I am very much interested in the question which he raises, but I am very fearful that the amendment he has does not fit the subject. I am interested in it for two reasons. The readjustment of some loans that are made at the present time on present values might bring about a reduction in the loan, and we would not desire that. I am vitally interested in the question raised by the Senator where banks now have up 3 or 4 for 1 of collateral, and where they may desire to obtain the benefit of the other features of the bill; but I call the Senator's attention to the fact that, in my judgment, the amendment does not touch that. It is purely administrative. They have the right now, if they desire, to lend 100 percent of the value of the collateral. They might hold the value of that collateral to be 100 percent of the face value. If this amendment should be adopted, there would be a restriction of the right which they now have, and instead of having the right to lend 100 percent of the face value they would be limited to 90 percent of the face value.

Mr. LONG. The Senator need not worry. I have investigated the matter pretty thoroughly, and the Senator need not worry about anything where they have loaned 100 percent.

Mr. BLACK. They have not.

Mr. LONG. No; they have not.

Mr. BLACK. But there is a difference between the face value and the actual value.

Mr. LONG. That is true. I recognize that.

Mr. BLACK. What I am getting at is that in my judgment this is wholly and completely a matter of administration.

Mr. LONG. It is.

Mr. BLACK. They have a right now to do exactly what the Senator suggests.

Mr. LONG. Yes; I admit that.

Mr. BLACK. And they have a right to do more, in my judgment, than they would have a right to do under this amendment.

Mr. LONG. Yes, sir; they have.

Mr. BLACK. In order to aid in this emergency, there should be a liberal administration, so that these banks that have put up collateral and now have the right to obtain more from the Federal Reserve bank should have it liberalized; but I am frank to state, after listening carefully, that in my judgment the Senator's amendment instead of broadening their authority as it is written would restrict their authority.

Mr. COUZENS. Mr. President——

Mr. LONG. I am going to hand the Senator from Alabama a copy of my amendment, so that he may be studying it, and may suggest a little amendment to it to cover the point he mentions.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. LONG. I yield first to the Senator from Texas. Then I will yield to the Senator from Michigan.

Mr. CONNALLY. Mr. President, let me ask the Senator with relation to the question raised by the Senator from Kentucky [Mr. LOGAN]: If a bank has borrowed on three or four times as much collateral as the amount it borrows, and has paid half of the loan, what is to prohibit the Reconstruction Finance Corporation from letting it pay the old loan and making a new loan on a new basis?

Mr. LONG. Nothing, except that they will not do it.

Mr. CONNALLY. But I, for one, do not believe we ought to open the gates of the Treasury any wider. I believe the Reconstruction Finance Corporation has plenty of authority now, and that we are dishing out money to a lot of concerns that ought not to be loaned any money at all.

Mr. LONG. That may be true. I yield now to the Senator from Michigan.

Mr. COUZENS. Mr. President, may I point out to the Senator from Louisiana that if he will read section 10 (b) of section 402 of the banking act of March 9——

Mr. LONG. Wait a minute; I have not found section 10 (b). Is that the one regarding ineligible paper on page 7?

Mr. COUZENS. It is on page 7 of the act of March 9.

Mr. LONG. Yes; I am familiar with that section.

Mr. COUZENS. If the Senator will observe, there is nothing to prevent a borrower from the Reconstruction Finance Corporation paying up his loan and withdrawing his security and going to the Federal Reserve System, if he can make a better deal with the Federal Reserve System than he can with the Reconstruction Finance Corporation.

Mr. LONG. But the facts of the case are these: We know that the State banks have had the black cap put on them by the Federal Reserve System. We might just as well talk frankly. The black cap has been pulled over the face of the State banks by the Federal Reserve System. We know that there is not any chance of life for them at present. What I am trying to do is to give a chance of life to the State banks.

I am going to read, just as an example, the amendment upon which we are to vote this afternoon. I want the Senator from Michigan to understand that I have had a little experience with the Federal Reserve System, and I know he has; and I know that today they are holding as much as 4 for 1 on loans that we cannot unfreeze a dime of, and that in some instances where we have paid down we still cannot get a dame back. Going to the Federal Reserve

Board for help is like being rescued by someone without anything to help you.

In this instance they have provided, by amending this bill over in the House, which I understand higher authorities than myself have concurred in doing, that in the first place they have to have the approval of the State banking superintendent that they are a sound and a solvent bank; then, in the words of this statute, they have to have a thorough examination by the Federal Reserve Board and have to be found solvent not only by the State but after a thorough examination by the Board; and if there is anything left of them when they get through with that, then they have to conform to the requirement of putting up a certain reserve with the Federal Reserve System.

In other words, that varies, I think, all the way from 3 to 7 percent. I fail to remember exactly what the particulars are; but the bank applying for a loan under the amendment we are proposing to adopt has to be thoroughly overhauled. It may take 6 weeks, it may take 6 months, it may take a year, to get the kind of examination at the hands of the Federal Reserve Board that they are asking for. Then they have to have a certificate; and if they have their money tied up in some other bank that has been closed, they will not be able to put up the reserve in order to make the loan from the Federal Reserve Board at all.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield to me for a moment?

Mr. COUZENS. Mr. President——

Mr. LONG. I yield to the Senator from Indiana. Then I will yield to the Senator from Michigan.

Mr. ROBINSON of Indiana. I am in entire sympathy with what the Senator from Louisiana seeks to accomplish by his amendment. I am just wondering if he thinks it will accomplish the purpose he has in mind if adopted by the Senate.

Mr. LONG. I can only say that I was to the Reconstruction Finance Corporation and conferred with various officials and attachés of that organization in an effort to get them to revalue the loans they had on the same basis as we had prescribed here in the emergency banking law for the Federal Reserve Board, and they were in considerable doubt as to whether they would or would not.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LONG. I was assured that if they had instructions that they could apply this yardstick they had the matter all arranged, and it would mean that considerable extensions could be granted to the State banks that now cannot be granted, and also to national and Federal Reserve banks.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Michigan. Then I will yield to the Senator from Maryland.

Mr. COUZENS. Mr. President, what would the State banks who withdrew this excess collateral do with it after they got it?

Mr. LONG. They would not have to withdraw it, Mr. President. If the Reconstruction Finance Corporation had a loan of $200,000, and had $600,000 security, the Reconstruction Finance Corporation would have at least $350,000 more collateral upon which it might advance that bank money to permit it to open its doors.

As an example, if I may give the Senator a typical example——

Mr. COUZENS. I understand what the Senator means.

Mr. LONG. As an example, gentlemen of the Senate, in the city of New Orleans the Federal Reserve bank examined a certain bank in the month of November, and reported in November 1932, that that bank, above all loans and charge-offs and losses, had a clear capital of over $5,000,000.

Mr. WAGNER. Mr. President——

Mr. LONG. When the time came to reopen that bank, the Federal Reserve Board has held that it cannot allow that bank to open at all, and the black flag has been hung in the front of a bank on which they rendered a report in the month of November that it had a clear bank capital of $5,000,000, and they have "broke" 300 corresponding banks which cannot open today because of the fact that the Federal Reserve Board will not permit it.

Mr. WAGNER. Mr. President, will the Senator yield right there?

Mr. LONG. In just a moment. They have borrowed $9,000,000 from the Reconstruction Finance Corporation on collateral estimated to be worth around $26,000,000. If they could get a revaluation along the basis of the yardstick that we prescribed in the Emergency Banking Act, they would be able to have sufficient money upon which to rearrange that loan and to go ahead with their business. So far as expecting any relief from the Federal Reserve Board is concerned, we have given up.

Mr. TYDINGS. Mr. President——

Mr. LONG. I yield to the Senator from Maryland, as I promised to do. Then I will yield to the Senator from New York.

Mr. TYDINGS. I think the Senator will concede that the only banks that have been permitted to open up to now which are under the Federal Reserve System are those with unimpaired capital.

Mr. LONG. No, sir; I will not concede any such thing.

Mr. TYDINGS. At least, that is the general yardstick.

Mr. LONG. That is what they said. I know one bank that was kept alive for the last 3 years by blowing artificial stimulants into it, and it is the first one to which they gave a permit in my State.

Mr. TYDINGS. And of course, inferentially, under the new banking act, these banks that are now open have an indirect bank guaranty, because the Federal Reserve System in effect is back of them to stand a 100 percent run on the bank.

Mr. LONG. Maybe so.

Mr. TYDINGS. I think that is correct. The State banks, particularly the nonmember banks, are open, notwithstanding the fact that their capital is not unimpaired. The banks in many of the States are open on a small basis. Now, suppose that the Federal Reserve bank or the Reconstruction Finance Corporation makes loans to these nonmember banks and the loans are not sufficient to withstand future runs and the bank closes, then the assets of the bank, which have been put up for some of the new Federal bank note money, are in the hands of the Federal Reserve bank or the Reconstruction Finance Corporation, and a huge liquidating corporation would have to be set up to convert those assets into cash. Is that correct?

Mr. LONG. I do not follow the Senator as being correct in that, but I prefer to listen to the Senator.

Mr. TYDINGS. Wherein am I wrong up to now?

Mr. LONG. The Senator has stated a propostion, as his initial premise, that I do not think the law is back of. The Federal Government is not in any respect supposed to be back of the banks which it opens.

Mr. TYDINGS. I think we can safely say that member banks of the Federal Reserve System, national banks which have gotten licenses to reopen, can take all their collateral to the Federal reserve banks under this new bank act and borrow practically 100 cents on the dollar on it.

Mr. LONG. If that is so, it is very unfair.

Mr. TYDINGS. And, if that is true, they can stand a 100 percent run. In other words, that class of bank, when open, can stay open.

Mr. LONG. No.

Mr. TYDINGS. Now the Senator is asking that that privilege be given to banks which, though they are open, cannot stay open.

Mr. LONG. They can stay open if they are as liberal toward them as the Senator says they are toward Federal reserve banks.

Mr. TYDINGS. Yes; they can still be as liberal, and the banks cannot stay open, because their capital was not unimpaired when they opened. Those banks are opening on a 5 percent or a 10 percent or a 2 percent daily withdrawal basis. Their capital is impaired. Now, if we put out this money against commodity assets in large quantities without regard to the bank's ability to stay open once

it is open, the Federal Government is apt to have a lot of money out based on commodities which are not worth the amount of the loan at the time the loan is made, and, therefore, we will have uncontrolled inflation, will we not?

Mr. ADAMS. Mr. President——

Mr. LONG. I do not agree with the Senator. I yield to the Senator from New York. Then I will yield to the Senator from Colorado.

Mr. TYDINGS. I have not finished yet. I hope the Senator is going to let me finish. I am not going to be much longer.

Mr. LONG. All right; I have no objection.

Mr. TYDINGS. I should like to have an answer to my question.

Mr. LONG. I do not agree with the Senator.

Mr. TYDINGS. Will not that be uncontrolled inflation if money is issued upon assets which are not worth what they were when the money was issued?

Mr. LONG. It will take a little time for me to answer the Senator, but I will answer him now.

Mr. ADAMS. Mr. President, might I interrupt the Senator to ask a question of the Senator from Maryland?

Mr. LONG. Certainly.

Mr. ADAMS. Does the Senator from Maryland understand that the Federal Reserve authorities and the Comptroller of the Currency have been authorizing the opening of banks with impaired capital?

Mr. TYDINGS. No.

Mr. ADAMS. That is what I understood the Senator to say.

Mr. TYDINGS. I said with unimpaired capital. Only those Federal Reserve member banks are opened today by license of the Federal Government which have unimpaired capital, namely, taking the actual losses, plus the likely losses, plus the depreciation of the bank's investment, adding those three items together, and if that sum is greater than the bank's surplus and undivided profits its capital is impaired and the bank cannot be opened. That is a rough formula, but I think that is substantially the correct formula.

Mr. ADAMS. That is substantially the same requirement as to State banks.

Mr. TYDINGS. Yes.

Mr. ADAMS. So that any bank is opened that has the certificate of the banking authorities that its capital is not impaired.

Mr. COUZENS. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. COUZENS. Who has the floor?

The VICE PRESIDENT. The Senator from Louisiana has the floor.

Mr. COUZENS. Can the Senator from Louisiana parcel out the time and hold the floor?

The VICE PRESIDENT. The Chair understands that a Senator may yield only for a question.

Mr. LONG. There has been no objection made, and I have been undertaking to accommodate Senators who desired to ask questions.

Mr. TYDINGS. I will not interrupt the Senator from Louisiana longer except to observe that as I see his amendment it really means, in effect, that the Federal reserve would throw its resources back of a great many banks which are likely to close eventually, with the result that it would mean, in the last analysis, uncontrolled inflation of our currency.

Mr. LONG. Mr. President, if I may be permitted to proceed, inasmuch as objection has been made to my yielding except for a question, I hope that Senators will understand that I have tried to accommodate those who desired to interrupt.

Mr. WAGNER. Mr. President, I should like to ask the Senator just one question.

Mr. LONG. I yield.

Mr. WAGNER. The Senator has stated that he has conferred with the members of the board of the Reconstruction Finance Corporation.

Mr. LONG. Yes.

Mr. WAGNER. And that they favored this sort of legislation?

Mr. LONG. No; I did not say they favored it.

Mr. WAGNER. They stated to the Senator that they would increase the amount of the loans based on the collateral deposited, if this amendment should be adopted?

Mr. LONG. I conferred with them yesterday along with the senior Senator from Mississippi, and I had conferred with them individually before, and I was assured by them, and received only that impression, that if they were to operate on the basis of some such provision as that I propose, it would mean that they would make considerable extensions in loans on collateral which they now have.

Mr. WAGNER. Did they give it as their opinion that a loan to the extent of 90 percent of the collateral was a safe loan for the Reconstruction Finance Corporation to make?

Mr. LONG. I do not know that they did; but the yardstick they prescribed has been 90 percent. That has been what Congress has done.

Mr. WAGNER. The point I wanted to make was this: That if they regarded that as a safe collateral for a loan—that is, to lend 90 percent of the collateral deposited—they can do it now without any such amendment as that which the Senator offers.

Mr. LONG. The Senator has drawn the line just where I wanted to show it. They have indicated that heretofore they have required from 2 to 3 for 1, feeling that that must be what might be called a safe practice under our previous legislation; but when we have stated that they could lend them up to 90 percent, I have observed from what they stated that they have interpreted it as meaning that, if they could apply that yardstick, they could lend a great deal more money. Why is it that there is argument here about it being so manifestly unfair and such an illogical and inflationary process to allow them to lend up to 90 percent on the dollar of the estimated value, when Congress has already done it, and everybody voted for it the other day except two or three of us?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BARKLEY. The Senator is confusing the making of a loan with the enjoyment of the circulating privilege with respect to money.

Mr. LONG. What is the difference?

Mr. BARKLEY. There is quite a lot of difference.

Mr. LONG. I do not know of any. You allow one of them to issue money and the other to have money.

Mr. BARKLEY. This 90 percent provision applies to collateral that is put up by any member bank with the Federal reserve bank upon which the circulating privilege is granted.

Mr. LONG. That does not make any difference. If one is money, the other is money.

Mr. BARKLEY. To enjoy the circulating privilege under the Federal Reserve System is a quite different thing from making a loan with a Federal reserve bank. I do not understand yet why the Reconstruction Finance Corporation takes the position that, whereas now, with a hundred percent limitation, they do not make these loans up to 90 percent, if we were to put in a 90 percent limitation, they would be able to make them.

Mr. LONG. I thought I was accommodating the Senator's views. I yielded to the suggestion made by the Senator from Arkansas. I agree we ought to provide, as I originally had the amendment, that they ought to be required to lend up to 90 percent of the estimated value.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. LONG. I yield.

Mr. McKELLAR. Is not the substance of the Senator's amendment this—that he seeks to control the discretion of the Reconstruction Finance Corporation in making the loans?

Mr. LONG. No; the substance of my amendment is this—that after we have gone ahead here and sapped up the assets of every little country bank, on the basis of 3 to 1 or 4 to 1, you come in here and turn these big banks loose

on a basis of 90 cents on the dollar, and it is not fair and it is not right to hold 3 for 1 and 4 for 1 of the little State banks of this country. Now you have decided to be liberal, but liberal only to the big banks which have not been squeezed out before the hand of relief came. It is not fair and it is not right to save them now by giving them 90 cents on the dollar, but holding 4 for 1 and 3 for 1 in the case of the little State banks. You have already broken the State banks. Every time you let them have a little thousand dollars you made them put up $3,000 worth of securities. It is only a question of time when it would break the State banks. You said, "We are going to correct the situation," and you have corrected it by allowing the circulating currency. What is the difference between circulating currency and a loan up to 90 cents on the dollar? But now you will not allow this to be applied generally.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ROBINSON of Arkansas. I put my question: Is it not true that when loans are made by the Federal Reserve banks under the Emergency Banking Act, and under this amendment, the time and demand notes must be secured to the satisfaction of the Federal Reserve bank? And is it not also true that when Federal Reserve bank notes are issued, that issue is on the time and demand notes and not on the collateral? So that if a loan is made by a Federal Reserve bank, for purposes of illustration, it might require 2 for 1 as security for the time and demand notes, but the amount of circulation that could be increased would be limited to the amount of the time and demand notes. Is not that distinction clear to the Senator?

Mr. LONG. It may be a distinction, but there is no difference.

Mr. ROBINSON of Arkansas. Oh, yes; there is a clear difference, if I may be permitted to say so in the Senator's time. The loan is made on the time and demand notes, which must be secured to the satisfaction of the Federal Reserve bank. That means—does it not?—that the Federal Reserve bank may require such amount of collateral as it thinks is necessary to secure the time and demand notes.

Mr. LONG. For a loan.

Mr. ROBINSON of Arkansas. And it is not limited to 90 percent. But when Federal Reserve bank notes are to be issued, they are not issued on the collateral, they are issued on the time and demand notes, secured, perhaps, by collateral of two or three times the amount of the time and demand notes. The distinction is perfectly clear to me.

Mr. LONG. The point I am making is this, that it does not make any difference whether they would require more on the loan; but I shall read what is provided in title IV, section 401, as follows:

> When such circulating notes are issued against the security of obligations of the United States, the amount of such circulating notes shall be equal to the face value of the direct obligations of the United States so deposited as security; and, when issued against the security of notes, drafts, bills of exchange, and bankers' acceptances acquired under the provisions of this act, the amount thereof shall be equal to not more than 90 percent of the estimated value of such notes, drafts, bills of exchange, and bankers' acceptances so deposited as security.

That is the provision of the law, and there is no question but that they are allowed to issue money at 90 cents on the dollar. That is the law and we have already adopted it. They might require more for loans under other sections, but the borrowers are always going to avail themselves of the very best sections of the law, and the law allows them to have notes issued at 90 cents on the dollar of collateral such as bankers' acceptances, promissory notes, and the like. It is an unfair thing we have done about all this business, although much is said of the great good we have done through the enactment of the emergency banking law.

I want to read something which will show what we have done thus far. I shall read part of a letter from a cotton textile mill, probably the largest one in North Carolina. The letter is dated March 21, 1933, and reads, in part:

> The emergency banking bill that was passed has certainly been a boomerang in North Carolina, as most of our banks are State banks. My own opinion is that the President was poorly advised, and I believe the Wall Street crowd has put over another raw deal on the people. Here in Greensboro, a town of 66,000 people, we have no bank at all, and what the end is going to be no one can foretell.

Here is a letter from one of the biggest institutions in the Southern States, in a town of 66,000 people. There is not a bank in the town today, and as a result of what? As a result of the fact that we have allowed this kind of preferential system to go on. We have made those people put up from 3 to 4 for 1 with the Reconstruction Finance Corporation. Do not say that has not been done, because that is what they have done, and we have all known about it all the time. We came along and found out that it was going to break the banks if they required them to put up 3 or 4 for 1. It ought to have been known all the time that we would not let the Reconstruction Finance Corporation work unless they would lend money to the little banks. But when it got down to the point that the little banks could not furnish deposits for the big banks any longer, then the big banks had to have help, and instead of applying the yardstick of 3 and 4 for 1 we went down to 90 percent. So we have applied the yardstick finally of 3 and 4 until we have dried every little State bank up. They had the money put in the back door at 33 cents on the dollar, and they shoved it out to the depositors at 100 cents on the dollar. But when the scorpion had gotten up so high to where he was about to poison the top structure, then we said, "This system is going to break the big banks of the country", and we came along and allowed them to issue circulating currency at 90 cents on the dollar, if they had ordinary collateral; 100 cents on the dollar, if they had Government bonds; and we are still undertaking this unfair discrimination.

Why should you not say that the United States Government is opening solvent banks today? Of course, they are solvent. But if you go and extend this 90-cents-on-the-dollar provision to the other banks which are closed as dead as a hammer today, they will be just as solvent as the banks that are opening up under that discriminatory law we passed in the last 10 or 15 days.

After you have killed the goose that laid the golden egg, you see that this policy of 3 or 4 for 1 has broken the State banks. Why did you not apply the same yardstick throughout? Because we saw that something else had to be done; and when we got to the point when something else had to be done to save the big banks of the country, we amended the law to allow them to lend at the rate of 90 cents on the dollar, and, in the words of the Senator from Virginia, we have guaranteed the bank deposits of the "big boys" who were left open. But that is not a sound thing, according to what we hear here. We are going to lend the big banks 90 cents on the dollar. I say "lend." We are giving them the right to issue circulating currency, and that is the same thing. Yet the Government, the Reconstruction Finance Corporation, holds the notes and collateral of the little banks throughout the country today 4 for 1 and 3 for 1 and 2 for 1, and it keeps those banks closed and sends the depositors of those banks into destruction because we are not applying the same yardstick to them that we are applying to the other banks. That is our system today.

Mr. CONNALLY. Mr. President, I am in favor of the bill, but I do not favor the amendment offered by the Senator from Louisiana. Whether a bank is a big bank or a little bank, I do not want it to borrow any money from the Government unless it has adequate security. The State banks could have come into the Federal Reserve System in the past if they had desired to do so. They did not come into it. Naturally they are going to suffer some inconvenience by reason of not being members of the Federal Reserve System.

Mr. GLASS. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Virginia?

Mr. CONNALLY. Certainly.

Mr. GLASS. I may say to the distinguished Senator from Texas that the State banks may come in now if they desire——

Mr. CONNALLY. To be sure.

Mr. GLASS. And that approximately 300 of them have applied to come into the System.

Mr. CONNALLY. I am glad to have the information which the distinguished Senator has furnished me, to the effect that 300 State banks have applied since the enactment of the emergency legislation.

Mr. LONG. But they will never get in. They have applied, but that does not get them into the System.

Mr. CONNALLY. Mr. President, I want to take this occasion to make some observations about the Reconstruction Finance Corporation. I think we have gone almost "hog wild" in putting into the hands of the Reconstruction Finance Corporation the power to loan money to nearly everybody on earth. I know of several projects which are applying now to the Reconstruction Finance Corporation for money which were never conceived in normal times, which nobody would ever have proposed to finance in a normal way in normal times; but now, because it is thought the money can be obtained out of the Federal Treasury, schemes have been hatched to organize projects to go to the Federal Treasury and get the money with which to finance them.

We talk here every day about economy. We talk about balancing the Budget. But every dollar of money that the Reconstruction Finance Corporation lends today comes out of the Federal Treasury. It has issued no debentures and sold none to the public. The act which created the Reconstruction Finance Corporation was based on the assumption that it would finance itself by issuing its own bonds or its own debentures and selling those debentures to the public. However, my information is that it has never sold a single dollar's worth of debentures to the public, but that every dollar it has loaned comes out of the Federal Treasury by means of the purchase by the Treasury of the debentures of the Federal Reconstruction Finance Corporation.

We talk about balancing the Budget. All the money we are handing out to the Reconstruction Finance Corporation forms a part of the $5,000,000,000 deficit which we are piling up on the backs of the American taxpayers every day in the year. I believe the present law leaves it in the discretion of the Reconstruction Finance Corporation to pass upon the character of security and determine whether the security is adequate. I am not complaining, and I hope other Senators will not complain, that the Government has too much security for its loans. I should much prefer that the taxpayers of the United States and the Treasury have more security than is necessary for the repayment of loans than that it should have inadequate security or less security than is necessary for the repayment of the loans.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. MCCARRAN in the chair). Does the Senator from Texas yield to the Senator from Kentucky?

Mr. CONNALLY. I yield.

Mr. BARKLEY. I suppose the Senator realizes that the Government under existing laws will probably lose hundreds of millions of dollars that have already been loaned not only to private corporations of another nature but to banks?

Mr. CONNALLY. Why, of course, Mr. President. While I have no accurate information on the subject, yet from experience with other financial institutions, from the experience of some of the banks, from the experience of the Government heretofore, I am confident that the Government will lose not only $100,000,000, but several hundred million dollars of the people's money because of the making of these loans through the Reconstruction Finance Corporation.

Mr. BARKLEY. Mr. President, will the Senator from Texas yield further?

Mr. CONNALLY. Certainly.

Mr. BARKLEY. Prior to the proclamation inaugurating the bank holiday more than 700 banks which had borrowed money from the Reconstruction Finance Corporation had closed, notwithstanding the fact that some of them, indeed most of them, had borrowed the money in order that they might remain open. Of course, the Reconstruction Finance Corporation is going to lose a large part of those loans, and that means that the Treasury will lose it and the taxpayers of the United States will lose it, as a result of their efforts to keep private corporations from going under.

Mr. CONNALLY. To be sure. The Senator from Kentucky and other Senators know that when a bank closes, those who owe it feel a less obligation to pay it than they felt when the bank was a going concern. Many of the assets of the closed banks now held by the Reconstruction Finance Corporation will never be utilized to the extent of repayment of the loans in full. The Government stands to lose hundreds of millions of dollars in that way.

Mr. President, I shall not vote for any bill instructing the Reconstruction Finance Corporation to make any kind of loan unless it has adequate security therefor. We have carried this thing of charity in the making of loans to everybody to such an extent that the fact of the business is that practically everybody now is looking to the Federal Treasury to finance their institutions or to finance themselves. Let me warn Senators that this financial honeymoon will not last forever. There will come a pay day some day. The banks which are borrowing money from the Reconstruction Finance Corporation some day will be called upon to make settlement. The people who owe the banks will be called upon some day to make settlement. The taxpayers of the United States will some day be called upon to make settlement for these billions of dollars—I do not mean millions, but I mean billions of dollars—that we are pouring out through the Reconstruction Finance Corporation. I shall vote for a bill to permit loans to State banks, but I want those loans to be made upon adequate security.

So far as I am concerned, as a matter of policy for the future, I shall favor curtailing the activities of the Reconstruction Finance Corporation rather than broadening its activities. I believe that the time has come in which we ought to call a halt on these wholesale loans by the Reconstruction Finance Corporation to almost every kind and character of corporation and project in the United States.

My distinguished friend the senior Senator from Michigan [Mr. COUZENS], who honors me with his attention, knows that most of the millions of dollars which we have loaned to railroad companies did not go toward paying their running expenses. Where did those millions go? Did they go to pay their running expenses? No, indeed. Most of that money went to pay bank loans in New York City, loans made by Morgan & Co., the National City Bank, and others. The United States Government simply substituted itself as a creditor instead of those great banks. What did those New York banks do with the money when they got it? Did they finance the banks over the country? No, indeed; they locked up that money in their vaults and kept it there. So far as the United States Government is concerned, the Reconstruction Finance Corporation Act in these particulars did not accomplish the purpose for which it was designed. It simply gave to the big New York banks many millions of dollars for their shaky paper, and the United States Government became the creditor instead of those banks.

Mr. President, without offense to Senators in whose States the projects which I am about to mention are proposed to be located, let me suggest that among others it is now proposed to construct a bridge across San Francisco Bay at a cost of sixty-odd million dollars. How is it going to be financed? It is proposed to finance it out of the Treasury of the United States. In the boom days did anybody propose financing that kind of a project privately? Did anyone propose selling the bonds in California and New York for the financing of the project? Oh, no. They had talked about the project for years. It was a dream. It was regarded as something fanciful which some day might become a reality. But the moment we passed the Reconstruction Finance Corporation Act and opened the doors of the vaults of the United States Treasury, those men who had been dreamers became in a moment practical men. They saw

that the Treasury doors were open. They said, "See, the Treasury doors are open. We are going to Washington to get $63,000,000," and under what pretext? Under the pretext of unemployment relief! Under that pretext it was proposed to get the taxpayers' money, $63,000,000 of it, to construct a bridge across San Francisco Bay, a scheme into which no one had ever been willing to put a dollar of their own money, but it is proposed now to put $63,000,000 of somebody else's money into it if they can get it out of the Treasury of the United States.

It is proposed to build a tunnel under the Hudson River, I understand. Someone is knocking at the doors of the United States Treasury and asking for $93,000,000 to build a tunnel under the Hudson River. The city of New York cannot finance itself. It has been knocking at the doors of the Reconstruction Finance Corporation and asking for a loan. Here is a city that cannot sell its own securities, and yet it is willing to go in debt $93,000,000 more if the United States Treasury will furnish the money. Unemployment relief? Under the pretext of unemployment relief this tunnel-building is proposed.

Was any such scheme as that proposed in normal times? Has the National City Bank subscribed for any of the stock of that project? Has the Chase National Bank subscribed for any of the stock of that project, or would either one of them have done so in normal times? No, indeed; but when the United States Treasury has its doors thrown open through the Reconstruction Finance Corporation, they veneer the proposal all over with the plea that it is for the relief of the unemployed and also to relieve the United States taxpayer, and they come down here to Washington and say, "In order to go under the Hudson River we want $93,000,000 of somebody else's money."

Mr. President, I do not believe that projects of that kind were ever in the minds of Congress when it enacted that law. It enacted the Reconstruction Finance Corporation law as an emergency proposition to finance going concerns, to finance the normal activities of business and of industry. We did not enact it with the idea in mind of conjuring up "pipe dreams", schemes that cannot stand on their own legs, but have to borrow the legs of somebody else.

Mr. President, I favor the bill, but I shall not vote for any amendment that instructs or authorizes or suggests to the Reconstruction Finance Corporation that it may or shall make any kind of a loan unless it has adequate security to back it. I want the Treasury of the United States and the taxpayers of the country to be recognized somewhere in this wild orgy of spending.

Mr. GEORGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Georgia?

Mr. CONNALLY. I yield.

Mr. GEORGE. May I invite the Senator's attention to the fact that under the last amendment of the Reconstruction Finance Corporation Act, whatever it meant originally, the projects do not even have to be self-liquidating?

Mr. CONNALLY. I thank the Senator. The Senator from Georgia calls my attention to the fact that under the last amendment of the Reconstruction Finance Corporation Act it is not even required that the projects be self-liquidating. In other words, they may come and get the money whether they show they can repay it out of their own revenues or not. Self-liquidating? Why, Mr. President, there is no such thing involved now as a self-liquidating project. It is said that a self-liquidating project is one which by taxation or by tolls gets its revenue and therefore can pay these obligations. Where is there a self-liquidating district in the United States? Why, Mr. President, it was necessary even for the Senator from Louisiana [Mr. LONG] to hawk the bonds of New Orleans and subdivisions of Louisiana which have the taxing power.

Mr. LONG. Mr. President, what does the Senator mean by the word "hawk"?

Mr. CONNALLY. Did the Senator think I said "hog"? [Laughter.]

Mr. LONG. "Hawk."

Mr. CONNALLY. I thought the Senator might have thought I said "hog." Knowing the Senator's fondness for that term, I thought he might have expected me to use it. If the Senator does not know what "hawk" means, I shall tell him what it means. It means what he was doing as a United States Senator, going down and appealing to the Reconstruction Finance Corporation to let the political subdivisions of his State have money, begging it to make loans; and, when he got loans to the extent that the actual value of the proffered securities justified, complaining now that he did not get 90 percent of their face or purported value. That is what I mean by "hawk." If the Senator had any other place to go, doubtless he would hawk his bonds from the Reconstruction Finance Corporation over to that other place and try to get 90 percent.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. LONG. The Senator is mistaken. We got 100 cents on the dollar, and we did that to accommodate the Government.

Mr. CONNALLY. On what project?

Mr. LONG. On all of them.

Mr. CONNALLY. Then, what is the Senator complaining about if he got 100 percent?

Mr. LONG. I am not complaining. The State of Louisiana was trying to help the Government. [Laughter.]

Mr. CONNALLY. The Senator from Louisiana now says that he was able to get 100 cents on the dollar for all the securities which were offered to the Reconstruction Finance Corporation. He helped the Government by borrowing its money. Then, why be cnocerned about only 90 percent? If the Senator has methods by which he can get 100 percent from the Reconstruction Finance Corporation, he certainly ought to be satisfied, as other Senators are satisfied, with the law, and leave it as it is.

Mr. LONG. Mr. President, if the Senator will yield, that was under a special provision of the Wagner bill affecting a self-liquidating project.

Mr. CONNALLY. What was the project?

Mr. LONG. It was a bridge across the Mississippi River.

Mr. CONNALLY. I forgot the bridge across the Mississippi. I shall talk about that now. [Laughter.]

The Senator from Louisiana tells us that he got 100 cents on the dollar from the Treasury—for what? For a self-liquidating corporation organized to build a bridge across the Mississippi River. Why was not that bridge built when times were good? Why did not the people interested issue bonds and sell them on the market in 1928 or 1929? Nobody thought of it or if they did think of it they only thought of it sufficiently to say "no," because they did not do it. No; they did not do it. They want a bridge across the Mississippi River, to cost $15,000,000—I believe that is the amount. Did they get only 90 percent? No; they get 100 percent. Did they have to put up $1.65 for $1? No. The Senator from Louisiana, by some sort of process, extracted 100 cents out of the Treasury of the United States when he could not extract a cent out of his own people and his own investors. Self-liquidating! He tells us that it is a "self-liquidating project," because they have the power of taxation, and yet he complains in the next breath that he had to take the bonds of the city of New Orleans, which is also a self-liquidating corporation, and which also possesses the taxing power, and he admits that they are not self-liquidating, because, when he took them down to the Reconstruction Finance Corporation and wanted to borrow money on them, the corporation required $1.65 of security for a dollar in money. Is that self-liquidating? If it is self-liquidating when they cannot sell their bonds, when they cannot pay the interest on their bonds, when the taxes which the people are able to pay will not meet the fixed charges—if that is self-liquidating, I am in favor of taking away

from the Reconstruction Finance Corporation the authority to make self-liquidating loans.

Mr. LONG. Will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Louisiana?

Mr. CONNALLY. I yield.

Mr. LONG. I want to call the Senator's attention to the fact that none of these securities were of such character that the issuing authority could not pay the interest or could not meet the taxes on them, but they were bonds for which there was no market.

Mr. CONNALLY. To be sure. Why?

Mr. LONG. Because there has been no market for municipal bonds. However, they had sold at 4¾ percent until the market broke down.

Mr. CONNALLY. Very well. Here is a bond which the Senator says that they could not sell; a good bond that was worth 100 cents on the dollar, with interest at 4¾ percent a fine bond, and he says that at the Treasury it ought to be worth 100 cents on the dollar, because he took it over there and got 100 cents on the dollar; and yet he admits that out in the market there is no sale for it at all. In other words, people who are handling their own money will not buy it; the only people who will buy it are those who handle the money of somebody else, the money of the Treasury of the United States.

Self-liquidating! Mr. President, there is "no such animal" as a self-liquidating corporation. I dare say some years ago we would have thought that the National City Bank was self-liquidating. Its stock sold for about $600 or $700 a share, as I remember.

Mr. TYDINGS. I think it sold for $1,500 at one time.

Mr. CONNALLY. The Senator from Maryland, who is much better informed on banking matters than am I, says that the stock sold for $1,500 at one time. What is it selling for now? For 30 or 40 cents on the dollar. Self-liquidating!

Mr. COUZENS. Mr. President, I should like to ask the Senator if it has not been self-liquidated?

Mr. CONNALLY. It has self-liquidated in the opposite direction; that is all. It has liquidated its stockholders. Talk about self-liquidating! What about the other great banks? What about the little State banks that the Senator from Louisiana is continually talking about? I suppose they are self-liquidating. Yes, they are; yes, they are automatically self-liquidating. Just let them run a little while and a great many of them will liquidate without any action by anybody else. Self-liquidating!

Mr. President, I want to warn the Senate. We ought to cut down the operations of the Reconstruction Finance Corporation. It has now been running over a year, and a concern that has been able to get along thus far without borrowing from the Reconstruction Finance Corporation ought not to have the doors of the Treasury thrown wide open to it. Those concerns that have borrowed, if they have been able to repay any part of their loans, can go down to the Reconstruction Finance Corporation and pay on the old loan and get a new loan, and in making that new loan they are only required to furnish such security as, in the judgment of the Reconstruction Finance Corporation, is adequate. Does the Senate want to assume the responsibility of passing upon what is adequate security? Do we want to tell the Reconstruction Finance Corporation that when a man offers it a piece of blue-sky paper, the certificate of a corporation, it has got to loan him 90 percent, whether the certificate is worth one cent or a hundred cents?

Mr. President, the Reconstruction Finance Corporation would pass the responsibility back to the Senate and say to the Congress, "We did not want to make this loan; we knew the security was not adequate; we knew it was not worth the engraved paper upon which it was printed; but the Congress said we had to loan 90 percent, and we loaned it." We ought to make more stringent rather than more liberal, we ought to make more careful rather than more reckless the regulations and laws that govern the Reconstruction Finance Corporation.

In a very large measure I agree with the distinguished Senator from Virginia [Mr. GLASS], who while speaking here some days ago said that he believed the activities of the Reconstruction Finance Corporation ought to be arrested, and that the Corporation ought to be abolished. I probably would not go quite that far at the moment, but, Mr. President, at least the Congress ought to put the brakes on; it ought to tell the Reconstruction Finance Corporation to quit loaning the people's money to every fly-by-night scheme which the imagination of promoters can conjure up and which the greed and selfishness of men who want to finance their operations out of the Treasury are able to devise.

I shall vote against the amendment of the Senator from Louisiana and I shall vote for the bill, because I think that, in the present emergency, in the condition in which the State banks find themselves, it is sound and just that the Reconstruction Finance Corporation and the Federal Reserve System should make loans to those banks, provided, however, that they have the security, that the Government will get its money back in due time, and that the relief which may be extended will tend to revive and stimulate these banks so that they may go ahead and operate and serve the business and commerce of the United States.

Mr. COUZENS. Mr. President, the Senator from Louisiana has constantly referred to the act of March 9, 1933, and has constantly repeated the provisions of section 10 (a) and his amendment mentions the 90 percent referred to in that section.

Section 10 (b) is apparently the section under which he wants the Reconstruction Finance Corporation to take security and loan 90 percent. Section 10 (b) has no reference to the 90 percent provision; and yet the Senator has repeatedly stated that the act which we passed on March 9 permitted the Federal Reserve Board to lend 90 percent of the value of the securities deposited as collateral.

Mr. LONG. Mr. President, will the Senator yield to me?

Mr. COUZENS. Certainly.

Mr. LONG. I referred to section 401; I did not refer to section 10 (b), which the Senator from Michigan mentioned, although I am familiar with that section also. Section 401, however, certainly does allow circulating notes to be issued on 90 percent of the estimated value of the securities offered.

Mr. COUZENS. I understand that, but there is not a bank that the Senator is talking about that has the kind of securities up with the Reconstruction Finance Corporation that are referred to in section 401.

Mr. LONG. Not even notes, drafts, bills of exchange, and bankers' acceptances?

Mr. COUZENS. Certainly not.

Mr. LONG. Even the Japanese Government floats those.

Mr. COUZENS. There is nothing about the Reconstruction Finance Corporation in this particular section.

Mr. LONG. Not the Reconstruction Finance Corporation, but they are both agencies of the Government. If the Federal reserve bank is allowed to issue direct to the Federal reserve member banks, why should we prevent another agency of the Government, the Reconstruction Finance Corporation, which has paper on hand, from doing the same thing the Federal reserve bank is doing? What is the difference?

Mr. COUZENS. We can have several agencies issuing currency, but, from my observation, the kind of collateral for loans made by the Reconstruction Finance Corporation is the kind of collateral that is referred to in section 402, subsection 10 (b). That is the kind of collateral where a bank can borrow money from the Federal Reserve System after they have exhausted all their Government bonds and their commercial paper and notes that are ordinarily eligible for rediscount at any time. That is the kind of paper on which the Federal Reserve System is permitted to issue 90 percent of currency.

If the Senator will read section 10 (b) he will find that the kind of collateral referred to there is the kind of collateral that is now up with the Reconstruction Finance

Corporation to secure bank loans. Certainly the Senator from Louisiana and certainly the Senate itself do not want to instruct the Reconstruction Finance Corporation to take the collateral referred to by the Senator from Virginia [Mr. GLASS] as "cats and dogs" and permit the issuance of currency on such collateral up to 90 percent of the value thereof.

Mr. LONG. Mr. President, will the Senator permit another interruption?

Mr. COUZENS. I yield.

Mr. LONG. The amendment is in the very terms of the act for which the Senator from Michigan has voted, containing a provision as to loans up to 90 percent of the estimated value. I have not referred to "cats and dogs", but I want to say to the Senator from Michigan that the Reconstruction Finance Corporation today is taking a great quantity of security that it says has no value; and yet, although they say it has no value, they take it and require it to be put up anyway and say, "Well, while it is not worth anything, we are going to take it and hold it in order that if it is ever worth anything it will further guarantee the loan made." If we have otherwise adequately secured a loan 3 or 4 to 1, I am only advocating that a loan may be made up to 90 percent of the estimated value, as the Senator from Michigan has voted for.

Mr. COUZENS. But the Senator is asking for a different class of security on which these notes shall be issued. There is nothing in section 10 (b) which has any reference to the same sort of collateral that is referred to in section 10 (a) of section 401. If the Senator from Louisiana wants to revise the Reconstruction Finance Corporation law, and liberalize it, why does he not introduce a bill and have it referred to the Committee on Banking and Currency, rather than to try to have such a measure added to a banking bill that has already been considered by the committee? If the Senator's contentions are correct, that they have required as security three or four times the amount of a loan, let that be testified to before the Banking and Currency Committee and let that committee report. I do not want these little banks to be required to put up three or four times the collateral that is necessary for the loan, but we have no facts before us to substantiate that statement. If the Senator wants to proceed along the line he has suggested, he ought to introduce a separate bill and have it referred to the Banking and Currency Committee for consideration.

I concur largely in what the Senator from Texas [Mr. CONNALLY] has said. Over 800 banks which have had loans from the Reconstruction Finance Corporation have already failed, and in all probability those loans, in many cases, will not be repaid.

Then the Senator from Louisiana knows as well as most Senators know what is meant by "smart money." This "smart money" has been taken out in Louisiana, the Senator knows; and I think every Senator knows that "smart money" has been taken out of banks that have had loans from the Reconstruction Finance Corporation.

It was not a difficult problem in many of these cases for a substantial and well-known citizen to apply to a small bank and ask for his money. The small-bank cashier or president would say, "Well, John, I cannot pay that today. It will reduce my reserves." The big-business man says to the cashier, "Why, take your collateral down to the Reconstruction Finance Corporation and borrow the money, and then you can pay me." So the little-bank official, not wanting to offend the big-business man in the small town, takes his collateral down to the Reconstruction Finance Corporation and borrows the money and gets it back there, and the smart fellow draws out his money; and that is what we call "smart money."

I am not in favor of extending that opportunity. I have protested that sort of "smart money" being taken out of the banks at the expense either of the other depositors or of the Federal Government. To adopt an amendment to this bill such as suggested by the Senator from Louisiana would just enable the obtaining of more "smart money"; and for that and other reasons this amendment should not be agreed to.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Louisiana [Mr. LONG].

The amendment was rejected.

Mr. ADAMS. Mr. President, I sent to the desk earlier in the day a proposed amendment, but the page and line as given then were the page and line of the Steagall bill as it was then before us. I have furnished the correction to the clerk, and I should like to have my amendment stated now.

The PRESIDING OFFICER. The amendment offered by the Senator from Colorado will be stated.

The CHIEF CLERK. The Senator from Colorado offers the following amendment to the amendment of the committee:

On page 3, line 19, beginning with the word "and", strike out the following: "and a thorough examination of the applying bank or trust company."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado to the amendment of the committee.

Mr. ADAMS. Mr. President, I desire to make a few comments in reference to this amendment.

The Steagall bill is the Robinson bill with certain additions. Those additions, as I have examined them, fall into two classes, one of which was needless and the other of which does damage to the Robinson bill. In my judgment, the Robinson bill is preferable to the Steagall bill.

I am interested in the small banks, State and national. Throughout this country, Mr. President, the nonmember banks have over one half of the available banking deposits. The total runs to some $22,000,000,000; and it is of the gravest commercial importance to preserve the integrity of those bank deposits.

The bill introduced by the Senator from Arkansas [Mr. ROBINSON] was with the view of aiding the nonmember banks.

In a hurried way this is the situation in reference to the rediscount privileges:

The Federal Reserve Act gave member banks the privilege of rediscounting certain classes of paper, mostly short-time paper, which was designated commercially and in banking circles as eligible paper. The act of February 27, 1932, gave to member banks the additional right to rediscount noneligible paper in exceptional circumstances. The act of July 21, 1932, gave to nonmember banks, which had no rediscount privileges formerly, under the language "individuals, partnerships, and corporations," the right to rediscount eligible paper in unusual and exigent circumstances, subject to such limitations, restrictions, and regulations as the Federal Reserve Board might prescribe.

It is open to argument that the act of July 21, 1932, in using the term "eligible paper," used it so as to include both the original classes of paper which the Federal Reserve Act permitted member banks to rediscount, and the additional classes of paper which were authorized for rediscount by the act of February 27, 1932; but there is some question as to that.

The Emergency Banking Act of March 9, 1933, did not add to the rediscount privileges of member banks. I think there has been a misunderstanding as to what was accomplished by that act. As I read the provision of the Emergency Banking Act, it only enlarges the rediscount privileges of member banks in two respects. It took out of the original act a limitation which forbade banks with capital stocks in excess of $5,000,000 from securing rediscount privileges, and thereby extended the rediscount privilege to those larger banks. It also took out the prohibition against granting rediscounts based on foreign securities. Those were two things that were taken out, and that was practically all that the act did in the way of enlarging rediscount privileges.

The Robinson bill sought to extend to nonmember banks certain rediscount privileges. In my judgment, there was

no addition of rediscount privileges in the Robinson bill over and beyond those extended by the existing legislation.

The Steagall bill, under the guise of perfecting the Robinson bill, restricts and limits the rediscount privileges of nonmember banks so as seriously to impair, if not to destroy, them.

Now let me call your attention to some of the limitations which are imposed upon the nonmember bank by the Steagall bill.

In the first place, the rediscount privileges are limited to the emergency, or until the President shall declare the section nonoperative, but in no event beyond the period of 1 year.

Then the rediscount privileges are subject to the regulations of the Federal Reserve Board, and that Board will not be unduly liberal in granting rediscount privileges to nonmember banks.

Third, rediscounts are permitted only after inspection and approval of collateral by the Federal reserve bank.

Fourth, it requires the written approval of the State bank commissioners of the loan.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Louisiana?

Mr. ADAMS. I do.

Mr. LONG. If I may interrupt the Senator, as I understand, his amendment is to restore the provision of the Robinson bill.

Mr. ADAMS. Substantially.

Mr. LONG. Yes; substantially.

Mr. ADAMS. To take down some of the barriers and some of the hurdles that have been put up.

Mr. LONG. What this has done, as I understand, is to put up several other things that have to be complied with, several other things that have to be gone through, and several other examinations that have to be made.

Mr. ADAMS. Correct.

Mr. LONG. And then some money has to be put up that you are not supposed to have.

Mr. ADAMS. Correct.

Then a certificate is required from the State bank commissioner that the nonmember bank is sound and solvent.

Then it is required that the nonmember bank discounting must comply with all of the provisions of the Federal Reserve Act with the exception of the purchase of stock.

Then the maintaining of reserves with the Federal reserve bank is required to the same extent as is required of member banks, so that the nonmember bank may be compelled to maintain its original reserves with its correspondents and then accumulate additional reserves.

Finally—and this is the provision I have asked to have stricken out—after all of these requirements have been exacted, of compliance with the regulations of the Federal Reserve Board, of approval of the security by the Federal Reserve Board, of certificates of solvency and of other certificates, and of putting up reserves, it is required that before the rediscount be granted there shall be a thorough examination of the nonmember bank.

In other words, you must wait. There may be an emergency. The nonmember bank, one of many, may be needing help. It sends collateral, asks for rediscount privileges, and is told, "Before you can have rediscounts there must be a thorough examination of your bank." How long it will take to get the examiner in the first instance, and how long it will take him to make an examination in the second, we do not know; and those are things which set up hurdles over which the ordinary nonmember bank cannot get.

Therefore it seems to me in the interest of the nonmember banks, not to enable them to do something new, Mr. President, but to permit them to avail themselves without additional hindrance of the privileges now existing, that this language should go out.

Mr. GLASS. Mr. President, I had hoped not to have anything to say upon this bill or any of the proposed amendments; but the amendment proposed by my friend the Senator from Colorado, it seems to me, is a dangerous amendment.

His argument is not new to members of the Banking and Currency Committee, because he there proposed the amendment, and it was largely voted down after hearing his impressive argument—because the Senator from Colorado, to me, is always impressive, and it distresses me always to disagree with him, and in this instance it surprises me to have him disagree with me.

Mr. President, nonmember State banks for 19 years have had the option and the privilege of coming into the Federal Reserve System and securing themselves against disaster such as has been threatened in recent months. If now we are to give them superior advantages to member banks, which all these years have paid the entire cost, first of the establishment of the System, and since of its maintenance, why should any member bank want to remain a member of the System? What is the use of the System at all?

I have said that I see no need for any of this legislation, for the reason that under existing law nonmember State banks are authorized and permitted to apply to their correspondent banks which are members of the System and enjoy the credit facilities of the Federal Reserve Banking System. That has been the law from the beginning; and I am told that for the first time since the adoption of the Federal Reserve Act the Federal Reserve Board, realizing the gravity of this situation, has already adopted a regulation authorizing Federal Reserve banks to make loans of this character to nonmember banks.

Moreover, Mr. President, to indicate to what extent we have gone to afford the facilities of the Federal reserve banks to nonmember banks, we adopted a provision in the so-called "Wagner relief bill" authorizing not only nonmember banks but permitting individuals, partnerships, and corporations, including State banks, to apply directly to the Federal reserve banks for accommodation when they fail to get accommodation from other banking sources. In other words, it appeared, as Senators will recall, that the member banks of the Federal Reserve System were refusing to function. It will be recalled that I pointed out that they had equitably distributed throughout the country $3,000,000,000 and more of eligible commercial paper, which they were privileged to rediscount with the Federal reserve banks, and, in addition to that, had $5,000,000,000 of United States securities, which they were privileged to use in their operations with the Federal Reserve bank, making a total of more than $8,000,000,000 which could be rediscounted, whereas they had rediscounted less than $400,000,000. It was because of that situation that I offered this rider to the Wagner relief bill, authorizing individuals, partnerships, and corporations failing to get accommodations from these Federal reserve banks to apply directly to the Federal reserve banks. So that any reputable individual who has credit, and who has in his possession eligible paper for rediscount, and who fails to get accommodation at his individual bank, may go directly to the Federal Reserve banks and be accommodated.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. GLASS. I yield, of course.

Mr. ADAMS. My inquiry was whether or not the bill we were discussing did not in fact put limitations upon the very measure the Senator had adopted? Would not the measure as it exists today grant privileges which would not exist if this Steagall bill were adopted?

Mr. GLASS. No; I do not think so, although I do not think the measure is necessary.

The Senator, surprisingly to me, objects to the requirement of a thorough examination of the applying nonmember banks.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. ROBINSON of Arkansas. I have learned that some Senators desire to make speeches which would prolong the session this evening for an hour or two, and I think we can readily dispose of the bill early tomorrow. For that reason, unless some Senator objects, I am going to move for a brief

executive session and then ask the Senate to take a recess until 12 o'clock tomorrow. We have no other business before the Senate than the pending bill, and we can easily dispose of it tomorrow; but two or three Senators have advised me that they desire to speak on it.

I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. Mr. President, this morning I asked unanimous consent for the consideration of two nominations which, at the request of the Chairman of the Committee on Foreign Relations [Mr. PITTMAN], I reported to the Senate. It was then suggested by the Senator from Oregon [Mr. MCNARY] that the matter be deferred until later in the day. I now renew my request for the present consideration of the nominations.

The VICE PRESIDENT. The clerk will report the first nomination.

ROBERT WORTH BINGHAM

The Chief Clerk read the nomination of Robert Worth Bingham, of Kentucky, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Great Britain.

Mr. MCNARY. Mr. President, I objected this morning to the immediate consideration of the nominations on account of the absence of the ranking Republican member of the Committee on Foreign Relations, the Senator from Idaho [Mr. BORAH]. I am advised that it will be satisfactory now that the nominations be confirmed, and I have no objection.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

The nomination was confirmed.

IRVING N. LINNELL

The Chief Clerk read the nomination of Irving N. Linnell, of Massachusetts, now a Foreign Service officer of class 2 and a consul general, to be also a secretary in the Diplomatic Service of the United States of America.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

The nomination was confirmed.

Mr. ROBINSON of Arkansas. Mr. President, I ask that the President be notified of these confirmations.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the President will be notified.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON of Arkansas. Mr. President, as in legislative session, I move that the Senate take a recess until 12 o'clock tomorrow.

The motion was agreed to; and the Senate (at 5 o'clock and 52 minutes p.m.) took a recess until tomorrow, Thursday, March 23, 1933, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 22 (legislative day of Mar. 13), 1933

AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY

Robert Worth Bingham to be Ambassador Extraordinary and Plenipotentiary to Great Britain.

SECRETARY IN THE DIPLOMATIC SERVICE

Irving N. Linnell to be a secretary in the Diplomatic Service.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 22, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

In the distribution of the gifts of Thy providence, O Thou eternal God, there is no respect of persons. Thou dost make the sun to shine on the evil and the good and sendeth rain upon the just and the unjust. In the ministry of love lead us along this pathway that means fullness and richness of character. O judge us tenderly and mercifully. Bless us this day with the generous pleasure of deeds kindly done. Let the spirit of the Master pervade our beings, shaping our thinking and influencing our activities. Again we bear our country to the altar of prayer. Soon, ah, soon, let us catch the undertone which assures us of a brighter and a better day. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

SWEARING IN OF A MEMBER

Mr. FREAR. Mr. Speaker, my colleague, Mr. PEAVEY, is present. He has been prevented from attending heretofore by illness. He desires to take the oath of office.

Mr. PEAVEY appeared at the bar of the House and took the oath prescribed by law.

DISPENSING WITH BUSINESS OF CALENDAR WEDNESDAY

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the business of Calendar Wednesday, today, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

OTHER PEOPLES' MONEY

Mr. MCSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks on the bill (H.R. 4003) to regulate commerce among the States, to promote the general welfare by strengthening confidence in life insurance, and by protecting the policyholders of life insurance, a bill introduced by me, and include therein a copy of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. MCSWAIN. Mr. Speaker, I desire to state, very briefly, some of the considerations that have induced me to introduce H.R. 4003, a bill to regulate interstate commerce, to promote confidence in life-insurance companies, and to protect the rights of policyholders. During these days when revelations and discoveries are being made concerning the morals and ethics, or more properly, the lack of good morals and of high ethical standards, among the so-called "big business men", and especially the bankers of this country, we are forced to wonder what will come next, and what dangers and unsound practices may be next disclosed.

BANKER IN JAIL

I refer, very briefly, to the horrors of the Insull investigations. Also, to the complacent and nonchalant attitude of Charles E. Mitchell, formerly chairman of the board of directors of the National City Bank, of New York, perhaps one of the largest, if not the largest bank in the world. Mr. Mitchell did not realize that he had done anything wrong by resorting to a fraudulent device to make his income-tax return appear in the red. He seemed to think it was a smart trick to transfer, without an actual bona fide sale, enough bank stock to his wife to offset the bonuses and commissions which were paid him for his services as chairman of said board of directors, amounting to nearly $3,000,000, in less than 3 years. Some intelligentsia and highbrows and sympathizers with the barons among bankers and the big leaders of industry have charged that the popular feeling toward Wall Street was based upon mere prejudice and ignorance. In fact, some people have said that the business ethics of Wall Street is higher than the business ethics of Main Street. "Main Street" is a generic term to represent our small cities and towns. But today's newspaper reports the fact that the said Charles E. Mitchell has been arrested as a common criminal, on the ground that he had attempted to commit a fraud upon his own Government. It is charged that Mr. Mitchell would seek to deprive his Government of over $600,000 in taxes, when that Government has been spending over $4,000,000,000 a year to maintain itself, and thereby to protect and to defend the enormous investments

from which Mr. Mitchell was drawing his millions of dollars. He who would thus fraudulently refuse and fail to bear his part of the burden of taxes in time of peace is, in effect, a traitor to his nation, and such a man would doubtless sell his nation to an enemy in time of war.

Let all of the "bootlickers" and "kotowers" that have been making obeisance to Wall Street as the pink of political and economic and financial perfection now hang their heads in shame, in that the greatest exponent of them all, Mr. Charles F. Mitchell, stands indicted in the courts of his country upon the charge of seeking to defraud his own Government. A man who would defraud his Government would thereby defraud all the 120,000,000 people in the Nation. If he would defraud 120,000,000 people, then he would defraud every man, woman, and child, every widow and every orphan that he got a chance to practice fraud upon.

ROBBING DEAD MEN, THEIR WIDOWS AND ORPHANS

Mr. Speaker, recently the press carried reports that the receiver for the Illinois Life Insurance Co. had brought suit against the former president of that company and other officers for money alleged to have been lent by that company to said officers, in an amount aggregating several million dollars. The Illinois Life Insurance Co. was forced into the hands of receivers because of the mismanagement and the virtual fraud and breach of trust by its officers. I do not hesitate to say that the officer of a life-insurance company that receives the money from hard-working husbands and fathers, upon the promise of holding the same in trust, and to have it accumulate, with interest, so that when the husband and father dies there will be money to take care of the widow and the orphans; and who borrows that money without adequate security, or who lends that money to some friend, or to some favorite corporation, without adequate security is a moral criminal, because he has broken the most solemn and sacred trust that the business world knows. We do not know how many such breaches of trust have been committed. We know that there is considerable intimacy between the big bankers and the big insurance officials.

It is time to have another investigation such as the now Chief Justice Charles E. Hughes conducted as counsel for the Armstrong committee concerning the business transactions of the "Big Three" life-insurance companies something like 30 years ago. That work made Charles E. Hughes what he is today. At least it demonstrated to the country that Charles E. Hughes was an able and clean and courageous lawyer, and so attracted to him the attention of the right-thinking people, that they made him Governor of New York, then made him Secretary of State, and now Chief Justice of the greatest court in all the world.

Mr. Speaker, I have no information about any other insurance company having lent money to any officer, or to any subsidiary corporation, or to any affiliated corporation owned or controlled by any of its officers. But I can well remember the disclosures that were made at the time of the Armstrong investigation. I can remember that the insurance companies were shown to have built very expensive office buildings, which were financed by the insurance companies, and that the net rentals to the insurance companies or the net interest on the bonds held by the insurance companies was not a fair and adequate return upon the money invested.

If any insurance company at the present time is not guilty of any of these practices, then I am sure that all such companies would be more than happy to prove that they have clean hands by making the statement required by H.R. 4003. To file this statement annually will not impose any hardship upon any insurance company. It will not involve any expense whatsoever. The statement will not be open to inspection by anyone except policyholders, who have a moral and a legal right to know what is being done with their money.

The recent disclosures are calculated to make us all suspicious. I have paid in a great deal of money to life-insurance companies in the form of premiums. I am a firm believer in life insurance. Therefore, the purpose of my bill is to confirm public confidence in the life-insurance companies. If any one or more companies be guilty of any of the practices above indicated, then the policyholders ought to know it, so that they could correct such abuses of confidence before too much of the assets be dissipated. If any insurance company is not guilty of any of said practices, then it should be more than glad to advertise to the whole world those facts that are herein required to be furnished merely to policyholders. Unless we restore complete public confidence in our banks by guaranteeing bank deposits and in our insurance companies by taking every possible measure to insure honesty, then aggregations and accumulations of capital will be practically impossible in the future.

The money that the big investment bankers and international bankers have been speculating on was not their money. It was money belonging to the depositors in their banks. If the officers of any insurance company have been speculating in stocks or bonds or real estate with money belonging to the company, then they are guilty of most reprehensible conduct and ought to be exposed. If the speculators and gamblers used merely their own money, that would not be so bad and might not be a matter for public legislation. But these speculators and gamblers seem to take care to use somebody else's money. If they win, they gather to themselves their enormous profits. If they lose, then they let the policyholders and the depositors "hold the bag."

DIG UP ALL ROTTEN ROOTS

It is time that we should have a Nation-wide house cleaning. It is time that this extreme passion to get rich quick should cease. It is time that bankers and insurance officers should be made to realize their high responsibility. It is time that bankers and insurance officers should be content with the annual fixed salaries paid by their respective corporations. It is time that the payment of bonuses, commissions, and secret fees should be stopped. It is time that the banking business and insurance business be forced out into the open in every detail. While it is true that there is no complete substitute for moral integrity and personal honesty, yet if selfish and greedy and avaricious men know that their abuse of confidence and their speculations with other people's money will lead to prosecution in the court and perhaps to the penitentiary, then they will be far more careful in the future than they have ever been in the past.

Mr. Speaker, I hope and pray that this new deal of President Roosevelt and the Democratic Party will purge this Nation of the speculator and the gambler who would get rich quick by using other people's money. I hope and pray that we will stay in session, even if it takes all summer, in order to pass legislation to reach to the very root of all the evil practices that have brought upon this Nation its present plight of misery.

CRIMINAL GAMBLING

Undoubtedly, the mighty orgy of speculation in New York during the years 1927, 1928, and 1929 is the direct or proximate cause of the collapse of our economic structure. Billions and billions of dollars were drawn from every city and town and village in the whole Nation into that vortex of wild and lurid stock gambling. Productive industry was cheated of its necessary capital. Big bankers smiled upon that dance of death. Even Andrew W. Mellon, whom many regard as the greatest Secretary of the Treasury, not excepting even Alexander Hamilton, looked benignantly and approvingly upon that delirium of speculation. Billions of dollars' worth of foreign government bonds and of foreign industrial bonds and securities were dumped upon a confiding and trustful and credulous American public. The speculators and gamblers sold the American people short; and then when the great collapse came, and prices went tumbling, and commodities and real estate have reached the lowest level they have known in any civilized country since the discovery of America, these same speculators and gamblers, using not their own money but the money of other peo-

ple, have bought and are buying the choice properties of America and preparing to reap with the rising tide of prosperity the greatest crop of profits in the whole history of the world. If we have the sense that we ought to have and that we have boasted we have, we will take steps now to clip the wings of these deep-laid schemers to own all the natural resources and thus all the wealth-producing properties of this Nation.

AMERICA IN GETHSEMANE

Mr. Speaker, economic conditions in America now are worse than they were in France when the French Revolution broke upon that country. American economic conditions are worse than they were in England after the Napoleonic wars, and prior to the great reform bill of 1832. Who is responsible for this condition? A wise and merciful and loving God did not bring this affliction upon the innocent and helpless and honest and God-fearing men and women and children of this Nation. This calamity has been brought about by the wicked and selfish designs of men in high places of financial and economic power, who have defied the law of love and of brotherhood prescribed by the meek and lowly Nazarene. These same designing and unscrupulous industrial and financial barons will continue to lord it over the laboring and producing people of this country, unless we use our sense, unless we exercise our intelligence, and cooperate through our political institutions to suspend forever their nefarious practices. We owe it to our children and to our grandchildren and to posterity to make a thorough housecleaning now. We ought to go to the bottom of all these problems, and rebuild our economic structure upon the eternal foundations of honesty and justice and fair dealing. This is our solemn duty, and if we close our eyes to the lessons that this terrible crisis has taught us, then we will be derelict to the greatest duty that can come to the responsible legislators of any nation. Our children and our children's children will rise to curse us, if for some temporary advantage, in order to placate those who have been our financial masters, we stop short of a complete renovation of our political and economic system. We should go about this duty with a stern and inflexible resolution to cut from our body politic the cancerous growth of speculation and business gamblers. We should stabilize the purchasing power of money so that these recurring fluctuations in the prices of commodities may be prevented in the future. Certain and unexpected changes in prices constitute the gambler's heaven.

The men who labor either in the field or in the factory or in the city or in any other honorable undertaking are victimized by the speculating group that plans to suck from the laborer and the producer all the profit and reward of his effort. During all this depression, during this panic of credit and the paralysis of industry, the bondholders have been clipping their coupons and collecting their interest from the Public Treasury. The bank credit that was lent to the country in time of war, when the average prices mounted to 289, meant that the Government was promising to pay at a future time money that was worth less than 50 cents on the dollar when borrowed. But by the shrewd machinations of this same selfish set when pay day comes that same 50 cents is actually worth $1.60. Now, these same bondholders are demanding payment not in bank credit, which they lent the Government during war, but gold itself, and are demanding twice as much monetary gold as there is in the whole world. But, mark you, in the meantime, during the last 16 or 17 years, they have been drawing interest at more than 4 percent, so that they have already received, in the form of interest, about 75 percent of the money lent in 1917 and in 1918, and are still demanding the payment of $1.60 for every 50 cents lent. In other words, they lent money on an inflated dollar and are now demanding payment in gold on a deflated dollar. If they are able to collect $1.60 for every 50 cents lent, and if they have already collected 75 cents interest on a 50-cent dollar, then they will receive from the taxpaying public of America, which means the laboring and producing public of America, about $2.35 for every 50 cents lent in bank credit.

WHOLESALE BANKRUPTCY

No wonder this country is in economic distress. No wonder farms and city homes are being sold by the millions. No wonder people are in rags and hungry and marching up and down the highways and streets of this Nation, not merely searching for jobs but actually begging for bread. And now we are told that the same selfish group that have their hands on the billions of other people's money, in the form of bank deposits and in the form of accumulated life-insurance premiums, are saying to this Government, which defends and protects their very existence, that unless it pays 4¼ percent for short-term notes, they will let this Government become bankrupt and go to ruin for lack of funds to discharge its obligations. The presumption and arrogance of these self-constituted masters of the destiny of this Nation are indescribable. They defiantly compel the Nation to stand and deliver according to their own terms. How long will the liberty-loving and independent people of America stand for such slavery as they now endure? If anybody in America has money to lend to his Government, and if he insists on charging more than 3 percent on iether long-time loans or short-time loans, then this Government ought to exercise its power to take and to commandeer from such disloyal and unpatriotic people the money necessary to keep our Government going. We can take it in the form of a tax. There is no limit to the power to tax. Some people think that you cannot impose a capital levy. People who say that do not think skin-deep. The States of this Union have, for the last 3 years at least, been imposing a capital levy upon the farm lands of the Nation. I know millions of acres of farm lands that have not produced net profits for the last 3 years sufficient to pay the taxes. Every dollar of tax collected by the public in excess of the net returns from the land is a capital levy upon the land itself.

I have 700 acres of land that for the last 10 years have not paid sufficient rent to pay the taxes upon that land. Consequently, I have been compelled to pay hundreds of dollars, which amount to a capital levy. If the taxes are not paid, the land is sold, and thus complete confiscation of property and of title comes about. Yet those who control the credit of the Nation, by controlling other people's money, escape practically every form of taxation, except the income tax; and Mr. Charles E. Mitchell thought that by fraud and corruption he was escaping his income tax in 1929. Maybe there are scores, if not hundreds, of other big bankers and big speculators and big gamblers who resorted to the same trick to defeat the payment of income taxes that Mr. Mitchell did. Our income taxes have dried up wonderfully in the last 2 or 3 years. Perhaps there is an explanation for a part of this failure of revenue in a widespread resort to the scheme and device that Mr. Mitchell employed. If so, the truth should be discovered. Every income-tax return should be most closely scrutinized. The refunding of billions of dollars should be reviewed. Perhaps fictitious transactions enabled many of these big taxpayers to obtain refunds. It is time to search in every direction to learn the whole truth and to uncover the rascality that has been practiced in high places, in banking and in business and in insurance.

Mr. Speaker, in an effort to contribute my part to devising legal machinery, under the Constitution, to reach any possible abuses by insurance companies, I have introduced H.R. 4003, and by permission of the House I am printing a copy of that bill as a part of my remarks.

The bill is as follows:

H.R. 4003

A bill to regulate commerce among the States, to promote the general welfare by strengthening confidence in life insurance, and by protecting the policyholders of life insurance.

Be it enacted, etc., That every life-insurance company, whether a stock company, or a mutual company, or mixed, shall, as a condition precedent to the right to use the United States mails in the transaction of business, and as a condition precedent to the use of any other means or agency or instrumentality of transportation, or of communication between the several States, whether for advertising or for transmitting or receiving money or other communications, obtain for each and every successive year a license permitting and authorizing such insurance company to

use the mails, or other means of transportation or communication between the several States, as above outlined, and that said license shall be issued by the Secretary of Commerce of the United States, pursuant to the provisions of this act and to rules and regulations to be prescribed by the said Secretary of Commerce.

SEC. 2. That in order to obtain a license to do the things herein enumerated, as herein required, each such insurance company shall, during each and every year, after the 1st day of May and before the 1st day of July, file with the Secretary of Commerce a statement upon forms to be prescribed and furnished by him, showing, in detail, all the assets and liabilities of such insurance company, and showing in like detail the nature of all the investments of such company, and showing in like detail what money, if any, belonging to such company, shall have been lent by such company to any officer, agent, or employee thereof, and showing what money, if any, shall have been lent to any subsidiary, affiliate, or any other company or association, owner, operated, or controlled by any such insurance company, or owned, operated, and controlled by any person, firm, or corporation in any way connected with such insurance company, whether as officer, agent, employee, or other relation or connection, by whatsoever name designated. Further, said annual statement, so filed, shall show all sums of money paid annually by any such insurance company to any officer, agent, or employee of such company, and shall contain a statement that no bonus, commission, or other form of compensation shall have been paid either directly or indirectly to any officer, agent, or employee of such insurance company. Said statement shall also contain a representation that no commissions, bonus, or other form of compensation shall have been received by any officer, agent, or employee of any such insurance company, in connection with any loan made by such company, or in connection with the purchase of any bonds, stocks, or other securities by said company. Each and every such statement shall be sworn to in accordance with the laws of the State wherein made, by at least two of the responsible officers of each and every such insurance company. All such statements shall be open to inspection only by the policyholders of the respective insurance companies.

SEC. 3. That the Secretary of Commerce shall have power to make all needful rules and regulations for the effectual administration of the provisions of this act, and all such rules and regulations shall be printed by him, and supplied by him, through the mails, to all insurance companies to which the provisions of this act apply.

SEC. 4. Any person, firm, or corporation violating any of the provisions of this act, or willfully and knowingly making any false statement pursuant to the provisions of this act, or resorting to any scheme, device, or arrangement to defeat the provisions and purposes of this act, shall, upon indictment, trial, and conviction, be fined for each such act not exceeding $10,000, or shall be imprisoned not exceeding 5 years, or both, at the discretion of the court.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to insert in the RECORD two resolutions which were adopted in New York City concerning conditions which my colleague [Mr. CELLER] offered to the House in Resolution 24.

They pertain to the persecutions of certain people in Germany. I understand that American citizens are included in the present persecutions which are going on in Germany. I ask unanimous consent to insert those two resolutions in the RECORD.

Mr. BLANTON. Reserving the right to object, is there anything in the document that would give affront to the present officials of Germany?

Mr. O'CONNOR. I do not think so.

Mr. BLANTON. If there is, I intend to object; because if there are American citizens in Germany who are being persecuted it is probably because they have stayed there so long they are looked upon as natives. They ought not to be over there where they can create a new animosity between that Government and our own. If they are Americans, they ought to come back to the United States. From now on I am going to watch these things carefully.

Mr. O'CONNOR. I understand this course was followed in 1912, and perhaps on other occasions where some of our citizens were suffering on account of racial extraction.

Mr. BLANTON. Is there anything in the resolution that would be likely to affront the Hitler officials?

Mr. CELLER. I assure the gentleman that there is not.

Mr. SNELL. Reserving the right to object, I do not intend to object, but since I have been a Member of the House, as far as I can remember, it has not been the policy to put in the RECORD such resolutions. But I feel that the majority is responsible. There is always the question, when we put such resolutions in the RECORD involving certain international questions, that they may come back to embarrass us. I think it should be looked over carefully and the State Department consulted; but if the majority feels that it should be inserted, I am not going to take the responsibility of objecting. But I want to call attention to the fact at this time that such hasty action may come back to embarrass us.

Mr. CELLER. I will say that in preparing the resolution I followed carefully the precedents established in 1902, 1912, and in 1928, when our then Secretaries of State made representations to the Rumanian and Russian Governments that our Government viewed with disfavor anti-Semitic outrages and insults then perpetrated in those countries.

Mr. SNELL. The presentation of such facts by the Secretary of State is an entirely different proposition from putting these resolutions in the RECORD, because the Secretary knows the regular procedure in these matters. As far as I know, and as far as I have been familiar with the proceedings of the House, I do not think we have taken any such action in these matters that are not particularly our own business, and I think it is at least of doubtful propriety.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. McFADDEN. I object.

REVALUATION OF THE GOLD DOLLAR

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the revaluation of the gold dollar, and to insert certain excerpts from the Lawyers Reports, Annotated.

The SPEAKER. Is there objection?

There was no objection.

Mr. REED of New York. Mr. Speaker, the agitation to reduce the quantity of gold in the gold dollar raises a very interesting legal question. Many long-term contracts, running into billions of dollars, such as bonds and mortgages, specifically provide for payment in gold coin. It is provided in others that payment shall be made in gold coin of a certain weight and fineness.

It is maintained by those who advocate the reduction in the quantity of gold in the gold dollar that these contracts can be discharged by paying in legal-tender currency the sum specified, even though the creditor objects and demands payment in gold as specified in the contract.

A recent decision in the English courts holding that the debtor can discharge such a contract in the legal-tender money of the realm has given rise to much speculation as to what our courts will hold if the question is squarely presented for adjudication.

A few excerpts from decisions to be found in the Lawyers Reports, Annotated, may be useful to Members of the House who are interested in this question. The leading case in the United States on this subject is *Bronson* v. *Rodes* (74 U.S.):

NOTE.—Special contracts and obligations to make payment in gold or silver.

I. Before Legal Tender Act.
II. Application of Legal Tender Act to specific contracts for coin.
  a. Decisions before *Bronson* v. *Rodes*.
    1. Denying effect to such contracts.
    2. Supporting such contracts.
    3. In equity cases.
    4. Effect of State statutes.
  b. Doctrine of *Bronson* v. *Rodes* and later cases.
    1. Federal cases.
    2. State decisions generally.
    3. Alternative provisions; coin or equivalent.
    4. Municipal and state contracts.
III. Implied contracts or obligations imposed by law.
  a. In general.
  b. Bailment and conversion of coin.
  c. Bank deposits.
  d. Accounting for trust.
  e. Other actions for damages.

I. Before Legal Tender Act

An agreement to pay a certain sum in specie at a future date in consideration of a loan of paper money was sustained in *Brachan* v. *Griffin* (3 Call (Va.) 375 (1803)), in a suit in equity for relief against the contract in which an injunction that had been granted was dissolved and the bill dismissed.

An early Kentucky statute, providing that when a note was made payable "in gold or silver" the judgment should specify that fact, was enforced in *Webb* v. *Moore* (4 T.B.Mon. 483 (1827)), and it was held that a note calling for dollars "in specie" came within the statute.

But without referring to such statute as controlling or existing, the effect of the words "in gold and silver" in a note calling for a specified amount in dollars and cents is also considered in *Hart* v. *Flynn* (8 Dana, 191 (1839)), in which it is said that such a note is for the direct payment of money, and cannot be discharged, or imply an undertaking to pay, in bullion, bars of gold and silver, or old silver teapots, spoons, and rings, and that if such had been the intention the amount would not have been measured by dollars and cents, but by ounces and pounds.

In case of a due bill for $895 in dimes on demand, it was said that the fact that it was payable in dimes was perfectly immaterial, as it might be discharged by the payment of eagles, dollars, or dimes. (*Atchafalaya R. & Bkg. Co. Comrs.* v. *Bean*, 3 Rob. (La.) 414 (1843).) But this seems to involve merely the denomination of the money, and not the kind of it.

II. Application of Legal Tender Act to specific contracts for coin

A. DECISIONS BEFORE BRONSON *v.* RODES

1. Denying effect to such contracts

The leading case on the subject of specific agreements to pay an obligation in gold or silver is that of *Bronson* v. *Rodes* (74 U.S. 7 Wall. 229; 19 L.ed. 141 (1869), reversing 34 N.Y. 649 (1866), in which it was decided that a bond to pay a certain sum in gold and silver coin, lawful money of the United States, with interest also in coin, was payable only in coined money.

Some of the State courts, before this decision, construed the Legal Tender Act to cover agreements which specifically called for payment in gold and silver, as well as other contracts which did not specify the medium of payment further than to name the number of dollars and cents that should be paid. These, although they may be regarded as now only of historical value, are here compiled to show the whole course of decisions on the subject. It will be seen from subsequent portions of this note that some of these decisions have been expressly overruled by later decisions of the same court.

Thus in Illinois it was decided in *Whetstone* v. *Colley* (36 Ill. 328 (1865)), in an action on a promissory note, that a contract for the payment of money specifically in gold could be discharged by the payment of the same sum in legal-tender notes, and that in a suit upon such a contract a judgment could only be rendered for the amount due upon its face, which judgment would of course be payable in such notes.

In Indiana, in *Reynolds* v. *Bank of State* (18 Ind. 467 (published in 1862)), the Supreme Court of Indiana held that, although the charter of the bank provided that it should "not at any time suspend or refuse payment in gold or silver of any of its notes, bills, or obligations", a tender by the bank of United States Treasury notes in redemption of its own notes or bills was valid under the Legal Tender Act of Congress. But the court rendered this decision in deference to the action of the Federal Government and contrary to its own opinion, saying that as its decision was that of a nisi prius court, which must be reviewed by the Federal court, it had better err in acquiescing in than by declaring null the acts of Congress. It does not appear from this case that the notes or bills of the bank expressly provided for payment in coin, but the charter of the bank, if construed as a part of the contract, would make the case substantially the same as if a provision for payment in gold or silver was included in the notes and bills themselves.

A promissory note to pay $500 "in gold" is held in *Thayer* v. *Hedges* (23 Ind. 141 (1864)) to require a judgment merely for $500 and interest, and not for the value of $500 of gold coin.

The decision in *Thayer* v. *Hedges* is followed in *Brown* v. *Welch* (26 Ind. 116 (1866)), denying recovery for more than the nominal amount of payment on a contract calling for gold, or, if paid in paper, the amount necessary to purchase gold.

In Iowa a note payable in United States gold, made before the passage of the Legal Tender Act, was held, in *Warnibold* v. *Schlicting* (16 Iowa 244 (1864)), to be merely a promise to pay money, and to be payable in any medium or currency declared by law to be legal tender.

This case was followed by the same court in *Troutman* v. *Gowing* (16 Iowa 415 (1864)), in a suit for the specific performance of a bond for the conveyance of land.

In Kentucky a note for a specified number of dollars, made in 1858, which includes the clause "this money is to be paid in gold or silver", is construed, in *Johnson* v. *Vickers* (1 Duv. 266 (1864)), to have the same effect as if this clause was omitted, and to be enforceable only for the specified number of dollars, without any provision for payment in gold and silver. This decision was rendered without considering the effect upon the case of the Legal Tender Act, and was based on the construction of the contract alone, and it made no reference to the case of *Webb* v. *Moore* (4 T.B.Mon. 483 (1827)), or to the early Kentucky statute therein referred to, recognizing the validity of a provision that a note should be payable "in gold or silver."

A note to pay a specified sum in gold is regarded as simply an undertaking to pay that sum in money, and nothing more, in the Kentucky case of *Riley* v. *Sharp* (1 Bush 348 (1866)), and therefore no damages were allowed for failure to pay the debt in gold on account of the difference that had arisen between the values of gold and the legal-tender notes.

Thus it was held, in *Galliano* v. *Pierre* (18 La. Ann. 10, 89 Am. Dec. 643 (1866)), that a charter party calling for payment in gold could not be enforced in that particular, but that only the amount specified in lawful money could be recovered. This decision was followed in *Olanyer* v. *Blanchard* (18 La. Ann. 616 (1866)), in case of a contract to pay francs or "their equivalent in gold currency of the United States."

In Massachusetts, in *Wood* v. *Bullens* (6 Allen 516 (1863)), a promissory note payable in specie is held to be payable in any money which is legal tender, although specie was at a premium when the note was made.

In *Tufts* v. *Plymouth Gold Min. Co.* (14 Allen 407 (1867)), it was held that the salary of an agent, expressly made payable in specie, entitled him only to a judgment for the amount due expressed in dollars, and the fact that it was declared to be payable in specie did not alter the amount due.

So in the Michigan case of *Buchegger* v. *Shultz* (13 Mich. 420 (1865)) it was held, Judge Cooley writing the opinion, that a contract for "dollars" payable in gold may be discharged by payment of the specified amount in notes which Congress has made legal tender.

So in Missouri a note for a certain amount "in gold" was held enforceable only for its face value payable in any lawful money, and a judgment including premium on gold was held invalid. (*Henderson* v. *McPike*, 35 Mo. 255 (1864).)

So a contract to be paid in the "current gold coin of the United States in full tale or count, without regard to any legal tender that may be established or declared by any law of Congress", is held not to be enforceable, as the contract plainly regards gold as money, and as such no distinction can be made between gold and legal-tender notes (*Appel* v. *Woltmann*, 38 Mo. 194 (1860)).

So in Nevada the courts at first denied the force of a provision for gold coin in a contract made before the Nevada Specific Contract Act, and denied the right to a judgment for gold coin. (*Burling* v. *Goodman*, 1 Nev. 314 (1865).)

As to the effect of State statutes authorizing judgment for coin when a contract specifically provides for such money, see infra, II, A, 4.

In New Hampshire, in a case of assumpsit for money had and received where gold coin had been pledged as security and afterwards went above par, it was held that the damages must be limited, in that form of action, to the amount of money received, excluding any premium on the gold; and that, even if the action was in the form of trover, only the value at the time of conversion could be allowed as damages. (*Frothingham* v. *Morse*, 45 N.H. 545 (1864).)

In New York, in an action on a foreign judgment which would be payable only in gold or currency equal to gold at the place where it was rendered, it was held in *Swanson* v. *Cooke* (30 How. Pr. 385 (1866)), that premium on gold could not be included; and, as the parties agreed that a pound sterling was equal to $4.84, the judgment was rendered on that basis without allowing any premium on gold.

A provision in a charter party for payment of freight "in silver or gold dollars", if discharged in the United States, is held in *Wilson* v. *Morgan* (30 How. Pr. 386, 4 Robt. 58, 1 Abb. N.S. 174 (1866) to be satisfied by tender of the freight in United States notes, where the contract was made after the passage of the Legal Tender Act.

In *Murray* v. *Gale* (5 Abb. Pr. N.S. 236, 52 Barb. 427 (1868)), affirming *Murray* v. *Harrison* (47 Barb. 434, 33 How. Pr. 90 (1867)), it was held that the words "in specie, gold, and silver coin", in an obligation for the payment of a certain number of dollars, did not affect the right to discharge the contract by paying the stipulated amount in legal-tender notes.

In *Jones* v. *Smith* (48 Barb. 552 (1867)), it was held to follow inevitably, from the Legal Tender Act as interpreted by *Rodes* v. *Bronson* (34 N.Y. 649 (1866)), that a bill of exchange payable "in specie or its equivalent" could be paid in legal-tender notes called "greenbacks."

In Pennsylvania an express contract to pay "specie, current gold, and silver money of the United States", was held to be within the operation of the Legal Tender Act, in *Shoenberger* v. *Watts* (5 Phila. 51 (1862)).

So ground rent payable in "dollars, lawful silver money of the United States, each dollar weighing 16 pennyweights 6 grains, at least", is held redeemable in legal-tender notes. (*Mervine* v. *Sailor*, 52 Pa. 9 (1866).)

The same is held in case of ground rent payable in "dollars, lawful money of the United States of America", in *Shallenberger* v. *Brinton* (52 Pa. 9 (1866)).

Likewise as to ground rent payable in "lawful money." (*Davis* v. *Burton*, 52 Pa. 9 (1866).)

So where the provision was for ground rent payable in "lawful money of the United States." (*Kroener* v. *Calhoun*, 52 Pa. 9 (1866).)

The same doctrine is held in case of a certificate of deposit of "gold payable * * * in like funds, with interest." (*Sandford* v. *Hays*, 52 Pa. 9 (1866).)

A note for a sum of money with the amount marked "specie" on the margin, which by bankers' rules meant silver or gold coin, was held in *Graham* v. *Marshall* (52 Pa. 9 (1866) to be payable in legal-tender notes, and the same decision was made in respect to a note for dollars "in gold" in *Laughlin* v. *Harvey*. (52 Pa. 9 (1866).)

In Texas a note for "$600 in gold" was held, in *Shaw* v. *Trunsler* (30 Tex. 390 (1867)), to be dischargeable by the payment of legal-tender notes on the grounds that Congress had made them legal currency, and that judgment on such a note could not be rendered for specie.

In the case of *Flournoy* v. *Healy* (31 Tex. 590 (1869)), where the contract provided for payment of $590 in specie or $894 in United

States currency, it was held that the word "specie", in a judgment for a certain number of dollars in specie, was surplusage, but nevertheless an error which might be struck out on appeal.

2. Supporting such contracts

But some decisions of the State courts sustained these specific agreements to pay in coin before the Supreme Court of the United States decided to that effect.

Thus in Georgia a promise to pay a certain number of dollars "in American gold coin" is held, in *Myers* v. *Kaufman* (37 Ga. 600; 95 Am. Dec. 367 (1868)), to be enforceable, and not to be discharged by tender of the nominal value in depreciated legal-tender notes. In the case of *Taylor* v. *Green*, passed upon at the same time and by the same opinion, a contract to pay "in gold" is likewise sustained.

In several States distinctions were made which have since become unimportant.

In the decision of the Supreme Court of Massachusetts in *Essex Co.* v. *Pacific Mills* (14 Allen, 389 (1867)), it was also held that a contract to deliver a certain number of ounces of silver of a certain fineness in payment of rent, or its equivalent in gold, was a contract for the delivery of a commodity the breach of which required a judgment for the market value thereof payable in United States notes.

A loan of $10,000 in gold, on an agreement to repay in gold, was held in *Bank of Commonwealth* v. *Van Vleck* (49 Barb. 508 (1867)) to be valid and subject to discharge only by payment in gold, and the Legal Tender Act of Congress is held to be inapplicable to such a contract. This case is distinguished from the decision by the court of appeals in *Rhodes* v. *Bronson* (34 N.Y. 649 (1866)) on the ground that in the latter the obligation was to pay "in lawful money", and that the words "in gold and silver coin" were surplusage, while in the present case the agreement was not to pay an ordinary debt, but to return articles of the same kind that were received.

Upon a bill of exchange drawn in Prince Edwards Island, "payable in United States gold coin", the holder is held, in *Bank of Prince Edwards Island* v. *Trumbull* (53 Barb. 459, 35 How. Pr. 8, 4 Abb. Pr. N. S. 82 (1868)), to be entitled, in case of nonpayment, to an amount equal to the value of the gold in legal-tender notes at the time of the trial.

A bond for payment "in gold coin of the United States" of a particular "fineness, notwithstanding any law which now may or hereafter shall make anything else a tender in payment of debts", was held in *Dutton* v. *Pailaret* (52 Pa. 109, 91 Am. Dec. 135 (1866)) to be enforceable according to its terms, and judgment rendered thereon for the value of the gold in currency. The court said: "When parties stipulate for specific chattels, and expressly exclude the legal tenders which Government has prescribed, the bargain must be presumed to rest upon an adequate consideration, and neither legislative nor judicial power can pluck the fruits that belong to one of the parties for the mere purpose of giving them to the other." The court distinguished this case from *Graham* v. *Marshall* (52 Pa. 9 (1866)) on the ground that there the ordinary legal tenders of the country were stipulated for.

Ground rent payable in "21 Spanish coined fine silver pieces of 8½ part of a piece of 8, each piece weighing 17 pennyweights and 6 grains, or so much lawful money of the said Province of Pennsylvania as shall be sufficient to purchase or procure" the specified coin is held, in *Mather* v. *Kinike* (51 Pa. 425 (1866)), to be a specific article called for by the covenant, and not to be payable in currency.

Ground rent, payable in "Spanish milled silver dollars which weigh 17 pennyweights and 6 grains at least", was held not legally represented by United States legal-tender notes, but to be payable only in coin according to the contract. (*Christ Church Hospital* v. *Fuechsel*, 54 Pa. 71 (1867).) The court distinguished this case from that of Mervine against Sailor and others, decided by the same court, in which the rent agreed upon, although specified as gold or silver, was further described as "lawful money", but this distinction was subsequently abandoned by the court, which was constrained by the decisions of the Supreme Court of the United States to sustain the stipulation in either form when coin was agreed upon. (See also, as to effect of State statutes, infra, II, A, 4.)

The Supreme Court of Nova Scotia also sustained such contracts and held that on a lease of property in the British dominions payable in "dollars and cents of United States currency", made before the passage of the Legal Tender Act, payment could be made only in coin. (*Nova Scotia Teleg. Co.* v. *American Teleg. Co.*, 4 Am. L. Reg. N.S. 365 (1865).)

3. In equity cases

The power of equity to give effect to a specific provision for payment in coin, when this was not enforceable at law, was a question on which the courts were not agreed.

The power of equity to give effect to a specific provision in a contract for payment in gold is denied in *Humphrey* v. *Clement* (44 Ill. 299 (1867)), following *Whetstone* v. *Colley* (36 Ill. 328 (1865)) on the general doctrine that specific agreements for payment in gold are not valid.

In *Howe* v. *Nickerson* (14 Allen 400 (1867)) it was held that a bill in equity would not lie to enforce specific performance of an award to pay a certain number of dollars in gold.

But, on the other hand, it was held in Kentucky that in an equity suit for specific enforcement of a contract, made in 1863, to pay the price of land in gold, where the difference between gold and legal-tender notes was taken into account in fixing the price, the provision would be sustained. (*Hord* v. *Miller*, 2 Duv. 103 (1865).) The court allowed the debtor time to make the payment in gold with a warning that on default thereof the value of the gold would be estimated in paper currency and the amount adjudged against him enforced by sale of the land.

4. Effect of State statutes

A specific contract law, providing that judgments may be made payable in coin in actions on contracts which specifically call for such money, is sustained by the Supreme Court of Nevada and declared not to be repugnant to the Legal Tender Act of Congress in *Linn* v. *Minor* (4 Nev. 462 (1868)). This case overrules several prior cases to the contrary, which were *Milliken* v. *Sloat* (1 Nev. 573 (1865)); *Mitchell* v. *Bromberger* (id. 604); *Fox* v. *Barstow* (id. 612).

Such a statute in California has been the subject of numerous decisions. That it does not conflict with the Legal Tender Act of Congress was decided in *Carpentier* v. *Atherton* (25 Cal. 564 (1864)), and its validity is assumed by the later cases.

That such a contract relates to actions or proceedings on the contract itself and not to an order in supplementary proceedings for repayment by a borrower of gold from funds in court is decided in *Hathaway* v. *Brady* (26 Cal. 581 (1864)), because this proceeding is not "an action" within the meaning of the statute.

That a Specific Contract Act applies to contracts made before its passage is decided in *Otis* v. *Haseltine* (27 Cal. 80 (1864)); *Galland* v. *Lewis* (26 Cal. 46 (1864)).

A tender of legal-tender notes at par was held insufficient to discharge a note payable in coin in the case of *Vilhac* v. *Biven* (28 Cal. 410 (1865)).

A purchaser of goods under an oral contract to pay for them in gold is enforceable under the California statute where after the liability accrued and suit was commenced a written contract was made to pay the gold. (*Meyer* v. *Kohn*, 29 Cal. 278 (1865).)

In an action on a judgment rendered prior to the Specific Contract Act judgment cannot be entered for gold coin. (*Reed* v. *Eldredge*, 27 Cal. 346 (1865).)

But where the complaint in an action on a judgment alleges that such judgment was rendered payable in coin the new judgment thereon may be for coin. (*Wallace* v. *Eldredge*, 27 Cal. 498 (1865).)

As to action on judgment, see also supra, *Swanson* v. *Cooke* (30 How. Pr. 385 (1866)).

As to pleading under such statute, see note to *Belford* v. *Woodward* (Ill., post, —.

B. DOCTRINE OF BRONSON *v.* RODES AND LATER CASES

1. Federal cases

The case of *Bronson* v. *Rodes* (74 U.S., 7 Wall. 229, 19 L.ed. 141 (1869)) has already been referred to as the leading case on the subject. It established the doctrine that express provisions for payment in gold or silver were valid and enforceable, as if they were for payment in wheat or any other valuable thing.

The case of *Butler* v. *Horwitz* (74 U.S. 7 Wall. 258, 19 L.ed. 149 (1869)) applied the doctrine of *Bronson* v. *Rodes* to a contract made in 1791 for rent payable in English golden guineas weighing 5 pennyweights and 6 grains, at 35 shillings each, and other gold and silver at the present weights, and rates established by act of assembly. The Court regarded the contract as obviously intended to require payment of the rent in gold and silver for the purpose of avoiding fluctuations to which currency was subject.

Chief Justice Chase said, in *Butler* v. *Horwitz*, supra: "A contract to pay a certain sum in gold and silver coin is, in substance and legal effect, a contract to deliver a certain weight of gold and silver of a certain fineness, to be ascertained by count." The Chief Justice also said: "It was not necessary in the case of *Bronson* v. *Rhodes*, nor is it necessary now, to decide the question, whether the acts making United States notes legal tender are warranted by the constitution. We express no opinion on that point."

The case of *Bronson* v. *Kimpton* (75 U.S., 8 Wall. 444, 19 L.ed. 433 (1869)), followed *Bronson* v. *Rhodes* and *Butler* v. *Horwitz*, and held that a mortgage to secure a bond for the payment of a certain sum in gold and silver coin was not satisfied by a tender of United States notes equal in nominal amount to the sum due on the bond and mortgage.

On a contract to pay yearly rent of 4 ounces, 2 pennyweights, and 12 grains of pure gold in coined money, judgment should be entered for coined dollars and parts of dollars, instead of Treasury notes equivalent in market value to the value in coined money of the stipulated weight of pure gold. *Dewing* v. *Sears* (78 U.S., 11 Wall. 379, 20 L.ed. 189 (1871)), reversing the decision of the Massachusetts Supreme Court in *Sears* v. *Dewing* (14 Allen, 413 (1867)), which held that the gold should be delivered by the lessee as a commodity, and that in default thereof judgment should be rendered for the market value thereof, estimated in United States Treasury notes.

Freight money for transportation from Whampoa to New York, fixed at 163 pounds, 4 shillings, 4 pence sterling, was held to be payable in United States gold and silver dollars of equal value. (*Forbes* v. *Murray*, 3 Ben. 498 (1869).)

The validity of a note payable in coin was also sustained *In re Elder* (1 Sawy. 81, 3 Nat. Bankr. Reg. 678 (1870)), in a case of bankruptcy, where it was held that it was properly proved against the bankrupt's estate according to its terms, although a new note for its equivalent in currency would not be invalid.

A note and mortgage calling for pounds sterling of Great Britain was held, in re *Surplus and Remnants of The Edith* (5 Ben. 446 (1871)), to be payable only in coin.

An award by the Attorney General under act of Congress, "payable in gold", was held in *Tyers* v. *United States* (5 Ct. Cl. 509 (1869)) to be payable in coin instead of currency. And where the claimant accepted depreciated currency under protest, declaring that he would take it only at its value in gold, and was permitted to take it without his agreement to accept in full, it was held not to preclude his claim for the balance.

But accepting other legal-tender notes in lieu of gold on redemption of such notes, though under protest, where there was no deception, mistake, or undue advantage, was held in *Savage* v. *United States* (92 U.S. 382, 23 L.ed. 660 (1876)) to be a waiver of any right to payment in gold on the redemption.

By peculiar mistake the authors of some textbooks of the law have asserted that the decisions of the Supreme Court of the United States, sustaining and enforcing contracts for payment in specie or in coin, were overruled by the *Legal Tender cases*, so-called. This statement has been accepted and repeated by other persons. But it is utterly unjustifiable. The *Legal Tender case—Knox* v. *Lee* (79 U.S., 12 Wall. 457, 20 L.ed. 287 (1871))—which overruled *Hepburn* v. *Griswold* (75 U.S., 8 Wall. 603, 19 L.ed. 513 (1870)), deciding that the legal-tender notes constituted lawful tender or payment in case of contract made before the passage of that statute as well as later contracts, did not so much as imply a doubt of the correctness of the previous decisions sustaining the validity of express contracts to pay in coin or specie. On the contrary, in a dissenting opinion Mr. Justice Clifford cites *Butler* v. *Horwitz* (74 U.S., 7 Wall. 258, 19 L.ed. 149 (1869)) as deciding that, when the intent of the parties as to the medium of payment is clearly expressed in a contract, damages for the breach of it, whether made before or since the enactment of this law, may be properly assessed so as to give effect to that intent; and he adds: "No doubt is entertained that that rule is correct."

Not only was there an entire absence, in the opinions of the justices in the so-called "*Legal Tender cases*", of any intent to overrule *Bronson* v. *Rodes*, but that case was expressly followed and its doctrine reiterated after the Legal Tender Act in *Knox* v. *Lee*, supra, was held constitutional as to ordinary contracts made before its passage.

Thus, in the year following, the case of *Trebilcock* v. *Wilson* (79 U.S., 12 Wall. 687, 20 L.ed. 460 (1872)) was decided, again sustaining the validity of a contract to pay "in specie," requiring it to be paid in gold or silver coin, and expressly declaring that the act of Congress "was not intended to interfere in any respect with existing or subsequent contracts payable by their express terms in specie."

In the latest of the *Legal Tender cases*, *Julliard* v. *Greenman* (110 U.S. 421, 28 L.ed. 204 (1884)), in which it was decided that Congress has constitutional power to make the Treasury notes of the United States a legal tender in payment of private debts in time of peace as well as in time of war, the opinion of the Court clearly implies that the statute does not apply where there is an express stipulation for payment in a particular kind of money. The summing up of the doctrine in the opinion is as follows: "A contract to pay a certain sum in money, without any stipulation as to the kind of money in which it shall be paid, may always be satisfied by payment of that sum in any currency which is lawful money at the place and time at which payment is to be made."

The truth is every case decided by the Supreme Court of the United States, or, in fact, by any Federal court, has recognized the validity of such contracts.

That a person who has expressly undertaken to discharge his obligation by payment in gold or silver will be held to his contract as specifically made is also recognized to be the law in *Maryland* v. *Baltimore & O. R. Co.* (89 U.S., 22 Wall. 105, 22 L.ed. 713 (1874)), but that case turned on the fact that there was no express undertaking to pay in coin, and that none could be implied, since the implication was not apparent upon the face of the contract.

2. State decisions generally

Even after the decisions in *Bronson* v. *Rodes* (74 U.S., 7 Wall. 229, 19 L.ed. 141 (1869)); *Butler* v. *Horwitz* (74 U.S., 7 Wall. 258, 19 L.ed. 149 (1869)); and *Trebilcock* v. *Wilson* (79 U.S., 12 Wall. 687, 20 L.ed. 460 (1872)), but without mention of them, a promissory note made in 1866 payable "in gold" was given effect in the case of *Munter* v. *Rogers* (50 Ala. 283 (1873)), only as an obligation for the specified number of dollars in lawful money. This case follows the *Legal Tender cases*, *Knox* v. *Lee* (79 U.S., 12 Wall. 457, 20 L.ed. 287 (1871)), and *Norwich & W. R. Co.* v. *Johnson* (82 U.S., 15 Wall. 195, 21 L.ed. 178 (1873)), which decide only the question of the constitutionality of the Legal Tender Act as to prior contracts in general, and do not touch the question of specific agreements to pay coin. It is quite plainly based on an inadvertent error of the court.

In *Reinback* v. *Crabtree* (77 Ill. 182 (1875)) it is said: "Neither the Supreme Court of the United States nor this court recognizes two legal standards of value. A dollar is a dollar, whether payable in gold or in national currency; and 10 percent interest payable in gold may be lawfully paid, dollar for dollar, in any currency which the General Government has declared to be a legal tender in the payment of debts." But this statement is made by way of recital, and the question was not before the court for decision.

All other decisions by State courts since the cases of *Bronson* v. *Rodes*, *Butler* v. *Horwitz*, and *Trebilcock* v. *Wilson*, supra, have recognized the doctrine of those cases and sustained contracts for payment in coin when such cases were presented to them.

A contract to pay a certain number of dollars in gold is sustained as lawful and enforceable in *Hittson* v. *Davenport* (4 Colo. 169 (1878)).

A note for a certain number of dollars, with a provision that at maturity it shall be paid in currency equivalent in value to the specified amount of currency at the date of the note, is sustained in *Whitaker* v. *Dye* (56 Ga. 380 (1876)). The court says, in dealing with it, the value of gold was involved to find out how much currency was due, but for that purpose only.

The case of *McGoon* v. *Shirk* (54 Ill. 408, 5 Am. Rep. 122 (1870)) decides that a promissory note payable in terms in American gold cannot be discharged by a tender of United States Treasury notes, although the contract was made after the passage of the Legal Tender Act. This decision is based on those in *Bronson* v. *Rodes* and *Butler* v. *Horwitz*, and declares that these overrule *Hull* v. *Kohlsaat* (36 Ill. 130 (1864)), *Whetstone* v. *Colley* (36 Ill. 328 (1865)), and *Humphrey* v. *Clement* (44 Ill. 299 (1867)), in which cases the Supreme Court of Illinois had decided that express provisions for payment in gold would not avail to prevent the discharge of the contract by a tender in legal-tender notes.

That debts payable specifically in coin are not affected by the Legal Tender Act was also expressly decided in *Churchman* v. *Martin* (54 Ind. 380 (1876)).

In *Proctor* v. *Heaton* (114 Ind. 250 (1887)), a deduction from the amount of a note was claimed, because, on a judgment of 1865 that a renewal note be made payable in gold coin, a new note in settlement of the dispute was made for "two and a half times the debt," but the decision of the court was chiefly based on the fact of long acquiescence in this settlement.

On foreclosure of a mortgage for $4,000 "in gold coin, or its equivalent value in current money," where the mortgagee sought to have money that had been paid into the custody of the clerk of the court applied on his mortgage debt as an allowance for improvements, and it did not appear in what kind of money it was paid to the clerk, it was held that this money would satisfy an equal number of dollars of the mortgage debt, but that the balance must be paid in gold coin. (*Stark* v. *Coffin*, 105 Mass. 328 (1870).)

That an express agreement to allow gold payments to be applied with 20 percent premium is valid, was held in *Wright* v. *Jacobs* (61 Mo. 19 (1875)).

A draft for a certain number of gold dollars, drawn in Canada on a bank in New York, was held in *Chrysler* v. *Renois* (43 N.Y. 209 (1870)) to be negotiable, and the payment thereof enforceable according to its terms.

A contract to deliver "$10,000 current funds of the United States at 15 cents on the dollar, to be delivered in 10 months from this date", is construed in *Cooke* v. *Davis* (53 N.Y. 320 (1873)) to be a contract to pay $1,500 in coin for $10,000 in legal-tender notes, and was held to be a valid and enforceable contract. The court said: "That the percentage agreed to be paid therefor by plaintiff was to be payable in coin, is as clear as if stated in those words." Therefore an action for damages was held to be sustained for breach of the agreement to deliver such currency when its value had increased.

A covenant, in a lease, to pay a yearly rent of 6 pence sterling for every acre of land "in current money of the State of New York equal in value to money of Great Britain" is held in *Stranaghan* v. *Youmans* (65 Barb. 392 (1872) to be a contract for payment in coined money of the United States; and if payment is made in legal-tender notes, enough of them must be paid to equal in value the stipulated amount of coin.

A promissory note "to be paid in gold or silver" is held, in *Phillips* v. *Dugan* (21 Ohio St. 466, 8 Am. Rep. 69 (1871)), to be enforceable according to its terms.

On a claim for payment of wages in gold coin it was held that there was no valid contract therefor in the absence of a writing. (*Davis* v. *Mason*, 3 Or. 154 (1869).)

The validity of such contracts is sustained in *Walkup* v. *Houston* (65 N. C. 501 (1871)) in case of a note payable in specie.

Ground rent payable in "gold or silver money of the United States" is held, in *Rankin* v. *Demott* (61 Pa. 263 (1869)), following *Bronson* v. *Rodes* and *Butler* v. *Horwitz*, to be payable only in coin or its equivalent. The court remarks that the distinction taken in prior cases between contracts for a specific article and for lawful money is now unimportant.

But when a bond for a certain amount in "lawful silver money of the United States" was secured by a recorded mortgage reciting that it was payable "in lawful money", it was held insufficient to make the mortgage a lien for anything but payment in lawful money. (*Eagle Beneficial Soc.'s App.*, 75 Pa. 226 (1874).)

On notes payable in specie without any specification of the kind of specie a judgment, including the premium on silver coin, in addition to the nominal amount of the debt, was held invalid on the ground that a part of the debt was not payable in specie, and it was said that the exact amount of the part that was due in specie could not be ascertained from the record. (*Townsend* v. *Jennison*, 44 Vt. 315 (1872).)

Payments in currency on a contract specifically calling for payment in gold, if this provision is not waived, are to be computed at the value of such currency estimated in gold at the date of payment. (*Hittson* v. *Davenport*, 4 Colo. 169 (1878); *Walkup* v. *Houston*, 65 N.C. 501 (1871).)

Also among the cases which have followed the doctrine of Bronson against Rodes, and recognize the validity of express contracts to pay obligations in coin, although in some of them the ques-

tions have been chiefly as to the form of judgment or procedure, are the following: *Sheehy* v. *Chalmers*, (Cal.) (36 Pac. Rep. 514 (1894)); *Watson* v. *San Francisco & H. B. R. Co.* (50 Cal. 523 (1875)); *Warren* v. *Franklin Ins. Co.* (104 Mass. 521 (1870)); *Foster* v. *Atlantic & P. R. Co.* (1 Mo. App. 390 (1876)); *Smith* v. *Peabody* (N.Y.Super. Ct. (1870)), cited in *Ransford* v. *Marvin* (8 Abb. Pr. N.S. 432 (1870))—on the same question; *Lillie* v. *Sherman* (29 How. Pr. 287 (1870)); *McCalla* v. *Ely* (64 Pa. 254 (1870)); *Calhoun* v. *Pace* (37 Tex. 454 (1872)); *Smith* v. *Wood* (37 Tex. 616 (1872)). These cases are not more particularly set out in this note but are further considered in a note to *Belford* v. *Woodward* (Ill.), post, —, on the subject of judgments and procedure in cases of this sort.

The validity of such contracts is also assumed in a decision that an agreement by one employing another to procure a loan, to give notes and mortgage "in your usual form," does not make a provision of the latter's customary form for payment in gold a part of the contract, so as to exclude evidence that the employer had previously by like application procured loans upon notes and mortgages without such provision, as the expression as to form does not bind him to make payment upon unusual terms and conditions printed in such forms. (*Peabody* v. *Dewey*, 27 L.R.A. 322, 153 Ill. 657 (1894).)

A South Dakota statute to the effect that it shall be unlawful to require payment in any certain kind of money (S.Dak. Laws, 1891, ch. 85) is recited in Jones on Mortgages, section 901; but this does not seem to have been passed upon in any adjudicated case.

3. Alternative provisions; coin or equivalent

Some lack of agreement appears as to the effect of a provision for payment in coin, when there is added a provision for "its equivalent," or some provision as to the damages in case of default in the payment agreed. But the logic of the decisions sustaining agreements for payment in gold or silver requires that the effect intended by the parties should be given also to these alternative provisions, and such is the decision in nearly all the cases. Yet there are two decisions to the contrary.

On a contract made before the California specific contract act to pay gold "or the equivalent of such gold coin if paid in legal currency", it was held in *Reese* v. *Stearns* (29 Cal. 273 (1865)) that it was not enforceable in gold, but was a contract to pay a given number of dollars in any kind of lawful money.

So, on a note payable in gold coin or the equivalent thereof in legal-tender notes, it was held in *Killough* v. *Alford* (32 Tex. 457, 5 Am. Rep. 249 (1870)), to require payment only in lawful money, as the legal-tender notes are by law the equivalent of the gold. The court cited *Bronson* v. *Rodes*, but considered that it was not in conflict with that decision.

But, on the contrary, a note for "gold coin or its equivalent in United States legal-tender notes" was held to be valid according to its terms, in *Wells, F., & Co.* v. *Van Sickle* (6 Nev. 45 (1870)), disapproving *Reese* v. *Stearns* (29 Cal. 273 (1865)). The court in this case declared that no specific contract act was necessary to give effect to such a contract.

So a note payable "in gold, or its equivalent in the currency of the country" is held to be valid and enforceable, in *Mitchell* v. *Henderson* (63 N.C. 643 (1869)).

And the same court which decided *Reese* v. *Stearns*, supra, held that a note promising to pay a certain sum in gold coin of the standard value of 1860, and in default thereof to pay as damages such further amount as may be equal to the difference in value in the San Francisco market between such gold coin and paper money, is within the California specific contract act of 1863, and enforceable according to its terms. (*Lane* v. *Gluckauf*, 28 Cal. 288, 87 Am. Dec. 124 (1865).)

Also an agreement in notes secured by mortgage to pay a certain number of dollars in "United States gold and silver coin," and, in case of failure, to pay a further sum or percentage as damages equal to the actual difference in value in the San Francisco market between such coin and United States Treasury notes or other legal tender, is sustained in *Burnett* v. *Stearns* (33 Cal. 468 (1867)), following *Lane* v. *Gluckauf*, holding that such a contract was within the provisions of the California specific contract act. The alternative provision for damages in case of default is held not to defeat the specific agreement to pay in gold.

The right to judgment payable in gold coin on a note specifically providing for payment in such coin is not defeated by an unperformed condition in the note, that if paid at maturity or before suit thereon it shall be payable in any lawful money of the United States. (*Churchman* v. *Martin*, 54 Ind. 380 (1876).)

The validity of a contract to pay in gold or its equivalent is also sustained in *Atkinson* v. *Lanier* (69 Ga. 460 (1882)) and *Bond* v. *Greenwald* (4 Heisk. 453 (1871)), in which cases the question of difficulty was as to the amount of recovery when the relative value of gold and legal-tender notes changed between the time when the obligation matured and the time of judgment. On this question, see the note to *Belford* v. *Woodward* (Ill.), post, —, as to judgments and procedure in case of liability to pay in coin.

The alteration of a note payable in gold or its equivalent without the knowledge or consent of a surety on the note is held to release the sure *y*, in *Church* v. *Howard* (17 Hun. 5 (1879)).

So it was a material alteration to add the words "in gold coin". (*Wells* v. *Wilson*, 3 Oreg. 308 (1869).)

4. Municipal and State contracts

Power to make city bonds payable in gold coin is held, in *Judson* v. *Bessemer* (4 L.R.A. 742, 87 Ala. 240 (1889)), to be included in the express and general power to a city to issue negotiable bonds, as this implies power to make them payable in any constitutional legal tender.

Following this case it is held in *Farson* v. *Louisville Sinking Fund Comrs.* (16 Ky.L.Rep. 856 (1895)), that municipal bonds are not invalid because made payable, both principal and interest, in gold coin of the United States without any especial provision for it in the act authorizing their issue.

Likewise it is held that under municipal authority to sell negotiable bonds for public improvements they could be made payable "in gold coin of the present standard weight and fineness", *Moore* v. *Walla Walla* (60 Fed. Rep. 961 (1894)), although a possible advance in the value of gold coin would make the city debt exceed the legal limit, while the city received its income in money of less value.

That city bonds may lawfully provide for interest payable in gold was also decided in *Pollard* v. *Pleasant Hill* (3 Dill. 195 (1874)).

But, on the other hand, bonds payable "in gold coin" issued by a levee district in Mississippi under a statute authorizing the issuance of bonds for $1,000,000 were held in *Woodruff* v. *State* (66 Miss. 298 (1889)), to be void for want of authority to issue them. It is said that the legislative use of the term "money" must have meant that legal tender which constituted the basis of the general business of the country.

Even if a provision in a contract for a street improvement requiring the work to be paid for in gold coin is not authorized by statute, it will be ineffectual and therefore will not invalidate the contract in other respects. (*N. P. Perine Contracting & Paving Co.* v. *Quackenbush*, 104 Cal. 684 (1894).) (See also the main case of *Skinner* v. *Santa Rosa*.)

State railroad bonds payable on their face in gold and silver were sustained according to their terms, in *State* v. *Hays* (50 Mo. 34, 11 Am. Rep. 402 (1872)). It was decided that, although the legislature had directed payment in legal-tender notes, they were not sufficient to discharge the obligation. Yet as the State officers had been ordered by the statute to pay in these notes, the court would not issue a mandamus to pay in coin.

Where the governor was authorized to endorse railroad bonds on behalf of the State, which should bear 8 percent interest, it was held he might lawfully endorse such bonds bearing 8 percent interest in gold. (*Young* v. *Montgomery & E. R. Co.*, 2 Woods, C.C. 606 (1875).)

In a suit to enjoin the issue of municipal bonds "payable in gold or lawful money of the United States at the option of the holder", it was said in *Heilbron* v. *Cuthbert* (Ga.) (23 S.E.Rept. 206 (1895)): "No reason now occurs to us, nor was any stated, why it would be unlawful" to make the proposed bonds thus payable.

III. Implied contracts or obligations imposed by law

A. IN GENERAL

The fact that payment in coin was the only mode of payment recognized by law at the time a contract was made, and therefore the parties doubtless expected payment in coin to be made, is not sufficient to raise an implication that payment in coin is intended, whereby such payment may be enforced after the passage of the Legal Tender Act, if nothing in the language of the contract indicates an intent that payment shall be made in coin. (*Maryland* v. *Baltimore & O. R. Co.*, 89 U.S. 22 Wall. 105, 22 L.ed. 713 (1847).)

The fact that the consideration of a promissory note was a loan of gold and silver does not make it payable in coin unless expressly stipulated to that effect. (*Curiac* v. *Abadie*, 25 Cal. 502 (1864).)

The words "American gold", following the words "value received" in a promissory note, were held in *Hull* v. *Kohlsaat* (36 Ill. 130 (1864)) to be insufficient to show an intent to pay in gold.

In an action for services rendered without any agreement as to the price, the court refused to instruct the jury that they must not take into account the difference in value of currency. (*Spencer* v. *Prindle*, 28 Cal. 276 (1865).)

A policy of a mutual insurance company, providing for payment of losses as well as premiums in gold, does not imply a provision for payment of dividends declared upon such premiums in gold. (*Luling* v. *Atlantic Mut. Ins. Co.*, 51 N.Y. 207 (1872), affirming 50 Barb. 520, 30 How. Pr. 69.)

Judgment for duties on imports should be for gold. (*Sun Cheong-Kee* v. *United States*, 70 U.S. 3 Wall. 320, 18 L.ed. 72 (1866).)

So a State statute requiring taxes to be paid in gold or silver coin is not affected by the Legal Tender Act, as such taxes are not debts within the meaning of that act. (*Lane County* v. *Oregon*, 74 U.S. 7 Wall. 71, 19 L.ed. 101 (1868).)

B. BAILMENT AND CONVERSION OF COIN

The right to allowance for the depreciation of gold which was wrongfully withheld by a person holding it as security was allowed in *Gibson* v. *Groner* (63 N.C. 10 (1868)).

That a judgment for gold may properly be rendered in an action for conversion of gold was held in *Phillips* v. *Speyers* (49 N.Y. 653 (1872)).

In an action against an agent for the value of gold, where defendant admitted that the gold had been changed into currency, it was held that judgment might be rendered for the amount in currency which would be equivalent to the value of the gold. (*Greentree* v. *Rosenstock*, 61 N.Y. 583 (1875).) The court says, in respect to the validity of a stipulation for payment in gold coin, that the rule is perfectly well established in the case of express contracts, and that the principle extends to such cases as the

present, where the right to recover is based on an implied contract.

In an action against an agent who had collected in gold certain premiums due to an insurance company, it was held in *Independence Ins. Co.* v. *Thomas* (104 Mass. 192 (1870)) that a specific judgment should be rendered for gold coin and execution should be issued accordingly, on the authority of *Bronson* v. *Rodes* (74 U.S. 7 Wall. 229, 19 L.ed. 141 (1869)) and *Butler* v. *Horwitz* (74 U.S. 7 Wall. 258, 19 L.ed. 149 (1869)).

In an action by a guest against a hotelkeeper, for the theft of gold coin from a satchel which was delivered to the clerk of the hotel for safe-keeping, it was held that the guest was entitled to a judgment for the same amount in gold coin, and not for the currency value of the gold. (*Kellogg* v. *Sweeney*, 46 N.Y. 291 (1871), 17 Am. Rep. 333.)

In an action against a common carrier for failing to deliver a canvas bag containing 90 double eagles of the coinage of the United States, which it received for transportation, it was held in *Cushing* v. *Wells, F. & Co.* (98 Mass. 550 (1868)), that the recovery should be for $1,800 with 30 percent additional as the amount of the premium since, under the Legal Tender Act, Treasury notes could be tendered in payment of the judgment.

C. BANK DEPOSITS

Since a deposit of gold in a bank without express agreement creates merely the relation of debtor and creditor, the depositor may be repaid in legal-tender notes unless there was an express agreement to the contrary. (*Gumbel* v. *Abrams*, 20 L. Ann. 568, 96 Am. Dec. 426 (1868); *Chesapeake Bank* v. *Swain*, 29 Md. 483 (1868); *Thompson* v. *Riggs*, 72 U.S. 5 Wall. 663, 18 L.ed. 704 (1867).)

And marking the character of the deposit as coin on the margin of bank books against the entry of deposit is insufficient to establish an express contract to repay the deposit in specie, where there is no proof that this was the purpose of the marking. (*Thompson* v. *Riggs*, supra.)

But evidence of usage may show a contract to repay a gold deposit in gold, though a usage of only 2 or 3 banks in a city is not enough. (*Chesapeake Bank* v. *Swain*, supra.)

In the absence of a binding contract for the payment of gold coin by a bank in which such coin was deposited, it was held that the depositor was entitled only to lawful money. (*Davis* v. *Mason*, 3 Oreg. 154 (1869).)

Also, that the custom of a single bank to repay gold deposits in gold was not sufficient to make it a part of the contract of deposit.

In *Kupfer* v. *Bank of Galena* (34 Ill. 328, 85 Am. Dec. 309 (1864)), it was held that a deposit in American gold in a bank which had a rule that a depositor could only draw for currency if he deposited currency constituted a special contract for the return of coin or its equivalent in value, and therefore the deposit could not be applied to checks for currency without allowing for the premium.

Where coin has been deposited as a specific article and not merely as money, its value is open to inquiry and may be ascertained by evidence, and allowance therefor in full be made in a judgment for converting it. (*Bank of State* v. *Burton*, 27 Ind. 426 (1867).)

D. ACCOUNTING FOR TRUST

An administrator is chargeable with the premium on gold or gold notes which he actually received, in addition to the nominal or face value of the paper. (*Cunningham* v. *Cauthen*, 37 S.C. 123 (1893).)

But an administrator who charges himself with cotton at a specified price in gold when gold is at a premium will not be required to add any percent on account of premiums received upon the notes taken for such cotton in an accounting when gold is at par. (*Cunningham* v. *Couthen* (S.C.) 21 S.E.Rep. 800 (1895).)

An executor is chargeable only with the amount of gold purchased at a premium to satisfy a debt which was due in gold when at the time of his settlement gold was not at a premium. (*Re Sanderson*, 74 Cal. 199 (1887).)

So it is held In *re Shipman* (82 Hun. 108 (1894)) that an executor cannot be charged, upon final settlement, with a premium upon gold at the time it came into his possession. This decision was rendered when gold was not at a premium.

In *Halliburton* v. *Carson* (100 N.C. 110 (1888)) it is held that an executor is justified in paying a judgment on a bond payable "in United States coin", where it included the amount of premium on the gold, without further resisting the recovery, since this method of conversion of the debt in gold into another form was in accordance with the decision of that court in *Robeson* v. *Brown* (63 N.C. 554 (1869)), although it is said to be at variance with that of the Supreme Court of the United States, as shown by *Bronson* v. *Rhodes* (74 U.S., 7 Wall. 229, 19 L.ed. 141 (1869)) and *Butler* v. *Horwitz* (74 U.S., 7 Wall. 258, 19 L.ed. 149 (1869)).

A judgment for gold cannot be rendered on the bond of a surety which does not expressly provide for payment in that kind of money. (*Fox* v. *Minor*, 32 Cal. 130, 91 Am. Dec. 566 (1867).)

E. OTHER ACTIONS FOR DAMAGES

Where a person was required to discharge his debt in gold before he could rightfully take possession of certain property, but, without making such payment, wrongfully took possession, it was held that the damages must be the amount of his obligation in gold or its equivalent in currency. (*Gregory* v. *Morris*, 96 U.S. 619, 24 L.ed. 740 (1878).)

In a collision case the value of goods shipped from Canada, when estimated in Canadian currency, was held recoverable according to the value of such currency in legal-tender notes. (*The Telegraph* v. *Gordon*, 81 U.S., 14 Wall. 258, 20 L.ed. 807 (1872).)

Judgments for trespass cannot be made payable in coin. (*Livingston* v. *Morgan*, 53 Calif. 23 (1878).)

Neither can a judgment for slander. (*Chamberlin* v. *Vance*, 51 Calif. 75 (1875).)

So, a judgment for costs cannot be made payable in gold coin in an action of forcible entry and detainer. (*More* v. *Del Valle*, 28 Calif. 170 (1865).)

In estimating damages on dissolving an injunction, the difference between gold and legal-tender notes cannot be considered. (*Riddlesbarger* v. *McDaniel*, 38 Mo. 138 (1866).)

Questions as to the form of judgment to be followed when a valid obligation to pay in coin exists and also as to the procedure to be followed in such cases, are considered in a note to *Belford* v. *Woodward* (Ill.), post,—.

The consideration of all the authorities on the subject shows that since the case of *Bronson* v. *Rodes*, the validity of specific agreements to pay obligations in coin has been established, although one decision in Alabama in 1873, assuming to follow the so-called "*Legal Tender cases*", and ignoring the decision in *Bronson* v. *Rodes* (74 U.S., 7 Wall. 229; 19 L.ed. 141 (1869)), and others following, it adopted the contrary doctrine. All other decisions of both Federal and State courts rendered since those of *Bronson* v. *Rodes*, supra, *Butler* v. *Horwitz* (74 U.S., 7 Wall. 258; 19 L.ed. 149 (1869)), and *Tebilcock* v. *Wilson* (79 U.S. 12 Wall. 687; 20 L.ed. 460 (1872)), sustain the validity of such contracts.

That the decisions of the Supreme Court of the United States effectually overrule as well as disapprove the decisions of the State courts to the contrary is shown by *Tebilcock* v. *Wilson*, supra, in which it was expressly decided that a decision by a State court sustaining a tender of legal-tender notes on a contract providing for payment in specie was reviewable by the Supreme Court of the United States. Such decision by a State court was in fact reviewed and reversed in that case. The result is to establish the doctrine of the United States Supreme Court as the law in every State, whatever contrary State decisions may have been rendered. (B.A.R.)

MAINTENANCE OF CREDIT OF THE UNITED STATES GOVERNMENT

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to insert in the RECORD a resolution passed by the Senate and House of Representatives of the State of North Carolina commending President Roosevelt for his economy program, and the National House of Representatives for its promptness in approving the same.

The SPEAKER. Is there objection?

There was no objection.

Mr. BULWINKLE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution passed by the Senate and House of Representatives of the State of North Carolina commending President Roosevelt for his economy program, and the National House of Representatives for its promptness in approving the same:

Resolution 25

A joint resolution of the North Carolina Senate (the house of representatives concurring) commending President Roosevelt for his economy program and the National House of Representatives for their promptness in approving said program, and urging the immediate passage of the economy measure by the United States Senate

Be it resolved by the North Carolina Senate (the house of representatives concurring), That the North Carolina Senate (the house of representatives concurring) commend President Franklin D. Roosevelt for his economy program and the National House of Representatives for their promptness in approving the same, and urge immediate passage of the economy measure by the United States Senate.

SEC. 2. That a copy of this resolution be furnished our 2 Senators and 11 Representatives in Congress.

SEC. 3. That this resolution shall be in effect from and after its ratification.

In the general assembly, read three times, and ratified, this the 16th day of March 1933.

A. H. GRAHAM,
President of the Senate.
R. L. HARRIS,
Speaker of the House of Representatives.

Compared and found correct.

R. P. BENDER
(For Committee).

STATE OF NORTH CAROLINA,
DEPARTMENT OF STATE.

I, Stacey W. Wade, secretary of state of the State of North Carolina, do hereby certify the foregoing and attached (one sheet) to be a true copy from the records of this office.

In witness whereof, I have hereunto set my hand and affixed my official seal.

Done in office at Raleigh this 16th day of March A.D. 1933.

[SEAL]

STACEY W. WADE,
Secretary of State.

AGRICULTURAL RELIEF

The SPEAKER. The unfinished business is the further consideration of general debate on the bill H.R. 3835, to relieve the existing national economic emergency by increasing agricultural purchasing power. The gentleman from Texas [Mr. JONES] has 45 minutes remaining, and the gentleman from New York [Mr. CLARKE] 46 minutes remaining.

Mr. JONES. Mr. Speaker, on both sides we have had a great many requests for time, more than we can comply with. I ask unanimous consent that the time for general debate be extended 1 hour and 30 minutes, one half to be controlled by myself and the other half by the gentleman from New York [Mr. CLARKE].

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Speaker, I yield now to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Speaker, I am and have been for years an Oregon farmer, living on my farm, raising wheat, sheep, cattle, and hogs on a large scale.

I have seen the happy, independent, well-to-do commercial farmer pass from the picture until more than 90 per cent today of those who produce the food and clothing are financially bankrupt.

Industry, transportation lines, banks, and merchants have lived off of and made their profits from the farmer. Now, when the farmer has no profit and is rapidly eating up his capital, there is nothing to divide; transportation lines, industry, and tradesmen are feeling the effect and the entire capitalistic civilization is crumbling about us.

The economic problems of production and income cannot be solved entirely by political action, but this Congress is pledged to enact all possible remedial measures. We have before us the administration's first bill to aid agriculture. This bill is not a cure-all. It is the first step and leads to new paths. The object of this bill is to raise the price of farm products.

The farmer does not raise clothing, machinery, and tax receipts. He raises wheat, sheep, hogs, and cattle. The difficulty comes when he attempts to trade his products for those other things he must have.

The little pieces of metal called gold from river bed and mountain ledge are so scarce and valuable that it takes often the entire product of a 10-acre field to exchange for a suit of clothes, often an entire fat beef to exchange for a pair of shoes. The measuring stick is so long when it measures our products and so short when it measures those one must buy.

Overproduction is a cruel word when we think of the millions cold and hungry in our midst. If all could have work at a reasonable wage, the granaries would soon be emptied, the shelves in the stores would soon be bare, and the wheels of industry would soon turn with a welcome sound. In the meantime, one must not forget that the products of 40,000,000 acres of American soil formerly found their market on foreign shores. That market has failed. The foreign nations no longer buy our farm products. To give our protected industries a higher home market we have erected tariff walls so high that the foreign consumer has ceased trading with us. Trade is a mutual arrangement. If we do not buy, we cannot sell.

This bill gives the Secretary of Agriculture the right to rent from the farmer these 40,000,000 acres, or any part thereof, and remove them from production, allowing many acres to be used for forestry, some to lie fallow, and other acres to be given to people in our breadlines so they may grow their food and will not be obliged to accept it from the hand of charity.

Assuming an average rental of $5 per acre be paid by the Government for this land, or $200,000,000—not a large sum to accomplish something toward reviving a basic industry—and adding $50,000,000 for operation and contingencies, we have a total of but one half of the amount given to the Farm Board 4 years ago.

In paragraph 1 of section 8 of the bill, the powers granted the Secretary of Agriculture are so broad that he is given the right to decide whether the benefits shall come from "rental or benefit payments in connection therewith." The Secretary may pay so much a bushel for corn and wheat or so much a pound for sheep, cattle, and hogs to those who voluntarily come under its provisions.

Paragraph 3 of section 8 is the licensing provision. It is the essence of the contract, it is "the heart of the covenant." Under its wise use I expect to see the unreasonable profits of many a middleman decreased. Why is bread cheaper in France than in the United States when the French farmer is receiving three times as much for his wheat as the American farmer? Possibly because many a processor is trying to pay interest and dividends upon an old and obsolete plant that should have been junked long ago.

The right to issue and to revoke a license is a broad and sweeping power. Under it the Secretary of Agriculture will have his hand upon the products of the fields until they reach the ultimate consumer. It is said that the American farmer receives but one third of the price paid by the consumer of his products, the processor, the trade, and transportation agencies taking two thirds. Under the licensing provision the farmer's share will be materially increased because the Secretary will have the right to adjust costs and he will correct many a wrong.

Like other farmers, I want to know why bread must sell for the same prices, whether wheat is a cent a pound or a half cent a pound. Should this bill become a law it will be the first time in all history when a sympathetic agency of the Government has been given the right to correct economic injustices in the process of moving products from the farm to the consumer.

Section 9 of the bill provides in a most reasonable manner for raising the money to pay the rent or benefit payments.

Why should the farmer not have cost of production with a reasonable profit? Who should pay it? Why, of course, the consumers of the products.

For a long, long time the farmers of America have been producing food and clothing materials at a severe loss, often at one third of the actual cost. At no other point can that charge be so justly and so easily collected as from the processor. Will he pass it on the consumer? Yes, in many cases; and why not? In all conscience, the consuming public cannot expect the farmer to produce his food and clothing at a loss and still be able to purchase the products of industry; to pay the interest on which banks, insurance companies, and capitalists depend; and to help to maintain the Government by paying an inordinate share of the taxes.

We farmers are not dreaming of war-time prices. We hope to realize approximately the same prices, in exchange value, which we enjoyed just before the war, from 1909 to 1914—in the days when we drove horses and could pay our debts.

We plead with you who represent districts that have enjoyed the stimulating effect of a protective tariff for more than a century to vote with us so this bill may be enacted into law, so we may have the machinery of Government to assist us in securing better prices for the fruits of our labor. Under the terms of this bill no excessive salaries can be paid, a maximum of $10,000 being fixed. Nothing in the history of the Farm Board created such bitter criticism as did the outrageous salaries paid for executive positions.

The commodities regulated by this bill are wheat, corn, cotton, cattle, sheep, hogs, tobacco, rice, milk. I wished to add wool; others wanted potatoes included. Perhaps it is better to start with a limited number of products. The Secretary is given the right to drop any one or more of the products now included. He may choose to start with but 3 or 4 commodities. An objection is met under paragraph (b) of section 15, under which the small farmer is protected in his right to sell products directly to consumers up to $100 annually.

We are on new and untried ground. Success depends largely upon the cheerful acceptance and willing compliance of processor, producer, and consumer. If we were

so unfortunate as to have in the White House an unsympathetic Executive or as Secretary of Agriculture one who knew little or cared less about our troubles, there would be grave doubts as to the wisdom of this legislation. No one can question the desire of Franklin D. Roosevelt to lift prostrate agriculture, nor the desire of Henry Wallace, Secretary of Agriculture, to help to place the American farmer in a more secure and happy position.

By making this bill a law we pass into the hands of the administration great discretionary powers. Indeed, it is power to wreck or to build. This act must be followed by others which will give the farmer lower interest rates on the money he must borrow from Government or private lender. The industry cannot be carried on at the rates now exacted. It must be included among the most-favored classes in the matter of financing. Farmers must be refinanced under Government aid or supervision so that mortgages may be renewed over longer periods of time at rates not exceeding the increase of wealth, about 2 percent. We must have lower taxes on property. We must follow this with an unemployment law that will provide a job for every worker in this broad land at a decent living wage.

To the end that we may permanently have higher prices, we must have more basic money. If we cannot now provide a commodity dollar and controlled currency, then we must use silver, making it easier to trade with silver-using countries.

It is apparent that this important bill is but the beginning of the program for the rehabilitation of agriculture, but it is unquestionably our only safe starting point. Let us give it our support. [Applause.]

Mr. CLARKE of New York. Mr. Speaker, I yield 10 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, yesterday a message was sent to the House by the President of the United States offering a program of employment. I suggest to my Democratic friends that before putting the proposals of that message into effect they avail themselves of the full possibilities of section 10 (a) of this bill. That is the section of this measure that permits of the employment by the Secretary of Agriculture of any number of deserving Democrats indefinitely without civil-service examination or any adaptability to the work whatsoever. That permission is so broad and general that I do not see any need for the message that came in yesterday from the President. The only limitation in the provision in this bill is that the salaries shall be from $10,000 downward.

Nothing is said, of course, about the 15 percent cut. I think those deserving Democrats undoubtedly will get the full $10,000 without the 15 percent reduction, and to be a little more specific in that connection I call the attention of the House to remarks made by the gentleman from South Carolina [Mr. FULMER] yesterday. I was about to refer to him as the author of the bill, but everyone knows that he is not the author, though he introduced the bill. I read the paragraph from his speech on page 675 of the RECORD:

> When this bill was sent to the House, and in speaking with the Secretary of Agriculture about proposing some changes, he stated that he did not want any changes in the bill, because if any were made he would have to submit the same to the President.

My inquiry of the gentleman from South Carolina is whether that is to be the policy of this House under Democratic control, whether any change, the dotting of an "i" or the crossing of a "t" must be submitted to the President of the United States before it can be considered on this floor? A further inquiry is whether the policy laid down in this bill, namely, that these men, thousands of them, shall be appointed by the Secretary of Agriculture without civil-service requirements, was in the bill when submitted to the President of the United States, and whether he agreed to that policy. I shall be glad if the gentleman from South Carolina [Mr. FULMER] will answer those inquiries. I do not see that he is disposed to do so.

Mr. FULLER. I can answer them.

Mr. TREADWAY. Oh, no; I ask the gentleman from South Carolina, who made the remarks, to answer them. I have no doubt that the gentleman's answer might be a good one, but I should like an authoritative one from the gentleman from South Carolina.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. BRITTEN. My impression of the answer would be this, that the bill originally contained a provision providing for only civil-service employees.

Mr. TREADWAY. That is correct.

Mr. BRITTEN. To be selected in the usual way.

Mr. TREADWAY. With a limitation on the salary of $7,500.

Mr. BRITTEN. Then a distinguished Democrat from Chicago called on the Agricultural Committee, and had that language taken out of the bill in the interest of partisan politics.

Mr. TREADWAY. I agree with the gentleman from Illinois [Mr. BRITTEN].

Mr. BYRNS. Will the gentleman yield?

Mr. TREADWAY. Yes. I yield to the majority leader.

Mr. BYRNS. If the gentleman holds those views, why did he not express them at the last session of the Congress, when the President handed in his recommendation establishing the Reconstruction Finance Corporation and the Home Loan Bank Corporation?

Mr. TREADWAY. May I ask the gentleman whether he received any word from the then President that we must not make any change in the bill on the floor of the House?

Mr. BYRNS. But he did not recommend that those employees be appointed under civil-service regulations?

Mr. BLANTON. And there were 16,000 of them.

Mr. TREADWAY. Has the gentleman ever seen a recommendation come from a Republican President stating that no change whatsoever should be made in the language of a bill without its being submitted to the President, or was there ever a time when we put on such a gag rule as you adopted here yesterday?

Mr. BYRNS. Do I understand the gentleman is abandoning his criticism of the Civil Service regulation?

Mr. TREADWAY. I have seen some rules in my 20 years' service in this House, but you beat them all, even though we instructed you how to draw them. We never put in any such phraseology as was adopted here yesterday.

I do not hear that my main question has been answered.

A few days ago I made a parliamentary inquiry of the Speaker——

Mr. BULWINKLE. Will the gentleman yield?

Mr. TREADWAY. If I am assured of more time. I have not even started on my talk yet. I will yield to the gentleman.

Mr. BULWINKLE. I just wanted to remind the gentleman that on the Veterans' Committee, of which I was a member for years, on several occasions we could not report a bill from that committee unless it met with the approval of the President and unless we brought it to the floor of the House under suspension of the rules where no amendments could be passed.

Mr. TREADWAY. That is news to me, and I have been here during the entire time of the passing of veterans' legislation.

Mr. BULWINKLE. It is not a particle of news to anyone who was a member of the Veterans' Committee.

Mr. TREADWAY. Now, I cannot yield further. My time is running.

I called the attention of the Speaker to what appeared to me to be a reason why this measure should have been submitted to the Committee on Ways and Means. This becomes still more apparent as one studies the bill.

In the brief time allotted to me I wish particularly to dwell upon the so-called "processing tax." The jurisdiction of the Ways and Means Committee has certainly been usurped in having the Committee on Agriculture pass upon such provisions as these. I call attention to the fact that in the last Congress, through Democratic votes, an equitable sales tax limited to 2¼ percent and applicable to practi-

cally all purchasers was defeated. Today, however, Democrats who voted against that measure will be whipped into line under the party lash to support the most inequitable tax provision that I have ever seen suggested in my 20 years in Congress. It seems astonishing to me that the men who are about to vote for this bill today can change face so quickly, in view of their opposition to the manufacturers' excise tax in the last Congress.

The earmarks of an impractical college professor are plainly apparent in the language of section 9, known as the processing tax. I call upon him and his assistants to explain how anyone can arrive at "the difference between the current average farm price for the commodity and the fair exchange value of the commodity" in order that such value "will give the commodity the same purchasing power, with respect to articles farmers buy," as during the pre-war period 1909 to 1914. It seems to me it would be very necessary to make an extensive list to define what farmers buy. If one will go through my district in western Massachusetts and call upon the farmers in their comfortable homes he will find pianos, radios, and in the garages automobiles for pleasure driving as well as for business purposes. Neither farmers nor anybody else bought radios in 1909. Will the author therefore explain how the comparative value will be designated?

There are mighty few things that in some part of the country farmers do not buy. In another place in the bill rayon is referred to. Rayon was not manufactured at the time these comparative prices or values are supposed to be set up.

Our college professor also could very well be asked to explain paragraph 4, which reads:

> Other relevant data as to changes in the cost of living of consumers, consumers' buying habits, and current and prospective conditions in industry pertinent to determining the probable effective demand for the commodity.

"Consumers' buying habits" certainly is new language in legislation and will require better brains to define than I think are contained in the head of the author of the section. Also, somebody must determine "the probable effective demand" for the commodity. He must not only be a wise man but a prophet in looking into the future as to "the effective demand" of the commodity. Many men chasing rainbows and having in their own minds marvelous ideas to patent would be gratified to be able to establish this prospective demand.

And so practically every section of the bill can be analyzed to show its absurdity, impossibility, and impracticability.

But of greater importance, perhaps, than any other section is section 17, by which an exporter of any article that has paid the processing tax is to have the amount of the tax refunded to him.

Any basic commodity processed in this country would be required to pay the tax specified in the bill, but any basic commodity exported or any processed goods exported are tax-exempt. I call the particular attention of the House to the consequences of this exemption. No bill was ever drafted that more seriously hurt consumers in industrial centers than this proposed legislation. As this is a very special tax, it will, of course, be levied entirely upon consumers. I hate to think of the consumers working in the cotton mills of Gastonia, N.C.; in Lowell, Fall River, and New Bedford, in my State; in North Adams, Pittsfield, and Holyoke, in my district, being placed at a disadvantage in cost of living over the manufacturer or the consumer working in the mills of Birmingham and Manchester, England. Do you in the Congress of the United States want to show this discrimination against our home folks? There is no end to the number of questions and criticisms that suggest themselves.

Our mills are also in competition with European mills for the trade of the Orient, China, and Japan. The European mills, not paying the processing tax, would have an additional advantage in the cost of production which would be reflected in the prices made to China and Japan. We are trying to build up an oriental trade, but such legislation as this would destroy it.

This one proposition should condemn this whole legislation in the minds of the thinking people of the United States and cause every Representative on this floor to stop, look, and listen before he votes for a bill so absolutely unfair to our own people.

(His time having expired, Mr. TREADWAY was granted 5 additional minutes by Mr. CLARKE of New York.)

Mr. TREADWAY. On Monday the majority leader, Mr. BYRNS, asked unanimous consent that the Rules Committee have until 12 o'clock Monday night to bring in a rule for consideration of the agricultural bill. He also said, "I think the time for hurried action on these bills has passed, to an extent, at least."

At the same time he asked that the Committee on Agriculture have until midnight Monday night to report upon this bill.

I am not aware of the gentleman's conception of haste, but just how he can make those requests and say that the bill is not now being railroaded through this body requires a stretch of the imagination or a revision of the definition of plain English words. To have a bill presented to this House one day, considered by a committee supposedly until midnight, and a rule prepared in advance for its immediate consideration, beats any steam-roller procedure on a controversial matter that we have ever experienced here. I admit it is the day of a "new deal" but let us deal fairly, squarely, and considerately, with some appearance of calm judgment.

The Republicans have gone along in the emergency program, but as the Representative of the people of my district I, for one, have reached my limit. I represent an agricultural district and a consuming district, and in behalf of both types of constituents I condemn the measure before us. At least, the President is fair and does not advocate this legislation 100 percent as he has with his previous recommendations. I quote from his message. He says:

> I tell you frankly that it is a new and untrod path, but I tell you with equal frankness that an unprecedented condition calls for the trial of new means to rescue agriculture. If a fair administrative trial of it is made and it does not produce the hoped-for results, I shall be the first to acknowledge it and advise you.

The difficulty of trying it out on the poor consumer is that his purse will be empty before a sufficient trial has been made to convince the advisors of the President that the scheme is absolutely chimerical, unworkable, and unfair. It was the last straw which broke the camel's back, and this last recommendation of the President will break the back of the country. Even the Secretary of Agriculture, who may have inherited some knowledge of the subject from his distinguished father, does not whole-heartedly endorse the bill, for he says:

> The next step was to give these recommendations legal form. Because of the constitutional problems we found this exceedingly difficult, and it was not until day before yesterday—

That was last Thursday—

> that we were sufficiently satisfied with the job to pass it on to the President.

Again, the Secretary says:

> This bill attempts a major social experiment. It looks toward a balanced social state. It is trying to subdue the habitual anarchy of a major American industry and to establish organized control in the interest not only of the farmer but of everybody else.

Bear in mind that the Secretary's own comment is that the bill is an experiment in an effort to bring about a balanced social state, trying to subdue habitual anarchy in a major American industry. It is news to me that any anarchy exists among our good farmer citizens. We have recently heard a great deal about communists and other agitators, but the Secretary of Agriculture is the first I have heard to classify American farmers as habitual anarchists.

I desire, however, largely to direct my remarks to my strong opposition to the tax proposals found on pages 8 and 9 of House bill 3835.

These proposals constitute a delegation of the taxing power to the Secretary of Agriculture. The question at once

arises as to whether such delegation as carried in this bill is constitutional.

In the recent case of *Hampton & Co.* v. *the United States* (276 U. S. 406), which involved the delegation to the President of the power to raise or lower tariff duties within certain limits, Chief Justice Taft laid down the following rules:

> If Congress shall lay down by legislative act an intelligible principle to which the person or body authorized to fix such rates is directed to conform, such legislative action is not a forbidden delegation of legislative power.

The question, then, becomes one of whether an intelligible principle is laid down for the guidance of the administrative officer. Under the bill, the Secretary is given the power to impose a tax on the first processing of certain basic agricultural commodities, and the amount of the tax is to be determined by him upon the basis of indefinite and general rules which no one can interpret and which no two persons would interpret in the same way.

The delegation of the taxing power, therefore, does not come within the rule laid down by the Supreme Court of the United States.

The tax on the first processing of a commodity is to equal the difference between the current average farm price and the "fair exchange value" of the commodity. What is the fair exchange value? It is defined as the price which will give the commodity the same purchasing power with respect to articles which farmers buy as it had in the pre-war period from August 1909 to July 1914.

What does this mean? The Secretary of Agriculture, in his recent radio address, stated that it meant raising the price to the pre-war level. The language of the bill, however, is susceptible of a different construction and is therefore uncertain.

Raising the price of wheat to the pre-war level will not give it the same purchasing power it had then because what the farmer purchases now and what he purchased then are entirely different. Of course the bill permits the Secretary of Agriculture to make adjustments based on the cost of living, consumers' buying habits, unemployment, and so on, but no definite rule is laid down, and the Secretary has absolute discretion in the matter.

Giving an administrative officer absolute discretion does not constitute the laying down of an intelligible principle, such as is required for the constitutional delegation of the taxing power. It is an absolute abdication of the power of Congress to lay and collect taxes.

Mr. JONES. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Speaker, not only did the distinguished gentleman from Massachusetts, who has just taken his seat, but some others, in the course of this debate, have a good deal to say with reference to the feature of this bill exempting from the ordinary operation the provisions of the civil-service law as affecting some of these men to be appointed under this bill. It seems that this is a particularly sensitive nerve to some of the gentlemen on the minority side, and I am not surprised at it.

Mr. Speaker, in February the present distinguished Speaker of the House of Representatives, before he had been elevated to that position, became somewhat curious as to how the administrations of Harding, Coolidge, and Hoover had acted with reference to this civil-service proposition from the standpoint of taking care of deserving Republicans. He requested the secretary of the Civil Service Commission to furnish to him a list of the classes of the deserving holding offices who had, by Executive orders, been blanketed into the civil service and thereby made permanent in the occupancy of those jobs.

I ask unanimous consent, Mr. Speaker, to incorporate in the RECORD at this point the reply of the secretary of the Civil Service Commission giving these statistics.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. BANKHEAD. Under reservation of objection?

Mr. SNELL. No; not under reservation of objection; I shall not object. Will the gentleman include in this list the number of men President Wilson made the same provision for?

Mr. BANKHEAD. I desire to continue my argument. I have not the facts with reference to President Wilson.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The matter referred to follows:

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D.C., February 18, 1933.

Hon. HENRY T. RAINEY, M.C.,
House of Representatives.

MY DEAR MR. RAINEY: In response to your request of February 9, 1933, I am sending you herewith a table showing the dates of the Executive orders issued by President Harding, President Coolidge, and President Hoover, bringing positions and their incumbents into the classified service. As stated to your secretary over the telephone, it is not possible to furnish information as to the salaries of the persons affected by these orders without considerable search of the records.

By direction of the commission.

Very respectfully,

E. C. BABCOCK, *Secretary.*

TABLE 1.—UNITED STATES CIVIL SERVICE COMMISSION

Table showing groups of employees brought into the classified service by Executive order during the administrations of Presidents Harding, Coolidge, and Hoover

President	Date	Department	Position	Number
Harding				None
Coolidge	Aug. 29, 1924	War	Aeronautical engineers, aeronautical mechanical engineers and chemists.	36
Do	Oct. 11, 1924	War—Army transport.	Miscellaneous positions, nonclerical.	236
Do	Jan. 26, 1926	Post Office	Village carriers	418
Do	Apr. 24, 1926	Commerce—Foreign and Domestic.	Special agent	1
Do	May 19, 1926	Interior	Park rangers	1
Do	June 2, 1926	Interior—Indian Service.	Positions in Five Civilized Tribes boarding schools.	62
Do	Sept. 15, 1926	Justice	Chief deputy marshal	1
Do	May 18, 1927	Post office, Dayton, Ohio.	Telephone operator	1
Do	June 6, 1927	Interstate Commerce Commission.	Senior examiner	1
Do	July 15, 1927	Panama Canal—Washington office.	Inspecting engineer and inspectors.	20
Do	Sept. 12, 1927	War	Cable engineers, electricians, and foremen.	29
Do	Sept. 30, 1927	Post Office	Laborers at first and second-class offices.	548
Do	Nov. 5, 1927	War	Civilian employees for the proper care of sick officers and soldiers in Army hospitals.	160
Do	Feb. 15, 1929	Treasury—Engraving and Printing.	Press helper	23
Total				1,537
Hoover	Oct. 4, 1930	Commerce	Shipping commissioners	14
Do	Jan. 30, 1931	Interior	Advisers—Indian Service.	6
Do	Apr. 23, 1931	Veterans' Administration.	Employees, excepting inmates, of National Homes for Disabled Volunteer Soldiers.	1,635
Do	May 15, 1931	Navy	Various groups, Philippine service.	115
Do	do	War	do	59
Do	June 3, 1931	Veterans' Administration.	Attorneys	193
Do	Aug. 10, 1931	Interior	Superintendents or officers in charge, national parks or reservations.	13
Do	Jan. 15, 1932	Commerce	Miners—Bureau of Mines.	36
Do	Feb. 2, 1932	Justice	Various groups	231
Do	Mar. 10, 1932	Commerce	All employees in Foreign and Domestic Commerce in the continental United States, Alaska, Hawaii, and Puerto Rico, heretofore excepted from competitive examination, except director and assistant directors of bureau.	147
Do	June 21, 1932	Treasury	Mounted inspectors—Customs Service on Mexican border.[1]	170
Do	Aug. 18, 1932	Agriculture	Assistant to Secretary	1
Total				2,620

[1] Pending for character examination.

TABLE 2.—*Number of persons excepted from requirements of civil-service rules by special Executive orders during the administrations of Presidents Harding, Coolidge, and Hoover*

Harding	79
Coolidge	207
Hoover (to date)	116

TABLE 3.—*Total number of persons blanketed into the classified service during the administrations of Presidents Harding, Coolidge, and Hoover*

Harding	79
Coolidge	1,744
Hoover (to date)	2,736
	4,559

Mr. BANKHEAD. The Democrats are not complaining about what Mr. Wilson did.

The aggregate of these statistics, Mr. Speaker, shows what was done under these three Republican administrations, and I have no doubt it was done for no other purpose on earth—and it may have been a laudable political purpose—except to guarantee the perpetuation in office of these Republican officeholders under Executive order. I want the Members to read this list as it will be published in the RECORD tomorrow, because it will disclose some very interesting information. Those three Presidents, by blanket Executive orders, covered into the civil-service system, so that they could not be disturbed when a Democratic administration came into office, 4,559 employees.

Now, this bill about which so much complaint has been made does not provide in its terms that the Secretary of Agriculture shall not consider the possibilities of appointing men from the civil-service list. It only gives him that discretion, and I want to say of those, as the gentleman from Massachusetts has used the term, "deserving Democrats", that surely, inasmuch as it appears that nearly all the people of this country are now Democrats, as indicated by the election last November, there ought to be, in my opinion, quite a number of deserving Democrats appointed; and the gentleman must remember that we have had 12 long, lean, and hungry years [laughter] in this country. I may say further, expressing merely a personal opinion, that of all the institutions of this Government, the administration of the provisions of the Civil Service Act, not the theory of the act but its practical administration, is the biggest fraud in the Government of the United States [applause], and I am tempted to say that if I had the privilege of doing so I would vote this morning to abolish the whole system [applause] because of the fraudulent administration of it.

I may say I do hope and pray, adopting somewhat the spirit of old Andrew Jackson on these propositions of rewarding the faithful, inasmuch as we have so many faithful and so many deserving, that we will not be limited in some of the new offices that are to be filled to merely the crumbs that fall from the table, but that we may have some of the loaves and the fishes, and that the rights and interests of really deserving Democrats will not be forgotten. [Applause.]

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. I yield.

Mr. SNELL. I have no doubt about the Democrats' taking the jobs.

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield to the gentleman from Texas [Mr. PATMAN] such time as he may desire.

SUPPORTING FARM BILL

Mr. PATMAN. Mr. Speaker, I am glad to support the President of the United States in his effort to help the farmers. I expect to support this bill. It does not contain many of the features that I would embody in such a bill if I were drawing it, but in this emergency I am willing to submerge my personal views and accept the best plan for farm relief that we can get enacted. It is a grant of powers rather than a restriction of powers. It does not compel the adoption of one plan for the farmers but permits the adoption of either of many plans.

TAX BURDEN

One of the greatest problems confronting the farmer is the tax burden. The Federal Government does not levy a tax burden on land, buildings, or improvements. Very few, if any, real farmers pay an income tax. Therefore the tax burden on the farmer is levied by the local, district, county, or State authorities. Congress cannot pass a law lowering the farmer's taxes, because Congress has not levied a tax against him. Congress can pass laws which will cause an expansion of the currency and make the farmer's taxes and other debts easier to pay—in other words, cause the dollar to return to approximately its purchasing power as of the date the debt and tax burdens were contracted. The farmer's tax and debt burden is from 100 to 500 percent greater now than it was in 1929, measured in the commodities that he has to pay his taxes and debts with. Money has been made scarce and high. As money goes up in price, commodities, services, wages, and everything else, except where prices are fixed, go down in price.

FIXED PRICES

Freight rates on the farmer, measured in his commodities, have increased from 100 to 500 percent. All fixed prices like telegraph, telephone, gas, water, electricity have increased on the farmer in a similar manner and to the same percentage. Practically all the machinery purchased by the farmer, including cultivating and harvesting machinery, is sold to the farmer at a fixed price and at the same increased burden. There is only one way of decreasing these burdens on the farmer, and that is by expanding the currency. Congress can do that by carrying out the mandate in the Constitution of the United States which says, "Congress shall coin money and regulate its value." At the present time the big bankers have a monopoly on this great privilege. It should be taken away from them.

INTEREST CHARGES

The farmers owe on their farms approximately $9,000,000,000, which is about the same amount that the people in New York City owe on their homes and other real estate. The farmer is paying from 6 to 10 percent interest on these loans. This debt, measured in the commodities produced by him, has increased from 100 to 500 percent. Instead of paying 6 to 10 percent interest he is in effect paying from 12 to 50 percent interest.

FARMERS BACKBONE OF THE NATION

The Government has come to the aid and rescue of the railroads, banks, and other big business interests of the Nation. As a matter of common justice it should pledge its credit to help the people who are the backbone of this Nation. The farmers and wageearners build our country in time of peace and save it in time of war; they are now in distress; they have not caused this distress to come upon themselves; it has been brought about by the control and manipulation of money and credits over which they had no control.

ONE PERCENT INTEREST RATE ON FARM LOANS

Steamship companies have been furnished money by the Government for one eighth of 1 percent annual interest, which is 12½ cents for the use of $100 for 1 year; brokers and speculators use the credit of the Nation and do not pay over $1 for the use of $100 for 1 year, or 1 percent annual interest. The Government can pledge its credit for the benefit of the farmers and reduce their interest rates to 1 percent annual interest. This should be done without delay after the mortgages have been scaled down in accordance with present values.

FREIGHT RATES

Agricultural products represent 10 percent of the tonnage hauled by the railroads. Your idea of justice will probably dictate to you that they should pay 10 percent of the gross income of the railroads. Instead they pay 20 percent of the gross income of the railroads. Why the discrimination? The answer is simple and easy. A few powerful New York banks control practically all the railroads of the country through interlocking directorates. They obtain discriminatory freight rates in favor of the class of freight that they are financially interested in. They are not interested in the farms or the products produced on the

farms. Many people think the Interstate Commerce Commission sets the freight rates.

HOW FREIGHT RATES ARE CHANGED

Procter & Gamble, of Cincinnati, the concern that is spending considerable money advising the people through advertisements to "Buy American" is interested in converting cottonseed oil into cooking compounds and soaps. Cottonseed oil is extracted from cottonseed and it is used to make the best edible products of any oil produced in any part of the whole world. The directors of Procter & Gamble are also directors of the principal railroads which lead into the South and West where cottonseed is produced. Procter & Gamble also use coconut oil—not one drop of it is produced in America—in competition with cottonseed oil, to make many of their manufactured products. They use this cheap, inferior oil to beat down the price of cottonseed oil. They have obtained special freight rates over the railroads for coconut oil. From New Orleans and from other points to Cincinnati the freight charges on a car of coconut oil are $90. Whereas if cottonseed oil is put into the same car, instead of coconut oil, and transported over the same railroad, under the same conditions, same weight and everything, the charges are $180. It was an easy matter for Procter & Gamble to get this special discriminatory freight rate. All they had to do was to get the directors of the railroad to agree to it, and having a director on the railroad board, who had probably accommodated the other directors when their particular industries were involved, their task was not a difficult one. After the agreement the Interstate Commerce Commission is not consulted. Notice is given that in 30 days the rate will be effective. It will become effective in 30 days. That is the law. If some farmer in the South desires to protest he can hire himself a lawyer, make his appearance before the Commission here in Washington, and enter a protest. The procedure is so cumbersome and expensive very few protests are ever made against such rates.

I wonder if this great "Buy American" concern is going to buy American-produced cottonseed oil in the future or will it continue to import the cheap, inferior coconut oil, that is produced with pauper labor of other countries.

INTERLOCKING DIRECTORATES

The directors of the Chase National Bank of New York hold 2,023 directorships in banks, insurance companies, manufacturing concerns, transportation companies, and utilities in the United States. The National City Bank directors hold directorships in 4,019 such concerns. Both extend into foreign countries and sometimes it is to their interest to help the foreigners in preference to Americans.

OVERPRODUCTION NOT THE CAUSE; IT IS UNDERCONSUMPTION

The purchasing power of the farmer has been reduced not on account of overproduction but on account of underconsumption. Prof. G. F. Warren, professor of agricultural economics and farm management of Cornell University, has exploded the idea entertained by a few that overproduction is the cause of the farmers' troubles. His investigation discloses that for 75 years before the war the production of food and feed crops in the United States increased at the compound rate of 3.02 percent per year. From 1915 to 1929 it increased only 0.6 percent per year. Professor Warren has pointed out that if correction is made for the reduced number of horses and mules, the rate of increase is 1.17 percent per year; that there have been surpluses and shortages of some crops owing to the weather, but there is no evidence of general overproduction. Professor Warren further shows that total production of all commodities per capita in the United States increased for 75 years before the war at the rate of 1.73 percent per year, but from 1915 to 1929 increased only 0.64 percent; for 75 years before the war world physical volume of production of all basic commodities rose 3.15 percent per year. Since 1915 the rate has been distinctly less. Instead of the phenomenal increase in output which is popularly imagined, the rate of increase in output has declined. Stocks in some cases are piling up because of unemployment; but these are results of the depression rather than its cause.

VALUE OF ALL FARM CROPS IN UNITED STATES

While the farmers are producing about the same amount each year their gross income is less each year since 1929. The total value of all farm crops for each year since 1929 is as follows:

1929	$10,100,000,000
1930	7,800,000,000
1931	5,500,000,000
1932	4,000,000,000

IS A TAX IMPOSED?

It makes no difference to the consumers whether they are required to pay for manufactured products a price based upon 12-cent cotton and $1 wheat caused by short crops or whether it is caused by the Government artificially regulating the price. It is in the interest of all the people that buying power be restored to the farmers.

INCREASE WHEAT AND COTTON PRICES

The argument is made that an unbearable burden will be placed on the consumer if the price of cotton and wheat is increased. Let us see how much there is to this argument.

In a 5-cent package of crackers there is wheat worth one eighth cent, and the retail price of 5 cents for this article is the same now as when wheat sold for over $1.65 a bushel. In a loaf of bread, at the present starvation price of wheat, there is wheat worth three eighths cent. How about cotton? For the cotton in a $1 shirt the farmer only receives three fourths of a cent at the present price. We simply ask that the planter get 2 cents to 2½ cents for the cotton that is in a $1 shirt and the wheat grower from 1¼ to 1½ cents for the wheat that is in a loaf of bread.

BILL LONG STEP IN RIGHT DIRECTION

This bill is a long step in the right direction. It does not go far enough. I believe that it will help the farmers if it is properly administered—and I have confidence in the Secretary of the Treasury, who is charged with the duty of administering it. The next thing we should do is to expand the currency so everybody will be helped, including the farmers.

Mr. CLARKE of New York. Mr. Speaker, I yield 10 minutes to the gentleman from Kansas [Mr. GUYER].

Mr. GUYER. Mr. Speaker, one half of my constituency is directly engaged in agriculture and all of it is intensely interested in its prosperity.

I regret that I cannot vote for this bill in the form that it is in at this time. If it appealed to me as for the benefit of the farmer, I certainly would; and I hope when it comes back to this House it will be so amended that we can conscientiously support it; but this measure puts a policeman on every farm, an inspector at every crossroad, and a Government agent in every back yard, if it is carried out the way it is written. How far from Jefferson's good old democratic axiom, "That country is governed best that is governed least"!

Mr. FULMER. Will the gentleman yield?

Mr. GUYER. No; I have not time.

I am not objecting to reasonable recognition of these deserving Democrats. I agree to some extent with the gentleman from Alabama [Mr. BANKHEAD] that they deserve these places [applause], and I have great sympathy for the Democratic Congressmen and Senators who today are beseiged by these fellows in these depressed times.

The thing I would like to see done and what I think the farmers of this country have in their minds is that they should have relief from the mortgage situation, interest rates, and taxes, above all things, and that this should occupy the time of the House instead of this bureaucratic bill, which is so multitudinous in its detail that I cannot understand how it can ever be administered.

We have a distinguished editor out at Emporia by the name of William L. White, and he has facetiously referred to the difficulties of administering this bill, or to one part of it, and I am going to read this into the RECORD.

Mr. White writes under the title "Persuading the Hogs":

Their farm plan is to be based on a subsidy for those who voluntarily control production, which is easy for the small grain farmer. All he will have to do is to cut his acreage. But it is also to be applied to hogs. Now, when you undertake to teach a hog to control his production—gentlemen, let me speak plainly—you have a job on your hands. We are glad, in a way, that it is a Democratic administration which will be charged with carrying it out. They have all the fire, the enthusiasm, the idealistic confidence of youth. Let them learn, say we.

We do not deny that there are many eloquent arguments for voluntarily controlled production which will appeal to the enlightened self-interest of an adult hog. But what is to be done with the young sow of subnormal intelligence and bad home environment? Or the headstrong individualist who would set her own impulses above the somber judgment of the Democratic Party and insist on having 8 or 10 little piggies in the litter instead of the allotted 6?

[Laughter and applause.]

We assume that in this kind of a litter only six would be safe for the subsidized home market and the rest would be chalk-marked by the inspector for the Democratic board of hog temperance and morals as destined to be slaughtered for export and dumped on an unprotected and unsubsidized world market. But is this not a cruel and barbaric penalty for society to exact from motherhood for one little mistake?

[Laughter.]

Democratic county chairmen should use great care in selecting the thousands of Federal inspectors who will ride in Government cars from farm to farm charged with controlling hog production. They should be, of course, men of unquestioned integrity. But they should temper justice with mercy. They should remember their own youth. Let him who is without sin cast the first stone.

[Laughter and applause.]

Now, I have been going along with the President. I have high admiration for him. I want to work with him. I have voted so far for everything but the beer bill, and I cannot vote for this measure. So I am going to put these together—one of them inspired by thirst for booze and the other by hunger for pie.

Lest I forget it, yesterday afternoon the great scientist from New York [Mr. SIROVICH], the one who discovered and established the chemical equality of milk and beer, had something to say about the Smoot-Hawley tariff bill, and I read from the RECORD:

Its object was to place agriculture upon an equality with industry. It failed of its purpose. It sounded the death knell of agriculture.

Now, if this is true, what are you going to say of the duplicity of the Democratic majority on this side of the House, which had control of this House last year during the Seventy-second Congress, which today has control of every department of Government, and in all this time not one single schedule of that iniquitous bill has been suggested for change?

The President has some mandates from the people. He surely has a mandate from the people on this, because no Democratic orator last fall failed to arraign and assail the Smoot-Hawley tariff bill; but the President, who has a mandate upon this if upon anything in the world, opened not his mouth upon this subject. Of course, we should possess our souls in patience, for in this Congress we have learned to—

Count that day lost whose low descending sun
Views no new message from the President come.

[Laughter and applause.]

I hope this bill, as I have said, will come back with amendments that will justify voting for it.

Let me summarize the most obvious objections to the bill.

Firstly, its multiplicity of detail. How is the Secretary of Agriculture going to control the amount of milk produced by every dairy farmer, or the number of hogs slaughtered on a million farms? If a tax were imposed, would it not decrease consumption?

Secondly, the uncertainties attending the application of this law is disconcerting to trade. Notice the wheat market the other day, when this bill came up.

Thirdly, the renting of so-called "marginal lands" would involve almost insuperable difficulties of administration and supervision. Under what a mountain of administrative minutiae and detail would the official who would undertake to execute such a statute be overwhelmed. It suggests a declaration of war upon natural law, the law of commerce, and of supply and demand. It is an attempt at price fixing and price pegging like the tragic Farm Marketing Act that left the farmer in a worse condition than it found him, and at a monumental expense to the Government and therefore to the people. I am more than anxious to go along with the President in all measures that give promise of relief.

The President very frankly states that this legislation is an experiment. A few more experiments on the farmer and he will be engulfed in complete ruin. If I remember his promise at Topeka, it amounted to a pledge that he would accept suggestions from the farm leaders with regard to agriculture, and I have no objection to his making good his pledge; but I do not for that reason merely feel that I can support a measure like this cluttered up with difficulties of administration which will make it a relief only to an army of "deserving Democrats" who will swarm like locusts over the land.

Now, I hope, in a body where amendments are possible, this bill will be so amended that every man in this House may vote for it; and if it is a bill that favors agriculture, and this is obvious, I believe this House will fall in behind this bill and help the President in this undertaking, as it did in the economy bill and in the banking crisis. [Applause.]

Mr. JONES. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. CARPENTER].

Mr. CARPENTER of Kansas. Mr. Speaker, ladies and gentlemen of the House, it was stated here on the floor of the House yesterday by the gentleman from Illinois and reiterated this afternoon that this was the biggest pork-barrel patronage bill that had ever been conceived. This, Mr. Speaker, is an implication that the President of the United States has framed and concocted a pork-barrel bill at a time when we all know he has been giving his entire deliberations to emergency matters that would assist the people in this country in the terrible condition they are now in, and has been disregarding all patronage matters and referring them for future attention. I deny the charge, and I state further there is not a Member of this House who really believes it.

I was very much interested when my colleague from Kansas [Mr. GUYER] quoted an editorial by William Allen White, of Emporia, Kans., for the reason that Mr. White happens to come from my district. He has been after me ever since he knew me politically, making every dirty political implication against me that he could, for no other reason than that I am a veteran and a Democrat. He has always been against the soldiers of this country, whether they served in the Civil, Spanish-American, or World War. An instance is told in Emporia of an old Civil War soldier breaking a cane over his head and chasing him down the street for a dirty and uncalled-for remark he made about the Civil War soldiers.

His paper, the Emporia Gazette, all during the campaign, and especially the last 2 weeks, was filled with editorials directed against me because of my stand in favor of the soldiers' bonus; and after I was elected he ran an editorial entitled "Who Killed Cock Robin?" which I would like to read to you:

What was responsible for the sad, the lugubrious slaughter of Homer Hoch in Lyon County? The bonus marchers in these parts, who took no noisy part in the shambles but drove home a glittering stiletto from behind, now go about with glowing smiles of contentment, taking unto themselves the credit for a dirty job well done.

In the first place, consider the Democratic landslide. Roosevelt, McGill, Woodring, and Carpenter all carried Lyon County. But how about the majorities? Woodring romped to victory with a margin of 798 votes in this county. Roosevelt was close behind with a lead of 740. MCGILL was on their heels with a plurality of 714. CARPENTER squeaked through with only 196 votes to spare. Every patriot in need of his bonus believed that CARPENTER was in favor of immediate cash payment of the bonus. They were all in his bandwagon. Yet he trailed the Democratic ticket in Lyon County, bouncing along in the wake of the avalanche almost 800 votes behind Franklin D. Roosevelt, who is pledged against paying the bonus with an empty Treasury.

Mr. CARPENTER figured it would be smart politics to gather in the bonus babies. But he paid a price for it. For every Republican who deserted Hoch on this issue there was at least one Democrat—and then some—who found he could not swallow CARPENTER's bonus program and voted for Hoch.

Homer carried a grievous load in this election. The Farm Board and the Smoot-Hawley tariff rode his shoulders like two old twins of the sea. The Democratic current washed the firm ground from under his feet. His 10-year tenure of office was against him in a year when the ins were going out, even though he had served his district faithfully and well for the past decade.

But the courage of his vote against immediate payment of the bonus made him votes. In fact, it almost pulled him through the Democratic hurricane. While Mr. Roosevelt counts his Fourth District majority in thousands, Mr. CARPENTER can count his majority in hundreds almost on the fingers of one hand.

Who killed Cock Robin? Well, it may have been a good many things, but it was not the bonus marchers.

Now, he comes out with bitter criticism of me for not upholding the President in regard to the economy bill. Mr. Speaker, I believe in economy, and I believed in part of this bill, but I could not vote against my comrades and vote to take everything away from them, as the bill originally provided when it was first presented to the House. Now, I expect he will come out in his paper with great headlines criticizing me for upholding the President and supporting him in this measure that has been the only emergency measure presented before this House to give the farmers relief.

Why is he opposing me? I will tell you why he is opposing me. He has been trying to clear the tracks so his little boy "Willie" can be a candidate for Congress on the Republican ticket next election, running on an antiveteran issue. Evidently he is becoming somewhat fatigued with having to support Willie and desires to get him on the Government pay roll.

What kind of a man is this William Allen White? He is not such a man as will fight out in the open, but wields a poison pen. I am not the first victim of his vitriolic attacks. What he has said about me is mild indeed compared with the attacks he made at one time upon Charles Curtis, of Kansas, who has just recently been the Vice President of the United States. He is the kind who desires to take advantage of the unsuspecting citizens or anyone who does not kotow to him and worship him as a patron saint, admitting at all times that he is the greatest writer in the world and that William Shakespeare was a piker alongside of him, by writing up mean, cute little editorials and squibs about a person when he knows that the person he is attacking does not own a newspaper and cannot come back at him.

He even wrote insulting editorials concerning Calvin Coolidge when President Harding lay sick in San Francisco, the seriousness of which illness was not then being realized by the Nation. The Emporia Gazette came out with an editorial entitled "If", which reads as follows:

If President Harding should die of bronchial trouble and a leaky heart valve in San Francisco, the leadership—at least the titular leadership—of the Nation and the Republican Party would pass to Calvin Coolidge, ex-Governor of Massachusetts and Vice President of the United States, who has to his credit the settling of the Boston police strike in 1919 by the introduction of State troops. Red-baiting also is one of Coolidge's hobbies; last year he badly scared the good ladies of the land by a series of stupid, sensational articles entitled "Radicalism in Women's Colleges", which were published monthly in a woman's magazine.

This runty, aloof, little man, who quacks through his nose when he speaks, has become Vice President through his unique gift for platitudes, which are at the same time childishly clear and utterly untrustworthy. He has attained high office by saying nothing when he talks.

Those who admire his conduct of the police strike say he should be judged by his action, not his words. Bully! for Cal Coolidge, a conservative by temperament, by training, and by talent, will split the Republican Party wide open, which probably will enable La Follette to run off with the biggest half of it at the next Chicago convention.

Indeed, great was his surprise and chagrin when within a few days Calvin Coolidge was President of the United States; and he pulled every wire that he knew of to keep this editorial away from Coolidge and tried to make his boy, Willie, the goat.

He has attempted to besmirch every Democrat in the State of Kansas who attempted to do anything for the people of Kansas. He has opposed and bemeaned every Democratic President when he was a condidate, and then after he was elected he would crawl up to Washington to lick his hands and then would write complimentary articles about him, because there is one thing that he cherishes more than anything else in his life, and that is for the newspapers to carry the news item that he has been a guest at the White House.

When one of the finest young Republicans in the State of Kansas, who has the respect and admiration of all the people of Kansas, whether they are Republicans or not, was a candidate for governor in the primary, he viciously attacked him because he was an ex-service man and a member of the American Legion and wrote smart editorials in which he stated that he sat on the platform with a large legionnaire pin in his buttonhole, polished as highly as possible, and that his lips were bleeding from kissing legionnaires' babies.

In the recent gubernatorial campaign in Kansas he came out and attacked Governor Woodring for nothing at all and did everything he could to defeat him; then, after Governor Woodring had lost by a few votes, he came out with another editorial praising him to the sky, stating that Governor Woodring had made a wonderful governor, and that by reason thereof he should be recognized by President Roosevelt and appointed to a high position.

He is not a friend of the farmer and never has been. He has ridiculed the farmer and opposed everything that was for his welfare. And he does not know what the word "economy" means. He is on one side of a proposition one day and the other side the next day. He does not know what he is for or against, except one thing, Mr. Speaker and ladies and gentlemen of the House, he is opposed at all times to the veterans of this country, whether he be Civil War, Spanish-American, or World War veteran.

He is one of those men—of whom there are a great many in this country—who are overrated. He has little or no influence in the community in which he lives, and from a political standpoint it is better to have his opposition than his support.

I wish to apologize to this House for taking so much of its time in regard to this man, who regards himself as a national figure, but in view of the fact that an editorial from this man's paper has been quoted here and put into the RECORD directed against this emergency agricultural bill, I think, in justice to the farmers of my district and State who are looking to us in their desperation to do something for them, that whatever this bubble of opposition amounts to should be exploded.

Now, Mr. Speaker, ladies, and gentlemen, I wish to say that I come from a district which, with the exception of a few oil wells, the output of which has been now curtailed, is almost wholly dependent upon agriculture, a State whose chief occupation is tilling the soil, a State that is the breadbasket of the world and that raises the best wheat in the world. The people in this district and State want to be heard on this question today. This is their day. They want to go along with this bill because the President has given us the promise if it is not a good bill, if it does not work out successfully, he will be the first one to tell us. Short years ago the people in this country were happy and prosperous, but then came the black storm clouds of the Fordney-McCumber tariff, followed by the Smoot-Hawley tariff, and laid them low. Their overhead expenses had so increased that in order to keep going, looking for a better day they had always been promised, it was necessary to resort to mortgaging their farms. Men who were wealthy and well to do, who came out across the plains and developed this great country, who had gone through the droughts, the cold winters, and the grasshopper years and commenced with a homestead of 160 acres, then gradually accumulating a few quarters of land nearby, looking forward to the day when they could leave a quarter for each child, have gradually witnessed these quarters of land slipping one by one away from them, and now the mortgage on the old homestead where all the children were born is being foreclosed.

You can talk about brainstorms all you want in regard to this bill, but I want to tell you that the farmers of my district, State, and Middle West are the ones who have been having the brainstorms the last few years wondering what is going to happen to them. You can talk about socialism being in this bill all you want, but I want to tell you the farmer on the plow when he thinks of all that he is overcoming is almost seeing red out in our country.

What has been the result of all this? It has resulted in bank failures and business failures in our towns and cities. Go out with me over my district, as I went over it the last nine months; the little towns where the best building in town, the one that was the most modern and in which the people seemed to take the most pride, the bank building, with a sign on the door saying, "This bank is closed and in the hands of the bank commissioners." Some of these nice buildings which had in former years housed thriving banks were now turned into restaurants and garages. The lumberyards in these towns, that used to be the beehive of activity, are closed, with a sign on the door saying, "If you desire to use the scales, see Mr. Smith, at the filling station." Most of these little towns, and even the larger towns, have more empty buildings than buildings that are occupied. The people can no longer buy, and finally this condition extended back east and engulfed the whole Nation. The prosperity that the people in the East were enjoying from 1920 up until 1929 could not stay up in the air, with nothing to support it; either agriculture had to come up on the same plane of prices and prosper with the industrial and speculative East or else they had to come down to it. The result was the farmer was not permitted to come up, and finally this false prosperity had to fall to the level with agriculture.

Now it is finally recognized that we cannot have permanent prosperity in this country unless the farmer is prosperous.

That prosperity, therefore, cannot be restored in this country until the farmer becomes prosperous.

It must follow that the farmer cannot become prosperous until he receives an honest price for his products.

Personally, Mr. Speaker, I would prefer to see all Government regulations done away with and agriculture returned to its own channel of trade, but the emergency is so acute and we are lost in a dense swamp of governmental control. It does no good to rail against it; it is necessary that we get out of it; and so this is the legislation, so far as the farmers are concerned, the emergency legislation that they are looking and praying for. I might also say that they are also desiring a cheaper dollar. This bill may not suit everyone. Personally, I would like to have seen the first provision in the bill do away with the Farm Board. Next, I am not so well satisfied with the processing fee charged here, and I do not know how the marginal-land proposition will work out. However, I do believe it has in it some semblance of price-fixing power, which I think is necessary at this time. No bill can be presented that will suit everyone. It seems that our only function here in the House is to act as "yes" men. It is said we pass a bill; indeed, we do; we pass it on to the Senate. While we would have desired to have the privilege of debate, let us hope that the Senate, the President, and the Secretary of Agriculture will make such amendments and carry out the law along such lines as will be for the best interest of agriculture. So, therefore, let us go ahead and do our duty as "yes" men.

Members have been dancing around the House this past week shouting the "house is on fire; So-and-so says this is the way to put the fire out; let us do it," and yet all that has been done up to this time is to attempt to throw beer on the fire.

Mr. Speaker, ladies, and gentlemen, for the great majority of the farmers and the people of this country, the house has already burned down, and it is necessary for them to build up anew. Let us pass this bill at once and obtain the benefits for the farmers for this year's crop. Let us do something that will permit them to save their farms. All that has been done for the farmers in the past years is to loan them money and get them in the hole. I say, you give the farmer better prices, honest prices, for his products, and he will be able to take care of himself.

Mr. Speaker, the title of this bill that we are considering is "A bill to relieve the existing national economic emergency by increasing agricultural purchasing power"; that is what I came here to assist in doing.

Mr. FULMER. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Speaker, ladies and gentlemen of the House, when my distinguished friend from Kansas was quoting the editorial about the hogs—he did not know it—but he was talking the language which I know best.

For 20 years my business was raising and selling purebred Duroc Jersey hogs. I raised hogs that had so much sex appeal that I sold them as high as $500 apiece, and I have shipped them into the gentleman's own State.

I want to say to the gentleman that it is not the young sow with sex appeal that produces a litter of 10 or 12 pigs. It is the old sow who has lost her sex appeal and is reckless that produces it. [Laughter.]

Many reasons have been advanced for the decline of American agriculture, but getting back again to plain "porkology", I will give you the reasons.

Every farmer knows that when one of the old sows has produced 10 or 12 pigs, that in the course of 2 or 3 weeks 1 or 2, and sometimes 3 of those pigs go back. And they would start to go back until finally when weaning time came they were curly, pot-bellied runts. Why? Every farmer knows the reason, but for the layman who does not, I would state that these runts were compelled by their larger and huskier brothers and sisters to eat at the rear end of the lunch counter. That is the trouble with American agriculture. For 12 long years this great basic industry has been sucking the hind teat of this great country of ours.

Mention has been made that this measure is revolutionary. It is no more revolutionary than the hearts of the farmers of this country today. We have fixed up the banks, and I say to you that your banks are builded upon our fertile soil. You may close all of your banks, place a conservator in every one of them, but restore farm prosperity and the money will flow once again into the bank vaults. Deny this prosperity to the farmer, deny him the cost of production, and the spiders of disaster will weave their webs of dissolution in the windows of all of the banks of the country.

This bill may not be perfect. If we had the privilege of submitting amendments, I would submit an amendment which would leave out all of the $10,000 experts and substitute i nlieu thereof real, hard-headed, dirt farmers, who know what they are talking about. But it is not for us to make amendment.

Mention has been made that other emergency legislative bills acted upon by the Seventy-third Congress were most important. Permit me to state that the bill under consideration today is the most important ever considered by any nation at any time, at any place, either in peace or war. The first measure passed by this House, the Banking Act, was to conserve the assets, not of the bankers themselves but of the people. The second piece of major legislation, the Economy Act, was to conserve the funds of our Government. The third piece of major legislation, the beer bill, was to put an end to the most colossal sham and hypocrisy in American history and to bring in revenues to the Government. Now, the fourth major legislative measure of the President, the rehabilitation measure, is to increase the country's supply of money, to restore its purchasing power, to bring back prosperity of the soil, not alone for the farmer but for all. It is the most important legislation in history, because at last it not only recognizes but acts upon the teachings, the warnings, the wisdom of all the ages.

The mighty approval which has acclaimed the recent achievements of the President of the United States and this

Congress is unmistakable and undeniable proof that the people of this country demand action rather than a barrage of mere words.

Five thousand years ago an old Chinese philosopher laid down this elemental truism:

> The well-being of a people is like a tree; agriculture is its root, manufacture, commerce, and labor its branches and its life. When the root is injured the leaves begin to fall, the branches break away, and the tree dies.

In 1927, in company with the late Senator Thaddeus Caraway, of Arkansas, it was my privilege to address the American Bankers' Association assembled in national convention at Houston, Tex. At that time this truism was repeated for them, and I made the prediction that unless national legislation was enacted assuring cost of production to farmers, soon the banks and financial institutions would own all the land and when that happened, then the banks and financial institutions would become just as bankrupt as the farmers were then beginning to be bankrupted. That was only 6 years ago, but during that eventful 6 years we witnessed first the closing of more than 11,000 banks and on the memorable day of March 4 the complete and utter collapse of all the financial institutions in the United States. Two thousand six hundred years ago Solon, a wise old Greek philosopher, stressed in almost the same language that we use today the difficulties that Greek agriculture was meeting. One of his statements was:

> Agricultural pauperism is a cancerous growth in Greece and will eventually strangle the nation unto death.

In 1925 the wheat farmers rose up and again sounded the warning. Their plea was to Congress to pass the McNary-Haugen bill. This bill was defeated on the floor of the House, as many of you older Members recall, largely through the vicious attacks upon the bill by Representative Franklin Fort, who, after becoming a lame duck after the November 8, 1932, election, was rewarded by President Hoover with appointment as the head of the Federal home-loan banking system, one of the most colossal failures in modern history.

The bill that we are considering today is the most important of all because it actually creates and establishes economic equality for agriculture as compared with other industries. This creation of economic agrarian equality has long been a thing of which the farmers have dreamed and for which the farm leaders have prayed. It has been a campaign pledge and promise of both the Democratic and Republican Parties quadrennially since 1920. This pledge is now about to be fulfilled. The promise redeemed—not by the Democratic Party alone, not by the Republican Party—but by the people themselves, who voted last fall for a "new deal." At last the people realize that 50,000,000 citizens are directly dependent upon soil prosperity for their own welfare and that the 70,000,000 American citizens automatically rise or fall with the prosperity or nonprosperity of the soil. For the first time in history the "forgotten man" became a real live issue. The question in the past and the question confronting us now is, What are the means, what are the mechanics to be employed to accomplish the end?

The farmers of this Nation had supreme faith in Franklin D. Roosevelt. Following his Kansas City speech, they looked upon him as the Moses who was to lead them out of the wilderness of gloom and despair. Following his election on November 8, a new light began to shine in the homes of millions of distressed people in the wide-open spaces; and likewise in the homes of the millions of distressed workers in the cities. They knew that at last a real friend of the farmer and of the city worker was headed for the White House; the news that finally a man sat in the Presidential chair who at least was willing to try to solve this age-old problem—the disparity between agriculture and other industries.

It is always a chronic ill, the devastating disease, the festering sore that is difficult to cure. Taken in its incipiency, the most deadly cancerous growth can be removed; but let its malignant tentacles spread until they strangle the entire organism—when hope is gone, when ambition is dead—the services of the most skillful and courageous surgeon are needed. The depression in the slough of which we now wallow might well be called by historians of the future "the era of blind indifference, superselfishness, stupid meddling, and interference. Blind because they first said there was nothing wrong with the farmer; selfish since they then told him to work out his own salvation; stupid since every successive attempt to help the farmer was abortive and costly to the taxpayers. Now, at last comes forth a courageous surgeon and statesman who in his short tenure of office has ably shown the American people and the world that he has the right, the will, and the ability to go to the base of every seemingly unsolvable problem and quickly and heroicly diagnose the case and apply the remedy. Organized agriculture has tried to cure the ill and has failed; cooperative marketing associations have tried and have failed; Congress has tried and has failed; former President Hoover tried and failed. Leave it to Congress again and Congress will fail again. This is said with no attempt at disparagement of the Congress of the United States, but merely because of the many, many diverging views and opinions.

In the debate on the economy bill the proponents of the measure told us that President Roosevelt would do what we could not or were unwilling to do. We accepted their statements, their assertions, their viewpoints. Now we ask them to apply the same measure, the same yardstick, to their acts today. It is a poor rule that will not work both ways. We say to them, the President of the United States is ready and willing to do what you either cannot or will not do.

Dozens of farmers in Ohio are wiring me every day urging, begging me to support this bill. They say that in view of the desperate need for relief, the President and Secretary of Agriculture should be given authority to provide real tangible relief within the shortest time possible. They beg me to discourage major changes or delays that would result in delaying relief and losing support of the public in carrying it out effectively.

The President was willing to shoulder the burden in the making of a drastic cut in veterans' compensation and Federal salaries. With that same spirit he will now shoulder the stupendous task of restoring agricultural prosperity. He will not fail. Other measures and other men have failed because their remedies dealt with only one crop. The administration bill will succeed because it deals with all basic crops. It proposes to stabilize prices of all basic crops; it proposes to guarantee cost of production for all basic crops. Hence there can be no overproduction of any one crop. This bill reflects the composite views and beliefs of all the farm leaders, of all the major farm organizations, of all the economists' views.

Some may say that the farmers themselves object. My reply shall be, the farmers will not object to 92-cent wheat; they will not oppose the restoration of 6-cent cattle or 7½-cent hogs; they will not complain when they receive 13 cents a pound for their cotton. The average price level for the month of February during the period 1912–1914, inclusive, was:

	Cents
Cotton	12.9
Wheat	91.9
Corn	66.8
Hogs	7.53
Cattle	5.41
Lamb	6.14
Butter	26.7

The foregoing price levels are the ultimate goal set in this bill. This is exactly what the bill, precisely what the President and the Secretary of Agriculture propose, a restoration of 1914 price levels.

Having been a farmer all of my life—an actual dirt farmer, who dug his living from the soil until 1923—I give it to you that the average farmer has devoted far more of his time and thought to the raising of more bushels to the acre, more pounds of pork to the litter, than he has to the selling of his products at remunerative prices. The grimy

hands of a mechanic builds the automobile; the toilers in the sweatshops make the clothing that we wear; but it takes trained and experienced salesmen to sell these products and obtain cost of production. Woeful experiences of the not-far-removed past remind us that the people can earn money, they can save money, but smooth-tongued salesmen can sell them worthless securities—stocks and bonds. The inference is not made here that such is the case with those who sponsored this bill; but detestful as the word "expert" may seem, it does require men who have devoted their energies, men who have dedicated their lives to cause and effect, insofar as it relates to agriculture, to make a proper diagnosis and prescribe the remedy.

So it is with the farmers. They raise more crops per man and per acre than the farmers of any other nation on the globe. Generation after generation has taught them how to make 2 blades of grass sprout where only 1 formerly grew. Then, because the college or agricultural experiment station and the extension workers have failed to show them how to sell at a profit, because Congress and Presidents in the past have failed, surely these tillers of the soil cannot be blamed nor censured because they are not prepared to offer the remedy.

If the high-salaried farm leaders, if the well-paid professors and instructors in the colleges of agriculture, if the directors and farm doctors and research men and bug hunters in the experimental stations, and if the overpaid county agents were as successful in obtaining cost of production for farm products as they are in telling the farmer how to run his business, there would be no need for farm-relief legislation to-day. If former Presidents, State legislatures, and preceding Congresses had been as statesmanlike and eloquent in sponsoring legislation that would actually help as they were in opposing the farmers' bills, this country would not be upon its knees today. And, by the same process of reasoning, if the farmer knew half as much about farming the farmer as he does about farming the soil, he would not be breaking the soil, he would be a so-called "farm leader", or perhaps sitting in Congress.

True it is, other plans have failed, other nations have failed. Why? Because they dealt with one crop only. Most notorious of all being the attempt of Great Britain to fix the price of rubber and the endeavor of Brazil to fix the price of coffee. Both of these attempts were as ludicrous as the famed attempt of Don Quixote to charge the windmill of Armageddon. The ill-fated speculative plunge of the Hoover Farm Board failed because the speculators in the commodities of life sold the Board short at every turn of the road. Each time the Federal Farm Board actually purchased 1,000,000 bushels of wheat the Chicago grain racketeers sold them short 10,000,000 bushels simply by margining their short sales 10 cents a bushel. Whenever the Farm Board purchased 100,000 bales of cotton, the cotton gamblers sold them short at the ratio of 7½ to 1 by covering their short sales with money supplied by the international bankers. The Secretary of Agriculture and the President of the United States at that time had not the courage nor the desire to drastically restrict or curtail the predatory operations of these gamblers in wheat and cotton.

Here we have a bill that covers all basic farm crops. Hence, there may be no overproduction in any one crop. Cost of production will be assured for every crop so the farmer may follow his usual routine, his well-balanced rotation so as to conserve the fertility of the soil. This bill is the handiwork, the thought of farmers themselves. The bill is not perfect. I am willing to admit that never yet has there been drawn a piece of revolutionary legislation that was perfect. I maintain that the banking bill was not perfect; I contend that the economy bill was not perfect; I am sure there are many in this House who will contend that the beer bill was not perfect, but with all its seeming weakness, with many of its provisions apparently inadequate in the minds of some, I maintain that this bill is the most forward-facing, the most far-reaching, and within 1 year will be the most fruitful of all the emergency legislation that we are passing. It is a new declaration of independence. It means freedom from the evil influence of the gambler and speculator; it means the end of the domination of the big bankers; it means the repudiation of the leather-spectacled plutocratic editors of the city press who solemnly prate of the inescapable penalties of overproduction and eventual consignment of the farmers to that sacred old white ox—the law of supply and demand. Is our tax governed by the law of supply and demand? Is the interest we pay to the money lenders governed by the law of supply and demand? Is the price of machinery that we buy from the harvester trusts based on the law of supply and demand?

The answer is emphatically no. This bill recognizes agriculture as the basic industry. It guarantees cost of production. It contemplates a specific method for handling each basic crop. It recognizes the right of the farmer to enjoy a reasonable profit from his thrift and labor as industry does—as the public-utility octopus does.

In the debate which occurred preceding the passage of the economy bill we were told that if the bill was not right, if it was unworkable, if it contained injustices, these could be quickly remedied by the President or by the Congress, even to the repeal of the bill. We say to you that the same statements, the same safeguards are present in this bill; and if any plan proposed is unworkable, unsound, it can be changed overnight by the President of the United States and the Secretary of Agriculture.

During the past 10 years the farmers of this country have been deluged with a torrent of words. It is now time to quit talking and to act. Agriculture is dying. As proof, journey through any agricultural State; observe the homes, the buildings, unpainted for a decade. See the roofs rusting, the fences falling, the weeds growing up. Read the daily papers, note the number of farms confiscated by the money lenders and sold by the sheriffs. There is yet time to save the patient if heroic and emergency remedies are quickly applied. We deny this is a price-fixing measure. We do say it is a price-raising measure. It may be revolutionary in nature. So was the Banking Act revolutionary; so was the economy bill revolutionary. Those bills were designed to conserve assets and resources that already existed. This bill is drawn to create new resources and assets; to start once again the even flow of money from the farms into every channel of commerce, every avenue of trade. From the time of the birth of this great Nation until now, the farmer has ever been caught between the millstones of high prices when he has nothing to sell, and low prices when nature blesses him with bumper crops. The only real prosperity they have ever enjoyed has been during war periods or inflation periods following wars. For 10 years we have been fighting to make the tariff effective on agricultural products. The enactment of this bill is a realization of the ideals for which we fought. Back in 1926 I made a statement to the Committee on Agriculture of this House that unless legislation was enacted placing agriculture on an economic parity with other industries, its ultimate collapse was certain. The rising and setting of the sun was not more certain than this.

During my incumbency as director of agriculture for the State of Ohio, 1923–29, I announced that Ohio farmers lost $1,125,000 from 1920 to 1927 in land values alone, and in the same period in crop values $1,666,000,000. In 1920 the average value was $105 per acre, in 1927 it had diminished to $75, and now $25 per acre would be a high figure. The farm-mortgage indebtedness of the United States increased from $4,500,000,000 in 1910 to $9,360,000,000 in 1925. This staggering total today is $12,000,000,000. At that time eight principal reasons or causes of this astounding increase were advanced by the enemies of effective farm legislation:

First. Overproduction.
Second. The farmer's own inefficiency.
Third. High taxes.
Fourth. High freight rates.
Fifth. Extravagance.
Sixth. Lack of credit.
Seventh. Absence of national market facilities.
Eighth. The tariff.

If overproduction has slain its thousands, the tariff has slain its tens of thousands. High freight rates and the tariff are but aggravations of the ill rather than causes of it. The elemental and real cause is that the farmers have been compelled to sell below cost of production. They have lasted as long as their resources lasted, including their ability to borrow money on their land and chattels. With those resources exhausted, their buying power became exhausted. The factories closed down, men were thrown out of work. The banks failed, the merchants and wholesalers are hanging on by the skin of their teeth. The remedy is obvious. Restore the farmers' purchasing power, refinance them at 3-percent interest, give them a moratorium against foreclosure, guarantee them cost of production, and they will pay their taxes, thus relieving township, county, State, and Nation from special taxes and nuisance taxes. Then they will pay the interest on their mortgages, they will pay their delinquent interest and buy the commodities which the merchant has to sell and the manufacturer to build. In 1926 I warned:

> The banks are full of frozen farm paper. The Nation is in the grip of a creeping farm paralysis, which, like a hungry wolf, stands at the very threshold of every farm. Unless there is a change, and that change soon, the melancholy note that arises from the harp of time will chant the mournful song of the rise and fall of the greatest nation the sun ever shone upon.

Apply the remedy before it is too late. Agriculture is the mast wheel of the world. Accelerate its motion but the slightest and the smaller wheels will double their velocity. Allow to it the importance, the honor, the dignity, the prosperity that naturally belong to it; encourage and support it and it will encourage and support other industries; elevate and improve its condition and it will elevate and improve the condition of all.

Mr. CLARKE of New York. Mr. Speaker, I yield 10 minutes to the gentleman from Kansas [Mr. McGUGIN].

Mr. McGUGIN. Mr. Speaker, in considering the bill which is now before the Congress it seems to me it is well to bear in mind that this particular bill differs from all previous agricultural legislation in that it is not confined to any one specific program. I find nothing in this bill where the Congress is tying the hands of the President and the Secretary of Agriculture by saying that here is a specific program which must be applied to a given commodity. This is true with the exception of the cotton program in title I. If, indeed, you can aid agriculture by direct and specific legislation, this much is certain, that you cannot apply the same program to each and every commodity. Let me illustrate. You might apply the allotment plan to cotton and to wheat, but you cannot successfully apply it to hogs and dairy products. Likewise, I think you can apply the debenture plan to hogs, but I do not think you can apply it to cotton and wheat.

This bill has this merit to it. It leaves it in the power of the President and Secretary of Agriculture to apply a given and particular remedy to a given and particular farm commodity. This bill can be just as bad as the Secretary of Agriculture and the President may make it. They have the power to exercise all of the ingenuity of man to make a bad farm bill out of it if they wish. At the same time they have the power and the discretion to employ remedies which are applicable to particular farm commodities. I hear it said that this is giving over to the President and the Secretary of Agriculture power to communize and socialize agriculture. Sure it is, if they are willing to abuse their power, but of the Reconstruction Finance Corporation the same identical thing may be said. When you left power in the hands of the Reconstruction Finance Corporation Board, appointed by the President, to make loans to different institutions, largely upon terms and conditions prescribed by that board, you left within that board the power to communize every institution that borrows money from it. I cannot assume that because the power is in the hands of the President and the Secretary of Agriculture to do a wrong thing, a ridiculous thing, an un-American thing, that they will do it.

This leaves me in a rather anomalous situation with my colleague from Kansas [Mr. GUYER], who has just spoken. The allotment bill, passed by the last Congress, by its very terms, compelled the President and the Secretary of Agriculture to apply the allotment plan to hogs, and I would not vote for the bill. My colleague voted for it. By this bill the President is not obliged to apply the allotment plan to hogs, and if he does apply the allotment plan to hogs, in my judgment he will make a monumental error. I cannot assume that the President and the Secretary of Agriculture will do such a ridiculous thing simply because they have the power to do it. If we were called upon today to vote for a bill which would make it mandatory to apply the allotment plan to hogs, I would vote against the bill. We hear Members saying that they do not want this kind of farm-relief legislation, that they want to finance farm mortgages. Let me say to my friends who have stood on this floor the last 2 days and said that they prefer financing farm mortgages to this bill, that they have committed themselves to a task that when it arrives they will hesitate in walking up to the rack and supporting it. Here is the task that they have committed themselves to. They will have the Government of the United States underwrite $10,000,000,000 worth of farm mortgages, and when you do that, you will doubtless underwrite the city mortgages. Will the city Members of this Congress ever permit legislation underwriting the farm mortgages that does not include underwriting city mortgages? That would involve another $14,000,000,000. Government underwriting debts is a socialistic way out, but that is a policy started in the Reconstruction Finance Corporation. The Government there underwrites obligations. I did not vote for that plan. It was too socialistic for me. This bill, which undertakes to boost farm income, is a less socialistic proposition. I am not saying that the Government can by law bring prosperity to agriculture alone. I am saying that if this bill or some other arrangement cannot bring agriculture up to a parity with other institutions, then the rest of the people of this country may as well take one good look at the impoverished farmer and resign themselves to the fact that their future will be the present status of the farmer. [Applause.] For 10 long years the farmer was operating at a disadvantage, from 1920 to 1929.

Everybody else was better off from 1920 to 1929 than he was during the 5 years before the war. The farmer was 15 percent worse off. Today the farm products are bringing slightly less than half what they brought during the 5 years before the war, while the things which the farmer buys are yet at a price above the pre-war level.

I choose to accept this bill in the spirit of an editorial in the Washington Star of last night. That editorial is in part as follows:

> Upon the restoration of agricultural prices, it is contended, rests recovery of the country. Frankly, the President said that the measure he was sending to the Congress was an experiment. It must be. Also it is perfectly obvious that anything that raises the price of foodstuffs to the consumer will not be joyfully received by the millions of men and women who live in the cities. Nevertheless, there has been a real maladjustment of prices of farm produce and the prices of industrial goods between the farmer's dollar and the dollar of the industrial worker. Whether the artificial aids proposed in the Roosevelt farm bill will succeed or not the President does not undertake to predict. But if they are turned down the Congress must be prepared to submit something more effective in their place.

Frankly, if I had my way about it, I would not at this time bother with a specific farm bill. I would try something which I believe would benefit every industry in the United States. I would deflate the gold dollar, to the end that American manufacturing industry can sell abroad in competition with the rest of the world, to the end that American manufacturing industry would not be driven from its home markets as a result of depreciated foreign currency, and to the end that American agriculture could sell its commodities abroad for money worth as much as American money. But I cannot have my way. That is radicalism, my conservative friends tell me. At any rate, that is legislation which would have to come from the Committee on Banking and Currency, and as far as my party in this House

is concerned that committee is packed to see to it that no Western idea pertaining to money shall come upon the floor of this House. [Applause.]

Since we cannot turn to a program that will be of value to the country as a whole, then all that there is left to do is to turn to specific agricultural legislation, hoping against hope that we can revive the American farmer. Until we can revive him there is nothing in the future save greater poverty and greater despair for the American people. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Kansas [Mr. McGUGIN] has expired.

Mr. BYRNS. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. POLK].

Mr. POLK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a brief telegram.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. POLK. Mr. Speaker, under the privilege granted to extend my remarks, I wish to insert the following telegram, recently received from one of the leading farm owners in my district, concerning the agricultural relief bill:

HILLSBORO, OHIO, *March 18, 1933.*

Hon. JAMES G. POLK,
House of Representatives, Washington, D.C.:

As a southern Ohio farmer I protest against present proposed legislation claimed to help agriculture. If Congress will just leave farmers and economic laws alone and stop holding out to us false hopes from various agricultural patent medicines, crop-limitation nostrums, and the like, we will pull ourselves and the balance of the country out of this depression a great deal quicker and on a very much sounder basis.

BURCH D. HUGGINS.

Mr. Speaker, ladies and gentlement of House, as President Roosevelt well said in his inaugural address, this is a time for action and not words; consequently, I shall be brief.

If it were not for the economic emergency which faces those people engaged in the business of agriculture, such a measure as we are now considering probably could not be justified. If this bill was not an emergency measure, as is specifically indicated on page 13, lines 15 to 17, which state, "This act shall cease to be in effect whenever the President finds and proclaims that the national economic emergency in relation to agriculture has ended", I should hesitate to vote for it, even though it is requested by President Roosevelt, whom I greatly respect and admire.

In my humble judgment, there are three separate conditions which must be remedied before agriculture will become a profitable business:

First. Farmers must be enabled to get the cost of production for that which they produce.

Second. Tax burdens must be materially lightened.

Third. Interest rates on farm indebtedness must be substantially reduced, for under present conditions it is impossible for those engaged in agriculture to make a living and pay the present high taxes and interest charges.

While this bill aims to help the farmer get something near the cost of production for that which he produces, it gives no relief insofar as tax burdens and interest rates are concerned.

It has long been my belief that the business of agriculture is of sufficient importance to the Nation to warrant protection similar to that given the so-called "public utilities". We permit these public utilities such as telephone, telegraph, gas, and electric power and light and many other companies to charge for their products and services such amounts as will guarantee to them a profit based oftentimes on greatly inflated capital structures. We further protect them by granting them long-term franchises with rates which are often burdensome in the extreme to those who must use their products and services.

As compared with this special protection enjoyed by public utilities the farmers are very largely at the mercy of the buyers for the large corporations, which purchase raw materials from the farmers. There is no doubt in my mind that the packers are able to raise or lower the prices of hogs and cattle and other meat animals, according to what they consider to be their own selfish interest in the matter. The same thing is true of large tobacco companies, who, as we all know, can force up or down the price of tobacco practically at will. Of course, it is to the interest of all of these large corporations who are buyers of raw materials from the farmer to force down the price instead of raising it. This selfish interest makes the farmer a practically helpless victim of low prices. On the other hand, manufactured products which he must purchase remain at near the same high level which has existed during the past decade. The farmer must sell at the price offered by the buyer of his raw materials and when he buys back this raw material as a manufactured product he again must pay for it the price which is put upon it by the industrial corporation.

This bill should enable the Secretary of Agriculture to force the processors of at least some of the farm commodities included herein to pay a more nearly fair price for what they buy from the farmers. Through the licensing provision, which is discretionary in its operation and, therefore, probably will not be used except in rare instances, the Secretary will have at his command a weapon to whip into line selfish interests who decline to cooperate in helping to bring up the price of these farm commodities.

We have heard much discussion here concerning the effect of this measure upon the consuming public. While it is true that the bill may cause a slight increase in the cost of living to those who live in our great industrial centers, if by so doing it will reestablish the purchasing power of the millions of people who live on the farms of America, it will be wholly justified.

If the farmers of America could buy the products they would buy if they had the money to do so, we would find that our factories and workshops would actually be swamped with the orders for manufactured products which would come in from the rural districts.

During the past 10 years the farmers of America have existed practically from hand to mouth. They have purchased very few things which they did not actually have to purchase. If we can restore the buying power of rural America, there will be such a demand for such articles as fencing, paint, lumber, farm machinery of all kinds, household conveniences, automobiles, clothing—in fact, all of the necessities and luxuries of life—that it will keep our factories going throughout the land to supply their demand.

As someone has well said, we need something to force us off of dead center and start the wheels of industry going. It is my belief that the bill which we now have under consideration will not solve all of these problems, and while I believe that it fails to meet the entire needs insofar as agricultural legislation is concerned, I do think that it is a step forward and consequently should be speedily enacted into law. [Applause.]

Mr. FULMER. Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Speaker, I rise for two definite purposes. One, to state that I am supporting the President's emergency legislation for agriculture just as I have supported other emergency legislation. It will be my pleasure to support all emergency legislation proposed by him.

My second reason for taking the floor is to call the attention of the Committee on Agriculture, and particularly those members of it who will represent the House as conferees, and likewise the attention of the Senators, to the effect of the bill upon tobacco, together with certain suggested remedial amendments.

No one can take issue with me in the statement that tobacco, of all agricultural products, should receive friendly attention in farm legislation. Last year it brought into the Treasury of the United States $400,000,000. It has been and is the most stable income-producer for the Federal Government.

I call the attention of the House, and the Senate as well, that, according to the report of the Committee on Agriculture, the parity price for Burley tobacco is 10 cents per pound, or 2.7 cents per pound less than the admitted average

for Burley last season. This information was not available to us until yesterday, when we were able to secure a copy of the report. Immediately we contacted the distinguished chairman of the committee, Hon. MARVIN JONES, of Texas, who is the most able authority on agriculture in the House. We conferred with other eminent gentlemen upon the committee, and they assured us that they would make every effort to rectify this discrimination in the Senate or in a conference on this bill. I regret that the rule under which the bill is being considered will not permit the offering of any amendments.

With the assurance of this friendly interest I turned my attention toward the Department of Agriculture and there found a very friendly spirit of cooperation. I feel that there was no intention of this discrimination, and I look toward them for friendly cooperation in securing a remedy.

The fact is that the price for Burley tobacco during the parity period 1909–1914 is the lowest for any corresponding period in the past 25 years. Mr. JONES, chairman of the committee, as well as the Agricultural Department, will agree with me in such statement. The fact is that the Burley tobacco grown between 1909–1914 was an entirely different type of tobacco than that grown today. It was a much heavier tobacco than the lighter Burley grown in the past several years. The heavier Burley was grown for a different purpose. The lighter Burley was grown for cigarette purposes. The difference is as great as if it were a different type of tobacco. The average price from 1909–1914 is not a comparable price to the Burley that is grown today.

Roughly speaking, 75 percent of the tobacco grown today is used in cigarettes. Burley, flue cured, and a Maryland type are the cigarette tobaccos. In 1915, 10 percent of the tobacco grown was used for cigarette purposes—56,000,000 pounds. In 1929, 43½ percent of the tobacco grown was used for such purposes—347,000,000 pounds. The main point, however, is that the Burley in 1909–1914 is not the Burley upon which the Secretary of Agriculture, under the power of this bill, will establish a price commensurate with the commodity index used.

We had to work fast to get the matter ready for presentation today. In addition to the chairman of the committee and its membership, we made personal contact with Mr. Ezekiel, economic adviser to the Secretary of Agriculture; Mr. Gage, who is the senior marketing specialist in charge of the tobacco section in the department; and Mr. Finn, associate economist. As stated, these gentlemen were responsive with detailed information and friendly suggestions. We present here an amendment suggested by Mr. Ezekiel which came from him to me today, and I will insert his letter with the amendment at this point:

MARCH 22, 1933.

Hon. FRED M. VINSON,
House of Representatives.

MY DEAR CONGRESSMAN: In accordance with your request I am enclosing an amendment to the farm relief bill to cover the special case of Burley tobacco.

The effect of this amendment would be to permit the Secretary to choose the post-war period as the base period in establishing a price for Burley tobacco, instead of the pre-war period, if full examination of the matter convinces him that there has been a real change in the quality of the tobacco covered in the price reports between the two periods.

While it is believed that this amendment will accomplish the purpose you have in mind, further investigation of the problem would be required before the department would be in a position to take a final position on the matter.

Sincerely yours,

MORDECAI EZEKIEL,
Economic Adviser, Office of the Secretary.

The tentative amendment is:

Page 9, after line 21, insert the following:

"If the Secretary finds after investigation and due notice and opportunity for hearing to interested parties that between 1910 and 1920 there has been such substantial change in the quality or character of any basic agricultural commodity that the prices which prevailed therefor during the pre-war period, August 1909—July 1914, cannot by reason thereof fairly be compared with current prices, he shall so proclaim, and thereafter in the administration of this act apply with respect to such commodity its purchasing power during the period August 1919—July 1928, in lieu of its purchasing power during such pre-war period."

I had another suggestion made from the department in the form of a tentative amendment. This amendment would be inserted after the figures "1914", on page 2 of the bill, and is as follows:

Strike out the semicolon after the figures "1914" and the comma and the following language "for types of tobacco used mainly or largely in the manufacture of cigarettes equivalent to the purchasing power during such later period as the Secretary of Agriculture shall deem appropriate" and insert on page 2, after the figures "1914", in line 10, a comma for the period and the following: "or other base period adopted."

I am offering these suggested amendments for the consideration of the House and Senate and their respective committees in order that this great industry may not be discriminated against.

When the domestic allotment bill was being considered in the House last session, a similar situation was found relative to tobacco. At that time Mr. JONES, chairman of the committee, offered an amendment, which was agreed to by the House. It might be informative to insert this amendment and the debate thereon at this point, and with your permission I will do so.

The matter referred to follows:

Mr. JONES. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

"Committee amendment offered by Mr. JONES: Page 11, line 3, after the figures '1914', insert a comma and the following: 'except that in the case of tobacco the base period shall be the period commencing September 1909 and terminating August 1919.'"

Mr. STAFFORD. Mr. Chairman, I think we should be given some explanation as to why tobacco is to be given a different status by this amendment.

Mr. JONES. I will state to the gentleman that tobacco is a peculiar commodity in that it is grown in segregated districts. It always has had a tax on it and is a sort of an exception to all rules applying to other commodities. The 1909-to-1914 period is not an accurate period. There are seven major types which must be treated as different commodities. For illustration, the average for Burley for a 25-year period is 17.95 cents per pound. That is only one particular type, No. 31; but the average for it from the period 1909 to 1914 was 10.15 cents per pound. This amendment would make the ratio price 14½ cents, which is a normal increase. It is less than the average for the 25-year period and less than it is bringing today. This is the type of Burley grown in Kentucky, Virginia, West Virginia, Ohio, Indiana, Missouri, and Arkansas.

In the fire-cured dark of Virginia, Kentucky, and Tennessee; the flue-cured of Virginia, North Carolina, South Carolina, Georgia, and Florida; the Havana seed type of New York and Pennsylvania; the sucker, west Kentucky; the Pennsylvania seed leaf; Wisconsin, Connecticut, and Maryland tobaccos the conditions are the same. The prices of the parity period are less than the present prices and less than a fair price for tobacco. If it is to be operative upon tobacco, a reasonable increase, such as set forth in in the amendment proposed, should be adopted. I hope the amendment will be agreed to.

Mr. STAFFORD. I have read the report of the hearings, and as I recall tobacco made the poorest showing of any staple product. There was only a difference of 15 percent.

Mr. VINSON of Kentucky. Nineteen percent.

Mr. STAFFORD. There was only a difference of 19 percent in the prevailing price over the average price during the war. Is not the gentleman scurrying around to find some other scale on which to justify giving a bonus to the tobacco growers?

Mr. JONES. I have gone over this with the tobacco people. If it needs a more complete explanation, the gentleman from Kentucky [Mr. VINSON] will make it; but I believe they have been very fair and reasonable in setting their parity by taking the average price and the average period and the long-range price. I believe this would be fair.

Mr. STAFFORD. This is a tax upon women and children who use cigarettes. Of course, if we applied this same period to the other articles, that would militate against the growers of their product, because prices since the war have been less than they were prior to the declaration of war. I suppose that is the reason you are not extending this to the other articles.

Mr. JONES. Tobacco was not affected in that way.

Mr. STAFFORD. It just happens that in the case of tobacco the price has been rather stable right along and has not fallen into the slough of despond like other products, and now you want to bolster it up and give it this average price at the expense of the tobacco user.

Mr. JONES. I will state to the gentleman that the tobacco grower has not benefited. He has got a very low price regardless of the retail price.

Mr. STAFFORD. Will this affect the price of the "deadly nail"?

Mr. VINSON of Kentucky. If my capable friend from Wisconsin will permit, during the period 1909 to 1914 you had the lowest prices for tobacco in the past 25 years. In the case of wheat, cotton, and hogs an increase in price over the present price is set up in this bill. In the case of tobacco, the fair exchange value is less than it is bringing today. Kentucky Burley tobacco is

selling now around 14 to 15 cents; the parity period price is a trifle over 10 cents. The parity price under the amendment will be about 14½ cents per pound. As the bill is written, the tobacco-grower would be injured rather than helped.

For the past 4 fiscal years, the years of depression, tobacco has put into the Treasury of the United States almost $2,000,000,000.

Mr. STAFFORD. And cigarette and other users have paid into the Treasury.

Mr. VINSON of Kentucky. It works both ways. This onerous tax means decreased price to the grower; likewise it means decreased consumption, which means a lesser price to the grower. The grower gets caught going and coming.

Tobacco is one of the original basic commodities included in the bill. It is a commodity of which there is a substantial exportable surplus. The bill is intended to help the tobacco growers of the Nation. Tobacco is grown in 19 of our States. There are 400,000 tobacco farms in the Nation. Millions of our people are looking hopefully for a living price for tobacco.

The 1931 crop in vast areas brought less than the cost of production. This year the price has done fairly well, due to decreased production and the fact that we have 10-cent cigarettes.

In my judgment, the base period between 1909 and 1914 would be decidedly harmful to tobacco prices rather than helpful. This period brings the lowest average price for any similar period during the past 25 years. It was the poorest market for a quarter of a century. Kentucky Burley averaged during that period 10.15 cents. For the 25-year period the average is 18 cents. The parity period as proposed in this amendment brings the average price up to 14½ cents. Fire-cured dark tobacco, type 22, in Kentucky and Tennessee averages 8.35 cents for the parity period under the bill, as against an average of 12 cents per pound over the 25-year period. The proposed parity price for this type will be 10.48 cents. Types 23 and 24 in Kentucky and Tennessee, the 1909 and 1914 average, was 7.2 cents, as against practically 10 cents for the 25-year period. The new average would be 9.39 cents under the amendment.

Whereas there is a material increase over present prices providing for wheat, cotton, and hogs, we find that actually the fair exchange value of tobacco even under the proposed amendment is less than the prevailing prices today.

Tobacco is the one agriculture product that is taxed. It bears the heaviest tax of any commodity. As heretofore stated, the grower, because of this tax, gets less for his tobacco. Undoubtedly the increased price of the manufactured article means decreased consumption. Naturally this means a lesser price to the grower on account of the restriction of the market. With cigarette tobacco bearing $1 per pound tax and chewing and smoking tobacco 18 cents per pound, yielding almost $2,000,000,000 in taxes in the 4 fiscal years of depression, we respectfully suggest to the friends of the bill and to all fair-minded listeners that the proposed amendment is both sound and just.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. VINSON of Kentucky. I sincerely hope that this matter will receive the careful consideration of the Senate and, if such remedy is not included in their bill, that remedial amendments may be worked out in conference.

Mr. FULMER. Mr. Speaker, I yield to the gentleman from Virginia [Mr. FLANNAGAN] such time as he may desire.

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks by including a statement on tobacco prepared by the Department of Agriculture.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. FLANNAGAN. Mr. Speaker, when the allotment bill was up during the last session, the tobacco growers got through an amendment substituting, as to tobacco only, for the 1909–14 period, the period from 1909–18. Under the present bill the 1909–14 period applies to tobacco as well as all other farm products.

I have gotten the Department of Agriculture to figure out, in dollars and cents, just how the tobacco growers will fare if the 1909–14 period—the period set out in the bill—is used, and how they will fare if the period is extended from 1909 to 1918.

The figures, which I will insert for the benefit of the representatives of tobacco districts, are as follows:

The index figure for articles farmers buy was 100 percent for the 5-year period of 1909–14, and 126.2 percent for the 10-year period of 1909–18. Therefore, the adjusted price for the period of 1909–14 would be the same as the actual price, but for the period of 1909–18, the adjusted price would equal the actual price divided by the index figure, 126.2. The actual prices and adjusted prices for the two periods are shown below for types other than cigar-leaf and miscellaneous types:

Types or type groups	Actual price, 1909–14	Actual price, 1909–18	Adjusted price, 1909–14	Adjusted price, 1909–18
All flue-cured types 11/14	13.0	17.1	13.0	13.5+0.5
Virginia fire-cured type 21	7.8	9.9	7.8	7.9+ .1
Kentucky-Tennessee fire-cured type 22	8.5	10.5	8.5	8.3− .2
Kentucky-Tennessee fire-cured type 23	7.4	9.4	7.4	7.4 .0
Burley type 31	10.8	14.9	10.8	11.8+1.0
Maryland type 32	8.2	12.3	8.2	9.8+1.6
One-sucker type 35	6.8	8.6	6.8	6.8 .0
Green River types 24 and 36	7.2	8.9	7.2	7.0− .2
Virginia sun-cured type 37	8.5	12.0	8.5	9.5+1.0
All United States types, including cigar types	11.4	14.9	11.4	11.8+ .4

In my opinion, the period as to tobacco should be from 1919 to 1928. The gentleman from Kentucky [Mr. VINCENT] has obtained those figures, and I hope the Representatives of the tobacco growers will give careful consideration to same. The bill, I think, should be amended so the Secretary of Agriculture can use, as to tobacco, the period from 1919 to 1928.

Mr. CLARKE of New York. Mr. Speaker, I yield 5 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Speaker, I represent a State which on March 24, 1 year ago, increased the vote in the Democratic presidential primary from 9,000 to 84,000, so that the international bankers could not stop Franklin D. Roosevelt—a State which had the second popular presidential primary election in this Nation. We Non-Partisan League Republicans and Farmers Union members fully realized the importance of that election and therefore went into that primary and gave Franklin D. Roosevelt some 34,000 majority.

Normally there are not enough Democrats in my State to fill the post offices, far less to maintain a Democratic organization; and yet we gave Franklin D. Roosevelt 106,000 majority over the great mistake that was then presiding in the White House. We did this because we had confidence in Franklin D. Roosevelt. We still have that confidence. In fact, we know that he will make good and put an end to this fearful depression which never had any business to exist, except ignorance.

We did this by making the Frazier bill the main issue—a bill which has for its object the refinancing of farm mortgages at 1½ per cent interest and 1½ per cent principal on the amortization plan. Not by issuing bonds so that the international bankers can clip coupons and make billions of dollars out of the misery of millions of our people, but by issuing Federal reserve notes secured by first mortgages on farms—the best security on earth, better than gold or silver. We can get along without gold or silver, but we can not get along without farms. To date 17 legislatures have memorialized Congress to pass this bill without further delay. This bill is now before both Houses of Congress, has been before both Houses for about two years, and so far no consideration whatever has been given to it by this House or any committee thereof.

Another principal issue we used was that the soldier should be paid his compensation, so-called "bonus", in cash. Not by issuing bonds but by issuing Federal reserve notes. Last but not least, we used the issue that the farmer should get at least the cost of production for that part of his products that are consumed or used within the United States. No honest or intelligent person has any right to use or consume farm products below the cost of production.

What have we done so far to meet these issues? First, we opened the printing presses for the banks. Necessary, of course, so that we could get back a part of the $41,000,000,000 that we have on deposit. For the repayment of this 41 billion all the banks, savings banks, and trust companies of the United States had only $680,000,000 of actual money in their possession on January 9, 1933. Next we clipped a leg off the soldiers' disability compensation in order to please the bankers' National Economy League.

We come now to the discussion of House bill 3835—the farm relief bill. This bill does not meet the demands or the requirements of the farmer. It is a price-fixing measure, but it does not propose to fix the price at the cost of

production. Anything less than the cost of production will not satisfy the farmers or comply with the campaign pledges made. This bill apparently still expects the farmers, their wives, their sons and daughters to work without compensation in order to feed and clothe the people of this Nation.

Every other government that has approached the subject of pricefixing started out with the idea of giving the producer the cost of production. That is true of Germany, France, Switzerland, and other nations.

We have before this Congress, and had before the last Congress, bills that provide for the cost of production, but this measure wholly fails to make any such provision. We are informed that the Secretary of Agriculture says he will put the meager assistance that the farmers might expect from this bill into operation very gradually. With due respect, may I suggest to him that he had better come in on double-quick time.

The farmers of this Nation are in desperation. They will no longer submit to make-believe legislation. They demand substance as well as the name of things. They will not be fooled with farm relief on a par with the Hoover Home Loan Bank Act.

There are danger signals all along the line. In my State, and in numerous other States, mortgage foreclosures are now being stopped by force by enraged farmers, who are driven to desperation in defense of their homes. The law of self-preservation is in operation, a law that is greater than any law that man ever wrote, and it is time that we take heed of that warning.

This bill provides in subsection 3 of section 2: "To protect the consumers' interest by readjusting farm production at such level as will not increase the percentage of the consumers' retail expenditures for agricultural commodities, or products derived therefrom, which is returned to the farmer, above the percentage which was returned to the farmer in the pre-war period, August 1909–July 1914."

This means that the farmer and his family shall be permanently enslaved and accept for his products a price below the cost of production, because the bill does not give him the cost of production, and the price it gives him becomes a maximum as well as a minimum price. It is on a par with the performance during the war, when the minimum price was also made the maximum price. In all frankness, I state to the Members of Congress that the farmers of this Nation will never submit to such a proposition if it is ever attempted to be enforced. It took 250 armed National Guardsmen in the State of Iowa last year to show a farmer how to test a cow. Should we not profit by that experience?

The statement has been made from this floor that the farm organizations are backing this bill. That is not a correct statement. If any of you have any doubts, I invite you to listen to John Simpson, president of the National Farmers' Union at 12 o'clock noon next Saturday. I know that some of the self-styled farm leaders, the silk-stocking brigade, the tax-eaters, who have been living off the Farm Board on fat salaries, have indorsed this bill. But I deny that they represent the farmers of this Nation. You know and I know that John Simpson represents the hope and aspiration and the demands of 85 percent of all the farmers of this Nation.

This bill assumes that there is an overproduction of farm products, when as a matter of fact there in an underconsumption, owing to the fact that there is not enough money in actual circulation with which to measure the muscular and brain energy of our people.

Let us not attempt to deceive the farmers by giving them the name of a thing but not the substance. I ask the Members on both sides of this House, and especially the younger Members who have come to this Congress for the first time, to join in rereferring this bill to the committee with instructions that they permit JOHN A. SIMPSON and other liberals on both sides who are interested in the success of agriculture to help make a real bill out of it, and then bring it back and pass it next Saturday.

I know that the President will be delighted if we will do this. We liberals have confidence in our President. He is ours as much as yours, because you have not enough Democrats to elect him, and we want to work with you and get real farm relief. Will you not let us?

Mr. FULMER. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. FIESINGER].

Mr. FIESINGER. Mr. Speaker, I find myself today torn between a desire to follow the President of the United States in his program—a desire to do something for the farmer.

I have pledged myself to help the farmer wherever possible, and at the same time this bill does not seem to me to hold out any promise for the farmer, and I will tell you why this is so, in my judgment. We have gone through the experiment of the Farm Board. It created so much expense and paid so many high salaries that it finally became a stench in the nostrils of the American people. Through the Stabilization Corporation, the Farm Board purchased wheat, cotton, and other commodities and stored them. Those stored commodities hung over the market like the sword of Damocles and did the producers of those products little if any good.

Through the medium of this bill we propose to do the same thing again. We are setting up a bureaucracy. We are going to have a great expense that someone has said will cost in the neighborhood of $200,000,000. But this is not the worst of it. As I understand the principle underlying this bill, it is to limit production.

Where is this production going? If we limit it in the United States this production is going somewhere else in the world, because the Secretary of Agriculture has himself said there were starving millions in the world who need the produce of this Nation. Once we drive this production out of the United States and cause it to be produced in other areas of the world it will come back to plague us just as the wheat and cotton plagued the Farm Board and the American farmer. [Applause.]

Someone has said, "Well, if you will not support this bill what have you to offer in its stead?"

This is my offering:

First. Reduce the interest on farm mortgages and amortize payments.

Second. Reduce taxes.

Third. Treat the trade barriers that have been erected nation against nation.

Fourth. Take the inflated value out of gold, and thereby secure a sound and honest dollar.

Let us treat the causes of this depression. One cause, all will agree, is the inflated value of gold due to the manipulation on the part of foreign governments.

The great troubles today are debts and taxes. This applies with especial force to the farmer. These things are acute because of the low price of farm products due to the inflated gold dollar. As a direct measure of relief, and it is only relief, cut down the interest rates on farm mortgages and amortize the payments. I have spoken to many farmers in my district, and this is what the average dirt farmer seems to want.

He also wants a relief from taxes. This bill goes in an opposite direction and will make for more burdensome taxes. Someone is going to have to pay for the horde of officials it will take to administer this measure, and the farmer, in addition to interference with his liberty of action, will have to pay the piper along with the laboring and business man.

Mr. Speaker, I may further say that, as a member of the Committee on Coinage, Weights, and Measures, we have during the last 12 months taken testimony from witnesses who have resided in various parts of the world who are familiar with the subjects that underlie these conditions. There is no other committee in this Congress that has made such a study into the causes of the agricultural depression in the United States, and I wish to say emphatically that this committee has made a report to Congress which announces its findings. This report specifically and in definite language states that the depression in the prices of farm products in the United States is not due to excess acreage. It is due to something else, namely, to legislative

enactments of foreign governments that have resulted in a market manipulation that has a depressing effect upon the market value of our farm products. This committee fully recognized the seriousness of this charge.

It is difficult to conceive of a more serious statement than this being made in a report by a committee of Congress, made after a thorough study and investigation. So serious is this charge not only from the disastrous consequences to this Nation in its economic affairs but also in the implication of neglect on the part of those whom have had a hand in the management of this Nation and its affairs that this committee has seen fit to go farther and make the following statement in its report:

> We find that this result has followed directly and definitely from certain governmental acts the effects of which are clearly traceable, so that all the important facts are well sustained by the evidence we have gathered. The cause and effect relation is definite and simple; there is no evidence submitted which tends to confuse this relation.

I believe that the recommendations to the President on this important measure have been worked out by his advisers without giving to the deliberations and report of this committee the study to which it is entitled, and I wish to say as a member of this committee that a definite remedy for the agricultural situation in the United States is proposed by this committee and it is in the form of a bill now pending before Congress, and it is very much in the position of the proverbial "needle in the haystack" in that there are only a few most imminently connected with the proceedings of this committee who know and understand that a simple remedy has been made available which until now has not been given an opportunity for consideration. The majority of the committee have the fullest confidence in the remedy that has been worked out as a result of the work of the committee. On the other hand, the President himself has frankly said that the measure before us is an untried experiment.

Here are some of my doubts as to this bill. First, we reduce the acreage of our crops. To do this we reduce the tonnage of our crops. Who is going to replace to the railroads the earnings thus destroyed? Does this House realize that this depletion in railroad earnings will almost be entirely subtracted from net earnings rather than gross earnings? Do we realize that the fixed charges and almost the entire operating expenses of railroads will have to be changed to a smaller tonnage?

We propose here to reduce acreage of the farms. What provision is made for supplying starving millions of people in the world who have for months been out of these provisions? If so, after they become accustomed to a new source of supply, how will we later regain the markets we have lost? The investigation of our committee shows that there is no satisfactory evidence of an overproduction of world supplies, but abundant evidence that commodities cannot circulate through the channels of commerce because the counterflow of money cannot circulate.

Due to a breakdown of the money system of the world, which, according to our committee, is unnecessary and can be corrected by our Government, commerce is dead. We naturally have an accumulated surplus of commodities in countries where these commodities are produced. But we have an accumulated need in other countries. I read in the New York Times about a week ago of one of these countries passing a law to give a bonus and guarantee a price of the local production of what to them is a necessity because these things cannot be brought to them through the same avenues of commerce that would carry them away from us.

It is my view—and I believe it to be the view of the vast majority of our committee—that we cannot deal intelligently with this condition that we call overproduction until after we have first dealt with the cause of the breakdown of world financial institutions which are a necessary part of the machinery of world commerce. I do not propose at this time to go into the technical discussion of what is wrong with the financial machinery of the world—wrong, I mean, from the standpoint of the economic interests of the United States of America. But I do wish to call to the attention of the present administration, and especially to the President of the United States and to every Member of the House of Representatives, as well as the Senate, the record that has been built up by this committee in its study of this question.

I am quite positive in my belief—in fact, I am convinced—that the remedy which this committee is prepared to offer to the Congress is the one sound remedy that goes to the root of this matter. It is the only remedy that deals with the fundamental cause of this depression. It is the only study that locates the definite cause and deals with it. And my conviction that these things are true comes to me not only from the basic soundness of the reasoning and logic that leads to this conclusion, but also from the fact that these matters have had no contradiction. No one has come forward to assail this remedy either by counter statement or by serious debate.

Certain nations have been strong enough to absorb most of the gold of the world, leaving an overwhelming majority of the nations destitute of financing facilities. The markets of the world are closed. Commerce is dead, and until we restore this commerce and open these markets no man can know what his overproduction or what his underconsumption or where these measures are leading us to that are incorporated into this bill.

The United States until now has been a great storehouse of wealth to this Nation, and a great source of supply to the people of the world. A large percentage of our agricultural production has been exported. We dare not surrender this position, trivially and without due and mature consideration. We dare not kill the goose that lays the golden egg. Because if we do there is no assurance we can revive it.

It may well be argued, it seems to me, that instead of reducing the acreage we need to increase the acreage provided our markets can be restored to us for the export of our surplus production. And we cannot possibly know to what extent our markets can be restored until the money system of the world has been brought back to a normal functioning power by the removal of the causes that have brought it to its present deplorable plight.

When I became a Member of this Congress I took an oath of office that I would preserve and defend the Constitution of the United States, one provision of which is that Congress shall coin money and regulate the value thereof. Until we comply with this mandate in our Constitution and bring the value of our gold dollar under the same degree of regulations that the other leading nations of the world exercise in maintaining the value of their money, I am convinced that we are merely putting porous plasters on the body of our patient already covered over with them, until there is no room left for any more of them.

From our neglect during 3 years that have just passed of this provision of our Constitution, we find ourselves now with property values in the United States dwindled to the extent of $100,000,000,000. And it might be estimated roughly that in operating losses we are suffering to the extent of $10,000,000,000 a year.

We need to distribute profits in this country to replace the losses that have followed from the neglect of our Government to attend to the economic situation I am here pointing out. We need to distribute additional profits. We are talking about curtailing acreage which is the source of our profit or should be under proper management of this matter. The present bill provides a method of distributing losses. I would point out that until we restore a profit basis to our industries there is no place where we can lodge these losses without destruction to our capital.

The extremely complicated nature of the means employed in this bill cannot be carried out through human agencies without more confusion and uncertainty. You can decrease acreage on a given farm and yet increase production by intensive cultivation whereby each acre will yield more. This bill also implies a bureaucratic establishment with authority vested in untrained and untried agencies that cannot but lead to unsatisfactory conditions as affecting the regulations under this law. I am strongly opposed in principle to building complicated man-made machinery for

the regulations of economic affairs because if there is one lesson to be learned by the experience of government in history it is that the complicated man-made machinery inevitably breaks down.

The simple operations of economic law, if given full play, bring about adjustments automatically without any change for injustice, impartiality, or tyrannical dictation.

The whole measure, to my view, is going in exactly the wrong direction. It is unsound in its fundamental aspect. It seems to me to be aimed at the very heart of the prosperity of this Nation.

This bill is another relief measure. It is not a remedy. It does not remove the causes of our troubles. It does not provide employment. It does not restore profits. It does not restore commerce. Above all, it does not remove the false yardstick of measure that is bound to destroy business in any country situated in the economic position of the United States.

Mr. FULMER. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana [Mr. SANDLIN].

Mr. SANDLIN. Mr. Speaker, I shall support this measure and, different from most of those who have discussed it, I shall not condemn it.

The only question I think should be in the minds of Members of the House who want to do something for agriculture is that if you do not vote for this bill and pass it, will anything else be done? Are you going to say you are content with the situation prevailing in agriculture today?

I have neither the time nor the inclination to try to point out to this body of intelligent men the situation agriculture finds itself in today, because every 5-year-old child in America knows it. What good would be accomplished by taking up the time of the House to tell the country the condition in which agriculture finds itself when everybody knows it? The proposition is plain to Representatives who come from the industrial centers, and it is plain to every 5-year-old child in America that unless the buying power of the farmers is increased they cannot purchase manufactured articles from the industrial centers of America.

No help can come, as I see it, unless some legislation is passed which will give increased purchasing power to the farmers of America and to the people in the sections depending upon the farm.

We have but one thing to do, as I see it, and that is to support this measure.

As in the case of all laws, the success of this one will depend upon its administration. If this bill is administered honestly and intelligently, there is no reason why great benefits cannot come from it. Are we going to say to the President of the United States, whom we have been following and whom we believe in, that we are not going to give him the machinery he asks for to try to relieve agricultural conditions in this country?

I gladly support the bill, with the hope that much benefit may be received from its sympathetic and intelligent administration. [Applause.]

Mr. FULMER. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Speaker, the Members of this body are familiar with my efforts to better the conditions of those who toil and those who are in need of relief.

It is my understanding that our greatest trouble today is the lack of purchasing power on the part of the millions of our industrial workers and our farmers.

This bill, to my mind, and, from my reading of it, will place a purchasing power in the hands of American farmers which will help provide employment for our unemployed industrial workers.

When the farmers have money to spend—and, with the enactment of this bill, I believe that the farmers will have the money with which to repair their buildings, purchase equipment for their farms, buy furnishings for their homes—it means that our industrial workers will be able to obtain employment in the factories of our country.

Mr. Speaker, I hold in my hand an article from the current issue of the Country Gentleman, written by Harry R. O'Brien, which article is very properly captioned "The Market Behind the Dam." I quote in part from this article:

> A market big enough to restore national prosperity is in a state of suspension in this country today. It is the market of postponed wants and actual needs on American farms, wants and needs that have been accumulating until they have reached almost unbelievable proportions.
>
> To see just how great this dammed-up market is I drove more than 2,000 miles back and forth across the Corn Belt—through Ohio, Indiana, Illinois, Wisconsin, and Iowa. I listened to farmers and their wives tell of their needs and what they would like to buy. Retail dealers, county agents, and others in daily contact with farmers supplied further information. Altogether, the facts make an amazing and moving story of withheld requirements. The totals, however, summed up, are staggering.
>
> The means by which this pent-up buying power can be released constitutes one of the vital economic problems of the time, of direct concern not only to farmers themselves but to the whole structure of the Nation's business, industry, and finance.
>
> "Will farmers buy these things they need?" a hardware merchant in a Wisconsin dairy district answered me. "My friend, they need so much. If the farmers could just get enough for their products—say, $2 a hundred for milk and 6 cents for hogs, so they would feel they were getting ahead—they would come rolling in here and into stores everywhere to buy.
>
> "They would buy and keep buying until there wouldn't be enough factories in the country running night and day to keep up with the demand."

This article proves that the farmers of America will spend many billions of dollars if and when they are able to receive for their crops more than the cost of planting and harvesting.

This article was written after a 2,000-mile survey of our farming sections and shows that in one State alone the farmers would spend $200,000,000 if they had the money. This money would be spent for repairs to buildings, for equipment for the farms, for furnishings of the homes, and for clothes for the wife and the kiddies. There is only one way in which these farmers can secure this most necessary money, and that is to be put in a position wherein they can secure for their crops more than the cost of planting and harvesting.

Mr. Speaker, I am for the American workers, be they engaged in industry or in agriculture.

This bill will eliminate the necessity of many thousands of our farmers being forced to compete with the near-slave labor of foreign countries and, Mr. Speaker, I am for America and for Americans.

I have received hundreds of letters and telegrams from those who are in opposition to the passage of this bill. One of the favorite cries of those who oppose any legislation beneficial to the workers and to the farmers is to claim that the bill is unconstitutional. We are all familiar with that form of protest. I am assuming that the committee would not have reported the bill if there was any doubt of its constitutionality.

Some Members of the House seem to hesitate about the licensing of processors. I want to call their attention to the fact that the American Federation of Labor has for several years petitioned Congress asking for the licensing of manufacturers. And, when all is said and done, what is processing but manufacturing under another name?

The provision contained in this bill to curtail the production of cotton had the support of the Members from my section when we passed the bill less than a month ago, and I have heard no objection to our action at that time.

In supporting this bill, Mr. Speaker, I am hopeful that those who represent the agricultural sections and who will be directly benefited by the passage of this bill will support a similar bill, which, it is my understanding, will be sent to us within the next 2 weeks by President Roosevelt and which will provide benefits for our industrial workers equal to those contained in the present bill for the farmers.

The bill for the relief of labor will give to labor a purchasing power, and I trust that we will have the support of the farming sections at that time. [Applause.]

Mr. FULMER. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. MCKEOWN].

Mr. MCKEOWN. Mr. Speaker, this bill is an elastic bill. There is a lot of complaint that Members do not understand the bill. There ought not to be anything difficult about it.

The language may be confusing, but the principle is not confusing. It gives elastic power to the Secretary of Agriculture to try several different plans, and, if he finds a particular plan does not work as to a particular agricultural product, he may desist in the use of that plan and try another one.

My good friend from Massachusetts takes exception to the fact that the bill is written by a professor. I will say one thing for my Republican friends. They have had a dislike for professors for a long time, since Prof. Woodrow Wilson was elected President of the United States. They took a distaste for professors then, and they still have it.

This bill will permit the Secretary of Agriculture to try the different plans proposed here.

As to the consumer, if the Secretary of Agriculture finds that this tax is too heavy a burden on the consumer or that the consuming public cannot absorb this tax, he is authorized to reduce or to abandon it altogether. The bill gives him wide range, which is something he will need in dealing with such a subject as agriculture, because there are so many kinds and varieties of products to be dealt with. To put him in a straitjacket in the administration of such a law means to invite disaster.

My policy since I have been in the House has always been to vote for any law that is a better law than what we have today. This situation is better than the one we have had in the past, and it cannot hurt agriculture because agriculture is at the bottom today.

So I think many of the fears that have been expressed here will never be realized, because we will have a sympathetic administration of the act. We have passed some good acts in the past, but they have not had sympathetic administration, and this is what is necessary to make a success of any measure; and if the Secretary of Agriculture is given proper authority, then he can carry out the object and the purpose of the legislation. [Applause.]

Mr. CLARKE of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein six specifications made by Mr. Roosevelt, when a candidate for the Presidency, in a speech at Topeka, Kans., so that these specifications may be fresh in our minds.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The matter referred to follows:

THE SIX SPECIFICATIONS

1. The plan must provide for the producer of staple surplus commodities—such as wheat, cotton, corn (in the form of hogs), and tobacco—a tariff benefit over world prices which is equivalent to the benefit given by the tariff to industrial product. This differential benefit must be so applied that the increase in farm income, purchasing, and debt-paying power will not stimulate further production.

2. The plan must finance itself. Agriculture has at no time sought, and does not now seek, such access to the Public Treasury as was provided by the futile and costly attempts at price stabilization by the Federal Farm Board. It seeks only equality of opportunity with tariff-protected industry.

3. It must not make use of any mechanism which would cause our European customers to retaliate on the grounds of dumping; it must be based upon making the tariff effective and direct in its operation.

4. It must make use of existing agencies and, so far as possible, be decentralized in its administration, so that the chief responsibility for its operation will rest with the locality rather than with newly created bureaucratic machinery in Washington.

5. It must operate as nearly as possible on a cooperative basis, and its effect must be to enhance and strengthen the cooperative movement. It should, moreover, be constituted so that it can be withdrawn whenever the emergency has passed and normal foreign markets have been reestablished.

6. The plan must be, insofar as possible, voluntary. I like the idea that the plan should not be put into operation unless it has the support of a reasonable majority of the producers of the exportable commodity to which it is to apply. It must be so organized that the benefits will go to the man who participates.

Mr. GIFFORD. I am speaking a few words on behalf of the industrial districts, which are probably as badly stricken as the farming ones. Figures put in the RECORD yesterday show that 16 percent of the farms are mortgaged. I believe that the percentage is fully as large with respect to industrial localities.

First I shall refer to two of the principal promises made by the candidate for the Presidency.

He declared that any farm legislation should be voluntary in character, but ridiculed the suggestion of the Farm Board that farmers themselves voluntarily decrease acreage by one third. This present proposal is peculiar as a voluntary one, in that we are to "pay" the farmers to reduce their acreage, whereas if they do not decrease it they will probably be subjected to regulations to the end that they will not have access to the processors for the sale of their crops.

It would be foolish to think that, after the Department of Agriculture has entered into an agreement with the processors—with the resources of the Reconstruction Finance Corporation jeopardized in the undertaking—that farmers who would not come in should be allowed the same privileges of marketing as those who had agreed to cooperate.

The President promised that local cooperative organizations would be made use of in any attempt to aid agriculture, rather than any newly created bureaucratic machinery. This bill provides for the greatest bureaucratic machine and accompanying patronage ever contemplated in the history of our Government. Little authority would be granted to local organizations to deal with their own farmers in the bargaining process.

With regard to this "voluntary" scheme, if the farmers do not live up to every last detail in the way of regulations to be provided in the administration of the act, they will find it anything but "voluntary." There appears to be a fine for every infraction of the regulations. I am amused by the speakers all through the House who have been severely critical of this bill, but ended by saying that they intended to vote for it. Very few of you really believe in the measure.

The debate on the bill yesterday was introduced by an argument on the tariff. I want to caution all the new Democratic Members who have come here from Republican States not to be too easily inoculated with theories in favor of reducing tariffs. If you should dare to vote to decrease by one iota a tariff rate on any farm product you would promptly hear from your people back home. The President promised that he would not reduce agricultural tariff rates, while promising that those on industrial commodities would come down. Now he is proposing that the industrial sections of the country shall pay this exorbitant tax, even though their own situation is already as bad as is that of the farmers.

We are enticed to swallow this bill by means of the same bait which we have been offered repeatedly during all the years that I have been here, namely, that if the farmer can only be made prosperous somehow, then industry will prosper.

I want to remind you, as forcibly as I can, that if this scheme works after bargains have been made promising perhaps $1,000,000,000 to the farmers for the acreage which they do not use, there will be no tax—under the terms of this bill it will have to be taken off—and there will be no revenue coming in to meet the enormous expense.

The industrial sections must bear the tax placed on the food which they require, but this tax will not be imposed on exports. The inevitable result will be that of providing cheaper raw material to be used by industries in foreign countries and cheaper food for their workers, which will make competition from that source even stronger than it is today.

This bill is followed by a proposal to refinance farm mortgages at a low rate and extend maturities, but no similar suggestion is made for the relief of those engaged in industries and trade, although it represents a much greater gross amount and has suffered as large a percentage of loss as has agriculture.

We can only protest. We are vastly outnumbered in this Congress, which is seemingly willing to rubber-stamp any-

thing to aid the administration in fulfillment of impossible promises made during the campaign.

[Here the gavel fell.]

Mr. DOXEY. I yield 3 minutes to the gentleman from Texas [Mr. TERRELL].

Mr. TERRELL. Mr. Speaker and Members of the House of Representatives, the strongest argument and the only argument that has weight in favor of this bill is the call to arms to follow our leader. Take away the leadership and prestige of the President and this bill could not command a corporal's guard. Men on the floor of this House have denounced this bill in scathing terms and then declared they would support it because it was the President's bill.

I say to you that I am a better friend to the President than they are. I declared publicly through the press for him for President 15 months before he was nominated, and I am still for him and will follow his leadership in all matters that seem to offer any relief for the people. But I want to protect him from his fool friends and save the Democratic Party from wreck and ruin, which the passage of this bill will bring upon it.

It strikes down every principle for which the Democratic Party has fought for 144 years, and establishes in its stead an autocratic government with a subordinate appointive officer as the dictator.

Agricultural relief is very important, but the preservation of our democratic government and its institutions is more important.

I am a farmer and feel the need of relief more keenly than most of you, since I have no other property than farm lands, and the returns from said lands will not pay my taxes.

I have supported the President's emergency measures because the special interests had wrecked the agricultural, industrial, and financial structures of the country and had pulled the house down upon themselves, like Samson of Biblical history, and something had to be done immediately to clear away the debris and rebuild the structure. The banks were closed, money was locked up, depositors could not get their money, and business was practically paralyzed. There was no time to wait and no time to deliberate.

These emergency measures are temporary expedients and must be reconstructed on a sound and permanent basis. If they are not, they will be like a house built upon sand and will fall when the winds of adversity and the rains of lost confidence beat upon them. And great will be the fall.

This Government cannot stand when built upon a financial structure based upon debts of the Government which can only be paid by pyramiding bond issues and heaping more taxes upon the people. The system will have to be changed or the whole structure will fall.

This agricultural relief bill is an admitted experiment which may prove a greater failure than the "noble" experiment, which both political parties are now pledged to eliminate from the Constitution and statutes.

I should like to support this measure if it could have been amended so that it offered any measure of relief, but the committee refused to consider some of the most important amendments, and a rule has been brought in under which there would be no chance to offer amendments upon the floor of the House. This being true, there is no way of perfecting the bill, and I cannot support it.

The declared purposes of the bill are all right, but they cannot be accomplished under the means provided, and we should stop conferring dictatorial powers upon administrative officers, for when these powers are once conferred they are seldom withdrawn, as shown by the fact that the war powers granted President Wilson have not been repealed.

It is declared that these autocratic powers must be conferred upon the Secretary of Agriculture to control crop surpluses and restore pre-war prices for agricultural products. Low prices and the present financial and agricultural debacle were not caused by crop surpluses. Overproduction in farm products has never produced a panic—has not produced this one and never will produce one. There is no overproduction of any useful article if the people have the money to buy it.

Underconsumption caused by low prices of farm products and loss of purchasing power by farmers and wageworkers have caused the surplus of the products of the farm and factory, and these surpluses will continue until buying power is restored to the farmers and wageworkers through better prices for farm products and better wages for laborers.

Criminal manipulation of the money market and criminal practices of the market exchanges produced this panic, and they will continue to produce panics until they are abolished or regulated and controlled by the Government so as to prohibit such criminal practices in the future. The people everywhere are crying out against these criminal practices and yet nothing is being done to stop them.

Samuel Untermeyer, one of the greatest lawyers in the United States, has for years pointed out these unrestrained and criminal practices, and Congress and the States have done nothing to control them.

I am very glad that the committee has adopted one amendment that I suggested prohibiting all persons engaged in the administration of this act from speculating in agricultural products covered by this bill. This greatly improves the measure, and if I could have had one other amendment adopted to insure the accomplishment of the declared purposes of the bill I would have supported it.

Gentlemen, you certainly have not forgotten the losses incurred by the Farm Board in trying to boost the market by trading on the exchanges, and I am glad that a repetition of these transactions will not be allowed. Do not forget that the Government is spending millions of dollars teaching the farmers to make two blades of grass grow where one grew before, and the Farm Board comes along and asks the farmers to plow up one third of what they have already produced. Certainly the Government's wires are crossed somewhere.

The farm leaders who favor this bill and the continuance of the fool practices of the Farm Board do not represent the real farmers, and most of them are expecting to land a good job in the administration of this act if it passes. Not one of them or anybody else can tell how this act can or will be enforced to raise prices and benefit the farmers, and no man can accurately define the extent of the powers delegated.

Why is it so important to pass this bill without amendment? It is too late to get any reduction in wheat acreage this year, and not much reduction in cotton and other crops can be secured. Let us not repeat the failure of the Farm Board and other "noble experiments" and squander a billion dollars in a futile attempt to destroy a private marketing system, built up by a hundred years of actual business experience, and establish a half-baked experimental system on its ruins. The Secretary of Agriculture estimates that he will tax the dealers and processors $800,000,000 to experiment with this new and untried plan. This is a sales tax in disguise.

No dealer has to take out a permit or pay the tax unless he wants to, and suppose a majority of them decline to take out this permit or license, but a minority of them take it out. I ask, then, will the Government strike down the business of the majority and destroy their life's earnings by fining them a thousand dollars a day and refusing to let them do business without a Federal license? I do not want the Government to tell me how to run my business, but if I engage in unfair practices to rob the people, the Government should step in and stop those unfair practices. And that is as far as the Government should go.

The dealers and processors are not going to pay that tax but will pass it on to the consumers or producers, or both, and it is questionable whether that tax can be applied in such manner as to raise the price of any farm products, and it will wind up with the loss of the money advanced by the Reconstruction Finance Corporation, which must be recouped from the Public Treasury by additional taxes upon an already bankrupt people. No one can estimate the

number of the vast army of high-salaried employees necessary to administer this act nor the amount of taxes levied upon the people in carrying out its provisions.

I should like to abolish the Farm Board, the Reconstruction Finance Corporation, and all governmental agencies engaged in private business, and take the Government out of business, but I fear we have gone too far to turn back. The Government will finally have to take over the railroads, as they will never repay the money borrowed from the Reconstruction Finance Corporation.

If we must enact this bill in an attempt to raise the prices of farm products, and I admit that they must be raised to restore prosperity, let us then take time to perfect it and pass a bill that will permanently restore agriculture.

Farming is a basic industry upon which our manufacturing and financial institutions are builded, and is of such paramount importance that we are justified in stabilizing it for the safety and security of the Nation. This is the only ground upon which such legislation can be based.

One of our great governors said, "Civilization begins and ends with the plow." I said in an agricultural address, "Farming must pay or the Nation will perish." Both of these slogans are axiomatic and one of our farm papers carries them at its masthead as a reminder to the public of their great importance.

I suggested another amendment to this bill to which many of you will disagree, but it is the only thing that will absolutely do what the bill is intended to do, and that is for the Government to guarantee a profitable price for cotton and wheat, the two great export crops that go abroad and bring back our balance of trade. In this connection, the tariff wall must be knocked down or lowered so as to permit other countries to sell us goods and buy our products.

The price of other crops cannot be guaranteed so easily as that of cotton and wheat; therefore they should not be included in the guarantee at present, but could be included after a successful trial of this plan. The Government guaranteed the price of wheat during the World War and did not lose a penny, so the plan is not new. It is a simple plan.

The Secretary of Agriculture would estimate the amount of cotton and wheat necessary to be produced in this country next year to supply the world's demand, taking into consideration the production of other countries under normal conditions. Then he would name a price for each product equal to the average pre-war price for 5 years immediately preceding the World War and agree to take the amount of each product at the price agreed upon; or he could take any other period of 5 years when normal conditions prevailed and prices were profitable. The main purpose is to keep the proper balance between the price of farm products and the price of other articles for which they are to be exchanged through the medium of money. With an adequate supply of money available for agricultural purposes and the prohibiting of gambling on the exchanges, there would be no need for farm legislation. The farmers ask no favors of the Government. They will take care of themselves if you will drive the moneychangers from the temple of the Government and make them take their hands out of the Public Treasury and let Congress assume its constitutional duties to coin money and regulate its value and distribute it to meet the requirements of the people.

Take the tax eaters (the Farm Board employees) and the horde of political agricultural advisers off the backs of the people and take their hands out of the farmer's pocket and there will be no cry for agricultural relief. There must be some relief for farm-mortgage foreclosures and for debts contracted under high prices, because it now requires four times as much cotton, corn, or wheat to pay these debts as it did when they were created, and money must be made cheaper or farm products made higher before they can be paid.

I will gladly support legislation to relieve this situation, but cannot support a measure that promises no relief, but proposes to build up a bigger and more expensive machine than that of the Farm Board, which is now discredited everywhere.

The Secretary of Agriculture should have contracts signed with all growers of these products, as authorized by this bill, to reduce the acreage and production to the allotted amount.

These contracts could be signed in 30 days by the existing Government agencies, such as county agents, postmasters, land-grant colleges, State departments of agriculture, and such agencies as banks, chambers of commerce, and other commercial organizations without any cost to the Government.

In my judgment, under this guaranteed price the Government would never have to take a bale of cotton or a bushel of wheat, because the dealers, manufacturers, and millers would at once recognize the safety and stability of this plan and could make contracts, without fear of great fluctuations in prices, like we have under the present gambling system. Future gambling on the exchanges has been one of the greatest causes of unstable markets and low prices. They sell hundreds of millions of bales of cotton and bushels of wheat, and no delivery is intended or made under these transactions, but everybody knows that heavy selling of futures lowers the spot market, as spot prices invariably follow the futures market.

The law of supply and demand ceases to operate when gamblers control the market. Why do not Henry Ford and General Motors sell their cars on the exchange? If they are essential to the marketing of cotton and grain, why does not the Steel Trust and other business organizations use them to sell their products? They do not use them, but they manufacture their products and name the price at which they are to be sold, and that price is a profitable price, or they would go out of business. All other concerns break and go out of business when they cease to make a profit, but the farmers stay broke all the time, and cannot go out of business, because the other fellows would starve. This being true, farming must survive if the Nation survives, and we are justified in naming and sustaining prices that will save the industry and save the Nation. [Applause.]

Mr. DOXEY. I yield to the gentleman from Michigan [Mr. WEIDEMAN].

Mr. WEIDEMAN. Mr. Speaker and gentlemen of the House, I represent a district in Detroit, the greatest automobile-manufacturing city in the world. Its future salvation depends upon an increase in the profits of the farmer, higher wages for the worker, and a smaller interest rate on mortgages. I am willing to stand by the President of the United States and vote to support this bill.

The city of Detroit (and the State of Michigan) for 4 long years has endured more suffering than any city in the country. We are dependent to a very great extent for our very existence upon the prosperity of the automobile and allied industries. The sale of the automobile and the employment of the citizens of our city are dependent, to a very great extent, upon the welfare of the farmer.

While I have no farmers in my district, as a Representative from a metropolitan area, I am willing to go to almost any length and support any legislation that will tend to increase the earning power of the farmer and which will tend to bring his standard of living up to one that the American people should be proud of.

I am willing to support our committee and its recommendations, and endorsements of our President on this bill, because he has displayed his courage by being the first one to declare that if this bill does not work he will be among the first to acknowledge it and ask for a change in this law.

Our country demands action, and now; and any step that we take on behalf of relieving any class of citizens who have been suffering and who have lost property and possessions which represent a lifetime of work and savings cannot be in vain.

Whether this bill accomplishes all that our President hopes it to accomplish or not, he has at least the courage of his convictions to at least try to better our condition. I am for him, with him, and shall support him with my vote on this measure, as it may help the farmers; and if it does, it will help to bring back to its normal place the automobile industry.

The automobile industry is striving for its very existence at this time. People employed in many of the automobile factories and especially the body shops of the city of Detroit are not paid a living wage. It is and has been an insult to our American civilization to ask urban workers to work for the average standard of wages paid in the automobile-body industry in Detroit.

If by the passage of this bill we can aid in any little measure the future well-being of our metropolitan workers, a vote for this measure would not have been in vain. I hope that in the very near future we may be able to devise some means whereby the small-home owner and the farmer may be able to refinance his home or his farm at an interest rate not to exceed 1½ percent. It is of the utmost importance that much of the earnings and profits of labor and the farmer be conserved unto themselves and not paid out as blood money in the form of interest to Wall Street.

To further distribute actual money throughout the country and in every city and hamlet, I recommend the payment of the adjusted-service certificates in legal tender, according to the provisions of the Patman bill, thereby giving to the soldier who fought in defense of his country the same rights as are now enjoyed by the banking industry in this country.

If this bill is not successful, I shall not hesitate to support such legislation as I think will remedy the defects in this bill we now have before us for consideration.

Mr. DOXEY. I yield 4 minutes to the gentleman from Illinois [Mr. DIRKSEN.]

Mr. DIRKSEN. Mr. Speaker and gentlemen of the House, I represent the Sixteenth Illinois District, the district that sent Abraham Lincoln to Congress in 1846. [Applause.]

I feel strangely at home in this body, for I sat here in the last week of the Seventy-second Congress, and I have attended all of the sessions of the Seventy-third thus far, and after hearing all the debates on the bill under consideration I feel like the two chaplains who were lost in the Argonne. They were lost at night. The heavy shells were coming over and airplanes were flying over them dropping bombs. They had gotten lost from their regular military organizations. They were wandering around in the mud and water of the shell holes, when they heard a voice from a trench saying, "Who in h—— led that ace?" The chaplains got up and embraced each other and said, "Thank goodness we are among Christians." [Laughter.] I say I am like those chaplains, because nobody here seems to know what the bill is about, and I have some doubts about my own knowledge of the bill. [Laughter.]

They say Professor Tugwell does not know; they say that Dr. Ezekiel does not know; and I should not wonder but what the President of the United States, Mr. Roosevelt, himself, does not know what the content of the bill is. We are a good deal like the magistrate who was listening to a case. After the counsel for the plaintiff had finally wound up his argument, a young attorney representing the defendant started to argue. The magistrate said, "What are you going to do?" The young man said, "I am going to make my plea." The magistrate replied, "I do not want to hear your plea. When one man talks I can come to a rather sober conclusion, but when two of you get up and submit argument I get confused and do not know what it is all about." I think some of us have been confused about this bill. The only thing is to come back to the bill itself. I realize it is not up to expectations. I think it is a good deal like the stockings that the negro lady bought down here in Washington. They did not fit, and she took them back. The clerk said, "What is the matter? Do not they come up to expectations?" She replied, "Lawdy, boss, they do not even come up to my knees." [Laughter.] I think that is the way with this bill, as a matter of strict fact. It does not come up to expectations; but if you will compare this bill before us now with the committee print submitted to this House in the first instance, you will find that on page 4 of this bill, in line 7, it reads:

The Secretary of Agriculture is hereby authorized to enter into contracts—

And so forth. The original committee print read:

The Secretary of Agriculture is authorized and directed—

And so forth. The "directed" has been stricken from the bill under consideration, so that it has not got very much power. If it has not got teeth, I should say it is eminently safe to vote for the bill. But I am going to say this to the Members of this House:

When the stentorian voices begin to respond to the Clerk, as he calls the roll, you should do like the Irishman who fell down the steps of the House Office Building the other evening when it was raining. He had a bottle of that good old Maryland rye in his hip pocket. He fell down, and as he got up he felt something trickling down his leg, and he said, "Begorra! and I hope it's blood." [Laughter.]

And all I can say to the gentlemen of the House is that as you respond to the roll call you say, along with your vote, "O boy! I hope it works." [Applause.]

Mr. DOXEY. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. FORD].

Mr. FORD. Mr. Speaker, since 1921 the plight of the American farmer has been recognized, discussed, weighed, and considered. But nothing has been done to halt agriculture's march to ruin. From 1921 to 1929 we experienced a false prosperity, based on wild speculation, hectic industry, and crooked banking. At the same time the agricultural and mining industries languished.

We were living then in a fool's paradise, with all the gayety and glitter of the jazz age. The administration then in power was convinced that prosperity was possible, while agriculture lay prostrate. There was much talk about farm relief, but there was no intelligent action to produce that relief.

In March, 1929, while farmers saw themselves tottering to inevitable ruin, we were told that all was well, that we were entering on a new economic era with higher standards of living and unexampled prosperity. Our friends on the other side of the House then applauded that fallacious statement. In doing so they forevermore disqualified themselves as judges of economic conditions, including the farmers' plight.

The unsoundness of their philosophy is due to an inherent inability to gasp the plain economic fact that unless our farmers prosper, the Nation cannot for long be prosperous.

This bill has the sound economic aim of restoring agricultural prices and thus the purchasing power of the farmers of this Nation. Restored purchasing power is the keynote to the return of good times.

It will stimulate business, create employment, rescue the debtor from his inability to meet his obligations, safeguard the creditor, and stimulate returns on all investments.

Why quibble over this and that in the bill? Why bring forth destructive arguments based on fear and lack of faith in America?

This bill is constructive—not destructive. It is designed to aid and relieve, to stimulate and revive. It puts no burden on the individual consumer. It promises restoration and insures at least a crop for the coming year.

Behind it is the man in whom all America has faith. I, for one, am willing to go all the way in my support of this courageus man and his courageous program. [Applause.]

Mr. DOXEY. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. HOEPPEL].

Mr. HOEPPEL. Mr. Speaker and Members of the House, I oppose this bill because, as I view it, it is contrary to the law of God as well as man. I notice in the bill that production of animals is to be curtailed or put under control. I am surprised that human birth control is not included in the same measure. I contend that we have no right or power to legislate to control or seek to limit the income of a producer, as we are attempting to do in this bill. If we have a right to limit the income of a producer, how much more right have we to limit the income or control the income of the nonproducer—the bankers—and members of the stock exchanges, who have brought the farmer to his present status? We are seeking here to give the farmer an in-

creased income, and we all admit that he should have an income. From whom is he to receive this income?

We have a national income today of I do not know how many billion dollars. The farmer is to receive an increased income and it is to come from the American working people, the very people whom just a few days ago you voted to take from the Federal pay roll, and the veterans, from whom it is proposed to take $500,000,000 of their earned and justly due compensation and pension. You cannot build up the farmer, except merely temporarily, unless you build up the income of the entire Nation, and you can build up the income of the entire Nation if you will take the huge profits from bankers and restore those profits to the American people. Congress has the power and the right to control and coin money, and it should certainly have the right to control the profits of bankers. If you wish to put the farmer on his feet, let us do as some of the Republicans indicated yesterday, do it by direct loans at low rates of interest, and most of all, let us issue $5,000,000,000 and put the unemployed to work. If you will do that, the problems of the farmer will dissipate into clear air, and also, while you are about it, why not pay the soldiers' bonus, which is justly due them?

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. FULMER. Mr. Speaker, I yield now to the gentleman from California [Mr. STUBBS].

Mr. STUBBS. Mr. Speaker, I hail from an agricultural district in California. It is as large as four of the eastern States—Massachusetts, Rhode Island, Connecticut, and Delaware. It so happens that the largest living things in the world are in my district, and it so happens that the highest point in the United States, that of Mount Whitney, overlooks the great area which I represent. My district reaches from the snow-crowned Sierras to the sea. Those mighty snow-crowned peaks are standing there silent and watchful guardians, insuring wealth and happiness to the 300,000 people in my district.

But somehow or other during these years of misrule and misguidance our people are prostrate at this time, and from those 300,000 across the continent today is coming the cry for help upon the part of this Congress. To my desk come literally scores of telegrams asking that this Congress give to this agricultural area some assurance of relief and some hope. I believe it would be wise for this body at this time to support this measure, for it holds out some hope and some encouragement to this agricultural district of mine and to the hundreds of others of this Nation. So I shall favor this measure because my people are anxious for this relief. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from California [Mr. STUBBS] has expired.

Mr. CLARKE of New York. Mr. Speaker, I yield 15 minutes to the gentleman from Pennsylvania [Mr. BECK].

Mr. BECK. Mr. Speaker, there is one very significant feature of this debate and that is that there has been, so far as I have followed it, no reference to any grant of power to the Congress by the Constitution, which would justify the passage of this legislation. If this were a bill that followed well-defined laws and could invoke a settled line of judicial decisions in its support and was not a bill, which, as the President has said, invites us to enter upon a "new and untrod path", then the absence of this primary question of constitutional power might be explained; but we are confronted with a bill, about which we are unanimous in one respect, that is, that it is the most extraordinary law that was probably ever proposed to the American Congress. Yet, with that common consent as to its unprecedented features, no one has suggested any pertinent clause of the Constitution, which grants to the Congress the power to pass this legislation.

The gentleman from California [Mr. HOEPPEL] said a few moments ago that this bill was contrary to the laws of God and of man. He might have added with equal force, but perhaps he included it in the last of the two classes, that it is indubitably in violation of the Constitution of the United States.

Let us recur to the very elementary principle, that for some years past has been ignored in this body, that the Constitution never vested in the Congress any power in respect to agriculture as such.

In the Constitutional Convention an attempt was made to confer a federal authority over manufactures, but that was promptly voted down on the ground that it would be destructive of the limited purposes of the Federal Government; but no one had the audacity to suggest in the Constitutional Convention, although many of its members, including its illustrious presiding officer, George Washington, were farmers, that there should be a federal power in respect to agriculture as such. Notwithstanding the fact that a large majority of that convention were farmers, they, with the pride of the good yeomen of this country, nothing undervalued to the "good yeomen" of England, of whom Shakespeare speaks, never contended that there should be a federal power in respect to agriculture. How, then, have we any constitutional control over agriculture? Simply in respect to the interstate transportation of agricultural products or foreign commerce or legitimate taxation, and if this bill were limited to transactions which were properly part of interstate or foreign transportation of agricultural products, or interstate commerce therein, it would then have some justification.

The only other theory, which may reconcile the Members of this body in respect to their constitutional powers in voting for this measure, is the suggestion of an emergency. I think of all the damnable heresies that have ever been suggested in connection with the Constitution the doctrine of emergency is the worst. It means that when Congress declares an emergency there is no Constitution. This means its death. It is the very doctrine that the German Chancellor is invoking today in the dying hours of the parliamentary body of the German Republic, namely, that because of an emergency it should grant to the German Chancellor absolute power to pass any law, even though that law contradicts the constitution of the German Republic. Chancellor Hitler is at least frank about it. We pay the Constitution lip service, but the result is the same. With that dictatorship the German Republic will for some indefinite time probably try to function.

Let me summarize some details of the bill by using the words of a recognized publicist, Mr. Mark Sullivan, when he said, in substance, that—

> The Secretary is empowered "to enter into marketing agreements with processors or producers of any agricultural commodity", "to issue licenses", "to suspend or revoke such license", to exclude any processor not licensed under penalty of a fine of $1,000 a day, "to provide for reduction in the acreage of any basic agricultural commodity", to fix prices for farm products equivalent to prices "during the pre-war period, August 1909 to July 1914"; "to establish State and local committees or associations of producers to act as his agents"; "to levy, assess, and collect * * * a tax to be paid by the processor", to change this tax at will, to abate or refund taxes, to borrow from the Treasury. The Secretary is even empowered to levy, assess, and collect duties upon imports into the United States upon commodities which, within the United States, are subject to the processing tax. "Such duties shall be in addition to any other duty imposed by law." A special set of powers having to do with cotton gives the Secretary authority "to buy cotton", "to sell cotton", "to borrow money on cotton", "to enter into contracts with producers of cotton", to deliver to producers of cotton "nontransferable option contracts", to be exercised by producers who reduce their acreage.

Thus we are making the Secretary of Agriculture a czar for the agricultural interests of the country, with a power not only over the American farmer, who once had great pride and self-respect—and I believe still has—but we are giving him a power such as was never dreamed before over the products of the farm and over the processors who convert them into useful commodities. What is the result then? We confer upon the Secretary of Agriculture these powers to determine who shall take part in any processing business, because the power is given to him to license, and, if he refuses to grant a license, anyone who attempts to pursue a

legitimate business of processing can be indicted in the federal courts and fined $1,000 a day for daring—God save the mark—to engage in a legitimate business interest without the visa and permission of the Secretary of Agriculture.

Do you realize that a year ago the Supreme Court of the United States said that that could not be reconciled with the fundamental liberties of the American citizen as guaranteed by the fifth amendment as to the Federal Government and by the fourteenth amendment as to the people of the States; for in a case that came up from Oklahoma the legislature of that State provided that no one should engage in the ice business unless he got a permit from the Corporation Commission? The Supreme Court of the United States said that the business of engaging in ice was a legitimate business, that it had no suggestion of a public utility that gave any larger governmental power, and that therefore it was to take from a man the right to life, liberty, and the pursuit of happiness if he is denied the right to engage in any legitimate calling without first asking the permission and getting the visa of the Corporation Commission of the State of Oklahoma.

Mr. JONES. Will the gentleman yield?

Mr. BECK. Yes; I yield.

Mr. JONES. In this particular bill the license applies only to those engaged in interstate commerce or in the current of interstate commerce, whereas the instance of which the gentleman speaks is a local matter.

Mr. BECK. It was local, but as I understand this bill, anyone who processes agricultural commodities must obtain a license from the Secretary of Agriculture.

Mr. JONES. I think the gentleman will find it is not quite that broad.

Mr. BECK. The gentleman from Texas is far more familiar with this bill than I am. If my statement is wrong, I am wrong, but it does not alter the fact that the Secretary of Agriculture is given unprecedented powers in respect to the intermediate practice of processing. Moreover, even if the license system is confined by the act to interstate commerce, yet the Supreme Court has never sanctioned a doctrine which would require a governmental license to engage in interstate commerce unless it was a public utility like the stockyards. The taxes assessed by the Secretary of Agriculture on processing do not go into the Treasury for the general benefit of the Teasury but are turned over to a special class of the American people, thus robbing Peter to pay Paul; and that is a gross perversion of the power of taxation.

I could not pretend to exhaust the constitutional objections to this bill. They are many and varied. I have hinted at two: one, the lack of power to deal with agriculture as such, except insofar as its products go into interstate commerce; and, I referred to the extraordinary power over the legitimate business of processing, which is given to the Secretary of Agriculture, which makes him another Stalin over agriculture. Just as the Russian dictator controls the unhappy farmers of Russia, so, precisely, the Secretary of Agriculture is now to be lifted up on a supreme throne of power and made the most powerful official of the Government, measured by practical effects, by the powers thus conferred upon him.

I may say, without pretending to argue the unconstitutionality of the law, that this aspect of the question that the bill will be passed whether it is consistent with the Constitution or not confronts every thoughtful man with this portentous fact: The Constitution of the United States, insofar as it prescribes the mechanics of government, still lives; the Constitution of the United States in respect to certain personal limitations that are to protect and safeguard the liberties of the individual still lives; but the Constitution of the United States, as a restraining influence in keeping the Federal Government within the carefully prescribed channels of power, is moribund, if not dead. We are witnessing its death agonies, for when this bill becomes a law, if unhappily it becomes law, there is no longer any workable Constitution to keep the Congress within the limits of its constitutional powers.

Mr. LOZIER. Mr. Speaker, will the gentleman yield?

Mr. BECK. I yield.

Mr. LOZIER. The gentleman is a great constitutional lawyer and I always listen to his addresses with interest and profit.

Is it not true that in the development of our governmental structure and in the evolution of our complex civilization in America our people and courts have traveled far from John Marshall's and Alexander Hamilton's conceptions of government and construction of the Constitution? Is it not a fact that in the last hundred years the constitutionality of many of the most important and far-reaching laws has been challenged when they were first presented in Congress, and the constitutionality of which laws was afterward established? I refer particularly to the legislation that followed the great Civil War.

Mr. BECK. I do not want to interrupt my friend, but my time is limited and I yielded for a question only.

Mr. LOZIER. Is it not true that the courts have been construing the Constitution more liberally in the last 50 years than in the early days of our Republic, and are not our courts, whenever it can be done without doing violence to the plain mandate of the Constitution, construing that great document in the light of present-day problems, in order to accomplish much-needed reforms, better serve the citizenry, and promote social justice, on the theory that the purpose of all just governments is to promote the interests and welfare of the people; and have we not traveled far from the old rules or canons of construction formulated by Marshall, to which the distinguished gentleman so eloquently and convincingly appeals this afternoon?

Mr. BECK. We have traveled far from Chief Justice Marshall—the more the pity—but the gentleman from Missouri is right, in my judgment, and I agree with all he has said as a statement of fact. There is no such thing as a static Constitution, as it is of necessity a living organism, and it has always responded and must inevitably respond in a democracy to the profound changes of a mechanical civilization; but there must be some limit unless you are willing to agree that we are not living under a government of limited powers but under a government of unlimited powers. If the concluding sentence of the statement of the gentleman from Missouri is correct, namely, that whatever is for the general welfare of the United States—and that means whatever Congress deems for the general welfare of the United States—is a justification of any legislation, then we have no Constitution; its form has survived, but its substance is gone; it is, as Chief Justice Fuller said in a notable opinion:

> It is with governments as with religions, the form often survives the substance of the faith.

When our Constitution was framed a wise and powerful ruler, Frederick the Great, said that no federated government was possible in a country of widely scattered communities, whose economic interests were conflicting. The Fathers of the Republic sought to meet this objection by confining the Central Government to well-defined channels of power, and these were prescribed in words of such admirable clarity that they have won the admiration of the world; but the doctrine today that animates this Congress—Senate and House—for years past is that the Constitution is a beautiful thing to respect and occasionally read, but as a practical force in restraining unconstitutional legislation it is nonexistent. Whether the Union can survive the destruction of the wise restraints of the Constitution is a question that must now seriously interest all thoughtful men.

I recall a saying of a distinguished American philosopher, who once said—I quote from memory—that as he saw the American people gaily rushing with invincible optimism to the abyss of destruction, he seemed to be witnessing one of the greatest tragedies in the history of the world. This was not an exaggeration. We are fast wasting in a spirit of opportunism our noble heritage—the Constitution of the United States. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I recognize that there is quite possibly more question about the constitutionality of the licensing feature than any other feature of the bill. But I want to read the language of the bill in that respect:

> To issue licenses permitting processors, associations of producers, and other agencies to engage in the handling, in the current of interstate or foreign commerce, of any basic agricultural commodity or product thereof, or any competing agricultural commodity or product thereof.

This same language was used in the Packers and Stockyards Act and was used in the Grain Futures Act, and was held to be constitutional because it only involved interstate commerce and the facilities that were used in the current of interstate commerce.

So there is a precedent for at least the insertion of this provision.

Now, as to the delegation of the taxing power, there may at least be some question there; but I remember that when the last tariff act was up in 1930 the gentleman from Pennsylvania [Mr. BECK] made a speech declaring that the flexible provisions of the tariff were unconstitutional. The Supreme Court disagreed with the gentleman in the case of *Hampton & Co.* v. *The United States* (276 U.S. 394). An effort was made to use practically the same sort of yardstick in the levying of the tax here that was used in that instance. At least the same method was used insofar as it was applicable.

Mr. BECK. Will my friend from Texas yield?

Mr. JONES. Yes.

Mr. BECK. The case of Hampton against United States was decided long before I made my argument against the flexible-tariff provision.

Mr. JONES. Yes.

Mr. BECK. And I have not changed my mind as to that.

Mr. JONES. But the flexible provision of the tariff to which the gentleman referred is still in the act and is still being administered.

Mr. BECK. That is quite true.

[Here the gavel fell.]

Mr. FULMER. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. BIERMANN].

Mr. BIERMANN. Mr. Speaker, if I thought that the farmers of the fourth district of Iowa on November 8 voted for the program set out in this agriculture bill, I would vote for it here today, but I know that when they voted for me they voted for something directly contrary to this bill, and from my interpretation of the Democratic platform, upon which a great majority of this House was elected, we were all elected on principles directly in contravention of the principles upon which this bill has been drawn.

I want to read you a couple of planks from this platform:

> We condemn the extravagance of the Farm Board; the disastrous action which made the Government a speculator in farm products, and the unsound policy of restricting agricultural products to the demands of the domestic market.

If this characterization does not exactly fit this farm bill, then I do not understand it at all. I have sat through all the hearings in the Committee on Agriculture, and listened to all the discussions and to the examination of all the witnesses and I cannot persuade myself that I would be doing the right thing by the people of my district or that I would be carrying out the instructions of my platform if I vote for this bill, and I shall vote against it.

Let me read another plank of the Democratic platform upon which we were elected:

> We condemn the Hawley-Smoot tariff law, the prohibitive rates of which have resulted in retaliatory action by more than 40 countries, created international economic hostilities, destroyed international trade, driven our factories into foreign countries, robbed the American farmer of his foreign markets, and increased the cost of production.

Now, this bill sits on a foundation of a high protective tariff. This bill cannot be administered without a high protective tariff. No man can take the floor and tell you that this bill can be administered unless we have a high tariff system. [Applause.]

[Here the gavel fell.]

Mr. FULMER. Mr. Speaker, I yield to the gentleman from Texas [Mr. STRONG].

Mr. STRONG of Texas. Mr. Speaker, I am going to support this bill, and am hoping it will bring much relief to the farmers of the Nation, for I believe agriculture is the principal factor in the commerce of this country, and when agriculture suffers all other business is bound to suffer. I am going to say at this time, I believe if the financial system of this country is properly administered it will bring the needed relief to the farmers, manufacturers, and all other business concerns of the Nation. It is as impossible for the commercial body to live without proper circulation of money as it is for the human body to live without sufficient circulation of blood. Therefore, when the circulation of money is abated, business is bound to die.

We see at this time our country full of food products and also an abundance of material for the manufacture of clothing; still there are millions of people in the United States at this time suffering from want of food and proper clothing. In other words, we have an abundance of all commodities, but the people have not the money with which to purchase these supplies. Therefore it must be plain to all that the cause of this depression throughout the Nation is insufficient circulation of money.

The Constitution of the United States says that Congress shall issue money and regulate its value. I submit to this House whether or not Congress is performing this plain, simple mandate of the Constitution or whether it has farmed out this principal function of government to a few unscrupulous manipulators who have not only ruined the agricultural interests of the country but have destroyed all business. I therefore claim if Congress will do its full duty concerning the issuing of money and regulating its value, all business, including agriculture, will experience great prosperity; and until the circulation of money in proper volume is brought about by Congress this awful depression now prevailing will continue.

I understand the President will shortly ask Congress to aid the farmer and other commercial interests by giving to the country a larger volume of money and am hoping Congress will act promptly in putting this measure into effect if the President asks for such legislation.

Mr. FULMER. Mr. Speaker, I yield to the gentleman from Texas [Mr. MCFARLANE].

Mr. MCFARLANE. Mr. Speaker, I believe in this bill and I am going to support it. This measure has been submitted by the President and has the hearty approval of practically all of the agricultural associations, cooperatives, and farmers' organizations. This measure has been carefully considered by our House Agricultural Committee, the members of which have almost unanimously agreed upon and recommended its passage. It is recognized that this is a far-reaching bill, having wide and almost unlimited powers. Under its provisions the bill will be administered by the Secretary of Agriculture, and, according to the general expressions heard here on the floor yesterday and today from both sides of the aisle, Mr. Henry Wallace, of Iowa, the Secretary of Agriculture, is recognized as one of the best-informed men on this subject within the United States.

FARMERS BANKRUPT

It is well recognized that agriculture generally is bankrupt; that we must immediately increase the purchasing power of the farmers if this body of people are to be saved from penury. In the committee report the object of this bill is clearly set forth in the following:

> The bill seeks to establish and maintain such a balance between production and consumption of agricultural commodities and such conditions in the marketing of agricultural commodities as will give to such commodities sold by farmers their pre-war purchasing power.
>
> If the basic agricultural commodities were now at price levels which would give them at farm prices a value equivalent to their pre-war purchasing power, the prices therefor would be approximately as set out.

Average price of farm products received by producers

Commodity	Price Feb. 15, 1933	Parity price as of Feb. 15, 1933
Wheat	$0.323 per bushel	$0.919
Cotton	$0.055 per pound	.129
Hogs	$2.94 per hundred pounds	7.530
Butter	$0.184 per pound	.267
Milk	$1.16 per hundred pounds	1.900
Beef cattle	$3.31 per hundred pounds	5.410
Lambs	$4.19 per hundred pounds	6.140
Rice	$0.54 per pound [1]	.860
Tobacco:		
Burley	$0.127 per pound [1]	.100
Flue-cured	$0.116 per pound [1]	.141
Fire-cured	$0.062 per pound [1]	.081
Cigar-leaf	$0.105 per pound [1]	.120

[1] Tentative estimate.

INCREASE BUYING POWER

While I do not agree with all the different provisions of the bill, I believe it will be honestly and fairly administered for the rights of the farmers; and if it does not prove satisfactory, it may be promptly changed. If we are to expect the return of prosperity, we must increase the buying power of the farmer as is proposed in this bill, and I trust it will have the unanimous support of the House.

Mr. FULMER. Mr. Speaker, I yield to the gentleman from Georgia [Mr. DEEN].

Mr. DEEN. Mr. Speaker, I am going to vote for this bill for the reason that the President says that if it does not work he will recall it. It cannot make farm conditions much worse but will perhaps make them better. The farmer has been relieved of his farm, his home, and other property. We must have a new type of farm relief.

Again, I shall vote for it because the farmer has been stabilized through all the years, having been taken from his home and put in the stable; and I, being one of the millions of farmers who have traced the furrows almost every year, now demand consideration rather than stabilization.

I am proud of the fact that I am one of the farmers who know that prosperity is not around the corner but in the furrow and will only return when the farmers are made prosperous.

I do not believe that any body of men or any group of people, such as this body, can expect prosperity in the United States to return until we shall have gone to the bottom of the trouble. The trouble is not that we need a specific class of legislation but that we need money in circulation.

The farmers of my district say that if you will help us put money in circulation the farm problem will solve itself.

We need to begin at the bottom. I do not know of but one thing in which we can succeed by beginning at the top, and that is digging a well.

It is therefore necessary to start at the bottom. There are enemies of the farmers in this Nation. International bankers and special interests have sapped the vitality of the farmers of the United States. I promised the people in my district that I would fight those enemies until hell freezes over, and play peek-a-boo with them around the icebergs, until the morning sun thaws out that institution and fighting time is good again.

The SPEAKER pro tempore. The time of the gentleman from Georgia has expired.

Mr. FULMER. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. SISSON].

Mr. SISSON. Mr. Speaker, I am not entirely in sympathy with this kind of legislation any more than I have been in sympathy with the kind of legislation involved in the Smoot-Hawley and the Fordney-McCumber Tariff Acts, but I am going to vote for this bill because after 12 years of Republican rule, the rule under that party which is admittedly and allegedly the savior of the farmer, we find him near the brink of ruin and it is necessary to apply a palliative. I am not in favor of this as a permanent kind of legislation, but I am not deterred from it by the lamentations of some of the gentlemen on the Republican side who are crying here because incidentally some worthy Democrats may get office under the legislation. I wonder if those same gentlemen who are speaking of misuse of political patronage know that in the dying hours of the Hoover administration, when the banks of the country were closing, the Assistant Secretary of the Treasury, a Republican whom Mr. Hoover appointed, had time to dispense in the building of post-office buildings, three of them in my own congressional district, a sop of architectural work to the chairman of the Republican county committee who happened to be an architect, and that all over the United States.

The criticism made by the gentleman from Massachusetts [Mr. TREADWAY] and several other gentlemen on the Republican side that under this bill there will be a number of places for Democratic officeseekers and that these appointments are not to be made from the classified list under the civil service comes with very poor grace from those sources.

It is a notorious fact that it has been the policy of the Republican administrations from President Harding down to fill as many places as possible with Republican jobseekers without the benefit or aid of the civil service and then by Executive order place them under the civil service so that they would have a perpetual lien upon the offices to which they were appointed. In other words, the Republican administrations during the past 12 years have filled all the offices with Republicans and then built a civil-service wall around them so that they might have a mortgage on their jobs.

The Republicans now come in here and wail because it appears to them that the Democrats have taken a leaf from the Republican bible. I do not believe that it is the object of the present administration in the agricultural bill to create any jobs for Democrats or anyone else. If I did, I would vote against the bill. But inasmuch as some of the gentlemen on the Republican side are unjustly charging the administration with an abuse of political patronage, let me say that the principal adverse criticism that I have heard made against the Democratic Party generally, both by members of that party and by independents, is that they allow too many Republican incompetents to stay in office when there are perfectly good and loyal Democrats to take their places.

As an incident of the abuse of political patronage, and even the rules of decency and fairplay, let me point to the fact that in my own congressional district, as I have already stated, in the dying hours of the Hoover administration, when the banks of 46 out of the 48 States were closing, and even as late as March 4, 1933, itself, the Assistant Secretary of the Treasury, Major Heath, made contracts, or caused contracts to be made, with architects for the building and supervision of post-office buildings at Ilion, N.Y., at Rome, N.Y., and at Boonville, N.Y., although the services of such architects would not be required for several months to come.

The Republican administration made a contract for the post office at Rome with an architect by the name of A. L. Brockaway, of Syracuse. I do not know Mr. Brockaway, but I assume he is a deserving Republican. The Republican administration made a contract for the post office at Ilion with one R. H. Sluyter, an architect of Herkimer, N.Y., who is the chairman of the Herkimer Republican County Committee. They made a contract for Boonville, N.Y., with one William J. Beardsley, of Poughkeepsie, who also, I presume, merely by accident, is a Republican.

Mr. Beardsley, although not a resident of my congressional district, is well known there. Through the office of the attorney for the Board of Supervisors of Oneida County, one of the counties in my district, this same Beardsley was employed by the Republican Board of Supervisors of Oneida County to build the Oneida County jail at Utica, N.Y. It is a well-known fact that this building cost at least $150,000 more than it should, and that, incidentally, the steel cells, which are exactly of the same type and kind as those in the police station at Utica, which was built at about the same period, cost 75 percent more than the ones placed in the police station. This additional burden was placed upon the taxpayers of Oneida County through the offices of the said

Beardsley. This same architect, Beardsley, was also employed, under the leadership of the attorney for the board of supervisors, in connection with the building of the county tubercular hospital in Oneida County. Architects, business men, and professional men in Oneida County protested, but they protested in vain.

Mr. Beardsley is well known throughout the State as a professional political architect. He is employed by Republicans where they are in control of the little local machines. His appointment and employment in the present instance were made in the full light of the knowledge that within the past 2 or 3 years he was indicted by the grand jury of Erie County in connection with public-building work upon which he was engaged in that county. He was tried but found not guilty.

The county attorney for Oneida County is one Harry N. Harrington, one of the Republican leaders in Oneida County, and the principal lieutenant of former Congressman Frederick M. Davenport, whom I defeated for reelection last November. I therefore cannot understand how these gentlemen on the other side can get up here and talk about the misuse of the power of political patronage, and I feel it proper to call it to their attention, as well as to that of the people of the United States, that the whole Hoover administration could take time out, when our financial and economic structure was tottering, to get in under the wire before the change of administration on the 4th of March, 1933, and fill all possible places with Republican jobseekers and to give as much pap as possible to Republican sucklings.

As a new Member of Congress, I have not had an opportunity to study carefully the provisions of this bill. I am obliged to take much of it on faith, knowing, as I do, that President Roosevelt, acting upon the investigations made by competent advisers, and upon the wishes of the leading agricultural economists of the country and a majority of the leading farm organizations, has recommended this bill to the Congress.

I do not know how well it will work. Generally speaking, as I have already stated, I am opposed to this class of legislation. I believe that the permanent relief which the farmer needs will come from a reduction of the tariff on the articles that the farmer has to buy, from the reopening of the channels of foreign trade so as to increase our markets, from measures designed for the refinancing of farm mortgages and the consequent lowering of the rates of interest which the farmer has to pay on his mortgage indebtedness.

But after 12 years of Republican misrule—12 years during which the Republican Party has posed, but falsely so, as the friend of the farmer; 12 years during which the Republican Party has given the farmer the same old bunk about the Republican protective tariff and has administered the hypodermic of Republican protection, the farming industry has been brought to such a condition that we are now obliged to give it a stimulant, if you please, a drug, to keep it alive until sane Democratic policies can be put into operation.

For these reasons, Mr. Speaker, I am going to vote for this bill.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. FULMER. Mr. Speaker, I yield now to the gentleman from Iowa [Mr. EICHER].

Mr. EICHER. Mr. Speaker, the brief time allotted to me permits only the barest summary of the reasons that persuade me to support the pending bill for agricultural relief.

I repeat here and now what I iterated and reiterated to the people of my district last year—that I will support with my voice and my vote any and every measure that affords any reasonable promise of bringing about higher prices for farm products. Intervening events certainly do not release me from that pledge. Official statistics tell the story that in my home county of Washington in Iowa, containing, as it does, a lower percentage of nonarable land than any other county in the State, the State and county taxes (exclusive of special assessments, interest on bonded indebtedness, and the various incidences of direct and indirect Federal taxation) for the year 1932 constituted 52 percent of the money value of the entire crop production of the county, whereas in 1929 they constituted only 18 percent thereof. Obviously, capital resources are rapidly being consumed, and unless the reservoir of gross income is replenished soon, complete repudiation and the utter breakdown of orderly government are inevitable.

The bill before us undeniably represents a sincere effort to bring about equality for agriculture with industry. To be sure, the decline in industrial-price levels since 1929 has also been so severe that mere equality is not enough, in view of the fixed burden of debts and taxes under which agriculture groans. Necessarily, both industrial- and agricultural-price levels must be raised to a point that will make the debt and tax load again bearable, that will bring about reemployment for labor, and will increase the general consumer buying power of the Nation. Prior to 1929, while general consumer buying power still remained at a relatively high level, I believe that through experiments with the equalization fee or the debenture plan in an earnest endeavor to arrest the steadily falling value of the farm dollar, equality in money return between agriculture and industry could measurably have been attained on a basis of approximate relativity with the existing debt and tax structure. The resulting unemployment and collapse in industry so accurately traced to the vanished farm buying power by the gentleman from New York, Doctor SIROVICH, would most certainly have been prevented.

It occurs to me to supplement the gentleman's comment on the changing proportions between agricultural and industrial wealth since the beginnings of our Nation. Where but from the soil came the increment between the 2 percent of colonial days and the 65 percent of the present day that industrial wealth comprised and comprises of the total wealth of the country? Since 1921, at least, there has been no such increment from the soil represented in money in its capacity as a measure of value. Is it any wonder that our reservoir of values is emptying so fast, and is it not clearly indicated that a greater proportion of those values measured in money must be allotted to agriculture? And, just as clearly, the volume of our dollars—whether metal, paper currency, or bank currency—in their capacity as media of exchange can and must be increased to and maintained at the point where the farm dollar will sustain a fair and just ratio with the debt and tax dollar for the payment of which agriculture remains obligated.

I could wish that the essential buying power of agriculture could be restored without resort to tax or subsidy, for in my opinion a sound, healthy, and permanent stabilization for the farmer can come only through the removal of price discriminations against him in the things he must buy and the elimination of artificial restrictions upon the movement of his products in the domestic and world markets. But under existing conditions and in this emergency of strangulation drastic remedies must be applied. The price-raising effects of this bill, coupled with adequate mortgage refinancing later to be supplied, will, I believe, enable the independent homeowning farmer to work his way hopefully from the lowlands of despair to the hilltops of a brighter day.

This measure contemplates the expenditure of no public funds except for administrative advances later to be repaid from processor taxes collected. I have faith that the President will promptly recognize and move to remedy any defects or inequities in the legislation or in its administration that experience may develop. I have faith that no more than a fair price will be paid for the cotton to be purchased from the Farm Board. I have faith that the substantial interests of all existing agencies engaged in the distribution of the commodities concerned will be fairly and equitably conserved. I have faith that the law will be administered economically and to the ultimate advantage of both producer and consumer. It will receive my vote. [Applause.]

Mr. CLARKE of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. ARENS].

Mr. ARENS. Mr. Speaker, ladies and gentlemen of the House. We have been listening to so many Democrats and Republicans that it is probably proper to hear from a Farmer-Laborite at this time. I am going to support this bill. Yesterday my illustrious colleague from Minnesota, Mr. CHASE, stated that not one cooperative in Minnesota was supporting this bill. I have a right to speak for at least some of the cooperatives. I have been the vice president for the last 12 years of the Land O'Lakes Creamery Association, with which a good many of you are familiar. It is one of the outstanding cooperatives. They, together with the other farm cooperatives of Minnesota, had conferences last year to determine which legislation they should support. They also tried to determine what legislation they would propose themselves. They proposed the so-called "Minnesota plan". My organization took an active part, and we believe that through the Minnesota plan, by which the Government was enabled to rent land, the surplus would be eliminated and that better prices would thereby be brought about. We dairymen are not confronted with a surplus.

I represent a dairy section in Minnesota, right south of the Twin Cities, and all the crops that we raise are fed into milk cows and hogs. The dairy people are not confronted with a surplus, but we are vitally interested in bringing prosperity back to the cotton and the wheat farmers in order not to have them take up dairying, because it will take only a very little more to produce a surplus of dairy products. Therefore I believe that the feature of giving the Secretary of Agriculture authority to lease land and take it out of production will eliminate the surplus.

Another reason is that it gives the Secretary of Agriculture the right to license organizations and companies that market agricultural products. We find the following language on page 7 of the bill:

> Such licenses shall be subject to such terms and conditions, not in conflict with existing acts of Congress or regulations pursuant thereto, as may be necessary to eliminate unfair practices or charges—

And so forth.

I believe the Secretary of Agriculture by licensing cooperatives or other organizations that deal with farm products may be able to eliminate this unfair discrimination that the dairymen especially have been confronted with. Discriminatory competition is liable to wreck a good many milk cooperatives in the big cities. I know you people in the East are familiar with unfair practices. I know the farm cooperatives in Chicago are confronted with it today. I know they are also up in my territory.

Another reason I am for the bill is that it places the power in the hands of one of our men. I have known Mr. Wallace for many years. I have read his paper for many years. He is one of our men. I know that he is not going to put into operation any regulation that will hurt agriculture. I know that he is going to be careful. I have all faith in him, and that is one reason I support this bill. I do not approve of all of the provisions. I am very sorry that the majority party did not give us an opportunity to amend the bill. I hope there yet will be a way to put in improvements. If we are not permitted to do it on this side, I hope the Senate will do it. In section 9 (a), where it provides for a processing tax to be used to bring the purchasing power of a commodity up to the same purchasing power which the commodity had in the pre-war period from 1909 to 1914, the bill here should be amended to bring the purchasing power of a commodity up to the present cost of production plus a fair interest on the investment. In section 10 the bill should be amended so no officer, employee, or expert could receive more than $7,500 per annum in place of $10,000, as now in the bill.

I agree with the gentleman from North Dakota [Mr. LEMKE]; the operation of this bill could not bring about a price for agricultural products that will restore our purchasing power. It should be the cost of production.

The SPEAKER. The time of the gentleman from Minnesota [Mr. ARENS] has expired.

Mr. DOXEY. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas [Mr. FULLER].

Mr. FULLER. Mr. Speaker, ladies, and gentlemen, it is amusing to listen to the criticism offered by some against this measure, but practically every speaker concludes with the statement that he intends to support the bill. Criticism is a dangerous weapon, it carries force and conviction; but those who pursue the course of criticism never build and leave any monument of deeds accomplished. We all concede that this measure is an experiment, so confessed by the President, who sponsors this measure; if it proves to be bad, he and his party will be the first to repudiate it. This is even a radical measure, viewing the history of the past, but it takes radical legislation at this time to extricate us from the damnable condition surrounding agriculture.

Our Republican friends have criticized this bill, but, with all their criticism, most of them will line up and vote for it; and we know they will where they represent agricultural communities. They simply want to place themselves in a position, if the measure is not a success, so they can claim, "I told you so." Four years ago their party promised the farmers relief but gave nothing; they promised to place agriculture on an equality with industry, but as a result of their legislative enactments agriculture is prostrate. There is one thing sure about this bill—it will raise the price of wheat to 95 cents per bushel; it will raise the price of cotton to 12 cents per pound; it will raise the price of hogs from $2.50 to $7.50 per hundred; and it will likewise raise the price of cattle, rice, and dairy products mentioned in the bill. When these farm commodities rise in price it will naturally carry an increase in price in all other farm products.

The time has come when it is absolutely necessary that we should do something to relieve the farmer in order that he may at least receive more than the cost of production. If we will remedy the evil condition that exists in this Nation and leave the farmer alone, he will take care of himself. In the past the policy has been to "farm the farmer" instead of granting him relief. When the farmers of this country fail to prosper, industry and every other business fails to prosper.

It is contended by some that this bill gives a dictatorship to the Secretary of Agriculture. To a great extent that is true. Democracy has always stood for the rank and file of the people of this country, but this same Democracy has nerve and courage, when circumstances demand, to appoint a man as dictator whose heart and disposition are right in order to obtain results. A few days ago we gave the power of dictatorship to the President of this Nation over the banks of the country. Why should we refuse a dictatorship to the Secretary of Agriculture under the leadership of this same President for the farming industry of the country?

No one needs to be ashamed or apologetic for voting for this measure if he lives in an agricultural community or if he favors helping agriculture and the prosperity of this country. Those on the Republican side have criticized the procedure, saying that they did not have an opportunity to offer amendments. We have allowed 6 hours of debate, and if there is any provision of this measure that is not correct or that should be amended, why has not someone brought forth that particular criticism and suggested the amendment or that elimination which should be really considered? If I had any amendment to offer, or if I saw any serious objection to this bill, I would set it forth in an argument with a view that another body of this Congress would have an opportunity to take advantage of and to suggest that kind of a remedy.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. FULLER. I yield for a question.

Mr. CLARKE of New York. The gentleman understands we are forced to meet this measure under a rule where we are not allowed an opportunity for amendments?

Mr. FULLER. Yes; as I have just stated, that is true, but if there is any particular part of this measure that needs amendment, the gentleman from New York, who is the

ranking Republican member on this committee and who is always found fighting for agriculture, should have pointed out what part of this bill should be amended, eliminated, or remedied. In my opinion, the gentleman from New York, consistent with his record of the past in working for agriculture, will be found voting for this measure and is not really at heart opposed to the same.

Mr. WEARIN. Will the gentleman yield?

Mr. FULLER. I yield to the gentleman.

Mr. WEARIN. Does the gentleman understand that the Farmers' Union, the Farmers' Bureau, the Grange, and other agricultural organizations are backing this bill?

Mr. FULLER. My understanding is that all of them are advocating the passage of this measure.

The gentleman from Massachusetts [Mr. TREADWAY], in his argument, asked the question as to whether or not the Agricultural Committee did not cut out the clause providing that this law should be administered by civil-service employees. I am pleased to state to the gentleman that the original bill did provide that the civil-service employees should administer this measure. We did not ask the President whether he wanted these men to so act or not. I, for one, take pleasure in saying that I took an active part in successfully insisting, along with the Speaker and the Democratic leader, that this clause be eliminated. I do not want it to be, and this measure is not going to be, administered by a lot of professional politicians nor by office men. We want it administered, as we are sure it will be, by practical business men engaged in agriculture, among whom will be many dirt farmers. We have learned from the Republicans and we still believe in the Jacksonian doctrine that "to the victor belongs the spoils." In this connection it might be well to say that we are not radical about the spoils in this kind of a measure, because it reaches the rank and file of the depressed people of both parties. Since last November, in particular, we have changed our lifelong opinion, to a great extent, and now conclude that there are a great, great many good Republicans in this country. Our great leader, appreciative of Republican support, has done what no other man dared to do; he appointed three men in his Cabinet who were formerly known as Republicans. We are pleased to know that the man who will administer this law, Secretary of Agriculture Wallace, was formerly a Republican, and his father was Secretary of Agriculture under a recent Republican President, but he saw the light and knew from experience and observation that the only way agriculture could hope or expect relief would be at the hands of Democracy. As a firm believer in the principle of Roosevelt and the relief that he has promised to this country, we have no fear that he will not honestly and fearlessly administer this law to the best interest of the greatest number. [Applause.]

Being a crusade movement, it is barely possible in a short time this measure may not be successful, but it is at least an effort in the right direction. The fact that the cotton spinners, the grain and stock exchanges, the stockyards, and the packers are against this measure lends strength and force to the righteousness and merits of this bill.

The real relief that the farmers need is much more important than that set forth in this measure. The burning necessity of the day is Federal legislation that will not only stop foreclosure of mortgages upon the farmers' homes, thus throwing these families into the public highways, but legislation, backed by this Government, that will allow the farmer to borrow money over a long period of years at a low rate of interest and give him an opportunity to catch up. A little over a year ago we loaned $125,000,000 to the Federal land banks of this country, created and morally, at least, backed by the Government, in order that they would make new loans and extend credit to those who were behind with their payments. These banks did nothing to carry out the spirit of that loan but continued to foreclose, as they are today. Our President announces that he has such a program in process which he will present to Congress in the next few days. It is to be hoped that we can go as far with agriculture in this relief as we have gone with banks, the railroads, and the other big financial institutions of this country. If we do not make an effort and if we do not give some real relief to the farmers of this country, whose homes are being taken away from them by mortgage foreclosures, we might just as well fold our tents like the Arabs and figure on retiring to the shades of quiet, peaceful, and domestic life. [Applause.]

Mr. DOXEY. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. MARLAND].

Mr. MARLAND. Mr. Speaker, I will vote for this bill.

I represent a great wheat-growing district in Oklahoma. I will vote for this bill intended by the President to relieve agriculture. But with greatest reluctance, because I believe it will not have the desired effect of increasing the farmer's income sufficiently to permit him to pay his taxes and mortgage interest and support his family.

I believe this bill, if it becomes a law, will increase the farmer's difficulties by giving him two bosses where he now has one—adding the political-enforcement officer to his present banker boss.

I do not believe that the farmers of my district want to curtail production. Nor do I believe in the necessity of curtailing their production if the markets of the world are opened to them by the remonetization of silver, and the purchasing power of the people of this country be enlarged by a reflation of currency and credit.

I will vote for this bill only because the President has asked Congress to give him the opportunity to experiment with the agricultural problem, and because he has promised to give up the experiment as soon as he discovers it to be unworkable.

However, it is my firm conviction that nothing will help the farmer to pay his taxes and mortgage interest and to hold on to his land except a revaluation of the dollar. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Oklahoma has expired.

Mr. DOXEY. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Speaker, it would be presumptuous for me to challenge the accuracy of the statements or conclusions of the distinguished gentleman from Pennsylvania [Mr. BECK], who is universally recognized as one of the most scholarly and versatile men in the United States; but, as the gentleman was making his complaint about the Constitution being dead, I remembered that in 1886 the old historian, George Bancroft, issued a pamphlet in which he made An Appeal for the Constitution, and in which he claimed that the Constitution had been betrayed and assassinated in the house of its friends, when the Supreme Court of the United States in 1878 definitely and finally decided the *Legal Tender cases*, and held that Congress had the power to issue notes and make them receivable for all debts, public and private. I want to say to the gentleman from Pennsylvania that practically every great, forward movement in legislation in the United States in the last century has been prejudged and condemned in advance of its enactment as unconstitutional. Under the stress of the great Civil War Mr. Chase and President Lincoln were unable to secure the enactment of a national banking act, and it was debated in Congress from 1861 to 1863, when the exigencies of war forced its enactment.

The famous Legal Tender Act was first upheld by the Supreme Court in 1869 by a divided court, 5 to 3; then again in 1871, after a reorganization of the Supreme Court, this act was again sustained by a divided court, 5 to 4; and it was not until 1878 that the Supreme Court of the United States unequivocally and finally sustained the Legal Tender Act, and held that Congress had the right to issue notes and make them receivable for all debts, public and private, in times of peace as well as in war times.

The act creating the Interstate Commerce Commission, the act creating the Federal Trade Commission, and scores of measures in every decade of our national history have been viciously assailed as unconstitutional when they were

being considered by the Congress, yet when these laws were tested in the courts it was found that they violated no provision of our organic law.

It is not my purpose to discuss the constitutionality of the pending bill, some of the provisions of which I consider of doubtful validity. I am merely suggesting that great lawyers, like the gentleman from Pennsylvania, have often been mistaken about the constitutionality of laws that afterward received judicial approval. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Missouri [Mr. LOZIER] has expired.

Mr. DOXEY. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. CHURCH].

Mr. CHURCH. Mr. Speaker, I asked for a moment of time in order that I may read a telegram I received today from California, which is a sample of many other telegrams I have received. It reads as follows:

Present conditions aggravate farmers, causing large membership in radical organizations in this district. Vitally important pending farm-relief measures be passed to prevent outbreak among the farmers.

I submit, as long as such cries for help are coming from all over the United States, we ought to do something, actually do something, for the farmers, instead of talking so much. [Applause.]

Mr. CLARKE of New York. Mr. Speaker, I yield 3 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am opposed to this measure—I shall vote against it. I cannot believe that the Senate will vote out this agricultural-relief trial balloon. It is going to sink over there.

Nobody wants to help the President more than I do in this great national emergency. I have proved that already. Every Congressman who voted for the economy bill which gave the President such tremendous power proved he was willing to follow the President when necessary. It nearly broke our hearts to vote for some of those provisions. The House had no opportunity to amend the bill. We had to vote for it or have no economy measure. We did it to balance the Budget. We were told that the Budget must be balanced to save the United States. This bill would immediately unbalance the Budget. It would close mills in your Southland and my Northland. It would give employment to people in foreign countries rather than in our own. It would increase the price of foodstuffs and clothing 25 to 50 percent.

It must be a very bitter pill for those who voted against the sales tax in the last session of Congress to accept this super sales tax on the necessities of life, a sales tax which would not have been placed on food and clothing, because food and clothing were exempted. It would be fairer now were we to place this super sales tax on food and clothing, to place sales tax on the luxuries of life which would tax the rich as well as the poor. You know, and I know, when we stop to analyze this bill, that the poor people of our districts are the ones who will pay this tax to a far greater extent than the rich. In Massachusetts alone it will add millions to the cost of food and clothing.

This is an enormously expensive bill. It will create real suffering. It is thoroughly impracticable. I am going to extend in my remarks some of the further reasons why I cannot vote for this measure.

I have been in Congress 8 years. I have watched legislation carefully since 1913. Never in all that time has a bill been so criticized or so condemned by faint praise, even by its supposed proponents. The chief refrain is "I do not like the provisions of the bill, but I am going to vote for it." No one thus far has been able to explain how it will really help the farmer. It is obvious from its high cost of operation it will hurt the taxpayer, to say nothing of the hardships it will work upon the man of very small means. I want to help the farmer. The Members from farming districts know that I have voted for measures which I believed might be of benefit to the farmers. They cannot doubt my sincerity.

I want to support the President. He has a tremendously difficult task. I expect to support him in every sound measure which he sends to Congress in this crisis. [Applause.]

[Here the gavel fell.]

Mr. FULMER. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. CLAIBORNE].

Mr. CLAIBORNE. Mr. Speaker, I am unalterably opposed to the bill, and, of course, being opposed to it shall vote against it. [Applause.]

As a newcomer to this body I cannot comprehend the mental condition of men who criticize a bill and then wind up saying "It is a bad bill, but I will vote for it." [Applause.] To pass a bad bill is to make a bad law.

I say to my colleagues on the Democratic side, the bill will pass; but, if it passes in its present form it will accomplish one thing: The next President of the United States will be a Republican. [Applause.]

Mr. Speaker, the bill is so indefinite that a lawyer cannot comprehend what it seeks to accomplish. The bill is so un-American that it should not emanate from this House. The bill is so pregnant with possibilities for waste that it should not pass this House. You Democrats should reflect on the teaching of Grover Cleveland when he said that a public office is a public trust. If you propose to create jobs for the purpose of distributing the taxpayers' money to Democrats, and that alone, it was a mistake on the part of the people to send so many of you here.

Lastly, the bill is doomed to failure.

I make these statements as a city man, but I know nothing of dirt farming. The Chamber of Commerce of Kansas City circulated a form letter among 6,000 farmers, men tilling the soil, in Missouri, Kansas, Oklahoma, Texas, Colorado, and Nebraska, and the majority of the 6,000 farmers are interested in one thing only, and that is, getting legislation from the Congress that will save their farms from foreclosure. [Applause.]

Mr. ROGERS of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. CLAIBORNE. I yield.

Mr. ROGERS of Oklahoma. Does the gentleman know how many farmers there are in the States in which the questionnaires were sent?

Mr. CLAIBORNE. Six thousand farmers were circularized. I will put a copy of the circular in the RECORD to rise up like Banquo's ghost to plague the Democrats. [Applause.]

The SPEAKER pro tempore. The gentleman will have to get unanimous consent to insert anything in the RECORD.

Mr. GOSS. Mr. Speaker, I ask unanimous consent that the gentleman may be allowed to insert in the RECORD the matter he is referring to.

Mr. PATMAN. Mr. Speaker, reserving the right to object, will not the gentleman state how many farmers there are in the States he mentioned? He stated that 6,000 replies were received, but 6,000 out of how many farmers?

Mr. CLAIBORNE. Six thousand farmers in these different States answered.

Mr. PATMAN. But how many farmers are there in the States who might have been interrogated? Does the gentleman know there are over a million farmers in these States?

Mr. CLAIBORNE. Does the gentleman from Texas know that, or is he guessing?

Mr. PATMAN. I know it.

Mr. LAMBERTSON. Mr. Speaker, I object, because one question is prejudicial and does not state the facts correctly.

Mr. ZIONCHECK. Mr. Speaker, I object because it comes from a chamber of commerce.

Mr. CLARKE of New York. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Speaker, in the time allowed, of course, it is quite impossible to discuss this bill in detail. Indeed, one would have no right to attempt to discuss it in detail unless one had had 4 or 5 days or more than that in which to study its provisions.

I am not sure that I strike a responsive chord here this afternoon when I say that as one Member of this House I deeply regret that the House is permitting itself to be merely a funnel through which this legislation shall pass, in purely mechanical fashion, and thus leave it to another House, the Senate, to do the actual legislating. [Applause.]

For one, I am exceedingly grateful to the distinguished gentleman from Pennsylvania [Mr. BECK] for his remarkably clear exposition of the constitutional questions involved in this proposal. I shall not attempt to add to what he has said in this regard.

I may confide to you that my business is farming. It is my only business. I will admit to you that it is not a particularly happy business at this time; but from my own experience and observation in the farming business and then upon reading the provisions of this bill, literally I am staggered—I am staggered at the character of the proposals and the difficulties which will be encountered by the Government in endeavoring to carry them out. I am amazed that such a proposal with all its infinite ramifications should come from any administration for the exercise of the power of control, guidance, and compulsion over this huge industry. I visualize the immense bureaucracy that must be built up with its headquarters here in Washington, and its tentacles reaching all over this country, and as the gentleman from Kansas so well said a little while ago, reaching every back yard, endeavoring to control and to compel, Mr. Speaker, the citizens of this country in their millions.

It has been suggested here that remedies should be proposed by those who oppose this bill. It strikes me, and has struck me for many, many months, that the things that the farmers of this country need most of all are, first, reduction in taxation, and this is especially a local duty; second, any measure of relief which the Congress can afford to them under the Constitution of the United States in the matter of the interest on their mortgages; and, third, Mr. Speaker, and most important, in my humble judgment, is the taking down of that multitude of artificial barriers erected by governments all over the world, which are today stifling international trade.

[Here the gavel fell.]

Mr. FULMER. Mr. Speaker, I yield to the gentlewoman from Kansas [Mrs. MCCARTHY] such time as she may desire.

Mrs. MCCARTHY. Mr. Speaker, much time has been given to this so-called "poll" conducted by the Kansas City Chamber of Commerce and some publicity given it through the press.

I want to read you a telegram in regard to this poll of so-called "dirt farmers". This is from the Jewell County Farmers and Merchants Club in my district and reads:

> Urge support farm program; broad grant of power to administration; place agriculture in buying position. Suggest start on grain operators and packers who bear markets to discredit Government in business for farmer. Their propaganda scattered through grain and stock buyers country over and broadcasts by grain exchanges. Under circumstances Kansas City Chamber of Commerce poll is a farce. Farmers and merchants, however, want farmer in buying position. Please get this over to the Members of Congress.

Of course, as has been stated, our farmers are interested in refinancing farm mortgages, lower taxes, and other relief measures which will later come before us, but there are a great many farmers that do not even own their farms, and, therefore, have no mortgages or taxes to pay, but they are selling their commodities below cost of production, the same as the owners of farms, and they are interested in some immediate relief, and this bill will give it to them. [Applause.]

Mr. JONES. Mr. Speaker, I yield to the gentleman from Montana [Mr. AYERS] such time as he may desire.

Mr. AYERS of Montana. Mr. Speaker, as a farmer and rancher I arise with a brief and a plea for the farmer and rancher. For 12 long years their department of government has been administered by the Civil Service Commission and political farmers.

In answer to my colleagues across the aisle, who complain of the absence of civil-service provisions in this bill, I say it is high time to abandon civil service in the practical administration of the Agriculture Department and place therein actual practical agricultural men. If this bill passes, that can be done, and I have faith that it will be done. [Applause.]

Mr. JONES. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. SHOEMAKER].

Mr. SHOEMAKER. Mr. Speaker, being an actual farmer myself, I may say I think this bill should have a little more time. I want to see the farmers get something just as quick as I can, but I think this bill should go back to the committee for a little reconsideration.

I know there are many features involved in the bill that I do not understand, and, of course, I do not know why I should, as it was written by people who know as little about farming as I do about this bill. I am just a farmer, and the farmers for the last 12 years have been given something. They have always been given something that has usually turned out the wrong way. I want to see them get something real this time.

With regard to this vast organization that is going to be built up to control the farmer—I will not say for patronage purposes, but to control his production—I want to call your attention to the fact that Congress passed a law permitting people to shoot a serum into a cow's tail to tell whether the cow was any good or not, so the packers could get her for nothing, and it took 2,500 National Guard men in the State of Iowa to test the cows on one farm; and if you are going to start a revolt of that kind through an autocratic method that is going to be perpetrated on the American farmers, this is a thing to be considered in connection with this bill, and it is a thing that is very liable to happen in America.

Just a few days ago in Des Moines the farmers met with the holiday movement and the Farmers' Union movement, and, to correct a statement that was made here a few moments ago, I may say that the Farmers' Union has not indorsed this bill and has not signed the statement about it. [Applause.]

Mr. CLARKE of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Speaker and Members of the House, the thing that has impressed me throughout this debate is that none of the proponents of the legislation will vouch for its practicability; none of them will assure the House that it is going to work; that it is going to give the farmer the relief that we want to give him and which he must have if he is to survive. In fact, every speaker who has appeared before you in behalf of the bill has done so with his fingers crossed, as it were. All of them say that it is an experiment, and that if it will not work we will try something else. My friends, that is just what we have been doing for the past 13 years—experiment, experiment. Members of Congress, I say to you that this is no time for experimentation. The need for immediate and effective relief is so urgent as to challenge the best efforts of this body. We have a remedy at hand that will give immediate relief. Why experiment?

This legislation should be entitled "An act to sovietize American agriculture", because that is just what it will do. Were this measure to go into effect in its present form, it would build up the greatest political machine in all the history of the Republic. Not alone that. It would restrict and further destroy the farmers' market, as if we have not already done enough damage to that market with the ill-advised and impracticable legislation we have passed in past Congresses in the name of agricultural relief.

The situation of the farmer is desperate and he must have help, but such legislation as is proposed here today will not help him. Indeed, it will but injure him. It is nothing more nor less than another bread pill for him to swallow. As a matter of fact, that is all that we have been giving him for the past 13 years. I cannot recall a single farm-relief measure enacted in the past decade that has given the farmer a nickel more for his butter or wheat, or a single penny on his hogs or cattle.

Now, if we really want to help the farmer, why do not we pass legislation that will refinance the mortgage on his

farm at 2 percent or 3 percent and over a long period of time? Also reduce his taxes. That will help him as nothing else will. [Applause.]

Mr. JONES. Will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. JONES. I want to say that the President has announced that he will in a short time send to Congress a message advocating the refinancing of farm mortgages. [Applause.]

Mr. KNUTSON. I thank the gentleman. I will give such a program my enthusiastic and whole-hearted support. Let me say to my good friend from Texas, for whom I have the highest regard and than whom there is no better friend of agriculture, that if such a proposition is passed by Congress there will be no more need for this legislation than there would be for five wheels on an automobile. [Laughter and applause.]

Mr. Speaker, let us face the issue squarely and without demagogery. The cause of the farmer's plight is largely due to the impairment of the city worker's purchasing power, also to the fact that he is being called upon to liquidate his obligations at a time when his products only bring a half and a third as much as they did when his indebtedness was incurred. In other words, it now takes 2 or 3 times as much products to liquidate every dollar's worth of indebtedness incurred as it did when times were flush and money easy. Notwithstanding this, his taxes have increased from 100 percent to 300 percent in that time; also he is paying just as much for his farm equipment as he did in time of peak prices. Cannot you gentlemen see where that leaves him? Do you wonder that we have farm holidays; that the farmers in the Mississippi Valley have in many instances banded themselves together to prevent farm-mortgage sales on the basis of present-day values—forcibly, if necessary? For 13 years he has seen himself slowly but surely sinking in the quagmire of bankruptcy. In that painful process he has from time to time been appealed to by demagogs and political self-seekers, who knew little of the whole affair and cared less, save as they could turn the situation to their own political advantage. That, my friends, is one of the reasons we find the problem on our hands today, and in so serious a form. Literally the American farmer has been betrayed in the house of his so-called "friends", as he has time after time been sacrificed to political expediency.

Mr. Speaker, the painful part of this debate has been the number of so-called "friends of the farmer" who have repeatedly declared that while they have little or no confidence in the efficacy of this legislation, they nevertheless must do something for agriculture, even though it be but a gesture. In other words, we are asked to give the farmer another "shot in the arm" to temporarily allay his pain. Ye gods! And you call yourselves statesmen.

Mr. Speaker, I am proud and happy to note that my old friend, Mr. LUNDEEN, of Minnesota, does not take that attitude. He and I came here together in the Sixty-fifth Congress. I well recall how he and I voted against this country entering the great World War. I recall how we were appealed to to stand by the President; how they waved the flag and called those of us who dared to stand for the common people and the best interests of our beloved country, unpatriotic; how the press reviled us—all at the behest of the international banker whose only care and concern was the protection of his European investments. Today, as then, Mr. LUNDEEN and I stand with the minority, but let me assure you that in so doing we also stand for the best interests of the American farmer. Let me say to you flagwavers who are seeking to stampede this body into voting for this legislation, that if the Senate does not make some drastic changes in this bill, and it is put into operation in its present form, many of you who vote for it will be numbered among the missing after the next election. You cannot continually fool the American farmer. He is not a serf, neither is he so forgetful as some of you seem to think. He knows that this legislation would set up the greatest organized body of tax-eaters ever created in this or in any other country. Also does he know that he will not tolerate dictation from bureaucratic Washington. He is not a Russian serf, neither is he one who will sell his birthright for a mess of pottage.

Again I say, let us refinance the farm indebtedness of this country on a fair and equitable basis. Senator FRAZIER, of North Dakota, has pending in the Senate such a bill, and I have a somewhat similar measure about ready to reintroduce in this body. Not alone must the farmer have cheaper money but his indebtedness must be scaled down to somewhere near present-day values.

Mr. Speaker, let us have done with bread pills and kindred remedies. Already we have squandered enough money on inefficacious farm relief to have financed one half of the farm indebtedness of America. What the hour demands and must have is legislation based on sound principles that will again place the American farmer upon his feet and make him independent.

Mr. Speaker, in conclusion let me say that I regret exceedingly that I cannot see my way clear to follow our beloved President and his able Secretary of Agriculture on this measure, much as I should like to do so. I entertain for these gentlemen the highest regard and greatest respect. It had been my hope that I would be able to vote for Mr. Roosevelt's entire rehabilitation program, but, unfortunately, in this instance I find that I cannot do so; because, in my humble judgment, this measure is inadequate and falls far short of our needs.

Mr. JONES. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Speaker, the gentleman from Illinois [Mr. BRITTEN] yesterday prefaced his remarks by the statement that he came to this House 20 years ago. If that is the case, I must have met him on my way out. [Laughter.] But after that long interim I am here to raise my voice for 2 minutes in support of this bill, and to briefly indicate the reasons why I am supporting it. A gentleman yesterday, in opposing the bill, read from telegrams of undisclosed origin some statements indicating that the farmers of the country were opposed to this legislation. In answer to this suggestion I want to read into the RECORD a statement from the report on this bill.

> The principles of the pending bill were indorsed by a conference of 50 farm leaders, called by the Secretary of Agriculture on March 10, and including among others representatives of the American Farm Bureau Federation, the National Grange, the Farmers' Union—

The three principal farm organizations in the country.

In addition to that, I want to say that I have received telegrams and letters from farmers and farm organizations in my district asking me to support this legislation, and I have not received a single protest against it.

So much for those supporting this legislation. In my campaign in Colorado last year I disseminated a very brief statement of principles. My pledge to the farmers, and I think I can claim it as a model——

[Here the gavel fell.]

Mr. MARTIN of Colorado. Will the gentleman give me 1 minute more?

Mr. CLARKE of New York. Mr. Speaker, I yield the gentleman 1 minute.

Mr. MARTIN of Colorado. My pledge to the farmers was an example of brevity if nothing else. Here it is:

> The farmers make up nearly 40 percent of the population of this country, but their organizations have never succeeded in getting a single piece of legislation on the Federal statutes. Why not give the farmers' program a trial? I will.

I say to you gentlemen that I am here today to redeem that pledge. [Applause.]

I am encouraged to believe that this House will give me the opportunity to redeem two more specific pledges to the farmers of Colorado—the amortization of farm debts and the remonetization of silver.

The main objection made to this legislation in debate constitutes its chief merit in my judgment, and that is the varied and elastic powers it confers on the Secretary of Agriculture to adopt, modify, or discard any or all of the principal plans for farm relief which have been proposed

in Congress; and I am not to be swerved by considerations touching congressional dignity or criticism of the arbitrary rule under which this bill is being passed. The people know little and care less about congressional dignity, and they know nothing and care nothing about congressional procedure. They want results.

All shades of opinion appear to agree that the Secretary of Agriculture, in whom these great powers are to be vested, is the best fitted possible selection to carry out this great task. Not the least of his qualifications is a viewpoint sympathetic to the farmers. For these considerations, Mr. Speaker, I shall support this legislation without reservation and without apprehension.

Mr. CLARKE of New York. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, I am very glad to hear the announcement made by the gentleman from Texas [Mr. JONES] that the President is going to present a bill to relieve the farmer from the high interest rates and an opportunity possibly to get from under immediate payment of his mortgages.

Mr. MILLARD. Do I understand then that the President is going to withdraw this bill?

Mr. REED of New York. I cannot answer that, because I know nothing about it. One of the things that disturbs the farmer today, as everybody knows, is the fact that he is burdened with an indebtedness of from $13,000,000,000 to $14,000,000,000. There are some things about the interest rates, of course, that the Federal Government cannot control. Men on this floor shed tears for the farmer—and he is entitled to sympathy, and he has my profound sympathy—but many of those men who have been shedding tears come from States where, under a system of credit known as the "landlord and merchant system", according to the reports of the Agricultural Department, the interest rate on loans to farmers runs 22.3 percent; and in one State, whose Members are crying the loudest for the farmer, the Agricultural Department reports that 92 percent of the loans made to the farmers come from that source.

Mr. SIROVICH. What State?

Mr. REED of New York. North Carolina. One other gentleman appeared on the floor from the State of Georgia, and he shed tears copiously for the dirt farmer. In his State, according to the agricultural reports, the interest rate is 24 percent. Before they come here and make too much noise about what the Federal Government is failing to do, some of these States ought to take at least some interest in their local people and see whether or not they can relieve the situation. If the State of New York should impose interest rates like that, there would not be a solvent farmer in the State. I hope the President's bill will take some notice of the situation in those States where the farmer is being gouged by the State itself in failing to curb the high interest rate. [Applause.]

Mr. CLARKE of New York. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Speaker, the question before this House today is not whether this identical bill is going to become a law. As a matter of fact, every Member of the House knows that when it comes back from the Senate there is not a man here who will recognize it. From rumblings which have come to us from the Senate end of the Capitol it is indicated that the author of the bill himself will not recognize it when the Senators have finished amending it.

The question involved in the deliberations of the House at this time is whether or not there is going to be such agricultural relief for the distressed farmers of the country as can be extended through legislation of this character. There are many provisions in the bill I do not like. There is, however, one provision I do like, and that one is that, working through the Secretary of Agriculture and the Secretary of the Treasury, the President of the United States himself will administer the law, whatever it may be.

For years we have heard much in this Chamber about relief of agriculture. We have voted time and again for various measures of this kind without their becoming the law. We voted for and put upon the statute books the Federal Farm Board law. We appropriated $500,000,000 for that Board. We have seen $350,000,000 of that sum dissipated without achieving results, other than assisting our farmers in the organization of cooperatives.

I voted several times for the McNary-Haugen bill. I have voted for every other legislation before this House that gave any hope whatsoever of relief for agriculture. It is a known fact, Mr. Speaker, that without help from somewhere, and soon, the American farmer will disappear as one of the bulwarks of our civilization. I say to you gentlemen, who hesitate and look for reasons why you cannot vote for this bill at this time, that you should remember that for the first time in recent years we have a man in the White House who is willing to really try out legislation of this character; a man who is willing to take the responsibility of the administration of the law, and who is willing to accept the responsibility for its enactment.

Further, the people of this country have given a mandate to President Roosevelt. They have expressed their confidence in him in no uncertain terms. They want him to do whatever he can to bring relief to our people everywhere. They want to try out the provisions of this or any other agricultural relief bill he approves. They believe he will administer the law wisely and without bringing distress upon any class of our people. I concur in this belief and am going to vote to give him that opportunity. [Applause.]

Further, Mr. Speaker, I am in accord with the gentleman from New York [Mr. REED], and I am happy to know that soon we will have before us for consideration a measure which will extend to the distressed farmers of the country relief in connection with their farm mortgages. Some such relief must be afforded them soon or they will be reduced to the status of the peasants of Europe.

Mr. CLARKE of New York. Mr. Speaker, to judge from a lot of hard-boiled heads around here, without hearts, evidently they do not know what is going on in agriculture today. I was up in my home district since this Congress convened, and I went among my people, as God-fearing a people as there is on the face of the earth. The fear is that some man may come along on horseback and do something to break down law and order in my beloved county, many urging a milk strike. Disregard for law has been evidenced in the great State of Pennsylvania only 2 days ago and in many other States, and this Congress cannot afford to hesitate about finding a remedy for this somewhere. I myself do not like a lot of the program that is in this bill. I dislike it as much as anybody else, but we have to follow somebody; and as far as I am concerned, having come right from my own people, promising them that I would back the President as far as I could in his emergency program, I say that I am going to keep faith of my pledge and promise to the people, however distasteful this bill may be.

Mr. HOEPPEL. Mr. Speaker, will the gentleman yield?

Mr. CLARKE of New York. Yes.

Mr. HOEPPEL. As a matter of information, I should like to know whether this bill provides a rental value to absentee landlords or to the legitimate tillers of the soil.

Mr. CLARKE of New York. Nobody knows exactly how far the authority goes, but I think there is that authority. As far as I am concerned, I am willing to trust the son of Henry Wallace, who was Secretary of Agriculture when I first came here. [Applause.]

Mr. JONES. Mr. Speaker, I yield the balance of my time to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Speaker, first I want to express appreciation for the spirit with which the Republicans have responded in this great crisis. As to this bill, it is a radical proposition. It is the price which a people must pay for having neglected to meet their responsibility when they could have done it in the ordinary way. We have been dancing for 12 years like irresponsible children, and now we must pay the fiddler. However, the ability of a people to maintain a parliamentary system of government is not dependent upon their always being able to operate as representative systems of government usually operate. It is de-

pendent upon their ability to recognize when they face a great crisis and, if necessary, to utilize the more efficient but more dangerous powers of arbitrary government in dealing with that crisis; and, then, when the crisis shall have ended, return the Government to parliamentary control. Of course we want just as little of that sort of thing as possible.

We face in America a great crisis, as has just been said by the gentleman from New York [Mr. CLARKE], who has just addressed us. The whole economic and financial machinery is largely stagnant; municipalities and States, to say nothing of business institutions, are existing on money borrowed from the Federal Government, whose current expenditures during the past 5 years have exceeded its current income by more than $5,000,000,000. We are at the very edge of the precipice. The President is trying to turn us around, to change our direction. There is no student of economic conditions in this country who does not recognize that the hope of this country for return to prosperity, for reversing our direction, for avoiding the plunge is dependent upon the return of prosperity in the first instance to the thirty-odd millions of people who till the farms of this country.

The second proposition is that we know as a matter of absolute fact that the economic structure of this country cannot endure the strain until we shall have a return of prosperity through ordinary processes. There is no human being in this country who does not know it. That is not the President's fault. He did not create these conditions. He has been called to responsibility to deal with them. We have got to give him some extraordinary power. Time is of the essence of things in this situation.

We expect this bill to be amended in the Senate.

The third proposition that confronts us is this: This man in the White House, the choice of the American people, is undertaking to turn this country in the right direction. We are now in the grip of war psychology, and it is fortunate, considering our circumstances, too, because under the influence of such psychology a people for the time being will forget differences and undertake unitedly to do things and do them quickly. This job is going to have to be done quickly or we will be around picking up the pieces. We must submerge differences and objections and pass this bill by a large majority. Nothing will be more helpful in this country than for it to go out to the country that on this afternoon the Congress gave to the country new evidence of the fact that the executive and legislative branches of the country are standing together. [Applause.] It is a condition and not a theory we are dealing with now. We cannot afford to weaken here that unity in the presence of this crisis. This is a delegation by the Congress to the Chief Executive of the country of certain powers to do certain specific things—I grant you, about all the powers we can give. We are trying to face about in the right direction. That is something. I believe that we are beginning a revival of the economic prosperity of this country. The thing to do is to keep it going. The most hopeful thing in the whole situation is that at last we in America—those from the North, such as the distinguished gentleman from New York [Mr. CLARKE], who today has shown himself a patriot and a statesman, and those of other sections of the country—are standing together. The gentleman from New York and my people from Texas are standing together.

At last we recognize that we are all in the same boat. The President is our President regardless of party or section. We recognize that we must speed up this activity. When we shall have voted this afternoon, notwithstanding the fact that we do not agree with reference to the details of this bill, notwithstanding the fact that many of us object to some provisions of this bill, we are going to demonstrate to the people of this Nation that the great legislative branch of the Government is able, in the presence of a national emergency, to submerge their objections and to compromise their differences and stand together.

Again I want to thank the Members of the Republican side of this House for their assistance. It is a great compliment to those who come to the Congress that we can have our differences and fight for our parties, but in the hour of our country's peril there are no lines of party cleavage. I remember during the war when James Mann, the Republican leader, an intense partisan but a great patriot, used to come down here where I stand and, forgetful of all else, throw the weight of his great influence behind the Chief Executive who happened to be a man of opposite political faith. In the 20 years I have been here I have never seen it fail, when this Nation faced a great emergency that the Members of the American House of Representatives were able to meet the test and play the role of statesmen. That is what we are going to do in just a few minutes. In our delicate situation, as I view it, it would be a tragedy of the first magnitude if by a defeat of this bill or by a close vote we demonstrate by that concrete example the lack of that unity here necessary to inspire the people with the hope, the purpose, and the determination to carry on, to work, and to sacrifice as they must if we are to win against that which threatens practically everything which makes for the peace, the happiness, and the greatness of this people. [Applause.]

The SPEAKER. The time of the gentleman from Texas [Mr. SUMNERS] has expired.

All time has expired.

Mr. LAMNECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LAMNECK. When will it be in order to offer a motion to recommit the bill?

The SPEAKER. Not before the third reading of the bill.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. LAMNECK. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. LAMNECK. I am.

The SPEAKER. Is the gentleman a member of the committee?

Mr. LAMNECK. No, sir; I am not.

The SPEAKER. Is any member of the committee opposed to the bill?

Mr. KNUTSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentleman desire to make a motion to recommit?

Mr. KNUTSON. No; I do not, Mr. Speaker.

The SPEAKER. The gentleman from Ohio [Mr. LAMNECK] qualifies.

Mr. KNUTSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KNUTSON. Is any member of the committee sincerely for the bill?

The SPEAKER. That is not a parliamentary inquiry. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BIERMANN moves to recommit the bill to the Committee on Agriculture.

The SPEAKER. The question is on the motion of the gentleman from Iowa to recommit the bill.

The question was taken; and on a division (demanded by Mr. SNELL) there were—ayes 89, noes 197.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. KENNEDY of New York. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

Mr. PATMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PATMAN. Is the demand for the yeas and nays on the motion to recommit or on the final passage of the bill?

The SPEAKER. On the final passage of the bill.

The question was taken; and there were—yeas 315, nays 98, answered "present" 1, not voting 17, as follows:

[Roll No. 8]

YEAS—315

Abernethy	Dickstein	Kleberg	Reid, Ill.
Adair	Dies	Kloeb	Reilly
Adams	Dingell	Kniffin	Richards
Allen	Dirksen	Kocialkowski	Richardson
Allgood	Disney	Kopplemann	Robertson
Arens	Dobbins	Kramer	Robinson
Arnold	Dockweiler	Kvale	Rogers, N. H.
Auf der Heide	Dondero	Lambertson	Rogers, Okla.
Ayers, Mont.	Doughton	Lambeth	Romjue
Ayres, Kans.	Doutrich	Lanzetta	Rudd
Bankhead	Dowell	Larrabee	Ruffin
Beam	Doxey	Lea, Calif.	Sabath
Beiter	Drewry	Lehr	Sadowski
Berlin	Driver	Lemke	Sanders
Blanchard	Duffey	Lesinski	Sandlin
Bland	Duncan, Mo.	Lewis, Colo.	Schaefer
Blanton	Dunn	Lewis, Md.	Schuetz
Bloom	Durgan, Ind.	Lindsay	Schulte
Boehne	Eagle	Lloyd	Scrugham
Boileau	Eicher	Lozier	Sears
Boland	Elizey, Miss.	Ludlow	Secrest
Boylan	Faddis	McCarthy	Shallenberger
Brennan	Farley	McClintic	Shoemaker
Briggs	Fernandez	McDuffie	Sinclair
Brown, Ky.	Fitzgibbons	McFarlane	Sirovitch
Brown, Mich.	Fitzpatrick	McGrath	Sisson
Browning	Flannagan	McGugin	Smith, Va.
Brunner	Fletcher	McKeown	Smith, Wash.
Buchanan	Focht	McMillan	Smith, W. Va.
Buck	Ford	McReynolds	Snyder
Bulwinkle	Foulkes	McSwain	Somers, N. Y.
Burch	Frear	Major	Spence
Burke, Calif.	Fuller	Maloney, Conn.	Steagall
Burnham	Fulmer	Maloney, La.	Strong, Tex.
Busby	Gambrill	Mansfield	Stubbs
Byrns	Gasque	Mariand	Studley
Cady	Gavagan	Marshall	Sullivan
Caldwell	Gibson	Martin, Colo.	Sumners, Tex.
Cannon, Mo.	Gilchrist	Martin, Oreg.	Sutphin
Carden	Gillespie	Mead	Swank
Carley	Glover	Meeks	Sweeney
Carpenter, Kans.	Gray	Miller	Tarver
Cary	Green	Milligan	Taylor, Colo.
Castellow	Greenwood	Mitchell	Taylor, S. C.
Celler	Gregory	Monaghan	Taylor, Tenn.
Chapman	Griswold	Montet	Thom
Chase	Hamilton	Moran	Thomason, Tex.
Chavez	Hancock, N. C.	Morehead	Thompson, Ill.
Christianson	Harlan	Mott	Thurston
Church	Harter	Murdock	Tobey
Clark, N. C.	Hartley	Muselwhite	Traeger
Clarke, N. Y.	Hastings	Nesbit	Truax
Cochran, Mo.	Henney	Norton	Turner
Coffin	Hildebrandt	O'Brien	Umstead
Colden	Hill, Ala.	O'Connell	Vinson, Ga.
Cole	Hill, Knute	O'Connor	Vinson, Ky.
Collins, Calif.	Hill, Sam B.	Oliver, Ala.	Wallgren
Collins, Miss.	Hoidale	Oliver, N. Y.	Walter
Colmer	Howard	Owen	Warren
Connery	Hughes	Palmisano	Weaver
Cooper, Ohio	Imhoff	Parker, Ga.	Weideman
Cooper, Tenn.	Jacobsen	Parks	Welch
Corning	James	Parsons	Werner
Cox	Jeffers	Patman	West
Cravens	Jenckes	Peavey	White
Crosby	Jenkins	Peterson	Whittington
Cross	Johnson, Minn.	Pettengill	Wilcox
Crosser	Johnson, Okla.	Peyser	Williford
Crowe	Johnson, Tex.	Pierce	Williams
Crump	Johnson, W. Va.	Polk	Wilson
Culkin	Jones	Pou	Withrow
Cullen	Kee	Prall	Wolverton
Cummings	Keller	Ragon	Wood, Ga.
Darden	Kelly, Ill.	Ramsey	Woodruff
Dear	Kennedy, Md.	Ramspeck	Woodrum
Deen	Kennedy, N. Y.	Randolph	Young
Delaney	Kenney	Rankin	Zioncheck
DeRouen	Kerr	Rayburn	The Speaker
Dickinson	Kinzer	Reece	

NAYS—98

Andrew, Mass.	Condon	Healey	McLean
Andrews, N. Y.	Connolly	Hess	McLeod
Bacharach	Crowther	Higgins	Mapes
Bacon	Darrow	Hoeppel	Martin, Mass.
Bailey	Ditter	Hollister	Merritt
Bakewell	Douglass	Holmes	Millard
Beck	Eaton	Hooper	Moynihan
Beedy	Edmonds	Hope	Parker, N. Y.
Biermann	Englebright	Huddleston	Powers
Black	Evans	Kahn	Ransley
Bolton	Fiesinger	Kelly, Pa.	Reed, N. Y.
Britten	Fish	Knutson	Rich
Brooks	Foss	Kurtz	Rogers, Mass.
Brumm	Gifford	Lamneck	Seger
Burke, Nebr.	Gillette	Lanham	Shannon
Carpenter, Nebr.	Goodwin	Lee, Mo.	Simpson
Carter, Calif.	Goss	Lehlbach	Snell
Carter, Wyo.	Granfield	Luce	Stalker
Cavicchia	Guyer	Lundeen	Stokes
Claiborne	Hancock, N. Y.	McCormack	Strong, Pa.
Cochran, Pa.	Hart	McFadden	Swick
Taber	Turpin	Wearin	Wolfenden
Terrell	Wadsworth	Whitley	Wood, Mo.
Tinkham	Waldron	Wigglesworth	
Treadway	Watson	Wolcott	

ANSWERED "PRESENT"—1

Griffin

NOT VOTING—17

Almon	De Priest	May	Underwood
Brand	Eltse, Calif.	Montague	Utterback
Buckbee	Goldsborough	Muldowney	
Cannon, Wis.	Haines	O'Malley	
Cartwright	Kemp	Perkins	

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. RAINEY, and he answered "yea," as above recorded.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Buckbee (for) with Mr. Muldowney (against).
Mr. Haines (for) with Mr. Perkins (against).
Mr. Almon (for) with Mr. Eltse of California (against).
Mr. Goldsborough (for) with Mr. De Priest (against).

Until further notice:

Mr. Kemp with Mr. Cannon of Wisconsin.
Mr. May with Mr. O'Malley.
Mr. Cartwright with Mr. Montague.
Mr. Underwood with Mr. Brand.

The result of the vote was announced as above recorded.

On motion of Mr. JONES, a motion to reconsider the vote by which the bill was passed was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the Senate joint resolution (S.J.Res. 14) entitled "Joint resolution authorizing the President of the United States to expend $5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933."

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until 12 o'clock tonight to file a report.

Mr. SNELL. Mr. Speaker, reserving the right to object, to ask the gentleman from Tennessee a question, what is gentleman's program for the balance of the week?

Mr. BYRNS. If consent is given to file this report, it is proposed to take up the beer bill for the District of Columbia tomorrow.

Mr. SNELL. Nobody will object to beer.

Mr. BYRNS. I have not anything in mind for Friday and Saturday. I thought probably if the Committee on Labor is prepared to make a report upon the reforestation bill, and I think they will, we could take that up Friday; but if there is no bill from that committee, I know of nothing that will prevent an adjournment until Monday or that will cause us to be in session on Friday and Saturday.

Mr. SNELL. I have been informed that they were going to hold some hearings on the conservation measure, and if they do, of course, it would not be possible for them to report any bill tomorrow.

Mr. BYRNS. I do not see the chairman of the Committee on Labor here. If he is here, I should like for him to give the House some information.

Mr. SNELL. If we could have some agreement about the balance of the week, it would convenience a good many Members.

Mr. BYRNS. I understood the Committee on Labor had a meeting this morning. I am not advised as to just what was done.

Mr. SNELL. I have no objection to the gentleman's request.

Mr. BLANTON. Mr. Speaker, I reserve the right to object for the purpose of asking a question. I should like to know what rule is going to be brought in tomorrow.

Mr. BYRNS. As I suggested, it is a rule making it in order to consider the beer bill for the District of Columbia under the usual rules of the House tomorrow.

Mr. BLANTON. Without restriction?

Mr. BYRNS. Without restriction.

Mr. BLANTON. And permitting amendments?

Mr. BYRNS. Permitting amendments, as I understand it.

Mr. BLANTON. In this connection I desired to ask our majority leader this question: The excuse that was given for striking out the Borah amendment from the Cullen beer bill, which amendment prohibited the sale of beer to minors under 16 years of age, was that this is a matter to be regulated by the States?

Mr. CULLEN. The gentleman is correct.

Mr. BLANTON. The regulation for the District of Columbia will be a statute law passed by this Congress. If there is to be any regulation in this bill that prevents beer from being sold to minors under 16 years of age in the District of Columbia, it must be put in this bill tomorrow. I understand that the bill as it comes to the House, and which the advocates of beer expect to pass tomorrow, there is no restriction whatever in it. If this bill passes and becomes a law any little graded-school child, girl or boy, in Washington, can go into a public drinking joint and buy beer. We have got to put a provision similar to the Borah amendment in the bill tomorrow if children are to be protected. My inquiry is whether or not we will have a chance to properly amend this bill?

Mr. BYRNS. I may say to the gentleman that under the rule that will be reported I understand this bill will be open to amendment on the part of any Member.

Mr. BLANTON. Will it be considered in the Committee of the Whole House on the state of the Union under the usual rules?

Mr. BYRNS. Yes.

Mr. BLANTON. With that understanding I shall not object to the request as to the printing of the rule tonight.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

FARM-MORTGAGE DEBT AND THE REFINANCING THEREOF

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the present consideration of a resolution, which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 69

Resolution requesting the Secretary of Agriculture to report to the House of Representatives certain information and recommendations respecting farm mortgages

Resolved, That the Secretary of Agriculture is hereby requested to compile, through the agency of the Bureau of Agricultural Economics, information regarding farm-mortgage debts and the refinancing thereof, and to report such information to the House of Representatives as soon as practicable, with suggestions as to possible means of adjusting and refinancing farm mortgages and other liens connected therewith.

Mr. SNELL. Mr. Speaker, reserving the right to object, I think the gentleman should make just a brief explanation of this resolution. I thought he was asking for something to be printed that had already been tabulated.

Mr. BUCHANAN. The gentleman is correct about that.

Mr. SNELL. As I listened to the reading of the resolution, it provides for suggestions on various propositions connected with a farm scheme. We have his suggestions before the House now.

Mr. BUCHANAN. Let me state to the gentleman that about 2 months ago I requested the Bureau of Agricultural Economics to make a complete survey of the farm-mortgage situation in the United States, as to the number of farm mortgages held by the Federal land banks, the joint-stock land banks, the insurance companies, and trust companies—in fact, covering the whole field—with the rate of interest, the date of maturity, the extent to which the farms were mortgaged, and so forth, and they have prepared this data.

I also requested in this connection suggested methods of refinancing, and this has also been prepared, so that the data I am requesting to be printed has already been prepared and the suggestions on refinancing are intermingled with the data. The suggestions about refinancing can do no harm. There are several methods suggested, and even the methods followed by foreign countries have been included, and I submit to the Membership of the House that this document contains very valuable data which every Member of this House ought to have before he passes upon the matter of refinancing of farm mortgages in the United States; and in view of the fact that the President will soon submit this question, I felt this to be an opportune time to offer the resolution and have the document printed, if it is the will of the House, and let the Membership of the House have the benefit of the information therein contained. [Applause.]

Mr. SNELL. If the gentleman will permit a further question, has this been submitted to the Printing Committee, where these resolutions generally go?

Mr. BUCHANAN. I will state to the gentleman that the preparation of this document was at my instance as a Member of Congress. I had no right to submit it to the Printing Committee. When this resolution is adopted, 500 copies will be printed automatically under the rules of the House.

Mr. SNELL. Usually any matter providing for the printing of any kind of public document goes to the Printing Committee, no matter who makes the request.

Mr. BUCHANAN. If it costs over $500 the gentleman is correct, but it has to cost $500 or more before it must go to the Committee on Printing.

Mr. SNELL. I thought this would cost about $600.

Mr. BUCHANAN. No. I may state to the gentleman that $600 will print 20,000 copies of it, and I suppose 500 copies will not cost more than $200 or $300.

Mr. SNELL. I am not going to object. I just wanted to find out what is in the document.

Mr. MARTIN of Massachusetts. Will the gentleman tell us how this document is going to be distributed?

Mr. BUCHANAN. Under the general rules of the House, the 500 copies will be printed for the benefit of the House, and that is all that will be authorized.

Mr. SNELL. Five hundred copies will not be sufficient. You will have to have more than 500 copies printed.

Mr. BUCHANAN. Under this resolution 500 copies will automatically be printed for the use of the House. If any Member wants additional copies printed after they exhaust the 500 copies all he will have to do will be to get permission of the House or get the Committee on Printing to order it done.

Mr. KNUTSON. Will the gentleman permit an observation?

Mr. BUCHANAN. Certainly.

Mr. KNUTSON. The gentleman knows that the great cost of printing is in the composition and not in the printing or in the stock. It seems to me if a document like this is going to be printed we should have the full number printed, because there will be a great many requests from all over the country for the document, and this will obviate the necessity for another composition of the matter.

Mr. BUCHANAN. I just stated to the gentleman that if this resolution is passed, 500 copies will be printed. The composition will be completed and the type will be set up, and the usual practice is for a Member to ask that a certain number of additional copies be printed, by resolution or something of that sort, and the request is usually granted.

Mr. SNELL. It seems to me that this ought to go to the Printing Committee. I am not going to object to it.

Mr. BLANTON. Reserving the right to object, my colleague is correct in stating that 500 copies will be printed under this House resolution, but if you want additional copies it must first go to the Joint Committee on Printing for its approval. On last Friday the gentleman from Virginia [Mr. WOODRUM] obtained the unanimous consent of this House—see pages 584–585—to print in 8-point type an explanation by the Budget Director and the Veterans' Administration of the economy bill. When the RECORD came out the next morning this explanation was not in 8-point type but in small type, and that was because he had not obtained the consent of the Joint Committee on Printing. We are not in a position to complain about it, however, because the House

placed jurisdiction of such matters in the Joint Committee on Printing.

Mr. DOWELL. If only 500 copies of this resolution are printed, that will only be a little more than one copy for each Member.

Mr. BUCHANAN. That is the purpose of the resolution.

Mr. DOWELL. And a Member may take any number that he sees fit from the document room.

Mr. BUCHANAN. I am perfectly confident the House is going to have to order more than 500 copies—that 500 copies will not be anywhere near enough.

Mr. KNUTSON. As I understand, it is the purpose of the gentleman from Texas to make the information available to Members of the House, before the debate on the legislation which was called to the attention of the House and referred to by the gentleman from Texas [Mr. JONES].

Mr. SNELL. It seems to me we should have had it before we passed the farm relief bill.

Mr. BUCHANAN. These 500 copies will give each Member of the House the information that he wishes for, and then we can have the additional copies printed.

Mr. SABATH. What will be the additional cost of 9,500 copies, so as to make the whole number 10,000 copies? Will not the gentleman make that request for 10,000?

Mr. BUCHANAN. I will say that when the resolution is passed, 500 copies will be printed. Then you can make the request for 10,000 or 20,000 additional copies.

Mr. McDUFFIE. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. McDUFFIE. How much would it cost to print 5,000 copies?

Mr. BUCHANAN. I cannot tell how much it would cost to print 5,000, but I can tell the gentleman that it costs $600 to print 20,000.

Mr. McDUFFIE. Does not the gentleman think that if you are going to have a large number of copies it would be well to have them printed now?

Mr. BUCHANAN. I do not object to having 20,000 copies printed.

Mr. McDUFFIE. Will the gentleman ask for the printing of 5,000 copies for the benefit of the House?

The SPEAKER. Is there objection to the consideration of the resolution?

There was no objection.

The resolution was agreed to.

REDUCTION IN THE QUANTITY OF GOLD IN THE UNITED STATES

Mr. SANDLIN. Mr. Speaker, I ask unanimous consent to insert in the RECORD an extract from a paper giving the views of one of the greatest statesman this House has ever had as to what would come about by the reduction in the quantity of gold in this country. It is by Hon. Joseph W. Bailey, of Texas, who was a Member of this House and afterward a Member of the Senate.

The SPEAKER. Is there objection?

There was no objection.

The article follows:

[From the Shreveport Times, Mar. 19, 1933]

TEXAN PROPHESIED IN 1907 THAT GOLD SHORTAGE WOULD BRING DROP IN PRICES—ADDRESS BY SENATOR BAILEY, UPHOLDING DEMOCRATIC PARTY'S BIMETALISM CONTENTION ACCURATE IN PREDICTION

Back in 1907 a noted Texan foresaw the economic difficulties which would arise from a shortage of gold as a basis for the world's money. This Texan, the late Senator Joseph Weldon Bailey, declared then that when this shortage became apparent the Democratic Party's contention for bimetallism in 1896 would be vindicated.

Senator Bailey was speaking at a legislative banquet in Dallas, October 19, 1907, when he made his prophecy. His remarks were in response to the toast, the vindication of our issue of 1896.

"Now, Mr. Toastmaster and gentlemen," he said, "I have discharged another duty to Texas, and I am going to discharge another, and it is an agreeable duty, to the Democratic Party. It is a disposition given to all men to rejoice in the vindication of their theory or in the justification of their position, and surely no body of men ever had a better cause for self-congratulation than the Democrats of the United States have over the complete and perfect vindication of their contention for bimetalism in 1896. [Cheers.]

MORE BASIC MONEY

"You will remember that our demand then was for more basic money. We said that with more basic money there would come an elevation of prices, and there would come prosperity to the times. We got that basic money, not, indeed by opening the mints to the free and unlimited coinage of gold and silver both, as we proposed, but we secured the additional basic money by the discovery of new mines and the improvement of old processes of production, until almost before that great debate had closed the world was producing more gold alone than it was producing of both gold and silver when we demanded the use of both.

"I call the world to witness that with this increase in basic money we did get an elevation of prices, and there did come a prosperity to the times. Our political opponents said we did not need more money. They affirmed that what we needed was better credit, and not more money; and yet, after men had gone into South Africa and discovered the splendid gold mines of that continent, and after the genius of American engineers had devised new methods for extracting ores from old mines, the Republicans wrapped their cloaks around them and claimed credit for what Almighty God had given the earth! [Cheers.]

A PROPHECY

"There is not a man who sits within the sound of my voice tonight who does not know that the world has fared better by having more money, and if any man doubts it, hear my prophecy. The time will come, I pray God He may delay it a long time, but the time will come when the failing production of these mines will again make the world feel the pinch of a money famine, and when that time comes and our failing mines reduce the production of money metals, mark my words, there will come again, as there has come in every part of the world following a diminution of the production of the precious metals, a fall of prices and a stagnation of all kinds of business, and then when the world witnesses that again, we will have a new, another, and a stronger vindication of the parmount issue of 1896. [Cheers.]

"When they asked us to abandon the silver issue after the campaign of 1896, I said I was willing to leave it until new conditions should revive it, but I will never consent to say that the Democratic Party was wrong when it demanded the free and unlimited coinage of gold and silver both, because with the lights before us it required them both to constitute the world a sufficient metallic money. As long as the mines will produce gold enough, I would rather have 1 metal than 2, because there are not ratios to adjust, nor parties to maintain, but it is infinitely better for the human race that Congress should vex itself with the fixation of rates and the maintenance of parities than it is that the American people should be permitted to suffer for the article of money. Let us go into the campaign of 1908 with this slogan on our lips, 'Give the people less taxes to pay and more money with which to pay them!'" [Cheers.]

IMPEACHMENT OF JUDGE LOUDERBACK

Mr. SUMNERS of Texas. Mr. Speaker, I offer the following resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 70

Whereas in the Seventy-second Congress, on the 27th day of February 1933, Hatton W. Sumners, Gordon Browning, Malcolm C. Tarver, Fiorello H. LaGuardia, and Charles I. Sparks, Members of the House of Representatives, were appointed managers on the part of the House of Representatives to conduct the impeachment against Harold Louderback, a United States district judge for the northern district of California; and

Whereas the said LaGuardia and Sparks are no longer Members of the House of Representatives:

Resolved, That RANDOLPH PERKINS and U. S. GUYER, Members of the House of Representatives, be, and they are hereby, appointed to serve with the said HATTON W. SUMNERS, GORDON BROWNING, and MALCOLM C. TARVER as the managers on the part of the House of Representatives to conduct the impeachment pending in the United States Senate against Harold Louderback, a United States district judge for the northern district of California.

The SPEAKER. The question is on agreeing to the resolution.

Mr. LUCE. Mr. Speaker, does the form of this resolution imply that the three Members who were reelected continue to serve automatically?

Mr. SUMNERS of Texas. Mr. Speaker, if I may have the attention of the House I desire to make a brief statement. The House of Representatives possesses the entire power of the Government to prosecute in impeachment cases, and my judgment, after careful examination, is that the House of Representatives may appoint managers who can continue after the expiration of the term for which that House has been elected.

I want to be very candid with the House. I am anxious to go as far as we may safely go toward establishing a precedent in that direction. We find upon examination of the Constitution that there lie between the provisions of the Constitution spaces that have to be filled in either by judicial construction or by precedent. Only precedent can occupy the space, for instance, which lies between the provision

granting to the House—not as a part of the Congress, however—the power to originate and prosecute impeachments and that great constitutional guaranty of a speedy trial. Judicial construction may not enter there. We barely escaped a very difficult situation in this case. As the Members of the House here present who were Members of the preceding House will remember, this impeachment was sent to the Senate near the expiration of the Seventy-second Congress. If the Congress had not been called into extraordinary session, in the absence of any recognized right on the part of a House to empower managers to proceed after the expiration of that House, this judge would have rested under impeachment for a year, without possibility of trial, notwithstanding the general principles which run through our whole system of giving the right of speedy trial. Not only is the duty to make effective to the individual a great constitutional right but there is involved a great public interest. Precedents are not unakin to legislative enactments. When established they come to have the force of law. It is as much a duty to set helpful and proper precedents as it is to make wise and helpful laws. I am anxious to go as far in this instance as we may safely go in establishing a proper and helpful precedent.

We will all bear in mind that the House of Representatives as a part of the legislative branch of the Government does not possess the power to impeach, but those persons who constitute the House of Representatives have lodged in them by the Constitution all the power that this Government has to originate and prosecute an impeachment case, certainly to prosecute it effectively in line with private rights and the public interest. It is not easy for a Member of the House to visualize the Members of the House acting in an organized capacity except as a part of the National Legislature and under the limitation imposed by the fact that it is only a part of such legislature. Once it is recognized that the House, as the prosecuting agency of the Government in impeachment matters, is as complete an entity with reference to that duty, as the Congress is with reference to legislation, any doubt as to the power of the House to create an agent which can properly discharge the obvious governmental duty in a manner consistent with fixed methods, and recognized private rights and public interest disappears.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. BANKHEAD. Do I understand the gentleman to intimate in his statement that he would be relying upon some precedent in this case?

Mr. SUMNERS of Texas. No; but I want to establish one.

Mr. BANKHEAD. Then there is no precedent?

Mr. SUMNERS of Texas. No.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. SNELL. Mr. Speaker, that is rather against the general opinion that prevails in all of the actions of the House in as far as I have been a Member of it—that we could set up any committee by resolution of the House alone to extend beyond the life of that Congress itself.

Mr. SUMNERS of Texas. May I say to my friend from New York that the confusion, I think, is in the failure to distinguish between the House of Representatives exercising the impeachment powers under the Constitution and the House of Representatives as a part of the national legislative body. The House of Representatives exercises the impeachment powers under the Constitution as a complete entity. It is as complete an entity with reference to the exercise of those powers as the House and Senate in Congress assembled is a complete legislative entity.

Mr. SNELL. I do not know of anything in the rules or the Constitution that makes any distinction between our functions or duties or rights in one matter over another.

Mr. SUMNERS of Texas. The impeachment powers conferred upon the House of Representatives are not conferred upon the House of Representatives as a part of the legislative machinery of the country. The impeachment powers that are conferred by the Constitution could have been conferred upon an independent agency. The House of Representatives, in the exercise of the impeachment powers, is as distinct from the legislature as if the Constitution had provided in the first place that there shall be elected, taking the present House, for example, 432 persons from the United States distributed as we are now distributed by districts, who shall exercise the impeachment power, the power to impeach. I think if the gentleman can visualize that, he will be relieved of his difficulty.

Mr. SNELL. I can see that and I have no argument about it, but I know of no statement anywhere in any part of our proceedings or in the Constitution that gives the House, by its own action, the right to extend the rights, powers, or privileges to any individual person beyond the life of the House itself.

Mr. SUMNERS of Texas. While the gentleman says that he recognizes the distinction, in his statement he indicates that he does not.

Mr. SNELL. What I mean is that they could have set up originally any body to try impeachment proceedings. It might have been House Members or others outside.

Mr. SUMNERS of Texas. But the House of Representatives having already been provided for in the Constitution, those who framed the Constitution did not create an additional body to exercise impeachment powers of government, but did create of the House Membership a body clothed with the Government's power to impeach.

Mr. LUCE. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. LUCE. If the gentleman can clothe 3 Members of a preceding House with continuing authority, does he not sadly damage his argument by asking us to name 2 men in place of Messrs. LaGuardia and Sparks, instead of allowing them to continue, if they saw fit? Why does he have any more power to displace the two than he would to displace the three?

Mr. SUMNERS of Texas. I am very candid with the gentleman. I do not think the House of Representatives ought to establish the precedent, if it could do it, of having continuing as prosecutors on the part of the House of Representatives those persons who art no longer Members of the House.

Mr. LUCE. But why not? Where is the logic of it?

Mr. SUMNERS of Texas. Well, the good sense of it. That is all.

Mr. LUCE. But we are establishing a precedent that may arise to trouble us or our successors most sadly at some time.

Mr. SUMNERS of Texas. Does the gentleman not recognize the difference in the point of desirability in having the managers on the part of the House to be Members of the House?

Mr. LUCE. I recognize the desirability of it. If the gentleman had drawn his resolution naming again those three men who were continued from House to House, together with the two new men, there could not have been the slightest objection, but I doubt the desirability of establishing as a precedent that Members of one House may continue to serve in behalf of another without renewed authority.

Mr. SUMNERS of Texas. Mr. Speaker, clearly each House has full power to control. It can change the managers whenever it chooses. This House could now select an entirely new board of managers. It could abandon the prosecution now pending in the Senate. There is no question about that. I ask unanimous consent that the resolution may again be read, and I direct attention to the last paragraph of the resolution.

There being no objection, the Clerk again read the resolution.

Mr. LUCE. The fact that I noticed that wording was the very reason why I inquired of the gentleman that we might make sure we are not carrying over somebody from a previous congress, but that we are naming five men, Members of this Congress, to conduct this trial. If that is the case, I have no more comment to make.

Mr. SNELL. I wish the gentleman would state exactly what he intends to do. It is important as a precedent for all time to come.

Let us have it understood what is going to be done, and let the House understand it, and let the Speaker rule on it.

Mr. SUMNERS of Texas. Shall I state again what we want to do?

Mr. SNELL. Yes. I do not want any misapprehension here.

Mr. SUMNERS of Texas. I do not either.

The Constitution of the United States provides that every person charged——

Mr. SNELL. The gentleman does not need to go all over his argument again. He could just tell us whether he is going to reappoint these men by this Congress or whether he intends them to carry over, and take his chances on their status, even if they are not reappointed.

Mr. SUMNERS of Texas. They are being reappointed by this Congress.

Mr. SNELL. Oh, I doubt that under your resolution. If all five are to be reappointed, it is satisfactory, but not as far as I am concerned, unless they are.

Mr. BLANTON. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. BLANTON. If the gentleman wants to legally appoint all 5 of them, why does he not have his resolution read that way? The resolution reads that only 2 men are appointed to serve, with 3 hold overs, and there is no mention made of the fact that they are appointed. Now, unless the gentleman wishes to establish a precedent that you can hold over from one Congress to another, the resolution should also provide that the 3 gentlemen from the last Congress are appointed by this Congress to serve with the 2 new Members.

Mr. SUMNERS of Texas. Possibly I did not answer the gentleman from New York quite as I should have answered him. I should like the resolution to indicate or not to indicate to the contrary, assuming, for instance, that all five of the managers appointed by the last House had been reelected, and if the House of Representatives had taken no further action with reference to the matter, and the Senate, after having been convened to confirm presidential appointees, had set this impeachment matter for trial, those five men, under their designation to prosecute this case by the preceding House could have gone into the Senate under their former commission and continued to prosecute this case.

Mr. SNELL. That is where the gentleman and I entirely disagree, and every precedent of the House and every rule, and so far as I know every interpretation in Jefferson's Manual and everywhere else, is entirely against that precedent. I do not think we ought to establish it at this time.

Mr. SUMNERS of Texas. Permit me to make this suggestion: This matter has never come up for consideration before in the history of this Government. It is up now.

Mr. SNELL. I know it is, and I want to find out about it, and do not want to make any precedent of this kind at this time, for I think it is unsound and unsafe.

Mr. SUMNERS of Texas. As I stated to the gentleman a moment ago, we just barely escaped, in the absence of the recognition of such a power as I am seeking now, to begin to recognize of having a United States district judge rest under impeachment for a year without anybody having any power to prosecute him.

Mr. SNELL. Well, I have no desire in any way to delay the trial, and there is no need for that, for we can reappoint all five in one minute.

Mr. SUMNERS of Texas. But only because of the extraordinary fact of an extra session of the Congress. Otherwise a judge would have rested under impeachment without a chance of trial until next December, and a Federal court would have as its judge during that time a judge solemnly impeached. This House of Representatives possesses all the power which this Government has to prevent that sort of thing.

Mr. BRIGGS. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. BRIGGS. Is there any harm in providing in the resolution that by unanimous consent the three managers previously named are hereby reappointed with two additional managers? Why not let it be done in this way and take all doubt out of it?

Mr. SUMNERS of Texas. Let the House do as it pleases about it. I am trying to help the House and future Houses. I am trying to make effective to all persons who may hereafter be impeached the constitutional guaranty of a speedy trial and am trying to guard the public interest. I am trying to establish a precedent to meet an obvious necessity. We have the power to do it, and we ought to do it.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. ZIONCHECK. If the charges were being prosecuted at the time the new Congress came in, under the gentleman's rule would Mr. LaGuardia and Mr. Sparks continue as managers on the part of the House?

Mr. SUMNERS of Texas. Avoiding the question of the power of the House, or what may be reasoned by analogy, there is nothing in this proceeding which would establish a supporting precedent to that effect.

Mr. ZIONCHECK. In other words, assuming that the prosecution had started in the old Congress but had not been completed at the time of adjournment, would it not be continued in the new Congress with these Members in the role of special officers of the House until their functions ceased?

Mr. SUMNERS of Texas. They are not creatures of the legislative branch; they are creatures of this Government to prosecute impeachment cases, and they have as much power and duty to do that which is necessary in the prosecution as has the legislative branch to create an agency which shall function after the end of the Congress creating it. I am not prepared to say that a House may not designate Members to prosecute who can carry on the prosecution after their defeat, but I would not favor such a policy if the power with certainty existed. In this case there is no attempt in that direction.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. BANKHEAD. If I may ask a further question, I readily see what is in the gentleman's mind and the precedent he seeks to establish. Does the gentleman think he can justify in principle the theory that if no action were taken upon this resolution the three remaining Members of the House who have been reelected would be authorized to continue with this prosecution?

Mr. SUMNERS of Texas. Yes; I think they could do it. I think they ought to do it. I think it is perfectly ridiculous in a case where a man is under impeachment and the Senate has been trying that case for some days, for instance, before the end of the Congress, but has not finished, and the President calls the Senate back to affirm his appointees, to say there is no power in the Government to continue the proceedings; that it must abate or be suspended for a year. That is perfectly absurd.

Mr. TABER. Mr. Speaker, may I suggest to the gentleman that if the gentleman's contention is correct I am afraid that unless the appointment of Mr. Sparks and Mr. LaGuardia is revoked they would still continue to be managers.

Mr. SUMNERS of Texas. I do not want that, of course.

Mr. TABER. Why not let this go over until tomorrow, giving us the night to consider it? I hope the gentleman will withdraw the resolution for the time being.

Mr. SUMNERS of Texas. Let us get rid of it. I will agree to amend the resolution by inserting the words "in lieu of", if that is desired.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HAMILTON (at the request of Mr. GREGORY), for the rest of the week, on account of important business.

ORDER OF BUSINESS

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House briefly.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. I may say in answer to the query of the gentleman from New York [Mr. SNELL] and to the Democratic leader and the Members of the House that there will be a joint hearing by the Committee on Education and Labor of the Senate and the Committee on Labor of the House beginning at 10 o'clock tomorrow morning, in the Senate Finance Committee room, on the President's unemployment bill which came in here yesterday.

I may say also for the benefit of the Committee on Labor of the House that we are to go down to the White House at 9 o'clock tonight. Both Democratic and Republican members of the Committee on Labor of the House and the Committee on Education and Labor of the Senate are to meet the President at 9 o'clock tonight, at his request.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. SNELL. Will the hearings be concluded so that consideration of the bill may begin on Friday?

Mr. CONNERY. It is expected that the hearings before the joint committee will last at least 2 days.

Mr. SNELL. Then we will not get it for consideration in the House this week.

Mr. PETTENGILL. Where will the hearings be held tomorrow at 10 o'clock?

Mr. CONNERY. In the committee room of the Senate Committee on Finance.

LEAVE OF ABSENCE

Mr. REILLY. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Wisconsin [Mr. O'MALLEY], may be given leave of absence for 2 days on account of illness.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

HOUSE RESOLUTION 24—EXTENSION OF REMARKS

Mr. GAVAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on House Resolution No. 24.

The SPEAKER. Is there objection?

There was no objection.

Mr. GAVAGAN. Mr. Speaker, once again humanity is aroused from its lethargy by the persecution of a member race of the human family. We learn the sad news that, in this supposed enlightened civilization, attempts to proscribe and persecute are perpetrated upon a defenseless and helpless minority. The recent news of persecution and proscription against the Jew, coming out of Germany, saddens the heart and soul of the lovers of justice the world over. A people of ancient culture, possessed of a heart of peace and love, are deprived of the rights of citizenship, denied free speech and free assemblage. Might does not make right. The heart and soul of men rise in revolt against tyranny and oppression.

Is there a more appropriate legislative body in the world than the House of Representatives to send forth an appeal against this injustice and iniquity? This House, where sat the great Patrick Henry, where trod the illustrious and immortal Thomas Jefferson, is a fitting place whence to send an appeal to Germany for justice and equality for the Jew.

Mr. Speaker, as a member of the cultured Celtic race, one whose forefathers suffered pitiless persecution, I gladly raise my voice in defense of justice and right and urge this House to adopt the resolution.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, the distinguished Chairman of the Committee on the District of Columbia states there is some misapprehension on the part of some of the Members as to when she will call up the bill providing for the sale of beer in the District of Columbia. She has asked me to state to the Membership that she expects to call it up when the House meets tomorrow.

IMPEACHMENT OF JUDGE LOUDERBACK

Mr. SUMNERS of Texas. Mr. Speaker, I submit a resolution, which is in the hands of the Clerk, in lieu of the resolution first reported.

The Clerk read as follows:

House Resolution 70

Whereas in the Seventy-second Congress, on the 27th day of February 1933, Hatton W. Sumners, Gordon Browning, Malcolm C. Tarver, Fiorello H. LaGuardia, and Charles I. Sparks, Members of the House of Representatives, were appointed managers on the part of the House of Representatives to conduct the impeachment against Harold Louderback, a United States district judge for the northern district of California; and

Whereas the said LaGuardia and Sparks are no longer Members of the House of Representatives:

Resolved, That RANDOLPH PERKINS and U. S. GUYER, Members of the House of Representatives, be, and they are hereby, appointed in lieu of the said LaGuardia and Sparks to serve with the said HATTON W. SUMNERS, GORDON BROWNING, and MALCOLM C. TARVER as the managers on the part of the House of Representatives to conduct the impeachment pending in the United States Senate against Harold Louderback, a United States district judge for the northern district of California.

Mr. TABER. Mr. Speaker, will the gentleman yield for a suggestion?

Mr. SUMNERS of Texas. Yes.

Mr. TABER. The result of this seems to me to be an admission on the part of the House of Representatives that such a resolution adopted by the House in the event of a session of the Senate without a session of the House would not carry through the continuance of the committee in charge of the impeachment. In other words, all Members of the House, until there is a session of the House, are Members-elect only and not Members, and there would be no Members, and this is an admission on our part that the appointment would not carry through.

Mr. SUMNERS of Texas. I am willing to risk it.

Mr. SNELL. I can see what the gentleman has in mind, and I am not going to make any point of order against his resolution, but in my judgment, according to the precedents and the procedure we have always followed, you only have two live men to present this impeachment matter before the Senate.

Mr. SUMNERS of Texas. May I say to the gentleman from New York that clearly, by implication, I do not think there is any doubt about it and I will risk it.

Mr. BRIGGS. Will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. BRIGGS. The gentleman is just repeating what has already been done and in addition appointing two new members.

Mr. SUMNERS of Texas. Yes. Let it go through and I will fight it out. It is very necessary to adopt the resolution.

Mr. SNELL. I wish the gentleman would let the matter go over until tomorrow and let us look it up; but if the gentleman insists upon passing the resolution tonight, I shall not object.

Mr. BANKHEAD. Mr. Speaker, I demand the regular order.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. GOSS. Mr. Speaker, I was on my feet trying to get recognition under a further reservation of objection in order to have the matter go over until tomorrow. I have noticed there are 10 cases in connection with this question under section 613 of the House manual, and I have sent for Hinds' Precedents and I would like to look it up.

Mr. SUMNERS of Texas. The gentleman will not find a precedent.

Mr. O'CONNOR. Mr. Speaker, this is a privileged resolution and unanimous consent is not necessary.

Mr. GOSS. The gentleman asked unanimous consent.

Mr. O'CONNOR. It is a privileged resolution and does not require unanimous consent.

Mr. GOSS. Under what rule?

Mr. O'CONNOR. Under the privileges of the House.

Mr. GOSS. The gentleman asked unanimous consent and I was going to reserve the right to object to the request.

Mr. O'CONNOR. I do not believe the gentleman intended to ask unanimous consent, because the gentleman did not have to do that.

Mr. GOSS. May I inquire of the Speaker if the matter is privileged?

The SPEAKER. Yes.

Mr. SUMNERS of Texas. Mr. Speaker, I present a privileged resolution, which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 72

Resolved, That the managers on the part of the House in the matter of the impeachment of Harold Louderback, United States district judge for the northern district of California, be, and they are hereby, authorized to employ legal, clerical, and other necessary assistants and to incur such expenses as may be necessary in the preparation and conduct of the case, to be paid out of the contingent fund of the House on vouchers approved by the managers; and the managers have power to send for persons and papers, and also that the managers have authority to file with the Secretary of the Senate, on the part of the House of Representatives, any subsequent pleadings which they shall deem necessary: *Provided*, That the total expenditures authorized by this resolution shall not exceed $3,230.25, being the amount of the unexpended balance of $5,000 authorized to be expended by the special committee designated under authority of House Resolution 239, Seventy-second Congress, first session, approved June 9, 1932, to inquire into the official conduct of said Harold Louderback.

Mr. BLANTON. Will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. BLANTON. I would like to ask, in view of the fact that my colleague [Mr. SUMNERS] is himself a most distinguished lawyer, and that there are other distinguished lawyers as managers on the part of the House, why it is necessary to employ additional counsel to the extent of $3,200? They can do the legal work themselves. I have done legal work before committees—I have prosecuted impeachment cases, and I have worked week after week and given the best legal ability I possessed.

Mr. SUMNERS of Texas. I think some explanation should be made, and I am glad the gentleman has brought this up. I direct the attention of the House to the fact that in the last Congress the sum of $5,000 was appropriated to be used in whatever way was necessary in conducting the preliminary examination at San Francisco. I take some pride in reporting to the House that of that $5,000 a complete examination was made and the committee expended only $1,769.75. I venture to say that there is nothing in the history of this House connected with investigations that shows any other such investigation conducted at so small a cost. [Applause.]

In regard to the suggestion made by the gentleman from Texas, I do not expect the committee will employ any additional counsel. The resolution is in the usual language of resolutions authorizing the expenditure of sums in connection with the work of managers in impeachment cases. It might be so that we would want to have some lawyer from San Francisco available to the managers in conducting the case, and would pay his expenses. I give the House assurance that there will be no part of the money expended to pay attorneys' fees.

Mr. GOSS. Is it contemplated to employ a manager appointed in the last House as counsel?—Mr. LaGuardia or Mr. Sparks.

Mr. SUMNERS of Texas. No such thing has been discussed.

Mr. BLANTON. I would not object to the employment of Mr. LaGuardia. I hope that if the committee employs anybody it will be Mr. LaGuardia.

Mr. GOSS. I have no doubt it will be.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

HOUSE RESOLUTION 24—EXTENSION OF REMARKS

Mr. KOPPLEMANN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on House Resolution 24.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KOPPLEMANN. Mr. Speaker, it is with a sense of deep responsibility, anxiety, and indignation that I rise to acquaint my colleagues with a tragic situation of the 600,000 Jews in Germany. Just 17 years ago German Jewry celebrated the one thousandth anniversary of the beginning of the written records of Jewish life in the Teutonic lands. The Jews who have been part of German civilization, culture, science, and progress for a thousand years are today treated, regardless of political affiliations, in a manner suggesting medieval barbarism. This racial hysteria hit even the American citizens of Jewish faith who are domiciled in Germany.

The conscience of the whole civilized world has been shocked. A wave of sympathy for the plight of Israel in Germany is sweeping across this country, as evidenced by the resolutions of protest drawn by the leading civic and religious organizations from almost every part of this country.

As the Representative of the First Congressional District of Connecticut, I wish to read to you the following communication received by me, dated March 21, 1933:

Hon. HERMAN P. KOPPLEMANN,

Congressman, House Office Building, Washington, D.C.:

Whereas it has been brought to our attention by the press that the Jewish inhabitants of Germany are being subjected to severe and untold inhuman persecution; and

Whereas the residents of Germany of Jewish faith are being tortured severely, both in body and in mind; and

Whereas our organization, the Hartford Mutual Society, an organization consisting of approximately 300 men and women of Jewish creed, feel that the aforementioned conditions are intolerable and unjustifiable and contrary to the principles and trainings of modern civilization: Therefore be it

Resolved, That we, the Hartford Mutual Society, communicate with our Congressman, HERMAN P. KOPPLEMANN, and respectfully urge him on behalf of our people to register on the House floor a protest against inhuman conduct of the Hitler regime, and that he also be respectfully solicited to use any influence which he might possess in prevailing upon the Government of the United States to intercede on the behalf of the Jewish folk.

Respectfully submitted.

BENJAMIN RABINOVITZ, *President.*

Representative of the sentiments of the people of this country, I quote the following resolution adopted by the Women's International League for Peace and Freedom:

We are shocked and dismayed at the reports coming out of Germany as to instances of illegality, violence, and torture.

I also wish to quote from a resolution which the International Catholic Truth Society, through its president, Father Curran, sent to the State Department:

I wish to add my protest to the protest of the society to the many that should be pouring into the State Department against the unjust, un-Christian, and barbarous anti-Semitic activities in Germany. The fury against thousands of native-born German Jews should arouse the righteous indignation of every lover of humanity and of every believer in the brotherhood of man throughout the world.

The White Plains Ministers Association passed the following resolution:

Whereas cabled reports from Germany bring to America day after day the news of acts of terrorism, committed against the Jews in Germany; and

Whereas to our consternation and sorrow we learn of German Jews being subjected to every manner of outrage and indignity as well as being the victims of persecution: Therefore be it

Resolved, That we, the Ministers Association of White Plains, join with our Jewish fellow citizens in solemn protest against the appalling injustice of which German Jews have become the victims, and utter our deep sense of pain and resentment against the persecutions inflicted upon the Jewish people of Germany.

Christian leaders, acting under the initiative of the Greater New York Interfaith Committee, released the following statement:

We fully recognize that the German people have a right to choose such rulers and such form of government as they may

wish; but this recognition only heightens our right and duty to appeal to them not to permit continuance of the present acts of aggression, injustice, and violence toward Jews in Germany. We appeal to them to prevent these attacks against all that civilization has gained for tolerance and understanding since the Dark Ages. The problems of this deeply troubled world can be solved only through mutual good will and cooperation among all races; and unless chaos is to inherit the earth, it is the sacred duty of every member of the human family and every supporter of the Christian faith to counteract this subversive, un-Christian, and inhuman propaganda which is abroad in the world and is now so painfully manifesting itself in Germany.

We cannot but regard with profound dismay these recurring instances of ominous reversion to intolerance and persecution in a land which has been a home of culture, justice, and progress. We are deeply moved by the outrage and folly of acts which seemingly aim at human degradation and which violate the most elementary human rights.

To this our solemn appeal and protest we add our deep expression of sympathy for those who have been the victims of this violence and our desire to cooperate with our Jewish fellow citizens in the relief and the protection of their Jewish brethren in Germany.

Those who signed this statement were:

Newton D. Baker, former Secretary of War; George Gordon Battle, member of national board, Pro-Palestine Federation of America; Elmer E. Brown, chancellor New York University; S. Parkes Cadman, former president Federal Council of Churches of Christ in America; Richard S. Childs, president City Club of New York; Henry Sloane Coffin, president Union Theological Seminary; Bainbridge Colby, former Secretary of State of the United States; Martin Conboy, former president Catholic Club of New York; Royal S. Copeland, United States Senator from New York; J. Harry Cotton, pastor First Methodist Church, Columbus, Ohio; John W. Davis, president Association of the Bar of the City of New York; Stephen P. Duggan, director Institute of International Education; Amos I. Dushaw, member of national board, Pro-Palestine Federation of America; Harry Emerson Fosdick, minister Riverside Church; James W. Gerard, former United States Ambassador to Germany; William Green, president American Federation of Labor; Carroll Hayes, president Catholic Club in the city of New York; John Haynes Holmes, minister the Community Church; Lucius R. Eastman, former president the Merchants' Association of New York; William T. Manning, bishop of the Protestant Episcopal Diocese of New York; Martin T. Manton, former president Catholic Club in the city of New York; Francis J. McConnell, former president Federal Council of Churches of Christ in America; J. A. Meckstroth, editor in chief Ohio State Journal, Columbus, Ohio; Frederick B. Robinson, president College of the City of New York and chairman of American League for Human Rights; George E. Roosevelt, president Roosevelt Hospital; Charles Edward Russell, president Pro-Palestine Federation of America; Harrison M. Sayre, chairman Foreign Policy Association, Columbus, Ohio; Alfred E. Smith, former Governor of the State of New York; Ralph W. Sockman, former president Greater New York Federation of Churches; John Thompson, pastor Episcopal Methodist Temple Church, Chicago; Charles Trexler, president Greater New York Federation of Churches; Charles H. Tuttle, president Greater New York Interfaith Committee; Robert F. Wagner, United States Senator from New York; Grover A. Whalen, former police commissioner, city of New York; George W. Wickersham, former United States Attorney General.

The plight of the Jews in Germany is fraught with such danger that all the rabbinical associations of Greater New York have proclaimed and designated Monday, March 27, 1933, as a day of fasting and prayer, when throughout the United States special services will be held in all synagogues. On the evening of the same day a protest meeting against the persecution of the Jews in Germany will be held in Hartford, Conn., sponsored by the Emanuel Synagogue, and in Madison Square Garden, in New York City, at which some of the outstanding leaders in all fields of activity will speak, among whom will be William Green, representing the American Federation of Labor, with its 3,000,000 members; former Gov. Alfred E. Smith; Bishop William T. Manning; Senator Robert F. Wagner; and Bishop Francis J. McConnell.

I pray and hope that under the inspired leadership of our democracy the conscience of the world will prevail to the end that the enlightened opinion of the German people will be made aware of the gross injustice of racial and religious persecution and that the ideals, policies, and principles of justice and equality will be restored to all citizens of that great land, regardless of race or creed.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J.Res. 14. Joint resolution to authorize the Reconstruction Finance Corporation to make loans for financing the repair or reconstruction of buildings damaged by earthquake in 1933.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 3341. An act to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes.

AGRICULTURAL RELIEF BILL—EXTENSION OF REMARKS

Mr. ZIONCHECK. Mr. Speaker, I have listened with intense interest to the arguments pro and con on the agricultural relief bill. It is rather amusing to hear Representatives of the farmers maintain that prosperity can only be had by increasing the purchasing power of the farmer first, and the Representatives of the industrial sections maintaining that prosperity can only be had by increasing the purchasing power of the industrial population so that they will be able to buy the farmers' products; it is like the argument "Which came first, the egg or the chicken."

It seems to me that there is an interdependence of the factors of our complicated social structure and interrelation and that if we are to advance in a balanced manner we must give relief simultaneously to the farmer, the workman, and he who seeks but is unable to find employment, in order that we may jar ourselves off what might be termed "dead center" and stimulate the circulation in the arteries of trade. I might state in passing that I am of the opinion that there never will be any real relief until we cease to talk about the leaves and the bugs on the leaves and commence to speak in terms of the roots of the tree, its trunk, and main limbs, for it is going to necessitate something more than mere palliatives to remedy the situation, and to do that we must seriously lend ourselves to the intelligent solution of the problems of rent, interest, and profit.

I have made no campaign commitments regarding the solution of the farming problem and, inasmuch as this is the President's program and is to be, as I am informed, administered by the able and sympathetic Secretary of Agriculture, Mr. Wallace, and his competent assistant, Mr. Tugwell, I do not fear to vote to them the power, for experience teaches that 90 percent of every law is the manner in which it is administered.

I am not unmindful of the arguments that this bill tends to socialization and what not, for I am inclined to believe that the continued exercise of individual initiative which affects others intimately and vitally must constantly be further subjected to more public control for the benefit of all concerned.

There is another principle involved in this measure which is of particular appeal to me, and I would be inclined to vote in the affirmative just to endorse the policy expressed by the President when he said as follows:

> I tell you frankly that it is a new and untrod path; but I tell you with equal frankness that an unprecedented condition calls for the trial of a new means to rescue agriculture. If a fair administrative trial of it is made and it does not produce the hoped-for results, I shall be the first to acknowledge it and advise you.

I heartily endorse this policy of experimentation in legislation, for my attention has not been directed by anyone to any so-called "well-trodden path" which we might follow which would lead us out of this present chaotic condition. The principle announced by the President recognizes the absolute necessity of our embarking in what is known as "social invention" by the trial-and-error system, so that we may stimulate such inventions to a point where they may eventually catch up with our mechanical inventions. If we had followed the same policy in our mechanical inventions as we are advised to follow in social inventions, I fear that we would still be lighting our homes with tallow can-

dies. The real question before us today is whether we have the social capacity to solve our social needs.

By my affirmative vote I do not endorse as a general policy the restriction of production, for I am a firm believer in the policy of economic planning of consumption, for then production will take care of itself without any planning whatsoever. I am also mindful of the fact that this measure may to some degree amount to a sales tax if no steps are taken to prevent the first processors from passing the cost on down to the consumer; but I feel that there is such a great spread between the prices paid to the farmers and those paid by the actual consumers that the tax that the processor pays can well be absorbed in this differential, which can be best illustrated by the fact that the farmers of Washington are receiving approximately 5 cents a gallon for their milk, which when laid down to the consumer costs him 40 cents a gallon, and hence a 5- or 10-cent increase to the price paid the farmer need not necessarily increase the cost to the consumer.

I am further of the opinion that this bill is somewhat fantastic and will present almost superhuman problems in its administration; but despite the many questions that arise in my mind in these regards, I feel certain that the measure can do no harm, inasmuch as the farmers' condition cannot be made any worse than it is now, and it may help him. This is my hope. It will at least afford a breathing spell during which more basic and fundamental relief measures may be enacted, and I am hopeful that the President's program, as it reveals itself to us, will embody such measures.

Mr. AYERS of Montana. Mr. Speaker, as a farmer and rancher myself, I arise in behalf of the vast army of men and women engaged in that pursuit. For 12 long years their department of Government has been administered by the Civil Service Commission and by political farmers. In answer to my colleagues across the aisle, who complain of the absence of civil-service provisions in this bill, I say to them it is high time to abandon civil service and the political farmers in the administration of the Agriculture Department, and replace them with practical agricultural men. If this bill passes that can be done, and I have faith that it will be done.

RAW PRODUCTS FORGOTTEN

Mr. Speaker, during the past 12 years our Nation has unfortunately lost sight of all else in its attempt to speedily reach the top of the ladder as a financial and commercial nation. This mad race has been run without regard to agricultural products in the raw. The raw materials of the farmer and the rancher have been forgotten; they have been left at the starting post. The only thing that financial and commercial America has been thinking of, when it thinks of agriculture at all, is the processed and manufactured articles. When it thinks of wheat it thinks of flour and bread; when it thinks of corn it goes on past the grain and the hog and thinks of ham and bacon; when it thinks of wool and cotton it thinks only of cloth and clothing; when it thinks of tobacco it thinks of cigars and cigarettes; and when it thinks of cattle it thinks of them only long after they have gone through the packing house. The trouble with this line of thought is that the farmer, the rancher, and the stockman are absolutely forgotten and entirely neglected.

Our banking, commercial, and industrial leaders have lost sight of the vastly important fact that over 30,000,000 of our people are dependent directly and entirely upon agricultural products in the raw, and that another 40,000,000 are indirectly dependent upon them. Our national policy for the expansion of foreign trade in industrial products—including agricultural products after they are processed and manufactured—without taking into account its effect upon agricultural products as they are produced by the farmer and rancher, as related to industry, was indeed a sad mistake.

FOREIGN TRADE DESTROYED

We have loaned abroad more money than is represented by our entire World War debt, upon the theory that it would be used particularly to buy our industrial products. We have put the machinery of our gigantic Department of Commerce behind the movement to expand our foreign trade. We have acted just as though we were the same debtor nation that we were before the war, when, in fact, we are the leading creditor nation of the world. We have nearly half the gold of the world, so foreign trade cannot pay us in gold, and in the face of that fact we prevented their paying us in goods—goods that we did not ourselves produce—by our tariff laws. Under such conditions it is not surprising that we have had tariff barriers built against us.

This urgent expansion of foreign trade in industrial products ignored the greater importance of foreign trade to agriculture than to any other industry. It also ignored the greater importance of our domestic trade, from which we obtained over 90 percent of our national income. From 1910 to 1932 the total income from all our exports averaged annually 7.45 percent of our whole national income, but the proportion of agricultural income attributable to agricultural exports was 17.86 percent, while the proportion of industrial income attributable to industrial exports was only 5.21 percent; hence agricultural products should have had first thought in this connection instead of being forgotten.

PRESIDENT'S VIEWS

Our President long before his inauguration, and even before his election, recognized the necessity to our general public recovery of restoring the purchasing power of agriculture. In his Atlanta (Ga.) speech on October 24, 1932, he said:

> • • • let me make clear, in as emphatic words as I can find, the fundamental issue in this campaign. Mr. Hoover believes that farmers and workers must wait for general recovery until some miracle occurs by which the factory wheels revolve again.
>
> No one knows the formula of this miracle.
>
> I, on the other hand, am saying over and over that I believe that we can restore prosperity here in this country by reestablishing this gigantic purchasing power of half the people of the country; that when this gigantic market of 50,000,000 people is able to purchase goods, industry will start to turn, and the millions of jobless men and women now walking the streets will be reemployed.

Again, in Boston, the week before election, he said:

> We need to give 50,000,000 people who live directly or indirectly on agriculture a price for their products in excess of the cost of production. That will give them the buying power to start your mills and mines to work to supply their needs. They cannot buy your goods because they cannot get a fair price for their products.

Mr. Speaker, let no one doubt that his majorities in the agricultural States meant general approval of his views which I have just quoted.

PAST LEGISLATION A FAILURE

Many of my colleagues who are opposing this bill have referred to it as experimental legislation and as dictatorial legislation. Both of these arguments are true. But what could have been more dictatorial than the Farm Board legislation of the last administration, and what could have been more experimental than all of the agricultural legislation passed by the last three administrations? And I cannot, in the height of my most fantastic imagination, conceive of any failures more colossal than these.

The farmer's price has been dictated downward, and he has been experimented with until he is absolutely bankrupt. He has gotten to a point where a little more dictation and a few more experimets cannot hurt him—he is beyond that stage. Yet he is a gamester; he is willing to try it again and particularly so with a new leader, a leader in whom he has faith.

PROSPEROUS FARMER EXTINGUISHED

The happy, independent, well-to-do farmer has passed from the picture; and, while he has been so passing, the transportation companies, the banks, the insurance companies, the merchants, the processors, the manufacturers, and the middlemen have all been living off him. Now, when he has come to the end of his wearisome path, all these concerns of finance and industry are feeling the effect; in fact, the entire capitalistic civilization of this country has felt the effect to the very point of crumbling.

Here is a sample of the rocks in the path of the farmer for the past 12 years: Farm income fell from $13,566,000,000 in 1920 to $5,240,000,000 in 1932, a drop of over 61 percent. This vast depreciation reflects the shortage in exchange value of agricultural commodities during these years and not the shortage in volume of products; as a matter of fact, the volume is about the same.

In addition to this great depreciation in the value of his products, the farmer's mortgage debt has increased from $7,858,000,000 in 1920 to approximately $10,000,000,000 in 1932, and during the same time his taxes have increased by more than one third. Taxes and interest, which amounted to about 20 percent of farm production expenses prior to the war, have now risen to 40 percent; during this period, while the tide was running high against him, the cost of the things he had to buy did not decrease. The tariff law, while forgetting him, took care of the industrial manufacturers of this country in that respect.

FARMERS APPROVE BILL

Of all the agricultural products, grain and livestock have suffered the most. These are the two principal products of my district; hence my constituents are among those who have suffered the most, and from them and their organizations I have received scores of telegrams urging the passage of this bill. They appreciate, and so do you and I, that economic problems of production and income cannot be solved entirely by legislation, but this Congress is pledged to enact all possible remedial measures. This bill is the first administration bill to aid agriculture. It is not a cure-all, but it is the first step leading to a new path. It seeks to establish a condition in the marketing and processing of products that will give to them their pre-war purchasing power.

AN UNBALANCED YARDSTICK

The farmer and stockman does not raise machinery, gasoline, clothing, interest coupons, and tax receipts. He raises wheat, corn, cattle, hogs, and sheep; and his embarrassment occurs when he attempts to trade his products for the things he must have and when he tries to retire an interest coupon from his mortgage or have a tax receipt marked "paid." The yardstick under which he has lived does not measure equitably on the things he produces and the things he buys and the debts he has to pay. It is short when it measures his products, and it is long when it measures what he has to buy and the debts he has to pay.

ADJUSTMENT PROVISIONS

The agricultural-adjustment provisions of this bill grant to the Secretary of Agriculture a broad power. He is given the right to provide for reduction in acreage or reduction in production for market, or both, through agreements with producers or by other voluntary methods, and to provide for rental or benefit payments in connection therewith in such manner and amount as the Secretary deems fair and reasonable. The Secretary may pay so much a bushel for corn and wheat or so much a pound for sheep, cattle, and hogs to those who voluntarily come under this provision.

LICENSING REDUCES MIDDLEMAN

The licensing provisions of the act, applying to processors, associations of producers, and other agencies engaged in the handling, in the current of interstate and foreign commerce, of any basic agricultural commodities or products thereof, under wise use will stop the unreasonable profits of middlemen. In ascertaining such profits as they are legitimately entitled to, they will undoubtedly have to abandon their present theory of carrying as assets old and obsolete plants that should have been junked years ago in order to charge a price whereby they could pay interest and dividends upon a fictitious capital investment.

Under the sweeping power of the Secretary to issue and revoke the licenses, he will have his hand upon the products of the field until they have ultimately reached the consumer. It is said that today the farmer receives less than one third of the price paid by the consumer of his products. The transportation agencies, the processor, the trade, and the middleman take the other two thirds. Under the licensing provisions the farmer's share will be materially increased because the Secretary will have the right to adjust costs all along the line, and he will undoubtedly decrease the spread between the raw material and the refined product.

No farmer is dreaming of war-time prices. His hope is to realize approximately the same prices in exchange value which he enjoyed before the war in the days when he plowed with horses and could pay his taxes.

NEW LEGISLATION NECESSARY

At this time we have no adequate, workable agricultural legislation. Relief cannot be reached by the methods now in vogue. New methods must be promulgated, and we all know that everything new is an experiment.

This legislation has been proposed by the President, and in that proposal he has dealt his cards on top of the table. He has told us in no unmistakable terms that this is a new and untrod path, and that an unprecedented condition calls for the trial of new measures to rescue agriculture. He has also said that—

> If a fair administrative trial of it is made and it does not produce the hoped-for results, I shall be the first to acknowledge it and advise you.

In likewise unmistakable terms he has asked for the immediate passage of this legislation in the following words:

> The proposed legislation is necessary now for the simple reason that the spring crops will soon be planted, and if we wait for another month or 6 weeks the effect on the price of this year's crop will be wholly lost.

SUCCESS DEPENDS ON CHEERFUL ACCEPTANCE

In the final analysis this bill is the first step toward farm relief, and likewise the first step toward national relief. Agriculture, being the basic industry of the land, helps all others when it is helped. Success of this legislation depends largely upon the cheerful acceptance and willing compliance of producer, processor, and consumer, together with a sympathetic Executive and Secretary of Agriculture.

Certainly no one can question the desire of the President to lift prostrate agriculture nor the desire of Secretary Wallace to use his every effort to place the American farmer in a more secure position.

To me it is apparent that this important bill is but the beginning of the program of this administration for the rehabilitation of agriculture, and that it is unquestionably our only safe starting point.

Mr. YOUNG. Mr. Speaker, this bill has the approval of leading farm organizations. For the very first time social control and planning for our basic industry—agriculture—are provided by law.

I look at this problem from the standpoint of the city and from the viewpoint of the farm. I was born and brought up on a farm, and in fact spent the first 20 years of my life in the country. Observation and study have convinced me that our people will never again become prosperous and happy until economic security is restored to the farmers. Then, when we have accomplished this, let us help along their purchasing power by providing for an issue of interest-free currency by our Government in place of Government bonds. It seems absurd to issue bonds and then pay interest to bankers out of the taxpayers' money, and then to permit the banks to use these same bonds as the basis upon which they issue interest-free money and loan it to taxpayers at high interest. We have legislated for banks. We have legislated for bank depositors. The preceding Congress even legislated for foreign countries. We should long ago have legislated to do justice to this basic industry.

It is my privilege to represent in Congress nearly 7,000,000 Ohio people. Ohio is a great industrial State and an equally great agricultural State. Farmers of Ohio are looking to us with hope. Year after year the farmers of my State and their wives and children have struggled and toiled and at the end of the year have been farther in debt than they were at the beginning.

This agriculture relief bill is one of the most important measures we shall consider. The farmers of our country are

bankrupt. We, as their Representatives, have a solemn obligation to reduce the interest on farm mortgages; to reduce taxes on the farms, and to secure equitable transportation charges so that farmers will profit by shipping their products to the market. We must restore purchasing power to farmers.

I have studied this administration farm relief bill. I am supporting it. It is true that this bill vests Secretary of Agriculture Wallace with broad powers. In this emergency I say we must place all trust in him. He knows agriculture. This bill points the way out.

The bankruptcy which has afflicted the farmers of our country is a sort of creeping paralysis. It crept up on industry. It has wellnigh paralyzed our Government.

The President, in his message, said:

I tell you frankly that it is a new and untrodden path, but I tell with equal frankness that an unprecedented condition calls for the trial of new means to renew agriculture.

We have witnessed the spectacle of an inept vacillating president who pulled the covers over his head and closed his eyes to the direful conditions oppressing millions of worthy men and women who will not recover from the humiliations and sufferings of this depression for a generation. We now have the promise of a new deal from a wide-awake President. I gladly follow the leader who by this measure beckons us along a new path. May this path lead to better things for the farmers!

This measure gives the Secretary of Agriculture power to raise and stabilize the selling price of basic agricultural commodities—wheat, cotton, corn, hogs, cattle, sheep, rice, tobacco, milk, and milk products. While agriculture is in distress, business languishes. When we restore the purchasing power to our farmers, you will immediately see all business broaden. Men in my city will be called back to factories to make the products farmers require. The backbone of the depression will, in fact, be broken. This measure gives some promise of restoring prosperity to farmers. My city neighbors are dependent for their well-being upon the welfare of the farming communities of our country. Make prosperity possible to the farmer and industry will thrive in the city!

We are passing through a great emergency. This bill is one of the principal measures proposed as a part of the new deal. We should pass it. It will help restore confidence, inspire courage, and bring economic security. What if this is an experiment? The situation is so grave. The condition of the farmer is so perilous. Why delay? Cotton has been selling for 6 cents a pound, corn for 10 cents a bushel, wheat for 30 cents a bushel. Farmers today receive less for the products of the soil than they received 70 years ago. At the same time the cost of everything on the farms has been greatly increased. Forty million destitute farmers appeal to us for help now. Mortgages have been foreclosed. Homes have been confiscated. Oppressive taxes bear down upon those who are seeking to struggle along. Until this present moment farmers have been ignored, although they own in normal times one third in value the Nation's property. The farmer buys his tools and the very necessities of life in a highly protected market. He has been compelled to sell products of his land and of his toil in an unprotected domestic market and his surplus in an unprotected world market in competition with all the world.

We now have a President who seeks to lead agriculture into the promised land of economic security. This is in contrast with his predecessors, who vetoed farm-relief measures. In previous years relief was promised to the farmers, but they were given bankruptcy. Let us pass this bill now.

Mr. SMITH of Washington. Mr. Speaker and Members of the House, there can be no recovery in business until the farmers receive a fair price for their products. For a number of years they have not received even the cost of production. There are about 40,000,000 of our citizens engaged in farming, who constitute the best potential domestic market we have for all manufactured goods. Consequently, the prosperity of industry and business depends to a great extent on the purchasing power and prosperity of agriculture.

I have a considerable farming population in the nine counties of my district—the Third Washington District—who have been reduced to a state of financial distress, poverty, and indescribable hardships never before experienced in the history of southwestern Washington. Almost every kind of farming is followed by my constituents. Some of the finest farms in the State of Washington are located in Lewis, Clark, Cowlitz, Thurston, and Grays Harbor Counties, and there are many large farms in Pacific, Mason, Skamania, and Wahkiakum Counties, and, of course, many smaller ranches. It made me sad and sick of heart when I traveled all through this large area last summer and autumn and noted the dejection and discouragement of these dairy, poultry, fruit, and grain farmers, who have been practically impoverished by the deflation in prices until they have been unable to realize even the cost of production for their milk, butterfat, eggs, berries, fruit, hogs, and grains. Many of these citizens—than whom there are none nobler in this Republic—have lost the savings of a lifetime and been pauperized by the crimes perpetrated against them since 1920.

Mr. Speaker, what has happened to agriculture in my section of the country has occurred throughout the rural districts of the Nation.

Albert S. Goss, master of the Washington Grange, addressed the joint annual farmer-merchant dinner in the Masonic Temple in Hoquiam, Wash., my home town, a few weeks ago, and I should like to quote from his remarks, for I consider him to be one of the best-informed men on this subject in the United States.

Mr. Goss said:

In 1919 the amount invested in agriculture amounted to $80,000,000,000. Because farmers were forced to live off their capital investment while industry thrived, this amount was reduced to 58 billions in 1929. In 1919 this country produced an agricultural crop valued at $17,000,000,000. Now our output is valued at less than five billion.

While Congress was worrying about our exports, it allowed the farmer to lose his surplus, worth 1½ times as much as all the exports. The farmer's purchasing power was lost. The lumber industry began to feel it early, some time before the big crash in 1929. Figures show that 95 percent of the bank failures before the depression were in rural districts.

The situation is desperate. Commodity prices must be restored. We cannot work out our debts under the present price system. We need some kind of safe and controlled inflation of money. I recently visited President-elect Roosevelt, and I believe he is determined to protect agriculture in the future. We may have to fix prices.

With the depression having given us a new outlook and a new realization of agriculture's problems, I am more optimistic of our future than at any time in the past 8 years. We have voted for a new deal; now we must back up our Representatives.

No truer words were ever uttered, and I think that the majority of the Members of this House will subscribe to every statement made by Mr. Goss.

In his new book just off the press, Looking Forward, President Roosevelt, in his chapter entitled "What About Agriculture?" presents substantially the same picture.

President Roosevelt says:

I see no occasion for discussing in detail the acute distress in which the farmers of America find themselves. They receive prices as low or lower than at any time in the history of the United States. The economic turn means nothing less than the shadow of peasantry over 6½ million farm families. These families represent 22 percent of the population of the United States. In 1920 they received 15 percent of the national income; in 1925, 11 percent; in 1928, about 9 percent, and in some of the recent estimates based on figures of the United States Department of Agriculture the farm income has dropped to about 7 percent.

Fifty million men, women, and children immediately within our borders are directly concerned with the present and the future of agriculture. Another fifty or sixty million people who are engaged in business and industry in our large and small civic communities are at last coming to understand the simple fact that their lives and their futures are also profoundly concerned with the prosperity of agriculture. They realize more and more that there will be no outlet for their products unless their 50 million fellow Americans who are directly concerned with agriculture are given the buying power to buy city products.

Our economic life today is a seamless web. Whatever our vocation, we are forced to recognize that while we have enough fac-

tories and enough machines in the United States to supply all our needs, these factories will be closed part of the time and the machines will lie idle if the buying power of 50 million people remains restricted or dead.

In discussing the various plans of agricultural relief which have been proposed, President Roosevelt further states:

It will be my purpose to compose the conflicting elements of these various plans, to gather the benefit of the long study and consideration of them, to coordinate efforts to the end that agreement may be reached upon the details of a distinct policy to restore agriculture to economic equality with other industry.

Mr. Speaker and Members of the House, I believe that the bill now before the House is an honest attempt to apply and carry into execution these ideas which the President has stated and which he frequently expressed during the campaign last year. The bill is apparently the embodiment of several plans and is, therefore, necessarily disjointed and not as coherent as would otherwise be the case. It contains a number of novel and untried features which, in my opinion, will not prove practical or bring about the desired benefits to the farmers. However, in his ringing message to Congress President Roosevelt said:

I tell you frankly that it is a new and untrod path, but I tell you with equal frankness that an unprecedented condition calls for the trial of new means to rescue agriculture. If a fair administrative trial of it is made and it does not produce the hoped-for results, I shall be the first to acknowledge it and advise you.

At least, President Roosevelt is trying to do something for agriculture. He did not refer the subject to another commission. I shall, therefore, vote for this bill, which is submitted to us under suspension of the rules, with no opportunity to offer amendments.

I hope that this legislation will prove a success and a blessing to the farmers of the Nation and of my district, which will be cause for rejoicing by all the American people, but if it fails of its purpose, I anticipate, Mr. Speaker, that we will enact some other measure to take its place, under more favorable parliamentary circumstances.

Mr. HENNEY. Mr. Speaker, ladies, and gentlemen, I arise for the purpose of voicing my approval and adding my support to this measure, for I believe that, as stated in the caption of this bill, it will relieve the existing national economic emergency by increasing agricultural purchasing power.

I very much doubt that it will do all that its ardent supporters contend that it will. However, it is my opinion that agriculture will be very materially benefited by its enactment, and, in keeping with the pledge given to farmers by our party as well as the Republican Party in their national platforms since 1920, I believe it to be my duty and my obligation to vote for this bill which has been endorsed by practically all of the national farmers' organizations as the one that more nearly meets with their approval.

The proposition, when reduced to its simplest terms and shorn of all its verbiage, is in the last analysis simply the application of the protective-tariff system to the farming industry as an internal affair. The theory of aiding the farmer by means of an internal tax is not new. Alexander Hamilton, the champion of protective tariffs, nearly 150 years ago stated in effect that a protective tariff would be a great boon to industry but that eventually it would be a detriment to agriculture unless some manner of bounty could be devised whereby the farmer could participate in the benefits of a protected market. Agriculture must be bolstered up. Everyone admits that fact, and certainly, my colleagues, most of us can and will subscribe to the President's program when we consider the commendable frankness and cogent candor with which he told the Congress that this is a new and untrod path; that an unprecedented condition calls for the trial of a new system to rescue agriculture and that if, after a fair trial, it does not produce the hoped-for results he would be the first to acknowledge it and advise us. This bill, as stated by the President, has been given deep thought and careful study in collaboration with noted economists and representatives of agricultural organizations.

It is so refreshing, Mr. Speaker, to have a leader who will listen and who will try and who, if failure comes, will be the first to admit and rectify it. We should go along with him on this bill.

It is better to have tried and failed
Than never to have tried at all.

I shall not attempt to go into the mechanics of this plan, as more able speakers, many of whom are members of the Agricultural Committee, have covered it more thoroughly than could I. However, I do wish to call particular attention to some of the conclusions reached by the committee which have not been stressed in this discussion in the House.

First, the answer to those who contend that the bill will saddle a giant sales tax onto the consumer is that the consumer will be protected and that the price to the consumer must bear a definite relation to, but in no event, will it exceed the pre-war price based upon the purchasing power of that particular commodity at pre-war sales prices.

Second, the argument that the processing tax will greatly lessen consumption and, therefore, be productive of technical overproduction is negatived by the restrictive clause. This tax must be such that if, in allowing the commodity producer the pre-war price the consumption of this commodity would be materially reduced, the tax must be adjusted to the buying power of the consumer. This means simply that if consumption is materially lessened that the tax will be lessened or removed. On the large percentage of commodities this will not be necessary because in practically all cases the price which the farmer receives is such a small percentage of the price the consumer pays that the addition of the processing tax would have but slight effect on the retail price and would not be burdensome to consumers.

This is well illustrated in the matter of bread, pork, and cotton products. At the present price of wheat it was shown that the actual flour in a 16-ounce loaf of bread is worth one half cent; and if the price of wheat were trebled, or advanced from 30 cents to 90 cents per bushel, it would raise the actual cost of that loaf just 1 cent. Since 1929, bread has declined in price but 25 percent while wheat has declined nearly 70 percent, and in 1913 the price of bread was practically the same as today while wheat was more than double the price of today. This condition is brought about largely by the processors of flour, who have not reduced proportionately the cost of their product to the bakers.

As to pork products, ham today is actually 7 cents a pound higher than in 1913, while hogs are selling for 4 cents a pound less.

In the cotton-goods industry only a small percentage of the retail price goes back to the farmer. If the price of cotton to the farmer were doubled, a shirt previously sold for $1 would then have to be sold for $1.02. A yard of voile that sold for 7 cents would now cost 7½ cents. These examples—and they are legion—simply demonstrate that the cost of raw material is the smallest item in the selling price of the finished product, and it is believed that the proposed tax will almost double the purchasing power of the farmer, who will promptly begin purchasing finished products, paying debts, taxes, mortgages, and so forth, to the end that the wheels of industry will again begin to move, our smokeless factory chimneys will again take on new life, and our banks will have their assets thawed out.

In America our love for a square deal, our sporting blood should preclude any contracts other than those which would insure a fair return for the labor and investments involved in the production of a commodity, and consumers will not ask to purchase at a price that virtually wipes out the farmer's purchasing power.

The consumer and business man, as well as the farmer, have everything to gain from a fair and honest and a balanced relationship between production and consumption of farm products which will restore to the farmer his pre-war purchasing power.

While it is my honest opinion, Mr. Speaker, that this bill properly administered will, if enacted, control surplus crop production, it will materially increase the income of the farmer and, thereby, his purchasing power; still I had hoped that we might have added certain amendments to it. I have reference to the Frazier bill, defeated in the Seventy-second Congress, which was designed and advanced for the purpose of permitting the farmer to borrow cheap-interest money from the Reconstruction Finance Corporation.

Second. I should have liked to have had an amendment requesting a sweeping investigation of farm-machinery prices. This latter matter has been discussed a great many times in the Congress during the past year, and it has been stated many times that while the prices of farm commodities have decreased over 50 percent since 1920, farm machinery has actually increased about 9 percent in price in spite of the fact that labor and steel, which are practically the only items in the cost of a piece of farm machinery at the factory, are cheaper than they have been in a generation. I believe this farm-machinery hold-up should be looked into and it is my intention to introduce a bill in this Congress calling for an investigation of this matter.

Third. Farm-mortgage foreclosure is another item which might have been added or incorporated in this bill. However, we have the assurance of the Secretary of Agriculture that the Frazier bill, or some modification of it, together with a measure relieving the farm mortgagor, will receive the attention of our President and the Congress at an early date.

Fourth. There is a distinct and audible clamor throughout the country for some form of expansion of our currency, and I am in hopes that this Congress will have a chance to pass on this legislation. It has been amply and undeniably proven that in times past our currency has been deflated or artificially contracted for the express purpose of lowering commodity prices to combat the "high cost of living", and in every instance it has done just that—lowered prices to the farmer, the dairyman, and the industrialist.

Therefore, if contracting the circulating currency will deflate prices, the doing of just the opposite—or expanding the currency—should increase the price of farm products, labor, and industrial goods; and it may be of interest to know that this very thing was successfully carried out at the beginning of President Wilson's administration.

I believe, ladies and gentlemen, that a controlled expansion of our currency will do more to aid business in this country generally than any other one thing. It will restore the dollar to its purchasing and paying power of 1928.

I have hopes that these adjuncts to the farm-relief program may be submitted to this Congress for enactment. The farm bill which we are discussing is but an emergency measure, and provision is made that it shall cease to be in effect when the President shall consider that the national economic emergency in its relation to agriculture shall have passed. It is also provided that the powers of the Secretary of Agriculture shall be terminated by the President if he finds that they are not requisite to carry out the declared program. Therefore I wish to reiterate that I can see no reason why we should hesitate to pass this bill.

President Roosevelt frankly admits it is a new and untried plan. He promises to discontinue it if it does not work. He promises to take away the powers of the Secretary of Agriculture if they are not requisite to the carrying out of the bill. He states that it is an emergency bill only and will be repealed as soon as the emergency shall have ended.

My support and my vote is predicated as much on these statements as on the merits of the bill.

ADJOURNMENT

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 31 minutes p.m.) the House adjourned until tomorrow, Thursday, March 23, 1933, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. O'CONNOR: Committee on Rules. House Resolution 71. A resolution providing for the consideration of H.R. 3342, a bill to provide revenue for the District of Columbia by the taxation of beverages, and for other purposes; without amendment (Rept. No. 12). Referred to the House Calendar.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H.R. 2059) granting a pension to William W. Holmes, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. KAHN: A bill (H.R. 4005) to amend section 57 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended and supplemented, with respect to proof and allowance of claims by trustees for bondholders; to the Committee on the Judiciary.

By Mr. RAYBURN: A bill (H.R. 4006) to regulate the business of freight forwarding, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RANKIN: A bill (H.R. 4007) to provide for the channeling and improvement of the Tombigbee River, Miss., and for other purposes; to the Committee on Banking and Currency.

Also, a bill (H.R. 4008) to provide for controlling the floods of Town Creek, Miss., and for other purposes; to the Committee on Banking and Currency.

By Mr. BURNHAM: A bill (H.R. 4009) authorizing the Secretary of War to set apart as a national cemetery certain lands of the United States military reservation of Fort Rosecrans, Calif.; to the Committee on Military Affairs.

By Mr. RANKIN: A bill (H.R. 4010) for the erection of a public building at Starkville, Oktibbeha County, Miss.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 4011) for the erection of a public building at Amory, Monroe County, Miss.; to the Committee on Public Buildings and Grounds.

By Mr. EATON: A bill (H.R. 4012) to provide for the commemoration of Middlebrook Heights, near Bound Brook, N.J., where George Washington was in camp at the time of the adoption of the United States flag by Congress, June 14, 1777; to the Committee on Military Affairs.

Also, a bill (H.R. 4013) to provide an additional appropriation as the result of a reinvestigation pursuant to the act of February 2, 1929 (45 Stat. 2047, pt. 2), for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosion at the naval ammunition depot, Lake Denmark, N.J., July 10, 1926; to the Committee on Claims.

By Mr. CHAVEZ: A bill (H.R. 4014) to authorize appropriations to pay in part the liability of the United States to the Indian pueblos herein named under the terms of the act of June 7, 1924, and the liability of the United States to non-Indian claimants on Indian pueblo grants whose claims, extinguished under the act of June 7, 1924, have been found by the Pueblo Lands Board to have been claims in good faith; to authorize the expenditure by the Secretary of the Interior of the sums herein authorized and of sums heretofore appropriated in conformity with the act of June 7, 1924, for the purchase of needed lands and water rights and the creation of other permanent economic improvements as contemplated by said act; to provide for the protection of the watershed within the Carson National Forest for the Pueblo de Taos Indians of New Mexico and others interested; and to authorize the Secretary of Agriculture to contract relating thereto and to amend the act approved

June 7, 1924, in certain respects; to the Committee on Indian Affairs.

By Mr. LUCE: A bill (H.R. 4015) authorizing filling of vacancies occurring in the office of district judge in the district of Massachusetts created by the act entitled "An act for the appointment of additional circuit judge for the fourth judicial circuit, for the appointment of additional district judges for certain districts, providing for an annual conference of certain judges, and for other purposes", approved September 14, 1922; to the Committee on the Judiciary.

By Mr. DOUGHTON: A bill (H.R. 4016) to extend the time for filing claims under the Settlement of War Claims Act of 1928, and for other purposes; to the Committee on Ways and Means.

By Mr. MEAD: A bill (H.R. 4017) to exclude substitute postal employees from the operation of the Economy Act when their aggregate earnings are less than $83.33 a month; to the Committee on Expenditures in the Executive Departments.

By Mr. SANDERS: A bill (H.R. 4018) to restore the 2-cent rate of postage on first-class mail matter; to the Committee on Ways and Means.

Also, a bill (H.R. 4019) to repeal the tax on bank checks; to the Committee on Ways and Means.

By Mr. ROMJUE: A bill (H.R. 4020) for the relief of agriculture mortgages and foreclosures; to the Committee on Ways and Means.

By Mr. McCORMACK: A bill (H.R. 4021) to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States; to the Committee on Military Affairs.

By Mr. SIROVICH: Resolution (H.Res. 63) providing for an investigation and study of problems with respect to the Indians in Alaska; to the Committee on Rules.

By Mr. RANKIN: Resolution (H.Res. 64) authorizing the printing of 2,000 copies of the soil survey of Oktibbeha County, Miss.; to the Committee on Printing.

Also, resolution (H.Res. 65) authorizing the printing of 2,000 copies of the soil survey of Monroe County, Miss.; to the Committee on Printing.

Also, resolution (H.Res. 66) authorizing the printing of 2,000 copies of the soil survey of Lowndes County, Miss.; to the Committee on Printing.

By Mr. DICKSTEIN: Resolution (H.Res. 67) requesting the Secretary of State to direct the consuls abroad to disregard instructions of September 15, 1930, and revert to provisions of law in force prior to that date in examining applicants for immigration visas; to the Committee on Immigration and Naturalization.

By Mr. HANCOCK of North Carolina: Resolution (H.Res. 68) to pay to Irene Nicholson Linder, mother of Heath Linder, 6 months' compensation and not to exceed $250 funeral expenses; to the Committee on Accounts.

By Mr. O'CONNOR: Resolution (H.Res. 71) providing for the consideration of H.R. 3342, a bill to provide revenue for the District of Columbia by the taxation of beverages, and for other purposes; to the Committee on Rules.

By Mr. WOODRUFF: Joint resolution (H.J.Res. 107) directing the President of the United States of America to proclaim October 11, 1933, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. WELCH: Joint resolution (H.J.Res. 108) authorizing the President of the United States to present the Distinguished Flying Cross to Emory B. Bronte; to the Committee on Naval Affairs.

By Mr. McCORMACK: Joint resolution (H.J.Res. 109) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

Also, joint resolution (H.J.Res. 110) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. SADOWSKI: Joint resolution (H.J.Res. 111) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

By Mr. DINGELL: Joint resolution (H.J.Res. 112) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

Also, joint resolution (H.J.Res. 113) directing the President of the United States to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. DOUGLASS: Concurrent resolution (H.Con.Res. 7) directing the President to use his good offices with the Government of Germany to obtain humane treatment for racial and political minorities in Germany; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACON: A bill (H.R. 4022) for the relief of Matthew Grady; to the Committee on Military Affairs.

By Mr. BEEDY: A bill (H.R. 4023) for the relief of John G. Edwards; to the Committee on Claims.

By Mr. BEITER: A bill (H.R. 4024) for the relief of General S. Thompson; to the Committee on Military Affairs.

Also, a bill (H.R. 4025) granting a pension to Bernhard Anna, Jr.; to the Committee on Pensions.

By Mr. COLDEN: A bill (H.R. 4026) for the relief of Carrie Gannon; to the Committee on Claims.

Also, a bill (H.R. 4027) for the relief of John B. Parsons; to the Committee on Military Affairs.

By Mr. CONDON: A bill (H.R. 4028) to confer jurisdiction on the Court of Claims to hear and determine the claim of A. C. Messler Co.; to the Committee on War Claims.

By Mr. DIES: A bill (H.R. 4029) granting a pension to Frank Mitchell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4030) for the relief of Walter M. Rowlett; to the Committee on Military Affairs.

Also, a bill (H.R. 4031) granting a pension to George Miller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4032) for the relief of William R. Paydon; to the Committee on Naval Affairs.

Also, a bill (H.R. 4033) for the relief of William Sterling; to the Committee on Military Affairs.

By Mr. DITTER: A bill (H.R. 4034) for the relief of James Mullen; to the Committee on Military Affairs.

By Mr. DOUGHTON: A bill (H.R. 4035) for the relief of Walter Thomas Foreman; to the Committee on Claims.

By Mr. DUNCAN of Missouri: A bill (H.R. 4036) granting a pension to Jane Salmons; to the Committee on Invalid Pensions.

By Mr. KEE: A bill (H.R. 4037) granting a pension to John D. Pearson; to the Committee on Pensions.

By Mr. KNUTSON: A bill (H.R. 4038) for the relief of George Johnson; to the Committee on Military Affairs.

By Mr. MARTIN of Oregon: A bill (H.R. 4039) for the relief of Emma V. Crawford; to the Committee on Pensions.

Also, a bill (H.R. 4040) for the relief of William J. C. Schuldt; to the Committee on Naval Affairs.

By Mr. McLEAN: A bill (H.R. 4041) for the relief of Alfred Jacob Kettner; to the Committee on Naval Affairs.

By Mr. McCORMACK: A bill (H.R. 4042) granting a pension to Theresa G. Noonan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4043) for the relief of George C. Cummings; to the Committee on Military Affairs.

Also, a bill (H.R. 4044) for the relief of Mrs. A. H. Lawson; to the Committee on Claims.

Also, a bill (H.R. 4045) for the relief of Lawrence Rooney; to the Committee on Naval Affairs.

Also, a bill (H.R. 4046) for the relief of Charles McCarren; to the Committee on Naval Affairs.

Also, a bill (H.R. 4047) granting a pension to Emeline M. Salstrom; to the Committee on Pensions.

Also, a bill (H.R. 4048) for the relief of Charles F. Hult; to the Committee on Naval Affairs.

Also, a bill (H.R. 4049) for the relief of Walter E. Patten; to the Committee on Military Affairs.

Also, a bill (H.R. 4050) for the relief of Charles Eben Stewart; to the Committee on Naval Affairs.

Also, a bill (H.R. 4051) for the relief of Albert Edward Vincent; to the Committee on Naval Affairs.

Also, a bill (H.R. 4052) for the relief of John Neilson; to the Committee on Naval Affairs.

Also, a bill (H.R. 4053) for the relief of John E. Ziniti; to the Committee on Naval Affairs.

Also, a bill (H.R. 4054) for the relief of Edward F. Shea; to the Committee on Naval Affairs.

Also, a bill (H.R. 4055) for the relief of William F. Curley; to the Committee on Military Affairs.

Also, a bill (H.R. 4056) for the relief of Emma F. Taber; to the Committee on Claims.

Also, a bill (H.R. 4057) for the relief of George Luftman; to the Committee on Military Affairs.

Also, a bill (H.R. 4058) for the relief of John William Ford; to the Committee on Naval Affairs.

Also, a bill (H.R. 4059) for the relief of James Philip Coyle; to the Committee on Naval Affairs.

Also, a bill (H.R. 4060) for the relief of Ellen Grant; to the Committee on Claims.

Also, a bill (H.R. 4061) for the relief of William Fisher; to the Committee on Naval Affairs.

Also, a bill (H.R. 4062) for the relief of William Walter Shyne; to the Committee on Naval Affairs.

Also, a bill (H.R. 4063) for the relief of Alice O'Brien; to the Committee on Claims.

Also, a bill (H.R. 4064) for the relief of William F. Curley; to the Committee on Military Affairs.

Also, a bill (H.R. 4065) for the relief of William Martin; to the Committee on Naval Affairs.

Also, a bill (H.R. 4066) for the relief of James Conley; to the Committee on Military Affairs.

By Mrs. NORTON: A bill (H.R. 4067) for the relief of the mayor and aldermen of Jersey City, Hudson County, N.J., a municipal corporation; to the Committee on Claims.

By Mr. OWEN: A bill (H.R. 4068) for the relief of Andrew Emmett Pope; to the Committee on Naval Affairs.

By Mr. RANKIN: A bill (H.R. 4069) granting the Distinguished Service Cross to Richard M. Boyd; to the Committee on Military Affairs.

By Mr. TAYLOR of Tennessee: A bill (H.R. 4070) granting a pension to Bertha Howard Woodward; to the Committee on Invalid Pensions.

By Mr. THURSTON: A bill (H.R. 4071) granting an increase of pension to Eliza C. Dunlap; to the Committee on Invalid Pensions.

By Mr. TINKHAM: A bill (H.R. 4072) authorizing the Secretary of the Navy to advance on the retired list of the Navy David J. Mahoney, retired, to chief boilermaker, retired; to the Committee on Naval Affairs.

Also, a bill (H.R. 4073) for the relief of Margaret Sloane; to the Committee on Claims.

Also, a bill (H.R. 4074) for the relief of Evangelos Karacostas; to the Committee on Claims.

Also, a bill (H.R. 4075) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Mary A. McCourt; to the Committee on Claims.

Also, a bill (H.R. 4076) for the relief of Stephen J. Crotty; to the Committee on Military Affairs.

Also, a bill (H.R. 4077) for the relief of Gosta Maurice Fagerstrom; to the Committee on Naval Affairs.

Also, a bill (H.R. 4078) for the relief of William H. Ames; to the Committee on Claims.

Also, a bill (H.R. 4079) to place William H. Clinton on the retired list of the Navy; to the Committee on Naval Affairs.

Also, a bill (H.R. 4080) for the relief of Mucia Alger; to the Committee on Foreign Affairs.

Also, a bill (H.R. 4081) for the relief of Edward S. Ryan; to the Committee on Military Affairs.

Also, a bill (H.R. 4082) for the relief of John J. Corcoran; to the Committee on Claims.

Also, a bill (H.R. 4083) for the relief of George Russell Thorson; to the Committee on Naval Affairs.

Also, a bill (H.R. 4084) for the relief of Thomas J. Harrington; to the Committee on Naval Affairs.

By Mr. THOM: A bill (H.R. 4085) granting a pension to Tom Teeters; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4086) granting an increase of pension to Ella Faloon; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4087) granting a pension to William Barkman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4088) granting an increase of pension to Rachel Ann Barr; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4089) granting a pension to Anna G. Van Horn; to the Committee on Pensions.

Also, a bill (H.R. 4090) granting a pension to Ammon Barkman; to the Committee on Invalid Pensions.

By Mr. THOMASON of Texas: A bill (H.R. 4091) for the relief of Stanley A. Jerman, receiver for A. J. Peters Co., Inc.; to the Committee on Claims.

By Mr. WELCH: A bill (H.R. 4092) granting a pension to William F. Buckley; to the Committee on Pensions.

Also, a bill (H.R. 4093) for the relief of Patrick J. Sullivan; to the Committee on Military Affairs.

Also, a bill (H.R. 4094) granting a pension to Wilhelm Kerstan; to the Committee on Pensions.

By Mr. WILCOX: A bill (H.R. 4095) granting a pension to Alta Manypenny; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4096) granting a pension to Bessie Hall; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4097) granting a pension to Susan Bragg Mitchell; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

143. By Mr. ANDREW of Massachusetts: Petition adopted by Massachusetts House of Representatives, urging enactment of legislation regulating the hours of labor and wages of persons employed in manufacturing and industrial establishments; to the Committee on Labor.

144. By Mr. CHASE: Resolution adopted by the House of Representatives of the State of Minnesota and submitted by the speaker and chief clerk, memoralizing Congress to issue the money and establish the value thereof; to the Committee on Banking and Currency.

145. By Mr. CULKIN: Resolution of Kirkland Grange, No. 684, urging the support of House bill 2825, entitled "A bill declaring the policy of the United States as against further reclamation and irrigation"; to the Committee on Irrigation and Reclamation.

146. Also, resolution of Madison County Pomona Grange, of Chittenango, N.Y., under date of March 8, 1933, urging the revaluation of the gold dollar that commodity prices may be stabilized; to the Committee on Banking and Currency.

147. By Mr. CARTER of Wyoming: Resolution of Voiture 1039, Quarante Hommes et Huit Chevaux, Rock Springs, Wyo.; to the Committee on Banking and Currency.

148. By Mr. CULKIN: Petition of Woman's Christian Temperance Union of LaFargeville, N.Y., protesting against the return of beer and the repeal of the eighteenth amendment; to the Committee on the Judiciary.

149. Also, petition of Woman's Home Missionary Society of LaFargeville, Jefferson County, N.Y., protesting against the return of beer and the repeal of the eighteenth amendment; to the Committee on the Judiciary.

150. By Mr. CUMMINGS: Memorial of the House of Representatives of the State of Colorado, memorializing Congress concerning social-economic planning in regard to emergency-relief measures; to the Committee on Ways and Means.

151. Also, memorial of the House of Representatives of the State of Colorado, memorializing Congress regarding grazing fees on national-forest reserves; to the Committee on Agriculture.

152. By Mr. FITZGIBBONS: Petition of citizens of Onondaga County, N.Y., requesting that measures be adopted that will relieve the mass of the people; to the Committee on Ways and Means.

153. By Mr. HASTINGS: Petition of the Oklahoma Legislature, memorializing the Congress of the United States to include in the plan for an adequate flood control of the Mississippi River area the construction of flood-control reservoirs on the dry Cimarron River within the State of Oklahoma and State of New Mexico; to the Committee on Flood Control.

154. Also, petition of the Oklahoma Legislature, memorializing the Congress of the United States that it is the sense of the members of the Oklahoma Legislature that the Government of the United States should perform its solemn promise and place American agriculture on the basis of equality with other industries by providing an adequate system of credit and that adequate legislation to that end should be adopted at the earliest possible date; to the Committee on Agriculture.

155. Also, petition of the Oklahoma Legislature, memorializing the Congress of the United States to enact a law authorizing and empowering the several States to levy and collect license, franchise, gross revenue, registration, or other forms of taxes upon or measured by capital represented by property and business employed in interstate commerce; to the Committee on Ways and Means.

156. By Mr. JOHNSON of Texas: Telegram of Hill County Cotton Oil Co., Citizens National Bank, Colonial Trust Co., Hillsboro Cotton Mills, and Smith & Tomlinson Co., of Hillsboro, Tex., opposing passage of the President's farm-relief bill; to the Committee on Agriculture.

157. Also, telegram of Farmers Nonpartisan Protective League, Karens, Tex., favoring the President's farm-relief bill; to the Committee on Agriculture.

158. By Mr. KLEBERG: Telegrams of J. R. McDougal, Walter Tips, H. H. Steves, Alf B. Schroetter, Herman Jostes, W. W. Boyce, R. A. Hall, J. E. Montgomery, Edwin E. Kinkler, William Meyer, and Ernest Kinkler, all of the State of Texas, urging passage of the President's farm relief bill; to the Committee on Agriculture.

159. By Mr. LEWIS of Colorado: Memorial of the House of Representatives of the Twenty-ninth General Assembly of the State of Colorado, urging enactment of legislation providing for the following principles in emergency-relief measures: direct governmental management of construction work; establishment of minimum income to workers on construction projects; shorter work hours and week days; standardization by the Government of wages, etc., involved in manufacture, sale, and distribution of materials used in construction projects; that the executive department be given full power to put these principles into effect; to the Committee on Labor.

160. Also, memorial of the General Assembly of the State of Colorado, urging the passage of the Frazier bill or similar legislation looking to the refinancing of existing farm indebtedness; to the Committee on Ways and Means.

161. Also, resolution of the board of councilmen and the mayor of the city and county of Denver, Colo., urging the passage of a law providing for the free and unlimited coinage of silver on a correct ratio with gold; to the Committee on Coinage, Weights, and Measures.

162. By Mr. McCORMACK: Memorial of the House of Representatives of the Commonwealth of Massachusetts, memorializing Congress to regulate the hours and wages of persons employed in manufacturing and industrial establishments; to the Committee on Labor.

163. By Mr. MILLARD: Resolution adopted by the Scarsdale Post, No. 52, of the American Legion, indorsing support of President's program; to the Committee on Economy.

164. By Mr. RICHARDSON: Petition of 140 qualified citizens of the borough of Bally, Berks County, Pa., urging consideration of the revaluation of the gold ounce for the purpose of bringing more money into circulation for business and for the betterment of the working class of people; to the Committee on Banking and Currency.

SENATE

THURSDAY, MARCH 23, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar day of Wednesday, March 22.

The VICE PRESIDENT. Is there objection? The Chair hears none.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Keyes	Reynolds
Ashurst	Costigan	King	Robinson, Ark.
Austin	Couzens	La Follette	Robinson, Ind.
Bachman	Dickinson	Lewis	Russell
Bailey	Dieterich	Logan	Sheppard
Bankhead	Dill	Lonergan	Shipstead
Barbour	Duffy	McAdoo	Smith
Barkley	Erickson	McCarran	Steiwer
Black	Fess	McGill	Stephens
Bone	Fletcher	McKellar	Thomas, Okla.
Borah	Frazier	McNary	Thomas, Utah
Bratton	George	Metcalf	Trammell
Brown	Glass	Murphy	Tydings
Bulkley	Goldsborough	Neely	Vandenberg
Byrd	Gore	Norbeck	Van Nuys
Byrnes	Hale	Norris	Wagner
Capper	Harrison	Nye	Walcott
Caraway	Hatfield	Overton	Walsh
Carey	Hayden	Patterson	Wheeler
Clark	Hebert	Pittman	White
Connally	Johnson	Pope	
Coolidge	Kendrick	Reed	

Mr. BLACK. I desire to announce that the junior Senator from South Dakota [Mr. BULOW] is still detained from the Senate by a slight illness.

Mr. REED. I wish to announce the continued absence of my colleague the junior Senator from Pennsylvania [Mr. DAVIS] on account of illness. I will let this announcement stand for the day.

Mr. HEBERT. I desire to announce the necessary absence of the following-named Senators: Mr. DALE, Mr. HASTINGS, Mr. KEAN, Mr. CUTTING, Mr. SCHALL, and Mr. TOWNSEND.

Mr. OVERTON. I desire to announce that my colleague [Mr. LONG] is necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-six Senators having answered to their names, a quorum is present. The Senate will receive a message from the President of the United States.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting sundry nominations, were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power, in which it requested the concurrence of the Senate.

The message also announced that Representatives Randolph Perkins and U. S. Guyer were appointed in lieu of

Fiorello H. LaGuardia and Charles I. Sparks to serve with Representatives Hatton W. Sumners, Gordon Browning, and Malcolm C. Tarver as the managers on the part of the House of Representatives to conduct the impeachment pending in the Senate sitting as a court of impeachment against Harold Louderback, a United States district judge for the northern district of California.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled joint resolution (S.J.Res. 14) to authorize the Reconstruction Finance Corporation to make loans for financing the repair or reconstruction of buildings damaged by earthquake in 1933, and it was signed by the Vice President.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of North Carolina, which was referred to the Committee on Appropriations:

Resolution 27

Joint resolution of the General Assembly of North Carolina relating to the relief of the counties of Haywood and Swain, in the State of North Carolina, by reason of their loss in taxable valuation by the establishment of the Great Smoky Mountains National Park

Whereas it appearing to the General Assembly of the State of North Carolina that the General Assembly of the State of North Carolina at its session of 1927 passed an act entitled "An act to provide for the acquisition of parks and recreational facilities in the Great Smoky Mountains of North Carolina", and it further appearing that the said act was passed in accordance with the advice and recommendation of the Federal commission appointed for the purpose of establishing a national park in the southern Appalachian Mountains, and that the State of North Carolina did immediately upon the passage of the act of the session of 1927, upon the sale of the bonds as provided for in said act, began acquiring the lands as designated Great Smoky Mountains National Park, which designation was made by the Federal commission appointed for the purpose of recommending to the Congress of the United States the territory most desirable for the establishment of another national park east of the Mississippi River; and

Whereas it further appearing to the General Assembly of the State of North Carolina that the entire boundary on the North Carolina side is taken from the counties of Swain and Haywood in the proportion as follows: Haywood County's portion being 58,289 acres, and the balance within the boundary of Swain County in the aggregate acreage of 169,711 acres; and

Whereas it further appearing that the county of Haywood has lost from its tax books real and personal property valuation by reason of the establishment of the Great Smoky Mountains National Park the total taxable value of $1,000,000, and that the county of Swain has lost from its tax books the said real and personal property valuation in the amount of $4,242,819; and

Whereas it further appearing that prior to the year 1927 and prior to the passage of the act of the General Assembly of North Carolina at its session of 1927 the county of Haywood had issued its several bonds and the bonds of its several townships in the aggregate amount of $1,800,000, and that the county of Swain had issued its several bonds and the bonds of its several townships in the aggregate amount of $1,650,000, all of which indebtedness of the said counties of Haywood and Swain were as of the date of January 1, 1927, and prior to the passage of the act of 1927; and

Whereas it further appearing to the General Assembly of North Carolina that at the time of the acquiring of the lands hereinbefore set out that there was no provision made for the taking care of any part of the indebtedness of the counties of Haywood and Swain; and

Whereas it further appearing that the county of Haywood, by reason of and on account of the loss sustained on the acquiring of the Great Smoky Mountain National Park, or the area that is now within the border lines of the said county of Haywood, has lost 4 percent of its taxable valuation, which percentage would amount to $72,000 of the bonded indebtedness of Haywood County, and that the county of Swain has lost 29.99 percent of its taxable valuation, and the bonded indebtedness of Swain County being $1,650,000, the pro-rata part which should be assumed being $494,830: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the General Assembly of North Carolina hereby respectfully petitions and memorializes the Congress of the United States:

(a) To make an appropriation for the purpose of retiring the pro-rata part of the bonded indebtedness of the counties of Haywood and Swain, in the State of North Carolina, as shown by the percentages of those lands acquired for park purposes.

(b) That said appropriations be made available to the treasurer of the State of North Carolina under such regulations as the Congress may prescribe, and that the treasurer of the State of North Carolina be instructed to use said appropriation for the sole purpose of retiring the bonds of Haywood and Swain Counties, in the State of North Carolina, in the same proportion as is set out in the preamble to this resolution, and that the treasurer of the State of North Carolina be further instructed to turn over to the respective county commissoners of the counties of Haywood and Swain, in the State of North Carolina, the bonds when so purchased and canceled.

SEC. 2. That certified copies of this resolution be sent by the secretary of state to the Congress of the United States and to the Senators of the State of North Carolina and to the several Congressmen of the State of North Carolina, and a further certified copy be sent to the Director of Parks and a certified copy to the Secretary of the Interior.

SEC. 3. That this resolution shall be in force from and after its ratification.

In the general assembly, read three times and ratified, this 20th day of March 1933.

A. H. GRAHAM,
President of the Senate.
R. L. HARRIS,
Speaker of the House of Representatives.

Compared and found correct.

WOODFIN,
For Committee.

STATE OF NORTH CAROLINA,
DEPARTMENT OF STATE.

I, Stacey W. Wade, secretary of state of the State of North Carolina, do hereby certify the foregoing and attached four sheets to be a true copy from the records of this office.

In witness whereof I have hereunto set my hand and affixed my official seal.

Done in office at Raleigh, this 21st day of March A.D. 1933.

[SEAL] STACEY W. WADE,
Secretary of State.

Mr. SHIPSTEAD presented the following resolution of the House of Representatives of the State of Minnesota, which was referred to the Committee on Banking and Currency:

Resolution memoralizing Congress to issue the money and establish the value thereof

Whereas the present system of distribution has proven itself inadequate to meet the needs of a civilized race, and has collapsed; and

Whereas the present Federal Reserve Banking System has failed to function in this emergency and the entire Government has practically abandoned the gold standard as a basis of money; and

Whereas the problem is entirely a national one and not a problem of tax reduction, wage cutting, or tax revision; and

Whereas the State of Minnesota or any other State alone is powerless to meet the emergency; and

Whereas the Congress of the United States, through past actions, has allowed the Federal Reserve Banking System, in reality an organization of private institutions, to loan the credit of the Nation, and has delegated to one man, namely, the Secretary of the Treasury, the power to dominate the monetary system of the Nation; and

Whereas the credit of the people of this Nation and consequently their buying power has been practically destroyed by the Federal Reserve Banking System deflation policy; and

Whereas some emergency measure must be effected in order to avert internal strife and disorder until a new economic system can be worked out and accepted by the people; and

Whereas the Constitution of the United States has bestowed upon Congress the obligation to coin the money and establish the value thereof: Be it further

Resolved, That we, the House of Representatives of the State of Minnesota, do hereby memorialize the Congress of the United States to immediately proceed to carry out the obligation placed upon them by the Constitution, namely, to issue the money and establish the value thereof; and be it further

Resolved, That Congress extend to the several States of the Union the same power formerly extended to the Federal reserve bank in the matter of loaning money, and issue directly to the said States on the security of the natural resources of such States, money to be loaned or issued directly to the people through such agencies as the State of Minnesota has created and are suitable thereto or which may be created in the future and which are suitable for this purpose; and be it further

Resolved, That the Congress of the United States, by proper legislation, as soon as possible liquidate all of the present national banks of issue and establish in their stead Government owned and controlled banks; and be it also

Resolved, That a copy of this resolution be sent to each of the two Senators from Minnesota, to each Congressman from Minnesota, to the Secretary of the Treasury, to the Governor of the State, to the Commissioner of Banks and Banking of the State of Minnesota, and also to President Roosevelt.

CHAS. MUNN,
Speaker of the House of Representatives.

Adopted by the house of representatives the 13th day of March 1933.

FRANK T. STARKEY,
Chief Clerk House of Representatives.

Mr. ROBINSON of Arkansas presented a plan, submitted by Mr. Tom Hart, of Fayetteville, Ark., intended to restore

confidence and furnish collateral to bank depositors, which was referred to the Committee on Banking and Currency.

Mr. ASHURST presented resolutions proposed by the committee on national defense embodying patriotic education, of the National Society Daughters of the American Revolution, assembled in State conference at Tucson, Ariz., protesting against the recognition of the Soviet Government of Russia and favoring the passage of the so-called "Dies bill", to provide for the exclusion and expulsion of alien communists, which were referred to the Committee on Foreign Relations.

Mr. BONE presented a joint memorial (House Joint Memorial No. 17) of the Legislature of the State of Washington, praying that Congress take action for the relief of suffering and starvation among Indians of the Colville Tribe on the Colville Reservation, Wash., which was referred to the Committee on Indian Affairs.

(See joint memorial, printed in full when laid before the Senate by the Vice President on the 20th instant, p. 613, CONGRESSIONAL RECORD.)

PRIMARY IMPORTANCE OF EMPLOYMENT

Mr. BONE. Mr. President, I send to the desk a resolution of the White Center Local of the Unemployed Citizens' League of the State of Washington. That is one of those bodies of unemployed citizens out in my State who have by association sought to overcome many of the difficulties imposed on them by the depression, and I commend to the attention of the Members of the Senate this particular document and ask unanimous consent that it be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

Resolution of White Center Local of the Unemployed Citizens' League of the State of Washington

To the President, the Senate, and House of Representatives of the United States, greetings:

We are of the unemployed. For more than 2 years now we have been able to find no employment, though ready, willing, and anxious to work. Many of us have lost our homes; many of us have been evicted for failure to pay rent; our clothes are dilapidated and shabby; the apparel of our wives and children is insufficient, old, and worn; for food we are now receiving $2 per week from money provided by the Federal Reserve Corporation, which is barely enough for human existence; and our nerves are almost worn to exhaustion. Our membership consists of war veterans, former mechanics, small business operators, and laborers. Many of our members are native-born citizens of the United States, the others are naturalized.

We respectfully submit that as citizens of the United States we are entitled to employment at wages sufficient to provide decent and respectable living conditions.

It has been brought to our attention that the President recognizes the situation in which we find ourselves, and the necessity for prompt action to relieve our condition. He said, "More important, a host of unemployed citizens face the grim problem of existence, and an equally great number toil with little return. Only a foolish optimist can deny the dark realities of the moment." He further states as the cause of our predicament that, "primarily, this is because the rulers of the exchange of mankind's goods have failed through their own stubbornness and their own incompetence, have admitted their failure, and abdicated." He also said, "Our greatest primary task is to put people to work. This is no insoluble problem if we face it wisely and courageously." He also says, "But in the event that Congress shall fail to take one of these two courses, and in the event that the national emergency is still critical, I shall not evade the clear course of duty that will confront me."

This is the first ray of hope that has fallen into our darkened lives since the beginning of the depression. We therefore desire to convey to the President our thanks and express the hope that he will carry out his assertion to make unemployment his primary task and that the Senate and the Congress will join with him in this time of our distress. We respectfully submit that it ought to be apparent that there can be no prosperity or happiness in this Nation until the millions of unemployed citizens are returned to work, and that there is no power outside the Government itself by which this can be accomplished; it is therefore

Resolved, by White Center Local of the Unemployed Citizens' League of the State of Washington, That we hereby extend to the President our thanks for the courageous stand taken by him in our behalf, and hope that his assertion that employment is of primary importance will be recognized and acted upon by the Congress to the end that the human misery, heartache, and deprivation existing in this land of plenty may cease; it is further

Resolved, That a copy of the foregoing resolution be sent to the President of the United States, a copy to Senator BONE, and a copy to our Representative, WESLEY LLOYD, with the request that Senator BONE and Representative LLOYD present the foregoing resolution to the Senate and House of Representatives, respectively.

WHITE CENTER LOCAL UNEMPLOYED CITIZENS' LEAGUE OF THE STATE OF WASHINGTON,
By CHAS. BATEMAN, *Its President.*
HOMER J. BIGLEY, *Chairman of Relief.*

BAUSH MACHINE TOOL CO. V. ALUMINUM CO. OF AMERICA

Mr. WHEELER presented a decision of the United States Circuit Court of Appeals for the Second Circuit in the case of Baush Machine Tool Co., plaintiff-appellee, against Aluminum Co. of America, defendant-appellant, which was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT

BAUSH MACHINE TOOL CO., PLAINTIFF-APPELLEE, V. ALUMINUM CO. OF AMERICA, DEFENDANT-APPELLANT

Before: Manton, Augustus H. Hand, and Chase, circuit judges.

Appeal from the District Court for the District of Connecticut, bill of discovery filed as ancillary to a suit at law to recover treble damages under the antitrust laws (15 U.S.C., secs. 15, 22). Decree entered for plaintiff; defendant appeals. Affirmed.

Edward F. McClennen, Esq., Smith, Buchanan, Scott & Gordon, Esqs., Edward Williamson, Esq., for the appellant.

Cummings & Lockwood, Esqs., E. C. Park, Esq., for the appellee.

Manton, Circuit Judge.

This appeal is from a decree entered for the appellee which granted relief asked in the bill of discovery, filed in aid of an action for treble damages under the Clayton Act (15 U.S.C., secs. 15, 22). Appellant is a Pennsylvania corporation and the appellee a Massachusetts corporation. Appellee claims damages to it because the appellant monopolized commerce in crude aluminum among the several States. The complaint charged that in producing aluminum alloys and in fabricating articles from aluminum and its alloys, the appellant monopolized the industry; that prior to June, 1928, it controlled and operated, through a wholly owned subsidiary corporation, Aluminum Co. of Canada., Ltd., the only plants producing aluminum in Canada and that through ownership and financial investment it was the dominant factor in the aluminum industry; that in May 1928 it caused to be organized under the laws of the Dominion of Canada, Aluminum, Ltd., to which it thereafter transferred all of the outstanding stock of its Canadian company and all the stock owned by it in various other companies carrying on operations in Canada and foreign countries; that the stockholders of the appellant received all the shares of Aluminum, Ltd., and that the stock ownership rested in the hands of a few individuals; that the relations between the appellant and the foreign producers of the aluminum were not and for many years have not been competitive and that the appellant, in competition with the appellee, in the sale of aluminum alloys and fabricated articles, has offered such articles for sale at prices which would yield no profit to the manufacturer who purchased aluminum at the monopoly price fixed and maintained by the appellant and that the appellee has consequently been damaged. It is maintained that the appellant has been able to fix prices at an artificial level in the United States to the appellee's damage.

The bill of discovery seeks a disclosure of appellant's cost of production in support of the allegations of the complaint in the action at law. It sets forth in detail that it is practically impossible for the appellee to obtain proof of the appellant's costs by the processes of law, and that such proof cannot be obtained from other sources, and that it requires the aid of a court of equity. Interrogatories are attached to the bill.

A motion to dismiss the bill, made because neither party was a citizen, resident, or inhabitant of Connecticut; also because the action in aid of which the bill purports to be brought is for a penalty, and, therefore, a court of equity has no jurisdiction, or should not exercise it, to order discovery in aid thereof was denied. A motion to strike out the answer resulted in striking out paragraphs 1, 2, 3, 4, 5, 6, and 8, but the balance of the answer stood, and appellant was ordered to answer some of the interrogatories, namely, those relating to costs of appellant. It is from this decree that the appeal was prosecuted.

Appellee argues that the decree is not appealable and asks for its dismissal. The question is open to us (Judicial Code, sec. 128; U.S.C., title 28, 0225). The appealability of the order is a question addressed to our jurisdiction. The decree directing the appellant to answer some of the interrogatories is final and appealable within section 128 of the Judicial Code (U.S.C., title 28, sec. 225). Although ancillary for jurisdictional purposes, the order obtained was all that was sought or could be obtained in an equity suit. On appeal orders dismissing bills of discovery have been affirmed where appealability has not been raised. (*Durant* v. *Coss*, 12 Fed. (2) 682 (C.C.A. 6); *Bradford* v. *Indiana Harbor Belt Ry.*, 300 Fed. 78 (C.C.A. 7); *Munger* v. *Firestone Tire Co.*, 261 Fed. 921 (C.C.A. 2).) *Tucker* v. *Peiler* (297 Fed. 570 (C.C.A. 2)) involved a proceeding to obtain evidence by subpena,

and there we pointed out that orders issued denying or granting subpena duces tecum are not final and, therefore, not appealable. But in the instant case there is a decree which is final. (*United States* v. *River Rouge Improvement Co.*, 269 U.S. 411; *Munger* v. *Firestone*, supra). The decree completely ends the equity suit. It gives to the appellee the relief asked. The decree must be executed by the appellant, and if error has been committed in granting it the appellant is entitled to have it reviewed as it seeks here.

Neither party is a resident of Connecticut, and the suit is not supported under the diversity of citizenship provision of law. (U.S.C., title 28, p. 112.) But the action at law, in aid of which a bill of discovery was brought, was properly brought in the district of Connecticut where the appellant concededly transacts business. (Clayton Act, p. 12, U.S.C., title 15, p. 22.) Section 12 states that—

"Any suit, action, or proceedings under the antitrust laws against a corporation may be brought * * * in any district wherein it may be found or transacts business * * *."

The suit is an action at law for treble damages. (*Fleitman* v. *Welsbach Street Lighting Co.*, 240 U.S. 27), and although the language "any suit, action, or proceeding" is broad, it is not clear that a bill of discovery may be brought in any district where the corporation is found or does business regardless of the district where the suit at law, which the bill is meant to aid, is pursued. The appellee suggests, and we agree, that we need not decide that page 12 of the Clayton Act offers jurisdiction for the bill of discovery independent of the action at law. It is sufficient for the purpose of this appeal to say that the bill is ancillary or auxiliary to the action at law. If the bill is ancillary the question of independent jurisdiction under page 12 of the Clayton Act is not important. (*Eichel* v. *U.S. Fidelity & Guaranty Co.*, 245 U.S. 102). The bill of discovery is ancillary to the laws action. Its very purpose is that of aiding the action at law. Such a bill has been called ancillary in the general sense of that term. (*Kurtz* v. *Brown*, 152 Fed. 372 (C.C.A. 3).) Counsel has not cited nor has our independent search found any case holding a bill of discovery dependent and ancillary for jurisdictional purposes. However, the bill of discovery is in aid of an action at law in the same district, and we think is dependent and ancillary for jurisdictional purposes, and jurisdiction over the bill may be sustained because of the jurisdiction had over the action at law. The suit is between the same parties and is in aid of the claim of damages in the action at law and is brought without the same jurisdiction. These facts are sufficient for jurisdictional purposes. (*Root* v. *Woolworth*, 150 U.S. 401; *Sherman Natl. Bank* v. *Schubert Co.*, 247 Fed. 256 (C.C.A. 2); *McCabe* v. *Guaranty Trust Co.*, 243 Fed. 845 (C.C.A. 2); *Campbell* v. *Golden Cycle Mining Co.*, 141 Fed. 610 (C.C.A. 8).) The nature of the suit, its purposes as the decree entered shows, clearly demonstrates it to be an ancillary suit. (*Julian* v. *Central Trust Co.*, 193 U.S. 93, 113; *In re Williams*, 123 Fed. 321; 1 Pomeroy's Equity Jurisprudence, p. 191 (4th ed.).) The bill was plainly dependent upon the action at law, and the jurisdiction to entertain it was referable to that invoked and existing in the action at law out of which it arose. (*Eichel* v. *U.S. Fidelity & Guaranty Co.*, 245 U.S. 102.)

A bill of discovery may be maintained when it is in aid of an action for damages under the Clayton Act. It is urged that equity will not grant a decree of discovery in aid of enforcement of a penalty (*Boyd* v. *United States*, 116 U.S. 616, 631) and that an action for damages under the antitrust laws is one for a penalty. The appellant may assert no constitutional privilege against disclosure. (*Hale* v. *Henkel*, 201 U.S. 43.) In an action under the antitrust laws disclosure by one in the position of the appellant may be obtained. (*Porto Rican Amer. Tob. Co.* v. *Amer. Tob. Co.*, 30 Fed. (2) 234, 237 (C.C.A. 2).) It has been held that actions under the antitrust laws are not actions to enforce penalties with respect either to assignment of the chose in action (*United Copper Co.* v. *Almalgamated Copper Co.*, 232 Fed. 574 (C.C.A. 2)) or the statute of limitations (*Chattanooga Foundry & Pipe Wks.* v. *Atlanta*, 203 U.S. 390). *The Porto Rican Tobacco case* was a proceeding in equity under the Clayton Act and discovery was allowed by interrogatories sought under equity rule 58. We held it was proper to require such answers. In the action at law, the recovery is for threefold damages, but we see no distinction in that which results in lessening the power of the courts to act. Moreover, in actions under the antitrust laws, a corporation may be required to produce its books and papers under the provisions of Revised Statutes, section 724. (*Internatl. Coal Mining Co.* v. *Penn. R.R.*, 152 Fed. 557; *Amer. Banana Co.* v. *United Fruit Co.*, 153 Fed. 943.) An action for damages under the antitrust laws is not one for a penalty. (*Chattanooga Foundry & Pipe Wks.* v. *Atlanta*, 203 U.S. 390; *Shelton Elec. Co.* v. *Victor Talking Machine Co.*, 277 Fed. 433.) The suit is between private parties and the enlargement of the damages does not convert it into a prosecution for a penaly. (*Brady* v. *Daly*, 175 U.S. 148.) While it is true the statute trebles the damages found by a jury, yet to succeed a plaintiff must prove damages, and there is no fixed penalty named in the statute.

Lastly, the appellant contends that the plaintiff was not entitled to the relief obtained (a) because the true answers to the interrogatories would not tend to support any allegation of the bill or derogate from any allegation of the appellant; (b) the interrogatories are not for ultimate facts but only for evidence; (c) that the appellee has available a legal remedy to get the same information by deposition of the same officers who would have to answer the discovery interrogatories, all of whom reside more than 100 miles from the place of trial; (d) that the collection of information would require burdensome labor; and (e) that the information does not appear on the appellant's books and papers, and to obtain it would require the appellant to go out of the district of the court and out of the district of the appellant's residence to consult employees and officers and make compilations and computations.

In order to sustain its cause of action the appellee must prove that the competitive prices of the appellant are unfairly fixed and applied and preclude the possibility of profitable operation by the appellee, and that the appellant has maintained the price of aluminum ingots at an artificial level and above the price yielding a fair and reasonable profit over the cost of production and above the prices which would be fixed in a fair and free market. The interrogatories which have been ordered answered are addressed to matters of costs. They call for information within the appellant's books and records and the knowledge of its employees and officers, important on appellee's theory of its action. They will disclose competent evidence. For the reasons we have stated, the court had jurisdiction to entertain a bill of discovery. The difficulties of the appellee in obtaining proof of the ultimate fact or the true ingot cost is apparent and the immediate success in doing so through a bill of discovery is obvious. It is no answer to say that the task of answering is gigantic and that the appellant should not be obliged to do so. The interest of justice dictates otherwise.

The procedure adopted below is warranted by the authorities. (*Pressed Steel Car Co.* v. *Union Pac. R. Co.*, 241 Fed. 964.) A discovery elucidating the facts in the matter of costs from the appellant's own records should be of aid to the course of justice and narrow the issue presented at the trial of the action at law as well as be an aid in the ultimate result.

Decree affirmed.

REPORT OF THE COMMERCE COMMITTEE

Mr. STEPHENS, from the Committee on Commerce, to which was referred the bill (S. 743) to amend the act approved June 30, 1932, entitled "An act providing for the transfer of the duties authorized and authority conferred by law upon the board of road commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes", reported it without amendment and submitted a report (No. 5) thereon.

ENROLLED JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on today March 23, 1933, that committee presented to the President of the United States the enrolled joint resolution (S.J.Res. 14) to authorize the Reconstruction Finance Corporation to make loans for financing the repair or reconstruction of buildings damaged by earthquake in 1933.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NORRIS:

A bill (S. 749) for the relief of the Fairmont Creamery Co., of Omaha, Nebr.;

A bill (S. 750) for the relief of the Lebanon Equity Exchange, of Lebanon, Nebr.; and

A bill (S. 751) authorizing the Secretary of the Treasury of the United States to refund to the Farmers' Grain Co., of Omaha, Nebr., income taxes illegally paid to the United States Treasurer; to the Committee on Claims.

By Mr. JOHNSON:

A bill (S. 752) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards; to the Committee on the Judiciary.

By Mr. TRAMMELL:

A bill (S. 753) to confer the degree of bachelor of science upon graduates of the Naval Academy; to the Committee on Naval Affairs.

By Mr. PITTMAN:

A bill (S. 754) for the relief of Fred M. Munn; to the Committee on Military Affairs.

A bill (S. 755) granting a pension to Roy E. Donnelly; and

A bill (S. 756) granting a pension to Earnest G. Harvey; to the Committee on Pensions.

By Mr. SHIPSTEAD:

A bill (S. 757) to relieve agricultural distress through the consolidation and adjustment of indebtedness and the re-

duction of the rate of interest thereon, to release frozen credits and stimulate the recovery of business, to create in the Department of Agriculture an Administration of Agricultural Loans with which will be consolidated in the interest of economy and efficiency, all agencies of the Federal Government concerned with agricultural credit, and for other purposes; and

A bill (S. 758) to amend section 8 of the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended, relating to misbranded foods; to the Committee on Agriculture and Forestry.

A bill (S. 759) authorizing the Reconstruction Finance Corporation to make loans to certain hospitals; and

A bill (S. 760) to authorize the Reconstruction Finance Corporation to make loans to private colleges, universities, and institutions of higher learning, and for other purposes; to the Committee on Banking and Currency.

A bill (S. 761) to provide funds for cooperation with the Minnesota State Board of Control in the extension of the Minnesota State Sanatorium at Ah-Gwah-Ching, Minn.; to the Committee on Indian Affairs.

A bill (S. 762) for the relief of Teresa de Prevost;

A bill (S. 763) for the relief of John Gorman;

A bill (S. 764) for the relief of Pete Jelovac;

A bill (S. 765) for the relief of Mary A. Rockwell;

A bill (S. 766) for the relief of Earl W. Thomas;

A bill (S. 767) for the relief of Howland & Waltz Co., Ltd.;

A bill (S. 768) for the relief of the Waterous Co.;

A bill (S. 769) for the relief of Gustave C. Wetterlind; and

A bill (S. 770) for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918; to the Committee on Claims.

A bill (S. 771) for the relief of James Darcy; and

A bill (S. 772) for the relief of Robert J. Smith; to the Committee on Military Affairs.

A bill (S. 773) granting a pension to Matilda Davison;

A bill (S. 774) granting a pension to Iva B. Erickson;

A bill (S. 775) granting an increase of pension to Mary H. Fetzer;

A bill (S. 776) granting a pension to Katherine M. Owens;

A bill (S. 777) granting a pension to Ann E. Thomas;

A bill (S. 778) granting a pension to Mary E. Verrill;

A bill (S. 779) granting an increase of pension to Adaline A. Allen;

A bill (S. 780) granting an increase of pension to Mary A. Dittman; and

A bill (S. 781) granting an increase of pension to Nora Mitchell; to the Committee on Pensions.

By Mr. KING:

A bill (S. 782) to prevent the use of the mails and of telegraph and telephone facilities in furtherance of fraudulent and harmful transactions on stock exchanges; to the Committee on Banking and Currency.

By Mr. COPELAND:

A bill (S. 783) to prohibit the counterfeiting of drugs, to provide penalties therefor, and for other purposes; to the Committee on Agriculture and Forestry.

A bill (S. 784) for the relief of Anna Marie Sanford; and

A bill (S. 785) for the relief of Elizabeth Bolger; to the Committee on Claims.

By Mr. THOMAS of Oklahoma:

A bill (S. 786) for the relief of Frederick E. Dixon; to the Committee on Civil Service.

A bill (S. 787) for the relief of Grady D. Coleman; to the Committee on Military Affairs.

(Mr. THOMAS of Oklahoma also introduced Senate bill 788, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. LOGAN:

A bill (S. 789) for the relief of James Lowe; to the Committee on Claims.

A bill (S. 790) for the relief of Charles B. Arrington;

A bill (S. 791) for the relief of Elmer Blair;

A bill (S. 792) for the relief of Curtis Jett; and

A bill (S. 793) for the relief of Homer H. Keffer; to the Committee on Military Affairs.

A bill (S. 794) for the relief of Luther Foster; and

A bill (S. 795) for the relief of James Earl Johnston; to the Committee on Naval Affairs.

A bill (S. 796) granting a pension to Maude Kinser Alexander;

A bill (S. 797) granting a pension to Squire O. Baker;

A bill (S. 798) granting a pension to Mary Burton;

A bill (S. 799) granting a pension to Price V. Hendricks;

A bill (S. 800) granting a pension to John S. Marcum;

A bill (S. 801) granting a pension to Mary A. Newkirk;

A bill (S. 802) granting an increase of pension to Mary E. Fowler; and

A bill (S. 803) granting an increase of pension to William G. Patton; to the Committee on Pensions.

By Mr. DILL:

A bill (S. 804) to authorize the Secretary of War to grant a right of way to The Dalles Bridge Co.; to the Committee on Military Affairs.

By Mr. CAPPER:

A bill (S. 805) to provide for loans by the Reconstruction Finance Corporation to farmers to enable them to refinance their farm-mortgage indebtedness, and for other purposes; to the Committee on Banking and Currency.

By Mr. FRAZIER:

A bill (S. 806) establishing the Bank of the United States, owned, operated, and controlled by the Government of the United States; defining the scope and manner of its operation; defining the powers and duties of the persons charged with its management; creating a board of directors, and for other purposes; to the Committee on Banking and Currency.

By Mr. CLARK:

A bill (S. 807) for the relief of G. C. Vandover; to the Committee on Claims.

By Mr. NORRIS:

A bill (S. 808) to amend the Federal Water Power Act, as amended; to the Committee on Interstate Commerce.

By Mr. THOMAS of Utah:

A bill (S. 809) granting a pension to James H. Allred; to the Committee on Pensions.

By Mr. JOHNSON:

A joint resolution (S.J.Res. 32) authorizing an annual appropriation for the expenses of participation by the United States in the International Institute of Agriculture at Rome, Italy; to the Committee on Foreign Relations.

By Mr. KING:

A joint resolution (S.J.Res. 33) to prohibit the exportation of arms or munitions of war from the United States under certain conditions; to the Committee on Foreign Relations.

CONTROLLED EXPANSION OF THE CURRENCY

Mr. THOMAS of Oklahoma. Mr. President, I ask permission to introduce a bill, and I request that it may be printed in the RECORD and referred to the Committee on Banking and Currency.

There being no objection, the bill (S. 788) for the relief of the people and the Government of the United States through a system of controlled expansion of the currency, was read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That for the purposes of meeting the existing deficit of the Federal Treasury, and/or of meeting the expenses of the Federal Government, and/or of financing a program of public improvements, and/or of financing a program of rentals to farmers and land owners in connection with agricultural relief, and/or of meeting maturing Federal obligations and for increasing commodity, collateral, and property prices, the Secretary of the Treasury is hereby authorized and directed to issue Treasury notes to be known as "prosperity notes" in such denominations and in such amounts as he shall, from time to time, require and demand in order to carry into effect the provisions of this act.

SEC. 2. The size, form, color, and wording of and on such notes shall conform to the provisions of this act: *Provided*, That such notes shall contain the wording "United States prosperity note" in bold type in a prominent place, and to be otherwise governed by rules and regulations promulgated and adopted by the Secretary of the Treasury.

SEC. 3. United States notes, known as "prosperity notes," issued pursuant to the provisions of this act shall be lawful money of the United States and shall be legal tender in payment of all debts, public and private, and shall be receivable for customs, taxes, and all public dues, and when so received shall be reissued. Such notes, when held by any national banking association or Federal Reserve Bank, may be counted as a part of its lawful reserve. The provisions of sections 1 and 2 of the act of March 14, 1900, as amended (U.S.C., title 31, secs. 314 and 408), and section 26 of the Federal Reserve Act, as amended (U.S.C., title 31, sec. 409), are hereby made applicable to such notes in the same manner and to the same extent as such provisions apply to United States notes.

SEC. 4. (a) Whenever the index number of the wholesale or commodity prices rises above the index number of such prices for the years 1921 to 1929, as computed by the Bureau of Labor Statistics of the Department of Labor, and adopted by the Secretary of the Treasury, notwithstanding any provisions of law to the contrary, the following methods for contracting the issues of currency in the United States shall be in force and effect in the manner and to the extent prescribed in subsection (b) of this section:

(1) Abolishment of the circulation privilege extended to certain bonds of the United States under the provisions of section 29 of the Federal Home Loan Bank Act and retirement of such bonds as security for circulating notes as rapidly as necessary and practicable.

(2) Termination of the issuance and reissuance of national-bank circulating notes and the retirement of such notes for circulating as rapidly as practicable.

(3) Termination of the issuance and reissuance of Federal Reserve notes secured by direct obligations of the United States.

(4) Termination of the issuance and reissuance of Federal Reserve notes secured only by gold or gold certificates.

(5) Termination of the issuance and reissuance of Federal Reserve notes secured by notes, drafts, bills of exchange, acceptances, or bankers' acceptances which are not issued in direct benefit of commerce, industry, or agriculture.

(b) Any such method of contracting currency issues shall be applicable when the Secretary of the Treasury finds that its application is necessary in order to maintain the index number of wholesale all commodity prices at the approximate level of the index number of such prices for the years 1921 to 1929 and issues an order setting forth such finding. Each such order shall prescribe such rules and regulations as are necessary and appropriate to carry out the provisions of this section with respect to the method of contraction made applicable in the order. The Secretary shall make such methods applicable only in the order in which they are set forth in subsection (a) of this section, but he shall make such methods applicable as rapidly as may be necessary to carry out the purposes of this section. When any such order is issued with respect to Federal Reserve notes, the Federal Reserve Board shall take such action as may be necessary to facilitate the enforcement of the order.

SEC. 5. Upon the recommendation of the Secretary of the Treasury, the Federal Reserve Board shall require the several Federal Reserve banks to sell Government bonds held by such banks in order to withdraw from circulation currency herein authorized to be placed in circulation, and shall otherwise cooperate with the Secretary of the Treasury in carrying into effect the provisions of this act.

SEC. 6. There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated such amounts as may be necessary to carry out the provisions of this act.

SEC. 7. This act may be cited as the "General Relief Act, 1933."

CHANGE OF REFERENCE

On motion of Mr. THOMAS of Oklahoma the Committee on Claims was discharged from the further consideration of the bill (S. 554) providing for per capita payments to the Seminole Indians in Oklahoma from funds standing to their credit in the Treasury, and it was referred to the Committee on Indian Affairs.

HOUSE BILL REFERRED

The bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power was read twice by its title and referred to the Committee on Agriculture and Forestry.

AGRICULTURAL RELIEF—AMENDMENT

Mr. GOLDSBOROUGH submitted an amendment intended to be proposed by him to the bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

HEARINGS BEFORE THE COMMITTEE ON MANUFACTURES

Mr. BULKLEY submitted the following resolution (S.Res. 45), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Manufactures, or any subcommittee thereof, be, and hereby is, authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE THE COMMITTEE ON THE LIBRARY

Mr. BARKLEY submitted the following resolution (S.Res. 46), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on the Library, or any subcommittee thereof, is hereby authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HOW AMERICA CAN BE ADJUSTED

Mr. OVERTON. Mr. President, I ask leave to have printed in the RECORD a speech on How America Can Be Adjusted, delivered by the senior Senator from Louisiana [Mr. LONG] over the network of radio stations of the National Broadcasting Co. from Washington, D.C., on the 17th instant.

There being no objection, the speech was ordered to be printed in the RECORD, and it is as follows:

RADIO ADDRESS OF HON. HUEY P. LONG, OF LOUISIANA, MARCH 17, 1933

Ladies and gentlemen, I have made it a custom to reintroduce myself, regardless of how well I am introduced, which, of course, I was tonight. This is HUEY P. LONG, United States Senator from Louisiana. I was once Governor of that State.

I am beginning my speech tonight by quoting a few lines from Oliver Goldsmith. They are as follows:

> "Ill fares the land, to hastening ills a prey,
> Where wealth accumulates and men decay:
> Princes and lords may flourish, or may fade;
> A breath can make them, as a breath has made;
> But a bold peasantry, their country's pride,
> When once destroyed, can never be supplied."

I have prepared three bills which are before Congress. One is known as a "capital tax levy bill." Under it, if a man has over a million dollars, he will be required to give 1 percent of all over $1,000,000 to the Government. If he has over $2,000,000, he will be required to give 2 percent of all over the $2,000,000 to the Government. Then it will be stepped up to the point that if he has over $10,000,000, he will be required to give 10 percent of all over $10,000,000 to the Government, and finally, when one has over $100,000,000, he will be required to give all that he has over $100,000,000 to the Government. This means that when a man reaches the point that he has $100,000,000, the Government thinks he has enough. Then everybody else begins to share, rather than one man to have more than that.

My second bill takes the present income tax laws and extends their schedules to the point that once a man makes the net sum of $1,000,000 in 1 year that he gives the balance of what he makes that year to the Government. This law means that the Government thinks that when a man earns a net sum, exclusive of expenses and taxes, of $1,000,000 in 1 year, that he has earned enough, and that he ought to be willing to give the Government the balance for the general welfare of all our people.

Then the third bill provides for inheritances, so that the present schedules are extended up in higher brackets to finally provide that when one inherits $5,000,000 for which he has never hit a lick of work in his life, that he has inherited enough and that the balance over $5,000,000 should go to the Government.

Now, what is the purpose of such laws? They are twofold:

First, it would give to the Government all of the money that it may ever need for anything without having to tax anybody else. The great run of our people would never have to pay a dime in taxes.

But, secondly, these laws would prevent all of the wealth from being concentrated into the hands of a few people, and thereby these laws would prevent the great mass of people from being impoverished and rendered practically penniless as a result of a few people's owning everything, all by these monstrous fortunes being whittled down to frying size.

What is the true philosophy of government? It is to do the greatest good to the greatest number. That represents my view

and theory of good government. We are not doing the greatest good to the greatest number when we allow, unchallenged, wealth to be concentrated and poverty to spread. We are not doing the greatest good to the greatest number when we let the few dominate us in government, finance, and industry, and allow the great masses of our people to become the political serfs and industrial slaves of superlords of finance.

The laws of all civilized countries are originally founded upon the common law propounded by the Lord.

Now, by turning to these laws, particularly the Book of Leviticus, from the twenty-fourth to the twenty-seventh chapters, inclusive, you will find it set forth in certain terms that the nation must keep its people from being burdened with debt; that the nation must provide to distribute and redistribute its wealth among the people; and so that there might be no doubt about that there was commanded a complete redistribution of property every 50 years and a general forgetting of debts every seventh year. That command that every seventh year all of the people of the nation go forth free of debt, and that command that every fiftieth year a redistribution of the property take place, made it impossible for the wealth to be concentrated into the hands of the few. That was a very drastic provision, or rather there were two very drastic provisions, more drastic than anything I advocate. But it was commanded by the Lord as a common law for a nation, to keep the wealth from being concentrated into a few hands. And so determined was He that it should not be concentrated that every seventh year all debts were forgiven and every fiftieth year all wealth was redistributed.

The Lord commanded this law as necessary for the existence of the race. And with His command, He uttered both a promise and a warning. The promise was that if the statutes were kept, the nation and race would live and thrive forever.

The warning was, however, that to the nation and to the people who did not keep the promise, the nation could not survive. Now it may be said that that was the Old Scriptures; but when Christ was on earth, He asked about these laws propounded by Moses, and He said: "It is easier for the heavens and the earth to pass, than for one tittle of the law to fail."

In the Book of James, in the New Testament, chapter 5, it is said:

"Go to now, ye rich men, weep and howl for your miseries that shall come upon you.

"Your riches are corrupted, and your garments are moth-eaten.

"Your gold and silver is cankered; and the rust of them shall be a witness against you, and shall eat your flesh as it were fire."

The Greek philosophers summed up their cry against wealth being possessed by the few, by saying that under such conditions even in the land of plenty, there was greater suffering than in the land of famine, because of a few desiring more than they needed.

And that is what has happened in America. With more than we can eat and more than we can wear and more houses than we can live in, there is greater distress among the people of America today to get something to eat and something to wear and a place to live than there was in times of famine. Simply because a few have desired to accumulate all the wealth, even though they impoverished all the balance of the people.

Our English-speaking people found among the leading British statesmen many expressions of the necessity of observing the fundamental laws of the Lord to keep wealth spread among all of the people. It was hundreds of years ago when Lord Bacon sounded his warning that there would be starvation in the land of the plenty unless the wealth be spread among all of the people. Said he:

"Concerning the materials of sedition, it is a thing well to be considered—for the surest way to prevent seditions, if the times do bear it, is to take away the matter of them."

In other words, if you want to avoid revolutions, take away the cause of revolutions. Then I quote further:

"For if there be fuel prepared, it is hard to tell whence the spark shall come that shall set it on fire. The matter of sedition is of two kinds, much poverty and much discontentment. It is certain, so many overthrown estates, so many votes for trouble * * *. This same 'multis utile bellum' is an assured and infallible sign of a State disposed to seditions and troubles; and if this poverty and broken estate in the better sort be joined with a want and necessity in the mean people, the danger is imminent and great—for the rebellions of the belly are the worst.

"Above all things, good policy is to be used, that the treasures and monies in a State be not gathered into few hands, for otherwise, a State may have a great stock, and the people starve."

In our Declaration of Independence, our immortal forefathers declared it the right of man that all be created equal, and declared it the inalienable right of everyone to share in a government guaranteeing the life, liberty, and pursuit of happiness to all. We have forgotten all about that. We have forgotten those guaranties.

The doctrine of Jefferson and of Andrew Jackson was fundamentally that the greatness of the country could be found only by its fruits and blessings being spread among the people to be enjoyed by all, and in this connection they most severely condemned the pomp and splendor that might fall into a few hands and thereby aggravate misery and impoverish the masses. The immortal Abraham Lincoln said:

"Inasmuch as most good things are produced by labor, it follows that all such things of right belong to those whose labor has produced them. But it has so happened in all ages of the world that some have labored and others have without labor enjoyed a large proportion of the fruits. This is wrong and should not continue. To secure to each laborer the whole product of his labor, or as nearly as possible, is a worthy subject of any good government."

On December 29, 1820, in a speech delivered at Plymouth, on the commemoration of the first settlement of New England, Daniel Webster, the greatest American orator and statesman that ever lived, said this:

I am quoting from Daniel Webster:

"The freest government, if it could exist, would not be long acceptable if the tendencies of the law were to create a rapid accumulation of property in few hands and to render the great mass of the population dependent and penniless. In such a case the popular power would be likely to break in upon the right of property, or else the influence of property to limit and control the exercise of popular power. Universal suffrage, for example, could not long exist in a community where there was a great inequality of property.

"The holders of estates would be obliged in such case, either in some way to restrain the right of suffrage, or else such right of suffrage would soon divide the property. In the nature of things, those who have not property, and see their neighbors possess much more than they think them to need, cannot be favorable to laws made for the protection of property. When this class becomes numerous, it grows clamorous. It looks on property as its prey and plunder, and is naturally ready, at all times, for violence and revolution."

President Theodore Roosevelt said in one of his public addresses:

"I feel that we shall ultimately have to consider the adoption of some such scheme as that of a progressive tax on all fortunes beyond a certain amount, either given in life or devised or bequeathed upon death to any individual—a tax so framed as to put it out of the power of the owner of one of these enormous fortunes to hand down more than a certain amount to any one individual."

I have not the time tonight in the 30 minutes allotted me to read further statements along this line, but to similar effect were the philosophy and warnings of William Jennings Bryan, and, as much as it may surprise you, in a speech at Indianapolis while he was President, Mr. Herbert Hoover declared that the remedy for economic depression was the distribution of wealth, and in a speech at Madison Square Garden he squarely declared that his conception of America was for a land where wealth was not concentrated in the hands of a few, but diffused among the lives of all.

So with the further citations of well-known citizens and statesmen of all times, founded upon the authority of our Creator I hope I have proven to the satisfaction of all that fundamentally no nation can survive where wealth is concentrated into a few hands, with the consequent poverty and misery.

And it is for that reason that I have prepared for Congress the bills allowing no one man to own more than $100,000,000; allowing no one man to have an earned net income in excess of $1,000,000 per year; and allowing no one child to inherit more than $5,000,000 from the estate of a father or mother.

Now, let us review the conditions which brought about the distress in this country which we face today. In along about 1916 to 1918 complaints were made over the condition of America, over the fact that too much of the wealth was in the hands of a few people. Among those complaining were such publications as the Wall Street Journal and the Saturday Evening Post, two very conservative journals devoted to the interest of big business, even unto the present day.

The Saturday Evening Post said, in its editorial columns on September 23, 1916, under the heading of "Are We Rich or Poor?" the following:

"The man who studies wealth in the United States from statistics only will get nowhere with the subject because all the statistics afford only an inconclusive suggestion.

"Along one statistical line you can figure out a nation bustling with wealth, along another a bloated plutocracy comprising 1 percent of the population lording it over a starveling horde with only a thin margin of merely well-to-do in between."

That is not my language, my friends. I have been accused of being intemperate, and have been condemned therefor, but that is not my language. I am quoting from the Saturday Evening Post. I have never been guilty of such intemperate language as that regarding anything I have said, and I never will.

Again, in the year 1919, the Saturday Evening Post said:

"We want big rewards for men who do big constructive things and jail sentences for the big fellows who steal the fruits of their work and savings of small investors.

"There have been altogether too many mavericks loose on this range, sucking cows on which they have no claim.

"There would be no real railroad mess, no necessity for trying to pare down wages in basic industries, if there had been no banker control and no flagrant watering of the stocks of these corporations."

I am almost tempted to say that we would not have had to cut the compensation of the veterans in Congress last week had the Saturday Evening Post had its way when it was undertaking to clamor against concentrated wealth.

Now I will read you what the Wall Street Journal had to say. It said this:

"Yet more menacing was the concentration of power proceeding in the banking world, which even the conservative capitalistic Wall Street Journal described in 1903 as 'not merely a normal growth, but concentration that comes from combination, con-

solidation, and other methods employed to secure monopolistic power.' Not only this, but this concentration has not been along the lines of commercial banking. The great banks of concentration are in close alliance with financial interests intimately connected with promotion of immense enterprises, many of them being largely speculative."

That was the Wall Street Journal. They won't say that right now! They have been told not to talk too much on certain lines, by some of their editors.

Therefore, in the midst of such feeling and understanding, the President of the United States, the late Woodrow Wilson, secured authority from Congress and appointed an Industrial Relations Commission to report upon conditions existing at the time, and in the report supplied by that body they listed as the first cause of distress among the people—

"Unjust distribution of wealth and income."

In the report of the Industrial Relations Committee, printed by the Government Printing Office in 1916, they said:

"The rich, 2 percent of the people, own 60 percent of the wealth; the middle class, 33 percent of the people, own 35 percent of the wealth. The poor, 65 percent of the people, own 5 percent of the wealth. This means, in brief, that a little less than 2,000,000 people, who would make up a city smaller than Chicago, own 20 percent more of the Nation's wealth than all the other 90,000,000."

It will be noticed from the foregoing that at that date in 1916 2 percent of the people owned 60 percent of the wealth, and that condition was at the time declared not only by the commission but by the Saturday Evening Post and by the Wall Street Journal to be an intolerable concentration of wealth and power. But did we break up the condition which existed in 1916? On the contrary, it has become many times worse in the past 17 years. In 1916 it was 2 percent of the people who owned 60 percent of the wealth, but in 1928, the Federal Trade Commission said this:

"The foregoing table shows that about 1 percent of the estimated number of decedents owned about 59 percent of the estimated wealth, and that more than 90 percent was owned by about 13 percent of this number."

So that in 1928 1 percent owned the same percentage of the wealth that 2 percent owned in 1916. But worse still, it will be observed that in 1916 there was a middle class of around 30 percent that owned about the same percentage of the wealth of the country. That class has disappeared. The rich became richer, and the poor became poorer, and the middle class dropped among the poor, and about 85 percent of the wealth is owned by 5 percent of the people. Is this condition one that will let a nation live?

Let us again see, and this time I quote from the pastor of the Baptist Church of which John D. Rockefeller senior and junior are both members; here are the words of this good man at whose feet sat and now sit the Rockefellers while he expounds the gospel of life. I quote from the Reverend Harry Emerson Fosdick, in a speech on December 28, 1930:

"See the picture of the world today—communism rising as a prodigious world power and all the capitalistic nations arming themselves to the teeth to fly at each other's throats and tear each other to pieces * * * Capitalism is on trial * * * Our whole capitalistic society is on trial.

"First, within itself, for obviously there is something the matter with the operation of a system that over the western world leaves millions and millions of people out of work who want work, and millions more in the sinister shadow of poverty.

"Second, capitalism is on trial with communism for its world competitor.

"The verbal damning of communism now prevalently popular in the United States will get us nowhere. The decision between capitalism and communism hinges on one point: Can capitalism adjust itself to the new age?"

Therefore, I have not only presented to you the facts relating to this case but I have presented to you the logic of the most conservative publications and authorities of all times—mythical, ancient, medieval, modern, and present.

And who is it that now owns America? Ah, my friends, let me read you a few of the statistics:

I have here the facts showing the concentration of American industries.

Iron ore, 50 to 75 percent monopoly; steel, 40 percent monopoly; nickel, 90 percent monopoly; aluminum, 100 percent monopoly; telephone, 80 percent; telegraph, 75 percent; Pullman Co., 100 percent; agricultural machinery, 50 percent monopoly; shoe machinery has a monopoly; sewing-machine machinery is monopolized.

It was on May 22, 1932, in a speech in Atlanta, Ga., when Mr. Roosevelt was quoted as saying the following in the public press, which I offered in the CONGRESSIONAL RECORD:

"The country needs, and unless I mistake its temper the country demands, bold, persistent experimentation. It is common sense to take a method and try it; if it fails, admit it frankly and try another. But, above all, try something. The millions who are in want will not stand by silently forever while the things to satisfy their needs are within easy reach.

"Many of those whose primary solicitude is confined to the welfare of what they call capital have failed to read the lessons of the last few years and have been moved less by calm analysis of the needs of the Nation as a whole than by a blind determination to preserve their own special stakes in the economic disorder.

"While capital will continue to be needed, it is probable that our physical plant will not expand in the future at the same rate at which it has expanded in the past.

"We may build more factories", he said, "but the fact remains that we have enough now to supply all our domestic needs and more, if they are needed. Now, our basic trouble was not an insufficiency of capital; it was an insufficient distribution of buying power, coupled with an oversufficient speculation in production."

That is the statement of our great President, who has been elected and who is so ably serving us at the present time. With these kind of statements Mr. Roosevelt loomed as a great hope.

But our main thing is our President has not only kept faith both before his nomination but he kept faith after nomination. In his speech during the campaign to the Commonwealth Club in San Francisco, September 23, 1932, President Roosevelt said:

"Just as freedom to farm has ceased, so also the opportunity in business has narrowed. It still is true that men can start small enterprises, trusting to native shrewdness and ability to keep abreast of competitors; but area after area has been preempted altogether by the great corporations, and even in the fields which still have no great concerns the small man starts under a handicap.

"The unfeeling statistics of the past 3 decades show that the independent business man is running a losing race. Perhaps he is forced to the wall; perhaps he cannot command credit; perhaps he is 'squeezed out', in Mr. Wilson's words, by highly organized corporate competitors, as your corner-grocery man can tell you.

"Recently a careful study was made of the concentration of business in the United States.

"It showed that our economic life was dominated by some six hundred and odd corporations, who controlled two thirds of American industry. Ten million small business men divided the other third.

"More striking still, it appeared that, if the process of concentration goes on at the same rate, at the end of another century we shall have all American industry controlled by a dozen corporations and run by perhaps a hundred men.

"Put plainly, we are steering a steady course toward economic oligarchy, if we are not there already.

"The day of the great promoter or the financial titan, to whom we granted anything if only he would build or develop, is over. Our task now is not discovery or exploitation of natural resources or necessarily producing more goods.

"It is the soberer, less dramatic business of administering resources and plants already in hand, of seeking to reestablish foreign markets for our surplus production, of meeting the problem of underconsumption, of adjusting production to consumption, of distributing wealth and products more equitably, of adapting existing economic organizations to the service of the people.

"The day of enlightened administration has come.

"Just as in olden times the central government was first a haven of refuge and then a threat, so now in a closer economic system the central and ambitious financial unit is no longer a servant of national desire but a danger. I would draw the parallel one step farther. We did not think because national government had become a threat in the eighteenth century that therefore we should abandon the principle of national government.

"They must, where necessary, sacrifice this or that private advantage, and in reciprocal self-denial must seek a general advantage. It is here that formal government—political government, if you choose—comes in.

"As yet there has been no final failure, because there has been no attempt, and I decline to assume that this Nation is unable to meet the situation.

"The final term of the high contract was for liberty and the pursuit of happiness.

"We have learned a great deal of both in the past century. We know that individual liberty and individual happiness mean nothing unless both are ordered in the sense that one man's meat is not another man's poison."

In another speech delivered on the 8th day of November 1932, President Roosevelt said this:

"We find fewer than 3 dozen private banking houses and stock-selling adjuncts in the commercial banks directing the flow of American capital within the country and to those 'backward or crippled nations' on which the President built so heavily.

"In other words, we find concentrated economic power in a few hands, the precise opposite of the individualism of which the President speaks.

"We find a great part of our working population with no chance of earning a living except by grace of this concentrated industrial machinery, and we find that millions and millions of Americans are out of work, throwing upon the already burdened Government the necessity of relief."

And at Columbus, on the 20th day of August 1932, Governor Roosevelt said:

"I, too, believe in individualism; but I mean it in everything that the word implies. I believe that our industrial and economic system is made for individual men and women, and not individual men and women for the benefit of the system. I believe that the individual should have full liberty of action to make the most of himself, but I do not believe that in the name of that sacred word a few powerful interests should be permitted to make industrial cannon fodder of the lives of half of the population of the United States."

And so there has been nominated to the American people a President who, as I say, before and after his nomination, has de-

cIared to help decentralize the wealth of the country, as reaffirmed in his inaugural address, and our President will need much help to carry it out. He has a hard task ahead. We must be patient and not expect too much too quickly. It depends upon the people to help out in this kind of undertakings, because he will confront the most masterful problem when he undertakes to carry out this platform pledge that he reaffirmed in his inaugural address.

Why should there be calamity in this land? There is too much to eat among us, so why should anyone starve? There is too much to wear; why should anyone go naked? There are too many houses; why should anyone go homeless?

Blessed as we are with everything that the Creator can give us, why should we allow the greed of the few to spread poverty and misery to the many? Should we not follow along the lines that are safe, fair, and secure?

If we will allow $100,000,000 to any one man; if we will allow him a net earning of $1,000,000 in 1 year; if we will allow one child to inherit $5,000,000 without hitting a lick to earn it, is that not enough?

After that, is it not fair that the Government should have the balance so that the mass can be relieved of the taxes, so the Government can spread its work and find employment, and so that the wealth may eventually be filtered and diffused into the lives of all, even as Mr. Hoover expressed himself in his last election and as our President is desirous of accomplishing?

These are the bills which I have introduced in Congress, my friends; and I conclude my remarks hoping that they may have ready help from the American people.

I thank you.

LOANS TO STATE BANKS AND TRUST COMPANIES

The Senate resumed the consideration of the bill (H.R. 3757) to provide for direct loans by Federal reserve banks to State banks and trust companies in certain cases, the pending question being on the amendment proposed by Mr. ADAMS to the substitute reported by the Committee on Banking and Currency, which was, on page 3, line 19, after the word "collateral," to strike out the words "and a thorough examination of the applying bank or trust company."

Mr. GLASS. Mr. President, on yesterday, when the Senate took a recess, I had ventured briefly to point out to the Senate the liberal way in which existing statutes treat nonmember State banks. In case there are Senators now present who were not present, then I will briefly recapitulate the citations which I made yesterday.

It will be observed that under section 14 of the Federal Reserve Act as originally passed, which Senators may find on page 47 of the printed act, nonmember State banks may, through their correspondent member banks, get the privileges of rediscount on eligible paper accorded to member banks. Of course, it was contemplated that such a privilege would never be granted except in exigent circumstances. It could not reasonably be expected that banks which had never contributed a thrip toward the establishment or the maintenance of the Federal Reserve Banking System should be accorded the same privileges enjoyed by banks which had endured the cost from the beginning and continued to bear the cost. So that provision of the original act was never availed of nor authorized by the Board until in this frightful emergency, I am told, the Board adopted a regulation authorizing nonmember banks, through their correspondent member banks, to rediscount their eligible assets with Federal Reserve banks.

In addition to that, Mr. President, I offered a rider to the Wagner relief bill, which was passed last July, which authorized not only nonmember banks but individuals, partnerships, and corporations to receive accommodations directly at Federal Reserve banks, in the event that it should be established that they could not get accommodations from individual banks in the ordinary course of business. The reason for that was that the banks generally were not functioning. They not only were not making loans but they were calling loans, and their liquidity came to be unprecedented. They were able to make loans, but would not make loans. So it was considered advisable, if they would not make loans, that the Federal Reserve banks, with ample facilities, might deal directly with individuals, partnerships, and corporations upon eligible paper.

I may say that the proposal of that rider to the Wagner bill gave the then administration a shock; they supposed it to be revolutionary and so pronounced it; and called the leaders of the other House and the Senate to the White House and put them upon notice that the bill would be vetoed if it contained that provision. I was called into conference to explain the meaning of that provision. I pointed out that it not only was not revolutionary but had been a prevailing practice for nearly a hundred years by every central bank of Europe, including the Bank of England, the Bank of France, and the Reichsbank. Next morning I was called out of bed before breakfast and was told by the then President of the United States that they had changed their minds about it, and not only wanted that provision incorporated in the bill but wanted it expanded in a way to which I would not agree.

So it will be observed that the existing statutes treat nonmember banks with the greatest liberality; and it is beyond my understanding how any Senator may now contend that banks which have persistently for 19 years remained outside the Federal Reserve System, refusing to impound their reserves in that System, refusing to contribute one penny to the maintenance of the System, as they had never contributed one penny to its establishment, should receive privileges in excess of those granted the member banks which established and maintained the System.

Mr. COSTIGAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Colorado?

Mr. GLASS. I yield to the Senator.

Mr. COSTIGAN. With due respect for the distinguished Senator from Virginia, whose prestige as a legislator in this field is unsurpassed, I rise to ask whether the argument he is now making does not impose penalties on bankers rather than on depositors, and whether the crisis which now confronts the country does not require peculiar solicitude for those depositors? Depositors, if I may so suggest, have not been experts in regard to the banking laws of the United States. They know little of the bankers' power or duty to affiliate with the Federal Reserve System. The argument of the Senator from Virginia would subject such depositors in some cases to needless and irrevocable loss, without any real participation in the conditions which precipitated the crisis. For that reason and because this is an emergency justifying exceptional treatment, I ask the Senator whether the amendment of my able colleague from Colorado [Mr. ADAMS] is not now entitled to support?

Mr. GLASS. I respond to the distinguished Senator by saying that, while it is true the depositors generally are not experienced in either the philosophy or the technic of banking, they do not occupy a much different attitude than the nonmember banks themselves, because the depositors could have compelled the nonmember banks to become member banks, and in the event of failure they could have put their deposits in member banks which were secured by the various provisions of the Federal Reserve Act rather than in nonmember banks which persistently refused to come into the system.

I may say to the Senator further that in a moment or two I expect to get away from the seeming severity of the argument I am now making and reach an even more liberal basis of the problem than I have yet discussed.

Mr. LOGAN. Mr. President——

Mr. GLASS. I yield to the Senator from Kentucky.

Mr. LOGAN. Mr. President, there is one provision of this bill which I do not understand, and, while I do not like to disturb the orderly discourse of the Senator from Virginia, I should like to take this opportunity to ask him what it means, as I do not know. On page 5 there is a provision in section 2 under which the Reconstruction Finance Corporation is prohibited from subscribing for preferred stock of banks in those States where there is a double liability law; but the section also contains a provision under which—

> The Reconstruction Finance Corporation is authorized, for the purposes of this section, to purchase the legally issued capital notes or debentures of such State bank or trust company, having voting rights similar to those herein provided with respect to preferred stock.

I do not know exactly what that means. I do not know what is meant by "capital notes or debentures having voting rights." I do not know whether there is any State in

the Union where a bank can issue capital notes or debentures with voting rights. So I should like to be advised as to what that section means. I intend to propose an amendment, and I think the Senator from Missouri [Mr. CLARK] also has an amendment to offer, but before proposing it I should like to know what is the meaning of that section.

Mr. GLASS. Mr. President, if the Senator from Kentucky, for whom I have the utmost respect, will not construe it as a discourtesy, I will ask him to defer that question until a little later——

Mr. LOGAN. If the Senator will discuss it during the course of his address, it will be entirely satisfactory to me.

Mr. GLASS. When it may be answered by my colleague on the Banking and Currency Committee, the Senator from Ohio [Mr. BULKLEY] perhaps more explicitly and cogently than I might answer it.

Mr. LOGAN. That is entirely satisfactory to me.

Mr. GLASS. Mr. President, I have pointed out the great liberality of existing statutes, so broad and so considerate of State banks, as that I have thought there was no need at all for this proposed legislation; but we have it here and must dispose of it.

The objection involved in the proposed amendment of the Senator from Colorado [Mr. ADAMS] is that applying nonmember State banks should not be required to be thoroughly examined before they avail themselves of the facilities of the Federal Reserve Banking System for their ineligible paper. That may mean anything on earth. It is true that I once characterized collateral of that sort as "cats and dogs", and, largely, that is what it is.

The existing law requires the Comptroller of the Currency, in the first place, thoroughly to examine periodically all member banks. In addition to that, the Federal Reserve Board is authorized and required to make periodical examinations of member banks, and to make examinations of member banks at such other times as the Federal Reserve Board may think is required. That being so, why should the Congress be asked to permit nonmember banks, which have never contributed a thrip to the establishment and maintenance of the system, to avail themselves of its facilities without thorough examination by the authorities of the system?

I just cannot conceive, in fairness, in equity, or in security, how a proposition of that sort could be presented.

It is said that it will require time. As was indicated in the fine speech delivered here yesterday by the junior Senator from Texas [Mr. CONNALLY], the Congress would better take time, and these various agencies of the Congress which are shoveling out the money of the taxpayers of this country would better pause and take time. Under the proposed amendment thousands of unsound and rotten banks might avail themselves of the facilities of the Federal Reserve Banking System. No time will be wasted. The resources of that System should not be preyed upon by unfit banking institutions, some of them ignorantly managed, many of them rascally managed. They should not be permitted without examination to avail themselves of the facilities acquired over a period of 19 years of the Federal Reserve Banking System.

Mr. PITTMAN. Mr. President, may I ask the Senator a question there for information?

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Nevada?

Mr. GLASS. I yield.

Mr. PITTMAN. What is the particular objection to the member bank's obtaining this loan, if the eligible paper in itself is known to be worth the loan? Is it because of the possible distribution of the money that is borrowed that the Senator desires to know whether the bank is sound or not sound?

Mr. GLASS. How is the Federal reserve bank to determine the worth of the paper unless it makes an examination of the bank? There may be claims of priority on the very paper presented.

There will be no time wasted in an examination of the bank. The Comptroller of the Currency has a large—perhaps too large—force of bank examiners at his disposal; and, in addition to that, the Federal Reserve Banks and Board have a large force of experienced bank examiners at their disposal. They would be available for this work; and this work should not be done in a haphazard or a hasty way.

I do not know that it would add anything particularly to the impressiveness of the argument, and it is something that ordinarily I do not think is advisable to be done on the Senate floor, but I may say that the President of the United States, in his own hand, wrote that provision in the proposed bill, because he and his Secretary of the Treasury and the Federal Reserve Board thought it ought to be in there. I think it ought to be in there, and the Banking and Currency Committee, by an overwhelming majority thought it ought to be in there, because my very distinguished and beloved friend from Colorado presented his proposal before the Banking and Currency Committee, and it was thoroughly discussed at the round-table argument and did not prevail; and, in my judgment, I respectfully submit, it should not prevail here.

I said a while ago that under this proposal thousands of insecure banks might avail themselves of the facilities of the Federal Reserve Banking System, and, having so done, it might result in their wreckage sooner perhaps than otherwise they would be wrecked, because naturally I should infer that they would present their best ineligible paper—if there be any such thing on the face of the earth as the best ineligible paper—and that would strip the banks of the last vestige of secure assets, and they could not any longer function in the emergency.

Right on this point I was about to say something of a personal nature—perhaps that would prolong the discussion, and I note the absence of the Senator to whom my remarks would particularly be addressed, by indirection—relating to the utter insecurity, if not absolute rottenness, of the banking system of an entire State, dominated, it is repeatedly alleged, by illicit and corrupt influences. Under this proposed amendment, banks of that description could avail themselves of the facilities, acquired over a period of 19 years, of the Federal Reserve Banking System.

A little later on I intend, as a matter of personal privilege, to make some statements here on the floor of the Senate, and to controvert some malicious falsehoods that have been disseminated concerning certain legislation here.

Mr. President, I believe that is all I now care to say. I am not feeling very strong, and scarcely had strength to say this much. Now, I suggest that my distinguished colleague, on the Banking and Currency Committee, from Ohio, Mr. BULKLEY, will answer the questions propounded by the Senator from Kentucky [Mr. LOGAN], and I should like to have the Senator from Kentucky hear him if he is available.

Mr. CLARK. Mr. President, the Senator from Kentucky has been called from the Chamber for a few moments.

Mr. GLASS. That, Mr. President, is all I have to say just now as to this proposal. I could well wish that my friend from Colorado would withdraw his proposed amendment, because, if adopted, it is not going to be conducive to the best interests of the banking system of the country, nor, in my judgment, will it afford any material relief in this exigency.

Mr. VANDENBERG. Mr. President, I follow the able and distinguished Senator from Virginia [Mr. GLASS] on a subject of this nature only with the greatest diffidence and the greatest deference. I think he is fully aware of the high opinion which I hold for his views upon these related matters. As a matter of fact, I do not rise in quarrel with his fundamental proposition; but it seems to me that in the discussion of this particular banking legislation something must be said regarding the general trend of the legislative formula which we are pursuing in respect to the banking crisis. In this formula is not only the power to save but also the power to destroy.

The pending measure contemplates a certain limited liberalization of Federal Reserve privileges in respect to State banks. State banks cannot be left to a sacrificial fate in this crisis. The amendments submitted by the Senator from Louisiana [Mr. LONG] and the Senator from Colorado [Mr. ADAMS] may not be appropriate amendments. I have no wish to address myself to that particular subject. But I do want to submit to the Senate that in the face of banking developments in the United States since the presidential proclamation there is necessity, if not for a liberalization of statutes at least for a liberalization of administration in respect to these statutes and also in respect to the reorganization of the banking structure of the Nation. In the last analysis I am perfectly confident in my own mind that there will be no final stabilization of the nature and the sort which not only the American depositor must have but which American business must have, if it is to renew its vitality, without some type of self-supporting Federal deposit insurance. But this is beside the present point. The thing I want to submit at the moment is that if liberalization of the emergency banking statutes is not desirable, at least a liberalization of the administration of the statutes is desirable in certain obvious directions which are sound and justified.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. GLASS. I do not know that I would be willing to dissent, in general, from the suggestion of the Senator from Michigan, but there are at least two sides to that question. Would the Senator suggest that there should be administrative liberalization of a process of this kind: say in a certain State—not the Senator's State—there has been no examination of banks since May 2, 1932, and two of the largest, outstanding banks in that certain State have had advances, to the extent of millions of dollars of the taxpayers' money, acquired through the Reconstruction Finance Corporation, with three or four or five hundred correspondent banks, which two large banks had not been examined for nearly a year. Would the Senator call that liberal administration of the law?

Mr. VANDENBERG. No, Mr. President. I shall submit to the Senator's judgment, before I shall have concluded, a precise demonstration of the type of liberalizing need I am undertaking to discuss. I concur with the Senator's general view. The paradox of the situation is that while at the moment I think I can demonstrate that deflationary rules and regulations under the auspices of our contemporary bank dictatorship are forcing needless deflation in the bank assets and the depositor assets of the Nation, on the other hand, after those assets once have been reasonably stabilized I concur a thousand percent with the Senator that the need of the Nation is an infinitely more rigid supervision and infinitely more acute responsiveness on the part of banking to government. I favor every stricture the Senator ever has proposed upon this score. I think I will submit to the Senator, in the course of my very brief observations, a definition of what I mean by the need of present liberalization. I agree with the Senator that his example is not the liberalization of which I speak.

Mr. GLASS. Liberalization! It almost verges on criminality.

Mr. VANDENBERG. Mr. President, the Senator's example, which "verges on criminality", to use his language, is not at all an example of the thing of which I am speaking, and I shall submit to my able friend from Virginia that the exhibit which I lay before him does not fall beneath any such condemnation. On the contrary, it is entirely possible for action to "verge on criminality" today if it needlessly wrecks the values behind the savings accounts of the American people; and that is the other side of the picture, and it is the thing to which I am proposing to address myself.

Mr. President, just because the banking situation has ceased to be front-page news in Washington is no sign that it has ceased to be front-page news in other parts of this country. It will continue to be front-page news until the reorganized banking facilities of the Nation are adequate to the banking needs of the Nation. I am not speaking in any critical sense whatsoever. If there is one man more than another in this Chamber who realizes that it is easier to be critical than to be correct, I am that man. The administrators of this new crisis have been utterly heroic in the efforts they have made to meet the situation. They confronted a terrific responsibility. I beg Senators to believe that I do not approach the thing in any remote sense of political criticism, only in the sense that since the spirit of the administration of the rules and regulations is calculated to determine their ultimate sufficiency and their value, it is important that the Senate should speak its mind in the open as to what type of administration and what philosophy of action ought to be followed from now on.

I repeat, the banking crisis is not over simply because it has left the front pages of the Washington newspapers. I imagine that the situation in my own State of Michigan is quite typical. On yesterday, the State banking commissioner reports to me, there were 27 national banks open and 71 shut in Michigan; there were 24 State member banks in the Federal Reserve System open and 73 shut, and there were 143 State banks open and 196 shut, which means a total of 194 banks open and 340 shut.

I suspect that is a rather typical cross section of the situation in which the country as a whole finds itself, and I want to speak briefly in respect to that situation, not on account of the banks but on account of the bank depositors and the bank deposits, because, in the final analysis, except as we are able to salvage a substantial portion of the deposit resources of the American people, we cannot hope to stimulate an upturn in American business. We cannot save the situation. Yet it must and can be saved.

The problem has two phases. We confronted the first phase when, following the President's summary proclamation, which was bravely issued and unquestionably had to be issued, there was a sudden summary classification of the major banking institutions of the United States. The whole banking system of the Nation was made literally to pass in review almost overnight, and to confront an arbitrary classification at the hands of government which spelled either life or death for those institutions, and, in a relative degree, for every deposit in those institutions.

The first phase was this initial phase, where these initial licenses were issued. The second phase is the phase which we are now confronting and have yet to solve, namely, those banking institutions which were not covered in under the initial licenses and those subsequently opened.

The only possible utility in discussing the first phase is to see whether or not there is anything in it by way of instruction and admonition in dealing with the second phase. I have no interest in threshing old straw, and again I urge that I am not proposing to be critical; but it is very necessary that we understand precisely what happened in the first phase in order to know what is calculated to happen in the second phase.

This is what happened in the first phase. These initial licenses were issued, of course, under pressure of great haste. Error and inequity were inevitable. The action was in entire good faith, but decisions were made which blemished the records of institutions which had a half century of honor behind them. The decisions had to be made almost under the exercise of a war power. But it is very important to realize on just what basis that initial classification was made, because we discover, when we assess the basis, that if we are to continue that basis we are embarked upon the most ruthless deflation in the history of this or any other nation. We have had enough deflation. Our needs today are in an opposite direction.

Mr. President, how were the first licenses issued? They were issued to banks which could certify, among other things, to the following—quoting from the application:

> According to the last report of examination, this institution, even if all actual market bond depreciation, all doubtful paper, and all losses were charged off, would still have assets of sufficient value to more than cover all liabilities other than its own stock liabilities.

Which is to say that the only bank which could qualify for a license in the initial bracket—in other words, the only bank which was given a chance to survive on the basis of unimpaired solvency—was a bank whose surplus exceeded, first, all market bond depreciation; second, all losses; third—and this is the significant item—all doubtful paper.

Mr. President, anyone who has had any experience with bank examiners knows that there never was a bank-examination report turned in yet in which every conceivable benefit of every doubt was not taken by the examiner when he listed doubtful paper. It is regular procedure. It is standard practice. It appropriately puts the bank on notice to watch these credits. But I venture the further assertion that there never was a list of doubtful paper turned in by a bank examiner upon which 50 percent of the items did not have a substantial element of integrity and a considerable percentage of the items ultimately were not recovered. No wonder there were not very many banks which could qualify for an initial license, when they had to have a surplus exceeding all the doubtful paper an examiner could conjure, with all his professional suspicions, plus all of these other items.

Furthermore, these banks passed in this deadly review on the basis of "the last examination." That examination may have been a year ago for a certain bank. It may have been at a time when values were infinitely more advantageous. It may have been upon the basis of an examination for a bank right across the street that was examined a few weeks ago, at the very bottom of the slough of despond. It may have been made on the basis of a State examination in lieu of a Federal examination. There was no uniformity. I do not complain. There could have been no uniformity. But by the same token there could be no equality of decision and of justice. It was drumhead courtmartial. War is that way.

Again, the judgments of examiners differ as do the judgments of other men. Yet the judgment of one examiner submitted on one examination became the sentence of doom for many banking institutions in the United States. I do not complain, I repeat, against any error that was committed under the stress of those initial proceedings because it was precisely the same situation which we confronted in the World War. It was and is war, and we have to have summary action and take the consequences. But I am proposing and submit that if we find that we erred in some of those initial situations under the whip and spur of the emergency, it is, indeed, well for us to take account of the fact as we now proceed to confront the balance of our problem which is infinitely larger than the problem which we have thus far answered.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER (Mr. BANKHEAD in the chair). Does the Senator from Michigan yield to the Senator from Maryland?

Mr. VANDENBERG. I yield.

Mr. TYDINGS. I just want to point out for the Senator's information that a great deal of the so-called "doubtful paper" is really good paper, as he has observed. In the case of the banks in my own State, having gone over the list with the bankers in question, I asked the comptroller's office and the bank examiner's office if they would not make a reexamination of the doubtful paper. I am glad to say that that reexamination was made very promptly and it resulted in a considerable reduction in the doubtful-paper total. I simply mention that in passing because it may be of some benefit to the banks in the Senator's own State of Michigan.

Mr. VANDENBERG. I thank the Senator for his observation. I know the experience which he relates has been had by others. It demonstrates all over again the utter menace of writing a life and death ticket for the banking institutions, and relatively for the depositors in those banks, of the country on the basis of that limited information which was available at the moment when the initial orders were issued.

What happened as the result? I want to read a paragraph from a letter from a very distinguished banker who, for obvious reasons, I shall not identify, but I want to ask Senators if this is not exactly what has happened under this excessive rule of stern liquidity which has been applied to this situation, this rule of ruthless deflation. Let us see if this is not exactly what happened:

> The almost tragic part of the whole situation is that in general those banks which did not press the debtor by withdrawing lines of credit, and which did not dispose of the borrower's collateral at forced sale on low markets, and which exercised judgment in pressing mortgagors, are the banks which have the larger percentages of slow assets.

In other words, the very banks which have undertaken to do precisely the thing for the public welfare which the Reconstruction Finance Corporation was organized to do, the banks that have done the precise thing that Congress has undertaken to do in recent amendments to the Bankruptcy Act and in proposed debt latitudes generally, are the banks that fell under this initial sentence of death because of this arbitrary rule of ruthless liquidity which was set up as the metes and the bounds of our banking validity.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Texas?

Mr. VANDENBERG. I yield.

Mr. CONNALLY. Let me inquire of the Senator from Michigan whether many of the banks in his State were not closed before the Federal Government intervened at all?

Mr. VANDENBERG. Oh, yes; I am not discussing the Michigan situation. I am discussing what I believe is the second phase of the national crisis. I may say to the Senator, however, that, regardless of when or how Michigan's banks closed, it was the Federal orders which governed their initial reopenings.

Mr. TYDINGS. I am very much impressed by what the Senator said. In view of the fact that there have been injustices due to the speed with which these matters were acted upon, I cannot think of any other way that those injustices can be remedied except through reexamination of the banks' doubtful paper. Assuming that that results in reducing the amount of doubtful paper, I am interested in asking the Senator if a bank's capital, taking into consideration the reduction of the doubtful paper, is still impaired, does the Senator mean the bank should then be reopened?

Mr. VANDENBERG. No. I agree with the Senator that at that time the bank should be closed, but the tragedy is that it is too late to reexamine, in so far as the fundamental vice and fundamental damage are concerned. But it is not too late to improve things for the future.

Mr. TYDINGS. I agree with the Senator. What I was trying to do was to elicit the information that injustices have been done, as I know and as the Senator knows, in some cases due to the speed with which action had to be taken. Is there any quicker way by which we can remedy the situation or remedy those injustices than by reexamination of the doubtful paper with the end in view of eliminating or decreasing the total amount of doubtful paper?

Mr. VANDENBERG. Probably not, and that might be a very wise suggestion. My purpose in speaking is not to complain about what has happened, because it probably is amazing that the high officers of the Government did as well as they did under the gigantic responsibility suddenly thrust upon them, but my purpose is to draw a moral if we can out of what has happened to guide us in respect to what is yet to happen if we do not change our course.

I want to continue reading from this letter. I remind Senators that the letter has already set up an initial test that the operation of this original license plan put a premium upon what could in some instances be called hoarding banks. Those are the ones, at any rate, which could best qualify under the initial rule. Continuing to read:

> They—

Referring to these banks—

> have performed their duty to the people of their respective communities as banks and for so doing are now being censured and scored by public opinion. Whether they will be penalized for so doing by the Government yet remains to be seen.

That is what I want to talk about.

I hope not—

Mark you!—

I hope not, for upon the attitude of the Government in this respect depends the salvation not only of the banks, but the welfare of the people who are both borrowers and depositors.

"Upon the attitude of the Government in this respect", and it is a problem, I remind Senators again, which we yet have ample time to meet, because the major banking structure of the Nation has yet to be put back into working shape.

Let us see how literally true is that indictment. I submit but one example out of many. In one jurisdiction, Mr. President, when the so-called "solvency" of these banks was determined—determined, I repeat, on the basis of ruthless liquidity—they were not satisfied merely to require all doubtful paper to be entirely eliminated; they were not satisfied to have the losses charged off; but they even required that all real estate subject to mortgage foreclosures should be charged off. Just think what that means, Mr. President, to the midcontinent bank which has devoted itself to home mortgages for the purpose of creating American communities. Just contemplate that community where this bank, aiming to serve the home owner and home community, has been reasonably lenient in respect to mortgage foreclosures and has not pressed down for the last Shylock penny upon every interest date. It has been reasonable and liberal; and yet, if it has a mortgage, under these liquidation rules, that is six months' past due, the Government says to it, "There is not a penny's value in that mortgage and you must charge it off." Mr. President, I do not see how a rule of that sort can be justified in normal times, much less in times like these.

There are numerous kindred exhibits to which it is needless to advert. I could speak at length of the impairment of the solvency of many a lessor bank solely because its reserves are impounded in a closed larger bank. These reserve deposits had to be made by injunction of the law. Yet the law declines to recognize the trust character of this transaction and, when we seek to release the reserve, we are met with a denial on the plea that an illegal preference would be created. This seems to be the law, but it lacks both logic and equity.

But I repeat that I am particularly referring to needlessly deflationary assignment-of-bank assets to the category of loss. I speak with entire respect for bank examiners and supervising bank authorities. My own relations with them have always been with reasonable reactions. There is a danger, however, that some subordinates, suddenly clothed with these new dictatorial powers, may develop a Jupiter complex. These are not times for such procedure. The times call for courage. But they also call for understanding.

The example which I gave respecting the classification of mortgages typifies the particular suggestion which I bring to the illumination of my text. This is the type of thing about which I am talking, Mr. President, upon which the Senator from Virginia [Mr. GLASS] questioned me. I regret that he has left the Chamber. I am perfectly sure that he would agree with me, with the examples he gave of the wrong kind of liberalization, that this type of exhibit is a totally different thing.

Now we are coming into the second phase. We still have the rest of the bank structure to remake and reorder. The thing I am undertaking to say today is that unless we amend our philosophy of action and unless we seek long-range liquidity based upon present solvency instead of prompt liquidity based upon summary solvency, we are going to massacre needlessly the savings of the American people.

We are about to start into this reorganization program. It will have many different phases, each phase depending upon human judgment for weal or woe. It is in respect to the use of those human judgments that I speak, human judgments in respect to reorganization, human judgments in respect to the choice of proper conservators and then the proper exercise of the conservators' power, human judgments in respect to new capital structures to be created under a rule of reason, I submit, instead of under a rule of utter deflation at its maximum. There are new preferred stock subscriptions to be made by the Reconstruction Finance Corporation, stock subscriptions unfortunately which ultimately can enter the market place to find their ultimate way into the control of the centers of finance. Nevertheless the preferred section of the law offers the most hopeful possible outlet if it is reasonably administered in respect to a liberal management of the necessities of the hour and of the country.

I want to plead again, Mr. President, as I have before in the last 3 weeks, that these new set-ups and these reorganizations be started with maximum regard for long-range opportunity to permit depositors to recoup their share of recovered values. That is the point—a scheme of reorganization which gives the depositor a chance to still be a depositor when we have turned that corner where prosperity hides, that still leaves him in the status of a depositor when the dividends are passed out on the new deal. That is the thing I insist is fundamentally essential as we now proceed into this second phase, and which is calculated to be lacking if we persist as in the first phase. Let us not persist in ruthless deflation to the extent where we sell out the depositors of the Nation under the hammer. That is the thing which I say is not only morally wrong, but which I say is absolutely fatal in its economic repercussions.

No one would want insolvent banks reopened. I hope no Senator will get any such idea as that from what I have said. Nobody wants an insolvent bank reopened, but we want a rule of reason in respect to solvency and not a rule of ruthless deflation. We need long-range liquidity, with the Government standing by. We need a formula under which the banks have a chance to work themselves and their depositors out for the benefit of their depositors, and for the benefit of their depositors exclusively.

Indeed, Mr. President, I can probably best illustrate the thought that is in my mind if I say again to the Senate that the theory upon which I would operate is the theory which I offered weeks ago, but which was rejected. Under this theory the plan would be to divide the assets of these banks, liquid and slow. I would trustee those slow assets with the bank to administer itself. I would issue negotiable certificates of participation to the depositors against those impounded trust assets, and I would put an interest rate on the certificates in order to help keep them at par. Then—and this is the important thing—I would dedicate all the earnings of that bank, if it took 50 years, to pay the face value of those certificates, 100 cents on the dollar. Then I would open the liquid side of the bank to unlimited business; and I would put Federal insurance behind those new deposits and those live deposits. I would have the confidence of the American people in that institution, and I would give the depositor his maximum chance to recover his maximum equity.

I said something about this the other day on the floor of the Senate.

Mr. FLETCHER. Mr. President, may I interrupt the Senator from Michigan?

Mr. VANDENBERG. I yield to the Senator from Florida.

Mr. FLETCHER. The Banking and Currency Committee now has a subcommittee handling the whole question of the insurance of deposits and every other phase of the question. The chairman of the subcommittee is the senior Senator from Virginia [Mr. GLASS], and on it are the Senator from Ohio [Mr. BULKLEY], the junior Senator from California [Mr. MCADOO], the Senator from Connecticut [Mr. WALCOTT], and the Senator from Delaware [Mr. TOWNSEND]. Those Senators compose the subcommittee that will soon begin hearings and the consideration of this whole question, involving what the Senator from Michigan is now discussing.

Mr. VANDENBERG. Mr. President, I thank the Senator for his observations. I know what he has stated is true, and I also know that there have been subcommittees of the Banking and Currency Committee about as long as I have been in the Senate dealing with the same subjects, and we are still waiting for a report. I realize, on the other hand, that the distinguished chairman of the committee,

who has just interrupted me and who does me the honor of listening to these observations, is himself warmly committed to the theory for which I speak, and I am quite hopeful that in the course of the next few weeks or months we shall make definite progress in the direction indicated. I have pioneered in this cause, and it is close to my heart.

However, Mr. President, I observed, when interrupted, that I made some suggestions last week along the lines of the desirability of a more reasonable rule of assessment of values in respect to the banks of the country for the sake of their depositors. As a result of those observations, the New York Journal of Commerce, on March 16, did me the honor editorially to comment under the caption "Dangers Ahead." I want to read just a few sentences from this editorial to indicate how completely I was misunderstood and how it seems to be possible for New York to misunderstand the midcontinent viewpoint in respect to banking:

When the first flush of enthusiasm has subsided and the public realizes the price that must be paid to guarantee resumption—

Speaking of banks—

on a sound, permanent basis, the pressure to spoil the bank plan by amending it and to undermine it by lax administration will increase.

I submit that up to date I have not said anything in favor of "lax administration." I abhor it. The editorial continues:

The complaints of Senator VANDENBERG, for instance, author of a measure to provide a Federal guaranty of savings deposits, constitute a frontal attack against which a strong defense must be erected if the country is to be saved from new attempts to maintain a fictitious scale of bank asset values.

Mr. President, let me interrupt the reading of the editorial just long enough to say that "a fictitious scale of bank asset values" can be too low just as fatally as it can be too high; and when it is needlessly too low, the whole social and economic fabric of American life is the victim. I continue to read:

Senator VANDENBERG urges the grant of wide administrative powers to determine what constitutes "sound assets" upon which banks shall be permitted to borrow from the reserve banks.

Now quoting my language:

"I insist", the Senator from Michigan said, "that in the construction of the word 'sound' the banks shall not be tied to the dead bodies of today's values."

I repeat, with all the emphasis at my command, that in the construction of the word "sound", as applied to banking today, the banks, and particularly their depositors, "shall not be tied to the dead bodies of today's values." Then the editorial proceeds:

If this is Senator VANDENBERG'S way of demanding a resurrection of the "deader" values of the past, and using them as a measure of the borrowing capacity of the banks of the country, trouble lies ahead.

O Mr. President, I am not trying to resurrect the "'deader' values of the past" in any such invidious sense as is there suggested. But some of the "values of the past" are not dead, or else America is sunk "for keeps." All the values of yesterday are not gone, and any man who says they are fails to have faith in America. The "deader" values of yesterday! Why, the very day this comment appeared, the Wall Street Journal reported that on the market over yonder there was the "widest advance since 1931." The New York Sun on the same morning reported a restoration of $1,000,000,000 in the stock and bond values of the Nation—$1,000,000,000 in 24 hours; $1,000,000,000 of those "deader" values come back to life. Those are the values I am talking about. To be sure they fluctuate. They have swung down again the last few days. But the point is that they are live values, not dead values. I do not want the banks set up again on the basis of these swollen exaggerations of the boom days, but, Mr. President, I think it is equally indefensible to set them upon the basis of today's wrecked values, in the utter slough of despond.

I would not care so much about that if it were only the bank that suffered, but it is not the bank that suffers, it is the bank depositor who suffers when the values upon which he must depend for the liquidation of his deposit are forced under the hammer in summary liquidation. What I am urging, Mr. President, with all the earnestness at my command, is that we should not proceed into this second phase on the same theory of utterly ruthless deflation which we have been pursuing up to date. Perhaps, it was necessary to pursue it up to date. I repeat that I decline to be critical; I repeat that I decline to speak in any sense other than as of attempting to be helpful for tomorrow; but I am saying, since the great banking structure of the back country of the Nation still remains to be restabilized, that in dealing with it we shall endeavor to apply a rule of reason with respect to values so that the depositor will still be alive in respect to his deposits when some of those "deader" values of yesterday have returned as a benediction upon our land. They will return, within reason, and today's distraught depositor should not be needlessly cut off from his just share of the recoupment. That is the sole burden of my observation, Mr. President. We have got to have more liberal administration of the rules and regulations under which we are operating in respect to this banking crisis or we have got to have more liberal legislation itself.

In the final analysis, as certainly as the rising of the sun, the American people are going rightfully to demand that the savings of America shall be safe, and the final steel beam that has got to be built into the banking structure when it shall be remodeled and stabilized is the steel beam of self-liquidating Federal deposit insurance upon the responsibility of the Government of the United States.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. FLETCHER. May I ask the Senator to enlighten us a little further, if he well, briefly, on what he would base the values of today? Values should be based on earnings or returns. How would the Senator base the new values? At the present time "values" is a very mythical sort of term to use.

Mr. VANDENBERG. That is correct; and if the Senator from Florida were to ask the Supreme Court to set down what it meant by a "rule of reason" in respect to railroad earnings, I suspect it would have difficulty in resolving the rule to words of one syllable and specific figures. The rule of reason is a rule which contemplates a reasonable acknowledgment of values in respect to present and prospective conditions in the United States. Let me be more specific than that; that sounds entirely too vague, and I am not at all vague in my own mind. I suggest, for example, where there is a doubtful asset that that portion of the asset which is not doubtful may well be recognized and the whole thing shall not summarily disappear because, temporarily, a portion of it happens to be under a shadow and under a ban. I suggest, for example. that a mortgage is not a total loss because it is in default. I suggest that true bond values are not solely dependent upon the current fire-sale price in a depressed, deflated, and often hysterical market. So far as I am concerned, as I indicated a time ago, I would have the banks of the United States work out their own salvation in this respect, because I would acknowledge every dollar of value outside of existing actual losses; and, having segregated the slow assets and having trusteed them to the bank, I would put that bank to work, if necessary for 50 years, to pay back the face value of the certificate. Let us not wholly deflate America. Let us preserve the greatest possible measure of recovered values for the American depositor. Let us save all possible banks for the sake of their depositors. Then let us write a new code of Government supervision which shall permanently protect against the mistakes, the errors, and the crimes, if any, of the past.

Mr. NYE obtained the floor.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. NYE. I am glad to yield.

Mr. THOMAS of Oklahoma. Will the Senator permit me to suggest the absence of a quorum?

Mr. NYE. I much prefer that the Senator should not do that at this time. I am sure the large majority of the

Senate at this luncheon hour need food much more than they need any lecturing that might be offered here on the floor.

Mr. President, I hesitate to inject myself into this debate by reason of the learned argument that has been presented by others so much better informed upon the whole subject than am I.

Having just listened to the splendid appeal offered by the Senator from Michigan [Mr. VANDENBERG], I might perhaps better but concur in the thought he has expressed; but having sat aside, having refrained from participating in any of the argument or any of the discussion that has been offered in connection with the existing banking emergency, I have felt it my duty to refrain no longer at least from expressing the views which have prevented my concurring in the votes that have been recorded here during this session of Congress in an attempt to cope with the terrible situation that finally fastened itself upon the country.

I voted against the emergency bank bill. I will say now that I did it primarily because of the complete ignoring in that legislation of the interests and the welfare of millions of bank depositors in the smaller and the State banks of the country.

I was happy, therefore, when a few days ago there arose prospect of an amendment that would give to the State banks a parity in the way of opportunity with the national banks—legislation which I had hoped was going to find the Federal Government showing the same determination, the same will to save the millions of depositors in State banks, that was shown in saving depositors in the larger and in the national banks. With the passage of the Steagall bill in the House of Representatives the other day I wired those who were representative of State banking interests in my own State the full text of that bill as it passed the House.

I was not surprised in the response that came to me from those authorities in my State; and I am going to offer now the observations of two of them in response to the Steagall bill.

The first is as follows:

> Nothing very attractive for State banks in that bill, yet a few might be able to take advantage of the provisions, especially in the case of a national changing over to a State bank, of which we may have 6 or 8. Since there is likely little hope of getting anything better, I would suggest supporting the measure for what little benefit there may be in it for State banks.

The other spokesman for the State banking interests in my State responded as follows:

> Bill for direct loans State banks does not offer much relief, but will undoubtedly be of considerable assistance to some banks, particularly those converting from national to State. It can do no harm, and believe it merits your support by reason of foregoing.

So, Mr. President, I suppose like most of the Members of this body I shall vote for the bill which is pending before the Senate at this time. It is true that the Senate Committee has altered considerably the bill that came to us from the House, but a comparison does not reveal to me where the Senate bill offers anything in a material way more than was offered for State banks in that bill, known as the Steagall bill, which passed the House.

I do hope, though, with the Senator from Michigan who has just spoken, that we are going to find Congress quickly awakening to the fact that there are other people with their lifetime savings involved in this emergency than those depositors in the large banking centers of this country and in the larger banking institutions. If we are going to continue, as we seem to have done in the past, turning our backs upon the interests of the smaller depositors, the result in the end is all too apparent.

Mr. President, on March 9, within 8 hours after the convening of the new Congress, there was enacted into law the far-reaching emergency bank bill. A moratorium had been wisely declared by the President. Eighteen thousand seven hundred and ninety-four banks had been closed. To insure a maximum of opening and fair play for all that were deserving of governmental help in the emergency, an effort was made to amend the bill to provide for the more than 12,000 State banks the same help that was being provided for the six or seven thousand banks that were members of the Federal Reserve System. The effort to amend in this manner was easily defeated under the urge for quick passage.

Now, Mr. President, we are trying to amend the bill which passed 2 weeks ago, and to correct, as far as we can correct at this later day, the grave injustice which was then done to two thirds of the total number of banks by our hurried action on March 9. This amendment provides, at least in its title, for direct loans by the Federal Reserve Banks to State banks and trust companies. Whether the bill will do that is open to wide question; but that, at least, is in part its purpose.

In a large degree, my vote against the original emergency bank bill was caused by the failure of that bill to respond to all sound and deserving institutions, whether they be State or national banks, by giving all the same measure of governmental and legislative help that the emergency seemed to call for.

The cause for my opposition to the emergency bank measure was not stated at the time, because I felt that public confidence at that hour could best be restored and maintained by silence, particularly in view of the certainty of the bill's passage. If I erred in not speaking then my opposition to the bill, the error was one of judgment and not of the heart. I contented myself at the time with voting against the bill and remaining quiet. It would have been far easier to have voted for the measure, especially if it had contained a provision for State as well as national banks. It would have been easier because the people of the country were demanding and were expecting backing for the President, in whose leadership they had placed and are still placing, and I believe justly so, implicit faith and confidence.

I want now to say that my vote was in no sense a vote indicating lack of confidence in the purpose of the President. I should be quite ashamed if I were convinced that I had contributed in any degree to the injury of that public confidence in our new leadership which prevails, the continuation of which leadership is so highly essential if we are to entertain any hope of ultimately winning our way out of the insane situation in which our civilization finds itself today.

The manner in which the President has shouldered his responsibilities, the manner in which he has substituted action where drifting has all too long prevailed, has won and still commands my great respect and confidence in his leadership.

Mr. President, so great is my confidence in President Roosevelt, so much of my hope and all our hopes concerning the future is tied up in his ultimate success, that I quite fear that under favorable consideration of the interests of the State as well as the national banks in the banking bill I should have conceded, as so large a majority of the Members of Congress did concede, the need for delegating the unlimited, the dictatorial powers which went with passage of that measure; but I could not avoid at the moment very gravely weighing what I thought to be the very unfair manner in which we were dealing with thousands upon thousands of State banks—banks that were sound and as deserving of help as were those national banks provided for in the bill.

I felt that we should be as concerned with the welfare of depositors in one set of banks as we were with that of the other. It appeared to me at the time and since then that we were inflicting burdens, additional hardships and odds upon two-thirds of the banks of the country, to the end that one-third of them might have their chance for life improved.

Mr. President, the great fear which confronted the banks and the people on March 3 and 4 was quite directly occasioned by the closing of great banks in New York and Chicago—banks which were thought to be the strongest, but which, in the stress of the hour, were found to be the weakest. Here we were, then, I felt, rallying to the aid of the very institutions which were responsible for our troubles, while we turned our backs upon the savings of millions upon

millions whose interests were tied up in those two-thirds of the banks of the country which were not taken into the legislative picture at the time.

Had the original bill provided for all deserving banks and their depositors alike, I quite likely, as I have said, would have voted for it; yet had I done so I fear I should everlastingly have regretted it, in view of that provision in the bill which gives the money changers a new power—a power they have long sought.

For generations great students and leaders have stood in opposition to a grant to the bankers of such powers as were given them in the emergency banking bill. Upon that question I desire to speak briefly this afternoon.

William Jennings Bryan once expressed himself as of the opinion that the bankers always thrived upon banking emergencies; that in times of stress they went after new grants of power and further reaches of monopoly such as they could not hope would be granted by Congress in hours of calm deliberation. It now appears that the present emergency may have been used by the bankers to gratify wishes of very long standing.

Two outstanding things have these bankers wanted. They wanted greater concentration of banking power and facilities, greater leeway and power for themselves in the issuance of money. In the bank bill passed on March 9 there is found a provision for the creation of a new kind of money. This new money is not based upon gold. It is not based upon silver, upon Government bonds, or other Government securities. Instead, this new money is based upon bankers' assets, and has been known as asset currency. It constitutes a complete departure from our monetary plan of years.

I am not at all as fearful, as are some, of any departure from the gold standard; but when we did depart from it I had hoped that we could witness the creation of the kind of new money or basis for money that was determined by the people and their earning power, rather than by that class of bankers who for the past 10 years have been digging the very grave in which America was all but buried two weeks ago. It was they who laid the foundation for the crash which ultimately had to come as a result of their greedy manipulation of our banking, money, and credit structure; and now we have given them the power they have long sought to turn their bank assets into money.

This banking or asset currency of which I speak is provided for in the following language of the new banking bill:

Title IV, section 401, relates to the deposits with the Treasurer of the United States of direct obligations of the United States, or of any "notes, drafts, bills of exchange, and bankers' acceptances acquired under the provisions of this act," whereupon any Federal Reserve bank making such deposit in the manner prescribed by the Secretary of the Treasury shall be entitled to receive from the Comptroller of the Currency circulating notes in blank, duly registered and countersigned.

So, Mr. President, by our action on March 9, we gave into the hands of the bankers a power to issue and to circulate a brand new currency. Here, then, was unlimited opportunity for expansion of the currency, but the power to expand it is with the bankers quite alone. We are declaring that a sound money system has room for currency of this kind—asset currency. Will there be the same liberality shown when it is urged to refinance agriculture by, in effect, making land, instead of bankers' assets, the basis for money expansion?

My fears regarding asset currency are not new fears. Men have fought it off for years. Each great national emergency has found the bankers driving expensive bargains—expensive for the Government and the people—an exchange for their response to emergency credit needs.

In the effort to finance the Civil War the bankers did not want to lend their gold to the Government. Instead, they proposed to lend the Government their own notes, bankers' notes. Then followed the Legal Tender Act, which enabled the Government to issue its own demand notes to be used in paying the soldiers. The banking interests straightway stepped in and refused to accept the demand notes when presented and thus destroyed their value.

With the backing of Secretary Chase and Thaddeus Stevens the bill providing that Treasury notes should be "absolute money, fully monetized, full legal tender for all debts and dues, both public and private," passed the House. In the Senate the measure was amended under pressure brought by the bankers, the amendment providing that the greenback should not be legal tender as related to the payment of duties and interest on the public debt which the Government owed these bankers.

Of the amended bill, as it came from the Senate, Stevens, on the floor of the House on the day following the passage of the bill in the Senate with this amendment, spoke his mind regarding it in part as follows, on February 20, 1862:

> Mr. Speaker, I have a very few words to say. I approach the subject with more depression of spirits than I ever before approached any question. No personal motive or feeling influences me. I hope not, at least. I have a melancholy foreboding that we are about to consummate a cunningly devised scheme which will carry great injury and great loss to all classes of the people throughout this Union, except one. * * * It is true there was a doleful sound came up from the caverns of bullion brokers, and from the saloons of the associated banks. Their cashiers and agents were soon on the ground and persuaded the Senate, with but little deliberation, to mangle and destroy what it had cost the House months to digest, consider, and pass.

Then he went on:

> They fell upon the bill in hot haste, and so disfigured and deformed it that its very father would not know it. * * * It now creates money, and by its very terms declares it a depreciated currency. It makes two classes of money—one for the banks and brokers and another for the people.

If one will follow the debates of those days he will find other leaders of that hour expressing themselves in no uncertain terms regarding the manner in which the Government was permitting itself absolutely to lose control over the currency and over the machinery of banking of this Nation.

James G. Blaine, in volume 1 of his work entitled "Twenty Years of Congress," quotes many leading men of that day upon this subject, and I am going to read very briefly from his work. He said:

> Mr. Bingham of Ohio spoke earnestly in favor of the bill.—

That was the House bill without the Senate amendment—

> He could not "keep silent" when he saw "efforts made to lay the power of the American people to control their currency, a power essential to their interests, at the feet of brokers and of city bankers who have not a tittle of authority save by the assent or forebearance of the people to deal in their paper issues as money."

He quoted also from a speech on the floor at that time by Senator Wilson, who, Mr. Blaine said—

> Looked upon the contest as one "between the men who speculate in stocks and the productive, toiling men of the country."

Someone has suggested that there is nothing new under the sun; and when one goes back and acquaints himself with the debates and the problems of those earlier days, it is easy to discern that what they then were dealing with were the same identical problems with which we are dealing to-day, and that the thing that stood in the way then, as now, of an honest solution of these banking and money problems were the selfish, greedy banking interests, which were going to permit no change to take place in the regular order of things that in any way was going to deprive them of powers which might be theirs at this stage.

Following the conference between the conferees of the House and the Senate back there in 1862 upon this currency bill, the story is told that when Thaddeus Stevens, one of the conferees, emerged from the council chamber he was asked what the outcome had been; he was asked if it was true that the House had yielded on this amendment dealing with legal tender. The story has it that Stevens responded:

> Yes; we had to yield; the Senate was stubborn. We did not yield, however, until we found that the country must be lost or the bankers gratified, and we have sought to save the country in spite of the cupidity of its wealthier citizens.

So we see, Mr. President, as I have stated, that back there in those earlier days the money changers were using emergencies as they had used them before and as they have used them since, to make stronger their hold and their power upon our banking and our money structure here in America.

Some years later Congress was called upon to deal with what then was known as the Aldrich-Vreeland currency plan, and here again asset currency came to the fore. Speaking out in Kansas City in 1911, Speaker Champ Clark said in part upon that subject the following:

Laying no claim whatever to the character of a financier, I am utterly opposed to the creation, chartering, or authorization of any institute which will deliver into the hands of a few men, I care not who they may be or where they may live, the powers of life and death, not only over the bankers of the country but over every business in the land. Even financiers of renown differ widely as the poles on the Aldrich plan. Many great financiers indorse it, some emphatically, some mildly, and some doubtfully and hesitatingly. Such eminent and successful business men as James J. Hill and Leslie M. Shaw are openly against it on the ground that the Aldrich plan is essentially a monopoly. Mr. Shaw says it would be so profitable to a few men who would really run it that they could well afford to pay the entire national debt for a perpetual charter, asserting that it would make them absolute masters of the American business world. Now, if such eminent financial physicians as Doctors Aldrich, Vreeland, and Laughlin on the one hand, and Doctors Hill and Shaw on the other hand, disagree so radically on this subject, would we not be acting the part of wise and patriotic men to wait long enough at least to hear both sides in this important and far-reaching matter before making up our minds?

There again it will be observed that the urge of the bankers was for immediate action. "Do the work quickly. Do not take time to deliberate. Do not take time to consider. We have to have action now." Men like Clark were standing their ground and saying, "No; not so fast." Speaker Clark went on in that speech to say:

So far it has been largely in the nature of an ex parte proceeding. Only the advocates of the plan have had an inning. Why, then, rush pell-mell into such an important matter? Why render a verdict prematurely? Why not take time—not too much, not too little, but ample time—thoroughly to investigate, to find out the sponsors, to discover the motive of this undertaking, to ascertain who are to be its beneficiaries, to learn with definiteness the powers to testify before committees of House and Senate, vigorously to cross-examine, to discover jokers, if any, in this plan—in short, to inform ourselves as we ought to be informed touching a problem of such intense interest to 93,000,000 American people now living and untold millions yet unborn? Individually I am not enamored of the Aldrich plan. Quite the contrary. I certainly will vote against it if an attempt is made to rush it through under whip and spur. It should be thoroughly ventilated and the light let in on it. The safe rule, which I adopted years ago, is to vote against opportunity to inform myself, thereby giving myself and my constituents the benefit of the doubt.

United States Senator James A. Reed also spoke in opposition to the Aldrich plan. He said:

I am against any currency scheme written by bankers for bankers. I do not mean to attack the banks or the financial centers of the country, but I protest against any plan that will lessen the control of the people over the finances of the country.

Mr. President, it was but a few years later, during the consideration of the Federal Reserve banking measure, that the question of asset currency again arose and entered into the picture in a very prominent way. We are told that William Jennings Bryan then threatened to resign from the Cabinet of President Wilson unless there was change in the provision of the bill relating to the character of the currency to be issued. To overcome the Bryan objections to what was known as the bank-asset currency plan then in the bill, Federal Reserve notes were made obligations of the United States and receivable for taxes, customs, and other public dues. In other words, asset currency was defeated under Bryan's leadership at the inauguration of the Federal Reserve System.

The very best argument against the asset currency, to my way of thinking, was that offered in an editorial written by a leading American bank in the Aldrich currency debate days. I shall read that editorial, and I would call to the attention of Senators the similarity of conditions existing then with those which we are battling now. The editorial of which I speak follows:

There is such a similarity between the editorials in the city dailies demanding an asset currency as to suggest that the editorials are written in response to a suggestion from the money centers. The big financiers have either brought on the present stringency to compel the Government to authorize an asset currency or they have promptly taken advantage of the panic to urge the scheme which they have had in mind for years. Several years ago Secretary Shaw stated that we must either have a perpetual debt or the bank notes would have "some other basis." The "some other basis" referred to is the asset basis. When it became apparent that the public would not tolerate an asset currency, the financiers asked for an emergency currency based on assets. This was only a subterfuge and the Republican leaders were afraid to press it at the last session. Now it is to be brought forward as if it were a new remedy, just thought of as a panic cure. It is a panic breeder instead of a panacea; it would aggravate rather than relieve the situation. It would increase the bank's liabilities just at a time when depositors are fearful that the bank cannot meet present liabilities. The need of elasticity has been very much exaggerated; if banks would prepare in advance for "moving crops" and for such other future demands as may be reasonably expected they would not be confronted by so many "emergencies." The trouble is that they loan to the limit in ordinary times and therefore have no reserve available for the unusual demands. Another trouble is that the banks are encouraged to keep a large part of their reserve in reserve cities and, therefore, a shock in any of the big cities disturbs banking everywhere.

Just as the shock in New York and Chicago on May 3 and 4 brought about a disturbance throughout the land.

Just now the country banks cannot use their reserves because the big city banks will not allow deposits to be withdrawn.

This, Mr. President, is an editorial which was written back in 1906 or 1907.

When the same money is counted over and over in the reserves of several banks, the withdrawal of $1,000 results in shrinkage of several times that sum.

The Democrats should be on their guard and resist this concerted demand for an asset currency. It would simply increase Wall Street's control over the Nation's finances, and that control is tyrannical enough now. Such elasticity as is necessary should be controlled by the Government and not by the banks. The Government could furnish a certain amount of elasticity by increasing and decreasing Government deposits according to the needs of business; or it could provide for the temporary issue of Treasury notes on Government bonds whenever a holder of bonds is willing to surrender the interest; or it could issue Treasury notes in any emergency. But none of these plans will suit the financiers; they insist upon absolute control of the Nation's finances—they to reap the advantage while the public bears the burden and takes the chances.

But the Democrats in the Senate and House are in duty bound to look at the question from the standpoint of the people, and oppose the asset currency in whatever form it may appear. They may also have to oppose the great central bank, which is a part of a scheme of the financiers. And they will find that the same influences which are behind the asset currency and the central bank are behind the President's plan for national incorporation of railroads. They are all a part of plutocracy's plan to increase its hold upon the Government.

What we need just now is not an emergency currency but greater security for depositors. The depositors are scared—unnecessarily scared in most cases—but scared. The Government is going to recommend a Postal Savings bank, but, according to press dispatches, deposits will not be accepted in excess of $250 from any one person. This is good as far as it goes, but it does not go far enough. All bank depositors should be made to feel secure, and they could be made to feel secure by a guaranty fund raised by a small tax upon deposits. When depositors feel sure of their money they will not care to withdraw it, and the money which would be drawn from hiding places would more than repay the banks for the small tax necessary.

The first thing is to release the public from the grip of Wall Street and then, when the stock gamblers have to suffer for their own sins instead of unloading them on the general public, we may expect legislation in the interest of the people at large.

Mr. President, the editorial I have just read came from the pen of one who exercised in his day, and since, most powerful influence upon men and upon legislation. There are those in this Chamber to-day who followed him and fought for the principles he fathered and furthered. The writer was none other than William Jennings Bryan. Were Bryan here to-day, he could repeat his editorial of 25 years ago as quite directly bearing upon our present emergency and legislative consideration and action.

But in our haste we have abandoned the warnings of other days, and while meeting emergencies go on granting new and increased opportunity and powers to the Wall Street crowd which would be little considered in hours when

there was a will to deliberate. In the present emergency we have voted asset currency privileges to the bankers.

Whether the concession recently granted can ever be taken away remains to be seen. The bankers in times past have lost few, if any, gains they have been able to win.

It remains likewise to be seen whether our present and belated action in behalf of State banks is going to save the day for these institutions, so thoroughly disliked by the big bankers. Passage of the emergency bill, while not so intended by those who urged its passage, was nevertheless a bait intended to injure public confidence in State banks. If that confidence in State banks is maintained, it will be quite alone because of the confidence of people in our new leadership, not because of the care and solicitude of Congress in its dealing with banking legislation.

I hope the prevalent confidence in this new leadership may continue long enough to see accomplished under that leadership the program which has been promised, a program to end the domination of Wall Street in banking legislation, a program which will eliminate the money changers from their influential position at the council tables in these emergencies, which some people believe they purposely bring about, a program which will truly reform and strengthen our banking structure and make it foolproof against the manipulations of our Mitchells, our Morgans, our Harrimans, and institutions like Halsey, Stuart & Co.—against all those who have used and will, if permitted, use again the power to cheat, beat, and betray the people and the Government itself. It is high time Congress again exercised its power and duty to issue money, instead of delegating that power to the money changers, who have proven themselves undeserving of continued confidence.

Mr. TRAMMELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Keyes	Reynolds
Ashurst	Costigan	King	Robinson, Ark.
Austin	Couzens	La Follette	Robinson, Ind.
Bachman	Dickinson	Lewis	Russell
Bailey	Dieterich	Logan	Sheppard
Bankhead	Dill	Lonergan	Shipstead
Barbour	Duffy	McAdoo	Smith
Barkley	Erickson	McCarran	Steiwer
Black	Fess	McGill	Stephens
Bone	Fletcher	McKellar	Thomas, Okla.
Borah	Frazier	McNary	Thomas, Utah
Bratton	George	Metcalf	Trammell
Brown	Glass	Murphy	Tydings
Bulkley	Goldsborough	Neely	Vandenberg
Byrd	Gore	Norbeck	Van Nuys
Byrnes	Hale	Norris	Wagner
Capper	Harrison	Nye	Walcott
Caraway	Hatfield	Overton	Walsh
Carey	Hayden	Patterson	Wheeler
Clark	Hebert	Pittman	White
Connally	Johnson	Pope	
Coolidge	Kendrick	Reed	

Mr. OVERTON. I desire to announce that my colleague [Mr. LONG] is necessarily detained from the Senate.

Mr. BLACK. I wish to announce again that the junior Senator from South Dakota [Mr. BULOW] is detained from the Senate by a slight illness.

The PRESIDING OFFICER. Eighty-six Senators having answered to their names, a quorum is present.

Mr. ADAMS. Mr. President, I wish to add a word or two with reference to the amendment which I have proposed. I have very earnestly tried to persuade myself that I should follow the recommendation of the senior Senator from Virginia [Mr. GLASS], for whom I have the most affectionate regard and the highest esteem, and who knows so much more of these Federal Reserve measures than I can possibly hope to know, but I have been unable to adjust myself to his recommendation. I want, therefore, to add a word as to the purpose of the brief amendment which has been offered.

The amendment proposes to eliminate from the so-called Steagall bill the provision requiring, as a condition precedent to the granting rediscount privileges, a thorough examination of the applying bank. The Senator from Virginia suggests that if that provision be eliminated it will open the Federal Reserve banks to the raids of thousands of unsound and "rotten" banks. I can not conceive that to be possible where the Federal Reserve banks are protected under the bill as it will stand with these provisions eliminated. The Federal Reserve bank will be protected, first, by the requirement that the collateral offered for discount must be submitted to and approved by the Federal Reserve bank, and further that all such discounts are to be made under the regulations and restrictions of the Federal Reserve Board.

The amendment which I have offered does not forbid examinations; they will be permitted whenever the Federal Reserve Board wishes or requires. It merely eliminates the absolute necessity of making a thorough investigation before any rediscount privilege can be granted, regardless of the emergency and regardless even of the fact that the soundness of the bank may have been established by a prior and approximately recent examination.

The proposal in the Steagall bill which I am seeking to strike out imposes limitations upon the privileges which the nonmember banks now enjoy. The nonmember bank now enjoys certain privileges and the Steagall bill proposes to impose upon them limitations and restrictions so heavy and so harsh that rediscounts on the part of nonmember banks will be practically impossible, especially if there be an emergency. The Steagall bill is limited to the period of the emergency; it requires the supervision of the Federal Reserve Board in its regulations and restrictions. It requires the approval of the security by the Federal Reserve bank and it then requires the maintenance of reserves in the Federal Reserve bank by the nonmember bank to the same extent as is required of member banks.

Then, as to the solvency of the applying bank, the bill requires that there shall be a certificate from the State bank commissioner as to the solvency of the applying bank. In other words, when it is asserted that the absence of the requirement of a thorough examination by the Federal Reserve authorities will permit "rotten" and unsound banks to apply, it, in substance, is a declaration that the certificate of the banking authorities of the State is absolutely unreliable. While I do not know generally, I do know that in my own State their certificates are reliable.

It seems, in addition, Mr. President, that those who are opposing most earnestly this amendment, notably the distinguished Senator from Virginia, are speaking in terms of the Federal Reserve System, a monument to that Senator. However, I am approaching it from a different standpoint. I am approaching it from the standpoint of the depositor and of the community in which the bank is located.

If it were merely the nonmember bank that was involved, I would yield to the argument of the Senator from Virginia; I am not disposed to ask that favors be extended to nonmember banks that have failed to go into the Federal Reserve System; but I am asking that the depositors throughout this land who have placed their deposits in nonmember banks and the merchants, the manufacturers, and the business men of the small communities who are depending upon the continued prosperity of the nonmember banks shall receive consideration.

The President of the United States saw fit to close every bank in the United States, member bank and nonmember bank, regardless, and today the problem is to reopen the banks which were closed by the order of the Executive. The destruction of nonmember banks, Mr. President, should be of great interest to member banks for their own salvation, because—note this and note it well—if a nonmember bank in a community be closed, there is thereby impaired the stability of the member banks in the same community and the same neighborhood. The failure of any additional banks of this country ties up in the banks the deposits which constitute the lifeblood of commerce. Every time a deposit account ceases to be available for checking purposes it creates deflation to that extent. When a bank is closed, Mr. President, there are thrown upon the market its bonds and its securities, upon a market already overloaded with such securities. That tends to drive the market down, and when the market goes down, it goes down upon the

bonds and securities of member banks as well as upon the bonds and securities of nonmember banks, and there is thus imposed upon the member bank an obligation to restore its reserves whenever this form of deflation is perpetrated by the closing of nonmember banks.

So I think very earnestly, Mr. President, that this amendment should be adopted, and we should at least remove this one hurdle from the path of nonmember banks in their efforts to secure aid from the Federal Reserve System. I may say that it is not giving any privilege to member banks or to nonmember banks not already existent; but the Steagall bill, I say again, imposes limitations and does not grant privileges, for if the Steagall bill shall be passed as it is, the nonmember bank will have less opportunity to rediscount is paper than it has today.

Mr. STEIWER. Mr. President, I desire to detain the Senate for a few moments in order to make what I believe to be a justifiable restatement of the question presented by the amendment of the Senator from Colorado [Mr. ADAMS]. Statements have been made that would seem to imply that the question before the Senate is whether or not we should require an examination of nonmember State banks as a prerequisite to the granting of the facilities provided by this proposed act. I want to suggest, most respectfully, to those who have so regarded the matter that that is not an accurate statement of the question before the Senate. There is no question before us, as far as this amendment is concerned, as to whether or not inspection or examination of the banks is to be had. Such an examination may be had, and will no doubt be had in any event, regardless of the action which the Senate and the Congress may take upon the proposal of the Senator from Colorado [Mr. ADAMS].

In support of what I am saying I want to call the attention of Senators to the language which will remain in the bill in case the provision requiring examination shall be stricken out. It provides in effect that the Federal Reserve bank, in its discretion and after inspection and approval of the collateral, and, as presently stated, after a thorough examination of the applying bank or trust company, may make direct loans to a State bank or trust company under the terms provided in section 10 (b) of the Federal Reserve Act as amended.

Most Senators will remember that under the terms of section 10 (b) the requirement is that the security must be to the satisfaction of the Federal Reserve bank to which the application is made. So we may start with the proposition that no loan will be made under the authority of the pending bill unless the security is satisfactory to the member bank. If the amendment of the Senator from Colorado shall be agreed to, the further condition will require that the loan will be made only after inspection and approval of the collateral, and we must remember also that the loan will be made only upon the discretion of the Federal Reserve bank.

Mr. President, the Federal Reserve bank, in order to determine whether it is satisfied with the security, in order to determine whether it approves the collateral, and in order to determine whether it will exercise its discretion, may, of course, make such examination as may be necessary, and I assume that in every case the Federal Reserve bank will make a proper and necessary examination if that institution shall regard the examination as requisite to the proper administration of this proposed law. So I say to the Senate the question presented by the amendment offered by the Senator from Colorado is not whether or not there shall be an examination before the loan is made, but the question is, Are we to rely upon the discretion of the Federal Reserve bank to make a proper and sufficient examination? Stated in a different way, the question is, Are we to leave it to the Federal Reserve banks to determine whether an examination shall be made, or are we, by mandatory requirement, to require a thorough examination as a prerequisite to the making of the loan?

Now let us be perfectly candid concerning this question.

Mr. GLASS. Mr. President——

Mr. STEIWER. In just a minute I shall be glad to yield.

It has been said here over and over again that the Federal Reserve bank does not propose to let the State banks in this country continue in their existence. I do not know whether that statement is true or not. I am not prepared to affirm it, but I will say that undoubtedly the nonmember State banks are not going to be the favored children of the Federal Reserve System. If there is to be favoritism, naturally, and I think most properly, that favoritism will be extended to the national banks and to the member banks of the Federal Reserve System; and if we are to insure some relief under this bill to the State banks of this country, it will not do for us to surround the legislation with too many hard-and-fast restrictions.

What will be the effect of the enforcement of this act if the amendment of the Senator from Colorado is not agreed to? We will then have thousands, literally thousands, up to a maximum of 14,000 State banks applying for relief under this bill, and we will have written into the bill a mandatory requirement that no loans shall be made until after a thorough examination; and if it be true, as has been charged here, that the State banks are in disfavor with the Federal Reserve System, that they are on the road to destruction by reason of the unwillingness of the Federal Reserve System to come to their aid, then where will the responsibility be? Why, the Federal Reserve bank will say, "We have not the staff necessary to make the examinations." They will say, "The Congress of the United States has required, as a prerequisite to the loans, that there be a thorough examination made before we can even consider your application."

I am unwilling, as far as I am concerned, by my vote to lay upon the Congress the responsibility of contributing to the destruction and downfall of the State banking system of this country. If we are to pass this legislation and say to the Nation that we are going to give the aid of the Federal Reserve System to the State banks of this country, why not take away from this bill as it is presently written this hard-and-fast requirement that there must inevitably be a thorough examination made by the Federal Reserve bank? Why is it not proper for us to enact this legislation just as the Senator from Arkansas [Mr. ROBINSON] introduced it here, and as we passed it in the first place? This language was not then in the bill. It never was in the bill until the Steagall bill was introduced and passed in the House of Representatives. Why not adhere to the program which we ourselves wrote? Why not say to the Federal Reserve System, "In your discretion, when you approve the collateral and when you are satisfied that it is sound, you may then make a loan and extend aid to the State banking system in this country. If you think an examination is necessary, make it; but we will not require you, as a mandatory prerequisite to make the examination when we know that you have not the facilities with which to make it. When we do a prerequisite to relief during this emergency?
to the country, 'We go through the form of giving aid to the State banks, but in doing so we surround that aid with a condition which we know in very many cases cannot be met.'"

Mr. President, I am quite happy in the support of this bill. I am in favor of the measure; but I am equally in favor of the proposal made by the Senator from Colorado. I was one member of the committee who supported his amendment in committee, and I am very happy to support it here, because it seems to me that the Congress will do the right thing if we bestow upon the Federal Reserve System, unhampered by impossible restrictions and impossible conditions, the right and the power to do the thing which we say ought to be done.

Mr. GLASS. Mr. President——

Mr. STEIWER. Now I am happy to yield to the Senator from Virginia.

Mr. GLASS. The Senator who just spoke has omitted from his comment on section 10 (b) of the Federal Reserve Act or of the Glass-Steagall bill a very potent fact. That

section relates to member banks only. The Senator will agree to that.

Mr. STEIWER. Oh, yes; that is so stated expressly.

Mr. GLASS. There the existing law requires—it does not merely permit, but the law requires—that member banks of the Federal Reserve System shall be examined periodically, not fewer than 3 times a year.

Mr. STEIWER. Will the Senator permit me to interrupt him at that point?

Mr. GLASS. Yes.

Mr. STEIWER. Of course that is true; but that is not true for the purpose of carrying into effect the provisions of section 10 (b). As the Senator knows, that requirement is made for other reasons which have no relation to section 10 (b).

Mr. GLASS. I know, but the existing law requires that these banks shall be examined; and the information thus acquired by the Comptroller of the Currency, who is ex officio a member of the Federal Reserve Board, is available to the Federal Reserve Board in determining its policy as to loans. Now the Senator proposes to give nonmember banks—which, as I have so often stated here, never contributed a thrip toward the establishment and maintenance of the Federal Reserve System—superior facilities to member banks of the System.

As to there being any design whatsoever in this bill or any other bill that has ever been proposed by the Federal Reserve Board authorities to destroy State banks, I have no knowledge whatsoever; and I totally discredit the suggestion that there is any such desire. Certainly nothing in this bill is designed to destroy any State banks.

Mr. STEIWER. I have not so stated, Mr. President. I have not claimed that there is anything in this bill that is intended to destroy State banks.

Mr. GLASS. On the contrary, what there is in this bill is a provision to put State banks which are not members of the Federal Reserve System on a parity with those banks that have been for 19 years, more or less, members of the system and have endured all of the tax assessments imposed upon them; and that is all there is to it. Why should a bank object to being examined if it wants to avail itself of the facilities of somebody else's credit and somebody else's money?

Mr. STEIWER. I do not think any bank will object to being examined.

Mr. GLASS. But the Senator is objecting for them.

Mr. STEIWER. Oh, no; I have no objection at all to any examination the Federal Reserve bank wants to make; I object only because the examination cannot be speedily made, and the requirement of an examination will defeat the purpose of the bill. If, to accomplish the purpose the Senator spoke about just a minute ago, in order to acquire information that they may determine their policy, it is thought wise that an examination shall be had, I should most cheerfully agree to it. But may I say that the thing I object to is the requirement making the examination of 14,000 State banks, without adequate staff for that purpose, a prerequisite to relief during this emergency?

Mr. GLASS. Making it mandatory.

Mr. STEIWER. Unless the reserve bank deems it essential, it ought not to be a prerequisite to relief.

Mr. GLASS. But it is mandatory upon member banks. Why should it not be mandatory upon nonmember banks?

Mr. STEIWER. That begs the question.

Mr. GLASS. No; that is the question.

Mr. STEIWER. Let the Senator be a little patient with me. They already have the examination so far as the member banks are concerned.

Mr. GLASS. I am altogether patient.

Mr. STEIWER. The Senator does not mean to say to us that before member banks are to be given relief, a new, separate, and additional examination will be made, and that the whole banking system of this country will be held up, and all relief held in abeyance, until that examination is made. That is not going to be done. I cannot accept that as a fact, and I do not think the Senator means to say that. They already have the examination made of the member banks. Therefore, no hardship results from requiring that examination.

Mr. GLASS. That is where the Senator and I disagree. I do not think nonmember banks should have privileges that are not accorded to member banks. Member banks are required by law to be examined both by the Comptroller of the Currency and by the examining staff of the Federal Reserve Board. They are required to be examined, and they ought to be examined. Examination, and thorough examination, is absolutely essential to a safe and secure conduct of the System; so why should we now permit banks that have refused for 19 years to come into the Federal Reserve System to have privileges superior to those enjoyed by banks that have been in all along?

Mr. STEIWER. I recognize the theoretical validity of the Senator's position.

Mr. GLASS. It is not any theory; it is an actual banking proposition.

Mr. STEIWER. If the purpose of this legislation were to preserve, over the course of the years, the exact integrity of the Federal Reserve System, then I should be voting with the Senator, because I know that in this respect he is right. We are dealing with an emergency, however; and the claim I want to make is that the inclusion of this language against which the motion of the Senator from Colorado is made is going to decrease, if not completely to destroy the effectiveness of the relief, and that the elimination of the language, although it may temporarily give a favor to a State bank, is not going to destroy or disrupt the Federal Reserve System. There is nothing at stake in this matter save the academic theory the Senator is talking about.

Mr. GLASS. There is no academic theory involved. It is a practical banking theory.

Mr. STEIWER. I beg to have my own opinion about that.

Mr. GLASS. I do not deprive the Senator of it by expressing my own opinion of it.

Mr. STEIWER. Certainly not; but the Senator is so quick in contradiction that I thought possibly he was challenging my right even to make the assertion here.

Mr. GLASS. I cannot imagine that I am more impatient or more emphatic than the Senator who is addressing me.

Mr. STEIWER. Possibly the Senator is not so greatly interested so far as the welfare of the State banks is concerned.

Mr. GLASS. Why not? I have State banks in my State. Why not?

Mr. STEIWER. Mr. President, let us remind ourselves of the fact that the extraordinary favors conferred by section 10 (b), to which we have referred, require an interest rate 1 percent higher than the discount rate; so that the favoritism that the Senator talks about, that we extend to the State banks, is one that we extend to them at a rate of 1 percent higher than the discount rate extended to member banks.

Mr. GLASS. No, no. That is true of member banks under section 10 (b).

Mr. STEIWER. That is true; whoever desires to enjoy the extraordinary privilege that is accorded by section 10 (b) and by the extension of section 10 (b) in the Steagall bill which is now before the Senate.

Mr. GLASS. Yes.

Mr. STEIWER. It is true of both those classes.

Mr. GLASS. Yes; it applies to member banks as well as nonmember banks.

Mr. STEIWER. There is no question about that; but the member banks are not obliged to use the provisions of section 10 (b). They have other privileges that have come to them from their membership, other provisions which the State banks do not and cannot and presumably should not enjoy.

Mr. GLASS. And so have State banks privileges, although they are not members.

Mr. STEIWER. Mr. President, I fully agree with most of the suggestions and proposals made by the Senator from

Virginia; but I want to say again that whatever be the motive—and I have never, of course, questioned the motive of the distinguished Senator from Virginia; he knows how highly I regard and esteem his opinions concerning a subject of this kind——

Mr. GLASS. Everybody does who disagrees with me. [Laughter.]

Mr. STEIWER. We do also when we agree with the Senator, so far as that is concerned. We do in spite of our agreement with him. But, whatever be the motive of those who seek to insist that this language remain in the bill, the fact remains that, with 14,000 State banks making application, or with any considerable number of those State banks making application, if we leave in this bill the House requirement for "thorough examination", we know in advance that the relief sought to be brought to them under the measure proposed here in the first instance by the Senator from Arkansas [Mr. ROBINSON] is going to be extended in only a very, very few cases.

Mr. FLETCHER. Mr. President——

Mr. GLASS. Let me make this one observation, and then I shall have ended. Let me correct the impression that some Senators seem to have that this is my bill. This is not my bill.

Mr. STEIWER. This particular language is the only part of the bill the Senator seems to be greatly interested in.

Mr. GLASS. This is not my bill. The very provision which the Senator seeks to strike out was insisted upon by the Federal Reserve authorities, by the Secretary of the Treasury, and written in at the hands of the President of the United States, and I doubt very much whether the bill could have been favorably reported from the Committee on Banking and Currency of the Senate with this provision stricken out, because the Senator who has just addressed the Senate knows perfectly well that this thing was thoroughly argued in detail before the committee, and that the committee overwhelmingly voted down the proposition, and I certainly should not have voted to report the bill unless this safeguard had been in it.

Mr. FLETCHER and Mr. NORRIS addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Oregon yield; and if so, to whom?

Mr. STEIWER. I yield to the Senator from Florida.

Mr. FLETCHER. I was going to call the attention of the Senator to the phase of the bill which the Senator from Virginia has mentioned. This language is written into the bill not accidentally and not incidentally. It is a very essential and important part of the bill as it comes to us from the House. We have accepted the House bill, in effect, in the bill which is now before the Senate, and we have added 1 or 2 amendments which I am assured will meet with the agreement of the House. We want to pass the bill, and if we can do so, let us accept the bill as it has come from the House, as we have it in this report, and let us pass the bill with these amendments, which will be agreeable to the House, and immediately they will concur, undoubtedly, in what we do here, and the bill will become a law. That much is certain.

As the Senator from Virginia has emphasized here, this provision is not accidental at all. It was purposely written into the bill and regarded as an essential feature of the bill. We do not want to come in contact with a veto; that is one thing. In the next place, we want to make the bill as agreeable as we can so that our amendments will all be agreed to in the House and the bill enacted.

I may say that there is no danger of 14,000 banks applying for relief under this bill. There are 14,000 State banks, to be sure, but not all the banks are going to apply. They are scattered over all the country. So that the inspection and the examination will not all be done in 1 day as to 14,000 banks. There will be plenty of time for that.

The Senator began his remarks today by saying that if this language were stricken out of the bill, the Federal Reserve bank would have absolute power and authority to require this thing to be done. I quite agree with that. If that is true, what harm does it do to write this into the bill? I see the point that it is mandatory, but, after all, this whole thing is largely discretionary with the Federal Reserve banks. They are going to have the option to turn down securities and reject applications, and all that sort of thing, and require such examination as will satisfy them. They have to be satisfied with reference to the collateral that is offered, and they will have the power to require the very thing that is written in this bill, "a thorough examination of the applying bank or trust company." So I do not see that we would do any harm by including the language, especially as it is the language of the House, which they regard as very important, and it would be very risky to strike it out.

Mr. NORRIS. Mr. President, will the Senator from Oregon yield to me?

Mr. STEIWER. I yield.

Mr. NORRIS. Mr. President, I should like to get some information. I want to say to the Senator from Oregon that my interruption is for the purpose of getting enlightenment. Like the Senator from Oregon, and like all Senators, I believe, I am extremely anxious to extend relief to State banks if we can do so.

I want to ask the Senator this: The language, as I understand it, that is sought to be stricken out is the language which requires that before making a loan to a State bank, they shall examine the State bank. As I understand it, the Senator's objection is that it would take too long to do that, that in this emergency they have not time to do it.

I cannot see why we should expect either the authority named in this bill, or any other authority, to make a loan to a bank of public funds without being first satisfied that the security put up for the loan was adequate and good.

Mr. STEIWER. That would be required in any case.

Mr. NORRIS. I understand. It seems to me that one of the things, not the only one but one of the things, that is necessary in order to determine whether the applying bank is giving good security is to examine the bank itself. It may mean some delay, but while I am anxious to give relief to all sound, solvent State banks, I do not want to take a chance, by anything we shall do here, to induce the authorities to make loans unless they are satisfied that the security is good and that the bank is in good shape. How can we find that out without examining the bank, and why should a bank object to it? Why should we require, in the general law, that examinations be made of member banks? It seems to me that when a bank that is not a member of the System must have an examination, other banks should not object. I am not criticizing banks at all for not becoming members of the System. I only want to know that the Government money is not loaned to any bank, State or Federal, that is insolvent, and which ought to have its doors closed and its business wound up. Why is there objection to an examination of the bank before a loan is made?

Mr. STEIWER. Let us take the questions in their reverse order. The reason why the Federal Reserve is permitted to examine the member banks is not to enable them to make loans which are contemplated under section 10 (b), which is referred to.

Mr. NORRIS. Let me interrupt the Senator there. Whatever the reason is, the authority is there, and they make the examinations. When they lend money to a member bank, they have before them the report of an examination of that bank.

Mr. STEIWER. They may have the report of a recent examination, or they may not have a report of a recent examination. They have reports of such examination as may happen to have been made.

Mr. NORRIS. They would have reports of all the examinations, whatever they had been.

Mr. STEIWER. They may be of value, and in these times of changing prices and sharp drops in values there may be but little in the examination that is worth while.

Mr. NORRIS. It may be of great value, or may not be of much value.

Mr. STEIWER. What they have is a right to make the examination, and under this measure, if the amendment proposed by the Senator from Colorado shall be agreed to, they would still have the right, in the exercise of their discretion, to make the examination.

Mr. NORRIS. All the language sought to be stricken out is that which gives them authority to make the examination. Why does the Senator object to that?

Mr. STEIWER. Because it is made a prerequisite. I think the Senator did not follow closely what I was saying in my argument awhile ago.

Mr. NORRIS. Yes, I did; I followed it with great interest.

Mr. STEIWER. It is because it is prerequisite to the granting of the loan. It is made a condition precedent to the granting of the loan. That is not true in the case of the member State banks. That examination has already been made.

Mr. NORRIS. That is true.

Mr. STEIWER. It might be recent, and it might be valuable, or it might be old and of no value. But that seems to be beside the mark. Nevertheless, the question of examination does not stand in the road of the making of the loan. It seems to me—and I think this is a valid answer to the question which has been asked by the Senator from Nebraska—that the thing to be determined primarily in the granting of the favors which are sought to be extended by this measure is whether, in the first place, the Federal Reserve bank is satified with the collateral. Under section 10 (b) it must be satisfied with the collateral or it will not make the loan. Under the language contained in this measure, even though we strike out the provision for thorough examination, a loan cannot be made until after the collateral has been inspected and has been approved, and then shall only be made in the discretion of the Federal Reserve bank.

There are institutions in this country the position of which is notoriously good. The Federal Reserve might be perfectly justified in making loans in some amount to such institutions in the first place, provided the collateral were good, and making the examination afterwards. There are other institutions where the Federal Reserve might regard a bank as being unsafe, and it might in its discretion in that case desire to make examination in the first place, and I do not seek to tie its hands. The Senator from Colorado, by his amendment, does not want to tie the hands of the Federal Reserve banks. There is nothing in this bill to prevent them from making an examination if they want to make it.

The question of an examination or no examination is not the question we are going to determine here by our vote on this amendment. The question here is one single question; that is, whether or not Congress is going to make it a condition precedent to the making of a loan to any State bank that there shall first be a thorough examination by the Federal Reserve bank, and the only thought I have with respect to it is that the Federal Reserve bank, through its experts, its trained executives, is better equipped to deal with that question than we are, and that with respect to every case that comes to them they ought, in right, to make the determination, and that it is unwise for us to fix a condition precedent by requiring them to make an examination in cases where it may not be at all necessary.

That is the only thought I have with respect to it. I can support this bill very happily with this language in or with this language out, but it seems to me better all around that Congress should not take the responsibility in advance of fixing that condition precedent to the granting of relief under the act. Surely we can leave it with safety to the Federal Reserve banks, when it is their own money they are dealing with, and when the law requires, first, that they be satisfied with the security; second, that they shall inspect; then that they shall approve the collateral; and then that they shall make the loan only if, in their discretion, the loan ought to be made.

I referred awhile ago to the talk about the disposition of the Federal Reserve System to bear down heavily upon the nonmember State banks. I did not make that as a charge, as the Senator knows, because I do not know any more about the facts with respect to it than do other Senators. It has been said here over and over again.

The point I want to insist upon, and the point that controls my own attitude and my own vote toward this question, is that, if there be anything to that charge, I want to exonerate Congress from any relation to the charge. I do not want to vote for a bill, unless I have to, by which Congress says that this thorough examination is a condition precedent. I do not want to put the Federal Reserve, in case it desires to bear down upon the State banks, in the position where it can say, "Congress requires this to be done." I want them to be in such position that they ought to say to those who apply to them for loans, "Our information is that inspection ought to be had in this case," or, if the bank be a reasonably sound one, "Our information is that the inspection may be made later in this case, and we will not require it as a condition precedent to the making of the loan."

The question, after all, is just the question of who is going to take the responsibility of requiring the thorough examination as a prerequisite to the making of the loan. If the Senator feels that we ought to take that responsibility, regardless of all other considerations, even when we know that it is going to limit the relief possible under this measure, that is one thing. If it is fair and proper to leave it to the Federal Reserve bank to take that responsibility, under the exercise of its discretion, that is another thing. I am inclined to the latter view, and for that reason I support the amendment.

Mr. NORRIS. Mr. President, in the course of the few remarks I am about to make, I may ask the Senator some other questions, and if I do, I will yield to him in my time.

Mr. ROBINSON of Indiana. Mr. President, before the Senator starts on his address, may I make one observation in his time? The bill reads:

> And said Federal Reserve bank, in its discretion and after inspection and approval of the collateral and a thorough examination of the applying bank or trust company, may make direct loans.

If I read it correctly and understood it correctly, the Federal Reserve bank would still insist on making a thorough examination of the applying bank if it desires.

Mr. NORRIS. I think so. That is what the Senator from Oregon said.

Mr. ROBINSON of Indiana. Or else not make the loan, in which case the State bank would submit itself to the examination. I wonder if the Senator from Nebraska has that view?

Mr. NORRIS. I have the view from listening to the debate, particularly the discussion of the Senator from Oregon, that they would have authority to make the examination.

Mr. STEIWER. The chairman of the committee, I think, agrees to that construction.

Mr. NORRIS. Yes; and I am going on that assumption.

Mr. FLETCHER. They would do it anyhow.

Mr. NORRIS. Nevertheless it seems to me an examination of the bank ought to be required before a loan is made. The Senator from Oregon said they are lending their own money. It is our money they are lending. They are lending the money of the depositors.

Mr. STEIWER. No; the Federal Reserve lends the money of its depositors. It is the money in one sense of the member banks, but under the law the relation of debtor and creditor exists, so really it is the money of the Federal Reserve bank.

Mr. NORRIS. I think probably my statement was too broad, but indirectly it is the depositors' money. It comes from the depositors. It is the depositors' money in the Federal Reserve bank that is going to be loaned, is it not?

Mr. STEIWER. Without doubt it is money derived from deposits and from reserves put up in the hands of the Federal Reserve bank.

Mr. NORRIS. It seems to me we ought to guard with jealous care the rights of the depositors in all kinds of

banks. We are dealing with somebody else's money. It is a trust fund. I can see, it seems to me, that in lending this money to member banks they will have records of the banks through all of the examinations which have been made since the Federal Reserve System started. They can look through the examinations and get a general idea of how a particular bank has been conducted. It is true, as the Senator said, that something sudden might have happened. It may be that the previous day the vice president or other official of the bank had stolen the bank blind, and there would be nothing in the previous examination to show that fact. We cannot be 100 percent sure, but we would have a general idea of the condition of the bank. No one has any such idea of the condition of a State bank now.

Mr. STEIWER. The Federal Reserve bank can, of course, get all that information from the State banking department.

Mr. NORRIS. Probably.

Mr. STEIWER. And they could get probably much better information through the State banking department than they could obtain through their own facilities, under the circumstances.

Mr. NORRIS. It may be. Nevertheless they would have no legal authority to compel compliance with the request, if they made such a request of the State banking authority, as I understand the law.

Mr. ADAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Colorado?

Mr. NORRIS. I yield.

Mr. ADAMS. There are two observations I wish to make. One is that as a prerequisite to making the application the bill specifically requires that there shall be furnished a statement from the State banking commissioner that the State bank or trust company is in a sound condition; in other words, that the State banking authorities, which had been making the periodical examinations which ordinarily conform at least in numbers to those of the Federal system, shall furnish such a statement.

The second observation which I think applies to what the Senator from Nebraska has just mentioned, and it might meet that situation if a further provision were inserted after the clause as it stands in the bill—that is, the clause preceding the part proposed to be stricken out, providing that a thorough examination of the applying bank and trust company shall be made. The Senator raised the question of what would happen if that clause were stricken out. If we were to add to that a provision so it would read "thorough examination of the applying bank or trust company if such Federal bank shall determine such examination necessary," would not the addition of that language meet the Senator's suggestion?

Mr. NORRIS. Yes; I think it would if the other provision were still left in the bill and it would take the place of the examination, which I do not believe it would. It is true that they get from the State banking commission a statement, but I think that is the least valuable of any of the prerequisites named in the bill. I know of some State bank commissions that are as efficient as the Federal, some of them better, I believe; but there are some that are of very little importance or value. There are some statements to which I would not pay very much attention if I were going to make a loan.

All that is said about time is correct enough. I admit there is something in it, and I wish we could eliminate it; but to be safe I do not see how it can be eliminated. Senators, in my judgment, have very much exaggerated the time that is going to be necessary to make the examinations. The Federal Reserve System and the Comptroller of the Currency are equipped with bank examiners. They can get additional ones very easily. Most of the State banks can be examined in the course of a few hours.

Let me say to the Senator from Oregon that it seems to me I can see how a State bank, or any other bank for that matter which is enjoying this privilege, could deceive the lending authorities by presenting to them paper that is absolutely good and which might make the loan good. That is not the thing of which I am thinking. I am wondering, even if the loan is good, if something else is wrong, what is going to happen to the depositor in the bank that is applying for the loan? I can understand how a bank might have securities, notes, and bonds well worth the amount of the loan for which it is applying and still the bank be rotten to the core. It seems to me that might happen. A brief examination of the bank itself would disclose whether that were its true condition or not.

Mr. STEIWER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield further to the Senator from Oregon?

Mr. NORRIS. I yield.

Mr. STEIWER. At this point I want to suggest merely that the many hundreds of nonmember State banks which have borrowed money from the Reconstruction Finance Corporation have all been examined by agents of that institution. The Federal Government may have examined them as recently as the last 10 days, and yet if we pass this bill as it is sent to us from the House of Representatives, they may not even use that examination, but we would compel them to withhold relief from such banks until the Federal Reserve System with its inadequate force could make another examination.

Mr. NORRIS. I do not quite understand the Senator when he says the lending board would have made an examination just 10 days before. By what authority would they make it?

Mr. STEIWER. The Reconstruction Finance Corporation examine the institution to which they are making the loan.

Mr. NORRIS. It may be one that never borrowed money from the Reconstruction Finance Corporation.

Mr. STEIWER. That is true, but among the number would be some who have undergone an examination, and yet we could not use it under the terms of this bill.

Mr. BARKLEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. I yield.

Mr. BARKLEY. The examinations made by the Reconstruction Finance Corporation would not be a safeguard anyway, because over 800 banks that were examined and borrowed money closed after the money was loaned to them.

Mr. NORRIS. That would not speak very well for their examinations.

Mr. STEIWER. Many hundreds of member banks in the Federal Reserve System also closed.

Mr. BARKLEY. But this was before there was any proclamation by any governor or by the President either.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Oklahoma?

Mr. NORRIS. I yield.

Mr. GORE. The Senator from Kentucky has made the point I intended to make. I would merely emphasize it. The Reconstruction Finance Corporation has lent money to more than 5,000 banks. Eight hundred of those banks have failed. They have 800 failed banks on their hands. They have 800 dead banks on their hands, banks which have failed, which have died, notwithstanding the examination, notwithstanding all the precaution exercised by the Reconstruction Finance Corporation. Under the terms of the bill the Federal Reserve banks are required to make a "thorough examination" of the State banks applying for loans.

The amendment offered by the Senator from Colorado [Mr. ADAMS] is to strike out that provision. He moves to strike out that precaution. Senators object to the requirement that a thorough examination should be made. That is rather extraordinary. It seems rather meticulous that the Federal Reserve banks, upon which our whole credit and currency structure depends—it seems a little extraordinary that such an institution should be required to examine the applying bank and ascertain whether or not it deserves the loan. That, Senators seem to think, is carrying curiosity

beyond the limits of propriety. The Senator from Oregon has provided a solution for that dilemma, or a way out. He suggests that the Federal Reserve bank make the loan and, if need be or if the Federal reserve bank should become curious, then it should make the examination afterwards. There is a point in that. That could be done. The Federal Reserve bank could make the loan to the State bank.

Mr. NORRIS. That would be like locking the stable after the horse is stolen.

Mr. GORE. Yes; putting the padlock on paddock. That is the point I wanted to make.

Mr. NORRIS. I do not believe we are asking for any unnecessary precaution. I think in taking this action we ought to be just as anxious to protect the depositors of a bank that is in the State banking system as we are to protect the depositors in banks in the Federal Reserve System. I am not conscious of having any prejudice against either one of them, but I want to be conservative in making these loans. We are using the money of the depositors in one system to lend to the banks, and through them to the depositors in another system. I want to do that. I am in favor of the legislation. I am going to vote for the bill no matter whether the amendment is agreed to or not. But it seems to me we have no moral right to take the money of the depositors of one system and lend it to the depositors of another system unless and until we are perfectly satisfied that the money is going to be returned, that the loan is good. Otherwise we would be injuring the stability of banks whose depositors' money we are taking to lend to another system of banks.

Certainly a bank ought not to object, when it applies for funds in the nature of a loan, to having an examination made. Repeating partially what I said to the Senator from Oregon a while ago, a bank might present a perfectly good 100 percent security and still the bank be insolvent. I have in mind now a little State bank that sold its securities to two or three other banks. The securities were gilt edge. The banks received good security for their loans. An official of the bank ran away, and it was discovered that he had robbed the bank completely. Although the loans were good, and the other banks that loaned the money did not lose anything, yet the depositors in the banks were robbed. I use that as an illustration. In this case there were things disclosed after the loan was made. An examination of the records of that bank would have disclosed that it was insolvent at the time the transaction took place.

Mr. STEIWER. Mr. President, will the Senator yield at that point?

Mr. NORRIS. I yield.

Mr. STEIWER. It occurs to me the Senator's own illustration destroys the argument which he is making. He has said, and rightly, that we should safeguard the funds of the Federal Reserve System; that we should take all necessary precautions to see that those funds are not lost. With that I agree. Then he cites as an illustration a State bank which borrowed money on collateral security which it offered and said that those borrowings were good, that those loans were good. The loans were obtained from the people who stand in the same relation to that State bank as the Federal Reserve bank would stand under this legislation. The loans would still be good.

Mr. NORRIS. The banks that lend the money do not lose anything, but as a matter of fact, if an examination was required and this language were left in the bill, and although the security offered was perfectly good, if that examination disclosed, nevertheless, that it was an insolvent institution, I take it they would not loan them a dollar, regardless of the kind of security they offered. That bank would go into the hands of a receiver, where it ought to go without any delay whatever. That is what I think the illustration which I gave demonstrates.

Mr. STEIWER. I take it that the Senator from Nebraska would be unwilling to see such a loan made, even though it were adequately secured, but would prefer that the Federal Reserve bank be in a position, as a prerequisite for the loan, to make an examination of the bank, and if it disapproved of the conduct of its affairs or the condition in which its business was found, that it in effect would take the responsibility of closing that State bank.

Mr. NORRIS. It would take the responsibility of refusing a loan and let the State bank fail, as it probably would in that case. Now let me go on with that.

Mr. FESS. Mr. President, will the Senator from Nebraska yield to me?

Mr. NORRIS. I will yield to the Senator from Ohio in just a moment. The Senator has not gotten completely the point that I attempted to make or thought I was making by my illustration. I was speaking of the protection of the depositors of the State banks, and in the illustration which I presented examination showed that the bank was actually insolvent. It took all the good paper it had and sold it to the bank that made the loan. Then the cashier skipped out with all the money. The result was that while the member bank was secured the depositors were robbed of their security because the good paper was all taken out. If the other bank had refused to make the loan, and the borrowing bank had failed, all that good paper would have been a part of the assets of the bank, and the depositors of the bank would have gotten the benefit of 100 per cent of the value of that paper. Now I yield to the Senator from Ohio.

Mr. FESS. Mr. President, I am in sympathy with what the Senator from Nebraska has been saying; I think he is taking a sound position. There is, however, one consideration, as I see it, that might be rather a strong argument for the amendment. The amendment, of course, is based upon the theory that the collateral ought to be all that would be considered in making the loan; that if the security is good, then the loan would be safe. I can see how one who takes that position might feel that if, after examination, although the collateral is good, for some reason the loan should be denied, it would be a fatal stroke.

Mr. NORRIS. That is the point I was trying to make in the illustration. If in a case of that sort the Federal Reserve bank made a loan and took all the good paper the borrowing bank had, knowing that that bank was insolvent and that the depositors had nothing left to protect them, they would, in my judgment, be committing one of the worst kind of moral crimes. It would be indefensible. They would be securing themselves, it is true, but they would be leaving the depositors in the bank that borrowed the money absolutely helpless and penniless.

Mr. FESS. In other words, the loan would not be a benefit to the depositors at all.

Mr. NORRIS. No.

Mr. FESS. I think the Senator's position is the correct one. On the other hand, if we did not safeguard the Federal Reserve System in connection with such borrowings the whole financial structure might crash, and then we would all go down, State banks and everything else.

Mr. NORRIS. I am in favor of making the loans; I want to do that; but I want to do it on a safe basis.

Mr. SHIPSTEAD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Minnesota?

Mr. NORRIS. I yield if the Senator wants to ask me a question, but I am about through.

Mr. SHIPSTEAD. It occurs to me that if the loan were made, though the bank was not solvent, the cash would go to the bank and the stockholders would be protected.

Mr. NORRIS. In the case I gave the cash did not go to the bank. It went to South America.

Mr. SHIPSTEAD. Did somebody carry it away?

Mr. NORRIS. Yes; the cashier carried it away and never came back with it.

Mr. SHIPSTEAD. Cashiers can do that even though the banks are examined.

Mr. NORRIS. Certainly; but in that case, where a loan was made and the bank was insolvent, an examination would have shown that fact; the loan would not have been made, and the depositors of that bank would have been protected to the extent of the good paper, all of which was taken over by the bank which made the loan.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. FRAZIER. I want to ask the Senator if there is anything in this bill that would prevent the making of a loan, if an examination was made and they found the collateral to be good, even though the bank might be insolvent?

Mr. NORRIS. No; I do not think there is. I think they could make the loan, although I take it that no man who has any idea of justice in his heart would take that kind of a course.

Mr. FRAZIER. We have no way of judging these banks in the future except by their action in the past, and I know a number of instances where that very thing was done in the past in the case of member banks.

Mr. NORRIS. Some terrible disclosures have recently been made that have caused the country, including myself, to lose confidence in the great financial engineers that many country banks thought were very closely related to Deity up to this time, but they are just common crooks. Nevertheless, whenever we authorize a loan to be made, we must invest the loaning authority with discretion. They may be wrong about it; perhaps that the discretion may be reposed in a man who is dishonest himself, or an honest mistake may be made, but in either case money is lost; that is true. We have to take that chance. Now, I want to ask the Senator from Colorado or the Senator from Oregon about the language which it is proposed to strike out. The words which it is sought to strike out are "and a thorough examination of the applying bank or trust company." The bill before us comes, as I understand, in the shape of a recommendation of the committee which amends the House bill by striking out all after the enacting clause and substituting language in its stead. Am I right about that?

Mr. STEIWER. That is merely a matter of form. The substitute bill which is recommended for enactment is, I think, identically the same as the House bill except that certain additional material is included.

Mr. NORRIS. Yes; but we are considering the Senate committee amendment, are we not?

Mr. STEIWER. I do not know why it was done in that way, but I think it is true that the language of the substitute bill is identical, so far as the House bill is concerned, with the House bill.

Mr. NORRIS. Mr. President, that is my understanding. The amendment of the Senator from Colorado, which is now the pending amendment, if I understand it aright from the printed copy I have on my desk, applies to the text of the House bill. Of course, it is perfectly proper to amend the House text; the Senator can apply his amendment either to the House text or to the committee amendment; but I am speaking now of striking out the words "and a thorough examination of the applying bank or trust company."

Mr. STEIWER. I think one amendment was offered and printed and subsequently another amendment was offered and printed, which recites the proper language and refers to the proper place in the bill. The Senator from Colorado may confirm that statement.

Mr. NORRIS. I should like to inquire of the Senator from Colorado as to that.

Mr. ADAMS. The line and the page indicated on the amendment were changed after the bill was reported to the Senate.

Mr. NORRIS. I have now been furnished with the correct copy, and I thank the Senator. So I understand the amendment now applies to the substitute?

Mr. ADAMS. Yes.

Mr. NORRIS. I was only going to call attention to the fact, so that the Senator might correct it. As I had the printed amendment, it applies to the House language, and while that is a perfectly parliamentary procedure, nevertheless if we had adopted the Senator's amendment as originally proposed and changed the House bill and then had agreed to the substitute, of course, the Senator's amendment would have been lost, because the language that we are striking out appears both in the House bill and in the amendment in the nature of a substitute proposed by the Senate committee.

Mr. CONNALLY. Mr. President, it appears to me that some Senators have misconstrued the object of this whole measure. The purpose of this bill is not simply to loan to some State bank money it needs, but the purpose is to make it possible for State banks to carry on and to continue to carry on as public agencies. It is not to help some individual bank for its own selfish purposes; the purpose of the bill is, by loaning money to a bank that can carry on and is sound to make it possible for that bank to continue as a banking institution. If that be true, how highly important it is before the loan is ever made that a thorough examination be made by the Federal Reserve Board to see whether or not, after the bank gets the money, it can still operate and function as a bank. The loan might be perfectly good; the bank might take out all its prime paper and go over and give it to the Federal reserve bank, the Federal reserve bank would have the security, and that would be adequate to repay the loan; but the next day there might be a run on that bank, the doors of the bank would be closed; it would be destroyed as a public instrumentality, and the Government would not have accomplished anything except to become a creditor of a wabbly bank that had gone out of business. In the meantime it would have done an injury to its stockholders and to its depositors, because the Government would have acquired all its liquid assets and would have left the local depositors and stockholders to suffer. It seems to me that the prime purpose of this proposed legislation is not to let somebody have some money who wants it, but to continue in existence and to permit to open banks that can remain open after they shall have been opened. If that is the purpose of it, why should not the Federal Reserve Board make examination, and why should not the examination be compulsory?

I am getting tired of trusting people with the Government's money to do with it as they please. It seems to me, with all due respect to the Senator from Colorado, that I cannot vote for his amendment. The State banks are not in the Federal Reserve System; they could have come in, but they saw fit to stay out. Now that they want to come in, and want the benefits of the Federal Reserve Act, why should not they be examined just as the member banks have been examined for all these years?

Let me ask the Senator from Oregon, if he goes to a bank and wants to borrow money, do they not give him a thorough examination before he gets the loan? I do not mean to make a personal allusion; I am speaking more particularly about the Senator from Texas, for I know what they do to him.

Mr. STEIWER. Mr. President, will the Senator yield at that point?

Mr. CONNALLY. I know that they examine me thoroughly, not only my front pockets but my back pockets, before I can get a dollar. So why should not the bank be examined? I yield now to the Senator from Oregon.

Mr. STEIWER. Could it be that there is something the matter with the Senator's security that he should be so treated?

Mr. CONNALLY. How is that?

Mr. STEIWER. I asked a question that was facetious. I rose to ask the Senator a question. The Senator just said that we should take greater precautions in the matter of loaning the Government's money. Did I understand the Senator correctly when I understood him to say that?

Mr. CONNALLY. I said that I was getting weary of the laxity with which the Government's money was being loaned. I said that.

Mr. STEIWER. Does the Senator understand there is involved here a question concerning the loaning of Government money?

Mr. CONNALLY. I understand the Senator's point; in this case it is the money of the Federal reserve bank.

Mr. STEIWER. The Senator does not mean to say that that is Government money?

Mr. CONNALLY. No; but I would not be any more careless with a trust fund than I would with my own money. I would not make the Federal reserve banks loan their money on less adequate security than that on which I would loan the Government's money. Would the Senator do so?

In a measure, the Federal Reserve Board's money is our money, in that we are trustees for it, because we control its use by law. I would not undertake by statute to make the Federal reserve banks pay out money under terms and conditions which the Government itself would not adopt with reference to its own money; but, as I see it, these are minor questions to the question of the public interest involved, and that is not to permit any of these banks to reopen and not to loan them any money with which to conduct their business unless they are in such condition that when they are opened they can stay open and render a public service to the community.

As has been suggested by the Senator from Kentucky, the Reconstruction Finance Corporation has loaned money to about 5,000 banks; and 800 of those banks, after obtaining that money, have closed. What good has that done? What good has the Government accomplished by loaning money to banks that ultimately failed? The only thing it has done has been that it has gotten all the good assets out of these banks, thereby facilitating and hurrying and expediting their closing, because when they got into difficulties later on, and wanted money at the Federal reserve bank, they had no prime security which they could afford to offer, because all of their good securities were here in the Reconstruction Finance Corporation; and, as suggested by the Senator from Oklahoma [Mr. GORE], the favored depositors rushed in and got their money, and the banks closed and left the little fellows who were ignorant, or not cautious, out in the rain.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Kentucky.

Mr. BARKLEY. What State bank which may make application for these loans has made any objection to this provision for examination?

Mr. CONNALLY. I shall say frankly that I do not know.

Mr. BARKLEY. I have State banks in my State that probably would make application for loans provided for in this bill. I have not received any request from any State bank in Kentucky asking that the provision for examination be eliminated, and I should be suspicious of any bank that made such a request.

Mr. CONNALLY. I agree with the Senator. I have had no request from my State banks, and we have lots of them.

Mr. STEIWER. Mr. President——

Mr. CONNALLY. I do not want any of my State banks to accept a loan from the Government or from anybody else unless it can stand an examination and unless it can show that its assets are sound and unless it can show that after it gets the money it can go along on its own legs. I do not want to foist any little, wabbly, sickly, pale, insipid, rheumatic State bank—or any other bank, big or little, national or State—off onto the Federal Treasury, whether it is in Texas or in Oregon or anywhere else.

Mr. STEIWER. Mr. President——

Mr. CONNALLY. I yield to the Senator from Oregon.

Mr. STEIWER. I know of no State bank in the United States that objects to examination. The difficulty will not come from examination. The difficulty comes from imposing a condition precedent that cannot be met.

Mr. CONNALLY. What is that condition precedent?

Mr. STEIWER. The difficulty comes from the fact that examinations cannot be had.

Mr. CONNALLY. Oh, no!

Mr. STEIWER. If examinations could be had, there would be no argument upon this floor this afternoon with respect to this matter. The whole question is whether or not Congress wants to make a condition precedent that we know cannot be met.

Mr. CONNALLY. I shall say to the Senator that I do not agree with him at all.

Mr. STEIWER. Can the Senator tell us how long it will take to make the examinations?

Mr. CONNALLY. I shall tell how long it took this morning over at the Reconstruction Finance Corporation and the Federal Reserve Board; and this was not a State bank. This was a national bank.

Mr. STEIWER. That does not quite meet the question. Does the Senator know how much staff, how much personnel, the Federal reserve bank has, how long it takes to examine a bank, and how long it would take to pass upon these applications?

Mr. CONNALLY. If the Senator will let me answer, I shall try to answer his first question before he gets to the second.

Mr. STEIWER. The Senator started to tell me about the Reconstruction Finance Corporation.

Mr. CONNALLY. Oh, no. The Senator wants to know whether there would be an examination or not.

Mr. STEIWER. Exactly.

Mr. CONNALLY. I was going to tell him that I went over to the Reconstruction Finance Corporation and the Comptroller this morning about a national bank, and they said, "Yes; we will examine it today, and by tomorrow we will known whether or not it can open"; and yet the Senator talks about not having any staff to conduct examinations.

No; the trouble is not about the examinations. If they can stand an examination, and they are all right, it will not take long to examine them. If you take a witness before the grand jury, and he is telling the truth, it takes a mighty short time to get through with him; but when you are dealing with a witness who is dodging and hiding and hedging with his testimony it takes all day. In the case of one of these banks that is sound and has good paper it will not take them a day to convince the Federal reserve bank examiners that they are sound and entitled to a certificate.

Mr. ADAMS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Colorado?

Mr. CONNALLY. I do.

Mr. ADAMS. The Senator from Texas, I fear, is somewhat short in his experience in the examination of banks. This provision we are asking to have go out says "a thorough examination" of banks. In the case of a comparatively small bank, if it is given a thorough examination, it cannot be done in the way it was done yesterday before the Federal Reserve bank. It means going into all of their collateral, into all of their notes, counting everything they have, checking everything up, and in an ordinary small bank it will take 2 or 3 days. If the bank is of any size, there will be a week involved in a thorough examination.

The other problem, as suggested by the Senator from Oregon [Mr. STEIWER], is the problem of getting the examiners there to do the work. If there are a hundred or five hundred or a thousand banks in an emergency asking for loans, there is not available the staff to send out to make examinations, to say nothing of making thorough examinations.

Mr. CONNALLY. Then the argument of the Senator from Colorado and the Senator from Oregon, if carried out to the end, is that it is impossible to examine the banks, and therefore we should let them have the money because they want it and need it. That is the answer.

Mr. ADAMS. Mr. President, may I interrupt the Senator again?

Mr. CONNALLY. I yield.

Mr. ADAMS. That is not quite the argument.

Mr. CONNALLY. I said, "carried out to its end." I did not mean that the Senator had gone quite that far, because I know he does not want anybody to think that he would go that far; but, if we follow the Senator's argument, that is where we arrive. I do not mean any reflection on the Senator.

Mr. ADAMS. Oh, I understand that; but here are the problems:

In the first place, the Federal reserve bank must be satisfied as to the soundness of the security.

Mr. CONNALLY. That is right.

Mr. ADAMS. The rules and regulations of the Federal Reserve Board must be complied with.

Mr. CONNALLY. Yes.

Mr. ADAMS. In the next place, there must be furnished a certificate from the State banking authorities who have made examinations that the bank is in fact sound. We are not dealing with tottering, wabbling banks but with those banks that can furnish credentials.

Mr. BARKLEY. Mr. President——

Mr. CONNALLY. Let me say to the Senator from Colorado, and then I shall yield to the Senator from Kentucky, that so far as the certificate from the State banking department is concerned, if a State bank is all right it ought not to have any trouble whatever in getting that instantaneously, because it has recently been examined; so that is out of the picture. The State banking authorities, however, have no control over these moneys. They belong either to the Federal Reserve System or to the Federal Government; and the certificate of the State banking commissioner ought not to have any weight whatever with the loaning authority. The loaning authority ought to settle with itself its responsibility and the character of the paper.

I yield now to the Senator from Kentucky.

Mr. BARKLEY. Mr. President, I simply wanted to call attention to the fact that this provision requires that the security shall be adequate or sound, that the bank itself shall be sound, and that, in order to determine that, there shall be a certificate from the State banking authority and an examination.

Mr. CONNALLY. That is right.

Mr. BARKLEY. Now, it is entirely conceivable that a bank that is itself unsound might put up securities which, based upon their own merit, would be sound.

Mr. CONNALLY. To be sure.

Mr. BARKLEY. But some prior claim against the bank or some involvement of that very security in other liabilities might make the security itself unsound.

Mr. CONNALLY. To be sure.

Mr. BARKLEY. And if the security becomes unsound because of the unsoundness of the bank, certainly the Federal Reserve System ought to know that before it makes a loan.

Mr. CONNALLY. The Senator from Kentucky is entirely correct; and let me say that of the three things he pointed out, the most important is the examination of the bank to see that it is sound.

Mr. BARKLEY. The soundness of the bank.

Mr. CONNALLY. If the bank is sound, it does not make very much difference about the character of the paper, because the bank promises to pay, and if the bank is sound, you are going to get the money; but the paper might be absolutely gilt-edged, and yet the bank might be in a failing condition and might close its doors on the following day. Therefore, it ought to be examined thoroughly to know that it is a going concern and can continue to do business after it gets the Government's money.

Mr. BARKLEY. And the soundness of any security may be tainted by the unsoundness of the bank which puts it up.

Mr. CONNALLY. To be sure.

Mr. ADAMS. Mr. President, is it not a fact that the Federal Reserve System, in dealing with State member banks, does accept the certificate and examination of the State banking authorities?

Mr. CONNALLY. That may be true; but the banks that we are talking about now are not members of the Federal Reserve System.

Mr. ADAMS. No; but I am talking about the credibility of the State banking authorities. If their certificate is accepted as to State member banks, why should it not be accepted as to State nonmember banks?

Mr. CONNALLY. I do not agree with the proposition, though, that a State bank which has never availed itself of the Federal Reserve System should now come in with the door wide open without first submitting itself to a thorough examination.

Mr. GLASS. Mr. President——

Mr. CONNALLY. I yield to the Senator from Virginia.

Mr. GLASS. As to the credibility of some State banking authorities, there is no credibility.

What I rose to say, however, was that there has been great interest manifested here in the depositors of the bank. When an unsound bank takes all of its sound paper and presents it for rediscount either at the Federal reserve bank or for loans from the Reconstruction Finance Corporation, just in that measure it robs the depositors of the bank.

Mr. CONNALLY. I shall say to the Senator from Virginia that we discussed that matter before he entered the Chamber, and we pointed out that that has already happened in the case of many banks which borrowed from the Reconstruction Finance Corporation. They took all of their prime paper and borrowed money at the Reconstruction Finance Corporation and then failed.

Mr. GLASS. And left their depositors stripped.

Mr. CONNALLY. Their depositors, of course, were denuded of all of their expectations, not alone their realities.

Mr. President, on yesterday I made some remarks about tightening up the Government loaning agencies somewhat, and I desire to call the attention of the Senate just for a moment to some other things along that line. I take it that they are not out of line with the matters that we are now discussing. We are discussing now matters of making it—I will not say difficult, but rather rigorous to be able to qualify to get money out of the Government Treasury, whether in the case of a bank or anybody else.

On yesterday I suggested that the operations of the Reconstruction Finance Corporation ought to be somewhat curtailed with reference to self-liquidating corporations. I hold in my hand yesterday's issue of the New York Times. On the front page is a glaring headline entitled:

Loan of $13,050,000 authorized by Reconstruction Finance Corporation to make jobs here—East Side slum clearance project gets $8,000,000—Work for 1,840—Jones Beach expansion—Advance of $5,050,000 made for bathhouses and mile of boardwalk.

This newspaper report shows that $8,000,000 has been loaned to rebuild certain apartments in the slum section of New York to a private real-estate corporation, the Fred F. French Operators, Inc., for a project supposed to cost ultimately $9,500,000. The Government is advancing more than 80 percent of the total cost of a real-estate project to build apartments and tenements when everybody knows that the real-estate market in the country is glutted with untenanted houses and tenements and apartment houses; but the real self-liquidating corporation is the Jones Beach Park on Long Island.

The authorization for further development of Jones Beach Park on Long Island is made to the Jones Beach State Park Authority. A total of $10,000,000, according to the application for the loan, already has been invested in the park.

With the proceeds of the loan there will be provided two bathhouses accommodating 15,000 and a swimming pool capable of accommodating 1,400 persons. In addition, a 40-foot boardwalk a mile long will be provided.

Mr. President, what I am protesting against is that the Government of the United States has so much money and our people are so happy and so prosperous and our incomes are so bloated that we are able to furnish, out of the Treasury of the United States, money to build bathhouses up on Long Island, money to build boardwalks a mile long, under the pretext that they are self-liquidating corporations!

Mr. President, I believe that the wild orgy of loaning money in prosperous times, in 1928 and 1929 and 1927 and the years preceding, was one of the sources of the financial depression from which we are now suffering and perhaps may continue to suffer for a considerable period. We are now being called to account to settle for many of these loans and many of these obligations. Mortgage debts of private individuals, bond issues of States and counties and subdivisions, great bond issues of the Government of the United States itself, debts of European governments—it is this load

of debt which has been the largest factor in producing the depression.

I say to the Senate now that we are not going to cure it by lending more money. We are not going to cure the financial panic by continuing to pour out money from the Federal Treasury, because the pay time will come some day, and we cannot maintain values by this theory of pumping credit into industry and business. That was a favorite theme of President Hoover, "pumping credit", pumping more credit and more money into industry and business. It was upon that theory that the Reconstruction Finance Corporation was founded, and I submit to the calm judgment of the Senate and of the country that the Reconstruction Finance Corporation has been a disappointment and, in a large measure, a failure, because it has not accomplished its purpose.

As a part of this wild plan of credit I want to call attention to something in the News of today with respect to the Harriman National Bank of New York. This is just a symptom, it is just an incident, it is just an episode, as it were, in this wild idea of bringing relief through credit and through lending more money. The report in the News discloses that the United States district attorney at New York has written a letter—I suppose to the Committee on Banking and Currency; at least it is disclosed by that committee—in which he says that the condition of the Harriman National Bank of New York, which has now closed and whose president, I understand, is under charges, was revealed to the administration some months ago; but, under the pretext that a reorganization was to be effected, the Department of Justice here in Washington under the last administration called a halt on the district attorney's efforts. I read:

> The congressional demands for investigation resulted from Medallie's published statement in New York replying to charges of a committee of depositors in the closed bank that he had known of its condition for several months before acting. His statement follows:
>
> "I acted within less than 24 hours after I was authorized to proceed by the commencement of prosecution upon a warrant issued for Harriman's arrest. The Comptroller of Currency as well as counsel for the clearing house requested the Department of Justice at Washington, when the facts were transmitted to me, to withhold action until the bank's affairs could, if possible, be straightened out. This request was acceded to by the Department of Justice. I acted a day after the restriction upon my proceeding was removed."

Mr. President, if the district attorney at New York is to be credited, we are presented with the remarkable spectacle of a president of a national bank misconducting the bank, probably guilty of fraud, at least violating the law; and these matters were called to the attention of the Comptroller of the Currency, whose sworn duty it is to see that national banks do obey the law, and to the attention of the Attorney General of the United States himself; and, in the face of those facts, the Attorney General directed the district attorney not to prosecute those violations, and that he acted finally within 24 hours after the ban had been removed from his action.

Mr. President, this is but an incident in this wild-banking exploitation which the people of the United States have witnessed in the past few years. First, there was the sale by international bankers of billions of dollars of foreign securities, and the sale to the people of the United States of domestic securities which are now almost worthless. I simply cite it as an incident to prove that we cannot cure the depression simply by pouring out more money, which ultimately must be paid by the taxpayers through the harsh and rigid thumbscrews of the taxgatherer. We cannot bring back prosperity by borrowing ourselves over our heads and ears. We cannot bring it back by mortgaging the future of our children and our children's children.

I hope that the Government of the United States will restrict the activities of the Reconstruction Finance Corporation. I hope it will restrict the Federal reserve banks to making only those loans which are necessary and which are sound. And because I entertain those views I oppose the amendment of the Senator from Colorado, because I believe the bill should be enacted as it is presented to the Senate, in full.

Mr. CAPPER. Mr. President, I rise to express the hope that this latest bill, which, as I see it, will take care of the needs of the smaller local communities served by State banks not members of the Federal Reserve System, during this emergency, will be speedily passed and enacted into law.

It is not my intention to stand here particularly as a proponent of the State banking system as opposed to the national banking system. That is not the question, as I see it. I am friendly to both systems. I think the Senate is friendly to both. Nor is the primary question whether or not nonmember State banks should be allowed certain privileges which member banks of the Federal Reserve System feel they have bought and paid for and thereby are entitled to hold exclusively.

I am speaking for the small communities; for the depositors in the banks in these communities; for the agricultural and business and industrial interests in these communities. It is true that most of the communities affected by this measure, who will obtain the benefits of this measure as I understand those benefits, are small communities.

But, Mr. President, this Nation on the whole is made up of the small communities and the people in these small communities. They are entitled to every advantage and protection that the Federal Government can afford and grant them in this time of trial. It is just as important to the Nation as a whole that these be protected as that the large city banks, and the reserve member banks in medium-sized communities, be afforded the aids, benefits, and protection extended by the National Banking Emergency Act of March 9 last.

The need of some such provision as this was pointed out during the comparatively brief discussion of that emergency measure. It was admitted within a few hours after the Emergency Act was signed. That was nearly 2 weeks ago. Since that time the Senate has approved one measure intended to meet the needs of the situation affecting nonmember banks and the communities these serve. For some reason that bill suffered from locomotor ataxia for a day or two and was late reaching the legislative body at the other end of the Capitol. Then, after other delays, the House of Representatives passed a different bill. Necessary changes, I understand, have been made by our Committee on Banking and Currency. That is very fine. I am not certain who is going to get credit for this bill when it finally is passed, and it is not particularly important. I do say, however, it is important that we enact this bill into law for the benefit of those of our people who depend upon the small State banks to handle the business of their communities.

Now, Mr. President, while we are on this subject of banking, let me say that President Roosevelt cannot start on his program to bring lawless-minded financiers and crooked bankers under control any too soon to suit me; and I will follow him just as far as he will lead in that direction.

I am thinking particularly of Mr. Roosevelt's declaration for Federal control and regulation of the holding company, control and regulation of the stock exchanges, efforts to prevent the sale of "blue-sky" securities and worthless foreign bonds, more rigid supervision of banks, discouragement of the use of bank deposits for speculation, separation of investment and commercial banking, and barring the use of Federal reserve funds for speculation.

The recent disclosures of the financial wizardry of Samuel Insull and his associates, and the financial wizardry of Mitchell and the National City Bank crowd in New York City, and the other shocking practices brought to light by the subcommittee from the Senate Banking and Currency Committee have convinced the country that something must be done to protect the public against the misuse of bank funds and bank prestige by the New York promoters of high finance as it has been carried on in recent years.

Testimony before that committee shows beyond peradventure of a doubt that the Wall Street racketeers abused public confidence in banks and bankers by unloading upon a credulous public—including their own employees—stocks and securities at from 3 to 10 times their actual value. They

are to a great extent responsible for the terrible conditions which have cursed the country the last 3 years.

It is a sordid story, a shocking story, a disheartening story that the Insulls and Mitchells and their agents and salesmen are spreading on the records in the Senate investigation.

Not the least pitiful part of it is that the betrayal of trust by these financiers reflects unfairly on the banks and bankers of the country as a whole. That is not only unfortunate but most unfair, that our honest and law-abiding bankers all over the country should have to suffer from the market operations of these financial pirates.

I want to promise again that President Roosevelt cannot go too far in his efforts to make impossible the continuance of such practices under the law—if, indeed, these practices were within the law.

Control of holding companies, stock-market gambling, and board of trade gambling in commodities, as well as stock-market gambling in securities—such control evidently is beyond the power of the States. These National City Bank operations were carried on in New York and under the laws of New York. Franklin Roosevelt, ex-Governor of New York, President of the United States, is entitled to the support of every loyal citizen, when he moves to bring these operations under more rigid Federal control.

Mr. LEWIS. Mr. President, I regret that an illness severe for the last 2 days has prevented me from being informed as completely concerning this amendment as I would have been could I have had the pleasure and the inspiration of hearing the discussion. I gather from the speech of the able Senator from Kansas a very correct impeachment of a class of gentlemen who have been allowed the privilege of banking in the United States of America. They have conducted themselves in such manner as to qualify themselves for prison stripes in any penitentiary, but they have done a further offense in having robbed the banks of the confidence which the ordinary citizen enjoyed and desired to continue in the financial institutions of his home. These of whom we speak, this guilty criminal band of financial brigands, have been busy holding their hands up in horror at the contemplation of some poor individual who, having misfortune in life, perchance violated some small law, and, in the violation of that law, perchance committed a breach of trust. How these described bankers of privileged pollution demanded the little clerks to be seized by the vigorous hand of justice and brought at once to the bar for condign punishment! These eminent gentlemen, designating themselves as bankers, delight to dwell on the fact of the individual's being suddenly sent to the penitentiary, where the prison walls close in upon him; these masters of finance, who have been so busily and gleefully gloating in expression of disdain over the misfortunes of the weak and the "politician" damning—they hiss with contempt at Members of Congress. These holier-than-thou financiers who have for years been holding themselves up as the representatives of social exclusiveness! These whose theory of life is the golf game in the afternoon with plotting conspirators for the issue of multiplied watered stock to be put on the innocent and in the evening regaling themselves with their diamond-bespangled Delilah, as her gems glisten to his eyes. These they purchase from the proceeds of the depositors' money, filched by the crooked fingers of these eminent gentlemen, which in one way and another takes the description upon the bank books as necessary "expenses." [Laughter.]

These gentlemen it is who by all this have robbed the American bank of credit and the American banker of honor. It is these who are in our midst—calling themselves at one time "national bankers" and at another time "State bankers." It is to be regretted that we are having a conflict of vowels. The letter "a" has been wrongly placed. It is not that they are "bankers but "bunkers." [Laughter.]

In this particular respect they have proven their efficacy. They are, as the world would speak of them on the sidewalk in a bit of language we are forbidden in propriety to exercise here, not only "bunkers" but "bunk artists." [Laughter.]

These gentlemen do not realize that they have ridden long and that their flame and fire have been exhausted. They have reached their fall, they are at the pit, and the sounds we hear all around are the glad buzzas of the multitude that at last these and their kind have been brought to book. These of the plain people had too long realized in experiences the truth of the bard, proclaiming—

> Plate sin with gold,
> And the strong lance of justice hurtless breaks:
> Arm it in rags, a pygmy's straw doth pierce it.

Sir, the time has come, to use the words of the Senator from Kansas [Mr. CAPPER], when this class of gentlemen have been detected. I would say to him that this administration has started out, with the good will of all political parties, to see that these particular masters of manipulating-money necromancy which in different forms of robbery have pillaged the banks, looted the Treasury, disgraced the Republic, dishonored the Nation, and held the country up before the world as unworthy of confidence in business, are rapidly being brought to be understood that no longer while we live will we have the spectacle of that affronting superiority of the once-eminent gentleman called "the banker" merely because he has established himself upon some corner in that form of establishment which holds itself out to the lending of money and, in different form, the draining his neighbor by usury—in the language of the Senator from Virginia [Mr. GLASS] a short while back, in one of his usual discussions learned in the wisdom of finance—that such class calling themselves "bankers" were but pawnbrokers in their habit and manner. Also, there is now the end of that other set of gentlemen who, adorning themselves in the form of the lily of Solomonlike glory, are to be seen in any portion of our land, glorious to look at, splendid in their assumptions, audacious in their impudence, seeking public office, bold in their robbery of the ballot boxes by guilty agents, but who nevertheless have been able to purchase even for themselves and transmit to their family the credit and the inheritance as of eminent gentry in office. They, who having secured large fortune, by its tricky manipulation transmit it in inheritance, after having defeated the income tax while they lived, transmit the inheritance by manner in which they cheat the inheritance tax when dead. These gentlemen have run their day. It is well that they may understand the tocsin has sounded for them. This Democratic administration has written for them the maxim dedicated at the great feast of another Belshazzar: "Mene, mene, tekel, upharsin"—you are weighed in the balance and you have been found wanting.

Mr. President, the question is, Will this Democratic administration—in the broad sense I use the word "Democratic", representing the spirit of true republicanism as well as that of a virtuous democracy—will it allow by law the criminal privileges on the part of those masters to be handed down to their successors; to be duplicated in habit and repeated in system? Shall they again afflict this Nation with the same corrupting disease from which it has been suffering, and whose finances died under the stroke and whose honor lies in the grave of a once financially splendid trust and glorious past? We feel, sir, that it will not be duplicated. We will not repeat the tragedy.

I deplore to say that it has come to my conception and now to my conviction that when we speak of a State bank, we may do so with great respect and wishes for the future, but it is an institution that is to be ended. The Government creates the money. It is the finance of the United States. It is the currency of the United States country. It is the money of the Republic. Behind it stands the Government. The Government will take every step to protect that currency. In whatever institution that currency is handled, be it a city or a county or a State institution, the Federal Government will surround it with a form of protection that assures that currency to return to its owner and not to be taken from its owner by the hand that rifles the Treasury intrusted to its guardianship. Therefore, Mr. President, I wish to support the measure that looks to the

investigation of any institution that seeks to have the money of the United States of America, with which it deals as a speculator or claims as an owner.

We are confronted with this fact, and it cannot be disputed, that had there been a system of proper supervision of the banks we would not have the losses, far exceeding two and one-half billions of money, with millions and millions of our people never to hope for the return of a cent of their own. We would not have the exposition disclosed this morning in official reports that securities advanced for money are now developed to be not worth one cent of the dollar for which they were received. There would be a sense of security on the part of depositors. There would be a feeling that that which is his own is being protected and preserved. There would be, sir, no more of those instances of deliberate pollution in finance, that open and displayed crookedness which gentlemen profess as the art of finance. There will be no longer the constant doubledealing with every trust reposed in them out of which they could enrich themselves and their associates at the expense of funds trusted to their hands by the widows and children, and reposed to their administering by their country.

To this object, Mr. President, therefore, I feel that the Government and the people must make their choice now. To conclude my observations—I was born in a land not far from us where the school of political thought was strongly in what is called State rights. My home was afterward transferred out of conditions to the West, where there was a mutual discussion between eminent sources as between the sovereignty of the Nation and the sovereignty of the State.

I have not been exempted from a proper admiration of the system of each, nor have I been at all ignorant of the great virtues to be advocated for either. But the time has come when we must abandon those ancient theories which were applicable when we were very far apart from each other State by State, and when conditions of government were in nowise such as now we are compelled to bear. We must meet conditions as we find them. Any attempt to hark back to the fathers on some theory which they represented and carrying it on to the conclusion that it must be followed and transmitted to unborn sons, is but to continue in many instances institutions that carry in themselves the destruction of the inheritance.

For myself the creeds are done. We are ready to adopt whatever primary facts are necessary for the preservation of the citizens. Our citizens must come to a choice in banking, and I speak frankly to say that I defer greatly and I speak somewhat hesitatingly in the presence of those eminent Senators who have for many days around us discussed with rare wisdom and shown great capacity touching this question in its financial ramifications. But we will do one of two things now: We will abolish all forms that call themselves banks, city or county or State, and turn to but one system. That will be the bank of the United States in some form, distributed throughout our country, by which the citizen will feel the security of his Government behind him, to which there will be added a supervision, a supervision so secure as will cause the citizen to feel that there is that ever-present guardianship over his funds that gives him sleep at evening and calm by day. That must be accompanied by a form of regulation that where there is a violation of those systems of inspection, those who shall be guilty of the violation shall be treated as offenders and as criminals hastily brought to their doom.

In this manner we can at once revive the system of our banking as it touches the Federal law and again invest the citizen with confidence and give a rebirth to the Federal Government insofar as its bank system is concerned and hold it once again before the world where it will have the trust of mankind and the honor of its country.

If you will not have that, sir, then all institutions, city and county and State, added to the Federal, that have to do with the handling and circulation of the medium of exchange which we call money, and which holds the deposits of the people, who intrust them to the institutions called banks, must be put under the supervision in some form of examination of the Government, by which all of those institutions bearing some relation to the Federal Government may give a guarantee to the deposits to all about them of security through investigation, examination, and supervision. We want a banking system that gives respect to the country and security to the depositor.

The bill now proposed, as I listened to it, meant much more to me perchance than to possibly many of the Senators. I began very early without success tendering amendment upon amendment, measure upon measure, seeking to enforce the Federal Reserve System to be applied to all forms of banking in America. I would have done so without forcing the local banks to comply with any of the requirements that burden them with the costs or expenses, or with unnecessary machinery.

I would have made the Federal Reserve System an institution which any bank would have the right to enjoy, and I would give to it the right of examination and supervision of the member banks which enjoy its privileges. I therefore find in this measure in the provision that looks to such supervision what I feel to be an approval of the position I have been maintaining without success for some time past, but which at the present time I see the events of recent months have wholly justified.

I rose to support—and I apologize for the length of time I find I have consumed in digressing—the measure that will give the right of supervision on the part of the Federal Reserve System to any institution to which it advances money. I go further; and I would give to every banking institution within the country the privilege of enjoying the advantages of the Federal Reserve System in return for the right of the Federal Reserve in the meantime to supervise such bank and to protect American depositors.

Long do we pray that there may never again be a duplication and a repetition of the hideous scene of the cracking of banks as eggshells under the heat of the Torrid Zone, or that other and worse events, of men who have heretofore plied their art up and down this country and posed as examples of citizenship, being, under the cloak of their pretense, criminals of the dubious kind. They who found it agreeable not only to rob those of their fellow citizens but to betray every trust that was reposed in them; who, in many instances, posed as Christians within the church, but were in the meantime violating every obligation they owed to Almighty God, as they had debased their country in every trust of which they were made the guardians. For which reason, sir, I hope that any step may be taken and all steps may be added that will save us from the deplorable plight that has been our dishonor in the past and that, we pray heaven, may never again be our inheritance in the future.

Mr. PITTMAN. Mr. President, I think we all agree that there should be no loans by the Federal Reserve banks to insolvent nonmember State banks. The question is as to how to determine whether or not they are solvent. The provisions of the bill lay down several methods of determining that question. The first is that it is within the discretion of the Federal Reserve bank to refuse to make any loans. It shall not make the loan until it inspects the security and approves it. Now, the question is, Shall we make the Federal Reserve bank go further than that? The provision in the bill, which was not, as I understand, in the original Senate bill, reads "and a thorough examination of the applying bank or trust company."

There is no doubt that there are some State banks that the Federal reserve bank in the district knows are absolutely solvent. There are probably thousands which the Federal Reserve bank does not know whether they are solvent or not. Why should we cause State banks that are known to the Federal Reserve Banking System to be solvent to await a so-called thorough examination before action is taken under this measure with regard to them? If the Federal Reserve bank is satisfied that an applying bank is solvent, why cause it to be subjected to the delay and the expense of having this thorough examination? A Federal Reserve bank does not have to lend money to any other bank; we cannot by law

compel it to lend money to any other bank. It is its own money. All we do is to authorize such bank, in its own discretion, to lend the money or not to lend it. We throw this restriction around it; we say, "Before you lend you must be sure that the collateral is good after an examination."

Then there is the additional provision thrown in here which requires what we call a thorough examination. I think there should be a thorough examination of any doubtful bank—that is, any bank whose solvency is doubtful—because the main object of lending this money is to restore the functioning of that bank. I agree to all those principles. Now, I ask the Senator from Colorado if he would not be willing to modify his amendment by withdrawing his motion to strike out the words "and a thorough examination of the applying bank or trust company", and, instead of striking them out, add after those words the words "if in the opinion of such bank such examination is necessary"?

Mr. ADAMS. That would be entirely agreeable to me.

Mr. GLASS. Mr. President, may I ask the distinguished Senator from Nevada how a Federal Reserve bank, without examination, knows that a nonmember bank is sound?

Mr. PITTMAN. The Senator was so busy talking while I was discussing that question that he certainly misunderstood what I said.

Mr. GLASS. Oh, no; I simply responded to one question that a Senator sitting near asked me.

Mr. PITTMAN. I did not say that they could know without an examination, but what I said was that if a Federal Reserve bank of a given district, from information in its possession, knows that a certain bank which under the proclamation of the President of the United States, was closed would not have closed except for that proclamation, if it knows that that bank is solvent——

Mr. GLASS. How may they know it is solvent without an examination? They now have no authority of law to examine it.

Mr. PITTMAN. They may know it from the State examination or they may know it from the bank reports that have been submitted. But assuming that they do not know it, all I wish to do is this, not to strike out the words referred to but to add after them the words "if such Federal Reserve bank"—that is, the one to which the application for the loan is made—"deems such examination necessary." That is all. The Federal Reserve banks are not anxious to lend money to nonmember banks. We can trust, I think, pretty safely that they will not lend much money to nonmember banks. All I desire is to get away from the mandatory feature of this provision that in every case there must be this thorough examination.

Mr. GLASS. In other words, the Senator would have the existing mandatory law apply to the member banks but not apply to the nonmember banks?

Mr. PITTMAN. I am not interested whether it applies to a member bank or a nonmember bank; I have not the slightest interest in that question; I am interested, though, in the depositors. I will say to the Senator from Virginia that if we were dealing with normal conditions I would not be discussing this question at all, nor would any of these amendments or bills have been presented to us, but we are not in normal conditions; we had every bank in the United States closed by a Presidential proclamation; and the question is to open them, and to open as rapidly as possible those that are able to function and to continue operating.

We have found that some of the great national banks, even some of the strong member banks, that at first were not able to open, now through licenses have been opened; and we know that the great majority of the State banks in this country have not dared to open until they could see the finances in sight with which to open. It is a matter of keen interest. All I ask, if the Senator from Colorado will do so, is that he change his motion to strike out the provision with regard to a thorough examination and let the Federal Reserve bank make whatever examination it wants to. If it wants to make a cursory examination, if that satisfies it, very well; but not require the bank to make a thorough examination when, in its opinion, that is not necessary. That can be accomplished by adding after the provision with respect to a thorough examination the words "when such reserve bank deems it necessary."

Mr. ADAMS. Mr. President——

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Does the Senator from Nevada yield to the Senator from Colorado?

Mr. PITTMAN. I yield.

Mr. ADAMS. Let me inquire if this would meet the Senator's suggestion, that I withdraw, with the consent of the Senator, the motion to strike out the words which are designated, and, in lieu thereof, on page 3, line 20, after the word "company", insert the words, "if such Federal Reserve bank shall determine such examination necessary"?

Mr. PITTMAN. That covers what I have been suggesting, sir.

Mr. ADAMS. Mr. President, if I may have unanimous consent to do so, I will modify my amendment in that way.

The PRESIDING OFFICER. The Senator has a right to modify his amendment. The Chair understands the Senator to withdraw his original amendment and to offer in lieu thereof the amendment in modified form.

Mr. GLASS. Mr. President, right on that point, let me say a word in the interest really of depositors, particularly in the interest of depositors of sound, solvent banks. The Federal Reserve authorities, supplementing the authority of the Comptroller of the Currency, are expressly required to examine member banks, for the reason that they are stockholders in the Federal Reserve banks, and the depositors in these banks have their money at risk. Therefore when Senators talk about the security of depositors they must remember that the deposits of depositors in the member banks of the Federal System constitute more than one half the deposits in all the banks of the United States. Therefore, the Federal Reserve authorities are required to make this examination. The Comptroller of the Currency is required—the law is mandatory—to make these examinations in order that the depositors may be secure and that unsound, insolvent banks may not continue to receive the deposits of the people.

Therefore a mere permission is not what was wanted; it is not what the Committee on Banking and Currency of the Senate required; and, as I have said, but for this safeguard, I do not think this bill ever would have been reported from the Banking and Currency Committee.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Colorado as modified.

Mr. LA FOLLETTE. Mr. President, I think the amendment offered by the Senator from Colorado [Mr. ADAMS] and the bill sponsored by the Senator from Arkansas [Mr. ROBINSON] are both offered in the best of faith; but, so far as I am concerned, I have no illusion about the measure, with the amendment of the Senator from Colorado or without it, bringing any substantial relief to the State banks which are not members of the Federal Reserve System.

It is perfectly obvious, Mr. President, that it is a part of the policy to liquidate such State banks. I think it was inherent in the system set up in the Emergency Bank Act; I think it is inherent in this attempted liberalization of that act that the banks which are not members of the Federal Reserve System should be cast adrift, without any support from the Federal Government, in the most serious economic crisis of a financial character in recent history.

I know it was argued at the time the Emergency Bank Act was under discussion, I know it has been argued in connection with this bill, that the Federal Government had no responsibility for nonmember banks. I never have been able to see the logic of that position after these State banks, together with the State member banks and the National banks, were closed as a result of a Presidential proclamation. After all, inherent in that situation was an exercise of extraordinary Federal authority and, in my judgment, the assumption of a corresponding Federal responsibility.

I recognize, however, that this engine of deflation which has been launched will go on unchecked. I only hope, how-

ever, that Senators and others in positions of responsibility will recognize the economic effect of what has been done.

Insofar as the purchasing power of the people is concerned, there is no difference between currency in circulation and bank deposits. As a result of this banking crisis and the policies in vogue we will be fortunate if the net loss in bank deposits is only eight or nine billion dollars. What that means in the sudden collapse of additional purchasing power, what it means in its repercussions upon trade and industry, are almost beyond the ability of the imagination to comprehend.

As I stated, however, I recognize that these events have a certain logic behind them, and that insofar as we have been committed to the logic of those events by the steps which have thus far been taken in this bank crisis nothing can now turn them aside. I only hope, however, that there will be a full recognition of the economic consequences of the steps which have been taken and that a full realization of those economic consequences will be weighed when the time comes in the immediate future to frame and to organize a program of reconstruction and recovery which must follow immediately unless we are to have further economic disaster which will make the past 3½ years seem like a period of prosperity.

The PRESIDING OFFICER. The clerk will state the pending amendment.

The CHIEF CLERK. The Senator from Colorado [Mr. ADAMS] offers the following amendment:

On page 3, line 20, after the word "company", insert: "If such Federal Reserve bank shall determine examination to be necessary."

Mr. COSTIGAN. Mr. President, it is gratifying to have this discussion revert to the plight of the depositors in the closed banks of the United States. We owe them our best thought and cooperation; and thanks, therefore, are due the Senator from Oregon [Mr. STEIWER], the Senator from Nevada [Mr. PITTMAN], and the Senator from Wisconsin [Mr. LA FOLLETTE] for emphasizing our real problem.

It is to be hoped that the amendment may be adopted; but I share doubts expressed here as to the extent of its efficacy if adopted. It has the definite merit of making possible more rapid extension of relief to certain banks and their depositors; and such action can be taken under the amendment without really abandoning safeguards for which the Senator from Virginia [Mr. GLASS] has strenuously contended. Surely this is desirable.

My purpose in rising is to supplement the discussion so far had by bringing to the attention of the Senate one illustration, which must be more or less typical of ill fortune which has befallen depositors in this country as a result of the banking crisis and events since the Presidential proclamation.

I have here an illuminating and appealing letter just received from an attorney for and director of, not a State bank, but one of the national banks in one of the less populous but important rural counties of Colorado. This bank has long had an excellent reputation. It was, until closed by the Presidential proclamation, the only bank in a county of some 2,000 square miles, serving several thousand people who reside there. Those people are self-respecting, industrious, frugal, and deserving Americans. They have met their obligations year by year with extraordinary fidelity. They have used and supported this banking institution. They have had and still have the utmost faith in it, although closed under the Presidential proclamation, subsequently placed in the hands of a conservator, and recently visited by a bank examiner.

The letter urges the necessity for doing something for the people so situated to preserve for them banking facilities and not to condemn them to the ranks of forgotten men; for be it remembered that there are signs that unless we do more than we have done our 12,000,000 jobless will be supplemented by many others drawn from depositors scattered throughout the length and breadth of this land who, as indicated by the Senator from Wisconsin, may lose in the near future billions of money intrusted by them to what was supposed to be the safe-keeping of banking institutions.

Mr. President, this letter is so self-explanatory that I trust that, without assuming responsibility for its underlying assumptions, I may read from it without further comment.

The writer says:

The First National Bank, located in this large county, was closed by mandate of the President, and without actual knowledge as to its ability to carry on has been denied the right even to try. Even in spite of the fact that officers of the bank stated to me that they would carry on without any help, this bank has been kept closed, a proceeding somewhat akin to taking property without due process of law. But what of the result? Additional suffering and hardships on the people already burdened with other bank failures in the county and 4 years of bad crops and low prices. The people of this county from the date the bank closed its doors, with absolute confidence in the stability of their bank, and backed by the radio address of the President, have continued to transact their business to this date with checks of the depositors—holding them until the date of opening—checks which now they must hold indefinitely and take their loss, no matter how great or small. But this is not all. Taxes owing by the resident taxpayers cannot be paid; livestock cannot be fed; farming operations cannot be started; the merchant cannot replace his stock; and where will these people turn for financial help? The bank has all the security they have. Who is going to help them? Is not this quite a different picture than was painted for us with phrases such as "strangulation of bank deposits must cease", "there will be enough currency ready to meet all demands as required"? If this bank is to be liquidated, what does that mean? Simply a sale of all the assets held by the bank, leaving the people paupers and our lands waste, for most, if not all, of these people have every worldly possession they have mortgaged to the bank to keep the bank here and make their notes good. They have not been hoarding.

Apparently, since the proclamation, an examiner was sent to investigate this bank, as will appear from the letter. The letter, therefore, throws light on the question we have been discussing this afternoon of delays incident to thorough investigations.

In our interview with the examiner at Kansas City yesterday we were given the advice that a bank at this point could not make money and therefore was not needed, and that by reason of our doubtful assets we would have to put up a substantial amount of money—this in spite of the fact that his examination had been made some time ago and the bank then permitted to continue operation and a showing had been made that all loans criticized had received attention, some thereof having been paid in full or better secured. Who is in a position to judge the character of these loans—the man who was raised in this county and has been a banker here for 24 years in this bank or a man sent out from the city?

The conservator asserts that only a small portion of our loans are doubtful and that if liquidation is the order he can liquidate in full. Of course, if your examiners take the attitude that commodity prices have not reached bottom, and if this is the correct premise, there, of course, may be more doubtful paper, but confidence does not radiate from the examiner. On the contrary, he is surely full of pessimism, as he now demands more than he did previously. The requirement of further substantial amounts of money is easy if you have it, but we do not have it, and have no place to get it. When you ask him for some plan to obtain it and he says there is none, it strikes me as a complete about-face from the position we were led to believe we were in. When we closed we felt that we would reopen, but should that not happen, that at least all depositors would be taken care of. Then, without knowing as a matter of fact whether or not this bank needed a dime to continue, we are politely told that we must furnish the capital and to dig it up or the depositors will take that much loss. Is this help? If it is, the word has been given a different meaning. Is this the final word? Where is the 90 percent of currency as against the assets of the bank, and where is the appraisal of these assets? They, like other things, are now forgotten.

Mr. President, what I have read portrays, I fear, not an isolated but a representative situation. It particularly indicates the pressing need for supplementary remedial action or legislation to aid, so far as possible, blameless but stricken depositors of the reasonably solvent banks of this country. We have taken one course to meet an emergency. We should take other courses without delay to meet the new and developing emergencies before us, and to save rather than to destroy.

Mr. BORAH. Mr. President, I can see no reason for voting against this bill. There may be some reason for voting for it. I have not been able to discover it, but there may be. Not desiring to sit silent, I shall vote for it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado [Mr. ADAMS] to the substitute reported by the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next amendment of the Senator from Colorado to the amendment.

The CHIEF CLERK. The second amendment of the Senator from Colorado is on page 3, line 23, after the word "may", to add the word "also."

Mr. ADAMS. Mr. President, I shall suggest briefly the purpose of the amendment. There was a question in the minds of those who were drafting the Steagall amendment, apparently, as to whether or not the eligible paper of nonmember banks might not be excluded by virtue of some of the complicated conditions of the pending legislation. So they added the provision that loans may be made to any applying nonmember bank or trust company upon eligible security.

That raised the other question, as to whether or not, having specified eligible security under a proviso, they were not excluding the very security that was intended to be covered. So we have suggested, in order to cover that, that we provide that loans may also be made upon eligible paper, to avoid the question of doubt, by adding the word "also."

Mr. FLETCHER. Mr. President, the only objection to the amendment is that it is wholly unnecessary. That is just what the language means now.

Mr. GLASS. Mr. President, it is inconceivable that a Federal Reserve bank would discount the ineligible paper of a bank and refuse to discount the eligible paper of the bank.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next amendment of the Senator from Colorado.

The CHIEF CLERK. On page 4, line 13, to strike out, after the word "act", down to the word "indebtedness", in line 21, as follows:

During the time that such bank or trust company is indebted in any way to a Federal Reserve bank it shall be required to comply in all respect to the provisions of the Federal Reserve Act applicable to member State banks and the regulations of the Federal Reserve Board issued thereunder: *Provided*, That in lieu of subscribing to stock in the Federal Reserve bank it shall maintain the reserve balance required by section 19 of the Federal Reserve Act during the existence of such indebtedness.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was rejected.

Mr. CLARK. Mr. President, I desire to offer an amendment, which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment to the amendment.

The CHIEF CLERK. On page 5, line 16, after the word "company", strike out the remainder of the paragraph, as follows: "having voting rights similar to those herein provided with respect to preferred stock."

Mr. CLARK. Mr. President, the purpose of this amendment is to strike out the requirement in section 2 of the so-called "Steagall bill" which requires that the debentures or stock notes upon which money is to be loaned to these State banks by the Federal Reserve System shall have voting power.

The reason for the amendment arises from the fact that under the Constitution of Missouri, and, I am informed, under the Constitutions of Illinois, Ohio, Kentucky, and possibly other States, the issuance of preferred stock is prohibited except upon the consent of all the holders of common stock. Of course, everyone must realize that that prohibition, in a time like this, is to all intents and purposes an absolute prohibition against the issuance of preferred stock, because, through the death of a stockholder, or the pledging or wide scattering of stock, or other causes, it might be a practical impossibility to obtain the necessary unanimous consent for the issuance of preferred stock.

The Committee on Banking and Currency, before whom I appeared the other day, at my request inserted after the word "liability", in line 11, the following words, "or if such laws permit such issue of preferred stock only by unanimous consent of the stockholders." But even with that saving clause which the committee put in, if there is a requirement that these debentures or stock notes be given a voting power, there is very grave danger that the courts would hold that, no matter whether the security to be issued be called a debenture or stock note, or whatever it might be called, if it had the voting power, it would be considered to have the essential features of preferred stock, and therefore would be abhorrent to the constitutional prohibition against the issuance of such preferred stock.

I am informed that the Federal Reserve made no requirement that these debentures or stock notes have voting power. I have been also informed that it was not in the bill as it was originally introduced by the Senator from Ohio, but that it was inserted in the committee.

Mr. President, if that provision stays in the measure, there will be very grave danger that at least four States, and possibly more, will be entirely excluded from the benefits of the act. I therefore move to strike out that language requiring voting power to be given these debentures.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on the amendment as amended.

The amendment as amended was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, as follows:

Be it enacted, etc., That title IV of the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes", approved March 9, 1933, is amended by adding at the end thereof the following new section:

"SEC. 404. During the existing emergency in banking, or until this section shall be declared no longer operative by proclamation of the President, but in no event beyond the period of 1 year from the date this section takes effect, any State bank or trust company not a member of the Federal Reserve System may apply to the Federal Reserve bank in the district in which it is located and said Federal Reserve bank, in its discretion and after inspection and approval of the collateral and a thorough examination of the applying bank or trust company, may make direct loans to such State bank or trust company under the terms provided in section 10 (b) of the Federal Reserve Act, as amended by section 402 of this act: *Provided*, That loans may be made to any applying nonmember State bank or trust company upon eligible security. All applications for such loans shall be accompanied by the written approval of the State banking department or commission of the State from which the State bank or trust company has received its charter and a statement from the said State banking department or commission that in its judgment said State bank or trust company is in a sound condition. The notes representing such loans shall be eligible as security for circulating notes issued under the provisions of the sixth paragraph of section 18 of the Federal Reserve Act, as amended by section 401 of this act, to the same extent as notes, drafts, bills of exchange, or bankers' acceptances acquired under the provisions of the Federal Reserve Act. During the time that such bank or trust company is indebted in any way to a Federal Reserve bank it shall be required to comply in all respects to the provisions of the Federal Reserve Act applicable to member State banks and the regulations of the Federal Reserve Board issued thereunder: *Provided*, That in lieu of subscribing to stock in the Federal Reserve bank it shall maintain the reserve balance required by section 19 of the Federal Reserve Act during the existence of such indebtedness. As used in this section and in section 304, the term 'State bank or trust company' shall include a bank or trust company organized under the laws of any State, Territory, or possession of the United States, or the Canal Zone."

SEC. 2. (a) Section 304 of such act of March 9, 1933, is amended by adding after the first sentence thereof the following new sentences: "Nothing in this section shall be construed to authorize the Reconstruction Finance Corporation to subscribe for preferred stock in any State bank or trust company if under the laws of the State in which said State bank or trust company is located the holders of such preferred stock are not exempt from double liability. In any case in which under the laws of the State in which it is located a State bank or trust company is not permitted to issue preferred stock exempt from double liability, or if such laws permit such issue of preferred stock only by unanimous consent of stockholders, the Reconstruction Finance Corporation is authorized, for the purposes of this section, to purchase the legally issued capital notes or debentures of such State bank or trust company."

(b) The second sentence of said section 304 is amended to read as follows: "The Reconstruction Finance Corporation may, with the approval of the Secretary of the Treasury, and under such rules and regulations as he may prescribe, sell in the open market the whole or any part of the preferred stock, capital notes, or debentures of any national banking association, State bank, or trust company acquired by the corporation pursuant to this section."

Such section 304 is further amended by adding at the end thereof the following new sentence:

(c) "As used in this section, the term 'State bank or trust company' shall include other banking corporations engaged in the business of industrial banking and under the supervision of State banking departments or of the Comptroller of the Currency."

The bill was passed.

The title was amended so as to read: "An act to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases, and for other purposes."

ORDER OF PROCEDURE

Mr. ROBINSON of Arkansas. Mr. President, if I may have the attention of the Senator from Oregon and other Senators, it is desirable that the committees having jurisdiction of legislation that is deemed of an emergent character should have an opportunity to proceed with their work, and there is no special business to claim the attention of the Senate for the remaining 2 days of this week. I, therefore, ask the following unanimous consent, that when the Senate concludes its labors on this calendar day, it take a recess until 12 o'clock noon next Monday, and that during the recess the Secretary of the Senate may receive and the Vice President may refer to committees any message or messages, bill, or resolution transmitted by the House of Representatives; also, that the Committee on Education and Labor may, if it desires, submit a report to the Secretary of the Senate, and the Secretary of the Senate is authorized to have the same printed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

Mr. ROBINSON of Arkansas. I also ask unanimous consent that during the recess the Vice President may sign, as during a session of the Senate, any bill which has passed or which may pass.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. BARKLEY in the chair), as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

RECESS TO MONDAY

Mr. ROBINSON of Arkansas. Unless there is some further business to come before the Senate, I move that the Senate take a recess until 12 o'clock Monday.

The motion was agreed to; and the Senate (at 4 o'clock and 55 minutes p.m.) took a recess until Monday, March 27, 1933, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 23 (legislative day of Mar. 13, 1933)

MEMBER OF UNITED STATES TARIFF COMMISSION

James W. Collier, of Mississippi, to be a member of the United States Tariff Commission for the remainder of the term expiring June 16, 1937.

MEMBER OF THE FEDERAL RADIO COMMISSION

James H. Hanley, of Nebraska, to be a member of the Federal Radio Commission for the unexpired portion of the term of 6 years from February 24, 1930.

GOVERNOR OF THE TERRITORY OF ALASKA

John W. Troy, of Alaska, to be Governor of the Territory of Alaska vice George A. Parks.

PROMOTIONS IN THE NAVY

Capt. Charles P. Snyder to be rear admiral in the Navy from the 1st day of March 1933.

Commander Herbert S. Babbitt to be a captain in the Navy from the 1st day of March 1933.

Lt. Comdr. Hiester Hoogewerff to be a commander in the Navy from the 1st day of February 1933.

Lt. Comdr. Louis E. Denfeld to be a commander in the Navy from the 1st day of March 1933.

Lt. Comdr. Joseph B. Anderson to be a lieutenant commander in the Navy from the 30th day of June 1931, to correct the date from which he takes rank as previously nominated and confirmed.

Lt. Percival W. Buzby to be a lieutenant commander in the Navy from the 30th day of June 1932.

Lt. William C. Vose to be a lieutenant commander in the Navy from the 23d day of October 1932.

Lt. Harry R. Thurber to be a lieutenant commander in the Navy from the 8th day of November 1932.

Lt. James B. Sykes to be a lieutenant commander in the Navy from the 1st day of December 1932.

Lt. John O. Huse to be a lieutenant commander in the Navy from the 12th day of January 1933.

Lt. (J.G.) Winston P. Folk to be a lieutenant in the Navy from the 14th day of June 1932.

Lt. (J.G.) Thomas H. Dyer to be a lieutenant in the Navy from the 30th day of June 1932.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of January 1933:

John F. Addoms.

Harold H. Tiemroth.

Asst. Dental Surg. Claude E. Adkins (temporary) to be an assistant dental surgeon in the Navy, with the rank of lieutenant (junior grade), from the 2d day of March 1933:

The following-named assistant naval constructors to be naval constructors in the Navy, with the rank of lieutenant, from the 3d day of June 1932:

Clement F. Cotton.	William H. Magruder.
William J. Murphy.	Joseph C. Huske.

Assistant Civil Engineer Carl W. Porter to be a civil engineer in the Navy, with the rank of lieutenant, from the 26th day of February 1933.

Gunner George W. Woolwine to be a chief gunner in the Navy, to rank with but after ensign, from the 2d day of September 1932.

Pharmacist Harry J. Lucy to be a chief pharmacist in the Navy, to rank with but after ensign, from the 23d day of February 1933.

Lt. (J.G.) Donald F. McLean to be a lieutenant in the Navy from the 12th day of January 1933.

MARINE CORPS

First Lt. Monitor Watchman, Jr., to be a captain in the Marine Corps from the 1st day of March 1933.

Second Lt. Carroll Williams to be a first lieutenant in the Marine Corps from the 25th day of February 1933.

Second Lt. Raymond C. Scollin to be a first lieutenant in the Marine Corps from the 1st day of March 1933.

Quartermaster Clerk Albert O. Woodrow to be a chief quartermaster clerk in the Marine Corps, to rank with but after second lieutenant, from the 26th day of January, 1933.

Marine Gunner Charles R. Nordstrom to be a chief marine gunner in the Marine Corps, to rank with but after second lieutenant, from the 9th day of February, 1933.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 23, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Blessed Father in Heaven, we thank Thee that beyond the night are the open gates of the morning. O Redeemer and Lover of us all, come vitalize, transform, and beautify our souls. We praise Thee for Thy free gift to the world and the exhaustless fountain of divine love and mercy. Quicken in us all those blessed faculties of faith, hope, and love which are the flower and the crown of character. Reinforce

us; spur us on in fresh effort to bring quietude and contentment to the untold throngs and countless homes which must be rescued from the strangling grip of poverty and want. Hear us, gracious Lord. Let us hearken to the words of the Master, "Inasmuch as ye did it unto one of the least of these, ye did it unto me." Amen.

The Journal of the proceedings of yesterday was read and approved.

FARM LEGISLATION—EXTENSION OF REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that my colleague, Mr. SHANNON, who is absent on leave, have consent to extend his remarks in the RECORD to include a letter written to him by the editor of the Kansas City Star on the agricultural bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHANNON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I wish to insert the following statement giving the results of a poll of representative farmers, taken by Mr. W. A. Cochel, editor of the Weekly Kansas City Star, and chairman of the agricultural committee of the Kansas City Chamber of Commerce:

For several years those who designate themselves as spokesmen for farmers or for farm organizations have been very active in efforts to obtain farm legislation. The agricultural committee of the Kansas City Chamber of Commerce recently decided to permit the farmers in Missouri, Kansas, Nebraska, Oklahoma, Texas, and Colorado to speak directly for themselves instead of through spokesmen on these four questions:

"Do you believe the agricultural marketing act and the activities of the Federal Farm Board should be continued?

"Do you favor a domestic-allotment plan?

"Do you favor the Federal Government attempting to control prices of production through stabilization, allotments, or other schemes to direct price movement against natural influences?

"Do you favor the Federal Government coming to the aid of farmers in refinancing mortgages and other indebtedness at lower interest rates with extended maturities?"

Every possible effort was made to obtain a fair expression, free from any organized or unorganized influence. Letters were mailed to editors of rural newspapers, bankers in agricultural communities, and county assessors asking them to furnish a list of 25 names of farmers to whom the questions might be submitted. In all, letters went to 484 counties in the 6 States. It was suggested that the names furnished be of those actually engaged in farming, either as renters or owner-operators, without consideration of their political faith, financial standing, or former expression on these subjects. The idea was to procure a list of representative men to whom their neighbors would go for consultation or advice on farm problems. That the list is truly representative is indicated by the receipt of more than 600 letters supplementing the ballots, in which reasons for their attitude toward the questions were given. The letters came from farmers who think clearly. The dominating note was one of discouragement with present conditions, but not one of despair. A surprisingly large percentage expressed the opinion that they would be able to work out of the present difficulties without governmental assistance, except in refinancing farm mortgages. There is almost universal demand for lower taxes, lower salaries of public employees, and lower costs of the things which farmers must buy.

The poll is not fully complete. A few cards are coming in on every mail. A sufficient number of ballots have been received, however, to definitely indicate the train of actual farm thought. It is thought best to give out this report at this time, before any agricultural legislation is passed, so that Members of Congress and others who have the best interest of the farmers at heart may know how the farmers themselves feel about these questions.

On the first question the decision was practically unanimous. In each of the six States and in every county in these States the farmers are against the continuance of the Agricultural Marketing Act and the activities of the Federal Farm Board. The vote was 1,174 yes, 4,397 no.

There were several suggestions on this question indicating that the Marketing Act might be continued with modifying amendments and that a differently constituted Farm Board would be acceptable.

On the second question the decision was approximately 2 to 1 against the domestic-allotment plan. This measure was favored more in Colorado and Texas, where the votes were almost equally divided. The results by States were: Missouri, 25 percent "yes", 75 percent "no"; Kansas, 37 percent "Yes", 63 percent "no"; Nebraska, 23 percent "yes", 77 percent "no"; Oklahoma, 49 percent "yes", 51 percent "no"; Texas, 56 percent "yes", 44 percent "no"; Colorado, 49 percent "yes", 51 percent "no."

The 21 counties in Kansas which voted in favor of the allotment were in the Wheat Belt, yet the surprising fact is that even the majority of the wheat-producing counties were against the allotment, although supposedly well-informed men frequently have stated that as high as 9 percent of the wheat farmers favored this measure.

On the third question which really determined whether farmers were in favor of any efforts on the part of the Government to stimulate prices by stabilization, allotment, or other measures, the vote was quite similar to that on the allotment plan itself.

Every State except Texas voted "no" on this question. In Kansas there were 21 counties which favored governmental action of some sort, compared with 14 counties in Missouri, 2 counties in Nebraska, 28 counties in Texas, 28 counties in Oklahoma, and 14 counties in Colorado.

The outstanding conclusion from the answer to this question is that the large majority of farmers—65 percent—are definitely opposed to governmental action of any sort that will interfere with the natural influences which determine values.

Many of the supplementary letters suggested that governmental activities which sustain prices in other industries, public-service corporations, and transportation should be discontinued to permit a return corresponding to that received by farmers for their efforts. Restoration of the purchasing power of the farm dollar is demanded without qualification. On question 4, which pertains to farm mortgages, the vote was most decisive. Every State and every county gave a majority favoring a lower rate of interest and a longer period of time for the payment of farm mortgages. The vote on this question was 5,019 "yes", and 681 "no."

Many letters accompanying the ballots indicated that there was also a necessity of reducing the face value of the loans as well as the rate of interest and extension of dates of payment. A few indicated that it might be better to permit liquidation to go through, even though many individuals would suffer, so that farming in the future would not be handicapped by the necessity of earning returns on an excessive valuation.

In reviewing the letters and comments it was found that practically every measure ever proposed for the relief of agriculture was suggested. There are still some who believe in the equalization fee or the export debenture; others in fixing prices above production costs or controlling acreage or production by governmental edict. The suggestion that each farmer be permitted to market a definite and predetermined amount of commodities without any restriction and that a heavy tax be assumed against production in excess of that amount was occasionally expressed.

There is much criticism of the Government's financing inefficient producers through crop and seed loans, encouraging greater production through agricultural research and extension agencies, protecting banks, railroads, and insurance companies through loans from the Reconstruction Finance Corporation and deflating values of agricultural products through the Federal Reserve banks. Packers, millers, grain and livestock exchanges were criticized in a few letters. In several instances farmers were outspoken in their declarations that farm leaders in Washington do not represent the sentiment of those actually engaged in farming as a means of livelihood. In no case, however, was there any semblance of a majority who hold such views.

The letters clearly indicate that those who live on and operate the land and who depend upon production of farm commodities through their own efforts are thinking clearly and weighing their decisions carefully. They are particularly anxious that measures which might give temporary relief, yet be detrimental in the end, should not be enacted.

No one could go over these ballots and the letters accompanying them without reassurance that farm problems presented to actual farmers would be decided wisely and without detriment to those engaged in other lines of industry or business.

SALE OF BEER IN THE DISTRICT OF COLUMBIA

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 71, a privileged resolution from the Committee on Rules, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 71

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 3342, a bill to provide revenue for the District of Columbia by the taxation of beverages, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the District of Columbia, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill back to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BLANTON. Mr. Speaker, if the gentleman from New York, in charge of the rule, will permit, yesterday when the gentleman from New York asked unanimous consent to have until midnight to file this rule, it was granted to him upon the assurance by both him and by our majority leader that this bill would be called up and sent to the Committee of the Whole House on the state of the Union under the regular

rules of the House, which allow those who are against the bill to be heard in their own right with an equal division of time. This rule which has just been read violates that agreement and sets aside all of the usual rules of the House respecting debates, and provides that an hour of general debate only is to be had, all of which allotted to the Democratic side of the House is to be controlled wholly by Members who are in favor of the bill. The time allowed for debate on the bill is only 1 hour, and under the general rules of the House there should be at least 2 hours in the Committee of the Whole. Under this rule we are confined to 1 hour. Half of that time at least ought to be controlled absolutely by those who are against the bill.

Mr. O'CONNOR. Mr. Speaker, in answer to the gentleman, when he made the inquiry yesterday whether or not this bill would be considered under the general rules of the House, I thought he had in mind that the bill would be taken up in the Committee of the Whole and read for amendment; and that is the only thought I had when I said "yes." As to the division of the time, the Rules Committee has brought in a rule, not setting aside all of the rules of the House, setting aside no rule of the House, as far as I know, but dividing the time in the ordinary method when rules are presented. The Rules Committee does not know whether the chairman or the ranking member is for or against the bill. The usual rule provides that the time be equally divided between the chairman of the committee and the ranking minority member. No one is more in favor than I of having the opponents control one half of the time.

Mr. BLANTON. Can we not have unanimous consent now that that should be done?

Mr. O'CONNOR. The Rules Committee does not control that.

Mr. BLANTON. Mr. Speaker, the chairman of the Committee on the District assures me that that will be done, and that is all I want.

Mr. O'CONNOR. Does the gentleman from Pennsylvania [Mr. RANSLEY] desire any time?

Mr. RANSLEY. There is little or no demand for time on this side. I would suggest that we be granted 10 minutes.

Mr. O'CONNOR. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. RANSLEY. That will be satisfactory.

Mr. O'CONNOR. Mr. Speaker, this rule provides for the consideration of what is known as the District of Columbia beer bill. The rule provides for 1 hour of general debate, after which the bill will be read under the 5-minute rule for amendment. The necessity for the bill arises as it does in every State in the Union. After the passage of the national beer bill, which was signed by the President yesterday, each State is preparing by appropriate legislation to arrange for the sale and distribution of this beverage. The District of Columbia is in the same position as the States, and needs such a bill. I have read the bill. It will be explained to you fully. Some of us who have lived with this question for many years have taken an interest in certain features of any licensing system.

I call to the attention of the committee in charge of the bill what many have believed for years are the important features of such a bill. In the first place, the licenses should be high, just as high as the traffic will bear. In this bill I notice there is an "on sale" license of $100 for restaurants, and so forth, where it is sold on the premises. I believe that is ridiculously low.

In the next place, I believe the penalties should be made severe. The penalties for any violation of the provisions of this act should be most severe. I have always wanted to see in a State or in the District of Columbia a licensing bill which had a penalty running against the premises rather than against the person. For instance, if a person violates the license in a particular location, no further license should be granted to that place as well as not to the person.

I believe further that every effort should be made to prohibit the brewers from obtaining a monopoly of this business.

The beer bill does provide that no brewer shall have any interest in any retail place. I believe that should be strengthened, so that there is no possibility of a brewery running a chain of restaurants or so-called "saloons."

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. MAY. Does not the gentleman think that if the penalty is provided against the place and not against the person also it would work against the enforcement of the act by reason of the fact that a man might abandon that place and go to another place and still be a violator of the law?

Mr. O'CONNOR. If he is a violator of the law himself he is not going to get a license, if they enforce the law. If you will put a penalty against the place, then you will cause the landlord to be a little more careful. I do not want to see the sale of this beer used as a cover for selling spirituous liquors.

Mr. MAY. I believe that is right; but I believe that if the person is made responsible instead of the place it would have a better effect, because if the place is made responsible the person can shift from place to place.

Mr. O'CONNOR. Of course, we cannot always prevent the intricacies of deceit that human nature is capable of, but we can do the best we can.

I do hope the committee will use every effort to prevent monopolies. The curse of the old system was the fact that the brewers owned all the saloons.

A further provision in the bill which I hope the committee will pay some attention to, as well as the gentleman from Texas and others interested in seeing that this business is conducted properly, is the provision that no license shall be granted to a felon. If you will recall the O'Connor-Hull beer bill, on which we voted last year but which failed to pass, we also provided that if a felon was knowingly employed on the premises the license would be revoked. That prevents the racketeer from being employed as a bartender or around the place.

Mr. BLANTON. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. BLANTON. That revolves around what is a felon. In some jurisdictions for the same offense one Federal judge will make an offender a felon by sending him to the penitentiary for a year. Another Federal judge will merely fine an identical offender $500. How are we going to distinguish between the two, which is a felon and which is not?

Mr. O'CONNOR. Well, we are talking about the District of Columbia.

Mr. BLANTON. There is a part of this bill that the committee proposes to strike out which would prevent a license being granted to one convicted of violating the misdemeanor laws of the country.

Mr. O'CONNOR. The prohibition laws.

Mr. BLANTON. Yes; the prohibition laws, respecting misdemeanors.

Mr. O'CONNOR. I agree with the gentleman. I would not grant a license to anybody who has heretofore violated the felony provisions of the prohibition laws.

Mr. BLANTON. Then we should put that provision back in the bill. I am glad to hear the gentleman from New York say that.

Mr. O'CONNOR. I do not understand who pays the barrel tax, according to this bill. I might ask some member of the committee. Is it the brewer or the licensee?

Mr. PALMISANO. It is the licensee.

Mr. O'CONNOR. Well, that is an odd thing. I would make the brewer pay the barrel tax before the barrel leaves the brewery.

I would like to call attention to another thing, and I do not presume to intrude on your jurisdiction, but there is a provision here for licensing "incorporated clubs." That does not mean anything unless you do what we did a year ago in the O'Connor-Hull beer bill, that is, make a minimum membership fee of that club at least $15 a year, payable in one sum. Then you will stop the creation of these clubs where they go in and pay a dollar admission. Make it an annual fee of $15, payable in one sum, before it can be considered a club to which a license is to be granted.

I believe the effective date of the bill should coincide with April 7.

I hope the committee does work out a real beer bill for the District of Columbia, a bill that is fair, a bill that will not permit the old conditions to exist, a bill that will not in any way interfere with our ultimate goal, namely, the repeal of the eighteenth amendment. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. RANSLEY. Mr. Speaker, there are no requests for time on this side.

Mr. O'CONNOR. Mr. Speaker, I yield to the gentleman from Texas [Mr. STRONG] such time as he may desire.

Mr. STRONG of Texas. Mr. Speaker, I just want to announce that I am against this bill, and I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. STRONG of Texas. Mr. Speaker, prohibitionists have never claimed that prohibition of the liquor traffic is a cure for all our political ills, but it is one issue which, if put into effect, will bring prosperity and happiness to more homes and the greatest number of people throughout the Nation than all other issues combined.

Since the adoption of the eighteenth amendment hundreds of thousands of children are attending the schools who could not attend before on account of not having the necessary clothing to wear. These children were poorly clad, and largely deprived of food, and could not attend school; therefore they were cheated out of an education, food, and clothing. And since the adoption of the eighteenth amendment our colleges and universities throughout the Nation are simply overflowing with young men and young women, the attendance upon these institutions being larger than ever before within the history of our country. If I were to say nothing more, the facts I have stated are sufficient to cause the eighteenth amendment and the Volstead law to remain intact for all time to come.

I want to add, if this bill becomes law it will cheat thousands of children in the Capital City of our beloved Nation out of clothing, food, and shelter—and an education. To say this will be a crime is stating the matter very mildly indeed, therefore I cannot vote for a bill which I know will bring such havoc to the children of this great city along with ruin, degradation, and shame to thousands of homes.

In my State we began to try and curb the evils of the liquor traffic by what we termed "local option." The citizens of counties, and subdivisions of counties, would vote to prohibit the legalizing of the liquor traffic therein. The liquor interests, of course, fought local option bitterly, and their main claim was the law could not be enforced. Many counties in Texas were made dry under the local-option system, but opponents of the law did all in their power to cause the same to fail by giving all aid possible to the bootlegger and other illegal dealers in intoxicating liquor. Through such procedure they caused many counties of the State to repudiate local option, by voting to reinstate the legalized liquor traffic, but invariably such counties, soon as another election could be ordered, would reinstate local option, and the liquor question in those counties was settled for all time.

I have mentioned this to say, if the eighteenth amendment were to be repealed for 1 year, it would then be unanimously readopted by the State, and if the prohibition question would be settled in this country as long as our Government existed; for, I feel sure, the wettest of the wets after 1 year's repeal of the eighteenth amendment would never again favor legalizing the liquor traffic. I sometimes feel I would like to see the eighteenth amendment repealed for 1 year in order to get the liquor question out of the way, so that Congress could proceed with progressive measures which would cause our Nation to forge to the front as never before in its history. But when I consider the want, woe, and misery it would bring to innocent women and children of the Nation, and the added expense to the Government, I am constrained to continue the battle for the retention of our Constitution and laws as they now exist. Besides the great suffering brought to humanity through repeal of the eighteenth amendment, the additional expenses brought to the Federal and local Governments would be enormous.

A wrecking crew would have to be maintained upon practically every mile of the highways throughout the Nation in order to keep the highways cleared of wrecks so traffic could proceed. When I consider all this I feel the price is too great to pay for the repeal of the eighteenth amendment for only 1 year, and we must battle for its retention and elect public officials who have respect for their oath of office and who will see to it that the Constitution and laws of our country are respected and obeyed.

It is being urged here today that Congress pass this bill allowing 3.2 percent beer to be manufactured and sold in the District of Columbia. I am sure if this bill becomes law it will bring much suffering to many of the homes of Washington and will benefit no one except the brewer and the agents of the breweries who sell the beer allowed under this bill. Everybody knows there can be all the beer manufactured today under existing laws that it is possible for all the brewers of the Nation to manufacture. This beer if manufactured under existing laws would contain only one half of 1 percent alcohol and does not have the "kick" that the brewers claim is demanded. They know the beer allowed under this bill now pending will be intoxicating and therefore in direct violation of the Constitution of the United States, and it is really puzzling to me how any Member of this House who has taken the solemn oath to uphold the Constitution and laws of our country can vote for such a measure, which if it becomes a law will bring nothing but ruin, degradation, and shame to multiplied thousands of homes of this the Capital City of the greatest Nation on earth.

Mr. O'CONNOR. Mr. Speaker, I move the previous question on the passage of the resolution.

The previous question was ordered.

The resolution was agreed to.

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 3342) to provide revenue for the District of Columbia by the taxation of beverages, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H.R. 3342, the District of Columbia beer bill, with Mr. JONES in the chair.

The Clerk read the title of the bill.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

Mr. BLANTON. Reserving the right to object, with the understanding that it be printed in the RECORD at this point, I will have no objection.

Mrs. NORTON. That is satisfactory.

The CHAIRMAN. Is there objection to the request of the lady from New Jersey?

There was no objection.

The bill H.R. 3342 is as follows:

Be it enacted, etc., That the term "beverages" as used in this act shall include beer, lager beer, ale, porter, and other brewed or fermented beverages containing one half of 1 percent or more of alcohol by volume but not more than 3.2 percent of alcohol by weight.

SEC. 2. The Commissioners of the District of Columbia are authorized to issue licenses to persons, firms, corporations, or associations on application duly made therefor for the sale of beverages within the District of Columbia, subject, however, to the limitations and restrictions imposed by this act. The Commissioners shall keep a full record of all applications for licenses, of all recommendations for and remonstrances against the granting of licenses, and of the action taken thereon. The Commissioners may employ such clerical and other assistants as may be necessary to properly inspect and supervise the operations of licensees under this act. The salaries and expenses incident to such work shall be fixed by the Commissioners and paid from the funds arising from license fees under this act.

SEC. 3. It shall be lawful for any brewer or manufacturer to brew within the District of Columbia and sell to licensees any

beverage or beverages authorized to be manufactured or brewed by the laws of the United States of America.

SEC. 4. Any person, firm, corporation, or association desiring a license for the sale of beverages under this act shall file with the Commissioners of the District of Columbia an application therefor in such form as the Commissioners may prescribe. The application shall designate the kind of license desired. Before the license is issued the Commissioners shall satisfy themselves of the moral character and financial responsibility of the applicant, appropriateness of the location where such licensed business is to be conducted, taking into consideration the number of such licenses already issued, and generally as to the applicant's fitness for the trust to be reposed. Before any license is issued under this act the Commissioners shall determine the whole number of licenses to be issued within the District. Each license shall designate the place of business of the licensee. Each application for a license shall contain:

First. The name and residence of the applicant and how long he has resided within the District of Columbia.

Second. The particular place for which a license is desired designating the same by street and number if practicable; if not, by such other apt description as definitely locates it.

Third. The name of the owner of the premises upon which the business licensed is to be carried on.

Fourth. A statement that the applicant is a citizen of the United States and not less than 21 years of age, and that such applicant has never been convicted of a felony, or been adjudged guilty of violating the laws governing the sale of intoxicating liquors or for the prevention of gambling in the District of Columbia.

Fifth. This application must be verified by the affidavit of the petitioner made before a notary public or other person duly authorized by law to administer oaths. If any false statement is made in any part of said application the applicant or applicants shall be deemed guilty of perjury, and upon conviction thereof the license shall be revoked and the applicant subjected to the penalties provided by law for that crime.

Sixth. That the applicant is not the owner of or licensee named in any license then in force.

Seventh. That he intends to carry on the business authorized by the license for himself and not as an agent of any other person, and that if licensed he will carry on such for himself and not as the agent for any other person.

Eighth. That the applicant intends to superintend in person the management of the business licensed and that if so licensed he will superintend in person the management of the business.

SEC. 5. Licenses issued under authority of this act shall be of two kinds: (a) "On sale" licenses, which shall permit the licensee to sell beverages for consumption on the premises only; and (b) "Off sale" licenses, which shall permit the licensee to sell beverages in original packages for consumption off the premises only.

SEC. 6. All applicants for "on sale" licenses shall pay to the District of Columbia a license fee of $100 per annum, the same to be paid before the license is issued. "Off sale" license fees shall be $25 per annum, payable in like manner. Each kind of license shall be good for 1 year from its date unless sooner revoked by the Commissioners of the District of Columbia.

SEC. 7. "On sale" licenses shall be granted only to bona-fide restaurants, incorporated clubs, and/or hotels. "On sale" licensees may serve beverages to bona-fide guests only, to be consumed at regular public tables, or, in case of hotels, may be served in guests' rooms. It shall be the duty of the Commissioners to have frequent inspections made of premises of "on sale" licensees and if it is found that any such licensee is violating any of the provisions of this act or the regulations of the Commissioner's promulgated hereunder or is failing to observe in good faith the purposes of the act, such license may be revoked after the licensee is given an opportunity to be heard in his defense.

SEC. 8. There shall be levied and collected from each licensee by the District of Columbia on all beverages sold with said District as authorized by this act a tax of $1.20 for every barrel containing not more than 31 gallons, and a like rate for any other quantity or fractional part. Said tax shall be paid on or before the 15th day of each month for beverages sold to or purchased by the licensee during the preceding calendar month.

SEC. 9. No person, firm, association, or corporation shall sell or offer for sale by retail within the District of Columbia any beverage without having first obtained a license so to do. No brewer, wholesaler, or distributor shall sell or deliver any beverage within the District of Columbia to any person other than a licensee.

SEC. 10. No manufacturer of beverages outside the District of Columbia shall bring into the District and sell or offer for sale to licensees any beverage without a permit having first been obtained from the Commissioners of the District of Columbia, and an agreement on the part of the permittee that a monthly report, under oath, of the quantity of beverages shipped into the District of Columbia and to whom sold and delivered will be submitted to the assessor of the District of Columbia.

SEC. 11. Each licensee shall on or before the 10th day of each month submit on forms to be prescribed by the Commissioners a statement showing the quantity of beverages purchased during the preceding calendar month.

SEC. 12. No brewer, manufacturer, wholesaler, or distributor shall have any direct or indirect financial interest in the business of any licensee.

SEC. 13. All brewers, wholesalers, or distributors of beverages within the District of Columbia shall furnish to the assessor of the District of Columbia on or before the 10th day of each month a statement under oath showing the quantity of beverages sold during the preceding calendar month to each and every licensee within the District of Columbia.

SEC. 14. The Commissioners of the District of Columbia are hereby authorized to promulgate rules and regulations, not inconsistent with law, for the issuance of licenses and for the operation of all businesses by licensees. Said regulations may be modified from time to time as the Commissioners may deem desirable.

SEC. 15. Any person who shall violate any of the provisions of this act shall, upon conviction by a court of competent jurisdiction, be punished by a fine not exceeding $1,000 or imprisonment in jail for 1 year, or both fine and imprisonment, in the discretion of the court, and in case of a licensee his license shall be revoked for a period of 1 year. If any licensee shall willfully violate the regulations duly issued and promulgated by the Commissioners of the District of Columbia, the Commissioners may, after proper hearing, revoke the license for the period of 1 year. In case any licensee is convicted of the violation of the terms of this act the court shall immediately declare his license revoked and notify the Commissioners accordingly. Any licensee who shall sell or permit the sale of any alcoholic beverages not authorized under the terms of this act on his premises or in connection with his business or otherwise shall, upon conviction, forfeit his license and shall, in addition thereto, be fined $1,000 or imprisoned for 1 year, or both fine and imprisonment, in the discretion of the court.

SEC. 16. The act of Congress approved March 3, 1917, entitled "An act to prohibit the manufacture and sale of alcoholic liquors in the District of Columbia, and for other purposes", with the exception of sections 11 and 20 thereof, is hereby repealed.

Mrs. NORTON. Mr. Chairman, I yield myself 30 minutes and I yield 30 minutes to the gentleman from Texas [Mr. BLANTON].

The CHAIRMAN. The Chair understands that under the rule the lady from New Jersey does not have that much time to yield. The lady has 30 minutes.

Mr. SNELL. Mr. Chairman, I think the ranking minority Member should have that 30 minutes. If he is not dry, we will try to present someone who is qualified.

Mrs. NORTON. I heartily agree with the gentleman.

The CHAIRMAN. The lady from New Jersey will be recognized for 30 minutes, and the gentleman from New York [Mr. STALKER] will be recognized for 30 minutes, under the rule.

Mrs. NORTON. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I reserve my time until we hear from the proponents.

Mr. GOSS. Mr. Chairman, a point of order. I do not understand that the gentleman can reserve his time.

The CHAIRMAN. Does the lady from New Jersey agree that the gentleman from Texas may reserve his time?

Mrs. NORTON. No. The gentleman from Texas has asked me to yield him time, and I have done so. I prefer that he use the time now.

Mr. BLANTON. Mr. Chairman, it was understood this time was to be parceled out. I have promised part of my time to some of my colleagues.

The CHAIRMAN. The gentleman does not have the right to yield in the second degree.

Mr. WITHROW. Mr. Chairman, I demand the regular order.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent, in view of the fact that unanimous consent was granted the gentleman from New York last night to file this rule with the understanding that we should have the right to parcel out our own time, that we who are granted time now be permitted to parcel it out.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. GOSS. Mr. Chairman, I object.

Mr. BLANTON. Well, Mr. Chairman, I can use 10 minutes on this bill without any trouble at all.

Mr. Chairman, when the Borah amendment which prevented the sale of intoxicating beer in beer joints to little girls and boys was stricken out of the Cullen bill, the only excuse on earth that was given for its elimination was the fact the States themselves would control by proper regulation sale to persons and the legislature of each State could prevent sale to minors. Now, this does not apply to the 10-mile square known as the District of Columbia, which is the seat of this Government. We are sitting here to-day

legislating for Washington, the District of Columbia, just like a legislature legislates for the State; and just as a State legislature would make proper regulation for the sale of intoxicating liquors within its borders, it is the duty of Congress now as the legislature for the District of Columbia to make proper regulation respecting the sale of intoxicating liquors in this District.

I am glad to say the stock of my friend from New York [Mr. O'CONNOR] went up considerably, in my estimation, today when he frankly asserted that no felon and no violator of the prohibition law should be granted a license. This bill provides that no license shall be granted to a felon, but the provision in the bill which prevents licenses being granted to those who have violated the law in lesser degree than that of felony has been stricken out by the committee as a proposed committee amendment. It ought to be put back, because in different jurisdictions people guilty of the same offense have been punished in different ways, so that one has been made a felon and one not. There are Federal district judges in the different parts of the United States, even in the city of Washington, who in the case of two people found guilty of similar offenses will make of one man a felon by sentencing him to a year in the penitentiary where the other is not made a felon but is adjudged guilty of a misdemeanor and only fined from $50 to $500, yet one is just as guilty of moral turpitude as the other. Both should be treated alike. A license should not be granted to a man who has violated the prohibition law, because if he violates it one time he likely will violate it again.

I am going to ask for a rising vote on this proposed committee amendment. We ought to vote it down and leave this provision in the bill. Those who first wrote the bill wisely put it in. And it was in the bill which this committee favorably reported in the last Congress.

One other matter to which I wish to call attention is the Borah amendment that was stricken out of the Cullen beer bill, which I mentioned a while ago. We must put it in this bill because no State legislature can protect the children of Washington. If you do not put the Borah amendment in this bill, you will find that beer joints all over Washington will sell intoxicating beer to little children, to little boys and girls, 10 and 12 years old, in the graded schools of Washington. Do you want to do this? If you do, I want to ask you this question: Could you have gone to your closet last night and knelt on your knees and said, "Almighty God, tomorrow I am going to vote a pass a beer bill. Please help me not to protect the little children."

Could you have asked Almighty God that last night?

Could you have said, "Please lead me in voting against the amendment that would keep beer from being sold to children."

Is there a man or a woman in this House willing that intoxicating beer be sold to the children of the Nation's Capital? There are 79,000 children in Washington. I am not willing that it should be done.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. My time is very limited, but I yield to my good friend, the distinguished gentleman from Missouri.

Mr. COCHRAN of Missouri. I may say to the gentleman from Texas I hope those who are classed as wets in this House will join in trying to make this a model bill to be copied by all the States. However, I cannot see where the gentleman's argument is sound, when the Congress says this beer is not intoxicating, to then try to put something into the bill saying that it is intoxicating.

Mr. BLANTON. Mr. Chairman, usually our friend from Missouri is one of the keenest minds in this House. He has an unusually keen intellect. He is a most valuable legislator here on most subjects, but he is not fooling himself now when he intimates this beer is not to be intoxicating.

Mr. COCHRAN of Missouri. The gentleman from Missouri weighs over 140 pounds, I may say to the gentleman from Texas.

Mr. BLANTON. If he were to assure his wet constituents back in Missouri that he was going to put on them a beer on April 7 that was not intoxicating, they would flood him with telegrams of protest.

Is there a man in this House who will get up here and say that he does not think there is to be the usual kick in this beer? Oh, we all know it is going to have in it the same old kick. We know what the courts have held. We know what the scientists have held. We are acquainted with this beer. We have seen it operate. We have got common sense. We all know this beer is to be intoxicating.

You are framing a law right now—the only law—that is to handle this beer traffic in the District of Columbia. If you do not pass this law they can not sell beer in Washington. Whether or not they sell beer in Washington, and when, and how, and to whom they sell, depends upon the action you take on this bill. If you do not provide in this bill that they can sell beer to children in Washington, then there will be no beer sold here to children. There was a time in the past when beer and other liquors were sold in this Capitol Building, and we have heard weird tales of some statesmen perambulating across the floor when their gait was not steady. We have all been proud of a sober Congress during all these years of national prohibition. Do you want the time to come again when beer is sold downstairs and when some colleague might embarrass his district by taking on more than his 140 pounds, or his 240 pounds, is able to assimilate? Would we not feel responsible? I do not want this to take place in the great House of Representatives.

Mr. CLAIBORNE. Will the gentleman yield for a question?

Mr. BLANTON. Certainly.

Mr. CLAIBORNE. Were they not among the ablest men in the body? [Laughter and applause.]

Mr. BLANTON. Possibly, but alcohol did not increase the quality of their intellect. One of the greatest criminal lawyers I ever knew started out believing he could not try a case without a couple of drinks. He was most eloquent. He was convincing. He was powerful. After a while he had to have 3 drinks and then he had to have 4 before he could properly handle his case. He was a wonderful advocate before a jury and had remarkable success. As the years went by he got so he could not carry enough bottles to get him through a trial, and the first thing we knew any two-bit lawyer in the city could beat him in a case. He went all to pieces. Just think of what he could have been if he had only let it alone.

Oh, it keeps you up for a while and able-bodied men can drink it for a while and get away with it, but if they drink it too long they cease to be able-bodied and cease to be able-minded men.

Mr. CLAIBORNE. You do not want to live forever. [Laughter.]

Mr. BLANTON. I want to say to my friend that one of my wet colleagues asked me yesterday:

> Tom, how on earth do you have a good time when you do not drink.

I wish he knew. Why, I have as good a time as you do, but I have a sober mind to help me to enjoy it. Some men get so sometimes that they can not tell whether they are having a good time or a bad one. I am always in a condition of mind to know whether it is a good or bad time I am having, and so I enjoy myself more. And I do not have to suffer any bad effects that follow some good times.

I want to help make this bill as unobjectionable as possible, and then on final passage I shall vote against this bill, Mr. Chairman.

[Here the gavel fell.]

Mr. STALKER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. MCFARLANE].

Mr. McFARLANE. Mr. Chairman, I believe we are all of one accord as to what the result will be on this beer bill. We have had this legislation before us, and about every other relief measure is a beer measure, and I think after you enact this measure and turn the flowing suds loose here within the Capital as it was of old, most of the laboring people will be relieved, and the brewers will be enriched.

It has been many years since there was a bar operating on the first floor of the Capitol. I was born and reared to early manhood in the district that sent to this body the man who offered the legislation that drove saloons out of the Capital of the United States.

I trust in the consideration of this measure we will consider the measure carefully and place the proper safeguards around it so that no such beverages may be sold in the Capitol buildings and so that the boys and girls of the District of Columbia will be protected and not be allowed to go into these drinking places where the beverage permitted under this measure will be sold, when I know and you know that if it did not have a kick in it those who are wet and want something with a kick would not be satisfied with it; and if it does have a kick in it, it is a nullification of the Constitution of the United States and an open violation of the oath that each and every one of us took when we stood here and held up our hands and said we would enforce the Constitution of the United States.

The principal argument, I may say, that has been made here upon the floor has been that it is a tax measure and will add to the coffers of the Treasury of the United States. Mr. Speaker, is our Treasury so destitute of funds that we need to collect money by such a measure as this, which, I believe, will not redound to our benefit in future years as a legislative proposition?

When you consider the argument with respect to unemployment, the records of this House show from the hearings that have been held on this measure that there has never been employed in the brewing industry during the time beer was sold throughout the United States as many as 100,000 men, according to the testimony of Prof. Ernest Smith Bradford, consulting economist of the College of the City of New York. So it could not help the 12,000,000 unemployed who to-day are walking our streets crying for bread. It seems to me that it is a violation of our constitutional oath, and I therefore shall vote against it. [Applause.]

Mrs. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. PALMISANO].

Mr. PALMISANO. Mr. Chairman, ladies, and gentlemen, I want to address myself particularly to the new Members of the House with reference to the gentleman from Texas, who tells us that we want to permit felons and criminals to obtain licenses.

You would think, to hear the gentleman from Texas, that he is 100-percent law abiding and that everyone who voted for this measure is not a law-abiding Congressman.

I recall when I first came on the floor of this House 6 years ago I asked for an investigation of the Prohibition Department for Maryland and the District of Columbia. In that petition or resolution I offered I stated the facts where a man was indicted for assault on two women, and where an agent had been convicted of highway robbery in the State of Maryland and sentenced for 6 years, and they were operating as agents of the prohibition law. The gentleman from Texas defended that group.

Mr. BLANTON. What group? I defended no such group.

Mr. PALMISANO. It was when I made my maiden speech on the floor, and the RECORD will show that he directly, by his defense, opposed my resolution and defended that group.

Mr. BLANTON. When and where? The gentleman is all mixed up on his facts. He should refresh his memory.

Mr. PALMISANO. I want to say in reply to the gentleman from Texas the other day, when he said that I was a former bartender, that I extended my remarks, and also stated to the gentleman verbally that I was going to do so, and that I tried to have taken out of the prohibition department this same man, who gained some respectability by being placed in the prohibition department and being defended by the gentleman from Texas, and that he was able to deceive a widow and afterwards drown the widow and her child in Virginia waters, to obtain insurance on her life.

Mr. BLANTON. I never defended such a man in my whole life. I did defend the Methodist Church, the Baptist Church, the Presbyterian Church, and several million good people who were affiliated with the Anti-Saloon League.

Mr. PALMISANO. But the gentleman opposed by resolution on the floor of Congress, and the gentleman questioned me at the time I took the floor. I say to you that the gentleman from Texas never hesitated, never inquired into the reputation of this man in the prohibition department.

So, so far as you new Members of the House are concerned, you need not pay any attention to what the gentleman from Texas says, that we want criminals to obtain a license.

The whole question about that provision is this: In the old days and today you have a provision in the bill that a man who has been violating the rules and the license law under this bill will have his license revoked. If the Commissioner sees fit a year hence, and the man is able to show that he has reformed, the commissioner may issue another license to that individual. We place that discretion in the hands of the Commissioner because they know more about this than we do. The Commissioners may permit a man who has violated the law once—he may have bought a pint of liquor and gone to a party and been arrested, or something of that kind, but under the law he is a criminal, but if he has become a law-abiding citizen, they could permit him to return and issue a license the second time. So the Commissioners have a right to say, after a man has once been convicted of a misdemeanor, whether they will give him at some future time a license.

We want to give the Commissioners all of the power that we possibly can give them.

Mr. HOEPPEL. Mr. Chairman, will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. HOEPPEL. Mr. Chairman, as I understand this bill, page 4, section 8, it provides for chain saloons. I would like to have that provision explained.

Mr. PALMISANO. Mr. Chairman, there will be an amendment here to strike out all of that provision.

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

Mr. STALKER. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman and members of the committee, when Columbus started out back in 1492 with three schooners, we heard the first of a dry land from a man sitting up in the crow's nest, who probably enunciated that fact to the mariners who were down on the deck. And from that day to this, this body and a great many other deliberative bodies have been inspired with talk about beer. But that is not the particular question before the House this morning. I assume, of course, that if Hamlet could come in here from Denmark with a New York accent he might say, "To beer or not to beer, that is the question." But as a matter of fact, that is not the question, because beer as such is now conceded; nor is it a question of alcoholic content in the bill under consideration. Rather, I should say, it goes to the amendment proposed by the gentleman from Texas relative to precluding beer that might be dispensed to what he calls children in the District of Columbia, and I suppose he has in mind the age limit of 16 years. I have been reared as a good Presbyterian, and yet I am in favor of this bill. I have a family, and I am mindful of and have a proper solicitude for my family, as does every other father. I do not want to foist on the mothers and fathers of the District of Columbia anything that I think might be vicious, but, so far as 16-year-old boys and girls are concerned, it should be borne in mind that they have grown up along with the country and there is a certain sophistication about them that is not to be found in those of similar age in past generations. I am free to admit that the youth of today knows infinitely more, and that it is infinitely cleverer and smarter than the youth of corresponding age of any other generation. I should be rather ashamed of the Pennsylvania Avenue flappers and the drug-store cowboys in Washington if they could not properly comport themselves when this nonintoxicating beer is ultimately dished up.

As a matter of fact, would you rather continue to sprinkle them with this bad Maryland rye that comes in here, or

prefer to give them a wholesome tonic in what we call nonintoxicating beer? When I think of that, and think of the remarks that the gentleman from Texas has so honestly and sincerely made in this body, I think about the two sons of the Baptist minister who were getting ready to baptize a litter of kittens. After they had immersed the kittens in water, they decided to baptize the mother cat, but she began to protest and to yowl and scratch. Finally they gave it up, laid her over to one side, and one boy said to the other, "Well, Jimmy, I suppose we might just as well sprinkle that cat a little bit and let her go to hell." And so it is here. Are we going to save the youth of the District with good wholesome beer, or are we going to let them go to hell with bad booze that is obtainable here anyway at any time. I am opposed to restricting or adding any red tape to the bill now under consideration. The whole history of prohibition abuses, as a matter of fact, has resulted from the fact that there have been so many restrictions, and that such restrictions have challenged not only human ingenuity but youthful ingenuity as well. It is only 5 miles to the Maryland line. If they can not get beer here in the District of Columbia, they will get it over there, or they will drive many miles and go to Pennsylvania and get it. They will get it, because that is the nature of the young man and young woman of today. After all, why try to transfer the authority for raising children in a proper and decorous way from the fathers and mothers and seek to effectuate that sort of thing through some legalistic instrumentality? Is it not a fact that all these restrictions and all the provisions that have sought to deal with private conduct and behavior have always resulted in inspiring that human challenge and have gone for naught? For that reason I object to placing any further restrictions in this bill with respect to the young men and women of the District. [Applause.]

Mrs. NORTON. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Chairman, ladies and gentlemen of the committee, long before the Democratic National Convention of last June, and as far back as 1928, I was battling for repeal of the eighteenth amendment and the modification of the Volstead Act, because I believed then, as I believe now, that that character of legislation is contrary to the fundamental principles of this Government. My concern now is not particularly with the specific provisions of this bill, except in one instance, but to call attention to the fact that there is great danger of an abuse of this legislation pending repeal of the eighteenth amendment by the States, and if the beer business results in abuses it may ultimately bring about the defeat of the whole scheme of those who are opposed to that kind of legislation by a defeat of the repeal of the eighteenth amendment. I believe that the legislation that has imposed on the Nation the regime of prohibition for the last 12 years is wrong. I went down to defeat in 1928 as a candidate for Congress battling openly, consistently, and without compromise against this form of legislation. Since that time the people of my district have come around to the belief that I entertained at that time and entertain now.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. MAY. I recognize that those who favor retention of the eighteenth amendment in the Constitution and oppose any modification of the Volstead Act are in good faith about the matter, and I not only accord to them the right to their views but I am a good enough Democrat to accord to them the same rights I claim for myself, which carries with it the high prerogative of voting and acting in accordance with the dictates of their own consciences. Personally I am as dry as a du Pont powder house, and I would not vote for this measure except the strictest regulations be thrown around the sale of this nonintoxicating beverage. I am opposed to permitting bootleggers, especially those previously convicted, obtaining a license to sell beer.

Mr. STALKER. Mr. Chairman, I yield 3 additional minutes to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. I am convinced that if there is abuse by the distributors or sellers of the nonintoxicating beer, as we believe it to be, in the interim in which the eighteenth amendment is being considered by the people of the States, it will ultimately defeat the whole proposition of reform that is to be obtained by this character of legislation.

I agree very fully with my friend from Texas [Mr. BLANTON] on the proposition that the original committee amendment to section 4 of this bill should be reinserted in the bill. That is the clause which provides that no person convicted of a felony shall be granted a license or be permitted to engage in the sale of beer. I think it ought to be extended to include any person who has violated the prohibition laws in any respect, because of the principle involved. The man who violates a law that may carry with it a penalty for a misdemeanor, and not violate a law which carries the penalty of a felony, violates it undoubtedly because he does not dread the punishment so much as if the punishment inflicted might be imprisonment in the penitentiary. Therefore there is a question of moral turpitude involved, and the very thing that may ultimately defeat the legislation we are trying to enact.

I think that amendment ought to be reinserted in the bill to provide that no man who violates the law, either where the penalty is that of a felony or a misdemeanor, should be permitted to handle beer in any way for sale.

Mr. PALMISANO. Will the gentleman yield?

Mr. MAY. I yield.

Mr. PALMISANO. Does the gentleman mean to say he wants to prohibit any man who has been convicted of a misdemeanor?

Mr. MAY. I mean of a misdemeanor in connection with the prohibition laws, the sale of intoxicating beer or liquor or wine.

Mr. PALMISANO. If it is going to be for violation of a misdemeanor it ought to be for all misdemeanors, in all respects.

Mr. MAY. Well, I take the position that the man who violated provisions of this law, especially one under conviction, is not a man who should be permitted to sell beer, and it should be regulated strictly, because the question of regulation by statute is a very important matter on the question of the administration of the law.

As stated by the gentleman from Texas [Mr. BLANTON], this is the legislative body for the District of Columbia, and we will make a vital mistake today if we do not act discreetly.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. MAY] has again expired.

Mrs. NORTON. Mr. Chairman, I yield 3 minutes to the gentleman from New York, Doctor SIROVICH.

Mr. STALKER. Mr. Chairman, I also yield 2 minutes to the gentleman from New York [Mr. SIROVICH].

The CHAIRMAN. The gentleman from New York [Mr. SIROVICH] is recognized for 5 minutes.

Mr. SIROVICH. Mr. Chairman, ladies and gentlemen, besides the beautiful flowers, trees, and shrubs we behold in this world we also find weeds, thorns, and thistles everywhere. Yet no one judges our world by the weeds that are contained therein.

The same simile may be applied to human beings. In life we have different groups of humanity placed in this world to carry out the Divine program. Like the flowers, shrubs, and trees, we have a conglomeration of human elements that through the service they render to their fellow man have made the world a better place for humanity to live in.

Mr. Chairman, medical men have designated a group, like the weeds, that they call the psychopathic constitutional inferior types. They are the pathological derelicts and driftwood of human existence. Somewhere in their physical and mental make-up there is a perversion of obligation and duty. They appear to be contrary, fractious, obstinate, stubborn, and ungovernable. In modern society they do not appear to be able to cooperate and harmonize with their fellow man. Why? Because in nature there are two worlds. One is the

world of struggle, conflict, toil, and drudgery. The other is the world of dreams, phantasy, romance, and imagination.

The psychopathic constitutional inferior type of human beings can not endure in the world of reality. Society is too cruel and vicious to him. It has robbed him of every initiative and every incentive of living. So he tries to run away from it. Where does he go? He runs away to the world of dreams, fancy, and imagination. This world is kind, sweet, and gracious to him. There, in that exotic stage of charm and beauty, every hope, ideal, and aspiration is realized. There, the fleeting phantasies and purposeless drifting of the mind keep awake in him every flame and revery of life.

What is the contributory exciting influence that animates his mind to achieve this purpose? It is alcohol in its strongest form. It momentarily exhilarates. Subsequently it stupefies. Ultimately it intoxicates. In this stage, under this influence of alcohol, the psychopathic constitutional inferior type departs from the world of reality and flees into the world of dreams. Here in this state every cherished ideal and object is achieved and realized.

Mr. Chairman, ladies, and gentlemen, in this beer bill before the House we are legislating for normal human beings, who are the majority of the people of the United States. We are not thinking of the weeds of life who need institutional care. We are passing laws for the benefit of those who believe in temperance and to whom a glass of innocent beer is a tonic and an adjuvant to their food.

My dear friend and colleague from Texas [TOM BLANTON] need have no compunction regarding the sanity and stability of the average American citizen to know and to understand when he has taken enough beer to satisfy the inner urge.

Now, Mr. Chairman, ladies and gentlemen of the committee, during the last 13 years that prohibition has been upon our statute books, most of these psychopathic types, unable to secure pure, good liquor, have had recourse to the utilization of drugs. The peddling of dope to these innocent, psychopathic victims has increased by leaps and bounds, year in and year out. Thousands of tons of opium, morphine, heroin, and cocaine have been consumed by these unfortunate people. These drugs, just like alcohol, have had the desired effect of transplanting their victims from the world of reality into the world of dreams. Our hospitals and sanitaria are crowded and filled with these unfortunate victims of drug addiction, driven to the use of medication through the lack of beverage alcohol that their system requires.

Mr. Chairman, ladies, and gentlemen, I am glad the time has now arrived when we can destroy this drug evil. After listening to my friend [TOM BLANTON], I can only paraphrase an old couplet by stating:

You can take a horse to the trough, but you can not make him drink.

So you can "lead a fanatical prohibitionist to knowledge, but you can not make him think." [Applause.]

Mr. Chairman, it is not work that kills a human being. It is worry. It is not the revolution of a machine that destroys the machine. It is the friction and wear and tear that brings about dissolution. It is not the ingestion of food that destroys a human being. It is overindulgence that causes autointoxication and disease. It is not a glass of beer that intoxicates a human being. It is the abuse of that privilege. So let us be temperate in our food, drink, and action. Mr. Chairman, the day has come when we can adequately supervise the abuse in the consumption of alcoholic beverages by passing this beer bill that will give to the citizens of the District of Columbia pure, wholesome, legal, nonintoxicating beer that will be a gustatory joy to their stomachs, a delight to their appetites, and a pleasant repast to their starving and depressed spirit. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. STALKER. I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. GOSS. Mr. Chairman, I wish to make a point of order for the purpose of getting a ruling from the Chair.

The CHAIRMAN. Does the gentleman from Texas yield to the gentleman from Connecticut?

Mr. BLANTON. Mr. Chairman, I do not yield for a parliamentary inquiry.

Mr. GOSS. Mr. Chairman, I am making a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GOSS. Section 6, rule XIV, states that no Member shall speak more than once to the same question without leave of the House. Does this apply to debate under a special rule where the time is in the control of both sides?

The CHAIRMAN. The rule under which this bill is considered states that the time shall be equally divided and controlled by the chairman and the ranking minority member of the Committee on the District of Columbia. This, being a special rule, would, insofar as it is in conflict with, suspend the other rules of the House, and the gentleman can be recognized if he is yielded time in the regular way.

Mr. BLANTON. Mr. Chairman, I am taking this time, which was tendered to me without my asking for it, for two purposes. First, I want to correct a statement attributed to me by my good friend and colleague from Texas [Mr. MCFARLANE]. He misunderstood my remarks. My second purpose in accepting this time, so generously tendered to me by my friend from New York [Mr. STALKER], is to deny the assertions made by my friend from Maryland [Mr. PALMISANO], who is entirely mixed up on his facts. The only resolution of his that I have ever opposed was one that involved a proposition that would have taken the people's money out of the Public Treasury. Is that the one?

Mr. PALMISANO. No. Now will the gentleman yield?

Mr. BLANTON. If that is not the one, I do not know of any other.

Mr. PALMISANO. I want to correct the gentleman.

Mr. BLANTON. It was a measure to take the people's money out of the Public Treasury that I was objecting to, and there was not any defense of anybody except on the occasion when I defended certain churches from an attack by the gentleman. If the gentleman can show me in the RECORD where I have ever defended such a man as he mentioned, either here or before the Prohibition Bureau, I will take him and every member of his committee to the finest dinner he can order in the Willard Hotel tonight.

Mr. PALMISANO. Will we have beer?

Mr. BLANTON. You can have everything else but that. I wish the gentleman would tell me the name of the man he says I defended. Give me his name.

Mr. PALMISANO. His name is Wimbley. I protested against the appointment of a man by the name of Wimbley convicted and sentenced to 6 years in the Maryland penitentiary.

Mr. BLANTON. What did I do about it?

Mr. PALMISANO. The gentleman from Texas criticized me at that time on the floor.

Mr. BLANTON. When?

Mr. PALMISANO. In 1928. I will get the RECORD.

Mr. BLANTON. I wish the gentleman would get the RECORD. I will send for it at once myself. No RECORD will show anything even remotely like that. Please get the RECORD.

Mr. PALMISANO. I will.

Mr. BLANTON. I have never had anything to do with the Bureau of Prohibition in the matter of appointing men. I have left such matters entirely to the bureau.

Mr. PALMISANO. The gentleman from Texas criticized me; that is what he did.

Mr. BLANTON. Oh, no.

Mr. PALMISANO. Oh, yes.

Mr. BLANTON. I may say this to the gentleman from Maryland—I want him to get this, and I want all my colleagues to get it—when I made reference to my friend when he was presiding as having been a former bartender, I intended no reflection upon him personally. Why, I knew he is not ashamed of it at all. He thinks it is perfectly all

right. I intended no reflection upon him, but I had a right to call attention to the fact that a former bartender was presiding over the House of Representatives while we passed the beer bill.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, could the gentleman from New York kindly yield me 1 additional minute?

Mr. STALKER. Mr. Chairman, I yield the gentleman from Texas 5 additional minutes.

Mr. BLANTON. I am grateful to my friend for his kindness, because I do want to refresh the memory of the gentleman from Maryland [Mr. PALMISANO] and show him just what happened when I interrupted him when he spoke in behalf of his Resolution No. 99, on March 28, 1928, for I now have the RECORD, and I quote from page 5532 of the daily CONGRESSIONAL RECORD. The gentleman from Maryland got the floor on a question of privilege, he stating "that the superintendent of the Anti-Saloon League, of Maryland, had called him a liar," because he had asserted that "Judge Coleman had permitted the Anti-Saloon League to have him put a gag on the newspapers." And after the gentleman from Maryland [Mr. PALMISANO] had criticized the Anti-Saloon League and many officials, and referred to me as "defending officers who violate the law", I then got him to yield to correct that, and I did then correct it, as shown by the following colloquy, quoted verbatim from the RECORD, to-wit:

Mr. PALMISANO. All agents in Maryland are defended as friends of the court. He was not so fortunate as my friend from Texas in defending officers who violate the law. Now I yield to the gentleman from Texas.

Mr. BLANTON. Now that I have been recognized, I want to make this comment: I never defend a guilty man. I defend the innocent. The Anti-Saloon League, castigated by the gentleman, has a membership of several million good people in the 48 States of the Union. Does the gentleman think it is fair to condemn them all because there may have been some improper men in the Anti-Saloon League?

Mr. PALMISANO. No; but referring to what the gentleman has stated about defending the innocent, I do not think there is a lawyer in the House who ever defended a man charged with crime that he considered a criminal, and that is true of the gentleman from Texas. [Laughter.] So far as the membership of the Anti-Saloon League is concerned, I respect any man who honestly differs with me on the Volstead law.

Mr. BLANTON. In other words, take the great Baptist Church, which may have in it some members who are improper people, men not of good character. Would the gentleman condemn the entire Baptist Church because it has a few members in it who are improper?

Mr. PALMISANO. Mr. Speaker, in reply I do not condemn any class of people as a whole, but I say this: If the Anti-Saloon League of this country is fair, it will dispense with this man, and I think it will, because the people of Maryland have exposed him. The Anti-Saloon League will have to dispense with his services or perhaps take him into some other territory where he is not known.

Mr. BLANTON. Will the gentleman recognize me further?

Mr. PALMISANO. Certainly.

Mr. BLANTON. Take, for instance, the great Secretary of the Treasury, Mr. Andrew Mellon. He belongs to the same church that I belong to, the Presbyterian Church. It has been charged that he has had knowledge all along of the $160,000 of oil money that was donated to the Republican campaign. Would the gentleman condemn the entire Presbyterian Church because it has Mr. Andrew Mellon as a member?

Mr. PALMISANO. I never referred to the gentleman simply because he belongs to the same church as the distinguished Secretary of the Treasury, nor did I have him in mind because of certain remarks made at the other end of the Capitol, that "birds of a feather flock together." I say this, however: I have received information that in the Treasury Department they have a man who was convicted in Virginia of having stills in the State of Virginia, the record of which has been destroyed.

Mr. BLANTON. But the gentleman would not, therefore, condemn the entire Treasury Department?

Mr. PALMISANO. No.

The foregoing is everything that occurred between the gentleman from Maryland and myself. It will be seen that in no way did I defend any man he may have had in mind. Simply because he had it in for the superintendent of the Anti-Saloon League of Maryland, which he knew was a dry organization, and because he knew I was a dry, he connected us together in some way, and imagined that I was taking sides in his controversy, when as a matter of fact, he brought me into it himself by stating that I defended officers, and so forth, when I had made no defense whatever of any officers.

Let me tell you that there can be fanaticism shown on either side of this question. We, colleagues here, have to work together for the interest of the people, and some think one way and some another, but we ought to respect each other's views and we ought to work together. Anything that is good in our wet brothers should be admitted and commended by us drys, and the wets ought to admit the same thing with respect to us.

You know the most wonderful thing to me on earth is that as many million people as God Almighty has been able to create since the beginning of time He has never yet made two of them alike. Every one of them has different fingerprints, different viewpoints, and different physiognomies. It is not strange that all of us do not agree about everything, and yet we can all agree on fundamentals.

If you are to pass a beer bill in spite of us, you wets can help us drys enact a bill that will protect innocent people as far as possible.

I want to say to my good friend here who told so many jokes yesterday that in every State of this Union it was against the law, even when we had saloons, to sell liquor to a minor under 21 years of age. This was when we had saloons and before the eighteenth amendment. You could not sell liquor to a minor in a single State of this Union; hence, why not put a provision in this bill to prevent them from selling it to boys and girls under 18 years of age? Is this unreasonable?

I may say to my technical, parliamentary friend from Connecticut that they do not want this stuff sold in Connecticut to minors.

Mr. GOSS. Now that the gentleman has referred to me by name, will the gentleman yield?

Mr. BLANTON. The gentleman tried to keep me from speaking twice on this bill, but nevertheless I yield.

Mr. GOSS. No; I just wanted to get a ruling on the question. The gentleman knows that.

Mr. BLANTON. The gentleman got his ruling, but I am his friend nevertheless. I yield.

Mr. GOSS. In Connecticut, when you are talking about intoxicating liquor, that is one thing, but I classify this beverage the same as I would soda water in a drug store.

Mr. BLANTON. Would the gentleman use 3.2 percent beer, which is pre-war beer, in his own home and give it to his children?

Mr. GOSS. I would use this nonintoxicating beverage just as I would Coco-Cola or soda water.

Mr. BLANTON. Does the gentleman expect to have it on his sideboard?

Mr. GOSS. I hope to some day, if the gentlemen will go along with us.

Mr. BLANTON. I would say to the gentleman that if I took it myself I would also let my children take it. I have always told my four boys, who are all out of college, "Boys, do as I do and not as I tell you; go along with me and you can do anything you see me do." This is a mighty good way. I say to you that there are a dozen especially dangerous provisions in this bill that you wets can help us drys to perfect. I wish that you would help us do it.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. BLACK].

Mr. BLACK. Mr. Chairman, as far as the House is concerned the broad phases of the prohibition question have gone by. We have passed the resolution for the repeal of the eighteenth amendment and we have passed the beer bill for the national jurisdiction.

The wets instead of the drys are now confronted with problems. The members of the committee who supported beer legislation felt that the wets of the House should do all in their power to redeem the pledges made by the wets throughout the country in order to get popular support for their views on the general question. Having this in mind, we first sought to eliminate by this bill—which, of course,

will be looked at by the entire country—the old-time saloon, and we came to the conclusion that probably the best way to do this would be to provide for two different kinds of licenses, the on-sale license and the off-sale license, the theory being that it would not profit any person merely to sell beer alone. He would have to sell some other commodities in connection either with his on-sale license or his off-sale license, whereas if he could sell for consumption on the premises and for consumption off the premises, in time, his place could degenerate into the old-fashioned saloon, and the real, essential proposition in the committee's plan is the on-sale license and the off-sale license.

The committee is disposed to be very liberal with the House. The committee wants the advice of the House on this bill. The committee is disposed to take from the House any protective amendments so that the main goal of the liberals of this House, the repeal of the eighteenth amendment, will not be interfered with by faulty administration of beer legislation.

The chairman of the committee [Mrs. NORTON] has in mind offering an amendment on the question of sale to minors. I have seen the amendment and I rather believe it will be satisfactory to the House.

On the question of those who shall have the right to obtain licenses, the committee would be willing to accept an amendment that has been drawn by the gentleman from New York [Mr. O'CONNOR] to the effect that nobody guilty of a felony can obtain a license, and nobody guilty of a felony in connection with the national prohibition law shall be able to obtain a license.

But the committee did not think that the ordinary violator, the bartender in a speak-easy or the man on a truck or the ordinary misdemeanant, under the national prohibition acts should be barred from earning a living now that his views of morality are prevailing among the legislators. It seemed ridiculous to the committee to say that for all these years it has been entirely wrong on the moral viewpoint involved, and then having changed its mind to say that those who had a clearer insight into morality than the Congress could not go ahead in accordance with this new morality.

So the committee thought that a man who is an ordinary small violator of the prohibition law, without violating any other law, like murder, assault, or bribery, would not be barred by the legislation.

The committee is anxious to hear from the House. The committee wants to get as good a bill as possible. It is going to be an interesting experiment in legislation to find out if the House can legislate on a proposition in respect to which everybody in the House has some distinct and definite information. [Applause.]

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. WEIDEMAN].

Mr. WEIDEMAN. Mr. Chairman, I want to answer two things the gentleman said about beer and its effects. Incidentally, I would like to have every Member of the House vote for this bill. The committee considered it carefully and impartially.

The gentleman wanted to know if I gave beer to my children. I have a boy 9½ years old, and if he wants beer I would give it to him. I am willing for his mother to develop those moral instincts in him, which will make him temperate. The gentleman from Texas wants to know if we want our children to drink beer and have them grow up to be undersized boys. In our family, which is an old German family, we always had beer, and it did not make me any smaller. I think I am fairly well developed. [Applause.] My training to be temperate was developed by home training, which was imparted by my mother.

Now, if you are going to penalize a man for a misdemeanor it will not work out for the good administration of the law. Al Capone was one of the big violators of the prohibition law, but he was not put in jail for that. He was never convicted of violating the prohibition law. The large operators and violators are never convicted, but it is the small violators who are convicted and put in jail.

I think the bill is a good bill. I do not believe that there should be such restrictions put on it as will hamper the enforcement of the law. I think that the Commissioners ought to have some discretion in regulation and I propose to give it to them. [Applause.]

Mr. STALKER. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. HOEPPEL].

Mr. HOEPPEL. Mr. Chairman and members of the committee, I am sorry to state that for two basic reasons I am opposed to this bill. I am in favor of beer and wine, and I am speaking in the interest of repeal of the eighteenth amendment.

That is one of my basic reasons. The other is that I believe in the right of the people of any community or any place to determine what they wish, and until this question is submitted in a referendum to the people of the District of Columbia, I am opposed to this bill.

I am opposed to the saloon.

I have had 35 years' experience. I have lived with men who drank, and I know what the saloon is. I am opposed to anything that would make it possible for the saloon to return.

I respect the dignity of this Congress too much to lend my vote to any proposition that will cause us to see, perhaps, drunken boys and girls on the streets of this city, who have been brought to that state, not by a vote of their own parents, but by a vote of this Congress.

Mr. BOYLAN. Mr. Chairman, will the gentleman yield?

Mr. HOEPPEL. Yes.

Mr. BOYLAN. Will the gentleman state whether or not they are going to have a referendum in California upon this question, such as he suggests here in the District of Columbia?

Mr. HOEPPEL. We had a referendum there on November 8 last, and they voted wet, and I am going to vote wet on anything of a national character; but I think it is unfair to the people of this District for Members of Congress to come here from a long distance and force the children of the citizens of the District into the temptation of drinking beer without their parents having an opportunity to express themselves on this question.

Mr. McLEOD. Mr. Chairman, will the gentleman yield?

Mr. HOEPPEL. Yes.

Mr. McLEOD. Does the gentleman know that there is no means provided whereby the District can have a referendum?

Mr. HOEPPEL. Yes; and that is what I am opposed to. I believe the people of the District should have the opportunity to express their opinions in their own government. I understand it takes $125,000 a day for the Congress to legislate for the District of Columbia, while these people here have not the liberties that aliens have who are dominated by foreign governments. I say this Congress has no moral right whatever to legislate for the District of Columbia. Let them manage their own affairs. [Applause.]

Mr. Chairman and members of the committee, I oppose the passage of H.R. 3342 because of the principle involved therein which is a complete repudiation of the American-accepted standard of liberty. Our forefathers established this Nation in furtherance of the just slogan of "No taxation without representation."

I am a firm believer in State rights and the self-determination of the people in all problems which concern them. Here we have the monarchical anomaly of seeking to impress the will of Congress upon a corporate entity without in any way ascertaining the wishes of the inhabitants thereof. Despite the fact that the citizens of the District of Columbia are typical of the highest-type citizenry in American life, and despite the fact that numerically they are at least five times greater than is the entity of the State of Nevada, nevertheless Nevada, with its total population of less than one fifth of the District of Columbia, has 2 votes in the Senate and 1 in the House.

The District of Columbia has absolutely no voice in the conduct of its own affairs. Within a democracy, I protest monarchial action by any one body over another without permitting the people so governed to express themselves on the issues involved.

In this same connection I digress to state that in my opinion a democratic reorganization of Congress itself is necessary in order that the voice of the new Members-elect may be equally heard. The fetters and incongruities existing in seniority or divine right of rule should be abrogated in the interest of representative government.

We have heard a great deal in reference to economy, yet we here today are debating question involving the liberties not of an alien but of a kindred people, and at the expense of the taxpayers of the United States we are seeking to perform that which, in justice and in liberty, they themselves should do. It is understood that the deliberations of Congress on District of Columbia affairs cost the Government $125,000 per day. What an unnecessary burden this is on the impoverished taxpayers of our Nation! It is ridiculous to find this Congress, whose Members receive at least $25 per day, legislating on the question of removal of a corpse from one cemetery to another, or to find them legislating on the closing of an alley or the qualifications of a dogcatcher or any other insignificant detail of petty government which a sergeant of police might decide!

The people of the District of Columbia are entitled to the right of self-determination, and if Congress will not relinquish its oligarchy completely, I suggest that in the interest of economy they delegate such authority to at least five feudal lords or commissioners, who should be headed by an imperial potentate or dictator or some kind of an administrator whose duty it would be to perform all the functions of government which now, unfortunately, take so much valuable time of the distinguished Members of Congress, whose time could and should be more profitably employed in the interest of the unemployed and our overburdened taxpayers.

Even alien races, under the domination of foreign governments, and even those in our own Government who are not a hegemonic entity, have more liberties today than have the citizens of the District of Columbia.

The CHAIRMAN. The time of the gentleman from California has expired.

Mrs. NORTON. Mr. Chairman, I, too, believe that the people of this District should have the right to legislate and I should be very glad to consider such a bill giving them the franchise; but in the meantime, since they must depend upon us to legislate and in order to bring them up to an equality with the States with regard to the manufacture and sale of beer, it is absolutely important that we pass this bill today. That is the reason for bringing in this bill, so that the people of the District of Columbia may have the same advantage as the people in the rest of the country when the sale of beer is permitted.

There is little I can add to what has been said here today except on the question which seems to agitate so many Members—respecting minors. I do not believe that 3.2 beer is intoxicating or should be considered intoxicating, because nobody has the capacity to drink enough of it to really become intoxicated. Nevertheless, I should be very glad to and shall offer an amendment today restricting the sale of this beverage to minors in the District of Columbia, and I do so, not because I believe it is going to do the minors any harm but because a great many people seem to think that some advantage might be taken in the places where the beer is on sale and that other kinds of drink may be substituted. Therefore, I should be glad when we come to that part of the bill to offer that amendment. [Applause.]

Unfortunately the people of the District have nothing to say about the national prohibition bill. Therefore, we must speak for them; and I sincerely hope that every Member of the House will legislate for the people of the District, who have no right to express themselves with regard to their own government, just as he would legislate for his own State, and if we do that, I have not a doubt that we shall deal fairly with them today and pass this bill. [Applause.]

The CHAIRMAN. The time of the gentlewoman from New Jersey has expired. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the term "beverages" as used in this act shall include beer, lager beer, ale, porter, and other brewed or fermented beverages containing one half of 1 percent or more of alcohol by volume but not more than 3.2 percent of alcohol by weight.

Mr. SMITH of Virginia. Mr. Chairman, I move to strike out the last word. It seems to me there is a very cogent reason why this bill should be enacted into law promptly—a legal reason—which I have not heard discussed in the consideration of the bill this morning. Gentlemen doubtless recognize that in legislating for the District of Columbia we are legislating in a manner different from any other place we will have to deal with. In other words, we act as a State legislature or as a city council for the District of Columbia. The District of Columbia has at present what is known as the "Sheppard law", providing for the enforcement of the Volstead Act. When the Volstead Act is amended so as to permit the sale of 3.2 percent beer, unless there is some local law in the way, then this beer may be sold ad libitum without any restrictions at every corner grocery store in the city of Washington. It has been decided by one of the lower courts in the District of Columbia, I am informed, that the Sheppard Act, which is the local enforcement act, was repealed by the Volstead Act. It has been so held by one of the courts, and I think that the corporation counsel has stated it is his opinion that that decision is correct. I am not sure about that. However, there is a serious legal question involved, and the belief is that the only enforcement law for the District has been repealed by the Volstead Act, and if that is the case, unless we enact this measure or some other measure, as soon as the change in the Volstead Act because effective beer may be sold over all of the city of Washington without restriction whatever.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. Yes.

Mr. MAY. Does the gentleman not think that makes more imperative the necessity for rigid restrictions on the sale of it?

Mr. SMITH of Virginia. We should pass a law, but we should pass a law which would give the people of the city of Washington all the proper restrictions around this subject that we would like to have at home in the States. My State still has its dry law. The sale of this beer will be unlawful in my State, but if you are going to have a law in the District of Columbia, let us have a law that is good and tight; and I believe this proposed bill is good and tight with some exceptions which I hope will be corrected by amendment as we go along. Let us have a law that is not going to put beer in disrepute before we get fairly started.

Mr. PALMISANO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PALMISANO: Page 1, line 4, commencing with the word "and", strike out through the word "beverages," in line 5, and insert in lieu thereof the following: "wine, similar fermented malt or vinous liquor, and fruit juice."

Mr. PALMISANO. Mr. Chairman, I just want to say to the Members of the House that this language is the same language as was passed in the beer bill. Originally we did not permit wine or grape juice in the bill. That was due to the fact that the original beer bill that passed in this House did not contain that language. Since the language has been adopted in the Senate and approved of by the House, we feel that the people of the District of Columbia ought to have the same rights as the respective States.

Mr. GOSS. Will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. GOSS. Does the gentleman think we should pass this amendment, in view of the statement made by the lady from New Jersey that she intends to offer an amendment to make it illegal to sell to minors under 16? That provision was not in the other bill either.

Mr. PALMISANO. I may say the reason it was not placed in the original bill was the fact that we felt that that provi-

sion should be taken care of by the respective States. In view of the fact that the District of Columbia must have a special act in order to protect itself, there would be no objection to that provision.

Mr. GOSS. The gentleman does not think this beer will be intoxicating?

Mr. PALMISANO. Oh, no, sir. If I had my way, I would leave it entirely in the hands of the commissioners.

Mr. BUCK. Mr. Chairman, I rise in opposition to the amendment. I do so for the reason that I think the House today is engaged in the process of enacting a model bill, and if it is going to enact a model bill I want my colleagues in the House to know that I, representing as I do the largest wine growing and wine-producing State in the Union, believe the amendment offered will be entirely unsatisfactory, and will permit the sale not of a beverage which is either healthful or nonintoxicating but one which could hardly be called more than a violation of the pure-food law itself. We want to see enacted in this law provisions which will safeguard not merely the purchasers of the drinks themselves, to give them healthy and potable beverages, but the interest of the producers of grapes in New York, Ohio, and California, or wherever else they may be produced. I should like to see this amendment defeated, so that when the delegation from California presents to you its conception of what wine legislation should be you may enact into law for the District of Columbia the provisions of such a bill, without having the subject now summarily disposed of. I hope this amendment will be defeated here or that the Senate will take cognizance of it and defeat it there.

I ask unanimous consent, Mr. Chairman, that the amendment may again be reported.

There being no objection, the Clerk again reported the pending amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. PALMISANO].

The question was taken; and on a division (demanded by Mr. PALMISANO) there were ayes 20 and noes 60.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. The Commissioners of the District of Columbia are authorized to issue licenses to persons, firms, corporations, or associations on application duly made therefor for the sale of beverages within the District of Columbia, subject, however, to the limitations and restrictions imposed by this act. The Commissioners shall keep a full record of all applications for licenses, of all recommendations for and remonstrances against the granting of licenses, and of the action taken thereon. The Commissioners may employ such clerical and other assistants as may be necessary to properly inspect and supervise the operations of licensees under this act. The salaries and expenses incident to such work shall be fixed by the commissioners and paid from the funds arising from license fees under this act.

Mr. COCHRAN of Missouri. Mr. Chairman, I offer an amendment, which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN of Missouri: Page 2, line 11, after the word "act," strike out the period, insert a semicolon and the following: "*Provided*, That not more than $25,000 shall be used for such purpose."

Mr. COCHRAN of Missouri. Mr. Chairman, I simply want to say that the section as drawn throws it wide open to the Commissioners of the District of Columbia to use all the money they collect for licenses, if they so desire, for the purpose of employing people to enforce the act.

We have the District of Columbia police, and all that is needed is simply a small clerical force, and I think we should limit the amount that should be used for that purpose.

That is the purpose of my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. COCHRAN].

The amendment was agreed to.

Mr. TARVER. Mr. Chairman, I offer an amendment, which I have sent to the desk.

The Clerk read as follows:

Amendment by Mr. TARVER: On page 2, in line 3, after the word "act", strike out the period, insert a colon and the following: "*Provided*, That sale of such beverages on any property belonging to the United States shall not be licensed nor permitted."

Mr. GOSS. Mr. Chairman, I make the point of order that the amendment is not germane to this section.

The CHAIRMAN (Mr. JONES). This section provides for the issuance of licenses, and certainly the amendment is a restriction or limitation, so it would be in order.

Mr. BLACK. Mr. Chairman, may I be heard?

The CHAIRMAN. The Chair will be glad to hear the gentleman from New York.

Mr. BLACK. Mr. Chairman, this bill provides for the administration of this law by the Commissioners of the District of Columbia. Inasmuch as the Commissioners of the District of Columbia do not have any complete jurisdiction over the buildings in the control of the Federal Government, buildings commonly called Federal buildings, such as this building, I doubt very much that the amendment which the gentleman has offered is germane.

The CHAIRMAN. The Chair thinks that is a further argument in favor of its being germane, because it eliminates those.

The point of order is overruled.

Mr. TARVER. Mr. Chairman, the purpose of this amendment is to prevent the sale of the beverages described in this bill upon property of the United States, which would include its sale in cafeterias operated in the various Government buildings in the District of Columbia and particularly would include the prohibition of its sale in the Capitol of the United States.

I know there is on the statute books a law which purports to prohibit the sale of intoxicating liquors in the Capitol, and it may be insisted that that law is sufficient to accomplish what I am seeking to accomplish by this amendment.

Remember, gentlemen, it is contended here that these beverages are nonintoxicating. It seems to me if there is any question at all about their being nonintoxicating we should consider this: It may very well be that this law will be held constitutional and not in violation of the eighteenth amendment. It may also be held, and would naturally be held as a sequence, that the act prohibiting the sale of intoxicating liquors in the Capitol of the United States has no relation to beverages of this character. So we get down to the question whether or not it is the purpose of the House to authorize the opening of a saloon in the Capitol of the United States.

I think there is no Member here but who knows my attitude. So far as I am concerned, I would not vote for this bill no matter how it is amended. I am opposed to the passage of the bill and expect to vote against it under any circumstance. But I do not believe the majority of the House proposes to authorize or permit the opening of a saloon under the dome of this Capitol. I submit this for your consideration. If it is your purpose to do it, of course, I am in a minority on this issue and it is not within the power of this minority to control it, but I will not believe, until by your votes you have said so, that it is your purpose to authorize the opening of a saloon in the Capitol itself, or for that matter to authorize its being done on any property belonging to the Government of the United States.

The gentleman from New York [Mr. BLACK], by his question, intimated that this is a matter coming within the jurisdiction of the authorities of the Government having control of these various properties. Of course, this is true, but there may be some question as to their probable action and as to the right of the Commissioners of the District of Columbia to license the sale of such liquors on Government property. Why not eliminate these questions by adopting this amendment prohibiting sale on Government property?

A vote for this amendment is an expression of opinion that the Capitol of the United States and the departments of the United States where Government employees work by the thousands should not be turned into saloons, and that the sale of liquors, intoxicating or not, of the alcoholic percentage specified in this bill should not be permitted there; but a vote against the amendment is an indication on the part of Members casting such votes that it is their intention, so far as they can, to open up even the Capitol itself

to the evils which formerly existed in the District when intoxicating liquors were sold here.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes. I take but little of the time of the House.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TARVER. I know nothing about conditions existing in Congress at the time liquors were sold on the first floor. The statements which were challenged by the gentleman from New York [Mr. O'CONNOR] may be true or not. It is not a matter coming within my knowledge; but I do not believe even a small percentage of the membership would like to have a saloon located on the first floor of the Capitol again, or would like to say by their vote to the people of the country that they want to provide a store of beverages in this Capitol for their personal use.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. DIRKSEN. When the gentleman speaks of a saloon, does he imply that the sale in the cloakroom back here of a bottle of 3.2 beer with which to wash down a cheese sandwich makes of that cloakroom a saloon?

Mr. TARVER. In my judgment, and I think in the judgment of every logically minded person in this country, any place where intoxicating liquors are sold is a saloon.

Mr. DIRKSEN. The point is, this beverage is not intoxicating.

[Here the gavel fell.]

Mr. BLACK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment of the gentleman from Georgia gives a picture of the drys in their last retreat, digging in at the Capitol and in the Government office buildings they have owned and controlled for years.

Beer is either intoxicating or it is not. By legislative fiat and by the opinion of scientists we are saying that beer is a nonintoxicant. If it is a nonintoxicant, certainly the strong men of the House and the strong men of the Senate should be allowed to have it. [Laughter.]

Mr. EATON. How about the weak ones?

Mr. BLACK. It might help some of the weak men, too. Certainly this House should not pass a beer bill for the Nation saying that beer is harmless and nonintoxicating and then say in another bill that we will not have it around the House, we will not have it around the Senate, and we will not have it around Federal buildings.

This amendment is put out as propaganda and nothing else. The drys will go out through the country and say: "You can have beer all over the country, but they did not want to pass any intoxicating-beverage proposition for the Capitol Building and for the Federal buildings." It is purely an attempt to put the wets in an inconsistent position.

Mr. TARVER. Mr. Chairman, will the gentleman yield for a question?

Mr. BLACK. I yield.

Mr. TARVER. The wets have been in an inconsistent position all the time.

Mr. BLACK. I do not want to accuse the gentleman from Georgia of being a propagandist, because he took one of the most far-reaching steps that has been taken in the House when he offered the amendment doing away with entrapment, stool pigeons, and such things.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. BLACK. I yield.

Mr. BLANTON. If it is to be sold in the Capitol, in the cloakrooms, in the office buildings, and in the other scores of Government buildings, should not that authority be given by Government officials and not by the Commissioners of the District of Columbia?

Mr. BLACK. I do not care who gives it.

Mr. BLANTON. All on earth this Tarver amendment does is to prevent the Commissioners of the District of Columbia from exercising control over Government buildings.

Mr. BLACK. I should not be surprised if it is given away, but I do not care who controls it.

Mr. BLANTON. I want the absolute control of all Government property here in this District kept in the hands of the officials of the United States, and I do not want District Commissioners attempting to exercise any control over it.

Mr. GLOVER. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I think the gentleman from New York [Mr. BLACK], in his first speech, sounded a very clear note of warning to those of you who are responsible for voting beer back to the various States that will now permit its sale.

Out of the responsibility that is on you now I believe you ought to safeguard this bill. It is to your interest to back up what you have done, if you can do so.

I am glad I am not responsible in any degree for the bringing back of beer to this country; and I am not going to be responsible for bringing it back on a helpless people who have no vote, who cannot come on this floor and express their views as to what they really want [applause]; but may I say to you who stand here today and say this beer is not intoxicating that if you ask the brewers what alcoholic content they used in their beer in the days before prohibition, you will see you have got it in this bill. Blue Ribbon beer contained only 2.75 percent of alcohol by volume. Pabst Milwaukee contained only 4 percent by volume, the same as the alcoholic content provided in this bill. There was but one beer, that made by Anheuser-Busch, which contained more than 4 percent alcohol, the good old Budweiser that you boys liked—that contained 4½ percent. All Mr. Anheuser-Busch and his company have got to do to come under this bill is to reduce the alcoholic content of their beer one half of 1 percent.

I say to you that we are facing the American people today with a proposition that we ought to be cautious about.

You come now with an amendment, and the only restriction that is asked under this amendment of the gentleman from Georgia is that they are not to be permitted to sell this beverage on Government property. If this bill passes today as written, there is nothing to prevent the setting up of a beer establishment right here in the cloakroom and having it sold to every Member of this House. [Applause.] Oh, the gentleman here states that this is what he wants. He ought to go out and put up a saloon if he feels that way about it.

Mr. McLEOD. Will the gentleman yield?

Mr. GLOVER. No; I do not yield.

I may say to you that when you pass this bill you are not only bringing back an intoxicating liquor but you are bringing back one that has been held by the courts to be intoxicating.

This bill contains authorizations for the sale of porter, ale, and wine and 4 percent of alcohol in beer. Any man who has had any experience in dealing with this subject knows this is intoxicating. I should like to see it tried out on some gentleman who has not had long experience, such as some of them say they have had in using it. I say to you that a quart of this stuff is strong enough to make a man who is not accustomed to using it intoxicated and make him fight as quick as a bulldog would fight a rat, and you know it. [Laughter.]

There is no escaping the fact that this is intoxicating. Do not let us fool ourselves. If you want intoxicating liquors back in this country, you ought to be honest enough to say, "I want it, and I am going to vote for it." My opinion is that this is what you are doing when you vote for beer.

[Here the gavel fell.]

Mr. GLOVER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

Mr. BLACK. Mr. Chairman, we must get through with the consideration of this bill, and I object.

Mr. GUYER. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, I do not wish to take all of the 5 minutes of the time of the House. I know how dry you are—I mean how thirsty you are.

I would have offered such an amendment myself had the gentleman from Georgia not done so. I do this on principle. My ideas on this subject are well known to the House.

I believe this bill is unconstitutional just as I believed the other beer bill was unconstitutional. I conscientiously believe this, and believing that I cannot vote for anything that puts one of these beer gardens in the Capitol of the United States.

I may say to the gentleman from Illinois [Mr. DIRKSEN] that if you take Webster's definition of a saloon, you will put a saloon back there in the cloakroom if you sell intoxicating liquors there, because Webster says that a saloon is a place where intoxicating liquors are sold.

Mr. PALMISANO. Mr. Chairman, I move to strike out the last three words, in order to say a word in opposition to the proposed amendment.

I want to say to the members of the committee that if you listen to the gentlemen advocating this amendment they would make you believe you are going to have a saloon in every corner of this building. Under this bill the commissioners are the only ones who can grant a license, and the commissioners have no jurisdiction over this building. You cannot have it in the dining room and you cannot have it in the cloakroom unless a license is obtained, and they will not be able to obtain such a license unless the Speaker of the House authorizes it. So why make a fuss about this amendment?

I ask the members of the committee to vote down this amendment.

Mr. TARVER. Will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. TARVER. Unless you expect the Speaker of the House or the authorities having in charge the House and this section of the Capitol to authorize the sale of this beverage in the Capitol, and unless you expect this to be done in the Senate, why do you object to this amendment, which provides that it shall not be permitted? This amendment would be binding on those in authority in the Capitol as well as in other Government buildings.

Mr. PALMISANO. This amendment would also be binding on the tenant of a Government building anywhere in the District of Columbia.

Mr. McLEOD. Will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. McLEOD. Is it not a fact also that the Code of the District of Columbia provides that the Commissioners of the District have no jurisdiction over any of the Government buildings?

Mr. PALMISANO. I stated that, and said that if the Government were to buy some property for improvement and then abandon the idea of using the property for that purpose and wanted to lease the property, the tenant would be unable to obtain a license, if this amendment were adopted.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. PALMISANO. Yes.

Mr. BLANTON. We have Government buildings scattered all over these 10 square miles and all under different management. Does not the gentleman think it wise for us to put this Tarver amendment in the bill to prevent the Commissioners of the District from exercising jurisdiction? This bill gives the Commissioners the right to control licenses all over the District, if they are not restricted by the Tarver amendment.

Mr. PALMISANO. I am not afraid there will be any such action taken without adopting amendments prohibiting such licenses in a Government building.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. TARVER].

The question was taken; and on a division (demanded by Mr. GUYER) there were—ayes 72, noes 121.

So the amendment was rejected.

Mr. BLANTON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 2, line 7, after the word "assistants", insert a comma and the following: "when appropriations for them are provided for by Congress."

Mr. BLANTON. Mr. Chairman, this is a most important amendment, one that every wet can vote for in the interest of good, sound administration.

With respect to every bureau in the District of Columbia that is a part of the District, before they can appoint a single employee or fix the salary of a single employee the Congress must first approve it. They cannot appoint employees and they cannot fix their salaries until this Congress says so.

Is not that a wise provision? But this bill permits appointments and salaries wholly uncontrolled by Congress. This amendment merely seeks to keep this power in Congress. If you pass this bill as it is, without my amendment, the commissioners can employ new employees and they can pay them as big salaries as they want to without limit, and you will have to appropriate for them according to their will and desire unless you put in this limitation. All my amendment does is to say that cannot be done until Congress furnishes and approves of the program. They must send to the Committee on Appropriations the information of how many employees they want and the amount of their salaries and let the Congress pass on it. Is not that a wise provision? Do you want to pass a bill without restrictions that will give the commissioners authority to appoint employees and fix any salary they please?

Congress passed the Reconstruction Finance Corporation bill without any restrictions, and they are paying officials down there as high as $16,000 a year, when you are now receiving only $8,500. You have to do your work for $8,500, and they are paying men not as able as you are a salary of $16,000 a year.

Mr. GOSS. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. GOSS. The gentleman does not want to be unfair to the House?

Mr. BLANTON. I do not.

Mr. GOSS. We have just adopted a limit of $25,000 by the amendment by the gentleman from Missouri. We adopted that a few minutes ago. This would delay the issuance of licenses until the Appropriations Committee met, and the Lord knows when that will be—it may not be until next year.

Mr. BLANTON. The Committee on Appropriations is in session now; it has been passing on deficiencies, and it brings in a bill whenever it is necessary to do so. You have on that committee 35 Members of the House, a fair cross section of the Representatives of the country, and I am willing to say that two thirds of them are wet. The gentleman need not be afraid of them.

These Commissioners could appoint men at a salary of $12,500 a year. Do you want to do that?

Mr. GOSS. The gentleman knows that they would not do that.

Mr. BLANTON. How does the gentleman know they would not? They could do it. I voted against the Reconstruction Finance Corporation bill because, among other good reasons, they had no restrictions on the employees and the salaries. We tried to get restrictions in the bill, but we could not do it; and now they are paying, as I said, salaries as high as $16,000 per annum. Why not fix the number of these employees and their salaries before you pass this bill? I am asking you to keep the control of these purse strings in your own hands and not put it into the hands of the District Commissioners. [Applause.]

Mr. BLACK. Mr. Chairman, the Tarver amendment was the last ditch in point of place in the fight of the drys, and this is the last ditch in point of time in the fight of the drys. The only purpose of this amendment is to delay the operation of the bill, which is in the usual form, providing for the appointment of inspectors to carry out that work. The Committee on Appropriations has nothing to

do with the policy in the District of Columbia. We must trust the discretion of the Commissioners. They are not going to overstep the mark and appoint somebody who ought not to be appointed, or at some exorbitant salary. The gentleman is just putting the cart before the horse.

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 42, noes 107.

So the amendment was rejected.

The Clerk read as follows:

SEC. 3. It shall be lawful for any brewer or manufacturer to brew within the District of Columbia and sell to licensees any beverage or beverages authorized to be manufactured or brewed by the laws of the United States of America.

Mr. SMITH of Virginia. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. SMITH of Virginia: Page 2, line 12, after the word "any", insert the words "duly licensed."

Mr. SMITH of Virginia. Mr. Chairman, this section of the bill provides for brewing in the District of Columbia. The bill, as at present framed, requires no local license for brewers. They will pay their national license, but they will pay the District of Columbia nothing whatever for the privilege of brewing. I have on the Clerk's desk two amendments on that paragraph. One is that which has just been read, requiring them to get a license, and the other is at the end of the paragraph providing that each brewer shall pay a license fee of $1,000 per annum. I submit the amendments, because I believe, if the brewing industry is to be carried on in the District of Columbia, that they should pay a local license, too, just as they will doubtless be required to pay a local license in every State in the Union. I see no reason why there should be a discrimination in favor of brewers of the District of Columbia. For that reason I offer the amendment, with the hope that it will be adopted.

Mr. BLACK. Mr. Chairman, I understand that these amendments of the gentleman from Virginia are acceptable to the committee.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. Yes.

Mr. O'CONNOR. I hope the gentleman has provided for a fee of $1,000 for each brewery.

Mr. SMITH of Virginia. That amendment has not yet been read.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

Mr. SMITH of Virginia. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. SMITH of Virginia: Page 2, line 16, after the word "America," insert: "All applicants for license as brewers shall pay to the District of Columbia a license fee of $1,000 per annum before such license shall issue."

Mr. SMITH of Virginia. Mr. Chairman, I ask unanimous consent to change that amendment by inserting the words "for each brewery" after the words "per annum."

The CHAIRMAN. Without objection, the Clerk will report the modified amendment.

The Clerk read as follows:

Modified amendment: Insert after the word "annum" the words "for each brewery" so that it will read: "All applicants for license as brewers shall pay to the District of Columbia a license fee of $1,000 per annum for each brewery before such license shall issue."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

Mr. SMITH of Virginia. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. SMITH of Virginia: Page 2, after line 16, insert a new paragraph, as follows:

"It shall be unlawful for any licensee to sell or serve any of the beverages permitted to be licensed under this act to any minor, or to permit the same to be sold or served on his premises."

Mr. BLACK. Mr. Chairman, I reserve the point of order on that.

Mr. SMITH of Virginia. Mr. Chairman, I prepared that language with a series of amendments, and offer it at the point at which I intend to offer it. I have been informed that the committee is going to offer a similar amendment. Therefore, Mr. Chairman, I ask unanimous consent to withdraw the amendment at this point, as the committee will offer an amendment covering the situation.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

The Clerk read as follows:

SEC. 4. Any person, firm, corporation, or association desiring a license for the sale of beverages under this act shall file with the Commissioners of the District of Columbia an application therefor in such form as the commissioners may prescribe. The application shall designate the kind of license desired. Before the license is issued the commissioners shall satisfy themselves of the moral character and financial responsibility of the applicant, appropriateness of the location where such licensed business is to be conducted, taking into consideration the number of such licenses already issued, and generally as to the applicant's fitness for the trust to be reposed. Before any license is issued under this act the commissioners shall determine the whole number of licenses to be issued within the District. Each license shall designate the place of business of the licensee. Each application for a license shall contain:

First. The name and residence of the applicant and how long he has resided within the District of Columbia.

Second. The particular place for which a license is desired designating the same by street and number if practicable; if not, by such other apt description as definitely locates it.

Third. The name of the owner of the premises upon which the business licensed is to be carried on.

Fourth. A statement that the applicant is a citizen of the United States and not less than 21 years of age, and that such applicant has never been convicted of a felony, or been adjudged guilty of violating the laws governing the sale of intoxicating liquors or for the prevention of gambling in the District of Columbia.

Fifth. This application must be verified by the affidavit of the petitioner made before a notary public or other person duly authorized by law to administer oaths. If any false statement is made in any part of said application the applicant or applicants shall be deemed guilty of perjury and upon conviction thereof the license shall be revoked and the applicant subjected to the penalties provided by law for that crime.

Sixth. That the applicant is not the owner of or licensee named in any license then in force.

Seventh. That he intends to carry on the business authorized by the license for himself and not as an agent of any other person and that if licensed he will carry on such for himself and not as the agent for any other person.

Eighth. That the applicant intends to superintend in person the management of the business licensed and that if so licensed he will superintend in person the management of the business.

With the following committee amendments:

Page 3, line 19, after the word "felony," strike out the rest of the paragraph.

The CHAIRMAN. The question is on the committee amendment.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. O'CONNOR. Mr. Chairman, I offer the following substitute for the committee amendment.

The CHAIRMAN. The gentleman from New York offers a substitute amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR as a substitute for the committee amendment: Page 3, line 19, after the word "felony," instead of the committee amendment strike out the words stricken through and insert the words "including any felony under the provisions of the National Prohibition Act."

Mr. O'CONNOR. Mr. Chairman, my amendment may be superfluous, because if we stop at the word "felony", it would include any felony under the National Prohibition Act, but to clarify the situation that was called to our attention by the gentleman from Texas [Mr. BLANTON] this morning, my amendment makes it clear that any person who has been convicted of any felony, including any felony under the

National Prohibition Act, shall not be granted a license. I offer the amendment.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the substitute offered by the gentleman from New York.

I am afraid the gentleman from New York [Mr. O'CONNOR] has capitulated. I understood him to say that he was in favor of the language of this bill, which the committee now proposes to strike out, just as it was first written when introduced, which would prevent licenses from being granted to persons convicted of violating the prohibition laws or the gambling laws.

Mr. O'CONNOR. Pardon me. I did not say that.

Mr. BLANTON. Well, I meant the gentleman was against the granting of any license to any man who had been convicted under the prohibition laws, whether of a felony or not.

Mr. O'CONNOR. I did not say that.

Mr. BLANTON. Then I misunderstood the gentleman. I understood him to say that shortly after this debate began and that was the reason I wanted to compliment him. This is the way the bill reads as first introduced, and which language the committee and the gentleman from New York [Mr. O'CONNOR] now seek to strike out, to wit:

> Who has never been convicted of a felony, or been adjudged guilty of violating the laws governing the sale of intoxicating liquors or for the prevention of gambling in the District of Columbia.

That is the way the bill was first introduced, providing that such an offender could not secure a license, but now the committee is seeking itself to strike out that language so that a man who has been convicted one time or many times of violating the prohibition law, or who could have been a racketeer or a bootlegger or an Al Capone, just so long as he was not convicted of a felony could be granted a license.

Mr. FITZPATRICK. Will the gentleman yield for a question?

Mr. BLANTON. Certainly.

Mr. FITZPATRICK. Several times on the appropriation bills with reference to the enforcement of prohibition we offered amendments providing that men who had committed any kind of a felony could not be employed or put on the rolls of the Prohibition Enforcement Bureau. How did the gentleman vote on those amendments?

Mr. BLANTON. I have never voted to employ any criminal. I asked Colonel Woodcock not to employ such men and not to keep them on his force. I commended Colonel Woodcock when he refused to reinstate two Texans whom he had discharged for drunkenness and improper conduct.

Mr. FITZPATRICK. How did the gentleman vote on that amendment? We only got 61 votes on the amendment.

Mr. BLANTON. I voted with my friend. The gentleman will find me voting to put only first-class men in all Government positions.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BLANTON. I only have a few minutes. I regret that I cannot yield further at this time.

I wish to remind you that in the past there have been palatial gambling houses here in the District of Columbia with thousands of dollars on the table; dice tables, roulette wheels, faro games, poker games, every kind of gambling you can think of, robbing hundreds of Government employees. They have been convicted time after time. But such an offense is a misdemeanor and not a felony. If you strike this provision out of this bill, as the committee asks you to do, the proprietor of such places can get a license to sell beer, even though he may have been convicted a dozen different times.

Mr. MAY. Will the gentleman yield?

Mr. BLANTON. In just a minute. I would gladly yield to my friend but I want to use my own time. All of my time will be gone in a minute.

Do you want to license that kind of man? You will do it if you strike out this provision.

Now, in our lives many of us here have played poker [laughter], but we played with honest men. We did not even have to cut the cards [laughter], but when you play poker or faro or roulette or dice in these dens you are playing against stacked cards and loaded dice and fixed roulette wheels, and they have been robbing some Government clerks and other good citizens for years and years. If you strike out this provision and vote for the committee amendment, you are permitting every one of those gambling-house proprietors to be licensed to sell beer. Do you want to do that? If you do, vote for the committee amendment. If you do not, leave the language as it is, and put some decency in this wet bill.

Mr. MAY. Will the gentleman yield?

Mr. BLANTON. I yield to my friend from Kentucky.

Mr. MAY. If the gentleman wishes to prevent the repeal of the eighteenth amendment, as he does, he should leave it as it is.

Mr. BLANTON. My friend is correct. Beer joints run by former law violators will help us drys keep you wets from repealing the eighteenth amendment. I want to see this great National Capital preserved as a safe place of beauty for the people of the United States to come and visit. It is their Capital. We have provided for them one of the finest tourist camps in the world in Washington, on the Potomac. It does not cost people much to come here to see their Capital and see their institutions, and I want it to be a safe and decent city. I want it to be perfectly safe for men and women and little children. That is why I want you to vote down this committee amendment and not permit licenses to be granted to bootleggers and crooks and professional gamblers who have been convicted of violations of the prohibition laws or who have carried on dishonest gambling houses in the District of Columbia.

The CHAIRMAN (Mr. LOZIER). The time of the gentleman from Texas [Mr. BLANTON] has expired.

Mr. BLACK. Mr. Chairman, the committee is agreeable to the O'Connor amendment. It represents a compromise between two different schools of thought on this question. Some people want everybody to be licensed to sell beer, and others, like the gentleman from Texas [Mr. BLANTON], who plays poker but does not recognize the "new deal", wants nobody to sell. All good legislation is brought about by compromise. The gentleman from New York [Mr. O'CONNOR] is the great compromiser on this question. The committee is willing to accept his amendment.

Mr. STALKER. Mr. Chairman, I ask unanimous consent that the amendment may again be read for information.

There being no objection, the amendment was again reported by the Clerk.

Mr. SMITH of Virginia. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMITH of Virginia. If this amendment prevails, does the language of that paragraph stay in the bill or does it go out under the committee amendment? In other words, is this a substitute?

Mr. BLANTON. The other language goes out of the bill if this amendment is adopted, so that you would be able to license a gambling-house owner.

Mr. SMITH of Virginia. Under the amendment offered by the gentleman from New York the present language stays in the bill, does it not?

Mr. BLACK. No; no. Mr. Chairman, I ask unanimous consent that the Clerk may read the bill as it would read if the O'Connor amendment is adopted.

The CHAIRMAN. Without objection, the Clerk will read the paragraph as it would be amended by the O'Connor amendment.

There was no objection.

The Clerk again read the paragraph with the O'Connor amendment.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, it occurs to me that the substitute proposed by the gentleman from New York would add nothing to the bill, because a felony is a felony whether it be under the national prohibition act or any other act; and it does strike me that people who have operated gambling dens and people who have been convicted under the national prohi-

bition act should be prohibited from securing licenses to sell beer. The thing to do is to vote down the substitute.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. O'CONNOR. Of course, if any of these gentlemen who have been operating these gambling dens we hear of have been convicted of a felony, they can not get a license under the first provision of this section.

Mr. WHITTINGTON. I repeat my argument, answering the gentleman's statement, that the gentleman's substitute would be meaningless. A felony is a felony whether it be under the prohibition act or any other act.

Mr. O'CONNOR. Had the gentleman listened to my first remarks, he would recall that I admitted it was superfluous.

Mr. WHITTINGTON. If it is superfluous, then we ought not to have it in the bill. The thing to do is to vote down the substitute, vote down the committee amendment, and thus leave the language of the bill as it was originally drawn, denying licenses to those convicted of liquor and gambling violations.

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. BLACK. The committee amended the bill by striking out the language in reference to violations of the National Prohibition Act, but left in the bill felonies as disqualifying a man to receive a license. Then a doubt was cast as to whether or not the word "felony" extended to felonies under the National Prohibition Act, and in order to clarify the situation the gentleman from New York [Mr. O'CONNOR] offered the amendment.

Mr. WHITTINGTON. In answer to the gentleman I may say that a felony is a felony. I have high regard for the gentleman's opinions and views, but he is wrong in this matter, and I hope this substitute will be voted down and that the language as originally carried in the bill will be retained. With all deference, his explanation does not explain. I remind the gentleman that convictions cover not merely beer but all intoxicating liquors. The rule is to punish, not reward, those who violate the laws.

Mississippi does not permit common gamblers or drunkards to serve on juries.

The qualification is reasonable and in the interest of law and order. The substitute is merely an excuse to eliminate the qualification. The friends of the bill are in effect legalizing the bootlegger.

Mr. STALKER. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, I believe the bill should remain as written, that not only should the substitute amendment be voted down but the committee amendment as well.

If these amendments prevail, the Commissioners of the District of Columbia will be authorized to license the bootleggers of the District of Columbia. The fact they have been violators of the National Prohibition Act proves they have no respect for the law. If it is the intention of Congress to elevate this business, why not exclude the bootleggers? I believe both these amendments should be voted down.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from New York [Mr. O'CONNOR].

The substitute amendment was rejected.

The CHAIRMAN. The question is on the committee amendment.

Mr. WHITTINGTON. Mr. Chairman, I ask that the committee amendment be again reported so we shall understand it.

The CHAIRMAN. Without objection, the Clerk will again report the committee amendment.

There was no objection.

The Clerk again read the committee amendment.

Mr. BLACK. Mr. Chairman, I wish to be heard on this amendment.

Mr. Chairman, the reason for the committee amendment is that the committee believed that men who have been engaged in this illicit traffic in a minor capacity should not be forced to stay outside the pale of the law, inasmuch as Congress itself has come within the pale of common sense and of decent morals. We believe that men who served, as I say, in these lower capacities did not offend seriously against the Government and should not be deprived of making a living legally in the same capacities they have been making a living illegally while it was a violation of law. It seemed only fair, it seemed only just, and it seems to be in the interest of proper administration of this law. If this law means anything, it means to prevent so many violations of law, and I do not believe that Congress now, after 12 years, having said it has been all wrong on this question as far as beer is concerned, believes that the men who themselves said Congress was all wrong for 12 years and that they would operate anyway should be barred.

It is going to force a great number of men into illicit traffic in liquor. It is going to keep them outside the pale of the law, decent, self-respecting men who by economic stress were forced to go ahead and sell as bartenders beer in violation of the law; and I think it is a crying shame that Members of the House, once having admitted that Congress has been wrong on this question, should not allow these men to go ahead decently and legally and sell. As a matter of fact, the United States Government itself is to a certain extent in the beer business, for the Government is assuming the right to take taxes from beer. If the Government has the right to do this, why is not the Government willing to let these fellows go ahead?

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. BLACK. I yield.

Mr. MAY. I am in sympathy with the conclusions reached by the gentleman, but I think it is a mistake to fix it so the Commissioners can license a man who has been convicted by a court of competent jurisdiction.

Mr. BLACK. Another element entering into the situation is the moral character of the man. This has got to be considered. The commissioners have the power to consider it. They are given some discretion. But it would seem that the mere ipso-facto conviction of a misdemeanor should not bar a man from earning a livelihood in this way, if he is of generally good moral character.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. BLACK. Certainly.

Mr. BLANTON. If we vote for this committee amendment and strike this language out, is it not a fact that a bootlegger can be licensed?

Mr. BLACK. A bootlegger could be licensed, provided——

Mr. BLANTON. Is it not a fact that a gambling-house proprietor could also be licensed?

Mr. BLACK. I refuse to yield any further. I yielded for 1 speech and 1 question but not for 2 speeches.

It is a fact that a bootlegger could be licensed provided the commissioners are satisfied he is a man of good moral character.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. BLACK. Yes.

Mr. FITZPATRICK. Is it not a fact that after the repeal bill was passed, several States freed their prisoners convicted under State prohibition laws?

Mr. BLACK. Yes.

Mr. DINGELL. Will the gentleman yield?

Mr. BLACK. Yes.

Mr. DINGELL. I should like to ask this question, because I think this would solve the problem: Would not an amendment to substitute a period for the comma solve the entire situation?

Mr. BLACK. We have tried to solve it in this way.

Mr. O'CONNOR. Mr. Chairman, I want to make it clear to the gentleman, and I have been trying to make it clear to him, that I am almost with him, but the gentleman does not seem to appreciate it.

Mr. BLANTON. I wish the gentleman were altogether with me. [Laughter.]

Mr. O'CONNOR. I may be some day if they start violating this law.

Under the Jones Act or the so-called "5 and 10 law", with the passage of which the gentleman from Texas and the gentleman from New York [Mr. STALKER], the co-author of the bill, had so much to do, the mere sale of a pint of liquor was a felony. My idea was not to forever prevent the granting of a license to a man who was found guilty solely of being in possession of a little flask of whisky. The sale was made a felony under the Jones law. Under my amendment it is made perfectly clear that a man cannot get a license if he only sold a pint and for such sale was only fined $25. Most of the people throughout the country may think I am a little harsh, but I believe this matter could be clarified if, instead of my amendment, you put in the words, after the word "felony", under the laws of any State or the laws of the United States", so that you would exempt from this harsh proscription the man who was convicted merely of possession or some minor offense under the prohibition law.

I believe it is unfair to do otherwise. He may have taken a plea of guilty with respect to possession to save his employer or to save somebody else, or he may have done it to get rid of the matter. We have what is known as "bargain day" in the United States courts when anybody charged with any violation of the law may come in and the simplest and the cheapest and the most expeditious way is to plead guilty and pay a $10 fine or no fine and get a suspended sentence. The district attorneys have encouraged this procedure. These pleas very often are not correct. Many of the offenders could, probably, prove their innocence if they wanted to take the time and incur the expense of an attorney and wait for their cases to be heard.

I believe if you will just bar the felons and make it clear that it is not only felons under State law, but felons under the laws of the United States, you will meet the purpose that most of us here want to achieve.

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the committee amendment.

This paragraph of the section goes to the character of the licensee and provides, among other things, that he must be not less than 25 years of age and must not have been convicted of a felony.

The committee amendment, Mr. Chairman, in my judgment, is wrong. It would strike from the bill as introduced the language—

or had been adjudged guilty of violating the laws governing the sale of intoxicating liquors.

The sale of intoxicating liquors, even with the passage of the beer bill, is still prohibited if they are spirituous liquors. If this provision of the bill is stricken out or if the committee amendment is adopted, a person may have been convicted of violating the national prohibition laws and still be eligible to be licensed. It does strike me that if we are to have beer legislation in the District, the legislation should be orderly; those in the conduct of the business should be men of good standing and should not be men who have been convicted, under the laws of the United States or of any State, either of a felony or of a misdemeanor with respect to national prohibition or gambling laws.

The gentleman from New York [Mr. O'CONNOR] has suggested an amendment. He said that if a man had been convicted of a felony in violating the laws of the United States or the laws of a State where the sale of liquor or a violation of the liquor law was a felony, he should be debarred. The pending provision goes to a violation of the laws of the United States or the laws enacted by Congress with respect to the District of Columbia. Whatever may be said about beer legislation, whether we be for it or against it, surely Congress can do nothing less than provide for the orderly administration of the law. The law passed for the sale of beer in the District of Columbia will likely be followed by many States. It should provide for the best possible control and regulation.

Congress certainly should provide that those who sell beer shall be men of good reputation, not men who have violated the law, not men who have sold spirituous liquors, not men who have conducted or may have been found guilty of conducting gambling institutions.

I am opposed to the committee amendment, and I trust that the provision as originally introduced may be retained.

Mr. MAY. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. MAY. If a man walks up to the counter to buy beer in the District of Columbia and sees a former bootlegger waiting on him, will not that have a bad effect on the public mind?

Mr. WHITTINGTON. No question about it, in all the States and cities before the eighteenth amendment applicants for licenses were carefully examined and their reputation gone into. Are you going to take off the bridle here and let down the bars and allow the applications of men who violated the law?

Mr. FITZPATRICK. I want to say to the gentleman that we tried to eliminate these men from the pay roll in the enforcement act, and we could only get 61 votes in favor of it, and the gentleman was one who voted against it.

Mr. WHITTINGTON. I have always favored debarring those convicted of violating the law. At the same time I have stood for law observance. The remedy is to change but not to repudiate or encourage if not invite violation of the law. Let me say that under this language all violators who have been convicted of misdemeanors or felonies will be debarred. Every man engaged in the administration of the law ought to be a man of good repute.

Mr. BLANTON. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. BLANTON. When this same bill was favorably reported by this committee in the last Congress it contained this language, which prevented a bootlegger from getting a license. What has caused the gentleman from Maryland and others to change their attitude so quickly?

Mr. WHITTINGTON. Regardless of his change, the gentleman was right then and wrong now.

Under the leave to extend, I call attention to the fact that the provision under consideration prescribes the qualifications of the applicant. He must be a citizen of the United States. License cannot be granted to a foreigner. The applicant must be 21 years of age. He must never have been convicted of a felony. As introduced, the bill further provided that the applicant must never have "been adjudged guilty of violating the laws governing the sale of intoxicating liquors or for the prevention of gambling in the District of Columbia." The committee amendment strikes out the qualifications just mentioned.

I am not discussing the question of whether beer should or should not be sold in the District of Columbia. Personally, I believe that Congress is without authority to provide for the sale of the beer prescribed in this act, which is 3.2 percent by weight or 4 percent by volume. Such beer in pre-Volstead days was the ordinary beer. It was then regarded as intoxicating in fact, if drunk to excess. Such beer, in my opinion, is still intoxicating. It is not within the limits of the Constitution. The Democratic platform favored an immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution. I stand on the platform. I will vote for a modification in accordance with the platform. I cannot vote for a modification in violation of both the platform and the Constitution. The Constitution prohibits the sale of liquors intoxicating in fact. Beer, 3.2 percent by weight or 4 percent by volume, by the great weight of authority and by the adjudications in practically all the States, has been held to be intoxicating in fact. I want to be liberal, but I must comply with the Constitution. I will go so far as to give beer the benefit of any doubt as to alcoholic content—2.75 would be the limit.

While I cannot vote for the beer bill, because I believe it to be in violation of the Constitution, nevertheless I want to perfect it. If beer is to be sold, the sale must be

regulated and controlled. It should be sold by applicants of good reputation and not by violators of the law.

Before the eighteenth amendment all States and municipalities provided restrictions for applicants. If liquor is to be controlled, the applicants must be scrutinized. Those who have violated the laws governing the sale of liquors or for the prevention of gambling should not be licensed.

As I have stated, some States made violations of the liquor laws felonies. In other States violations were misdemeanors. The bill as introduced would make all violators of the laws, whether felonies or misdemeanors, ineligible for a license.

The advocates of beer say that there must be no return of the saloon. The saloon and gambling went hand in hand. The bill provides that those adjudged guilty of violating the laws for prevention of gambling are disqualified. The committee amendment would likewise remove this restriction.

I recognize that the advocates of beer are in the majority. I stand for the orderly processes of the law. There must be regulation and control of the sale of intoxicating liquors. While the sale of beer is authorized on the theory that it is nonintoxicating, the pending bill treats it as intoxicating. Its sale is regulated and controlled. The very fact that such regulations are provided for and that the beer is treated as intoxicating liquors were treated in pre-Volstead days is ample proof that the beer is intoxicating in fact and thus in violation of the Constitution of the United States. Nevertheless, while the law remains in force there should be reasonable regulation and control. The best way to provide for control is not to reward bootleggers and gamblers by granting them licenses.

The argument that former bootleggers will sell again in violation of law unless they are permitted to be applicants is utterly unsound. It is really unthinkable. Congress may legalize beer. The eighteenth amendment may be repealed, but the progress of society will not be advanced by recognizing or rewarding violators of the law. I therefore trust that the committee amendment will be rejected.

[Here the gavel fell.]

Mr. CELLER. Mr. Chairman, I hope the committee amendment will prevail, because if you do not support the committee amendment the very men you inveigh against will be back in the business, but in an illegal way. Rather encourage them to "go straight" and sell properly. Furthermore, these very men have been doing something which you by this act today declare is innocent. By the passage of the repeal of the eighteenth amendment to be presented to the people, bootleggers by your judgment have been doing innocent acts, and why should the bar sinister be continued on them?

The gentleman from Texas has been doing everything in his power to keep the criminal element in the bootlegger business. He has been the first to come here at all times to keep in the enforcement service murderers, crooks, thieves, and criminals of all classes.

Mr. BLANTON. I deny that. I have done no such thing. I have been insisting that all murderers, crooks, thieves, and criminals be sent to the penitentiary. It is from the gentleman himself they have received protection and encouragement.

Mr. CELLER. It does not lie in his mouth today to say what he has said with reference to this subject. He has by his stubborn insistence in keeping nefarious persons in the service done much to discredit prohibition.

Governor Rolph, of California—and I hope others will follow his move—has freed from the jails all who have been convicted of selling liquor, because those violators have done nothing involving moral turpitude. How can there be anything immoral in what they have done? The buyer has never been guilty as is the seller. The gentleman from Texas [Mr. BLANTON] would be the last, as would be the senior Senator from his State, to declare that the man who bought the liquor would be equally guilty with the man who sold it. Yet the buyer is not one whit less or more guilty than the seller. Therefore, as to what these men have been doing, you have put the imprint of innocence on them. Why should you continue to hold them guilty?

Mr. BLANTON. The gentleman from New York has made an incorrect statement both as to my own attitude and as to that of the senior Senator from Texas [Mr. SHEPPARD]. Both of us have stood for just the contrary. The gentleman from New York must be unfamiliar with my House Joint Resolution No. 6, introduced by me on March 9, 1933, now pending before the Committee on the Judiciary, an identical copy of which I had pending in the last Congress.

Mr. CELLER. If they are innocent, they should be free to ply this lawful trade, the trade that you now make lawful. Furthermore, you would be putting an additional penalty upon them which you have no right to do. These innocent men have gone to jail and have suffered. They should not have gone to jail. Men like the gentleman from Texas put them there. The sin is on their heads. Now you say in addition that they shall not make a living, that they shall continue in punishment. That is a grievous wrong, and I do indeed hope the gentlemen will stand by the committee.

Mr. BLANTON. The bootlegger put himself there. His own voluntary acts brought his punishment upon him. And I thank God that no bootlegger has ever received any encouragement from the gentleman from Texas. I am in no way responsible for his downfall.

Mr. PALMISANO. Mr. Chairman, I call attention to the fact that there are three amendments on the Clerk's desk which will require an applicant to make application under oath, and the commissioners have all the authority that you can put into their hands to keep out criminals and bootleggers of the undesirable class. Some little fellow, who may have worked for somebody else, through misfortune may have violated the law once, and then has quit the business. And if you do not agree with the committee, you will prevent such a man from obtaining a license under this law.

Mr. WHITTINGTON. If that theory is true, why put restrictions at all as to age, or as to the commission of a felony, or running a gambling institution?

Mr. PALMISANO. I did not put any age in this.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The question was taken; and on a division (demanded by Mr. STALKER) there were—ayes 129, noes 88.

So the committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 4, line 14, insert, after the word "business", "*Provided*, That in case the applicant be a corporation, firm, or association with more than one place of business, the name of a person or persons who shall be in actual charge of each location of the licensed business shall be designated, and the person or persons so designated shall have all the qualifications of an individual applicant."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Amendment offered by the committee: Page 2, line 20, after the word "therefor", insert the words "under oath."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 2, line 20, after the word "form", insert the following: "and containing such information."

Mr. BLACK. Mr. Chairman, I think we should hear something about that amendment.

Mr. PALMISANO. Mr. Chairman, the applicant must state under oath and in such form containing such information as the Commissioners may desire.

Mr. BLACK. I rather think that amendment is not in conformity with the scheme of the bill. That amendment should have been adopted in case the committee had decided to adopt another amendment, but I think at present it would be very disturbing in the construction of the bill. I think the gentleman has offered it through a mistake. It is not in conformity with the scheme of the bill now. If we had adopted another amendment suggested by the authorities of the District, then this would be a proper amendment. I think it is not necessary under the present scheme of the bill.

Mr. PALMISANO. Of course, the oath is the main thing that we want in the bill. I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Without objection, the amendment will be withdrawn.

There was no objection.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 3, line 1, after the word "consideration", insert a comma and the words "among other things."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. BLACK. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BLACK: Page 4, strike out all of lines 5 and 6.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment. Under this amendment, if you strike out these two lines, a licensee then could have many other beer saloons or joints or parlors or cafes, and so forth, scattered all over Washington. I understood from the committee that they were not in favor of any brewery or other monopoly. Why strike this out? Why not leave the language in?

Mr. BLACK. The reason for striking it out is a simple one. Let us say there is a corporation which owns more than one hotel. Are you going to give them a license for just one hotel and not for the other?

Mr. BLANTON. If they designedly acquire and own 50 so-called "hotels" or "cafes" in Washington, merely to monopolize the beer business, do you want to permit that? They ought not to have the right to monopolize any business, beer or otherwise, in Washington.

Mr. BLACK. But the Committee of the Whole has already adopted an amendment providing for licenses being issued to the ownership of more than one place.

Mr. BLANTON. I cannot yield further. Now, I will tell you what will happen. The great Standard Oil Co. of New Jersey—and I trade with them sometimes—operates the biggest service station in the world down here on Constitution Avenue. It is a wonderful service station, but that is not the only one it has here. It has them scattered all over this city. It has run out competition. It has bought up places and run off the little retail operator. It has stations from one side of Washington to the other. That is what you will provide for under this amendment. Whenever you strike out this language you will permit these big corporations to come in and monopolize the beer business in Washington. They will run out the little fellows, and they will put their chain beer joints from one side of the District to the other. They have plenty of money. They can buy lots and they can build attractive little joints. The gentleman from New York [Mr. BLACK] comes from a place where monopolies thrive. He does not realize the viciousness of this problem.

Mr. PARKER of Georgia. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. PARKER of Georgia. Will the gentleman ask the chairman of the committee if he proposes to strike out 7 and 8? If he does strike out the provisions of paragraph 6, they render the others ineffective.

Mr. BLANTON. Well, this bill when introduced was carefully written by my good friend from Maryland, Mr. PALMISANO, and his assistants in the last Congress. He had some opposition to it in his committee. He overrode all opposition. He reported his bill out in the last Congress. It came here just as he wanted it. It then contained these lines 5 and 6 that are now in paragraph 6. Why does he now want to strike them out? What has come about in so short a time that he now wants to give this protection to monopolies? I think this is one amendment, especially, that ought to be voted down.

Mr. BLACK. Mr. Chairman, after the House adopted the proviso to paragraph 8 there was nothing left to do except strike out paragraph 6, because the proviso permitted the agents of corporations to operate more than one place. If we have paragraph 6 left in the bill, then 7 does not mean anything. If we have 7 in, then 6 does not mean anything. The Committee of the Whole acted on paragraph 7, which was quite natural. Now, it has happened this way: The committee, in reporting the bill, authorized two members of the committee to revise the language of this bill so that there would be no inconsistencies, but, due to the haste and excitement of the public in the District of Columbia to see a beer bill reported, the men in charge reported the bill without making proper revision. In consequence we have met with this situation.

On the material effect of this: There is more than one hotel in the ownership of one management in the city of Washington. There are drug stores scattered all over the city under one management. I have fought the chain stores. I have fought mergers as hard as anybody on the floor of this House. I am against monopolies here and in New York, but I do not believe you will have any successful attack on mergers by such a collateral attack as this. We have to visualize Washington as it is. There are chain stores all over the city and there is more than one hotel under one management.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BLACK. I yield.

Mr. O'CONNOR. My first impression was similar to the impression of the gentleman from Texas [Mr. BLANTON]. This morning I spoke against monopolies, but I realize the difficulties which confront the gentleman. If there are two hotels in the same management, they should be licensed. I suggest to the gentleman that the Commissioners have the power to issue licenses. They should know, however, whether or not a man is the owner of another license. That statement might well be included in the application, and leave it to the Commissioners whether or not they will permit the establishment of a monopoly, which none of us wants.

Mr. BLACK. I accept the suggestion of the gentleman. I ask unanimous consent, Mr. Chairman, to withdraw my amendment, and I will offer an amendment to take its place.

The CHAIRMAN. Without objection, the amendment offered by the gentleman from New York [Mr. BLACK] will be withdrawn.

There was no objection.

Mr. BLACK. I offer an amendment, as follows, Mr. Chairman: On page 4, line 5, after the word "is", add the words "or is", so that it will read "applicant is or is not the owner."

The Clerk read as follows:

Amendment by Mr. BLACK: On page 4, line 5, after the word "is", insert the words "or is."

The amendment was agreed to.

Mr. SMITH of Virginia. Mr. Chairman, I have a series of amendments to this section, if the committee has finished. I offer the first one.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 3, in line 5, after the word "District", strike out the period, insert a comma and the following: "which number may be increased or diminished at any time in the discretion of the Commissioners."

Mr. BLACK. Mr. Chairman, rather than consume any more time considering the matter, the committee has decided to accept the amendment.

The amendment was agreed to.

Mr. SMITH of Virginia. I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 3, in line 7, after the word "license", insert the following: "shall contain the answer of the applicant under oath to such questions as the Commissioners may propound and in addition."

Mr. BLACK. Mr. Chairman, the committee accepts the amendment.

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 3, in line 25, after the word "is", insert the word "knowingly."

Mr. BLACK. The committee accepts the amendment.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 4, line 8, after the word "license", insert the words "in person and."

Mr. BLACK. Mr. Chairman, I think we should hear from the gentleman from Virginia on this amendment.

Mr. SMITH of Virginia. Mr. Chairman, I wish to be heard on this amendment.

Mr. Chairman, the language on page 4, beginning with line 7, as amended by the amendment just offered, would read as follows:

That the applicant intends to carry on the business authorized by the license in person and for himself.

In other words, I am inserting the words "in person" merely for the purpose of tightening up this law a little.

I am rather apprehensive of what may happen unless there is a very strict personal supervision of these places by the person who is supposed to operate them, that is, the licensee—if the licensee does not personally operate it but leaves it to the superintendence of someone else.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. WADSWORTH. Would not the gentleman's amendment completely nullify the perfecting amendment offered by the gentleman from New York [Mr. BLACK] in lines 5 and 6 on the same page? Would it not have the result of preventing the management of two hotels, for instance, securing a license to sell in both at the same time?

Mr. SMITH of Virginia. That may be true. I merely offer the amendment for what it is worth. I believe this provision should be more stringent. It is my personal opinion that one person ought not to have more than one license, and that he should give his personal supervision to the business.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was rejected.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 4, line 11, strike out the word "superintend" and insert in lieu thereof the word "conduct", and on page 4, line 13, strike out the word "superintend" and insert the word "conduct."

Mr. BLACK. Mr. Chairman, the committee has the same objection to this that was made by the gentleman from New York to the last amendment. The committee does not care to accept this amendment. It is not in harmony with the rest of the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was rejected.

The Clerk read as follows:

SEC. 5. Licenses issued under authority of this act shall be of two kinds: (a) "On sale" licenses, which shall permit the licensee to sell beverages for consumption on the premises only; and (b) "off sale" licenses, which shall permit the licensee to sell beverages in original packages for consumption off the premises only.

Mr. BLANTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: On page 4, line 25, after section 5, insert the following new section, to wit:

"SEC. 5 (a). It shall be unlawful to give or sell any of the above beverages on Sunday or to persons under 18 years of age. Any person violating this provision shall be subject to a fine not exceeding $100 or be imprisoned not to exceed 6 months."

Mr. GOSS. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. GOSS. Mr. Chairman, I make the point of order the amendment is not germane to the bill or to the section.

Mr. BLANTON. If the Chair is in doubt about it, I should like to be heard. The amendment is germane to both the bill and the section.

The CHAIRMAN. The Chair would like to hear from the gentleman from Connecticut on the point of order.

Mr. GOSS. Mr. Chairman, rule XVI states that two subjects are not necessarily germane because they are related. There are many places in the rules and precedents where the statement is made that if by either committee amendment or amendments from the floor new matter is injected into the matter under consideration, it would not be in order, under the rule of germaneness, just because the two matters are related.

The bill states:

SEC. 5. Licenses issued under authority of this act shall be of two kinds: (a) "On sale" licenses, which shall permit the licensee to sell beverages for consumption on the premises only; and (b) "off sale" licenses, which shall permit the licensee to sell beverages in original packages for consumption off the premises only.

From the standpoint of germaneness this section has nothing to do with the age of the applicant, the purchaser, or with the Sunday situation. The amendment is a blue law, as it were. Furthermore, the beer is not intoxicating anyway. Coca-Cola is sold in drug stores. If these are nonintoxicating beverages, why differentiate against them?

Mr. BLANTON. Mr. Chairman, section 5 provides for licenses as to both retail and wholesale handling of this liquor. It provides for licenses to sell this liquor to be drunk on the premises or to be taken away to be drunk elsewhere. Any matter that pertains to how it shall be sold, when it shall be sold, or to whom it shall be sold is germane to the bill and is a proper limitation under the bill.

Mr. O'CONNOR. Mr. Chairman, I should like to be heard on the point of order.

The CHAIRMAN. The Chair recognizes the gentleman from New York.

Mr. O'CONNOR. This amendment is not germane to this particular section. The chairman of the committee proposes to introduce a similar amendment when we come to the matter of violations.

The CHAIRMAN. This particular section deals with the kinds of licenses and imposes no restrictions whatever.

The particular amendment that is offered deals with dates and also with age limits in the form of restriction.

The amendment would be germane to a later section in the bill and, of course, could be offered at that point, but it seems to be not germane to this particular section.

Mr. BLANTON. Did the Chair note that I offered it as a new paragraph?

The CHAIRMAN. The Chair so understands, but it must be germane to the part of the bill to which it is offered. It is germane to a later section of the bill, and the gentleman may offer it at that point.

The Clerk read as follows:

SEC. 6. All applicants for "on sale" licenses shall pay to the District of Columbia a license fee of $100 per annum, the same

to be paid before the license is issued. "Off sale" license fees shall be $25 per annum payable in like manner. Each kind of license shall be good for 1 year from its date unless sooner revoked by the Commissioners of the District of Columbia.

With the following committee amendment:

Line 4, page 5, strike out "$25" and insert in lieu thereof "$50."

The committee amendment was agreed to.

Mr. O'CONNOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: On page 5, in line 2, strike out "$100" and insert in lieu thereof "$250."

Mr. O'CONNOR. Mr. Chairman, I do not believe there was ever such a small license fee in connection with the sale of any similar beverage anywhere. As I said early in the day I think $100 is ridiculously low and that it should be at least $250 for this license where they sell the beverages on the premises.

Mr. PALMISANO. Mr. Chairman, the gentleman from New York does not take into consideration that besides a $100 license fee they will have to pay $1 for each barrel of beer sold under this bill. If you were to strike out the tax of $1 a barrel, then it would be all right to raise this to $250, but you are charging the licensee under this bill a dollar for every barrel of beer he sells and if he sells a barrel a day, in addition to the $100 which he has to pay for his license, he will pay $312 more, assuming you do not permit the sale of beer on Sunday.

Mr. STALKER. Will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. STALKER. Did the gentleman read in today's paper where the brewers propose to charge 10 cents a glass for this beer in the District?

Mr. PALMISANO. I am glad the gentleman from New York has brought up that question. There will be no 5-cent glass of beer under this bill unless you go into the sections where rents are cheap.

I stated before when I offered an amendment to the original bill in the Seventy-second Congress that the tax is entirely too high. The Federal Government is taxing this beer $5 a barrel when the truth is that from 1862 until 1914 the tax was never more than $1 a barrel. Today you are taxing it $5 a barrel and besides this you are taxing the people of the District an additional $1 a barrel, which will mean $6 a barrel.

Mr. CELLER. Will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. CELLER. I have been in consultation with a number of the brewers and they tell me the average price per barrel of beer of 31 gallons will be $12. If you superimpose on $12 a $5 general tax and the $1 tax which you have in this bill, you have a total of $18. Furthermore, all that the retailer could get out of a 31-gallon barrel of beer, dishing it out in 8-ounce glasses, would be from $20 to $21, allowing for a wastage of 10 percent. So all you would allow for the retailer would be the difference between $20 or $21 and $18 or $19, and if you add to this a license tax of $250 you would make it still more nearly prohibitive. So the license must be reasonable, otherwise it will avail nothing for purposes of profit.

Mr. PALMISANO. Mr. Chairman, I cannot understand the gentleman from New York [Mr. O'CONNOR]. I stated before when he offered an amendment to the original beer bill providing for a tax of $7.50 a barrel that if the amendment were to prevail, as far as Maryland was concerned we would not want any beer, because you would take it away from the very class of people we are endeavoring to give this beer, and that is the workingman. [Applause.]

You cannot sell an 8-ounce glass of beer of the best quality under the present law for 5 cents. Before the war a 16-ounce glass of beer obtained, but during these hard times you are going to say to the man who is unable to obtain any employment that the beer that he could buy before the war for 5 cents he will now have to pay 10 cents.

[Here the gavel fell.]

Mr. KNUTSON. Mr. Chairman, I ask unanimous consent that the gentleman may have 3 additional minutes. I would like to ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KNUTSON. Will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. KNUTSON. What is the use of passing this legislation if the retail price of beer is going to be so high that the ordinary man cannot afford to buy, and what revenue will be derived from its sale?

Mr. PALMISANO. I make the statement that all your predictions about $125,000,000 or $200,000,000 of revenue to be obtained under the beer law will be wrong and you will not get $75,000,000, because you are putting it beyond the reach of the workingman. It will not be consumed, and if it is not consumed, you will not get the revenue. [Applause.]

Mr. O'CONNOR. Will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. O'CONNOR. The gentleman can never accuse me of not being anxious to get beer for the consumer. I stood on this floor when they had up the beer bill and someone took me to task for saying that the brewers were going to profiteer and that they would charge $25 for the first barrel that came out of the brewery. The truth is now coming out. My colleague from New York today tells us that the brewers say they have got to get $12 for a barrel of beer.

Before prohibition they never got over $5 for any barrel of beer they produced. They appeared before our committee and told us that they could put out beer with a $7.50 tax at $13.50. Now they start out at $12, with a $5 tax.

Mr. PALMISANO. I want to say to the gentleman that I stated before the Ways and Means Committee that the price of beer would be between $11 and $12 per barrel; my prediction was based on what they charged before prohibition—five and a half to six dollars a barrel; the tax was then $1 a barrel. It is a fair presumption that with a $5 tax, they would charge $11 to $12. According to the committee's report, the brewers claim that they would charge $6.38 over and above the tax; it would make it come to about $11.38.

Mr. KNUTSON. With reference to the point raised by the gentleman from New York [Mr. O'CONNOR] will not that be regulated by the law of supply and demand?

Mr. PALMISANO. Unquestionably.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. O'CONNOR].

The question was taken, and the amendment was rejected.

Mrs. NORTON. Mr. Chairman, I move to strike out the last word. When we started on this bill I had no idea there could be so much talk on beer. I thought we had exhausted every argument with reference to that subject. [Laughter.] I find that we are now in the position of wasting a lot of time on nonessentials.

In view of the information I have just received that if we can finish the bill this afternoon, say, by 4.30 o'clock, the hard-working Members of the House will have a little vacation until next Monday morning, I sincerely hope you will assist by taking no unnecessary time. I am sure you are as anxious as I am to get away for a much needed rest. I hope the Members of the House will cooperate in the consideration of these amendments. I do not want to shut off any necessary debate on the bill, but I ask you to be as quick as you can in deciding what you want and what is necessary, so that the bill may be completed by half past 4. [Applause.]

Mr. SMITH of Virginia. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 5, line 2, strike out the figures "$100" and insert in lieu thereof the figures "$200."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken, and the amendment was rejected.

Mr. SMITH of Virginia. Mr. Chairman, I offer the following amendment:

The Clerk read as follows:

Page 5, line 5, after the word "good," strike out the words "for 1 year from its date" and insert "to the end of the fiscal year in which granted."

Mr. SMITH of Virginia. Mr. Chairman, under the law as drawn it provides that these licenses shall be issued from time to time during the year. They will thus be expiring at all times during the year. Therefore, there will be more machinery to be operated and a great deal more trouble about renewing a license, one today and another tomorrow. The purpose of this amendment is to provide that when first granted they shall expire with the fiscal year, and then all licenses will be granted at the end of each fiscal year, all at the same time, and the whole matter will be disposed of at one time, all expiring at one time.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. Yes.

Mr. GOSS. I want to find out if the gentleman prorates the fee for this license on the partial year. The amendment does not say so. So in reality, if the amendment be adopted, it would really increase the fee.

Mr. SMITH of Virginia. I have an amendment, in line 2, page 5, after the word "fee," to add "at the rate of." I do not know whether the Clerk has read that or not.

Mr. KNUTSON. Mr. Chairman, let us have the amendment read again.

The CHAIRMAN. As the Chair understands, the gentleman from Virginia asks unanimous consent to modify his amendment. Is there objection?

Mr. PARKER of Georgia. Mr. Chairman, I object.

The CHAIRMAN. Without objection, the Clerk will again report the amendment offered by the gentleman from Virginia.

There was no objection and the Clerk again reported the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. KVALE) there were—ayes 36, noes 69.

So the amendment was rejected.

Mr. VINSON of Kentucky. Mr. Chairman, I move to strike out the last word and ask unanimous consent to revise and extend my remarks in the RECORD on H.R. 2820, the veterans' legislation, including certain excerpts from a speech made by me on May 3, 1932, on the same subject.

The CHAIRMAN. Is there objection?

Mr. LEHLBACH. Is such a request proper in the Committee of the Whole?

The CHAIRMAN. The gentleman has made some statements on it heretofore. Is there objection?

There was no objection.

Mr. VINSON of Kentucky. Mr. Chairman, ladies and gentlemen of the committee, I take this opportunity for expressing my views upon H.R. 2820, the bill which vested the President with power to rewrite the veterans' laws and which carried a reduction in salary of Federal employees. I have bided my time so that I might discuss the matter calmly and without heat. I impugn the motives of no one who supported said measure. In my 7 years' service here I have cast many votes which at the time did not meet the approval of all. This is the first time I have ever explained a vote after it was cast. If I had not spoken on the subject during its consideration, and given my reasons therefor, I have permitted time to answer my critics. In this instance, however, my vote upon this measure has been misunderstood, even to the point that disloyalty to the President of the United States was charged in the Courier-Journal and Times, published outside of my district. In short words, such charge is a malicious, willful, damnable lie.

At the time the vote was cast and now there is no man in this Congress that will stand by our great President longer or suffer more for him than will I. Others seem to think that my motives were political; they are simply measuring my corn in their half bushel. The easy vote was "aye", and lay all responsibility in the future administration of veterans' legislation upon the shoulders of our President. I know it took more courage for me to follow my judgment and my conscience in that vote than to have said "aye" and hide behind the President of the United States.

Last year an effort was made to wipe off all veterans' legislation without any opportunity given veterans and their representatives to be heard. I opposed that measure and made a speech on the floor which I will hereinafter insert. It should be said that the substitute provision for this summary legislation saw the appointment of a joint committee with authority to investigate all veterans' legislation and to make recommendations for a national policy. This committee as yet has not reported, even though they spent months in the study of this great subject.

I have supported and I will support our President in all emergency legislation. The soldiery of our wars will gladly do likewise, but it was apparent to me that this was not emergency legislation in the sense that it needed action on that particular day, without hearings and without opportunity to amend the bill. First, that part referring to Federal employees provided for a definite cut for a definite period. For veterans it was the power in the Executive to rewrite all veterans' legislation as permanent law. In other words, as affecting Federal employees the cut was 15 percent for a limited period. For the veterans the cut was 100 percent in many instances, and permanent at that. I cannot justify the attitude of the Congress in the name of economy in cutting their own salary and other Federal employees 15 percent—which is, in the case of Senators and Congressmen, an additional cut of only 5 percent over the cut now in effect—and seeing groups of veterans cut 50 percent and 100 percent.

Another reason I did not consider it an emergency measure—one necessary for passage without hearings or opportunity for amendment—the saving was to balance the Budget for the fiscal year 1934, which begins July 1 of this year. The Senate took 3 days and 2 night sessions for consideration, after hearings before regular committee.

I want to set forth the conditions as they existed on Saturday, March 11, when I voted against this particular measure. Boiled down, there were four reasons for my opposing the measure at that time:

First. The consideration of the bill: (a) No hearings before the committee; (b) no explanation of the bill in the report of the committee; (c) no detailed information on the floor concerning the effect of the bill; (d) lack of time to make personal investigation; (e) no opportunity given to amend it.

Second. It was not such temporary emergency legislation as would justify support without proper consideration.

Third. It was contrary to my oft-expressed views and pledges.

Fourth. It is unconstitutional, in my opinion, in that it vests legislative authority in the Executive.

THE CONSIDERATION OF THE BILL

Upon Friday, March 10, the President's message was conveyed to the House.

That afternoon a resolution for the appointment of a special committee to handle this measure was passed. At the conclusion of the business of the day, five gentlemen were appointed upon this committee. Sometime Friday the bill was introduced. It could not have been referred to the special committee until after its appointment. The regular routine would have been to have submitted this bill to the veterans committee for its report. Never have I seen the procedure that was followed in the consideration of this measure. Never have I heard of such a course being pursued. A copy of the bill was not available to Members until about 10 o'clock Saturday morning, at which time a Democratic caucus was called. The committee held no hearings on the bill. The report which ordinarily sets up in detail the facts and the provisions of the bill failed utterly in that respect. The report contained 8½ pages. Seven and one-

half pages were merely a copy of the bill itself; the one page of the report gave no explanation of its contents.

The caucus was called to bind Democratic Members to support the bill. During its proceedings, Congressman BROWNING, of Tennessee, a very able and distinguished member of the Judiciary Committee, introduced an amendment to restrict the cuts in veterans' pay to a limit of 25 percent. His motion was adopted by some 40 or 50 majority. Thereupon a roll call in the caucus was had upon the resolution to bind the Democrats to support the bill and said amendment. The press accounts do not carry correctly the facts in respect of this vote. More than two thirds of the Democratic membership on a roll-call vote supported the resolution binding the caucus to support the bill with the Browning amendment. I voted "aye" both in the standing vote and the roll call in the caucus, but before the result was announced binding the caucus to support the bill with the Browning amendment, some 14 Members changed their votes from "aye" to "no." The final announcement did not show that two thirds had voted to bind the caucus. There were 178 Democrats to bind the caucus with the Browning amendment, and 108 against it.

A member of the Kentucky delegation, JOHN YOUNG BROWN, who so viciously attacks the gentlemen who did not vote as he did on final passage of the bill, actually voted to bind the caucus to support the bill with the Browning amendment on the roll-call vote. I understand that he was one who later changed his vote. I wonder if there was any disloyalty in his mind at the time he said "aye", or whether he was voting in accordance with his intellect and conscience. I take the liberty of saying that our leaders in the present Congress on the roll call just referred to, voted to bind the Democrats to support the bill with the Browning amendment—one at least changed his vote. No one would, for a moment, say that these great leaders of Democracy were in the least degree disloyal to the President of the United States when they first voted in the manner they did. Every member of the Kentucky delegation voted to bind the bill with said amendment. BROWN alone changed his vote. There was no thought of disloyalty in their minds and there was no thought of disloyalty in my mind.

Upon adjournment of the caucus the House immediately convened. The bill was immediately taken up for consideration. One hour's debate on the side was agreed upon. Two gentlemen favoring the bill governed the time. Only those whom they selected could speak in opposition to the bill. I never saw that before in my experience here. Nobody explained the bill in detail, or attempted to explain it. The CONGRESSIONAL RECORD for that date will bear me witness. No real showing was made that it was emergency legislation. The employees' cut was temporary—for the emergency; the veterans cut, permanent. The Budget that it would balance begins July 1, 1933, and ends July 1, 1934. At the conclusion of this meager consideration, Mr. BROWNING desired to offer the amendment adopted in caucus for the 25 percent cut of all veterans' pay. He was not permitted to offer his amendment for a vote upon it. Such were the conditions under which this vote was taken.

When it got to the Senate, the bill was referred to the regular committee. They held hearings and debated the measure for 3 days and in 2 night sessions. Full opportunity to offer amendments was given. At one time Senator PAT HARRISON, chairman of the Finance Committee and spokesman for the administration (certainly representing the President), offered some 29 committee amendments which were agreed to without a single protest. Certainly, these amendments must have embodied the viewpoint of our President; evidently they cured injustices and discriminations that he desired to be cured. All told there were 44 amendments to the House bill adopted in the Senate, which facts show the haste in which the bill was considered in the House.

SENATE AMENDMENTS

I will discuss some of them, showing their nature and effect.

Amendment no. 4 reads:

Provided, That nothing contained in this title shall deny a pension to a Spanish-American War veteran past the age of 62 years entitled to a pension under existing law, but the President may reduce the rate of pension as he may deem proper.

This would insure the granting of a pension to a Spanish-American War veteran who has pased 62 years and entitled to a pension under existing laws. This proviso prevents his being cut off the pension rolls, but permits the President to reduce the rate as he sees proper.

Amendment no. 7 provides that veterans of any war suffering with tuberculosis or nervous ailments shall have hospital treatment.

Amendments no. 10 and no. 11 took care of some 100 cases where the injury was sustained during the World War service, even though it occurred subsequent to November 11, 1918. The bill which I opposed required that such disabilities must have occurred in service prior to such date.

Amendment no. 19 adds this language:

Or on any judgment heretofore rendered in a court of competent jurisdiction in any suit on a contract of yearly renewable term insurance, or which may hereafter be rendered in any such suit now pending.

This provision prevents the dismissal of any suit now pending in the Federal court upon war-risk insurance where there is a plea of total permanent disability. Further, it compels payment of any judgment rendered upon such policies heretofore. In other words, the bill which I opposed prevented the payment of a judgment rendered in Federal court of the United States upon such policy and would have finally dismissed all suits now pending in said court. The Government insurance policies carry a total permanent disability clause. The soldier paid for this insurance during the World War, and many of them since discharge. I have such a policy and I know the conditions which it contains. It cost me $6.60 a month while I was in the service; and when I converted it into an ordinary life policy, it now costs me $175.20 a year. This is very little less than an ordinary life policy with a regular insurance company taken at the same time. Were a person to suggest invalidating a contract in an ordinary life policy, constitutional guaranty against the impairment of contract would bar the way. I feel certain that such constitutional guaranty should be successfully invoked in this instance.

My friends, this is a civil contract, for which the insured has paid his full consideration; it is a binding obligation upon the Federal Government to pay the face of the policy in accordance with its terms when the insured becomes totally and permanently disabled. It certainly is proper for the insured, or the representative of the insured, to file application with the Government and have determination by the Veterans' Administration; but to me it is unthinkable that if some board find this fact against the insured or his representative, which finding is approved by the Director of Veterans' Administration, that such insured or representative of said insured shall not have opportunity in a proper judicial proceeding to establish the fact that such total and permanent disability existed. The bill which I opposed precludes forever any judicial determination of such fact and made final and conclusive the action of the agent of the Government who had decided the case in its favor. What would any fair-minded man say if the Federal Congress were to pass a law making final and conclusive the decision of a life-insurance company that an application for benefits under the total permanent disability clause in his policy of insurance was final, conclusive, and not reviewable in the courts? Exactly such condition existed in the bill which I opposed last Saturday.

Amendment no. 20 reads as follows:

Provided further, That, subject to such regulations as the President may prescribe, allowances may be granted for burial and funeral expenses and transportation of the bodies (including preparation of the bodies) of deceased veterans of any war to the places of burial thereof in a sum not to exceed $107 in any one case.

Can anyone complain of leaving this provision of law in effect?

Amendment no. 21 reads as follows:

The provisions of this title shall not apply to compensation or pension (except as to rates, time of entry into active service, and special statutory allowances) being paid to veterans disabled, or dependents of veterans who died, as the result of disease or injury directly connected with active military or naval service (without benefit of statutory or regulatory presumption of service connection) pursuant to the provisions of the laws in effect on the date of enactment of this act. The term "compensation or pension" as used in this paragraph shall not be construed to include emergency officers' retired pay referred to in section 10 of this title.

This amendment prevents the removal from the compensation rolls of all veterans whose disabilities are actually traceable to direct service. It gives discretion to readjust rates but precludes any such veteran from being deprived of compensation for service-connected disabilities.

Amendment no. 25 reads as follows:

SEC. 19. The regulations issued by the President under this title which are in effect at the expiration of 2 years after the date of enactment of this act shall continue in effect without further change or modification until the Congress by law shall otherwise provide.

This amendment is self-explanatory.

The foregoing amendments came back to the House on Thursday, March 16, and were agreed to by the House. I voted for the amendments. They liberalize the House bill very materially.

The Clark amendment: A distinguished son of a distinguished Democrat offered an amendment in the Senate to cut 25 percent all veterans' pay, whether disability allowance or compensation. It was rejected by a vote of 28 to 45, with 21 Senators not voting. This amendment would have cut $206,000,000 from the veterans' pay, which, with $120,000,000 from employees, makes a total saving of $326,000,000. It was strictly in conformity with the platform. The gentleman who introduced this was Senator BENNETT CLARK, son of that well-beloved Democratic leader, Hon. Champ Clark, of Missouri.

So it is apparent that the President was perfectly agreeable to the 44 amendments adopted by the Senate.

The press in commenting upon the votes favoring the Senate amendments left the impression that such a vote was a change in position for those who opposed the original bill. That is wholly inaccurate. The vote was on the Senate amendments. These amendments had removed several hardships and injustices. The Speaker, upon several occasions, stated definitely that this vote was on the adoption of the Senate amendments. My vote favoring the Senate amendments was in nowise indicative of any change in attitude originally expressed on the House bill.

IT WAS NOT SUCH TEMPORARY EMERGENCY LEGISLATION AS WOULD JUSTIFY SUPPORT WITHOUT PROPER CONSIDERATION

At the time of the vicious attack in the Courier-Journal last Monday, the bill through the press, had been considered solely as an economy measure—a Budget-balancing proposal. But Budget balancing was not necessary to be done in the manner we have set forth. I realized at the time I cast my vote that money would be saved the Federal Treasury by the passage of this bill. But I realized that this bill went farther than Budget-balancing purpose—it was pension reform legislation—a complete rewriting of all veterans legislation on the statute books. There can be no question that it is the repeal of veterans' legislation with the authority in the Executive to rewrite the law subject to the limitations set forth in this measure. No limitation was placed on it by the House—none was permitted. The Senate put 44 amendments in it.

I repeat there can be no question as to this fact. I say this on no less authority than the Courier-Journal itself. In its editorial column of Friday, March 17, it says:

To call this act merely an "economy measure" obscures its real merit and robs President Roosevelt of credit for a much more magnificent achievement. It could not have passed but for the dire strait of public finances. It doubtless will drastically cut the National Budget, but it in essence is pension reform.

The Courier-Journal knew this fact existed at the time it wrote its dastardly character-assassination editorial. But knowing it, the editorial was pitched upon a failure to respond to Budget balancing. My friends, I know something about Budget balancing for the Federal Government. I am on the committee that will respond to the call of the President if there is a new tax bill. I knew that this legislation for war casualties was not presented solely as an "economy measure." It had the economy features, but with it was the pension-reform legislation of which the Courier-Journal now speaks. Can anyone say that pension-reform legislation was so urgent in nature as to justify the manner and form of its presentation and consideration to the House? Such high authority makes it unnecessary to discuss further the fact that it was not emergency legislation, such that would justify its passage with so hasty consideration.

Likewise, the same editorial is pitiful in its discussion of the constitutional phase of the subject. It is also high authority for the lack of constitutionality. It admits that the power to legislate upon this subject was taken away from Congress. However, the views as to constitutionality are personal, and I intend no criticism of our President relating to his view on this point.

IT WAS CONTRARY TO MY OFT-EXPRESSED VIEWS AND PLEDGES

My stand toward the veterans is well known in my congressional district. After each session of Congress—save the last one, when we immediately went into this special session—I have taken pains to inform the district of my activities and votes upon all major legislation. In public speech I have stood upon my record, and they have been splendid in their attitude toward me.

In the State-wide primary and general election I voiced my record relative to soldier legislation. There has been no effort on my part to dodge any issue in conjunction with soldiers' legislation. I wrote the minority report of 10 members of the Ways and Means Committee and opened debate for the payment of the bonus with currency issued under the Owen plan. This was a currency-expansion bill which received very severe criticism from many of my friends and all my political enemies, including the Courier-Journal and Times. When I came to Washington in November, I was asked by a Courier-Journal correspondent what I considered the most important legislation with which to start off the session. I replied, "Controlled expansion of currency." These unfriendly newspapers rode me for such thought. I had spent weeks listening to the money experts, and mine was a conscientious conclusion. Today currency expansion, all of which is sound money, is the hope and salvation of saving our banking institutions and the Nation. I verily believe that if the bonus bill had passed with the issuance of $2,400,000,000 of currency under the control feature set up in the Owen amendment, it would have prevented our present condition, which all now admit comes from a shortage of currency. The controlled currency under the bonus bill might be likened to preventive medicine—like an inoculation against typhoid fever. We failed to perform the inoculation, and now the effects of the dread disease is upon us. In my humble judgment, the bonus money, leaving aside the soldiers' benefit, would have been the greatest blessing of our trying hours. If anyone cares to look up my speech on this subject, they will find that I said as much.

Last year in the consideration of the so-called "economy bill" I supported the committee on the pay cut which would have provided the greatest saving. In addition thereto I voted for the McReynolds amendment, which provided a cut of 20 percent for salaries of Members of Congress. That cut would have made the Members of Congress suffer the largest salary reduction. In addition thereto I voted for a reduction of mileage 25 percent, stationary allowance 33⅓ percent. Many folks do not know that Congressmen voted these cuts for the present fiscal year. Our salary cut now is 10 percent. I voted for the reorganization in the executive departments; I voted for a single department of national defense, said to effect a saving of between fifty and one hundred million dollars per year; I supported such measure in 1926, when I was serving upon the Military Affairs Committee; I have supported every carefully con-

sidered economy measure presented. I refused to see veterans' legislation rewritten in that bill without hearings and without proper consideration.

SPEECH ON VETERANS' LEGISLATION, MAY 3, 1932

With your permission, I include extracts from my remarks upon that subject at that time:

Mr. VINSON of Kentucky. Mr. Chairman, in addressing my remarks to veterans' legislation in the bill I would say that I do it without heat and without feeling toward the members of the committee who have presented this amendment. Theirs has been a very arduous task, and I have been glad to follow them in every effort to save money for the Treasury up to this point.

There are many reasons why I cannot subscribe to their advocacy of title IX, which deals with veterans' legislation. It is an admitted fact that the consideration of this veterans' legislation was an ex-parte proceeding. The members of the committee called in the Director of the Veterans' Administration, Gen. Frank T. Hines, and what happened in their collaboration with him does not appear in any printed hearing. My information upon these points was procured from the gentleman from Arizona [Mr. Douglas]. If I wanted to be harsh, I might say that these proceedings were in the nature of star-chamber session.

Certainly veterans' legislation, or legislation of any character, ought not to be brought to the House under such circumstances. It is an American principle that a party in interest should have his day in court. The veterans did not have theirs in this proceeding. There was no opportunity to question even General Hines with reference to the meaning of certain well-chosen language affecting the veteran group.

Incidentally, I was informed that several of the most important sections under this title had been rejected by the committee in calmer moments, but being brought up near midnight in the last session of the committee, when, perhaps, they were tired and worn to a "frazzle", they were written into the bill.

The gentleman from Wisconsin [Mr. Schafer] referred to the provision of this title as being a "half-baked proposition." Mr. Chairman, that notion, in my judgment, is far from accurate. I have had several years of close scrutiny of veterans' legislation, their construction and interpretation by the Veterans' Bureau and the Veterans' Administration. And I say to you that the choice of language used in the title is that which is best calculated to put into effect the theories and the purposes of General Hines and the administration with reference to veterans' legislation. There are numbers of clauses and phrases contained in this title which have been interpreted and construed only as the Veterans' Administration and the Comptroller General can construe. The language used is legislatively technical. It has meanings all its own.

Might I remind the gentlemen and leaders of this body that World War veterans' legislation has been under construction in Congress for a period of more than 13 years. The structure has been erected under the protests and veto of gentlemen who opposed it every step of the way. Now, in one stroke, they would destroy the structure.

I am inclined to the notion that the gentlemen who have opposed disabilities that are connected with the service within the presumptive period are endeavoring to change the congressional policy in respect of such disabilities. It is well known that General Hines opposed the arrested-tubercular amendment, and anyone who has had contact with the Bureau in the administration of the tubercular act knows that there are hundreds of cases—probably running into the thousands—of veterans who have been adjudged by the Bureau to be afflicted with active tuberculosis in years gone by who now, under regulations of today, are said never to have had active tuberculosis in the meaning of the law.

I have no apology to make for my defense of the presumptive diseases. Congress recognized that it was impossible for one to know when the tubercular bacilli touched the body of the veteran. No living man could tell when the strain of the war days caused something to snap in the nervous and mental system of the veteran that made the veteran mentally unwell. The NP cases—the neuropsychiatric cases—are progressive in their development.

It would be impossible in thousands of cases, tubercular in nature, and thousands of cases with nervous systems disturbed and mentality impaired, to trace that disability to service prior to the discharge of the soldier. And yet all of us who come in contact with cases of this kind know that they are just as much war casualties as men who suffer a patent physical disability.

It is a pleasure for me to support the Bulwinkle amendment, which strikes title 9 and then substitutes the section calling for a joint committee to make investigations of the operation of the laws and regulations relating to all veterans, with a view toward determining a national policy with respect to them. I trust that this motion of the distinguished veteran from North Carolina [Mr. BULWINKLE] will prevail.

I cannot believe that this House will place their approval upon legislation such as is contained in title 9—legislation that comes with good intention upon the part of many gentlemen of this committee, but proposed legislation, nevertheless, that has not been considered in accordance with the rules and procedure of this great parliamentary body. This is permanent legislation, changing the repeated announced policy of Congress without opportunity of any veteran or any organization of veterans or any Member of this body other than members of the special committee to inquire into the meanings of the splendidly chiseled phrases contained therein and its effect upon the disabled soldiery of the World War.

As stated in those remarks, I was supporting the Bulwinkle amendment which struck out title 9 and inserted as a substitute thereof authority for a joint committee of the House and Senate to make a complete investigation of laws and regulations relating to all veterans with a view of determining a national policy with respect to them. The amendment carried, the committee was appointed, and they have been at work at least 8 months. I understood that they were to report March 3, 1933; that they had certain recommendations for veterans' legislation, which would have produced savings of many millions of dollars, but such recommendations never came to light. Now, without such report and without any hearing whatsoever, we see the complete repeal of all veterans' legislation, with the power in the President to write the new laws and regulations for all veterans subsequent to Civil War, which, in my opinion, is a legislative function.

During the campaign I answered questionnaires in regard to veterans' cuts. The Cincinnati Enquirer asked me this question:

Will you favor investigation of the $1,000,000,000 veterans' expenditures with a view to cutting off benefits of nonservice disability?

I answered:

I voted for an investigation of the veterans' expenditures in the last Congress. The Veterans' Administration informs me that the total disbursements for disability allowance for the past fiscal year were $75,457,519. I do not favor the elimination of nonservice-connected disabilities, because there are thousands of them who really have service-connected disabilities which are not allowed by technical regulations of the Administration.

I secured these figures relating to disability allowance for the past fiscal year from Mr. Breining, the Assistant Director, himself. It is all bunk that the disability-allowance appropriations cost $400,000,000.

I have had extensive experience in handling veterans' claims. I feel certain, beyond question, that there are thousands of so-called "non-service-connected disabilities" which, in point of fact, are actually service-connected.

This bill as it passed the House provided that once adjudicated it was final and conclusive for all time and it could never be opened up.

The opponents of veterans' legislation have at all times maintained their loyalty toward injuries sustained as the result of service. They have made their fight against nonservice-connected disabilities and hospitalization therefor. Tens of thousands of non-service-connected cases have been taken off the rolls since the new schedule of disability rating has been set up in the Veterans' Administration since about July last. These men are going off the rolls without examination because of the new percentage of disability used. However, it required the Walsh amendment no. 21, supra, to be added to the bill to meet the possibility of service-connected cases being taken from the roll, and it required Senate amendment no. 7 to permit the hospitalization of tubercular and mental cases along with other permanent disabilities, whether service-connected or not.

So, bound by hundreds and hundreds of statements, made orally and in writing, by specific pledge in answer to questionnaires in the press and on the stump during the campaign, I, under the rules of our party, was excused from supporting this measure in its presented form. I believe in keeping my word; I believe in keeping faith. I submit my neighbors as witnesses as to whether I have done so in private life. There is no less obligation so to do in public life. Bound by platform pledge, I gave public utterance both in the primary and general election that I would support the amendment submitting the repeal of the eighteenth amendment, and would support the modification of the Volstead law. Despite previous personal views, I have responded in full accord with the platform obligations. I will give such expression to every platform promise.

IT IS UNCONSTITUTIONAL, IN MY OPINION, IN THAT IT VESTS LEGISLATIVE AUTHORITY IN THE EXECUTIVE

It is a sad day in our national life when the foundation rock of our national structure is forgotten by its people, even in the hysteria of crisis. The Constitution is the anchor that holds our flag aloft, and keeps our liberties and our Government at even keel. Many people do not distinguish between statute and Constitution. In the rush and hard press of these days, I will not be one to undermine or destroy, knowingly, a single root of the national tree. The Constitution is the base roots of this towering growth. Not only should it be nurtured, but all attacks upon it should be met with courage and understanding.

It was Andrew Jackson who said:

> The Congress, the Executive, and the Court must each for itself be guided by its own opinion of the Constitution. Each public officer who takes an oath to support the Constitution swears that he will support it as he understands it and not as understood by others. It is as much the duty of the House of Representatives, of the Senate, and of the President to decide upon the constitutionality of any bill or resolution which may be presented to them for passage or approval, as it is of the supreme judges when it may be brought before them for judicial decision.

It is a commonplace statement that our Government has three coordinate branches—executive, legislative, and judicial. It is unconstitutional for any branch to usurp the functions of any other branch. Our distinguished leader, Franklin D. Roosevelt, President of the United States, is in thorough accord with that statement. He does not and will not ask of the Congress of the United States any power not properly vested in the Executive of our country. He did not ask for legislative power in his message conveyed to the Congress on Friday, March 10, 1933. In part, this message reads:

> The last Congress enacted legislation relating to the reorganization and elimination of executive agencies, but the economies thus to be effected are small when viewed in the light of the great deficit for the next fiscal year. They will not meet the pressing needs of our credit situation. Provision for additional saving is essential, and, therefore, I am asking Congress today for new legislation laying down broad principles for the granting of pensions and other veteran benefits and giving to the Executive the authority to prescribe the administrative details. We are unanimous in upholding the duty of the Government to care for those who suffer in its defense and for their widows and orphans.

In this message the President sought to secure "authority to prescribe the administrative details."

In addition thereto the bill conferred, in my opinion, many legislative powers.

I thoroughly realize that when one speaks of constitutional objection many listeners close their ears. But, my friends, our present national condition is due to a slow, gradual, steady increase of the surrender of legislative power to the Executive. For eight sessions of Congress I have maintained that Congress should not abdicate its power of legislation.

The setting up of bureaus and commissions with the consequent added cost to the Federal Government of hundreds of millions of dollars, is due to added Executive functions. When Mr. Hoover came into the Presidency we saw the greatest centralization of wealth in our history, and, likewise, the strongest centralization of power in the history of our Government. The economic structure toppled over and lies prostrate at our feet. I will give the man of the hour, our President, in whom I have implicit faith and confidence, the power he seeks for emergency legislation. But when it is a permanent proposition it is fundamentally necessary to consider well such measures before such legislation should be enacted.

I fully realize that the Congress of the United States, both House and Senate, is the butt of jokes and ridicule. There is little doubt in my mind but that 90 percent of our people, misinformed as to our acts and purposes, would petition in this hour the utter destruction of the legislative branch of Government. My friends, those same people, within a short period of time, would be ready to shed their blood to regain power in themselves to write the laws under which they would live.

Not a word editorially about votes for resubmission of the eighteenth amendment, beer bill, national bank bill, State bank bill, farm bill, all emergency legislation and platform pledges.

MR. BINGHAM AND THE COURIER-JOURNAL-TIMES

I do not object to criticism as to my judgment on votes, but I do resent any inference that I, by my vote, seek to wreck our new administration or that I am in the slightest degree disloyal to our leader, Franklin D. Roosevelt. I am 1,000 percent for him. I will be found at his side supporting his arm when my critics will have changed their attitude toward him. For eight sessions I have served in this House. You have honored me definitely and distinctively. Membership upon your greatest committee has been accorded me twice at the hands of my Democratic colleagues, such honor having only been obtained by five other Kentuckians in the entire period of our Government—that is, David Trimble, James B. Beck, John G. Carlisle, W. C. P. Breckinridge, and Alexander B. Montgomery. I cherish the hope that such recognition came to me because of my honest purpose and energetic effort to serve my party and my country. But never a word from the editorial pen in commendation of the slightest act saw its way to his printed page.

But criticism from Robert Worth Bingham, owner of the Courier-Journal and Times, is not criticism from a Democrat. It is criticism from an independent. Repeatedly, so there can be no doubt as to his status, he boasts that his powerful papers owe allegiance neither to the Democratic nor Republican Party. It is putting it mildly to say that he has never shown loyalty to a Democratic governor in Kentucky since he first purchased said newspaper either before or after his election. His bombardments of Democratic governors and Democratic officers have been constant and cruel. I again say that any implication or statement heretofore or hereafter made of me, by him or his papers, that I am not a whole-hearted, loyal supporter of our President, Franklin D. Roosevelt, is a malicious untruth. Senators of the United States voted and passed 44 amendments to this bill. Senators of the United States, Democrats and Republicans alike, opposed the bill in its final form and voted against its passage. No character assassination of them has appeared upon the pages of his newspapers. The fact that his name appeared before them, being nominated for the Ambassadorship to England, probably closed his mouth in attacks upon them. The character assassin with powerful weapons may continue his onslaughts, but I have no worry but that my constituents will charge my vote on Saturday, March 11, to be the conscientious expression of the attitude they knew me to have, and that I voted without the slightest degree of hostility or disloyalty to the President of the United States.

ECONOMY EFFORTS

Answering the questionnaire in the Cincinnati Enquirer in the preelection campaign, which sought my views upon a 25 percent reduction in governmental expenditures, I said:

> Yes; as a matter of fact, the past session of Congress saw a reduction of $334,000,000 plus below the estimates submitted by the President. I led the fight for the reduction in taxes of $243,000,000. Two hundred million was the amount finally agreed upon by the committee upon which I served, the Ways and Means Committee, which was adopted by the House and the Senate. The saving in the past session is 20 percent of the tax base President Hoover said could be cut. However, I know without question that the figures you suggest can be reached. I will gladly lend my effort in doing this job.

It was my motion before the Ways and Means Committee that saw a cut of $200,000,000 in the tax bill last year. If the estimates of the Treasury had been substantially accurate, there would have been a saving of $200,000,000 to the American taxpayer.

In December 1931 I was one of the three members on the Ways and Means Committee who signed a minority report against the moratorium—against the first step toward the cancelation of the European war debt. I was criticized then by the metropolitan press of my State. I made an hour's speech on the floor. I warned the Congress and the

country of the effort behind the moratorium. Congress adopted the so-called "Ragon amendment" declaring the policy of Congress would be against any reduction or cancelation of this foreign debt. My friends, that was the greatest economy measure that has ever been considered by any Congress, to assist in preventing the unloading of an $11,000,000,000 burden from those who received the benefits to the shoulders of the heavily laden American people.

The international bankers sought in the moratorium to prefer private debts toward national debts, and it is the same banking crowd who have stood in their own light and brought our Nation to the edge of the abyss that now are supporting the National Economy League in their fight against veterans.

Please do not misunderstand me. I am willing for veterans' compensation and veterans' allowances to be cut, and as an emergency measure to be materially cut.

The Clark amendment would have cut $206,000,000 from the pay of veterans. The employees' cut is about $120,000,000. The Clark amendment would still leave to the nonservice disabled World War veterans $9 per month, which might relieve the direct relief money from the Federal Treasury to that extent. Taking off the rolls the so-called "nonservice cases" for the World War does not mean a saving in the amount they received. I venture the assertion that more than one half of it will be paid back to them from funds secured through the Reconstruction Finance Corporation.

CONCLUSION

I thank you for the opportunity of presenting my views. I have endeavored to do it without temper and in no wise attacking the motives of those with whom I do not agree. I believe in the God of our creation. I believe that He moves in particular manner and way "His wonders to perform." In every hour of American crisis a leader has appeared upon the scene capable of coping, with masterful hand and mind, with what seemed insurmountable obstacles. Washington, with many Valley Forges, heads the list. Andrew Jackson put into effect the teachings of Jefferson, even though the moneybags would bar his way. Democracy became a living, vital force under his courageous leadership. Lincoln, oft misunderstood yet ever human in his greatness, bore the attack of both friend and foe with a noble humility that marks his immortality. His was a sickening task—to wage the war of the brothers that our Union be preserved.

Fifty years passed, and the world is presented with another immortal leader of men. We who are close to him are not the proper ones to appraise his position in the Valhalla of the immortal. In my mind, his name will never be unheralded and unsung. He rose to the heights of masterful leadership, and the works of Woodrow Wilson affecting national and world history will ever be pointed out. The pages of history are turned, and America in chorus called for leadership. In no period of time did it need it more. Franklin D. Roosevelt answers the call. With business prostrate, and hope almost destroyed, the clarion call of his voice, "To arms!" the simple, clear-cut analysis of complex problems, his honest purpose, firm convictions, and clear-headed notions as to affirmative action has, like a magic wand, breathed hope and life into the prostrate Nation. No man in this Congress will support his efforts more in this national crisis than will I. I will follow him as far as my ideas of honorable service will permit. This great leader of men can and will ask no more of me.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 7. "On sale" licenses shall be granted only to be bona-fide restaurants, incorporated clubs, and/or hotels. "On sale" licensees may serve beverages to bona-fide guests only, to be consumed at regular public tables, or, in case of hotels, may be served in guests' rooms. It shall be the duty of the Commissioners to have frequent inspections made of premises of "on sale" licensees, and if it is found that any such licensee is violating any of the provisions of this act or the regulations of the Commissioners promulgated hereunder or is failing to observe in good faith the purposes of the act, such license may be revoked after the licensee is given an opportunity to be heard in his defense.

With the following committee amendments:

Page 5, line 10, beginning with the word "to", strike out down to the word "public", in line 11, and insert in lieu thereof the following: "to be consumed at."

The amendment was agreed to.

The Clerk read as follows:

Page 5, line 12, after the word "served", insert the word "also."

The amendment was agreed to.

The Clerk read as follows:

Page 5, line 14, strike out the words "on sale."

The amendment was agreed to.

Mr. O'CONNOR. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: Page 5, line 9, after the word "clubs", insert "with annual dues of at least $15, payable in one sum or in installments of at least $15."

Mr. O'CONNOR. Mr. Chairman, I hope the attitude of the House is not to vote down amendments without consideration, just because Members are in a hurry to get away. I am in a hurry to get away. I offer this amendment seriously. It provides for the sale in "incorporated clubs." What I do not want to see is the springing up all over the District of these clubs where you go through the slot-pierced door and pay a nominal fee of 25 cents or 50 cents, or even $1 per membership in a club, and get all the beer you want and maybe something else. I had offered here the same provision that we had in what was known as the O'Connor-Hull beer bill, in respect to incorporated clubs, where the annual dues shall be at least $15, paid in one sum, or where, if the dues are more than that, they shall be paid in installments of at least $15 each, so that, if anybody wants to go through the mechanics of forming one of these "phoney" clubs, he would have to get at least $15 annually from everyone who wanted to join. That will stop these "speak-easy clubs."

Mr. CELLER. I sympathize with the gentleman's purpose, but does he not think if we load this bill down with amendments of that character we might do something which is tantamount to saying to the Supreme Court that beer is intoxicating?

Mr. O'CONNOR. Oh, we insist on clubs getting licenses that have nothing to do with selling liquor. That is no admission at all.

Mr. PALMISANO. Mr. Chairman, I hope the Members will vote against this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. O'CONNOR].

The question was taken; and on a division (demanded by Mr. PALMISANO) there were ayes 79 and noes 49.

So the amendment was agreed to.

Mr. SMITH of Virginia. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 5, line 17, after the comma following the word "act", insert the following: "or is permitting such place to be used for unlawful, disorderly, or immoral purposes."

Mr. BLACK. Mr. Chairman, the committee accepts the amendment.

The amendment was agreed to.

Mr. McLEOD. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. McLEOD: On page 5, line 11, after the word "tables", insert the following: "or on trays at automobiles of patrons parked at bona fide restaurants where parking facilities on the premises are provided."

Mr. McLEOD. Mr. Chairman, I just want to make a brief statement. This bill is not only a bill to legalize beer but it is a revenue-raising measure. It is contended there are something over 15,000 people per day who lunch at these lots where they serve barbecue lunches. It has therefore been requested of me to offer this as an amendment. It is

said that several thousand dollars per month will be added to the revenue of the District of Columbia by the enactment of this amendment.

Mr. BLACK. Mr. Chairman, I rise in opposition to the amendment. This is a dangerous proposition as far as the ultimate goal of repeal is concerned. It provides that cars parked at licensed premises may be served with beer on trays attached to their cars. The committee has no real objection to the case of barbecue stands where they have parking space on the premises, but we do object to serving along the curbs of the city of Washington, because we know what the "drys" can do with a situation like that, and for the sake of a few people who want to make a few more dollars by serving at the curb, the "wets" of the House ought to be against this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. McLEOD].

The amendment was rejected.

Mr. CELLER. Mr. Chairman, I offer an amendment, which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. CELLER: On page 5, line 8, after the abbreviation and figure "Sec. 7," strike out the remainder of line 8, all of lines 9, 10, and 11, and up to and including the word "rooms" in line 12.

Mr. CELLER. Mr. Chairman, I offer this amendment so that I may ask a question of a member of the committee as to why they limited the sale of the nonintoxicating beverage to places like restaurants, clubs, or hotels, presumably with meals only?

Mr. BLACK. That is in conformity with the general thesis of the "on-sale" and "off-sale" licenss. That is all. The wets have promised that they would not tolerate the saloon. We are trying to find a way to stop it. I will admit it is hard.

Mr. CELLER. Suppose somebody goes into a drug store where this beverage might be sold.

Mr. BLACK. The drug store has the option of election. It can take an "on-sale" or an "off-sale" license, but it cannot have both.

Mr. CELLER. In other words, a place like a drug store would not be deemed a restaurant?

Mr. BLACK. No.

Mr. CELLER. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. GOSS. Mr. Chairman, I move to strike out the last word to call the attention of the House to the wording of lines 12 to 19, inclusive. As I read that language it shall be the duty of the commissioners to make frequent inspections on the premises, and so forth; and then if he has failed to observe in good faith the purposes of the act, such license may be revoked, after the licensee is given an opportunity to be heard in his defense.

I want to submit to the House that under the language of this section, if the commissioners wanted to be arbitrary, they could revoke a man's license without any further hearing whatsoever. All he would have to do would be to make his defense and every license could be revoked in the District of Columbia if we had commissioners who were arbitrary.

I wanted to ask the gentleman if it is not the intention to really give these licensees fair treatment and give them a fair hearing before the proper officers of the court or otherwise, and not be subject to arbitrary commissioners.

Mr. O'CONNOR. Will the gentleman yield?

Mr. GOSS. I yield.

Mr. O'CONNOR. If the words "for good cause" were added, does the gentleman think that would cure his objection?

Mr. GOSS. Yes.

Mr. BLACK. The committee will be glad to accept that amendment.

Mr. GOSS. Mr. Chairman, I offer that amendment, then, in line 18, after the word "revoke," to insert the words "for good and sufficient cause."

The Clerk read as follows:

Amendment offered by Mr. Goss: On page 5, in line 18, after the word "revoke," insert "for good and sufficient cause."

Mr. BLANTON. To be determined by whom?

Mr. GOSS. By the commissioners or the court.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The amendment was agreed to.

The Clerk read as follows:

SEC. 8. There shall be levied and collected from each licensee by the District of Columbia on all beverages sold with said District as authorized by this act a tax of $1.20 for every barrel containing not more than 31 gallons, and a like rate for any other quantity or fractional part. Said tax shall be paid on or before the 15th day of each month for beverages sold to or purchased by the licensee during the preceding calendar month.

With the following committee amendments:

Page 5, line 22, strike out the word "with" and insert in lieu thereof the word "within."

Page 5, line 23, strike out "$1.20" and insert in lieu thereof "$1."

Page 6, line 1, strike out the words "to or purchased."

The committee amendments were agreed to.

The Clerk read as follows:

SEC. 9. No person, firm, association, or corporation shall sell or offer for sale by retail within the District of Columbia any beverage without having first obtained a license so to do. No brewer, wholesaler, or distributor shall sell or deliver any beverage within the District of Columbia to any person other than a licensee.

Mr. BLANTON. Mr. Chairman, may I ask the gentlewoman from New Jersey if she intends to offer an amendment at this point?

Mrs. NORTON. No. I intend to offer my amendment at the proper time. I explained to the gentleman that it was my intention to offer this amendment.

Mr. BLANTON. I offer an amendment to section 9.

Mrs. NORTON. I may say to the gentleman from Texas that the amendment I spoke of refers to page 8, line 10.

Mr. BLANTON. Mr. Chairman, I offer this amendment at this point. I think this is a proper place.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 6, line 6, after the word "do", add the following: "It shall be unlawful to give or sell any of the above beverages to persons under 18 years of age. Any person violating this provision shall be guilty of a misdemeanor and upon conviction therefor shall be subject to a fine not exceeding $100 or be imprisoned not to exceed 6 months, or both such fine and imprisonment."

Mr. CELLER. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. CELLER. The amendment of the gentleman from Texas is not in order in that it is not germane to section 9. Section 9 refers primarily to licenses to be given to those within the District of Columbia and licenses to be given to those outside the District of Columbia bringing the beverage into the District.

The amendment is not germane to this particular section. It may be germane to the bill at some other point, but certainly not at this point.

Mr. BLANTON. This refers to the very subject matter of the section.

The CHAIRMAN. The Chair is prepared to rule. This particular section authorizes licenses to retailers and to dealers. The amendment offers a restriction and is clearly in order. The Chair overrules the point of order.

Mr. BLANTON. Mr. Chairman, all this amendment does is to raise the age limit of the Borah amendment from 16 years to 18 years. This is the Borah amendment rewritten with the age limit raised to 18 years. I understood from our good friend the gentlewoman from New Jersey that she was willing to raise the age limit to 18 years. This is the proper point in the bill to offer this amendment. It is not germane anywhere else. I sought to have her introduce it. I would

rather have her introduce it; and if she will, I shall go along with her. I would rather for her to introduce it, if she will.

Mrs. NORTON. The gentleman is very kind, but I have never sought to introduce anything in this House because of any foolish pride of authorship. I told the gentleman I would introduce an amendment at the proper time. However, I am perfectly willing that the gentleman, since he is so anxious to introduce this amendment, should have the honor of so doing.

Mr. BLANTON. All I am concerned about is to have this amendment adopted.

Mr. PALMISANO. I suggest to the lady that she take half of it, the half dealing with minors, and give the gentleman from Texas the other half.

Mr. BLANTON. I insist on a provision put in this bill to prevent sales being made to minors under 18 years of age.

Mrs. NORTON. I may say to the gentleman from Texas that I hope I am a good sport and, therefore, shall give him the whole thing.

Mr. BLANTON. I shall not discuss this amendment. All of you know what it means. It is just a question of whether you are willing to sell beer to children or not.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

Mrs. NORTON. Mr. Chairman, may we have the amendment again reported?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk again read the amendment.

Mr. CELLER. Mr. Chairman, may I be informed whether the words are "give or sell"?

Mr. BLANTON. Yes; "give or sell."

Mr. PALMISANO. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Texas.

The Clerk read as follows:

Amendment offered by Mr. PALMISANO to the amendment offered by Mr. BLANTON: In the third line of the amendment, strike out the words "give or."

Mr. PALMISANO. Mr. Chairman, without these words stricken from the amendment, it would be a violation of the law for a father to give his son or daughter a glass of beer in his home, in a restaurant, or a hotel.

The CHAIRMAN. The question is on the amendment of the gentleman from Maryland to the amendment offered by the gentleman from Texas [Mr. BLANTON].

The amendment to the amendment was agreed to.

Mr. LEHLBACH. Mr. Chairman, I offer an amendment to the amendment of the gentleman from Texas.

The Clerk read as follows:

Amendment offered by Mr. LEHLBACH to the amendment offered by Mr. BLANTON: In the third line of the amendment, after the word "sell", insert "at any licensed place", so that the amendment will read: "It shall be unlawful to sell at any licensed place any of the above beverages."

Mr. BLANTON. I have no objection to the amendment, Mr. Chairman.

The amendment to the Blanton amendment was agreed to.

Mr. SMITH of Virginia. Mr. Chairman, I offer a substitute for the pending amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia as a substitute for the amendment offered by Mr. BLANTON: "It shall be unlawful for any licensee to sell or serve any of the beverages permitted to be licensed under this act to any minor under 18 years of age or to permit the same to be so sold or served on his premises."

Mr. BLANTON. Mr. Chairman, I call the attention of my friend to the fact that he has provided no penalty in his amendment.

Mr. SMITH of Virginia. There is a penalty clause in the bill which provides that any violation of this law shall be punished by a heavier penalty than the gentleman has provided in his amendment.

Mr. BLANTON. Mr. Chairman, I have no objection to the substitute, and I am willing to accept it.

The question was taken; and on a division (demanded by Mr. SMITH of Virginia) there were—ayes 37, noes 76.

So the substitute amendment was rejected.

Mr. WADSWORTH. Mr. Chairman, may I call the attention of the gentleman in charge of the bill to lines 6, 7, and 8, on page 6, which read—

No brewer, wholesaler, or distributor shall sell or deliver any beverage within the District of Columbia to any person other than a licensee.

The effect of this language would be to prohibit a resident of the District of Columbia sending outside this jurisdiction to have a case of beer delivered to his residence, he not being a licensee, and I was going to offer an amendment which I think would cure this.

Mr. BLACK. The committee had in mind not curing it. The committee had this thought in mind. We wanted to spread the blessings of the prosperity caused by this bill to as many as possible, and we thought that if the wholesaler could come in direct contact with the consumer through the mails or in other ways, some other people would not get the benefit of this legislation. We want the consumer to go to his store and buy this beer if he wants to drink it at home or go to his store and drink it at the store if he does not want to consume it at home; but we do not want the brewer to be delivering it direct to the homes.

I may say to the gentleman that there is a division of sentiment on this question, and only this morning I was asked to offer an amendment to permit delivery from the wholesaler to the consumer, and I said I could not agree to do it and that I did not have the advice of the committee on the question.

Mr. WADSWORTH. I doubt the advisability of putting restrictions on the consumers. It seems to me we are going pretty far when we say a man shall not purchase a legal article except in a certain way for consumption in his own home.

Mr. BLACK. In view of the patient toleration of the consumer in the last 12 years I rather think the consumer will not object very keenly if all he has to do is walk around the corner to order this beer.

Mr. WADSWORTH. I was hopeful the consumer would have the long end of this.

Mr. BLACK. I am sure we all realize the economics of the situation of this liberal movement. We want the economics to provide for a distribution of the profits, so far as possible, and we do not want any concentration of the profits as a result of this liberal movement in the hands of the brewers.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BLANTON], as amended.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 77, noes 78.

Mr. BLANTON. Mr. Chairman, I ask for tellers.

Mrs. NORTON. Mr. Chairman, there seems to be a lot of confusion in the minds of a great many Members as to just what they are voting on. May we have the amendment read?

Mr. BLANTON. It is the amendment that the chairman accepted.

The CHAIRMAN. Without objection, the Clerk will again report the amendment, as amended.

The Clerk again read the Blanton amendment as amended.

Mr. BLANTON. Mr. Chairman, I should like permission to propound an inquiry of the gentlewoman from New Jersey. We should like to know whether or not the amendment meets with the approval of the committee.

Mrs. NORTON. I may say to the gentleman that I had a very similar amendment which met with the approval of the committee. We did not consider the amendment offered by the gentleman from Texas [Mr. BLANTON]. My amendment was considered by the committee and accepted, and I intended to offer it when we came to the appropriate place in the bill.

Mr. BANKHEAD. Does the committee oppose the amendment of the gentleman from Texas at this stage?

Mrs. NORTON. I would say not. It is my personal desire, and I believe the desire of the committee, to pass as good a bill as humanly possible. So far as I am concerned, pride of authorship of this amendment I would consider a petty consideration, and since the gentleman from Texas is evidently anxious to offer the amendment I shall withhold mine and accept his.

The CHAIRMAN. In view of the confusion, the Chair will again take the vote on the division demanded by the gentleman from Texas [Mr. BLANTON].

The question was taken; and there were—ayes 115, noes 78.

So the amendment was agreed to.

Mr. WADSWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: Page 6, line 7, after the word "deliver," insert the words "for resale."

Mr. WADSWORTH. As I endeavored to indicate a little while ago, the purpose of my amendment is to permit a resident of the District of Columbia to purchase from an agency, other than an agency in the District of Columbia, a licensee. He may purchase under my amendment from a brewery outside the District, and have a case of beer sent to his house. I do not believe it quite fair to compel the consumer of these beverages to secure their supply solely from a licensee within the District.

Mr. BLACK. Mr. Chairman, the difficulty with the gentleman's amendment is that it does not fit into the rest of the bill. We have provided for licenses within the District of Columbia. Here are brewers outside the District of Columbia allowed to ship beer to the consumer here. We are legislating for the District of Columbia, and it does not do the District any good, and it does not add to the revenue of the District. It does not add to the control that the District authorities will have over the licensing and sale of beer. I do not think we should accept the amendment.

Mr. PALMISANO. Mr. Chairman, I offer a substitute.

The Clerk read as follows:

Page 6, line 8, strike out the period and insert in lieu thereof a comma and the following, "except under the off-sale license procured under this act."

Mr. PALMISANO. This was an amendment, Mr. Chairman, prepared, but was not offered at the time until the gentleman from New York called attention to it, and it seemed to the Members that the brewers ought to be able to furnish the residents of the District at their homes with bottled beer. Under this amendment it will be necessary for the brewer to obtain a license, and he will be compelled to pay a dollar a barrel extra for selling beer to the consumer. I trust that the substitute will be adopted, which will give more revenue and at the same time will not have the disadvantages of the amendment of the gentleman from New York.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Maryland for the amendment of the gentleman from New York.

The question was taken, and the substitute was rejected.

The CHAIRMAN. The question now is on the amendment of the gentleman from New York.

The question was taken; and on a division (demanded by Mr. BLACK) there were 63 ayes and 79 noes.

So the amendment was rejected.

Mr. GOSS. Mr. Chairman, I move to strike out the last word for the purpose of clearing up the meaning of the words "any beverage" in line 5 of page 6. Does that mean any beverage defined by this bill or any other beverage?

Mr. BLACK. It means any beverage defined by this bill.

Mr. CELLER. Mr. Chairman, I rise in opposition to the pro forma amendment. I shall ask for a separate vote upon the Blanton amendment upon the final passage of this bill for this reason: Putting that amendment in this bill is merely inserting a danger flag to the Supreme Court, because if this beverage is harmless and it is innocent, why preclude the sale of it to minors? I say to the gentlemen who are sympathetically inclined to this bill that that amendment should not be in this bill, and I venture the assertion that the fact that it is included in the bill will give the Supreme Court an opportunity to declare this particular bill in violation of the eighteenth amendment, as embracing intoxicating liquor.

The pro-forma amendment was withdrawn, and the Clerk read as follows:

SEC. 12. No brewer, manufacturer, wholesaler, or distributor shall have any direct or indirect financial interest in the business of any licensee.

Mr. WATSON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WATSON: Page 6, line 23, after the word "indirect," insert the word "controlling."

Mr. BLACK. Mr. Chairman, we have just had an instance of the amendment offered by the gentleman from New York [Mr. WADSWORTH] as to what may happen if the liberals of this House are not on guard. I have been fighting in the well of this House since I have been here to liberalize these laws. In the past 2 or 3 years other people have come along and have taken hold in the fight, but Major LaGuardia and I stood here day in and day out fighting for a liberalizing of these laws, and I do not intend that that fight shall now be resolved into a fight for the brewers. The brewers want to hog the whole situation by these suggested amendments. One of the things that brought about prohibition was the heavy hand of the brewer on the retailer, and we have to see to it that they are not allowed to resume their oppressive control over the retailer. We have to keep the brewers' hands off the retailers as far as possible. This is a very dangerous amendment which the gentleman from Pennsylvania is offering, and I ask all men who are interested in this question, purely from the liberal philosophy presented by the situation, to vote it down, and to vote down each and every attempt that comes from the liquor interests to control this situation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was rejected.

The Clerk read as follows:

SEC. 14. The Commissioners of the District of Columbia are hereby authorized to promulgate rules and regulations, not inconsistent with law, for the issuance of licenses, and for the operation of all businesses by licensees. Said regulations may be modified from time to time as the commissioners may deem desirable.

With the following committee amendment:

Page 7, line 11, after the word "licensees", insert "in respect to the sale of beverages under this act."

The committee amendment was agreed to.

Mr. SMITH of Virginia. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: Page 7, line 10, after the word "issuance", insert the words "and revocation."

The amendment was rejected.

The Clerk read as follows:

SEC. 15. Any person who shall violate any of the provisions of this act shall, upon conviction by a court of competent jurisdiction, be punished by a fine not exceeding $1,000 or imprisonment in jail for one year, or both fine and imprisonment, in the discretion of the court, and in case of a licensee his license shall be revoked for a period of 1 year. If any licensee shall willfully violate the regulations duly issued and promulgated by the Commissioners of the District of Columbia, the commissioners may, after proper hearing, revoke the license for the period of 1 year. In case any licensee is convicted of the violation of the terms of this act the court shall immediately declare his license revoked and notify the commissioners accordingly. Any licensee who shall sell or permit the sale of any alcoholic beverages not authorized under the terms of this act on his premises or in connection with his business or otherwise shall, upon conviction, forfeit his license and shall in addition thereto be fined $1,000 or imprisoned for 1 year, or both fine and imprisonment, in the discretion of the court.

With the following committee amendment:

Page 8, line 4, after the word "act," insert the words "or otherwise permitted by law."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 7, line 21, after the word "violate," insert the following "the provisions of this act or."

The amendment was agreed to.

Mr. O'CONNOR. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. O'CONNOR: Page 7, line 20, after the word "revoked," strike out the rest of the sentence and insert "and no license shall thereafter be granted to such person, and no license shall be granted for a period of six months to any person to make or sell beverages on the premises where such violation occurred."

Mr. O'CONNOR. Mr. Chairman, as the bill is drawn, if there is a violation of the provisions of the bill, the license is revoked for only one year. My amendment revokes the license forever. If anybody is not satisfied with selling this beer in compliance with the law and violates the law, my amendment revokes the license for all time; and it does something also which we have contended for for years, having the license run to the place. If there is a violation of the law, the amendment provides that no license shall be issued to that place for six months.

If we are going to preserve the progress we have made in the repeal of the eighteenth amendment we must see that the conduct of this business is strictly carried out.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. O'CONNOR].

The amendment was agreed to.

Mr. WHITLEY. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. WHITLEY: Page 8, line 4, after the word "act," strike out "or" and insert "and," and insert the word "unless"; page 8, line 4, after the word "act," strike out the word "or" and insert "unless."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. WHITLEY].

The amendment was agreed to.

Mrs. NORTON. Mr. Chairman, I offer an amendment, which has been sent to the desk.

The Clerk read as follows:

Amendment offered by Mrs. NORTON: Page 7, line 18, after the word "or," insert the words "not exceeding."

The CHAIRMAN. The question is on the amendment offered by the lady from New Jersey.

The amendment was agreed to.

Mr. BROWN of Kentucky. Mr. Chairman, I move that on page 8, line 9, we strike out the word "court," the last word of the paragraph.

It must be apparent that I do not care anything about that word, and you do not. The purpose for wanting some time on this occasion is to call attention to page 3, line 18. I wish you would turn back to that page, and at the end of my remarks I have a request that I want to make of you as Members of this House.

Line 18 on page 3 reads as follows:

Such applicant has never been convicted of a felony.

And, as one Member of Congress, I do not want to go on record as saying to the people of this country that whenever any individual has paid the full penalty of the law I want to preclude that individual from the privilege of making an honest living. You will be saying that nevermore can any individual take part in this occupation if he has been convicted of a felony, it does not make any difference what it is. I want my protest to go in this RECORD as against that particular section of the bill. I am going to ask you at the end of my remarks to grant me unanimous consent to offer an amendment to strike out that particular language and insert in lieu thereof "is a person of good moral character." There is not one thing in this bill about good moral character, except that the applicant has never been convicted of a felony. There are crooks in this country who have not been convicted of a felony, and that is all right.

Mr. WEIDEMAN. Will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. WEIDEMAN. Has the gentleman read line 23 on page 2?

Mr. BROWN of Kentucky. Yes; but I want those words "never convicted of a felony" stricken out of this bill. The other day we voted here to seat a Member of this House who has been convicted of a felony. I was for it. He can be a Member of the United States Congress, but he can not shove a glass of beer across the counter.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BROWN of Kentucky. Yes.

Mr. O'CONNOR. I do not know whether the gentleman was here this morning——

Mr. BROWN of Kentucky. I have been here all day.

Mr. O'CONNOR. We discussed this for 45 minutes.

Mr. BROWN of Kentucky. I grant you, and I voted for the committee amendment, the part that is stricken out, and I was for that, but, being a new Member of the House, I intended to offer this amendment, but I did not discover the proper place to offer it until it was too late. I have no way of getting it in except by this means.

Mr. WEIDEMAN. Line 23 reads that before a license is issued the commissioners shall satisfy themselves of the moral character and financial responsibility.

Mr. BROWN of Kentucky. I am not arguing that particular part.

Mr. WEIDEMAN. But that answers the question the gentleman asked before.

Mr. BROWN of Kentucky. I do not want that part to remain in the bill, which provides that a man can be the governor of a State or a Member of the Congress but he can not shove a glass of beer across the counter. I would like to have an opportunity to offer that amendment. I ask unanimous consent, Mr. Chairman, to return to that portion of the bill and to offer an amendment to strike out that portion of it.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. BROWN]?

Mrs. NORTON. Mr. Chairman, I object.

Mr. O'CONNOR. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: Page 8, line 9, after the period, insert "The commissioners shall revoke the license of any person who knowingly employs in the sale or distribution of such beverages any person who has been convicted of a felony."

Mr. O'CONNOR. Mr. Chairman, I did not know the gentleman from Kentucky [Mr. BROWN] was going to raise this question while my amendment was at the desk. There is a provision in this bill that no license shall be issued to a man who has been convicted of a felony. The amendment I have offered prevents the racketeer getting back into this business. It provides that the license shall be revoked if on the premises where this beverage is sold, a felon is employed knowingly.

We had it in the beer bill. We do not want racketeers hanging around these places as bartenders or employees.

Mr. BOILEAU. Does the gentleman want to preclude from an honest job just because he once was convicted of a felony a man who has lived a good moral life 10 or 15 years since his punishment?

Mr. O'CONNOR. No; I do not take that position, as a lawyer, and no one more than myself has defended their right to employment, but there are plenty of other occupations. Restrictions are thrown around the conduct of this business. Such people should be engaged in some other business rather than this one which may invite them to return to the days of old and corrupt the young or the decent people of America. If a felon can not secure a license, he should not be employed on the premises where this liquor is sold.

Mr. RAGON. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. RAGON. I was not present during the early part of the discussion on this bill. Has there been an amendment offered striking this out?

Mr. O'CONNOR. No. Everybody agreed a felon should not receive a license.

Mr. RAGON. I am rather disposed to believe the gentleman from Kentucky [Mr. BROWN] is correct in his statement.

Mr. O'CONNOR. Theoretically, yes; but the class of people he refers to should not be in this particular business.

Mr. RAGON. If it were desired to prohibit a license to a man convicted of the felony of illicit sale of liquor, that is all right, but it does not occur to me as being right to base it indiscriminately upon any kind of a felony.

Mr. O'CONNOR. It covers all felonies.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mrs. NORTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. NORTON: Page 8, line 8, after the word "for," insert the words "not exceeding."

The amendment was agreed to.

The Clerk read as follows:

SEC. 16. The act of Congress approved March 3, 1917, entitled "An act to prohibit the manufacture and sale of alcoholic liquors in the District of Columbia, and for other purposes," with the exception of sections 11 and 20 thereof, is hereby repealed.

Mr. PALMISANO. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. PALMISANO: Page 8, strike out lines 10 to 14, both inclusive, and insert in lieu thereof the following:

"SEC. 16. The act of Congress approved March 3, 1917, entitled 'An act to prohibit the manufacture and sale of alcoholic liquors in the District of Columbia, and for other purposes,' with the exception of sections 11 and 20 thereof, is hereby repealed: *Provided, however,* That the term 'alcoholic liquor' used in such section 11 of such act shall not be construed to include beverages authorized by this act to be brewed, manufactured, and sold."

Mr. GOSS. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. GOSS. I make the point of order that the amendment is not germane to this particular section, because this section simply repeals certain sections of the act of March 3, 1917, with two exceptions, and the gentleman's amendment goes far beyond that.

I would again call attention to the precedents holding that just because two subjects are related they are not necessarily germane.

Mr. PALMISANO. Mr. Chairman, the gentleman from Connecticut does not realize the effect of the amendment. Section 11 of the Sheppard Act seems to prohibit the very thing sought to be done by this bill, which is to permit drinking in public or in a public place.

Mr. GOSS. Mr. Chairman, I will reserve my point of order, instead of making it at this time.

Mr. PALMISANO. If section 11 is permitted to remain without this amendment, the sale of liquor will then be prohibited. This amendment makes an exception of the beverages mentioned in this bill.

Mr. GOSS. I did not understand the situation, Mr. Chairman. I withdraw the point of order.

Mr. BLANTON. Mr. Chairman, I reserve a point of order; in fact, Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. Mr. Chairman, I make the point of order that the proviso and the amendment are not germane to the bill or any part of it because the public act sought to be repealed is an act relating not to nonintoxicating liquor but to whisky, champagne, and wine of maximum alcoholic percentages and all kinds of intoxicating liquors, and it has no place in this bill, and certainly is not germane to it.

The CHAIRMAN. The Chair is ready to rule. The amendment follows the identical language of the bill down to the proviso. The proviso simply states that section 11 of the act of March 3, 1917, shall not be construed to conflict in any way with the pending bill.

The Chair is of the opinion that the amendment is clearly germane and overrules the point of order.

The question is on the committee amendment offered by the gentleman from Maryland.

The committee amendment was agreed to.

Mr. SMITH of Virginia. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: Page 8, line 10, strike out the paragraph and in lieu thereof insert the following——

The CHAIRMAN. The Chair may state that the committee amendment having been adopted as a complete substitute for the paragraph, no further amendment to the committee amendment would be in order.

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment to the committee amendment as offered, striking out the paragraph and substituting other language.

The CHAIRMAN. An amendment has already been adopted striking out the section.

The Clerk read as follows:

Committee amendment: Page 8, line 15, insert the following: "SEC. 17. This act shall take effect 15 days after its enactment."

Mr. PALMISANO. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Page 8, line 15, strike out all after the word "effect" and insert in lieu thereof the following: "April 7, 1933."

The amendment to the committee amendment was agreed to.

The committee amendment, as amended, was agreed to.

The CHAIRMAN. There being no further amendments, under the rule, the committee rises.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. JONES, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H.R. 3342) to provide revenue for the District of Columbia by the taxation of beverages, and for other purposes, pursuant to House Resolution 71, he reported the same back to the House with sundry amendments adopted by the Committee of the Whole House on the state of the Union.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. CELLER. Mr. Speaker, I demand a separate vote on the Blanton amendment to section 9, dealing with sale to minors.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en bloc.

The amendments were agreed to.

The SPEAKER. The Clerk will report the Blanton amendment.

The Clerk read as follows:

Amendment offered by Mr. BANTON: Page 6, line 6, after the word "do," add the following: "It shall be unlawful to sell at any licensed place any of the above beverages to persons under 18 years of age. Any person violating this provision shall be guilty of a misdemeanor and upon conviction thereof shall be subject to a fine not exceeding $100 or be imprisoned not to exceed six months, or to both such fine and imprisonment."

The question was taken; and on a division (demanded by Mr. CELLER) there were—ayes 141, noes 51.

Mr. CELLER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the amendment was agreed to.

The bill was ordered to be engrossed, read a third time, and was read the third time.

Mr. STALKER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. The gentleman is a member of the committee and opposed to the bill?

Mr. STALKER. I am.

The Clerk read as follows:

Mr. STALKER moves to recommit to the Committee on the District of Columbia with instructions to report the same back forthwith with the following amendment: Page 3, line 19, after the

comma, insert the following: "or been adjudged guilty of violating the laws governing the sale of intoxicating liquors or for the prevention of gambling in the District of Columbia."

Mrs. NORTON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 19, noes 135.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 180, noes 53.

So the bill was passed.

On motion of Mr. PALMISANO, a motion to reconsider the vote by which the bill was passed was laid on the table.

ELECTION TO COMMITTEE

Mr. SNELL. Mr. Speaker, I offer the following resolution, to elect a member of a committee.

The Clerk read as follows:

House Resolution 73

Resolved, That ROBERT F. RICH, of Pennsylvania, be, and he is hereby, elected a member of the Committee on Printing of the House of Representatives.

The resolution was agreed to.

THE STATE BANKING BILL

Mr. BYRNS. Mr. Speaker, I was told in the Senate about 4 o'clock that they would conclude the consideration of some amendments to the banking bill relating to State banks, which the House passed the other day and sent to the Senate. I am very sure that my informant was perfectly sincere in his statement, but, of course, I know something about the uncertainty of Senate debate.

But in view of his statement that the Senate would act by 5 o'clock, and his expectation that it would be messaged over at once, the chairman of the Banking and Currency Committee is very anxious that a recess be taken for a reasonable time in order that that bill may be sent over to the House and that the House may have an opportunity to concur in the Senate amendments, which he states are entirely noncontroversial.

I am also told that it is the intention of the Senate to adjourn until Monday, and I think it is also the intention of the House to take similar action.

The chairman of the Banking and Currency Committee thinks that if we could agree to these amendments and get the bill ready for passage it would be worth something in its effect over the country.

I have agreed, therefore, to ask that the House stand in recess until such time as the Speaker may call us back in session, not later than 5.30.

Mr. BANKHEAD. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. BANKHEAD. As I understand, the justification for this request is based on the supreme importance of the passage of the bill, with reference to the fact that a great number of State banks that have been suspended, and he is asking for a recess until the Senate can act.

Mr. BYRNS. The gentleman has correctly stated it. If the bill is passed and ready for signature by the presiding officers of the two bodies, it will be an assurance to the State banks and the people generally that it will become a law. It has been suggested that the recess be taken subject to the call of the Speaker, and that call not to be later than 6 o'clock.

Mr. SNELL. Has the gentleman from Tennessee asked unanimous consent that when the House adjourns tonight it adjourn until Monday?

Mr. BYRNS. I have not, but I will as soon as we reconvene.

Mr. BLANTON. Will not the gentleman make it now, so that Members may know whether they are going to adjourn until Monday or not?

ADJOURNMENT OVER

Mr. BYRNS. I am willing to do that. Mr. Speaker, I ask unanimous consent that when the House adjourns tonight it adjourn to meet on Monday next.

Mr. LUCE. Reserving the right to object, I want to ask the gentleman from Tennessee if the Senate does not complete action so that we can pass on it, that means that no action can be had until Monday.

Mr. BYRNS. Yes; I am informed that the Senate will take a recess until Monday.

Mr. LUCE. In view of the importance of the matter, I am wondering if it is prudent for the gentleman to limit the recess to 6 o'clock.

Mr. BYRNS. We can meet here at 6 o'clock, and if necessary, we can continue the recess until a later hour.

Mr. SNELL. Has the gentleman been informed that the Senate will remain in session until after the House reports this measure back to them? If we are going to wait here, we ought to be assured that they will stay in session so that it will be closed up tonight, if it is important.

Mr. BYRNS. I had in mind communicating with the majority leader of the Senate stating to him that we were in session and ask that such be done, if it is possible.

Mr. SNELL. The other day we remained in session until late in the evening and the Senate adjourned and went home.

Mr. BYRNS. And I am informed that that is their intention this evening.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee that when the House adjourns this evening it adjourn to meet on Monday next?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HAMILTON, for the rest of the week, on account of important business.

To Mr. HIGGINS, indefinitely, on account of illness in family.

To Mr. RICH (by request of Mr. DARROW), indefinitely, on account of illness.

RECESS

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the House stand in recess at the call of the Speaker.

The SPEAKER. Is there objection?

There was no objection.

Accordingly, at 4 o'clock and 48 minutes p. m., the House stood in recess, subject to the call of the Speaker.

AFTER THE RECESS

The recess having expired, the House was called to order at 5 o'clock and 4 minutes by the Speaker.

RESIGNATION FROM A COMMITTEE

The SPEAKER laid before the House the following communication, which was read:

The HON. HENRY T. RAINEY,
Speaker of the House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: Due to the fact that the States west of the Mississippi River received no Republican representation on the Committee on Banking and Currency and Rules, I cannot and will not accept the assignment given to me on the Committee on Post Office and Post Roads. This is in keeping with my letters to Mr. SNELL of March 9 and 13, in which I stated that I could not accept any new committee assignments unless the section from whence I come received representation on the committees controlling economic legislation. I therefore respectfully resign from the Committee on the Post Office and Post Roads.

Very truly yours,
HAROLD MCGUGIN.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had passed with amend-

ments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3757. An act to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases.

LOANS TO STATE BANKS AND TRUST COMPANIES

Mr. STEAGALL. Mr. Speaker, I call up from the Speaker's table the bill (H.R. 3757) to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases, with a Senate amendment thereto, and move to concur in the Senate amendment.

The SPEAKER. The gentleman from Alabama calls up the bill H.R. 3757, with a Senate amendment thereto, which the Clerk will report.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: "That title IV of the act entitled 'An act to provide relief in the existing national emergency in banking, and for other purposes,' approved March 9, 1933, is amended by adding at the end thereof the following new section:

"'SEC. 404. During the existing emergency in banking, or until this section shall be declared no longer operative by proclamation of the President, but in no event beyond the period of 1 year from the date this section takes effect, any State bank or trust comany not a member of the Federal Reserve System may apply to the Federal Reserve bank in the district in which it is located and said Federal Reserve bank, in its discretion and after inspection and approval of the collateral and a thorough examination of the applying bank or trust company, may make direct loans to such State bank or trust company under the terms provided in section 10 (b) of the Federal Reserve Act, as amended by section 402 of this act: *Provided*, That loans may be made to any applying nonmember State bank or trust company upon eligible security. All applications for such loans shall be accompanied by the written approval of the State banking department or commission of the State from which the State bank or trust company has received its charter and a statement from the said State banking department or commission that in its judgment said State bank or trust company is in a sound condition. The notes representing such loans shall be eligible as security for circulating notes issued under the provisions of the sixth paragraph of section 18 of the Federal Reserve Act, as amended by section 401 of this act, to the same extent as notes, drafts, bills of exchange, or bankers' acceptances acquired under the provisions of the Federal Reserve Act. During the time that such bank or trust company is indebted in any way to a Federal Reserve bank it shall be required to comply in all respects to the provisions of the Federal Reserve Act applicable to member State banks and the regulations of the Federal Reserve Board issued thereunder: *Provided*, That in lieu of subscriptions to stock in the Federal Reserve bank it shall maintain the reserve balance required by section 19 of the Federal Reserve Act during the existence of such indebtedness. As used in this section and in section 304, the term "State bank or trust company" shall include a bank or trust company organized under the laws of any State, Territory, or possession of the United States, or the Canal Zone.'

"SEC. 2. (a) Section 304 of such act of March 9, 1933, is amended by adding after the first sentence thereof the following new sentences: 'Nothing in this section shall be construed to authorize the Reconstruction Finance Corporation to subscribe for preferred stock in any State bank or trust company if under the laws of the State in which said State bank or trust company is located the holders of such preferred stock are not exempt from double liability. In any case in which under the laws of the State in which it is located a State bank or trust company is not permitted to issue preferred stock exempt from double liability, or if such laws permit such issue of preferred stock only by unanimous consent of stockholders, the Reconstruction Finance Corporation is authorized, for the purposes of this section, to purchase the legally issued capital notes or debentures of such State bank or trust company, having voting rights similar to those herein provided with respect to preferred stock.'

"(b) The second sentence of said section 304 is amended to read as follows: 'The Reconstruction Finance Corporation may, with the approval of the Secretary of the Treasury, and under such rules and regulations as he may prescribe, sell in the open market the whole or any part of the preferred stock, capital notes, or debentures of any national banking association, State bank, or trust company acquired by the corporation pursuant to this section.'"

Such section 304 is further amended by adding at the end thereof the following new sentence:

"(c) As used in this section, the term 'State bank or trust company' shall include other banking corporations engaged in the business of industrial banking and under the supervision of State banking departments or of the Comptroller of the Currency."

Amend the title so as to read: "An act to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases, and for other purposes."

Mr. STEAGALL. Mr. Speaker, the effect of the action of the Senate on this bill was to adopt in toto the provisions of the House bill with three amendments. The first provides for the inclusion in the act of any Territory or possession of the United States. The second provides that the Reconstruction Finance Corporation shall not be permitted to purchase preferred stock in banks where the governing law imposes upon stockholders a double liability, but in States where statutory regulations of that sort are in effect to permit the purchase of capital notes and debentures of such banks in order to accomplish the aid to State banks contemplated in the original legislation.

The third amendment embodied in the substitute passed by the Senate authorizes the Reconstruction Finance Corporation to sell any preferred stock or debentures or obligations purchased. The other amendment is designed to include any kind of industrial bank or other banking institution not embraced in the provisions of the original bill which is under the control of State banking authorities or the Comptroller of the Currency. All of these amendments are recognized as desirable by the Banking and Currency Committee of the House. They accomplish what we regard as desirable additions to the bill passed by the House.

Mr. LOZIER. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. LOZIER. In some States, Missouri included, banks are by the constitution prohibited from issuing preferred stock, except by the unanimous consent of all of the stockholders. I understand the amendment to which the gentleman refers takes care of the Missouri situation by authorizing the acceptance by Federal Reserve banks of capital notes and debentures issued by State banks on which the Federal Reserve banks may make loans to nonmember State banks.

Mr. STEAGALL. Quite true.

Mr. LOZIER. And the amendment originally suggested by the Senate requiring these capital notes and debentures to have the voting privilege has been eliminated and is not now in the bill.

Mr. STEAGALL. That is my understanding. I will say to the gentleman in that connection that under the provisions of the original Emergency Banking Act passed on March 9, the Reconstruction Finance Corporation was authorized to purchase preferred stock not alone in national banks or member banks of the Federal Reserve System but in nonmember banks as well, or to make loans on the preferred stock of banks.

I suggest to the gentleman from Missouri and to other gentlemen who may be confronted with situations similar to that which exist in Missouri that we tried in the hurried way in which we went about amending the original Emergency Bank Act to anticipate these difficulties. We adopted an amendment authorizing loans on preferred stock, and I will say to the gentleman from Missouri that it seems to me the provision for loans provides a method by which to meet those difficulties.

Mr. CROWE. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. CROWE. I did not understand the answer with respect to States which have double liability to the stockholders.

Mr. STEAGALL. The Reconstruction Finance Corporation is not permitted to subscribe for stock in States where they have double liability.

Mr. CROWE. How will those States get their aid?

Mr. STEAGALL. They get it by selling their capital bonds and debentures in lieu of preferred stock.

Mr. LUCE. Will the gentleman yield?

Mr. STEAGALL. I will gladly yield.

Mr. LUCE. Mr. Speaker, it probably devolves upon me to say that, as best I could make out, the amendments that have been presented would be acceptable to all members of the Committee on Banking and Currency; but, at the same time, trying to keep within the rules, I would call attention to the fact that in the opening of the debate in another

branch yesterday certain gentlemen saw fit to give the House Committee on Banking and Currency a slap on the wrist. In all comity and good nature I shall refrain from commenting upon that, but would have it a matter of record that another branch saw fit to destroy the whole House bill and substitute one of its own, instead of using the normal and natural and simple course of adding an amendment.

Mr. STEAGALL. I think perhaps I should state that there were peculiar reasons for the action of the House in not amending the bill passed by the Senate and which was before this body, instead of passing the House bill. It was very desirable that we should incorporate in this legislation the provisions which were adopted by the Senate as amendments to this bill.

When the House bill was passed as an original bill and sent to the Senate, instead of having been passed as a substitute for the Senate bill, it was regarded as quite desirable that the bill should embody the provisions which have been included in the Senate substitute, but it was thought by some of us unwise to attempt to amend the bill on the floor in the short time in which it was considered desirable to pass the measure. In view of the fact that the amendments that were regarded as desirable were introduced and pending in the Senate and not included in the House bill nor in the bill passed by the Senate, it was thought best to pass the House bill and let the measure take the course which it has taken. There certainly was no thought of the slightest discourtesy toward the Senate.

Mr. BRIGGS. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. BRIGGS. Irrespective of where the measure originated in all of its aspects, whether in one body or another of the Congress, does the gentleman feel that the legislation now presented for adoption is adequate to meet the situation with reference to State banks?

Mr. STEAGALL. The bill provides that State, nonmember banks, and trust companies may obtain loans through Federal Reserve banks in the same way that member banks are permitted to obtain such loans under section 402 of the original Emergency Banking Act; and State nonmember banks and trust companies have a right, upon the same basis, to apply for loans, tendering noneligible or eligible paper, which may be used by Federal Reserve banks as a basis for Federal Reserve bank notes just as may be done in the case of member banks of the Federal Reserve System. In other words, we provide that nonmember banks may have the benefits of emergency currency.

If this law is administered in accordance with the purpose of Congress and those who are responsible for its enactment, it will afford relief to thousands of State banks and trust companies not members of the Federal Reserve System that are left at great disadvantage under the provisions of the original Emergency Act, which extended the right to obtain emergency currency to member banks alone. I assume the law will be fairly and sympathetically administered. I believe it is safe to say to the country that the administration will see that it is administered in accordance with the intention of Congress. It should bring a large measure of relief to communities served by those banks.

Mr. HANCOCK of North Carolina. The chairman has ably and adequately in the last part of his remarks almost fully covered my thoughts and the points I desired to call to your attention. I desire that they be clearly understood by every Member. As I understand it, the efficacy and usefulness of this measure to nonmember State banks will depend almost entirely upon the way it is administered, and unless there is an immediate change in the attitude of those who have heretofore controlled the financial policy of the Federal Reserve System, State banks can hope for but little assistance under this act. In this hour hard and rigid rules and practices should be tempered with sympathetic judgment and plain common sense.

Mr. STEAGALL. I do not desire to indulge in criticism of anybody. The Federal Reserve System will administer this legislation through the same instrumentalities and agencies that administer the law as to member banks.

Mr. CANNON of Missouri. Mr. Speaker, will the gentleman yield for a question?

Mr. STEAGALL. I yield.

Mr. CANNON of Missouri. Would it be apropos to inquire if the committee has in contemplation a program which will afford the House an opportunity to supplement this measure with legislation providing for the guaranty of bank deposits?

Mr. STEAGALL. I am not going to make a speech on that subject, but I will say to the gentleman that he knows how deeply interested I am in legislation to establish a system for the guaranty of deposits in the banks of this country. I am not without reasonable hope that at no distant day we shall be able to accomplish very desirable results in that connection. [Applause.]

Mr. Speaker, I move that the House concur in the Senate amendment.

The motion was agreed to.

On motion of Mr. STEAGALL, a motion to reconsider the vote by which the Senate amendment was concurred in was laid on the table.

Mr. BYRNS. Mr. Speaker, I offer the following resolution and move its adoption.

The Clerk read as follows:

House Resolution 74

Resolved, That notwithstanding the adjournment of the House, the Speaker be, and he is hereby, authorized to sign the enrolled bill of the House, H.R. 3757.

The resolution was agreed to.

On motion of Mr. BYRNS, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

SALE OF BEER IN THE DISTRICT OF COLUMBIA

Mr. BLACK. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to make any necessary clerical revision in the District beer bill that was passed today.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 25 minutes p.m.) the House, under its previous order, adjourned until Monday, March 27, 1933, at 12 o'clock noon.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LLOYD: A bill (H.R. 4098) to establish a national cemetery within the Fort Lewis Military Reservation, State of Washington; to the Committee on Military Affairs.

By Mr. SHANNON: A bill (H.R. 4099) to establish a holiday to be known as "Jefferson's birthday"; to the Committee on the District of Columbia.

By Mr. SWEENEY: A bill (H.R. 4100) to permit payment of any sum under the Civil Service Retirement Act to a deceased employee or a former employee who has become incompetent where no demand has been made by an administrator, executor, or guardian; to the Committee on the Civil Service.

Also, a bill (H.R. 4101) to promote substitute clerks and carriers; to the Committee on the Post Office and Post Roads.

By Mr. PATMAN: A bill (H.R. 4102) to provide for "ounce" coins and "ounce" Treasury notes to revive world trade and commerce and to make possible the payment of debts, foreign and domestic; to the Committee on Coinage, Weights, and Measures.

Also, a bill (H.R. 4103) to provide that income war-profits and excess-profits tax returns, including refunds, credits, and abatements, shall constitute public records; to the Committee on Ways and Means.

By Mr. HUDDLESTON: A bill (H.R. 4104) to regulate the transportation of persons and property in interstate and foreign commerce by motor carriers operating on the public highways; to the Committee on Interstate and Foreign Commerce.

By Mr. FULLER: A bill (H.R. 4105) to abolish the Federal Farm Board, and for other purposes; to the Committee on Agriculture.

By Mr. KENNEY: A bill (H.R. 4106) to amend the Reconstruction Finance Corporation Act so as to provide further protection for loans made thereunder; to the Committee on Banking and Currency.

By Mr. CONDON: A bill (H.R. 4107) to repeal the tax on bank checks, drafts, and orders for the payment of money; to the Committee on Ways and Means.

By Mr. McSWAIN: A bill (H.R. 4108) to authorize the correction of military records; to the Committee on Military Affairs.

By Mr. RAMSAY: A bill (H.R. 4109) to permit the State of West Virginia to bring suit against the United States; to the Committee on the Judiciary.

By Mr. JAMES: A bill (H.R. 4110) providing for loans or advances by the Reconstruction Finance Corporation for the purpose of securing the postponement of the foreclosure of certain mortgages for a period of 2 years, and for other purposes; to the Committee on Banking and Currency.

By Mr. McCLINTIC: A bill (H.R. 4111) relating to the classified civil service; to the Committee on the Civil Service.

By Mr. DIES: A bill (H.R. 4112) to provide for the exclusion and expulsion of alien communists; to the Committee on Immigration and Naturalization.

By Mr. MARTIN of Massachusetts: A bill (H.R. 4113) to classify in the civil service employees in post offices of the third class; to the Committee on the Civil Service.

By Mr. DIES: A bill (H.R. 4114) to further restrict immigration into the United States; to the Committee on Immigration and Naturalization.

By Mr. SIROVICH: A bill (H.R. 4115) to provide protection by registration of designs for textiles and other materials; to the Committee on Patents.

By Mr. DUNN: A bill (H.R. 4116) relating to labor and prohibiting the employment of persons for more than 6 hours in any one day or more than 5 days in any one week, and providing penalties for violations thereof; to the Committee on Labor.

By Mr. McCLINTIC: A bill (H.R. 4117) authorizing an appropriation to reimburse the State of Oklahoma for money paid for the education of restricted Indian children in the public schools of the said State; to the Committee on Indian Affairs.

Also, a bill (H.R. 4118) to amend an act approved September 26, 1914, known as "the Federal Trade Commission Act" to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 4119) regulating the operation of motor trucks and busses; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 4120) authorizing the Secretary of Agriculture to make disposition of certain public funds; to the Committee on Agriculture.

Also, a bill (H.R. 4121) providing regulations governing the sale of foreign securities in the United States; to the Committee on the Judiciary.

Also, a bill (H.R. 4122) to repeal the act of July 13, 1926; to the Committee on the Public Lands.

Also, a bill (H.R. 4123) providing for a minimum marketing price for certain agriculture products; to the Committee on Agriculture.

Also, a bill (H.R. 4124) relating to retirement of certain employees of the Government; to the Committee on the Civil Service.

Also, a bill (H.R. 4125) authorizing the decommissioning of all battleships; to the Committee on Naval Affairs.

Also, a bill (H.R. 4126) to provide that the Reconstruction Finance Corporation shall make loans to farmers on the security of first mortgages, and for other purposes; to the Committee on Banking and Currency.

By Mr. GASQUE: A bill (H.R. 4127) to extend the time for the construction of a bridge across the Waccamaw River near Conway, S.C.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 4128) granting the consent of Congress to the State of South Carolina to construct, maintain, and operate a bridge across the Waccamaw River; to the Committee on Interstate and Foreign Commerce.

By Mr. DINGELL: A bill (H.R. 4129) to provide for the appointment of an additional district judge for the eastern district of Michigan; to the Committee on the Judiciary.

Also, a bill (H.R. 4130) authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.; to the Committee on the Library.

By Mr. HOEPPEL: A bill (H.R. 4131) to amend all existing United States laws pertaining to pensions, grants, or annuities, to provide economies and establish equalities; to the Committee on Pensions.

Also, a bill (H.R. 4132) to amend the act of May 7, 1932, to provide equality in promotion, without increase in pay or allowances; to the Committee on Military Affairs.

By Mr. GASQUE: A bill (H.R. 4133) to give depositors the right to liquidate banks in certain cases; to the Committee on Banking and Currency.

By Mr. McSWAIN: A bill (H.R. 4134) to authorize the Secretary of War to sell or dispose of certain surplus real estate of the War Department; to the Committee on Military Affairs.

Also, a bill (H.R. 4135) to authorize the acquisition of additional land for the use of Walter Reed General Hospital; to the Committee on Military Affairs.

By Mr. HOEPPEL: A bill (H.R. 4136) to authorize the Secretary of War to fix the pay grade of enlisted men of the Army and the Marine Corps retired before July 1, 1920; to the Committee on Military Affairs.

By Mr. BROWN of Michigan: Joint resolution (H.J.Res. 114) directing the President to proclaim October 11 of each year General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

Also, a joint resolution (H.J.Res. 115) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

By Mr. MALONEY of Connecticut: Joint resolution (H.J.Res. 116) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

By Mr. SHALLENBERGER: Joint resolution (H.J.Res. 117) to honor John Philip Sousa by designating The Stars and Stripes Forever the national march; to the Committee on the Judiciary.

By Mr. DICKSTEIN: Joint resolution (H.J.Res. 118) to provide for the return to the Philippine Islands of unemployed Filipinos resident in the continental United States, to authorize appropriations to accomplish that result, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. DIES: Joint resolution (H.J.Res. 119) further restricting immigration into the United States; to the Committee on Immigration and Naturalization.

By Mr. DINGELL: Joint resolution (H.J.Res. 120) to restrict the employment of alien commuting labor; to the Committee on Immigration and Naturalization.

By Mr. McCLINTIC: Concurrent resolution (H.Con.Res. 8) creating the Joint Committee of Congress to Investigate the Various Bureaus and Departments of the Government for the Purpose of Bringing About any Necessary Consolidations, the Abolishment of any Bureaus, and the Reduction of Operating Personnel; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York: A bill (H.R. 4137) for the relief of the J. N. Adam Memorial Hospital; to the Committee on Claims.

By Mr. BOYLAN: A bill (H.R. 4138) authorizing the President to present a medal of honor to Monsignor John P. Chidwick; to the Committee on Naval Affairs.

By Mr. BRIGGS: A bill (H.R. 4139) to confer the medal of honor for service in the Philippine insurrection on William O. Trafton; to the Committee on Military Affairs.

By Mr. BUCKBEE: A bill (H.R. 4140) granting an increase of pension to Sarah Alice Belrose; to the Committee on Invalid Pensions.

By Mr. BURCH: A bill (H.R. 4141) to amend the act entitled "An act for the relief of contractors and subcontractors for the post office and other buildings and work under the supervision of the Treasury Department, and for other purposes", approved August 25, 1919, as amended by act of March 6, 1920; to the Committee on Claims.

By Mr. BURNHAM: A bill (H.R. 4142) for the relief of John H. McNulty; to the Committee on Naval Affairs.

By Mr. CAVICCHIA: A bill (H.R. 4143) to confer jurisdiction on the Court of Claims to hear and determine the claim of A. C. Messler Co.; to the Committee on Claims.

By Mr. DIES: A bill (H.R. 4144) for the relief of Horace Wilberdean Jones; to the Committee on Military Affairs.

By Mr. DUNCAN of Missouri: A bill (H.R. 4145) granting a pension to Mary C. Wilkerson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4146) granting a pension to Jane S. Murphy; to the Committee on Invalid Pensions.

By Mr. EATON: A bill (H.R. 4147) for the relief of William Sulem; to the Committee on Claims.

By Mr. EDMONDS: A bill (H.R. 4148) for the relief of the Ancona Printing Co., Inc.; to the Committee on Claims.

By Mr. HUDDLESTON: A bill (H.R. 4149) for the relief of Lafayette Hunter; to the Committee on Military Affairs.

By Mr. KNIFFIN: A bill (H.R. 4150) granting a pension to Charles F. Boroff; to the Committee on Invalid Pensions.

By Mr. KRAMER: A bill (H.R. 4151) correcting the date of enlistment of Elza Bennett in the United States Navy; to the Committee on Naval Affairs.

By Mr. LARRABEE: A bill (H.R. 4152) for the relief of Templeton Livingston; to the Committee on Military Affairs.

Also, a bill (H.R. 4153) granting a pension to John E. Mann; to the Committee on Pensions.

Also, a bill (H.R. 4154) granting a pension to Clarence E. Crane; to the Committee on Pensions.

Also, a bill (H.R. 4155) granting an increase of pension to Julia P. Kiess; to the Committee on Invalid Pensions.

By Mr. McCLINTIC: A bill (H.R. 4156) granting a pension to William M. Caplinger; to the Committee on Pensions.

Also, a bill (H.R. 4157) for the relief of Earl J. Babcock; to the Committee on Military Affairs.

Also, a bill (H.R. 4158) granting a pension to Robert E. Jones; to the Committee on Pensions.

Also, a bill (H.R. 4159) granting an increase of pension to Minerva E. Herren; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4160) granting an increase of pension to Mary E. Derrick; to the Committee on Invalid Pensions.

By Mr. McCORMACK: A bill (H.R. 4161) regulating repair work on any vessel of the United States Navy; to the Committee on Naval Affairs.

Also, a bill (H.R. 4162) for the relief of Francis Louis Nourse; to the Committee on Naval Affairs.

Also, a bill (H.R. 4163) for the relief of John P. Hurley; to the Committee on Naval Affairs.

By Mr. McKEOWN: A bill (H.R. 4164) for the relief of Stanwaity Killcrease; to the Committee on Naval Affairs.

Also, a bill (H.R. 4165) for the relief of Harvey Stump; to the Committee on Naval Affairs.

By Mr. MALONEY of Louisiana: A bill (H.R. 4166) granting a pension to Edith Chambers Feehan; to the Committee on Pensions.

By Mr. MEAD: A bill (H.R. 4167) to authorize the appointment of Capt. Byron B. Daggett, retired, to the grade of major, retired, in the United States Army; to the Committee on Military Affairs.

By Mr. PARSONS: A bill (H.R. 4168) granting a pension to Claud Stine; to the Committee on Invalid Pensions.

By Mr. PEAVEY: A bill (H.R. 4169) for the relief of John H. Lokemoen; to the Committee on Claims.

Also, a bill (H.R. 4170) for the relief of E. H. Estabrook; to the Committee on Claims.

Also, a bill (H.R. 4171) for the relief of Phillips Creamery Co., Inc.; to the Committee on Claims.

Also, a bill (H.R. 4172) for the relief of Julius A. Geske; to the Committee on Claims.

Also, a bill (H.R. 4173) for the relief of Edward M. Steffenson; to the Committee on Claims.

Also, a bill (H.R. 4174) for the relief of Roy O. Steffenson; to the Committee on Claims.

Also, a bill (H.R. 4175) for the relief of Oscar C. Olson; to the Committee on War Claims.

Also, a bill (H.R. 4176) for the relief of Harry A. Rutherford; to the Committee on Military Affairs.

Also, a bill (H.R. 4177) for the relief of D. E. Lamon; to the Committee on Claims.

Also, a bill (H.R. 4178) for the relief of Leon John Mahoney; to the Committee on Naval Affairs.

Also, a bill (H.R. 4179) for the relief of Frederic Foss; to the Committee on Military Affairs.

Also, a bill (H.R. 4180) for the relief of Guy Goodin; to the Committee on War Claims.

Also, a bill (H.R. 4181) for the relief of Henry A. Behrens; to the Committee on Military Affairs.

Also, a bill (H.R. 4182) for the relief of Alta Crofoot; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4183) granting an increase of pension to Olive Dupree; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4184) granting an increase of pension to Sarah Saint Germain; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4185) granting an increase of pension to Adeline Boldus; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4186) granting an increase of pension to Sarah A. Dearborn; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4187) granting a pension to Harvey L. Pierce; to the Committee on Pensions.

By Mr. SHANNON: A bill (H.R. 4188) for the relief of Albert P. Dunbar; to the Committee on Military Affairs.

Also, a bill (H.R. 4189) for the relief of Charles Cubberly; to the Committee on Military Affairs.

Also, a bill (H.R. 4190) for the relief of Joseph W. Zorn; to the Committee on Military Affairs.

Also, a bill (H.R. 4191) for the relief of Clara Fitzgerald; to the Committee on Claims.

Also, a bill (H.R. 4192) for the relief of John F. Carlow; to the Committee on Military Affairs.

Also, a bill (H.R. 4193) for the relief of William George O'Neal; to the Committee on Naval Affairs.

Also, a bill (H.R. 4194) for the relief of Harry W. Hall; to the Committee on Military Affairs.

Also, a bill (H.R. 4195) for the relief of Carl A. Barzen; to the Committee on Military Affairs.

Also, a bill (H.R. 4196) for the relief of Helen Marie Lewis; to the Committee on Claims.

Also, a bill (H.R. 4197) for the relief of George W. Wormington; to the Committee on Military Affairs.

Also, a bill (H.R. 4198) granting a pension to Levi Clark; to the Committee on Pensions.

Also, a bill (H.R. 4199) granting a pension to Belle Hill; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4200) granting a pension to Charles Arthur Collins; to the Committee on Pensions.

Also, a bill (H.R. 4201) granting a pension to Cloe I. B. Wiggins; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4202) granting a pension to Mary E. Harper; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4203) granting a pension to Hattie M. Warner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4204) granting a pension to George W. Wormington; to the Committee on Pensions.

Also, a bill (H.R. 4205) granting a pension to Jesse E. Lampkin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4206) granting a pension to Edward A. Price; to the Committee on Pensions.

Also, a bill (H.R. 4207) giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co.; to the Committee on Claims.

By Mr. SMITH of West Virginia: A bill (H.R. 4208) for the relief of Benjamin Yarborough; to the Committee on Military Affairs.

By Mr. SNYDER: A bill (H.R. 4209) granting a pension to Malissa Hoover; to the Committee on Pensions.

Also, a bill (H.R. 4210) granting a pension to Josephine Rutter; to the Committee on Invalid Pensions.

By Mr. TAYLOR of South Carolina: A bill (H.R. 4211) granting a pension to Paul T. King; to the Committee on Pensions.

By Mr. TRAEGER: A bill (H.R. 4212) for the relief of Theodore H. Abel, Jr.; to the Committee on Military Affairs.

Also, a bill (H.R. 4213) for the relief of George McCourt; to the Committee on Military Affairs.

By Mr. WADSWORTH: A bill (H.R. 4214) for the relief of Charles A. Hamilton; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

165. By Mr. CONNERY: Petition of the Revere City Council, protesting against the policy of Germany in establishing an anti-Jewish program; to the Committee on Foreign Affairs.

166. By Mr. FOSS: Resolution adopted by the House of Representatives of the Commonwealth of Massachusetts, urging Congress to regulate the hours and wages of persons employed in manufacturing and industrial establishments; to the Committee on Labor.

167. By Mr. PATMAN: Petition of S. T. Snead, chairman citizenship and temperance committee, National City Christian Church, Washington, D.C., protesting against the passage of any bill to legalize beer or other beverages prohibited by the Constitution, which embodies a copy of telegram sent to President Roosevelt upon learning of his message regarding beer to the Congress; to the Committee on the District of Columbia.

168. By Mr. RUDD: Petition of Colonial Works, Brooklyn, N.Y., protesting against the manufacture of paints and varnishes in Government navy yards; to the Committee on Expenditures in the Executive Departments.

SENATE

MONDAY, MARCH 27, 1933

(Legislative day of Monday Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THOMAS D. SCHALL, a Senator from the State of Minnesota, appeared in his seat today.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had agreed to the amendments of the Senate to the bill (H.R. 3757) to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases.

CALL OF THE ROLL

Mr. LEWIS. Mr. President, I make the suggestion of the absence of a quorum and ask a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	La Follette	Robinson, Ark.
Ashurst	Couzens	Lewis	Robinson, Ind.
Austin	Dickinson	Logan	Russell
Bachman	Dieterich	Lonergan	Schall
Bankhead	Dill	Long	Sheppard
Barbour	Erickson	McAdoo	Shipstead
Barkley	Fess	McCarran	Smith
Black	Fletcher	McGill	Steiwer
Bone	Frazier	McKellar	Stephens
Borah	George	McNary	Thomas, Okla.
Brown	Goldsborough	Metcalf	Thomas, Utah
Bulkley	Gore	Murphy	Townsend
Bulow	Hale	Neely	Trammell
Byrd	Harrison	Norbeck	Tydings
Byrnes	Hastings	Norris	Vandenberg
Capper	Hatfield	Nye	Van Nuys
Caraway	Hayden	Overton	Wagner
Carey	Hebert	Patterson	Walcott
Clark	Johnson	Pittman	Walsh
Connally	Kendrick	Pope	Wheeler
Coolidge	Keyes	Reed	White
Copeland	King	Reynolds	

Mr. REED. I desire to announce that my colleague the junior Senator from Pennsylvania [Mr. DAVIS] is still detained from the Senate on account of illness.

Mr. LEWIS. Permit me to announce, sir, that the senior Senator from New Mexico [Mr. BRATTON] is absent on official business, and that the senior Senator from North Carolina [Mr. BAILEY] is necessarily detained from the Senate. I ask that the announcement remain for the day.

I also desire to announce that the Senator from Wisconsin [Mr. DUFFY] is necessarily detained from the Senate by illness in his family. I will let this announcement stand for the day.

Mr. BYRD. I wish to announce that my colleague the senior Senator from Virginia [Mr. GLASS] is unavoidably detained.

Mr. HEBERT. The senior Senator from Vermont [Mr. DALE], the senior Senator from New Jersey [Mr. KEAN], and the junior Senator from New Mexico [Mr. CUTTING] are necessarily absent.

The VICE PRESIDENT. Eighty-seven Senators having answered to their names, a quorum is present.

SIGNING OF ENROLLED BILL H.R. 3757

The VICE PRESIDENT. The Chair desires to announce that, under authority of the order of the Senate agreed to on Thursday last, he signed, on the 24th instant, the enrolled bill (H.R. 3757) to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases, and for other purposes, said bill having previously been signed by the Speaker of the House of Representatives and reported by the Committee on Enrolled Bills as having been examined and found truly enrolled, and that it was delivered to the committee to be presented to the President of the United States.

MANUFACTURE AND SALE OF BEVERAGES IN THE DISTRICT OF COLUMBIA

The Chair also desires to announce that, under further authority of said order of Thursday last, he referred, on the 24th instant, to the Committee on the District of Columbia the bill (H.R. 3342) to provide revenue for the District of Columbia by the taxation of beverages, and for other purposes, passed by the House of Representatives and received by the Secretary of the Senate under authority of the said order.

RELIEF OF UNEMPLOYMENT

Mr. WALSH. Mr. President, from the Committee on Education and Labor I report back favorably, with an amendment in the nature of a substitute, the bill (S. 598) for the relief of unemployment through the performance of useful public work, and for other purposes.

Mr. ROBINSON of Arkansas. Mr. President, I ask that the bill be read, and that the Senate proceed with its consideration.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, under the rule it would require unanimous consent to grant the Senator's request?

Mr. ROBINSON of Arkansas. Yes.

Mr. McNARY. The bill has been available only since the call of the roll a few moments ago. A number of Senators

are not yet present. No one has had an opportunity to read the bill. I never interfere with the expedition of legislation, but I shall object and invoke the rule against the consideration of the bill today, though I have no objection to its being discussed.

Mr. ROBINSON of Arkansas. I ask that the Senate proceed to the consideration of the bill with the understanding that if the Senator from Oregon subsequently objects to proceeding further the bill may go over until tomorrow. I desire that the Senator from Massachusetts [Mr. WALSH], the chairman of the committee reporting the bill, may make an explanation of its provisions. When that has been done the Senator from Oregon can then determine, if he will, whether the bill shall be disposed of today.

Mr. McNARY. I think I shall have to follow my own course. I do it with great respect for the leader on the Democratic side. I shall have to object and I do now object to the consideration of the bill today. However, I do not object, of course, to having the able Senator from Massachusetts discuss the bill informally. I shall be glad to have him do so.

Mr. ROBINSON of Arkansas. There is no unfinished business before the Senate. It was my thought to proceed with the consideration of the bill with the understanding to which I have just referred. I can, of course, move tomorrow to proceed to its consideration and shall do so if the Senator persists in his objection. It is not my intention to ask that the bill be disposed of today if the Senator from Oregon, or any other Senator, objects, but I should like to have the bill before the Senate. There is nothing before the Senate in the way of unfinished business.

Mr. McNARY. Happily the rule does not prevent the Senator from Massachusetts from informally discussing the bill. I do object to its consideration today. I shall not oppose the Senator's motion tomorrow. That is very, very fair. If there is any question about my attitude in the matter, let me dispel it by asking unanimous consent that the Senator from Massachusetts may be permitted at this time to discuss informally the provisions of the bill.

The VICE PRESIDENT. Is there objection? The Chair hears none.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that the President had approved and signed the following acts and joint resolution:

On March 23, 1933:

S. 154. An act confirming the claim of Francis R. Sanchez, and for other purposes;

S. 156. An act providing for an exchange of lands between the Colonial Realty Co. and the United States, and for other purposes; and

S.J.Res. 14. Joint resolution to authorize the Reconstruction Finance Corporation to make loans for financing the repair or reconstruction of buildings damaged by earthquake in 1933.

On March 24, 1933:

S. 151. An act for the relief of the Holy Family Hospital, St. Ignatius, Mont.;

S. 152. An act to authorize the Secretary of War to grant a right of way to the Alameda Belt Line across the Benton Field Military Reservation, Alameda, Calif.; and

S. 153. An act to convey certain land in the county of Los Angeles, State of California.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Oregon, which was referred to the Committee on Post Offices and Post Roads:

Senate Joint Memorial 7

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the Legislative Assembly of the State of Oregon, respectfully represent that—

Whereas it has been customary heretofore for the Congress of the United States to authorize an appropriation for Federal aid in highway construction for 2 years in advance, and no such Federal aid has been authorized by Congress beyond the fiscal year 1933; and

Whereas said highway construction is the most effective source of employment among all public works, offering a distribution of labor unequaled by any other large industry; and

Whereas said highway construction during the year 1932 provided a means of livelihood for at least 4,000,000 people in the United States; and

Whereas the State of Oregon has taken up all Federal-aid moneys heretofore authorized so that the completion of construction projects now under way will operate to throw out of employment a large number of Oregon citizens and affect adversely many thousand residents of the State unless additional funds for further construction work are provided; and

Whereas the Congress of the United States has now before it a bill authorizing and providing for Federal aid for the coming biennial period: Now therefore be it

Resolved by the Senate of the State of Oregon (the house of representatives jointly concurring therein), That the Congress of the United States of America be, and it hereby is, memorialized to take prompt and favorable action upon and pass said authorization bill, or a similar bill, in such an amount consistent with the governmental Budget as will afford maximum unemployment relief during the coming biennium; and be it further

Resolved, That the President of the United States be, and he hereby is, respectfully urged to approve such bill upon its passage in order that the provisions thereof may become effective at an early date; and be it further

Resolved, That a certified copy of this joint memorial be sent forthwith to the President of the United States and the President of the United States Senate, the Speaker of the House of Representatives, and to each of the Members of the congressional delegation from the State of Oregon.

Endorsed: Senate Joint Memorial No. 7 (introduced by Committees on Roads and Highways (senate)), Highway and Highway Revenue, Motor Vehicles and Aeronautics (house).

JNO. P. HUNT, *Chief Clerk.*

Adopted by senate February 10, 1933.

FRED E. BIDDLE, *President.*

Concurred in by house, March 6, 1933.

E. W. SNELL, *Speaker.*

Filed March 9, 1933.

HAL E. HOSS, *Secretary of State.*

STATE OF OREGON,
OFFICE OF THE SECRETARY OF STATE.

I, Hal E. Hoss, secretary of state of the State of Oregon and custodian of the seal of said State, do hereby certify that I have carefully compared the annexed copy of Senate Joint Memorial No. 7 with the original thereof filed in the office of the secretary of state March 9, 1933, and that the same is a full, true, and correct transcript therefrom and of the whole thereof, together with all endorsements thereon. In testimony whereof I have hereunto set my hand and affixed hereto the seal of the State of Oregon.

Done at the capitol at Salem, Oreg., this 13th day of March A.D. 1933.

[SEAL] HAL E. HOSS, *Secretary of State.*

The VICE PRESIDENT also laid before the Senate the following memorials of the Legislature of the State of Oregon, which were referred to the Committee on Banking and Currency:

House Joint Memorial 13

To the honorable Senate and House of Representatives of the United States in Congress assembled:

We, your memorialists, the Legislature of the State of Oregon, respectfully represent that—

Whereas there was pending before the Seventy-second Congress a bill (S. 5263) permitting the Reconstruction Finance Corporation to make loans, on approved security, to States, counties, municipalities, and school districts; and

Whereas the said Senate bill had for its purpose the stabilization of finances in school districts, wholly solvent but temporarily embarrassed by reason of tax delinquency or impaired local banking facilities; and

Whereas favorable consideration and passage of such a bill will serve to alleviate the financial distress of these districts and permit them to reorganize their finances on a more stable basis, to the ultimate advantage of the taxpayers of such districts as well as to the immediate benefit of countless boys and girls in the schools: Now, therefore, be it

Resolved by the House of Representatives of the State of Oregon (the senate jointly concurring therein), That we do most earnestly petition and memorialize the Congress of the United States in the name of the State of Oregon to consider favorably legislation for the relief of school districts hereinbefore referred to; be it further

Resolved, That copies of this resolution be forthwith transmitted to the President of the United States, the President of the United States Senate, and the Speaker of the House of Representatives at Washington, D.C., and to each Member of the Oregon delegation in Congress.

Adopted by the house March 1, 1933.

E. W. SNELL,
Speaker of the House.

Concurred in by the Senate March 7, 1933.

FRED E. KIDDLE,
President of the Senate.

Endorsed: House Joint Memorial No. 13 (introduced by Mr. Childs and Senator Woodward).

W. F. DRAGER,
Chief Clerk.

Filed March 9, 1933.

HAL E. HOSS,
Secretary of State.

STATE OF OREGON,
OFFICE OF THE SECRETARY OF STATE.

I, Hal E. Hoss, secretary of state of the State of Oregon, and custodian of the seal of said State, do hereby certify that I have carefully compared the annexed copy of House Joint Memorial No. 13 with the original thereof filed in the office of the secretary of state March 3, 1933, and that the same is a full, true, and correct transcript therefrom and of the whole thereof, together with all endorsements thereon.

In testimony whereof I have hereunto set my hand and affixed hereto the seal of the State of Oregon. Done at the capitol at Salem, Oreg., this 17th day of March A.D. 1933.

[SEAL]

HAL E. HOSS,
Secretary of State.

House Joint Memorial 15

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the Legislative Assembly of the State of Oregon, respectively represent that—

Whereas the Congress of the United States of America has provided in the act approved July 21, 1932, creating the Reconstruction Finance Corporation for loans to and for the relief of banks, savings banks, trust companies, building and loan associations, insurance companies, and other similar organizations on account of the assets of such organizations not being liquid; and

Whereas various boards, commissions, and departments of the State of Oregon and municipal corporations thereof and of other States have the custody, control, and management of trust, sinking, and other funds invested in bonds, notes, mortgages, and other securities which, because of the present economic conditions are not liquid, and which, if the necessity arose requiring the liquidation thereof, would result in serious and irreparable damage to such funds; and

Whereas the only relief to prevent such loss and damage must come from an amendment to said act of July 21, 1932, authorizing the Reconstruction Finance Corporation to make loans to such boards, commissions, and departments of the State of Oregon and municipal corporations thereof and of other States for the relief of such funds: Now, therefore, be it

Resolved by the House of Representatives of the State of Oregon (the Senate jointly concurring therein), That we do most earnestly urge that the Congress of the United States amend the act approved July 21, 1932, creating the Reconstruction Finance Corportion, to authorize such Reconstruction Finance Corporation to loan moneys to boards, commissions, and departments of the several States and the municipal corporations thereof for the relief of trust, sinking, and other funds; and be it further

Resolved, That copies of this memorial be forthwith transmitted to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and to each Member of the Oregon delegation in Congress.

Adopted by the house March 4, 1933.

E. W. SNELL,
Speaker of the House.

Concurred in by the senate March 9, 1933.

FRED E. KIDDLE,
President of the Senate.

Endorsed: House Joint Memorial No. 15. (Introduced by Doctor Dammash.)

W. F. DRAGER,
Chief Clerk.

Filed March 10, 1933.

HAL E. HOSS,
Secretary of State.

STATE OF OREGON,
OFFICE OF THE SECRETARY OF STATE.

I, Hal E. Hoss, secretary of state of the State of Oregon, and custodian of the seal of said State, do hereby certify that I have carefully compared the annexed copy of House Joint Memorial No. 15 with the original thereof filed in the office of the secretary of state March 10, 1933, and that the same is a full, true, and correct transcript therefrom and of the whole thereof, together with all endorsements thereon.

In testimony whereof I have hereunto set my hand and affixed hereto the seal of the State of Oregon. Done at the capitol, at Salem, Oreg., this 17th day of March A.D. 1933.

[SEAL]

HAL E. HOSS,
Secretary of State.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Texas, which was referred to the Committee on Military Affairs:

Senate Concurrent Resolution 27

Whereas for some 14 years the War Department of the United States maintained Fort D. A. Russell, a military outpost of considerable importance because of its strategic location as a protection for many miles of territory bordering the Republic of Mexico; and

Whereas the climate of the area in the Davis Mountains, in which was located this historic fort, is such as to provide all-year-round facilities for the training of soldiers in the service of our country, who perform a duty the value of which is unlimited; and

Whereas with the beginning of this year, 1933, the said Fort D. A. Russell, at Marfa, Tex., was abandoned and deserted by the War Department by transferring its personnel, which was composed of a Cavalry unit, to Kentucky for the purpose of having it motorized; and

Whereas there now remains on the site of this fort sufficient equipment and buildings to reestablish to good effect the military post which for so long so ably protected from invasion by neighboring foreigners many miles of valuable property; and

Whereas since the 1st of January 1933 five raids of such magnitude as to create much fear and unrest among residents of the border section adjacent to Mexico have been made upon the property herewith enumerated, the Chiante Ranch, January 22; the Jake Baldwin Ranch, February 8; the Jack Rawls Ranch, February 25; the J. L. Sublett ranch, March 2; and the L. C. Brite ranch, March 3, all of which is confined within the bounds of Presidio County, which in territorial extent embodies an area comparable in size to the combined States of Rhode Island and Delaware; and

Whereas with the abandonment of Fort D. A. Russell the protecting buffer for huge distances along the Mexican border has been removed and hundreds of miles of territory are now without protection, and as a direct result this portion of Texas—the southwestern boundary of the United States—is in a state of considerable demoralization because of the absence of the influence exerted by a unit of the military sufficient in size to adequately protect the life and property of its citizens: Now, therefore, be it

Resolved by the Senate of the State of Texas (the house of representatives concurring) That the honorable George H. Dern, Secretary of War, Washington, D.C., be petitioned to restore and to reestablish this most important military post at Marfa, Tex.; be it further

Resolved, That a copy of this resolution be sent the Honorable George H. Dern, Secretary of War, and the Honorable John Nance Garner, Vice President of the United States.

EDGAR E. WITT,
President of the Senate.

I hereby certify that Senate Concurrent Resolution No. 27 was adopted by the senate March 9, 1933.

BOB BARKER,
Secretary of the Senate.
COKE R. STEVENSON,
Speaker of the House of Representatives.

I hereby certify that Senate Concurrent Resolution No. 27 was adopted by the house of representatives March 16, 1933.

LOUISE SNOW PHINNEY,
Chief Clerk of the House of Representatives.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Banking and Currency:

STATE OF WISCONSIN.

Joint resolution memorializing the Congress of the United States to issue $13,000,000,000 in currency to finance necessary public works and to make loans to farmers and to liquidate frozen assets

Whereas month by month economic conditions in the United States have been growing steadily worse; 12,000,000 people are now unemployed; more than a million families are dependent on public or private charity for support; farm prices are the lowest they have been in more than a generation and nearly half the farmers are in imminent danger of losing their farms; and the State and local governments are now very nearly at the end of their resources; and

Whereas there is no possibility of economic recovery unless work is provided for the unemployed, frozen assets are made liquid, and farmers, business men, and home owners are freed from the imminent dangers of foreclosure and dispossession; and

Whereas these fundamental objects cannot possibly be attained through loans at high rates of interest, such as have

been made by the Reconstruction Finance Corporation, but can be effected through an increase in the currency: Therefore be it

Resolved by the senate (the assembly concurring), That the Legislature of Wisconsin hereby respectfully memorialize the Congress of the United States to make immediate provision for the issuance of $13,000,000,000 of money, $8,000,000,000 of this amount in currency and $5,000,000,000 in labor certificates to be negotiable as currency, which amount is to be expended to provide work for the unemployed on necessary public works. The $8,000,000,000 in currency to be used as outlined herein: $3,000,000,000 for refinancing the farmers and manufacturers, $2,000,000,000 for the liquidation of frozen indebtedness in mortgages, banks, and building and loan associations, and $3,000,000,000 to be loaned to States and political subdivisions for relief purposes and the liquidation of their indebtedness. The $8,000,000,000 which is to be loaned to farmers, banks, and building and loan associations, and to State and local governments is to bear no interest, but is to be repaid in a 20-year period, 5 percent each year, which is to apply on principal and not as an interest charge; be it further

Resolved, That properly attested copies of this resolution be transmitted to the presiding officers of both Houses of the Congress of the United States and each Wisconsin Member thereof.

C. T. YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.
THOMAS J. O'MALLEY,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.

The VICE PRESIDENT also laid before the Senate a memorial of the Legislature of the State of Maine, favoring the passage of such measures as will secure the consideration and use of granite in Federal construction in the State of Maine and other States, which was referred to the Committee on Public Buildings and Grounds.

(See memorial printed in full when presented today by Mr. HALE.)

The VICE PRESIDENT also laid before the Senate resolutions adopted by the General Court of Massachusetts, memorializing Congress to pass legislation relative to the labeling of foreign-made goods, which were referred to the Committee on Finance.

(See resolutions printed in full when presented today by Mr. WALSH.)

The VICE PRESIDENT also laid before the Senate a concurrent resolution of the Legislature of the State of New York, favoring the use by the Government, through the State Department, of its best diplomatic efforts in an attempt to persuade the German Government to desist from further outrages and persecutions of Jews in Germany, which was referred to the Committee on Foreign Relations.

(See concurrent resolution printed in full when presented today by Mr. COPELAND.)

The VICE PRESIDENT also laid before the Senate a resolution adopted by the mayor and council of the city of Helena, Mont., as a tribute to the memory of Hon. Thomas J. Walsh, late a Senator from the State of Montana, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Board of Commissioners of the city of Camden, N.J., favoring the passage of legislation enabling municipalities to refinance all or part of their present bonded indebtedness at lower rates of interest, etc., which was referred to the Committee on Banking and Currency.

He also laid before the Senate the application of the State Bar of California, signed by John L. McNab, Maurice E. Harrison, and O. K. Cushing, favoring provision for a fourth judge for the United States Circuit Court of Appeals for the Ninth Circuit, which was referred to the Committee on the Judiciary.

He also laid before the Senate the petition of Agnes Gliwa et al., of Elizabeth, Pa., praying for the adoption of measures to open, grade, and improve a seaway road from the Great Lakes to the Chesapeake Bay, via Pittsburgh, Pa., which, with the accompanying maps, was referred to the Committee on Post Offices and Post Roads.

Mr. ASHURST presented the following memorial of the House of Representatives of the Legislature of the State of Arizona, which was referred to the Committee on Finance:

STATE OF ARIZONA,
OFFICE OF THE SECRETARY,
UNITED STATES OF AMERICA,
State of Arizona, ss:

I, James H. Kerby, secretary of State, do hereby certify that the within is a true, correct, and complete copy of House Memorial 5, regular session, eleventh legislature, State of Arizona, entitled "Providing for the retention of veterans' benefits," all of which is shown by the original engrossed copy on file in this department.

In witness whereof I have hereunto set my hand and affixed the great seal of the State of Arizona. Done at Phoenix, the capital, this 14th day of March A.D. 1933.

[SEAL] JAMES H. KERBY,
Secretary of State.

House Memorial 5, providing for the retention of veterans' benefits

To the President and the Congress of the United States:

Your memorialist, the House of Representatives of the Legislature of the State of Arizona, respectfully represents:

Whereas there is now pending in the United States Congress legislation that will give the President of the United States power to reduce veterans' benefits which have heretofore been enacted into law; and

Whereas this would place approximately 80 percent of the veterans receiving these benefits on local charity and reduce the veterans' benefits approximately $4,000,000 in the State of Arizona; and

Whereas this will increase local and State taxes and will place the responsibility for the care of these disabled veterans upon the citizens and taxpayers of this State where otherwise the National Government is now caring for them: Now, therefore, be it

Resolved by the House of Representatives of the Eleventh Legislature of the State of Arizona in regular session assembled, That in view of these conditions the Congress of the United States be memorialized to establish in Arizona facilities for the hospital treatment of tubercular and neuropsychiatric cases, and that the said Congress of the United States appropriate approximately the amount of $4,000,000 for such hospital treatment if there is to be a reduction in veterans' benefits; and, be it further

Resolved, That suitably engrossed copies of this memorial, signed by the speaker of the House of Representatives of the State of Arizona and the Governor, be transmitted to the Presiding Officer of the United States Senate, the Speaker of the National House of Representatives, the President of the United States, and to each of the Arizona Members of the Congress of the United States at Washington.

Approved March 13, 1933.

Mr. COPELAND presented the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on Foreign Relations:

STATE OF NEW YORK,
IN SENATE,
Albany, March 21, 1933.

By Mr. Mandelbaum

Whereas cabled and newspaper reports from Germany bring to America and throughout the civilized world day after day the news of acts of terrorism committed against Jews and other minorities in Germany; and

Whereas it has only been learned today that this terrorism under the Hitler regime is continuing to harass, humiliate, destroy life, and violate property rights; and

Whereas these assaults and violations have degenerated so far as to seek out individuals of world-wide fame and prominence in the unlawful entry and search of the home of the great scientist, Albert Einstein, and others; and

Whereas prominent and leading laymen and clerics in this country as well as throughout the world are protesting against this prosecution under the direction and leadership of Chancellor Hitler: Now, therefore, be it

Resolved (if the assembly concur), That it is the sense of the people of the State of New York, represented in senate and assembly, that the Government of the United States, through its Department of State, should use its best diplomatic efforts in an attempt to persuade the German Government to desist from any further outrages and persecutions complained against in this resolution; and be it further

Resolved (if the assembly concur), That a copy of this resolution be immediately transmitted to the President of the United States, the Secretary of State, the Secretary of the United States Senate, the Clerk of the House of Representatives, and to each Senator and Representative in Congress elected from the State of New York.

By order of the senate.

P. H. O'CONNELL, *Clerk.*

IN ASSEMBLY, *March 22, 1933.*
Concurred in without amendment. By order of the assembly.
FRED W. HAMMOND, *Clerk.*

Mr. COPELAND also presented the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on the Judiciary:

STATE OF NEW YORK,
IN SENATE,
Albany, February 21, 1933.

By Mr. McNaboe

Whereas the judges of the United States district court in and for the southern district of New York, by the frequent appointment of a State banking institution as the receiver in bankruptcy proceedings, have created an unwholesome and undesirable condition in the administration of justice in such district; and

Whereas this situation has caused deep public concern in that the fiduciary relationship which should exist in an officer of a court in a judicial proceeding cannot be maintained by a large corporation without any professional responsibility or obligation to the litigants; and

Whereas a large volume of professional legal employment which legitimately belongs to the legal profession in such district is diverted to said banking corporation; and

Whereas it is the sense of the Legislature of the State of New York that the appointment of members of the legal profession, instead of such banking institution, would be in the interest of serving the various estates administered and in the interest of a more desirable administration of justice: Now, therefore, be it

Resolved (*if the assembly concur*), That the Congress of the United States be, and hereby is, memorialized speedily to enact appropriate legislation to prohibit this situation longer to exist to the end that a monopoly in the appointment of receivers and other court officers by the Federal district judges in the southern district of New York be discontinued; and be it further

Resolved, That a copy of this resolution be transmitted to the Secretary of the Senate, to the Clerk of the House of Representatives, and to each member of Congress and the United States Senate elected from the State of New York.

By order of the senate.

P. H. O'CONNELL, *Clerk.*
IN ASSEMBLY,
March 22, 1933.

Concurred in without amendment. By order of the assembly.
FRED W. HAMMOND, *Clerk.*

Mr. COPELAND also presented a resolution adopted by Madison County Pomona Grange, of Chittenango, N.Y., favoring the revaluation of the gold dollar and the establishment of a monetary system whereby prices of commodities may be stabilized upon a sound and honest basis, which was referred to the Committee on Finance.

He also presented a resolution adopted by the New York State Directorate American Association for the Recognition of the Irish Republic, of New York City, N.Y., favoring the full and prompt payment of indebtedness by European debtors to the United States, which was referred to the Committee on Finance.

He also presented a resolution adopted by the East Glenville Civic Organization, of Schenectady, N.Y., favoring a limitation of the maximum hours of labor to 126 hours per month and a minimum rate of $1 per hour, which was referred to the Committee on Education and Labor.

He also presented a petition of sundry citizens of Staten Island, N.Y., praying for the passage of legislation prohibiting the exportation of arms or munitions of war, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Lake Placid (N.Y.) Chamber of Commerce, favoring the ratification of the Great Lakes-St. Lawrence Seaway Treaty with Canada, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Flushing Peace Society, of Flushing, N.Y., protesting against the training of unemployed youths in military training camps, and favoring the disarming of obsolete ships of the Navy and their use as training ships for the merchant marine, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the Catholic Men's Federation of Monroe County (Central Verein of America), of Rochester, N.Y., favoring the enactment of legislation for unemployment relief, which was referred to the Committee on Banking and Currency.

He also presented memorials of sundry citizens and organizations of the State of New York, remonstrating against the enactment of various provisions in pending proposed legislation to relieve the existing national economic emergency by increasing agricultural purchasing power, which were referred to the Committee on Agriculture and Forestry.

He also presented the petitions of J. A. Taylor, of Marietta, and John P. Brown, of Kennedy, in the State of New York, praying for the passage of various provisions in pending legislation to relieve the existing national economic emergency by increasing agricultural purchasing power, which were referred to the Committee on Agriculture and Forestry.

He also presented an article by R. G. Phillips, secretary of the International Apple Association, of Rochester, N.Y., relative to the apple export situation, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by Scarsdale Post, No. 52, American Legion, of Scarsdale, N.Y., endorsing the President's program for economy, which was ordered to lie on the table.

PERSECUTION OF JEWS

Mr. ROBINSON of Indiana. Mr. President, I have just received a telegram from South Bend, Ind., which I desire to read, as follows:

SOUTH BEND, IND., *March 27, 1933.*

Hon. ARTHUR R. ROBINSON,
United States Senator of Indiana, Washington, D.C.:

Representatives of all faiths are joining South Bend Jewry in mass demonstration Monday night, March 27, to express protest against maltreatment of Jews in Germany. We direct ourselves to you as our worthy representative to join in the enlightened opinion of civilized mankind, which is shocked at the manifestation of inhumanity against the cultured people of Germany. We would appreciate your expression of sympathy, which we would like to present at the mass protest meeting.

PROTEST MEETING COMMITTEE,
BENJAMIN PISER,
Associates Building.

The VICE PRESIDENT. The telegram will be referred to the Committee on Foreign Relations.

Mr. ROBINSON of Indiana. Mr. President, along the same line I have received a copy of a resolution adopted by Louis Marshall Lodge, No. 1130, of the Independent Order of B'nai B'rith, of East Chicago, Ind., protesting against the treatment of Jews in Germany, which I ask may be incorporated in the RECORD.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Whereas over half a million Jews in Germany are now being subjected to cruel persecution by the Hitler regime, culminating in the crippling, maiming, and even murder of innocent Jews, their home being invaded and ransacked and their property destroyed—a terrorism, brutality, and cruelty that even surpass the barbarism and vandalism of the darkest of the dark ages; and

Whereas in addition to the inhuman treatment and persecution of over half a million German Jews, the Hitler regime and its followers stand accused and convicted of perpetrating the same barbaric attacks and cruel terroristic mistreatment of Americans of the Jewish faith on the streets of Germany: Now, therefore, the Louis Marshall Lodge, No. 1130, of the Independent Order of B'nai B'rith, of East Chicago, Ind., at its regular meeting held this 22d day of March, 1933, in the said city of East Chicago, Ind., adopts the following resolution:

Be it resolved, That in the name of humanity and in the name of the true American spirit of freedom, tolerance, and equal protection for all its citizens, which is so clearly expressed in the Declaration of Independence and in the Constitution of the United States of America, we appeal to the Government of the United States, through the Department of State and its duly accredited representatives in Germany, to voice its protest and resentment against the conduct of the Hitler regime, which is so repulsive and repugnant to the American spirit of fairness and justice to all.

LOUIS MARSHALL LODGE, B'NAI B'RITH.
CECIL B. COHEN, *President.*
HENRY S. SMULEVITZ, *Secretary.*

THE BANK SITUATION

Mr. ROBINSON of Indiana. Mr. President, I desire to refer to a very brief letter with reference to the banking situation received by me from Guy M. Walker, of New York, formerly a citizen of the State of Indiana, where he spent his boyhood. He encloses copy of a letter under date of March 23, 1933, addressed to the New York Herald Tribune, which, because of its brevity and the fact that it is in point at this moment and is timely, I will read. The letter is as follows:

MARCH 23, 1933.

NEW YORK HERALD TRIBUNE,
New York, N.Y.

DEAR SIRS: Is it possible that the American people are going to permit themselves to be plundered in a most inexcusable and outrageous manner by the arbitrary and unjustifiable action of the Federal Reserve banking authorities under the pretense that certain of the banks are not sound?

Nearly one fourth of the banks which were open and doing business when the bank holiday was declared have been denied permission to reopen. Depositors and stockholders are being robbed of their property rights by this unwarranted, outrageous, and, in many instances, absolutely illegal act of the agents of the Federal Reserve bank. It must be remembered that the plight of the banks is itself due to the ignorant, cowardly, and vicious conduct of the Federal Reserve bank which led up to the forced holiday, and now, by its absolutely unwarranted, incompetent administration of the banking laws having reduced nearly one third of the banks in the United States to helplessness, proceeds for the benefit of still undisclosed interests to prevent the reopening of one fourth of the banks that were still open in its vicious attempt to force a repudiated Federal Reserve System on the country and to compel the acceptance of a branch-banking system which our people have repudiated every time they have had a chance.

Very truly yours,

——— ———.

Mr. ROBINSON of Arkansas. Mr. President, the letter just read by the Senator from Indiana apparently assumes that all banks which were closed are in a position to reopen. Does the Senator think that a bank which is insolvent should be permitted to reopen and to receive deposits without restriction?

Mr. ROBINSON of Indiana. No, Mr. President; but I think there is a possibility, of course, of much favoritism unless the administration of these closed banks is handled in an absolutely impartial manner.

Mr. ROBINSON of Arkansas. My objection to the letter which the Senator has read is the clear implication, first, that all banks that have been closed should be reopened without any investigation, and without any ascertainment of their sound condition, which inevitably would result either in runs or in loss to depositors; and, second, to the suggestion that without examination it could be known what banks are entitled to reopen, what banks are sound. I think that the administration is fairly and diligently proceeding in the matter and that it is impossible to pass upon the questions necessary to be determined in a few days or a few hours, as seems to be implied by the letter which the Senator has read.

Mr. ROBINSON of Indiana. Mr. President, I simply read as coming from a former citizen of my State, now residing in New York, the letter which he addressed to the New York Herald Tribune, giving his views on the banking situation, and I went no further than that.

Mr. ROBINSON of Arkansas. Very well.

Mr. FLETCHER. Mr. President, I think the letter is somewhat unfair. The statement now is—and I think this is a correct statement—that 15,600 banks out of a total of 19,296 are now open; that 5,328 out of 6,891 reserve members have resumed operations, as have 10,000 banks which are not members of the Federal Reserve System. That, I think, is about the situation up to date, and other banks are being opened just as fast as they can qualify.

USE OF GRANITE IN GOVERNMENT CONSTRUCTION

Mr. HALE. Mr. President, I ask consent to have printed in the RECORD and appropriately referred a memorial from my State urging the use of granite in Government construction.

The memorial was referred to the Committee on Public Buildings and Grounds and, under the rule, ordered to be printed in the RECORD, as follows:

STATE OF MAINE, 1933.

Memorial to the Congress of the United States, urging it to provide for a wider use of granite in Federal construction

Whereas the Eighty-sixth Legislature of the State of Maine, appreciating that the quarrying and fabrication of granite is an important industry in Maine, giving employment to many of our people; and

That granite is recognized as the most suitable material to give that durability, dignity, and beauty necessary to public buildings; and

That it is apparent that the widespread and general use of Indiana limestone in Federal construction in recent years has resulted from undue favoritism shown a material produced almost exclusively in that one State; and

That the use of machine-fabricated limestone in discrimination against hand-processed granite had seriously aggravated unemployment conditions in Maine and many other States:

Respectfully requests the Congress of the United States to consider the following resolution:

Resolved by the Senate and House of Representatives of the State of Maine in legislature assembled, That the Congress of the United States be, and hereby is, urged to initiate and enact such measures as will secure the consideration and use of granite in Federal construction in the State of Maine and other States; and be it further

Resolved, That certified copies of this resolution, duly certified by the secretary of state, be forwarded to the President of the Senate and to the Speaker of the House of Representatives at Washington, and to the several Senators and Representatives from the State of Maine in the Congress of the United States.

IN SENATE CHAMBER, *March 16, 1933.*

Adopted and sent down for concurrence.

ROYDEN V. BROWN, *Secretary.*

HOUSE OF REPRESENTATIVES.

Adopted March 17, 1933.

HARVEY R. PEASE, *Clerk.*

STATE OF MAINE,
OFFICE OF SECRETARY OF STATE.

I, Robinson C. Tobey, secretary of state of the State of Maine, and custodian of the seal of said State, do hereby certify:

That I have carefully compared the annexed copy of the memorial to the Congress of the United States of the Senate and House of Representatives of the State of Maine in legislature assembled, with the original thereof, and that it is a full, true, and complete transcript therefrom and of the whole thereof.

In testimony whereof, I have caused the seal of the State to be hereunto affixed. Given under my hand at Augusta, this 20th day of March A.D. 1933, and in the one hundred and fifty-seventh year of the independence of the United States of America.

[SEAL] ROBINSON C. TOBEY,
Secretary of State.

BEAR RIVER (UTAH) MIGRATORY BIRD REFUGE

Mr. KING. Mr. President, I have received a letter from the secretary of state of Utah transmitting Concurrent Memorial No. 5, adopted by the legislature of that State, memorializing Congress to appoint a committee to investigate the administration and control by the Bureau of Biological Survey of the Bear River Migratory Bird Refuge; and I ask that the memorial may be referred to the Committee on Agriculture and Forestry.

The memorial was referred to the Committee on Agriculture and Forestry, and, under the rule ordered to be printed in the RECORD, as follows:

SECRETARY OF STATE'S OFFICE, STATE OF UTAH,
EXECUTIVE DEPARTMENT.

I, M. H. Welling, secretary of state of the State of Utah, do hereby certify that the following is a full, true, and correct copy of Senate Concurrent Memorial No. 5, memorializing the Congress of the United States to appoint a committee to investigate the administration and control by the Bureau of Biological Survey of the Bear River Migrating Bird Refuge as appears of record in my office.

In witness whereof, I have hereunto set my hand and affixed the great seal of the State of Utah at Salt Lake City, this 25th day of March 1933.

[SEAL] M. H. WELLING,
Secretary of State.

Senate Concurrent Memorial No. 5 (by Mr. Wallace, by request)

Memorializing the Congress of the United States to appoint a committee to investigate the administration and control by the Bureau of Biological Survey of the Bear River Migrating Bird Refuge

Be it resolved by the Legislature of the State of Utah, the Governor concurring therein: That—

Whereas one of the primary objects leading up to the establishment of the Bear River Migratory Bird Refuge in Box Elder County, Utah, was to combat the disease among the ducks caused by the so-called alkali poisoning, for the creation of which refuge the State of Utah conveyed and transferred to the United States title to certain lands lying in the vicinity of the mouth of Bear River; and

Whereas it was contemplated by the State and Federal Governments that only 60 percent of the total acreage should be kept as a sanctuary for migratory birds, and the remaining 40 percent should be open to public shooting after such area has been selected by the State game commissioner; and

Whereas it was intended that the management of the refuge should designate regular routes of travel over which the public could pass to and from the shooting areas both inside and outside the refuge, and it was the design of the Federal Government to recognize shooting privileges as they existed "at the time the areas were established"; and

Whereas during the past season there has been a recurrence of the disease on the Bear River marsh, and during the past fall between 300,000 and 500,000 ducks died, and no adequate effort to combat the spread of the disease among the ducks was made by the management of the Bear River Migratory Bird Refuge; and

Whereas it has been represented and made to appear to us that after the shooting areas within the refuge had been opened on units 1 and 2 for the 1932 shooting season, and management of the refuge withdrew the water from those units and effectively prohibited shooting thereon before the end of the open season, and

throughout the open season refused to establish routes and refused to permit hunters to pass over the refuge to reach the extensive shooting areas lying west of and beyond the refuge to which the public has had access from the time of the settlement of this State; and

Whereas the management of said refuge has been charged by the duck hunters in Utah with other mismanagement of said migratory bird refuge and of the public shooting ground therein: Therefore be it

Resolved, That we respectfully urge the Congress of the United States to appoint a committee to investigate the management and administration of the Bureau of Biological Survey at the Bear River Migratory Bird Refuge; be it further

Resolved, That the secretary of state forward certified copies of this memorial to the President of the United States Senate and to the Speaker of the House of Representatives and to Utah's senators and congressmen.

The foregoing Senate Concurrent Memorial No. 5 was publicly read by title and immediately thereafter signed by the president of the senate, in the presence of the house over which he presides, and the fact of such signing duly entered upon the journal this 28th day of February 1933.

J. FRANCIS FOWLES, *President of the Senate.*

Attest:

LYNN S. RICHARDS, *Secretary of the Senate.*

The foregoing Senate Concurrent Memorial No. 5 was publicly read by title and immediately thereafter signed by the speaker of the house, in the presence of the house over which he presides, and the fact of such signing duly entered upon the journal this 28th day of February 1933.

I. A. SMOOT, *Speaker of the House.*

Attest:

ERNEST R. MCKAY, *Chief Clerk of House.*

Received from the senate this 28th day of February 1933.

Approved March 1, 1933.

HENRY H. BLOOD, *Governor.*

Received from the Governor and filed in the office of the secretary of state this 1st day of March 1933.

M. H. WELLING, *Secretary of State.*

LABELING OF FOREIGN-MADE GOODS

Mr. WALSH. Mr. President, I present and ask that the enclosed resolutions of the General Court of Massachusetts memorializing Congress for the passage of legislation relative to the labeling of foreign-made goods be printed in the CONGRESSIONAL RECORD and appropriately referred.

The resolutions were referred to the Committee on Finance and, under the rule, ordered to be printed in the RECORD, as follows:

THE COMMONWEALTH OF MASSACHUSETTS, 1933.

Resolutions memorializing Congress for the passage of legislation relative to the labeling of foreign-made goods

Whereas it is right and proper that the consuming public should be authoritatively informed as to the origin and place of production or manufacture of goods competing with domestic products; Therefore be it

Resolved, That the general court petition the Congress of the United States for the enactment of appropriate legislation providing for the labeling of goods imported into the United States for sale therein, in such manner as to apprise the purchaser and consumer of the place of origin of such goods; and be it further

Resolved, That copies of these resolutions be transmitted by the secretary of the Commonwealth to the presiding officers of both branches of Congress and to the Senators and Representatives therein from this Commonwealth.

In senate, adopted March 15, 1933.

In house of representatives, adopted, in concurrence, March 17, 1933.

A true copy.

Attest:

F. W. COOK.
Secretary of the Commonwealth.

HOURS OF LABOR AND WAGES

Mr. WALSH. I present for appropriate reference and printing in the RECORD resolutions of the House of Representatives of Massachusetts memorializing Congress to regulate the hours and wages of persons employed in manufacturing and industrial establishments.

The resolutions were referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

THE COMMONWEALTH OF MASSACHUSETTS, 1933.

Resolutions memorializing Congress to regulate the hours and wages of persons employed in manufacturing and industrial establishments

Resolved, That the House of Representatives of the Commonwealth of Massachusetts hereby memorializes Congress to enact legislation to prevent interstate commerce in commodities or articles produced or manufactured in industrial activities in which persons are employed more than 5 days per week or 6 hours per day, and also that it enact legislation to guarantee the payment in such industries of minimum wages commensurate with the American standard of living.

Resolved, That certified copies of these resolutions be sent by the secretary of the Commonwealth to the presiding officers of both branches of Congress and to each of the Senators and Representatives from Massachusetts.

In house of representatives, adopted March 15, 1933.

FRANK E. BRIDGMAN, *Clerk.*

A true copy.

Attest:

[SEAL]

F. W COOK,
Secretary of the Commonwealth.

REPORTS OF THE PUBLIC LANDS AND SURVEYS COMMITTEE

Mr. ASHURST, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 157) to amend an act approved March 4, 1929 (45 Stat. 1548), entitled "An act to supplement the last three paragraphs of section 5 of the act of March 4, 1915 (38 Stat. 1161), as amended by the act of March 21, 1918 (40 Stat. 458)", reported it without amendment and submitted a report (No. 6) thereon.

Mr. NYE, from the Committee on Public Lands and Surveys, to which was referred the joint resolution (S.J.Res. 13) authorizing the Attorney General, with the concurrence of the Secretary of the Navy, to release claims of the United States upon certain assets of the Pan American Petroleum Co. and the Richfield Oil Co. of California and others in connection with collections upon a certain judgment in favor of the United States against the Pan American Petroleum Co. heretofore duly entered, reported it without amendment and submitted a report (No. 7) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BARBOUR:

A bill (S. 810) for the relief of Patrick J. Purnell; to the Committee on Claims.

By Mr. CAREY:

A bill (S. 811) for the relief of Robert S. George (with accompanying papers); to the Committee on Claims.

(Mr. WAGNER, Mr. COSTIGAN, and Mr. LA FOLLETTE introduced Senate bill 812, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. McCARRAN:

A bill (S. 813) to remove the limitation on the filling of the vacancy in the office of senior circuit judge for the ninth judicial circuit; to the Committee on the Judiciary.

By Mr. McGILL:

A bill (S. 814) for the conservation of oil and gas and protection of American sources thereof from injury, correlation of domestic and foreign production, and consenting to an interstate compact for such purposes; to the Committee on the Judiciary.

By Mr. NYE:

A bill (S. 815) to provide for the survival of certain actions in favor of the United States; to the Committee on the Judiciary.

By Mr. BONE:

A bill (S. 816) to provide that the tax upon electrical energy shall be paid by the vendor; to the Committee on Finance.

By Mr. HATFIELD:

A bill (S. 817) to provide for a retirement system for railroad and transportation employees, to provide unemployment relief, and for other purposes; to the Committee on Interstate Commerce.

By Mr. BANKHEAD:

A bill (S. 818) to authorize the purchase by the Government of silver, to provide for the issuance of silver certificates in payment therefor, and for other purposes; to the Committee on Banking and Currency.

By Mr. McNARY:

A bill (S. 819) for the relief of S. N. Kempton; to the Committee on Claims.

A bill (S. 820) conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or

tribes of Indians residing in the State of Oregon; to the Committee on Indian Affairs.

A bill (S. 821) conferring jurisdiction on the United States District Court for the District of Oregon to hear, determine, and render judgment upon the suit in equity of Rakha Singh Gherwal against the United States; and

A bill (S. 822) to amend the act entitled "An act to amend section 217, as amended, of the act entitled 'An act to codify, revise, and amend the penal laws of the United States', approved March 4, 1909", approved January 11, 1929, with respect to the use of the mails for the shipment of certain drugs and medicines to cosmetologists and barbers; to the Committee on the Judiciary.

By Mr. TRAMMELL:

A bill (S. 823) for the relief of the American Trust Co., of Jacksonville, Fla.;

A bill (S. 824) for the relief of the Citizens Bank & Trust Co., of Tampa, Fla.;

A bill (S. 825) for the relief of the Llewellyn Machinery Corporation; and

A bill (S. 826) for the relief of the Tampa Marine Co., a corporation, of Tampa, Fla.; to the Committee on Claims.

A bill (S. 827) providing for a survey of the natural oyster beds in the waters within the State of Florida; to the Committee on Commerce.

By Mr. WALSH:

A bill (S. 828) to prevent professional prize fighting and to authorize amateur boxing in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

A bill (S. 829) for the relief of Denis Healy;

A bill (S. 830) for the relief of George Whittier Morse; and

A bill (S. 831) for the relief of A. B. Thomas; to the Committee on Naval Affairs.

By Mr. NEELY:

A bill (S. 832) for the relief of James L. Barnett; to the Committee on Civil Service.

A bill (S. 833) granting a pension to Martha Caplinger; and

A bill (S. 834) granting a pension to Fred Yoss; to the Commitee on Pensions.

By Mr. BYRD:

A bill (S. 835) for the relief of Samuel Irick; to the Committee on Finance.

A bill (S. 836) for the relief of Henry Harrison Griffith; to the Committee on Claims.

By Mr. WHEELER:

A bill (S. 837) for the relief of Seth N. Chesley; to the Committee on Claims.

A bill (S. 838) for the relief of Anson H. Pease; to the Committee on Indian Affairs.

By Mr. COPELAND:

A bill (S. 839) granting a pension to Bessie G. Radliff; to the Committee on Pensions.

A bill (S. 840) for the relief of Martin Aloysius Mahon; to the Committee on Naval Affairs.

By Mr. BULKLEY:

A bill (S. 841) for the relief of Charles C. Floyd; to the Committee on Military Affairs.

A bill (S. 842) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. DILL:

A bill (S. 843) to amend sections 15a and 19a of the Interstate Commerce Act, as amended, and for other purposes; and

A bill (S. 844) to amend section 5 of the Interstate Commerce Act, as amended, relating to the consolidation and acquisition of control of carriers by railroad, and for other purposes; to the Committee on Interstate Commerce.

By Mr. GORE:

A bill (S. 845) relating to the construction of a Federal building at Hugo, Okla.; to the Committee on Public Buildings and Grounds.

RELIEF OF DESTITUTION

Mr. WAGNER. On behalf of the Senator from Colorado [Mr. COSTIGAN], the Senator from Wisconsin [Mr. LA FOLLETTE], and myself I introduce a bill to provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes. I ask that the bill may be referred to the Committee on Banking and Currency.

The bill (S. 812) to provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes, was read twice by its title and referred to the Committee on Banking and Currency.

Mr. WAGNER. Mr. President, in connection with the bill just introduced by me I also ask unanimous consent to make a brief explanatory statement.

The VICE PRESIDENT. Is there objection. The Chair hears none, and the Senator from New York will proceed.

Mr. WAGNER. Mr. President, the Senate will recall that late during the last session, on the 20th day of February, we passed a relief measure, Senate bill 5125, which failed, however, to become law for lack of action in the House.

The necessity for the passage of relief legislation has by reason of that delay become extremely urgent. It is my expectation, therefore, that the Senate may take very prompt action upon the bill introduced today; and for that reason I take the liberty to state in very few words the principal terms of the bill and some of the essential differences between the present bill and the bill we passed during the last session of Congress.

Under the terms of the bill today introduced $500,000,000 are made available to aid the States in meeting their relief problems. These funds are to be secured from the Reconstruction Finance Corporation which is authorized to borrow that additional amount with the approval of the President.

The administration of the relief funds is to be withdrawn from the Reconstruction Finance Corporation and vested instead in a Federal relief administrator to be appointed by the President with the approval of the Senate. We shall under the terms of the bill have, therefore, single-headed responsibility for the participation of the Federal Government in the relief program of the Nation.

Assistance is to be made available under the bill to the several States on two bases:

First. Every State may, upon application, receive an amount equal to one third of the public money expended by the State and its subdivisions for relief purposes during the preceding 3-month period. Not more than 200 million dollars may be disbursed in this manner.

Second. In the event that the relief needs of a State are such that it requires additional assistance the Federal relief administrator may make a further grant to that State sufficient to provide an adequate standard of relief. Three hundred million dollars are available for that purpose. Grants may also be made to the several States for special provision to care for transients and to aid cooperative, self-help associations for the barter of goods and services.

Both the matched grants and the unmatched grants are outright gifts from the Federal Government to the several States.

I wish to advise the Senate that in a few States a special emergency exists by reason of the fact that they have exhausted their rights under existing legislation. If hardship is to be avoided, it is important that the new relief legislation be enacted with the utmost expedition.

Mr. LEWIS. Mr. President, I merely desire to say that the bill tendered by the Senator from New York [Mr. WAGNER], a composite bill by himself, the Senator from Wisconsin

[Mr. LA FOLLETTE], and the Senator from Colorado [Mr. COSTIGAN] contains a clause which repeals the 15 percent limitation contained in a previous bill, and I, therefore, withdraw the amendment to the bill which I previously tendered because of the subject being completely covered by the bill tendered by the Senator from New York.

Mr. WAGNER. I may say, Mr. President, that, knowing of the interest the Senator from Illinois had in this particular provision, the committee took care of his request.

The VICE PRESIDENT. Without objection, the amendment intended to be proposed by the Senator from Illinois is withdrawn.

AGRICULTURAL RELIEF—AMENDMENTS

Mr. BANKHEAD and Mr. BULKLEY each submitted an amendment intended to be proposed by them, respectively, to the bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power, which were referred to the Committee on Agriculture and Forestry and ordered to be printed.

UNEMPLOYMENT RELIEF—AMENDMENTS

Mr. WAGNER, Mr. COSTIGAN, and Mr. LA FOLLETTE jointly submitted an amendment intended to be proposed by them to the bill (S. 598) for the relief of unemployment through the performance of useful public work, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. LA FOLLETTE submitted an amendment intended to be proposed by him to the bill (S. 598) for the relief of unemployment through the performance of useful public work, and for other purposes, which was ordered to lie on the table and to be printed.

CHANGES OF REFERENCE

On motion of Mr. WHEELER, the Committee on Claims was discharged from the further consideration of the following bills, and they were referred to the Committee on Indian Affairs:

S. 512. An act for the relief of Peter Pierre; and

S. 721. An act authorizing the Arapahoe and Cheyenne Indians to submit claims to the Court of Claims for adjudication and settlement.

J. A. METCALFE & CO.

Mr. NYE submitted the following resolution (S.Res. 47), which was referred to the Special Committee on Campaign Expenditures:

Resolved, That the Secretary of the Senate is authorized and directed to pay, out of the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1933, to J. A. Metcalfe & Co., accountants and auditors, of Birmingham, Ala., the sum of $1,150.57, such sum representing amounts due to such J. A. Metcalfe & Co. for services rendered the Select Committee to Investigate Contributions and Expenses of Senatorial Candidates between August 20 and November 25, 1931, in making an audit of the election returns and the registration and election records of Franklin County, Ala.

MONEYS WITHHELD FROM TREASURY IN VIOLATION OF LAW

Mr. WHEELER. Mr. President, I submit a resolution and ask that it be read and lie on the table.

The resolution (S.Res. 48) was read and ordered to lie on the table, as follows:

Whereas civil suits have been filed in the Supreme Court of the District of Columbia for the recovery of large sums charged to have been illegally withheld from United States Treasury; and

Whereas David A. Olson, complainant in such suits for the people of the United States, has charged that certain officials of the United States Government have participated in transactions by which large sums have been illegally withheld from the United States Treasury; and

Whereas it is alleged that information and evidence concerning such illegal transactions were placed in the hands of officials of the United States charged with the enforcement of law; and

Whereas no known action has been taken by such officials to protect the interests and revenues of the United States; and

Whereas section 233 of the United States Code, title 31, provides that—

"It shall be the duty of the several district attorneys of the United States for the respective districts * * * to be diligent in inquiring into any violation of the provisions of section 231 of this title by persons liable to such suit and found within their respective districts or territories, and to cause them to be proceeded against. * * * And such person may be arrested and held to bail in such sum as the district judge may order, not exceeding the sum of $2,000, and twice the amount of damages sworn to in the affidavit of the person bringing the suit (R.S. 3492): Now, therefore, be it

Resolved, That the Attorney General of the United States is requested to take immediate steps under the foregoing authority to investigate the charges herein referred to with a view of bringing both civil and criminal prosecutions in the event he finds there have been violations as alleged in the proceedings on file in the Supreme Court of the District of Columbia.

RELIEF OF UNEMPLOYMENT

Mr. WALSH obtained the floor.

Mr. JOHNSON. Mr. President, may I inquire of the Senator from Massachusetts if he is going to address himself to the bill that was the subject of discussion earlier?

Mr. WALSH. That is my intention.

Mr. JOHNSON. May I ask whether or not any written report on the bill has been submitted by the committee?

Mr. WALSH. No; there has not been, and I do not think one is necessary. The bill itself is almost a report, it is so simple and direct.

Mr. JOHNSON. I will look for some confirmation of that suggestion in the remarks that may be made by the Senator from Massachusetts.

Mr. WALSH. I hope I may be able to make that confirmation.

The bill (S. 598) for the relief of unemployment through the performance of useful public work, and for other purposes, had been reported by Mr. WALSH from the Committee on Education and Labor with an amendment to strike out all after the enacting clause and to insert:

That for the purpose of relieving the acute condition of widespread distress and unemployment now existing in the United States, and in order to provide for the restoration of the country's depleted natural resources and the advancement of an orderly program of useful public works, the President is authorized, under such rules and regulations as he may prescribe and by utilizing such existing Departments or agencies as he may designate, to provide for employing citizens of the United States who are unemployed in the construction, maintenance, and carrying on of works of a public nature in connection with the forestation of lands belonging to the United States or to the several States which are suitable for timber production, the prevention, of forest fires, floods, and soil erosion, plant pest and disease control, the construction, maintenance, or repair of paths, trails, and firelanes in the national parks and national forests, and such other work on the public domain and Government reservations as the President may determine to be desirable. The President is further authorized, by regulation, to provide for housing the persons so employed and for furnishing them with such subsistence, clothing, medical attendance and hospitalization, and cash allowance as may be necessary during the period they are so employed.

SEC. 2. For the purposes of carrying out the provisions of this act, the President is authorized to enter into such contracts or arrangements with States, counties, municipalities, and other public bodies as may be necessary, and the President or the head of any department or agency authorized by him to construct any project or to carry on any such public works, shall have authority to acquire real property by purchase, donation, condemnation, or otherwise, but the provisions of section 355 of the Revised Statutes shall not apply to any property so acquired.

SEC. 3. Insofar as applicable, the benefits of the act entitled "An act to provide compensation for employees suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, shall extend to persons given employment under the provisions of this act.

SEC. 4. For the purpose of carrying out the provisions of this act, there is hereby authorized to be expended, under the direction of the President, out of any unobligated moneys heretofore appropriated for public works (except for projects on which actual construction may be commenced within 90 days), such sums as may be necessary; and an amount equal to the amount so expended is hereby authorized to be appropriated for the same purposes for which such moneys were originally appropriated.

Mr. WALSH. Mr. President, this bill is a part of the President's emergency program. I do not know of any better way of understanding the details of the amendment in the nature of a substitute which the committee have reported unanimously than by asking the attention of the Senate, first, to a consideration of the original text of Senate bill 598. If Members of the Senate will turn to the original text of that bill and follow me, I think I can very briefly state the principal features of the original proposal.

By section 1 of the bill submitted by the administration and introduced in the Senate by the Senator from Arkansas [Mr. ROBINSON] and the Senator from New York [Mr.

WAGNER], the President is authorized to select from unemployed citizens, as nearly as possible in proportion to the number of unemployed in the several States, a civilian conservation corps. He is authorized to enroll such citizens for one year, unless sooner discharged. No discharge may be made during the year, once a citizen becomes enrolled, unless under Presidential regulation. Each member of the civilian conservation corps is to be paid at a rate not to exceed $30 per month, and be provided with quarters, subsistence, clothing, medical attendance, and hospitalization. Provision is made that when a member of the corps has a wife or other dependents the President by regulation may force an involuntary allotment from the citizen's pay in whatever manner he may prescribe. Upon enlistment in the corps each member agrees to abide by the rules and regulations to be promulgated by the President.

Section 2 extends the provisions of the workman's compensation law to members of the civilian conservation corps.

Section 3 is an inhibition against the right to claim pensions by members of the conservation corps.

By section 4 the President is authorized to use the civilian conservation corps in the construction and carrying on of works of a public nature for which sufficient funds are now available, such as forestation on National and State lands, prevention of soil erosion, flood prevention, and construction of roads and trails on the public domain, in national parks, and in the national forests.

Section 5 gives the President authority to hire skilled artisans or experts at the prevailing rate of wages in the locality where the public work is to be performed.

Section 6 authorizes the expenditure out of unobligated moneys of the funds necessary for carrying on this work.

Very briefly, that statement summarizes all the provisions of the bill as originally introduced and as submitted to the Committee on Education and Labor.

The committee held extensive hearings and found much opposition to various provisions of the bill. The representatives of organized labor opposed it as the regimentation of labor in peace times. They objected because the proposed civilian conservation corps was to have some of the aspects of a military organization. They objected to the provision for an involuntary allotment to dependents; they objected to the wage of $30 per month; and they objected to the provisions of the bill that went so far as to give the President authority to perform forestation work on lands other than the public domain.

After the committee heard these objections, the committee met in executive session and reached an agreement that there were two features of this bill to which no one objected, namely, the opportunity to engage in forestation work as a means of relieving unemployment, and, secondly, the use of unobligated funds.

When the committee reached the agreement that these two provisions of the bill were noncontroversial we proceeded to redraft the original bill, and have submitted to the Senate an amendment in the nature of a substitute which does practically nothing more than authorize the President to go into the public domain, carry on forestation, and employ citizens from among the unemployed.

Now I will very briefly enumerate the sections of the amendment proposed by the committee.

Section 1 provides that for the purpose of relieving the acute condition of widespread distress and unemployment, and in order to provide for the restoration of the country's depleted natural resources, the President is authorized to provide for the employment of unemployed citizens for carrying on work of a public nature in connection with the following——

Mr. BORAH. Mr. President——

Mr. WALSH. I yield to the Senator from Idaho.

Mr. BORAH. The President is authorized "under such rules and regulations as he may prescribe"?

Mr. WALSH. Exactly.

First, forestation on lands of the United States and the several States; second, the prevention of forest fires, floods, and soil erosion; third, plant-pest and disease control; fourth, the construction, maintenance, or repair of trails and fire lanes; and, fifth, such other work on the public domain and Government reservations as the President deems desirable. The President is authorized to provide housing for persons so employed, also subsistence, clothing, and hospitalization, and such cash allowance as may be necessary.

Section 2: The President is authorized to enter into such contracts as may be necessary with States and municipalities and is also given authority to acquire real property by purchase, donation, condemnation, or otherwise.

Section 3 makes applicable the Federal employees' compensation laws to this class of employees.

Section 4 gives authority to use moneys that are unobligated from appropriations heretofore made.

What the committee has done is simply to give general authority to the President, under such rules and regulations as he may prescribe, to go into the public domain and to carry on work of forestation; and no restrictions are placed upon him except that the employment must be given to citizens who are unemployed.

The committee found that attempting to draft a bill to give this kind of work to single men only and not to married men was controversial.

The committee found that to fix a particular wage in one locality and a different wage in another locality was highly controversial.

The committee found that the question of providing camps and the form of discipline that would be invoked was highly controversial.

In the consideration of this bill I want to have the Senate keep in mind three things: Emergency, relief work, and unemployment. In view of the fact that this is purely emergency work, we felt that we should give the President the authority to do forestation work and to do it with funds that are unobligated at the present time; that he should have the responsibility of making the regulations as to the conditions under which these citizens would be employed, as to the localities from which they should come, as to the public domain upon which they should work, and as to the nature and character of the work on the public domain.

That, very briefly, is the whole story about this bill. In other words, we did not see any more reason for specifying in detail the conditions of labor or the wage schedules than if we authorized the President to build a public building here in Washington. This is general authority to the President in view of the emergency. Here is a useful public work that will be beneficial to the public in the future that we authorize the President to enter upon and to help employ some of the unemployed.

Mr. HASTINGS. Mr. President——

Mr. WALSH. I yield to the Senator from Delaware.

Mr. HASTINGS. My understanding from the Senator's statement is that there was objection to the House bill.

Mr. WALSH. Not the House bill. The same bill was introduced in both House and Senate. It was the administration's bill.

Mr. HASTINGS. Yes. I wish to inquire whether, under the amendment as reported by the committee, it is not possible for the President, by regulation, to write exactly what the original bill was?

Mr. WALSH. It most certainly is. The President can carry out his idea of a civilian conservation corps if he sees fit. I do think, in view of the opposition with which the President is now familiar, that he may not intend to carry it out in the detail that he outlined in the original bill. I also have reason to know that the President intends to put in charge of this work a representative of organized labor; and, in view of that fact, it is to be assumed that the work will be carried on under rules and regulations that will be acceptable to labor employed upon this kind of work.

Mr. HASTINGS. Mr. President, will the Senator yield to me further?

Mr. WALSH. I yield.

Mr. HASTINGS. If the Senator knows what the President has in his mind, is there any reason why we should not write it into this bill?

Mr. WALSH. There is a good deal of reason.

Mr. HASTINGS. What reason is there?

Mr. WALSH. We are dealing with an emergency. The President cannot foresee what changes it may be necessary to make a month from now in view of changed conditions. He can not foresee and thereby specify in a legislative act what the conditions may be in Wyoming, and what they may be in the South, and what they may be in the White Mountain region. It is absolutely inconceivable to me that we, in a legislative bill, should proceed to define and specify all the conditions under which these civilians will work, and the amount of pay which they may receive in various parts of the country, the details as to transportation, housing, and sustenance.

Mr. HASTINGS. Then what the President now has in mind will not necessarily be controlling, as I understand from what the Senator says.

Mr. WALSH. The whole bill is permissive, and that is what all this emergency legislation is. Every bill that we have passed here has given the President permissive authority. It has not been compelling and controlling, as it should be if it were urging a permanent policy. That is why I asked the Senators in the very beginning to keep in mind three things: Emergency, relief work, and unemployment.

How can we work out here the details and the circumstances and conditions that are bound to arise from week to week in the working out of this unusual and exceptional problem of transporting people from the eastern seaboard to the far West or to the South and placing them in camps? It will be necessary to build some camps. Will they be under private control or public control? Will they be supplied with shower baths or not? What kind of food will the persons in those camps get? Where will the hospitals be located? It is inconceivable that we could go into those details.

So it seemed to the committee, and they agreed unanimously, that the only proper way to deal with this problem was to say to the President, "Here is the authority you ask to relieve unemployment. Here are the public forests open to you to go in and do forestation work, and here are the unexpended balances that you may use for this purpose."

Mr. COUZENS and Mr. VANDENBERG addressed the Chair.

Mr. WALSH. I yield to the senior Senator from Michigan.

Mr. COUZENS. Mr. President, I am quite in accord with what the Senator from Massachusetts says, but I am concerned about section 2. Section 2 seems to give much more power than is justified under the circumstances; and I should be glad if the Senator would outline what the President might do under section 2.

Mr. WALSH. Let me read section 2:

> For the purposes of carrying out the provisions of this act, the President is authorized to enter into such contracts or arrangements with States, counties, municipalities, and other public bodies as may be necessary, and the President or the head of any department or agency authorized by him to construct any project or to carry on any such public works, shall have authority to acquire real property by purchase, donation, condemnation, or otherwise, but the provisions of section 355 of the Revised Statutes shall not apply to any property so acquired.

The President has in mind the possibility of making contracts with the several States to do certain kinds of forestation work in these States under contracts which will postpone for some years reimbursing the Federal Government for the work done. In other words, in States that have not the funds to do this important emergency work, this work which all agree will be beneficial to future generations at least, he has in mind that the Federal Government would advance the money necessary to enter into the public domain of the several States under contracts with the States to carry on this work.

The Senator may want to know about the authority to buy private property. The President has no idea of buying private property to any appreciable extent. He says that the Government owns enough property already; but it is quite possible that a situation may develop where it may be necessary for him to purchase a small piece of property adjoining public domain in the event that in that way the whole scheme of forestation can be better worked out.

Mr. ROBINSON of Arkansas. Mr. President——

Mr. WALSH. He also has in mind, may I say to the Senator from Michigan, the fact that through tax sales the title to a large amount of property has been restored to the States or to municipalities, and there are in their possession a lot of more or less waste lands; and he proposes, if possible, to make contracts with the municipalities that own public lands now, formerly private lands, with the idea of carrying on this forestation work upon them. Do I answer the Senator's question?

Mr. COUZENS. Except that I still do not understand why we should give the President blanket authority "to acquire real property by purchase, donation, condemnation, or otherwise" from counties, municipalities, and States. It seems to me it is a terrible opening wedge for all kinds of political jockeying and preference when the Federal Treasury is open to buy land and properties from municipalities, counties, and States.

Mr. WALSH. The word "donation" was inserted at the request of the President, who stated that suggestions had been made of possible donations of land for this purpose. The word "purchase" was included simply because of the possibility of a situation developing where it would be necessary to extend the public domain at a small cost for the purpose of carrying out this work. The President emphatically asserted that he did not intend to go into the business of making extensive purchases of real estate for this purpose. The committee felt as the Senator did about it at first. We were reluctant to give to the President this authority to purchase; but we could not very well meet the argument that, especially in the handling of flood conditions on the public domain, it might be necessary for some purchasing to be carried on by the President. If the Senator has any suggestions as to limiting that authority, I should be glad to have them.

Mr. COUZENS. I think that should receive further consideration, because the Senator himself knows the pressure that will be brought to bear upon every department of the Government and every Member of Congress to have the Government acquire certain lands.

Mr. WALSH. I agree with the Senator.

Mr. COUZENS. The President will not be able to deal with these problems personally.

Mr. WALSH. I agree with the Senator; and I can say to him that we would not have put that provision in this bill if it were not for the voluntary assurance of the President that he had no purpose of purchasing lands; that the Government already has too extensive a public domain.

Mr. COUZENS. Since the consideration of the bill is not to be concluded today, I will submit to the Senator by tomorrow something dealing with that matter.

Mr. VANDENBERG. Mr. President——

Mr. WALSH. I yield to the junior Senator from Michigan.

Mr. VANDENBERG. As I understand, the expenditure under this bill is limited to any unobligated moneys heretofore appropriated for public works. What is that sum?

Mr. WALSH. The sum that is now available, according to the Director of the Budget, is about $140,000,000. It may be larger; but the Director informed me this morning that the sum that he now knows to be available is approximately $140,000,000.

Mr. VANDENBERG. If this $140,000,000 were not detoured into this type of expenditure, what would it be expended for?

Mr. WALSH. It would be expended on other public works.

Mr. VANDENBERG. What kind of public works?

Mr. WALSH. Rivers and harbors, post offices, and similar public works.

Mr. VANDENBERG. Is the Senator sure there is a larger labor content in the reforestation work than there would

be in the regular, ordinary public-works program of the Government?

Mr. WALSH. I think the President originally thought that. I think the President thought that more people could be put to work under this plan than in performing the regular public works; but the committee met that objection of the Senator from Michigan by the last two lines in the committee amendment.

And an amount equal to the amount so expended is hereby authorized to be appropriated for the same purposes for which such moneys were originally appropriated.

The Director of the Budget, and the President also, informed us that there were a large number of these public works which could not be undertaken at once, that the money was available, but objections of one kind or another prevented immediate engagement in the different projects, and that it was that money which he hoped to put to work at once. He claims, as does the Madame Secretary of Labor, that by the last of April or the first of May there will be people actually doing this work, and they expect to spend, between now and the first of July, according to the testimony before us, approximately $40,000,000, and we saw no objection temporarily to diverting moneys now available, with which projects cannot now be undertaken, for this particular kind of work.

Mr. VANDENBERG. Mr. President, do I understand correctly that the final language in the bill means that the $140,000,000, which is to be diverted to reforestation, is to reappear as a supplemental appropriation for the other types of public works?

Mr. WALSH. The committee insists upon that course.

Mr. VANDENBERG. Then, in net result, this bill does represent a new and increased expenditure of $140,000,000, in the net result?

Mr. WALSH. At a later time.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. ROBINSON of Arkansas. It is an authorization, not an expenditure, not an appropriation. What actually happens, under the language to which the Senator from Massachusetts has called attention, is that the sums which are diverted, appropriations already made but unalloted, are reauthorized for the original purposes. Of course it contemplates a final expenditure for the original purposes.

Mr. VANDENBERG. I understand this discrimination the Senator makes in his language, but in net results 6 months from today or a year from today——

Mr. ROBINSON of Arkansas. Or 2 years from today or 10 years from today—whenever the Congress actually makes the appropriation under the authorization.

Mr. VANDENBERG. Congress will make the appropriations for the works specified.

Mr. WALSH. That is true.

Mr. VANDENBERG. How many men is it expected will be cared for with $140,000,000?

Mr. WALSH. When the hearings were first held the Director of the Budget was of the opinion that as much as $250,000,000 might be available. He has later modified his figures. He informed us that he was having a great deal of difficulty in getting definite figures from the many departments which have available public funds for public works, so that this morning he said he had his hands now on $140,000,000, and that there might be much more available. The administration expects to put to work, ultimately, or some time during this period, as many as 200,000.

Mr. VANDENBERG. The Senator means they expect to care for 200,000 with $250,000,000.

Mr. WALSH. That was the original estimate.

Mr. VANDENBERG. So that with only $140,000,000 they probably will not care for more than 125,000?

Mr. WALSH. Of course there would have to be a reduction in the numbers. I have not worked out the figures. But I ought to say to the Senator that the Director of the Budget does not make $140,000,000 as his final figure. He said that this morning on his desk he had information that over $140,000,000 were available for this purpose, and he expected that sum to be increased.

Mr. VANDENBERG. Assuming, for the sake of the argument, that we are to care for 125,000 with $140,000,000—and I am submitting my inquiry in entire good faith—may I ask why it is preferable to invoke so much larger a per capita expenditure than, for example, was the case when my able colleague, the senior Senator from Michigan [Mr. COUZENS], was proposing to take care of nearly 90,000 with $25,000,000? Why is not that a preferable method of approaching the problem?

Mr. WALSH. It may be, and, of course, the President, if he sees fit, can put 300,000 people to work by reducing the wages. It depends entirely on what wages are paid these men. We cannot make any estimate of the figures until the President makes his regulations, and is able to state definitely and specifically how much shall be allotted for care, how much for subsistence, how much for shelter, how much for clothing, and so on.

Mr. VANDENBERG. In other words, we cannot really tell anything about it until the final ticket is written?

Mr. WALSH. That is true. This is an emergency. The President says, "There are unemployed people; here are the forests; there is money available; will you give me the authority to proceed to provide employment?"

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield again?

Mr. WALSH. I yield.

Mr. ROBINSON of Arkansas. The same is true of any arrangement we have made or can make with respect to unemployment. We cannot tell with mathematical certainty just how far a given sum will go in arranging for employment.

Mr. WALSH. It is absolutely impossible to do so. Who can say how many people are employed under the $2,000,000 authorization for building a public building here in this city? It cannot be done. That is why the elastic authority was given the President in the drafting of the bill, why it is a permissive bill. If we do not want, in this emergency, to give the President permission to help lessen this social evil of unemployment, then we ought not to pass the bill; we ought to fight here over details. But the whole theory of the bill is that we need speed, we need someone with direct authority to act quickly, and we need someone who will try to apply the authority delegated in a helpful way in reducing unemployment.

Mr. VANDENBERG. The only question I am submitting—and than I shall have concluded—is this: Is this the best way to get the maximum use out of $140,000,000 in terms of relief? That is the whole question.

Mr. WALSH. The President and the Madame Secretary of Labor very emphatically think it is. I am frank to say to the Senator that I do not go as far as they go in estimating the extent of relief this bill would provide. But I do say it is a valuable and a helpful and an important contribution to the conditions which exist in the country at the present time. It is also a fine opportunity to do extensive forestation work.

Mr. COUZENS. Mr. President, will the Senator yield to me?

Mr. WALSH. I yield.

Mr. COUZENS. The Senator does not interpret this act as giving the President authority to put into the Army camps of the country the youngsters between 15 and 21 years of age, as was provided in an amendment we put on the military appropriation bill?

Mr. WALSH. There was a great deal of dispute in the committee, and the able senior Senator from New York [Mr. COPELAND] was for some time strongly of the opinion that the bill ought to be limited to employment for the homeless youth of the country. But after thinking it over, we saw that we were getting again into the controversial field: Should they be married or single men? How old should they be? Where would they be recruited? How much time would they spend in the Army camp? We concluded that was a matter we would have to leave to the discretion of the

President. The President, if he sees fit, can confine this work to those young men.

Mr. COUZENS. I do not so construe it, because it says in section 1:

> The President is authorized under such rules and regulations as he may prescribe and by utilizing such existing departments or agencies as he may designate, to provide for employing citizens of the United States who are unemployed in the construction—

And so forth.

What I would like to see added as an amendment to this bill is a provision that, entirely outside of the number of men provided for in the bill, they might take care of 88,000 of these young men in the Army camps, as was once provided by the Senate through amendment. In other words, to this bill could be added, without disturbing the other authorizations in the bill, a provision for taking care of 88,000 more young men, from 16 to 22 years of age, and so on, in the Army camps, and we could do that for about 14 or 15 million dollars.

Mr. WALSH. I hope the Senator will not propose that in connection with this bill. I feel strongly that we should confine this legislation to three things—forestation, unemployment, and the expenditure of available moneys for that work. I think the moment we get away from that field we will get into serious difficulty, the same difficulties we met in the hearings, where representatives of labor very strenuously—and they met a favorable response from the committee—opposed any attempt at regimentation of labor, any effort to differentiate between the physically perfect and the physically imperfect, any attempt at providing for examinations in camps, and the other features proposed. I am in sympathy with the general idea the Senator has. I hope the Senator will not present it as an amendment to this bill.

Mr. COPELAND. Mr. President, will the Senator yield to me?

Mr. WALSH. I yield.

Mr. COPELAND. I should like to say further to the Senator from Michigan that I was very much impressed with the amendment which he offered to the military appropriation bill, and I tried, in the early meetings of the Committee on Labor, to have provision made so that the pending bill would apply to unemployed citizens under 24 years of age. But it became very apparent to us in our discussions that we did not know whether we could find 200,000 or 150,000 of that particular type who would be interested in such a project. So it seemed wiser to broaden the language so that the President could convey the advantages of this measure to these unemployed boys, or might take any others. That was the reason, too, why the matter of the allowance was left as it was, because, if the President were to see fit to take these boys, the matter of the wages would not be a matter of so great importance. But I must emphasize what the Senator from Massachusetts has said, that there was very bitter opposition in our hearings to the use of the Army camps, and to the making of this measure in any sense a military measure, or an adjunct of the Army, or in any way tainted with the militaristic thought.

Mr. WALSH. They object to involuntary control of a man forced to take work regardless of conditions because of his long unemployment.

Mr. COPELAND. Yes. It seemed wise to me, and I was quite converted to the thought, that the broader language and the reference of the matter to the President was very much wiser, and I still hold to that view.

Mr. GEORGE. Mr. President, will the Senator yield to me?

Mr. WALSH. I yield.

Mr. GEORGE. I desire to ask the Senator whether the bill would confine all of the operations to public lands owned by the States or the Federal Government?

Mr. WALSH. I will say, in reply, that that is the limitation placed in the bill. There was in the original bill a provision authorizing the President to enter into contracts with private individuals to send some of the members of the corps contemplated onto private lands, under contract, for the purpose of doing forestation work. That was objected to, and I think properly so, by organized labor, on the ground that it would tend to remove from the field of employment work which unemployed in the localities where these private lands are located could perform.

Mr. GEORGE. I understand from the Senator's answer that the measure would not apply to disease control or pest control on private lands adjacent to public forests?

Mr. WALSH. The Senator interprets the bill correctly in that respect. The Department of Agriculture, of course, has appropriations for those purposes and is carrying on that work. We felt we ought not to enter into that domain, and we felt that if we did open the door to that activity there would be no limitation upon where the money could be expended, and where the unemployed could be put to work.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield again?

Mr. WALSH. I yield.

Mr. ROBINSON of Arkansas. Did the committee discuss the meaning of the words "Government reservations" in line 23, page 4, and what class of reservations would be embraced?

Mr. WALSH. Yes. That expression was used as a substitute for the language in the original bill. The language in the original bill was "national parks, national forests, and other Government reservations." The drafting clerks were of the opinion that "Government reservations" would include national parks and national forests.

Mr. ROBINSON of Arkansas. Does "Government reservations" include Indian reservations?

Mr. WALSH. Yes.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. FLETCHER. Following the question raised by the Senator from Georgia about public lands, I suppose lands owned by the States would be covered. For instance, the States, under the Clark-McNary Act, cooperating with the Government in reforestation, have their forest commissions, and they have acquired lands. I presume they would come under this measure.

Mr. WALSH. The State of Florida was one of the illustrations used by the President in his conference with the committee. He spoke particularly for large acreages of lands in Florida that are available for forestation purposes. He hopes to be able to make contracts with the Governor of the State for the purpose of doing forestation work in Florida.

Mr. FLETCHER. They are doing splendid work there. I am glad that is taken care of.

I have not before me section 355 of the Revised Statutes, but the provision in the bill is that the provisions of section 355 of the Revised Statutes shall not apply to any property so acquired. Just what does that mean?

Mr. WALSH. That section of the statutes reads as follows:

> SEC. 355. No public money shall be expended upon any site or land purchased by the United States for the purposes of erecting thereon any armory, arsenal, fort, fortification, navy yard, customhouse, lighthouse, or other public building of any kind whatever until the written opinion of the Attorney General shall be had in favor of the validity of the title, nor until the consent of the legislature of the State in which the land or site may be to such purchase has been given.

The reason for that was because of the haste that may be desirable in connection with the purchase of land.

Mr. FLETCHER. It is not necessary to have an opinion of the Attorney General nor necessary to have legislative action by the State?

Mr. WALSH. That is true.

Mr. FLETCHER. Let me inquire further about section 4 of the bill. For instance, appropriations and allotments have been made from the general fund for the erection of public buildings. The contracts have not been let and cannot be let in 90 days, perhaps. Also, there are projects authorized by Congress and appropriations made both for flood control and for navigation purposes. Can we be assured that, if the money is not now pledged or contracted

for or the work actually commenced on those projects, it does not mean the abandonment of those projects?

Mr. WALSH. That was thoroughly discussed in the committee, and we were of the unanimous opinion that they should not be abandoned. The language to which the Senator refers was incorporated at the request of the junior Senator from Utah [Mr. THOMAS] because he had in mind projects in his State that are almost ready to be let under contract, and he desired them to go forward and not be eliminated by this bill. The provision was inserted so that all funds that may be used immediately by contract for public works may be removed from the operations of this bill. I can assure the Senator that all public works that are contracted for or that can be contracted for in the next 90 days are not included in the bill.

May I say that what the administration has in mind is such funds as are illustrated by the Boston post office a few years ago. Six million dollars was made available for 2 or 3 years, but no actual work was done. It is the purpose of the administration, where there are sums of money such as those which are not ready to be submitted to contract, that those funds may be temporarily withdrawn and work immediately started on the undertakings contemplated by this bill.

Mr. FLETCHER. It does not mean the project will be abandoned, but that later on it will come back and use the same fund?

Mr. WALSH. It is the purpose of the legislation to require every project that has already been voted upon and already approved to be ultimately constructed.

Mr. COPELAND, Mr. TRAMMELL, and Mr. VANDENBERG addressed the Chair.

The PRESIDING OFFICER (Mr. CONNALLY in the chair). Does the Senator from Massachusetts yield; and if so, to whom?

Mr. WALSH. I will yield first to the Senator from New York, who rose first, I believe.

Mr. COPELAND. Let me add to what the Senator from Massachusetts has said to the Senator from Florida. We had in mind all the time in writing the bill that there is in process of preparation now another public works bill, and that unquestionably there will be a resurvey or a restudy of the projects for which appropriations have already been made. But pending that we have provided authorization for all the projects which are wiped out temporarily by the language of this bill.

Mr. WALSH. I yield now to the junior Senator from Florida.

Mr. TRAMMELL. Mr. President, I understood the testimony a little differently in regard to the question of existing projects which have been authorized. If the chairman of the committee will recall, I asked Mr. Douglas, the Director of the Budget, who was there representing the administration, if we adopted the provision in regard to providing finances for reforestation as the language was before the committee changed it—and the committee changed it slightly only—whether all the other projects which had not actually been entered into under contract—not by appropriation but under contract—would be continued. He said in substance that the other projects, or many of them, would be reconsidered; that some of them would be continued and some of them would not be continued. That statement will be found in his testimony. A representative of the administration stated that. That made me very apprehensive about some of those projects.

Mr. WALSH. The Senator's statement is correct, and because of that evidence section 4 was redrafted and an attempt made to prevent the inclusion of any fund already appropriated that could be put to use on public works immediately. It was our endeavor to eliminate such items from the bill.

Mr. TRAMMELL. Will the Senator allow me to read from the testimony of Mr. Douglas?

Mr. WALSH. But it was because of that testimony we redrafted the section. The Senator is correct.

Mr. TRAMMELL. I should like to have it appear in the RECORD, since I have made the statement. I asked this question:

> I would like to know if the plan you contemplate under this bill carries with it the entire suspension of all public works that have not been contracted for up to the present date?
>
> Mr. DOUGLAS. It contemplates a temporary cessation of obligations of funds for that purpose until a plan has been formulated.
>
> Senator TRAMMELL. In other words, all public-works projects—which would include rivers and harbors projects, I presume—would be suspended until the check-up is made for the purpose of obtaining funds to undertake what is termed an emergency project to take care of emergency unemployment.
>
> Mr. DOUGLAS. Yes; temporarily. The obligation of public funds for that kind of project, for new projects, is suspended.
>
> Senator TRAMMELL. Have you filed with the committee, or can you file with the committee, an itemization of those funds that are not up to the present time obligated?
>
> Mr. DOUGLAS. I cannot.

The uncertainty of it was the point I wanted to bring to the attention of the chairman of the committee.

Mr. WALSH. I have had a good deal of discussion of the matter with Mr. Douglas, and I think he appreciates that the committee does not desire any authorized public works to be suspended. The purpose of the legislation is to put to work money that has not yet been contracted for and that is available, and that all public works authorized shall be carried on as usual.

Mr. WAGNER and Mr. VANDENBERG addressed the Chair.

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Massachusetts yield; and if so, to whom?

Mr. WALSH. Will the Senator from Michigan permit me to yield first to the Senator from New York?

Mr. VANDENBERG. Certainly.

Mr. WAGNER. Mr. President, I want to ask the Senator whether or not the Director of the Budget submitted a list of projects which it is contemplated would be temporarily abandoned in order that the money may be used for this purpose?

Mr. WALSH. The Director of the Budget has in preparation such a list. He has expressed great difficulty in getting such a list prepared. It requires communication with nearly every department in the Federal Government. I expect a communication from him giving us the available information he has with reference to that matter.

Mr. WAGNER. The reason I make the inquiry is because, being willing to support the bill, I want to have assurance that public works which within a reasonable time could be started would not be abandoned. Otherwise we would not be doing anything with this legislation except transferring funds from one place to another. I have the very definite assurance that no project will be abandoned which in a reasonable time can be inaugurated, and as to other projects for which the money may be used or transferred now, that when the larger public-works program comes in which is under preparation, sums may be appropriated for the other projects.

While I am on my feet, let me say there is another thing that I think ought to be emphasized, in view of the question of the senior Senator from Michigan [Mr. COUZENS] as to the boys that may be taken care of. There is nothing in this legislation that will prevent the taking of young men from 15 or 16 years of age up who are unemployed if they are able to do the character of work required under the bill.

Mr. WALSH. The President will have to regulate that.

Mr. WAGNER. Exactly.

Mr. WALSH. I yield now to the Senator from Michigan.

Mr. VANDENBERG. May I invite the Senator's attention—and I should particularly like to have the senior Senator from New York [Mr. COPELAND] follow me in this question because of his interest in river and harbor work—to the possible effect of the language in section 4 upon the river and harbor legislation. We are going to suspend every appropriation for every project upon which actual construction is not commenced within 90 days. Practically

all our river and harbor work is done in the summer and fall. We have a river and harbor bill only once in every 3 or 4 years. Therefore, it seems to me, if the language in section 4 applies to river and harbor appropriations, it virtually suspends all river and harbor work almost indefinitely.

Mr. COPELAND. Mr. President, will the Senator from Massachusetts yield to me?

Mr. WALSH. Certainly.

Mr. COPELAND. The Senator from Michigan is right. It does.

Mr. WALSH. Under authorization of the President.

Mr. COPELAND. Yes; under authorization of the President.

Mr. WALSH. He has discretion.

Mr. COPELAND. But the President will not suspend all the work by any means. Mr. Douglas made it very clear to us that it is the intention to resurvey the situation in the country as to the immediate needs in this respect. Those things which are immediate and which need early attention are going to be given early attention. We have a stupendous public works bill coming along pretty soon. In that bill will be incorporated all those things which the President and his advisers regard as most pressing.

Mr. VANDENBERG. Does the Senator contemplate there will be any river and harbor appropriations in that bill?

Mr. COPELAND. I certainly do.

Mr. WALSH. I do, too.

Mr. VANDENBERG. I shall be very much surprised if there are.

Mr. WALSH. The President told us that he has in mind the possibility of an intercoastal water canal in Florida and similar projects. I mentioned to him the widening of Cape Cod Canal, which is in a dangerous and unsafe condition.

Mr. COPELAND. The Senator is right when he says I am greatly interested. I am interested in the needs of my own State as well as in national needs; but there is need to have funds at once to carry on the emergency relief work so well described by the author of the bill, the Senator from Massachusetts. Since there are funds which are unallocated, which are not being used, which are tied up in the sense that they have been appropriated and cannot be used at once——

Mr. VANDENBERG. They are allocated, however.

Mr. COPELAND. They are allocated, but at the same time those funds could not be used in spite of the fact that they are allocated, and so temporarily they are taken away from their original allocation to be used for this purpose. But the committee, to protect all of us who are interested in projects, said that the sums heretofore allocated and appropriated should be authorized to be reappropriated. I would think, of course, that the Senator from Michigan would agree with me that in this time of emergency, in this time of depression, when things have changed completely from the times when we made the appropriations, it may well be that appropriations which we authorized 2 or 3 years ago are not wise to be carried out now. I am perfectly willing myself to trust the President.

Mr. VANDENBERG. Except that if it is going to cost $1,500 or $2,000 per man per year for relief under this bill, it occurs to me that we might have precisely the same unemployment-relief element in continuing a river and harbor contract which does deal with a public necessity.

Mr. COPELAND. Let me invite the Senator's attention to this fact. No one knows at this moment how successful this project may be or how many men may be engaged on the project. If it is a great success and works out as the President hopes it will and as those of us who are interested in it hope it will, it may be wise to extend it and broaden it. I have no doubt at all if it is a success that it will be necessary to go further and get funds in addition to those taken away from projects already authorized.

Mr. VANDENBERG. But the Senator from New York fully realizes that there is a totally different philosophy of action involved with respect to public-building construction and river and harbor projects so far as governmental precedent is concerned. We have a very definite long-range continuity of program in respect to rivers and harbors. We pass a bill about once every 3 or 4 years in respect to rivers and harbors. We have done that. The program is in process of completion, and yet under this bill, summarily, without any resurvey on our part and without any opportunity for us to exercise our judgment, we propose to stop every river and harbor project in the land, at least permissively.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Massachusetts yield to me?

Mr. WALSH. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. I do not understand that the statement just made by the Senator from Michigan accurately states the effect of this bill.

Mr. VANDENBERG. I desire to be accurate.

Mr. ROBINSON of Arkansas. I am perfectly sure of that; I do not raise any question about it; but there is a question that arises as to the necessity for the last four lines on page 6. It is my impression that the diversion of the fund already appropriated does not repeal the authorizations heretofore made; the authorizations stand; and the language to which I have just referred, namely, "and an amount equal to the amount so expended is hereby authorized to be appropriated for the same purposes for which such moneys were originally appropriated", is, in a sense, surplusage. The authorizations still stand, and the Congress can reappropriate from those authorizations even though this language were not in the bill. I take it that the object of the language is to make clear the fact that there is no intention of repealing the authorizations.

Mr. WALSH. The Senator from Arkansas has stated the situation exactly.

Mr. ROBINSON of Arkansas. The funds have been made available through both authorizations and appropriations; they are not quickly to be expended. In the meantime the effect of this bill will be to divert the sums so appropriated, or such part of them as the President shall find necessary for the immediate purposes of this bill; and at any time, tomorrow or immediately after the passage of this bill, if the Congress thought it was necessary to do so, it could reappropriate the funds on the authorizations existing or on the one carried by the bill, which is a mere repetition of that which is already the law.

Mr. VANDENBERG. The Senator from Arkansas and I are not in disagreement. The Senator from Arkansas, however, I think, overlooks the point I made—that it has never been our practice to make river and harbor appropriations except in accordance with a general, long-range plan once every 3 or 4 years. My inquiry is whether or not there is the slightest hope of bringing back the rivers and harbors money in the same degree that there would be an obvious opportunity to bring back the public-buildings projects money.

Mr. ROBINSON of Arkansas. The authorization remains; the Congress, as it always does, will make the appropriation if it deems it necessary to do so in order to carry out the law. The effect of this arrangement is to make quick use of funds which have been appropriated, and to do so for the purpose of giving employment to a considerable number of people. It is not to be regarded as a major or final measure touching unemployment; but it takes funds which we know are in existence, which have already been provided, and applies them to an immediate purpose, leaving the authorizations upon which those funds were appropriated still standing, so that when the necessity exists in the opinion of Congress the funds may again be provided through an appropriation.

Mr. VANDENBERG. But the Senator will agree, I think, that it is a correct statement that under the terms of the bill practically every rivers and harbors project will be suspended this summer, unless——

Mr. ROBINSON of Arkansas. Oh, no.

Mr. WALSH. No.

Mr. VANDENBERG. Unless there is an appropriation made over again before Congress shall adjourn.

Mr. ROBINSON of Arkansas. I do not agree to that at all. I do not think it is true, either in fact or in law. The effect of this arrangement, as I comprehend it, is to give the President leeway and authority touching all funds that have been appropriated for public works but which have not been actually allotted, so that he may use them for the purposes of this bill and to facilitate the measures that are contemplated for the relief of unemployment. If a river and harbor appropriation that has been made is not to be expended in all probability for a year or a year and a half or two years, no valid reason in the world can be given for not using that money now and replacing it when it is actually needed.

Mr. VANDENBERG. Will the Senator bear with me for just one observation?

Mr. ROBINSON of Arkansas. I have not the floor, but I will be glad to hear the Senator.

Mr. WALSH. I yield.

Mr. VANDENBERG. I call the Senator's attention to the fact that the effect of the 90-day clause in the language of the bill particularly runs against river and harbor appropriations, because those are projects upon which actual construction in the natural course of events will not start until the summertime. They are not projects of next year or 2 years from now; they are projects of this year, and from their very nature I submit that the 90-day limitation is particularly prejudicial against that particular type of public work.

Mr. ROBINSON of Arkansas. In respect to river and harbor projects, actual construction may begin at any time after the appropriation has been made and the necessary plans and specifications have been provided. The object of that 90-day provision I assume to be is to avoid the diversion of funds that are quickly to be used for the purposes for which they have been appropriated.

Mr. WALSH. That is exactly the purpose.

Mr. ROBINSON of Arkansas. If work on a project is to begin in 90 days, then we will not take any of the funds for that project; but if the work is not to begin in 90 days, then we can use the funds and replace them when the work actually begins.

Mr. WALSH. The Senator has interpreted the provision correctly.

Mr. DICKINSON. Mr. President——

Mr. WALSH. I yield.

Mr. DICKINSON. I want to call attention to the fact that there is a good deal of difference between the allotment of an appropriation and the obligation of appropriation. Here we are dealing with unobligated money, not allotted money.

Mr. ROBINSON of Arkansas. Of course, it is not quite true that moneys are allotted when appropriated, for necessarily when a lump sum has been appropriated, it is not immediately allotted, but when the Engineers Department has apportioned the funds to particular projects that constitutes an allotment.

Mr. DICKINSON. That is correct.

Mr. ROBINSON of Arkansas. But that may not mean that the work is to begin immediately; it may not mean that the work is ready to be commenced; it may imply that the work may be done at a time remote in the future; and, of course, the object of this arrangement is to prevent the necessity of raising additional funds now; it is to make immediate use of funds already available for other purposes.

Mr. DICKINSON. What I want to call the Senator's attention to is the fact that quite a percentage of our river and harbor work is done by the War Department, by their own forces, with their own equipment, and there is no allotment to that kind of work. It is simply carried on; and when there is no allocation or where there is no obligation on a future contract, that money would come within the provisions of this bill; and that is the serious part of it, as suggested by the Senator from Michigan.

Mr. WALSH. Mr. President, I do not think that the President has had any idea whatever of stopping the development of any river and harbor project. As has been stated repeatedly by the Senator from Arkansas, the whole theory of this bill is to give the President discretion to take funds that are not in use and which are not likely to be used at once and to employ them for this purpose.

Mr. DICKINSON. Let me suggest that when money is taken away from a project, it is in very serious straits until the project goes clear through the Budget, clear through the Appropriations Committee, and clear through the Congress again.

Mr. ROBINSON of Arkansas. It is in exactly the same situation that it was before the authorization was made and before the appropriation was made.

Mr. DICKINSON. That is exactly correct. In other words, here we are taking $140,000,000—if that is the amount to be used—and there is being imposed upon the particular function of the Government involved the necessity of making, in this strenuous period, a new showing before the Bureau of the Budget, a new showing before the Congress as to the need of the funds to be reappropriated before there can be carried on the projects which are going to be discontinued when the money is taken away from them.

Mr. ROBINSON of Arkansas. We do not discontinue any project that is not completed; we do not discontinue a project that is commenced; we simply use the money that has been appropriated where the project has not been commenced or will not begin within 90 days.

Mr. WALSH. The illustration I gave about the Boston post office is quite in point.

Mr. ROBINSON of Arkansas. That is a good illustration.

Mr. WALSH. For 2 whole years there was no contract made; there was not a dollar expended. They were drafting plans; there were many details that had to be worked out before making the contract.

Mr. ROBINSON of Arkansas. And I take it that the money was lying there idle and it might very well have been used during those 2 years for other emergency purposes.

Mr. WALSH. That is the whole purpose of this proposed legislation. I think the Senators from Michigan and Iowa are unduly alarmed in suggesting that there can be any interference with existing projects.

Mr. DICKINSON. Let me suggest one further observation with reference to this bill. Section 1 does not limit the number of men; it does not limit the amount which may be expended on behalf of each man; it does not limit the pay they may receive. The only limitation on the President as to the entire amount of this obligation is found in section 4, if that is a limitation. Is it the interpretation of the committee that he is limited to these funds in carrying out the provisions of this bill? After he had gone along for 6 months he might find that instead of having an obligation of $140,000,000 he had an obligation of $340,000,000?

Mr. WALSH. He is limited to these funds that are unobligated; he can use no other funds without coming to Congress for permission. He is strictly limited to them; there cannot be any question about that.

Mr. DICKINSON. I should like to say a word further.

Mr. WALSH. First, let me say that the Senator inquired about the number of persons to be employed. Who can estimate the number of persons why may be employed; who can estimate when they may be employed; who can estimate who may constitute the best class to be employed; who can estimate what their wages should be? Would we, in giving the President permission to build a post office or other public building in Washington, say he can only employ certain men; that the rate of wages of plasterers shall be so much; that the rate of wages of men who lay the foundations shall be so much; that they shall live in camps, or that they shall not live in camps? To me the whole idea of going into detail in enacting legislation providing for the construction of public buildings or other public works is absurd. If we cannot trust the President to provide the proper labor standards and wage standards, whom can we trust?

Mr. DICKINSON. I suggest that the very statement of the Senator emphasizes the uncertainty of the whole project,

as to where it is going to lead and where we are going to find ourselves in the end.

Mr. WALSH. Of course, this is an experiment, and, of course, it is designed to relieve a present emergency and not to be a permanent policy. We would not think of suggesting that this measure should embody a permanent policy, but we are dealing with an emergency. We are dealing with the relief of unemployment. We are trying to find quickly something by way of relief. We find the great public domain of our country opening up opportunities for employment, and we say to the President, "Go into that domain and use it to relieve partially the unemployment situation, and to that extent improve conditions in the United States."

Mr. DICKINSON. Let me suggest that there is no time limit put in the bill at all.

Mr. WALSH. Except the money limit. When the money has been exhausted he has to stop. That is the time limit.

Mr. DICKINSON. I cannot see the limitation here.

Mr. WALSH. Of course, the Senator will agree that the President is studying and covering the whole field of domestic readjustment; that we have chaos and distress and unemployment. This is why we are giving the President exceptional emergency powers. If Senators do not accept these conditions, they can make all kinds of arguments against this bill.

Mr. DICKINSON. I do accept that condition.

Mr. WALSH. I said, in the first words I used, that we must think in terms of emergency. We must keep thinking of the words "emergency relief unemployment." When we think of those words we have to use the word "discretion." Where? How? We cannot go into detail, and that is the way this bill is framed. It says, "In view of these conditions here are the forests of the country. Here are some funds. Here are the unemployed. Go out and find useful Government work for them and extend to them some measure of relief."

That is the whole principle on which the bill is framed.

Mr. ROBINSON of Arkansas. Mr. President——

Mr. WALSH. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. I ask unanimous consent that the Senator from Massachusetts be permitted to yield in order that a message from the President may be laid down and read. It is a brief message.

Mr. WALSH. I do not know that I have anything more to say, unless there are other questions.

Mr. FESS. I desire to ask the Senator a few questions.

Mr. WALSH. Before taking my seat, however, I wish to impress upon the Senate the fact that this is a permissive bill, not a compelling bill, and that it is permissive because of emergency conditions in the country. It is an honest, patriotic effort to extend relief; and I hope Senators will interpret the provisions of the bill in that light. If they do, I am sure they will agree that the amendment proposed by the committee is an improvement upon the original bill, and that it takes care of the situation as satisfactorily as can be expected in view of the emergency conditions.

This bill is illustrative of the present temporary emergency policy. It is an authorization under which the President can deal decisively, speedily, and helpfully with one phase of a domestic problem of large and increasing importance—unemployment relief.

The President of necessity is given wide discretion both as to policy and administration.

The extent of the benefits that will accrue from this kind of legislation cannot be estimated.

Its possibilities of helpfulness to the unemployed and its value in the conservation of a great natural resource are exceedingly great.

It should be an important aid also in stimulating the resumption of trade and production.

The President is left free from legislative details and restrictions.

The committee feel that in the present emergency he must be left free to determine how to handle the many and difficult details of this problem by the judgment of circumstances as they develop.

Mr. FESS. Mr. President——

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Massachusetts yield to the Senator from Ohio?

Mr. WALSH. I yield to the Senator from Ohio.

Mr. FESS. I desire to ask the Senator in reference to section 1, as to its extent, how far it reaches.

Mr. WALSH. I will read the Senator a very concise statement of my interpretation of section 1.

Mr. ROBINSON of Arkansas. What is the question?

Mr. FESS. My question is this: The bill provides for employing citizens of the United States who are unemployed—I am reading on line 14 of page 4—"in the construction, maintenance, and carrying on of works of a public nature in connection with the forestation of lands." I wish to inquire whether that is limited simply to the forestation of lands.

Mr. WALSH. Yes; it is. The original bill had a comma after "works of a public nature", and then followed with the word "forestation." The committee changed that and limited the works of a public nature to "such as forestation" of lands belonging to the United States and the prevention of forest fires, floods, and soil erosion, plant-pest and disease control.

Mr. FESS. I wanted to know whether the latter statement did not modify "forestation of lands"? It says "suitable for timber production"; that is one; "the prevention of forest fires, floods, and soil erosion" is another; "plant-pest and disease control" is another; "the construction, maintenance, or repair of paths, trails, and fire lanes in the national parks and national forests" is another. Then there is this other expression:

> And such other work on the public domain and Government reservations as the President may determine to be desirable.

What is the reason for that?

Mr. WALSH. The reason for that is that the President, in all probability, would have to build camps; he would have to make arrangements for supplying water to the camps; and that language was used so as to permit him to make provision for housing, caring, and other desirable undertakings for these unemployed persons.

Mr. FESS. My concern was as to whether we might not be authorizing the President to engage in some new field that ought to have specific consideration before we did it, because otherwise we might make commitments involving heavy expenditures in the future.

Mr. WALSH. I do not know of very many things that the President can build in the public domain. We had in mind the matter which the Senator has properly suggested, and sought to limit the activities under this bill to the public domain and to the things named here—forestation and the other things. I think, on further reflection, the Senator will agree that the limitation here is all that could be desired under the circumstances.

Mr. FESS. I was interested to know if the committee had considered that.

Mr. WALSH. We did. That very thing was thoroughly discussed.

Mr. FESS. Another question I desire to ask is whether the committee discussed how expensive per man this would be, where clothing and subsistence are furnished.

Mr. WALSH. No; we did not. The provisions of the original draft provided for that, and a good deal of discussion on that subject was gone into before the committee. We felt, however, that all of that should be eliminated; that it was a detail that should not be embodied in a legislative act; that when we appropriate money to build a post office or to develop rivers and harbors we do not go into details about furnishing clothing and about furnishing subsistence, and so forth.

Mr. FESS. I sympathize with what the Senator said earlier about the details. I share with him a good deal his feeling on that subject; but it occurred to me that we might be launching into a thing here that is going to be much more expensive than hiring men at fixed rates, in

view of the fact that we are proceeding to pay all the cost of their maintenance, and so forth.

Mr. WALSH. Of course, as I said before, this is more or less an experiment. The President undoubtedly will have to change his policy from time to time as he finds that a certain plan does not work, and develop along the desired lines. We have had, of necessity, to give him that discretion. No work like this has ever been undertaken heretofore. There is no precedent for it insofar as the Federal Government is concerned, so we felt that it was improper to define and specify the labor conditions and the wage schedule.

Mr. FESS. Frankly, I was a little disturbed by the chairman's side remark a while ago when he said that the President had decided to put some union-labor man in charge of this work, because such men are always concerned about a high wage, with which the Senator and I agree; but if the wage and also subsistence are paid, there is an opening there for a good deal of disadvantage to the Government.

Mr. WALSH. I think the detail of that can be worked out very satisfactorily. I think in different camps different wages may be fixed, and I think the wage should be fixed with an idea of deducting from it the cost of sustenance and of clothing. I did not intend to convey the idea that the President had finally decided to name a labor representative as director.

Mr. FESS. Certainly.

Mr. WALSH. May I add, in this connection, that it reminds me of another provision that the Senator from New York [Mr. COPELAND] and the Senator from Wisconsin [Mr. LA FOLLETTE], members of the committee, helped to incorporate in the committee redraft; namely, the framing of the provision as to compensation in such a way that the present law as to reduction in wages would be applicable to these employees. We felt that the President should fix the wage at such a sum as would permit the operation of that law. The original draft contemplated that that law should not apply to these men, because there the wage was fixed at $30, and the wage appeared to be so low that it was thought unfair and improper to make a reduction of 15 percent of that wage; so we eliminated even that from this bill.

Mr. ROBINSON of Arkansas, Mr. LA FOLLETTE, and other Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield; and, if so, to whom?

Mr. WALSH. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. Mr. President, we might just as well understand now that if the President is to be permitted to go out into the country and onto the farms and take idle persons who are not in the habit of receiving more than a dollar or two dollars per day and put them into camps and pay them $5 or $10 per day for work of this character, the bill will accomplish no substantial results. There ought to be a reasonable latitude allowed with respect to wages, but there ought not to be written into this bill a standard of wages that is applicable to skilled laborers or to union employees. We might just as well meet that issue now.

Mr. WALSH. In fact, there will have to be different classes of labor—common labor and skilled labor.

Mr. ROBINSON of Arkansas. Certainly.

Mr. WALSH. We have even left that to the President's discretion.

Mr. ROBINSON of Arkansas. A man who gets his sustenance and his shelter and the other benefits that come or are presumed to come with these camps can afford to work for a smaller amount until he can get more liberal terms of employment. The object is to take up as much as possible of the slack and to give a measure of employment to those who cannot secure it now.

Mr. COPELAND, Mr. LA FOLLETTE, and Mr. VANDENBERG addressed the Chair.

The PRESIDING OFFICER. To whom does the Senator from Massachusetts yield?

Mr. WALSH. I yield to the Senator from New York. Then I will yield to the Senator from Wisconsin.

Mr. COPELAND. Mr. President, I should like to say, in further reply to the Senator from Ohio, that the original bill provided for a wage of a dollar a day, and so forth. The amendment offered by the committee makes it a relief bill instead of an employment bill in the ordinary sense; and, if the Senator will observe, at the bottom of page 4 and the top of page 5 the President is authorized "to provide for housing the persons so employed and for furnishing them with such subsistence, clothing, medical attendance, and hospitalization", and finally a cash allowance of some sort. The wage part is not emphasized as it was in the original bill.

Further, let me say that it was estimated that the housing, subsistence, clothing, medical attendance, and hospitalization would amount to about a dollar a day, and we took some testimony on that score.

Now, a final thing and I will not annoy the Senator further.

Mr. FESS. Mr. President, what is included in the term "clothing"?

Mr. WALSH. I do not think anybody gave us expert evidence on that.

Mr. COPELAND. It did not include silk hats. I am sure of that. [Laughter.] It means the roughest kind of clothing, such as is furnished to privates in the Army.

Mr. ROBINSON of Arkansas. Clothing appropriate for the use of the persons in their employment.

Mr. COPELAND. That is right.

One thing further, and then I will stop.

I want to say to the Senator from Michigan that it seemed to me that any prudent business man, if he had arranged for money to be used during the next 2 or 3 years, had it in the bank, and then some emergency came along, would be foolish to go and borrow new money instead of making use temporarily of funds which he had dedicated to another purpose. This money which is to be used is money which theoretically, at least, is in the Treasury. Some of the funds are unexpended balances. Those of us who have served on the Appropriations Committee realize that every year, when we make up the appropriation bills, some of the funds are taken from unexpended balances; and so it is contemplated that the President will seek out those unexpended balances, those activities which may be deferred temporarily, and in that way find the money without a new call upon the taxpayers at this time.

Further, so far as one man can commit another, I know from what the President told us at the White House the other night that he is as much interested in the river and harbor construction and activities as the Senator from Michigan and myself, because, as the Senator from Massachusetts has said, he spoke specifically of a canal across the State of Florida as one of the things that might possibly be considered, not as a promise or a definite arrangement but merely as an example of what might be done. So I know that the President has no thought in the world of discontinuing any of those activities relating to rivers and harbors which are essential in the immediate future for the welfare of our country.

Mr. LA FOLLETTE and Mr. VANDENBERG addressed the Chair.

Mr. WALSH. I yield to the Senator from Wisconsin. Then I will yield to the Senator from Michigan.

Mr. LA FOLLETTE. Mr. President, I desire to make reference to a statement made by the Senator from Ohio when he expressed apprehension that the language to be found on page 4, beginning in line 22, "and such other work on the public domain and Government reservations as the President may determine to be desirable", was too broad, too sweeping. In that connection, since we are merely considering the bill, I desire to suggest that the apprehension concerning that language could be easily taken care of by inserting, on line 22, after the word "work", the words "incidental to or necessary in connection with any of the

projects of the character enumerated", so that it would read:

And such other work incidental to or necessary in connection with any of the projects of the character enumerated on the public domain and Government reservations as the President may determine to be desirable.

That would give him the broadest sort of power to undertake any other work not enumerated but made necessary incidental to or in connection with any of the projects which are above enumerated.

Mr. WALSH. That suggestion will be incorporated in the bill. I appreciate the Senator's suggestion.

Mr. ROBINSON of Arkansas. May I say that the language might be further modified so as to read, "in the opinion of the President necessary to carry out the purposes herein enumerated."

Mr. WALSH. Correct.

Mr. VANDENBERG. Mr. President——

Mr. WALSH. If the Senator from Wisconsin will propose an amendment of that kind tomorrow, I shall be glad to accept it.

I yield now to the Senator from Michigan.

Mr. VANDENBERG. Mr. President, in response to a question asked by the Senator from Iowa [Mr. DICKINSON], the Senator from Massachusetts made a very eloquent appeal for the summary passage of this bill because of the dire need which he depicted. I am sure he did not mean to infer that the only way that one can be sympathetic with that dire need is to take the bill "as is"; and surely he did not mean to infer that those who have submitted inquiries respecting the bill are any less sympathetic with the objective than he is.

Mr. WALSH. No; I did not mean to infer that. I did think at times during the discussion here that some Senators were approaching the consideration of the bill in a critical way; but that is perfectly legitimate.

Mr. VANDENBERG. May I ask the Senator how the employment of this labor is contemplated to be made, and whether there is any expectation that it will be representative of unemployment the country over? Where are these men who are to be put to work to come from?

Mr. WALSH. The language of the bill covering employing citizens is as follows:

To provide for employing citizens of the United States who are unemployed in the construction, maintenance, and carrying on of works of a public nature.

The President, in his original plan and in his discussion with us of the purposes, said he contemplated selecting the citizens who are to undertake this work from the several States in proportion to the number of unemployed in the several States. That is a matter of regulation, however.

Mr. VANDENBERG. In other words, the expectation is that there will be, as nearly as possible, a uniform treatment of the unemployment problem the country over?

Mr. WALSH. If New York City had 10 times as many unemployed as Detroit, it would be expected that there would be more people employed from New York than from Detroit.

Mr. VANDENBERG. Are they to be transported to the points where the projects are located?

Mr. WALSH. That was contemplated in the original bill, and the expense of transportation was to be paid by the Government.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. LA FOLLETTE. May I say, in further response to the inquiry made by the Senator from Michigan, that the Secretary of Labor stated in her testimony, if I remember correctly, that it is contemplated that the Department of Labor, through the United States employment agencies and in conjunction with State agencies, will be the Department through which the selection of these men, in proportion, insofar as practicable, to unemployment, is to be undertaken.

Mr. DILL. I should like to suggest, in addition to that, that all the relief agencies of the different States would also be conferred with.

Mr. LA FOLLETTE. That is correct.

Mr. WALSH. That is a matter of regulation with the President. He has intimated that is the course he would follow.

Mr. DILL. Mr. President, will the Senator from Massachusetts yield to me?

Mr. WALSH. I yield.

Mr. DILL. I was interested in the discussion of the Senator from Georgia [Mr. GEORGE] a while ago about restricting the operation of the measure to only Government land and State and municipally owned land that might be reforested or might be dealt with. I appreciate the reasons the Senator from Massachusetts gave for not including them in the bill. On the other hand, I am convinced that the work of reforestation, from the standpoint of flood control, would be worth very little in many sections of the country if it were confined entirely to Government land, because the vast areas which need reforestation—and it is particularly true in the far Northwest—are privately owned lands. I am wondering whether the Senator has given consideration to the possibility of having loans from the Reconstruction Finance Corporation to private owners who are willing to cooperate with the President in his plan of reforestation in any sections of the country.

Mr. WALSH. That is a proposal to which we did not give consideration in the committee—namely, the one the Senator suggests, of loans being made by the Reconstruction Finance Corporation. We did consider the proposal of authorizing the President to enter into contracts with private individuals to carry on forestation on their lands or properties. We felt that that would be opening the door pretty wide; that it might lead to scattered efforts, a place here and another camp far away, and only a few men in one place and a few in another. We thought it would be better to postpone consideration of that, although we did recognize some merit in it, as the Senator from Washington indicates. We thought it better to postpone it until we saw how this project worked out, and perhaps in later legislation give that authority. I understand the Reconstruction Finance Corporation is specifically authorized to make loans to private individuals for reforestation work. It is a project that is considered self-liquidating.

Mr. DILL. There is the other argument, that it would be the Government entering upon private employment, which I was trying to meet by my suggestion of the Reconstruction Finance Corporation lending money for this purpose, for which it would not ordinarily be authorized to make loans.

I am not going to press the matter as an amendment to the pending bill, but it does seem to me that the effectiveness of this reforestation work, and particularly as it looks toward flood control, will be hampered, and made almost worth very little if it is confined entirely to Government reservations. The fact of the matter is that on the Government lands the cutting of timber has been so controlled that it is not such a serious proposition. The private lands are the ones which are making the trouble.

Mr. WALSH. In other words, the Senator feels there is more need of reforestation on private lands than on Government land?

Mr. DILL. They ought to go together.

Mr. COOLIDGE. Mr. President, will my colleague yield?

Mr. WALSH. I yield.

Mr. COOLIDGE. I should liketo ask my colleague whether in the committee they considered, in connection with section 3, the possibility of going out and buying group insurance, the same as an individual would do. Otherwise we would be building up another pension scheme, which might go along and cost the Government a certain amount for 25 or 50 years, whereas if we set up a fund out of the fund the Government is to spend, we could buy this insurance and pay for it, and it would be carried along year after year.

Mr. WALSH. We did not give consideration to that aspect of the question. The original bill authorized the

establishment of a civilian corps, and in that bill was a proviso against pensions. As we abandoned the idea of a civilian corps we did not think it necessary to put such a restriction in this bill. We have left the whole project open to the President to proceed in the ordinary, usual way, of employing the unemployed to perform this work.

Mr. COOLIDGE. Probably at some later date it will be possible to offer amendments to the bill.

Mr. WALSH. Undoubtedly.

Mr. COOLIDGE. I wondered whether the Senator would have any objection to putting into this section, or having it go along with the present law, a provision that the Government might set up a fund and go out and buy group insurance.

Mr. WALSH. I will be glad to submit the proposal to the committee, and give it consideration. Of course, as the Senator knows, the Federal employees' compensation laws are specifically made applicable.

Mr. COPELAND. Mr. President, I should like to say a word in reply to what the Senator from Washington stated. He spoke about extending the benefits of the act to private lands.

We gave study to that question, and it seemed to us that it was unfair to go upon private lands and benefit private landowners by the employment of persons paid such a small amount that it would deprive normally employed labor from doing the work upon these private holdings, work which would benefit the private owners.

I think the Senator would do well, however, to present an amendment to the Reconstruction Finance Corporation Act at the proper time, to provide for loans for that purpose, because it is not only in his section of the country that there are private holdings in cut-over land, but that is true in my section of the country, too. In the part of New York State where my own home is located, in the Ramapo Mountains, there are thousands upon thousands of acres of cut-over land, land which formerly carried great forests, and it could be restored by the proper planting, and so forth. So I hope the Senator will press the matter.

There is one other matter, however, relative to the private land, of which I want to speak, in reply to what the Senator from Georgia suggested. There can be no doubt but that occasionally in pest-control work it will be necessary to extend some of the operations of this activity to private land, and it might well be that if anything were done in marsh drainage or in flood control, it might be necessary to have some of the activity on private land, not for the benefit directly of the private landowner but in order that the public domain might be benefited by the carrying out of the project.

Mr. DILL. Mr. President, I may say to the Senator that since this plan is to go into operation so soon, we shall have an opportunity to see how it will work out in time to know what legislation should be enacted regarding such loans.

ORDER FOR RECESS

Mr. ROBINSON of Arkansas. I ask unanimous consent that when the Senate concludes its labors today it take a recess until 12 o'clock tomorrow.

The PRESIDING OFFICER (Mr. CLARK in the chair). Is there objection? The Chair hears none, and it is so ordered.

MESSAGE OF THE PRESIDENT—REORGANIZATION OF AGRICULTURAL CREDIT AGENCIES (H.DOC. NO. 7)

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, which was read, and, with the accompanying paper, referred to the Committee on Appropriations and ordered to be printed, as follows:

To the Senate and House of Representatives:

Pursuant to the provisions of section 1, title III, of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, I am transmitting herewith an Executive order reorganizing the agricultural credit agencies of the United States.

This Executive order consolidates in one agency—the Farm Credit Administration—the functions of all present Federal organizations which deal primarily with agricultural credit, namely, the Federal Farm Board, the Federal Farm Loan Board, the functions of the Secretary of Agriculture with regard to loans in aid of agriculture, and those of the Reconstruction Finance Corporation pertaining to the management of regional agricultural-credit corporations. The functions of the Federal Farm Board with regard to further stabilization operations are abolished by the order.

A better coordination of the agencies involved in our agricultural credit system will produce a more uniform program for agricultural credits and will result in substantial economies. A saving of more than $2,000,000 is the immediate effect of this order. Further substantial savings are anticipated.

Important as are the foregoing, of greater and controlling importance is the maintenance of the long-standing policy of the Federal Government to maintain and strengthen a sound and permanent system of cooperative agricultural credit, subject to Federal supervision and operated on the basis of providing the maximum of security to present and prospective investors in bonds and debentures resting on farm mortgages or other agricultural securities—all for the purpose of meeting the credit needs of agriculture at minimum cost.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 27, 1933.*

The accompanying paper was ordered to be printed in the RECORD, and it is as follows:

EXECUTIVE ORDER REORGANIZING AGRICULTURAL CREDIT AGENCIES OF THE UNITED STATES

Whereas sections 401 and 403 of title IV of part II of the Legislative Appropriation Act, fiscal year 1933, as amended by an act of Congress approved March 3, 1933, provide:

SEC. 401. The Congress hereby declares that a serious emergency exists by reason of the general economic depression; that it is imperative to reduce drastically governmental expenditures; and that such reduction may be accomplished in great measure by proceeding immediately under the provisions of this title.

Accordingly the President shall investigate the present organization of all executive and administrative agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

(a) To reduce expenditures to the fullest extent consistent with the efficient operation of the Government;

(b) To increase the efficiency of the operations of the Government to the fullest extent practicable within the revenues;

(c) To group, coordinate, and consolidate executive and administrative agencies of the Government as nearly as may be according to major purposes;

(d) To reduce the number of such agencies by consolidating those having similar functions under a single head and by abolishing such agencies and/or such functions thereof as may not be necessary for the efficient conduct of the Government;

(e) To eliminate overlapping and duplication of effort; and

(f) To segregate regulatory agencies and functions from those of an administrative and executive character.

SEC. 403. Whenever the President, after investigation, shall find and declare that any regrouping, consolidation, transfer, or abolition of any executive agency or agencies and/or the functions thereof is necessary to accomplish any of the purposes set forth in section 401 of this title, he may by Executive order—

(a) Transfer the whole or any part of any executive agency and/or the functions thereof to the jurisdiction and control of any other executive agency;

(b) Consolidate the functions vested in any executive agency; or

(c) Abolish the whole or any part of any executive agency and/or the functions thereof; and

(d) Designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head; except that the President shall not have authority under this title to abolish or transfer an executive department and/or all the functions thereof.

Now, therefore, pursuant to the authority so vested in me, and after investigation, it is found and declared that the following changes in executive agencies and the functions thereof are necessary to accomplish the purposes set forth in section 401 above recited, and it is hereby ordered that:

(1) The functions of the Secretary of Agriculture as a member of the Federal Farm Board, and the offices of the appointed members of the Federal Farm Board, except the office of the member designated as chairman thereof, are abolished.

(2) The name of the Federal Farm Board is changed to the Farm Credit Administration.

(3) The name of the office of Chairman of the Federal Farm Board is changed to Governor of the Farm Credit Administration, and he is vested with all the powers and duties of the Federal Farm Board.

(4) The functions of the Secretary of the Treasury as a member of the Federal Farm Loan Board, and the offices of the appointed members of the Federal Farm Loan Board, except the office of the member designated as Farm Loan Commissioner, are abolished, and all the powers and functions of the Federal Farm Loan Board are transferred to and vested in the Farm Loan Commissioner, subject to the jurisdiction and control of the Farm Credit Administration as herein provided.

(5) There are transferred to the jurisdiction and control of the Farm Credit Administration:

(a) The Federal Farm Loan Bureau and the functions thereof; together with the functions of the Federal Farm Loan Board, including the functions of the Farm Loan Commissioner;

(b) The functions of the Treasury Department and the Department of Agriculture, and the Secretaries thereof, under Executive authorizations to give aid to farmers, dated July 26, 1918, and any extensions or amendments thereof;

(c) The functions of the Secretary of Agriculture under all provisions of law relating to the making of advances or loans to farmers, fruitgrowers, producers and owners of livestock and crops, and to individuals for the purpose of assisting in forming or increasing the capital stock of agricultural-credit corporations, livestock-loan companies, or like organizations, except Public Resolution No. 74, Seventieth Congress, approved December 21, 1928, providing for the Puerto Rican Hurricane Relief Commission;

(d) The Crop Production Loan Office and the Seed Loan Office of the Department of Agriculture, and the functions thereof;

(e) The functions of the Reconstruction Finance Corporation and its board of directors relating to the appointment of officers and agents to manage regional agricultural-credit corporations formed under section 201 (e) of the Emergency Relief and Construction Act of 1932; relating to the establishment of rules and regulations for such management; and relating to the approval of loans and advances made by such corporations and of the terms and conditions thereof.

(6) The functions vested in the Federal Farm Board by section 9 of the Agricultural Marketing Act are abolished, except that such functions shall continue to be exercised to such extent and for such time as may be necessary to permit the orderly winding up of the activities of stabilization corporations heretofore recognized under authority of such section, and the governor of the farm credit administration shall take appropriate action for winding up at the earliest practicable date the activities of such corporations and all affairs related to the exercise of such functions.

(7) The records, property (including office equipment), and personnel used and employed in the execution of the functions hereinbefore transferred are transferred to the jurisdiction and control of the farm credit administration.

(8) The sum of $2,000,000 of the unexpended balances of appropriations made to the Federal Farm Board by Public Resolutions No. 43 and No. 51 of the Seventy-second Congress shall be impounded and returned to the Treasury, which sum shall be in addition to the other savings to be effected by the farm credit administration as a result of this order.

(9) The unexpended balances of appropriations to the Secretary of Agriculture, the Federal Farm Loan Bureau, and the Federal Farm Board for salaries, expenses, and all other administrative expenditures in the execution of the functions herein vested in the farm credit administration shall be transferred to and vested in the farm credit administration as a single fund for its use for salaries, expenses, and all other administrative expenditures for the execution of any or all of such functions without restriction as to the particular functions for the execution of which the same were originally appropriated. All other appropriations, allotments, and other funds available for use in connection with the functions and executive agencies hereby transferred and consolidated are hereby transferred to and vested in the farm credit administration, and shall be available for use by it, for the same purposes as if the farm credit administration were named in the law or authority providing such appropriations, allotments, or other funds.

(10) All power, authority, and duties conferred by law upon any officer, executive agency, or head thereof, from which or from whom transfer is hereinbefore made, in relation to the executive agency or function transferred, are transferred to and vested in the Governor of the Farm Credit Administration.

(11) The Governor of the Farm Credit Administration is directed to dismiss, furlough, transfer, or make other appropriate disposition of such of the officers and employees under his jurisdiction and control as are not required for the proper execution of the functions of the Farm Credit Administration.

(12) The Governor of the Farm Credit Administration is authorized to execute any and all functions and perform any and all duties vested in him through such persons as he shall by order designate or employ.

(13) The Governor of the Farm Credit Administration, by order or rules and regulations, may consolidate, regroup, and transfer offices, bureaus, activities, and functions in the Farm Credit Administration, so far as may be required to carry out the purposes to which this order is directed, and may fix or change the names of such offices, bureaus, and activities and the duties, powers, and titles of their executive heads.

This order shall take effect upon the sixty-first calendar day after its transmission to Congress unless otherwise determined in accordance with the provisions of section 407 of the act cited above, as amended.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 27, 1933.*

CHANGE OF REFERENCE—BIMETALLISM

Mr. WHEELER. Mr. President, I ask unanimous consent that the Committee on Finance be discharged from the further consideration of the bill (S. 70) to establish a bimetallic system of currency, employing gold and silver, to fix the relative value of gold and silver, to provide for the free coinage of silver as well as gold, and for other purposes, and that the bill be referred to the Committee on Banking and Currency. I understand the Committee on Banking and Currency has appointed a subcommittee to take up the various phases of the silver question.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

REDUCTION IN WORKING HOURS

Mr. BLACK. Mr. President, I send to the desk an article appearing in the Washington Star of yesterday, with reference to an approaching meeting at Geneva for the consideration of the hours of labor in the various countries of the world. I desire to call this article to the attention of Senators who are interested in the subject. It gives details as to the cost of unemployment in the various countries and the experiences they have had in connection with reducing the hours of labor.

There being no objection, the matter was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

WORLD AGREEMENT TO CUT WORK WEEK WILL BE PRESSED AT PARLEY IN JUNE

GENEVA.—Despite the opposition of the representatives of employers, the governing board of the International Labor Office, which is composed of equal numbers of representatives of workers, employers, and governments, has decided that not only will the question of an international agreement to reduce working hours be discussed next June, at the annual conference, but the customary procedure of the Labor Office will be laid aside. Heretofore pro-

posed conventions have always been discussed one year and formulated the next. This year the conference will be empowered to draft and submit to governments for ratification a convention calling for international legalization of a 40-hour week.

While employers did not challenge the desirability of such a reform as a means of combating unemployment and increasing the purchasing capacity of the public, they opposed making it compulsory. The governments represented, however, had before them constantly the ever-increasing burden on their budgets in caring for the millions of unemployed.

France, for example, faces an 11,000,000,000-franc deficit this year despite desperate efforts to cut down expenditures. Her unemployed had been doubling in number yearly. The sums allocated for unemployment insurance and relief have quadrupled. And what is more striking is that about one out of every six Frenchmen is an employee of the Government, which means that every five Frenchmen support a sixth through taxation.

BELGIUM'S EXPENSES MOUNT

Belgium's expenditures for unemployment have reached a point where drastic revision is necessary. In 1930 the Government expended 32,000,000 francs for insurance and relief. In 1931 expenditures for the same purpose reached 365,000,000 francs, while last year's sum was much larger.

Germany's governmental contribution toward the support of her 5,000,000 idle workers was 1,151,000,000 marks ($272,500,000) in 1928, before the real depression set in. In 1931 it mounted to $743,500,000.

Britain's expenditures during the fiscal year of 1932–33 have been estimated by the treasury at $600,000,000 normal exchange, as against about one third that figure before the depression became serious.

In Switzerland the drain on the federal treasury has increased about 15 times since 1925, when conditions were normal, while Holland and Poland have had to quadruple their unemployment relief as compared with 2 years ago. Italy, where the Fascist government holds expenditures down to a minimum, expended 115,600,000 lire in 1930, as against 33,800,000 on unemployment insurance in 1925.

Practically every other European government shows similar conditions.

In 20 industrial countries from which comparatively definite figures are obtainable the annual losses in wages of 24,000,000 wholly unemployed workers is estimated at not less than $21,000,000,000.

The beneficial effects of reduction of hours and redistribution of available employment over the largest number of workers has been proved beyond all doubt, according to Labor Office officials, who are charged with making recommendations to the coming World Economic Conference and the June Labor Conference. Figures have now been collected from a score of countries. They all point the same way. Furthermore, the effects are almost uniform regardless of the nature of the industry.

While most of the experiments with shorter hours have been voluntary on the part of employers, in some cases—in the Free City of Danzig, Germany, Italy, Australia, Poland, Czechoslovakia, Belgium, and Argentina—federal and municipal authorities have taken the matter in hand. In Germany recently municipal employees increased 10,000 through adoption of shorter hours.

In both public and private work it has been established that reduction of hours, to a point where those employed are still able to maintain their customary standard of living, has resulted in increasing the number employed by anywhere from 25 percent to 33⅓ percent.

Although the idea of the 40-hour week is supposed to have originated in the United States (Ford factories adopted it in 1926 and the United States Rubber Co. employs its 25,000 workers on a 5-day week as a permanent thing), such countries as Czechoslovakia, the industrial center of mid-Europe, outstrip the United States. In 1931 Bata Shoe Works was already employing 25,000 workers under the system, where the year before, when the system was introduced, the company had 18,000 employees working 45 hours per week. Large chocolate works, motor-car factories, and other industries in Czechoslovakia have followed the example of the shoe industry with success.

In the sugar industry in western Poland 4,500 additional workers were absorbed recently, despite the fact that sugar production was less than in previous years.

The brewing industry in Germany, as a result of introduction of the 40-hour week has been able to retain 8,000 employees which otherwise would have been discharged had the 48-hour system been maintained.

SAVE JOBS OF 1,800

The Minerva Automobile Works in Belgium, going on the 40-hour week as a temporary measure, have announced that they can retain 400 workers who were to have been laid off.

In the coal mines of Lower Silesia reduction of working hours prevented the discharge of 1,800 miners.

The electrical works of Robert Bosch Cie. at Stuttgart actually increased their staff recently by 300 through institution of a 6-hour working day, while the Hirsch-Kupfer-Messing Werk A. G. at Eberswalde, Germany, added 200 skilled workers after adopting a 40-hour week.

In Holland the biggest wood-working firm, C. Bruynzee, tried out a 40-hour week in place of the regulation 48-hour week and found that besides reengaging all the workers it had previously discharged it was able to raise wages from 73 to 78 cents per hour.

In the tin-plate industry in South Wales, England, it has been decided to institute a 6-hour shift in place of the present 8-hour workday. The firm of Richard Thomas & Co., which controls 70 percent of the tin-plate industry, estimates that unemployment in that industry will practically be wiped out by the reform if it proves economically successful.

The question of reduction of wages through reduction of working hours has not as yet been satisfactorily solved. In most instances workers take a small cut, but not enough to seriously reduce their standard of living. In many cases, however, the present scale is maintained, and in some cases it has even been increased.

A.E.J.

Mr. BLACK. Mr. President, I desire also to send to the desk and to have read an article by Mr. Robert Quillen, entitled "Many Will Want While One Is Praised for Taking More Than He Needs." This relates directly to the bill which I have pending providing for a 30-hour week and upon which I hope to get action by the Committee on the Judiciary within the next 2 or 3 days.

There being no objection, the Chief Clerk read the article referred to as follows:

MANY WILL WANT WHILE ONE IS PRAISED FOR TAKING MORE THAN HE NEEDS

By Robert Quillen

The blight of ignorance and the scourge of disease have been checked and controlled in some measure by the work of science. The one curse of mankind that the great and the strong still regard as the work of Providence is poverty.

To take away ignorance and leave poverty is to do more evil than good, for ignorance alone can make poverty endurable.

The river boatmen of China, rowing from daylight till dark to earn a few pennies—having no possession except a loin cloth and no food except cabbage soup and beans—still laugh to lighten their labor and ask no more of fate. They are happy and content because their ignorance is an opiate that makes them insensible to life's injustice.

Before the coming of machinery the poor in other lands were like the Chinese. They suffered as bees do when their hive is robbed.

The labor of all men was incapable of producing abundance for all. And when the few who had power claimed more than enough the many who labored had less than they needed.

Machinery now produces more than all can use; and poverty is no longer an evidence of man's limitations but an indictment of his indifference to pangs he does not share.

No boast of our civilization seems justified or decent while poverty remains. Any boast seems ghastly irony if the boaster is a leper.

Some people now make a virtue of living on little. They are foolish.

There is nothing but evil in poverty. Its rags bring the blight of shame to helpless children and break the spirits of men and women in their prime. Its environment is unclean, and its equipment is ugly. It is a stranger to all that is lovely and graceful and beautiful. Its very atmosphere is depressing and degrading. It is gall and wormwood to the soul.

Have you ever gone tramping, empty of pocket, looking for a job? I have. And I have been driven outdoors like a pariah dog by men whose one point of superiority was a full stomach.

If you haven't felt the lash of poverty, lift your hat to those who endure it without moan or rebellion.

There is no excuse for our poverty. Other lands must endure it because they need more than they produce. America could end it in a day by changing the rules to enable every man to earn a just share of this land's abundance.

The PRESIDING OFFICER. The article will be referred to the Committee on the Judiciary.

JOHN WATSON'S COMMENT ON PRESIDENT ROOSEVELT

Mr. COPELAND. Mr. President, I have in my hand a clipping written by a friend of mine, the owner of the Newark Union Gazette. He refers to a letter from Mr. John Watson, in which the writer pays a beautiful tribute to President Roosevelt. In the letter Mr. Watson draws a parallel between the President's fight to regain health and the struggle the Nation is having to recover from its paralyzed condition. The clipping is so striking that I ask that it may be printed in the RECORD.

There being no objection, the clipping was ordered to lie on the table and to be printed in the RECORD, as follows:

John Watson, past exalted ruler of Newark Lodge, No. 1249, Benevolent and Protective Order of Elks, a former resident of Newark, and now with a large nursery firm at Winona, Ontario, Canada, has recently presented to the local lodge a beautiful picture of President Franklin D. Roosevelt. By formal motion this special privilege of giving a picture of each President to the lodge has been granted to Mr. Watson.

Accompanying the picture of President Roosevelt was a letter written in Mr. Watson's own inimitable style. In his letter Mr. Watson draws a striking "parallel" between the physical handi-

cap which Mr. Roosevelt overcame with courageous heroism and the paralyzed industrial condition of the Nation, which he is already bringing to recovery by his outstanding example of courage and leadership. The "parallel" is one which should be widely read, for it will inspire all Americans with courage and confidence. It will strengthen their faith in the President and in his unparalleled leadership.

The paragraphs in Mr. Watson's letter referring to President Roosevelt are as follows:

"To me it seems that there is something significant, something of a prophecy and a challenge to us—a challenge and also an inspiration—in having at the head of our Government right now a man who met with a great disaster and overcame it because he met it bravely, faced with courage a condition which looked hopeless, but who with grim determination set himself to the slow and painful task of regaining health and strength.

"We as a nation have met disaster. It came upon us just as unexpectedly. It paralyzed our industry, crippled our trade, laid us low financially, economically, and industrially, and lost us all but our courage and our unquenchable spirit.

"I believe there is both challenge and inspiration in the coincidence of President Roosevelt being at the head of the Nation at this critical time, when the Nation is paralyzed in all but spirit, as he was not long ago. His fortitude, his high courage, and his indomitable will in the face of what looked like an insurmountable handicap during four long years should be an inspiration to each of us; and his recovery and restoration to active life should be regarded as a prophecy of the Nation's early recovery and full restoration to economic health and industrial strength.

"I believe that. You may call it chance or coincidence, or what you will. The parallel is there. I choose to believe that some design has put that parallel before us as a reminder, as a challenge, as an inspiration and prophecy to us as a people."

Mr. Watson is right in saying the parallel is there. He is right also in saying that the facts he brings before the lodge are a challenge to the Nation. This great people has the pluck to surmount present difficulties. It has the courage. It has the inspiration. All it needed was a leadership like that which has been displayed in Washington since noon on the 4th day of March. The country is reviving. The spirit, the courage, all of the great human emotions, were there ready to be marshaled into action, and who knows but that Mr. Watson is right in his intimation that possibly Franklin D. Roosevelt was the one man in the entire country who could best organize our great human forces into action and who could best inspire us to our possibilities and to our duties. Millions now believe that the Nation under Mr. Roosevelt's leadership is facing an early and complete recovery of its economic health and industrial strength.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. CLARK in the chair), as in executive session, laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

JAMES W. COLLIER

Mr. HARRISON. Mr. President, as in executive session, I report back from the Committee on Finance a nomination. The nominee was formerly chairman of the Committee on Ways and Means of the House, James W. Collier, of Mississippi, who is nominated to be a member of the United States Tariff Commission for the remainder of the term expiring June 16, 1937. Mr. Collier is well known to all of us, and I hope there will be no objection to the request which I am about to submit. I ask unanimous consent that the nomination be confirmed as in executive session.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi?

Mr. FESS. Mr. President, I have not consulted the leader on this side [Mr. McNARY]. Personally, I have no objection.

Mr. HARRISON. The nomination is unanimously reported and approved by the Finance Committee.

Mr. FESS. I shall not object.

The PRESIDING OFFICER. The nomination will be read.

The Chief Clerk read the nomination of James W. Collier, of Mississippi, to be a member of the United States Tariff Commission for the remainder of the term expiring June 16, 1937.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. HARRISON. I ask that the President be notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate resumed legislative session.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate execute the order heretofore entered into and take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and the Senate (at 2 o'clock and 5 minutes p.m.), under the order previously entered, took a recess until tomorrow, Tuesday, March 28, 1933, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 27 (legislative day of Mar. 13), 1933

FOREIGN SERVICE OFFICERS

The following-named Foreign Service officers to be diplomatic and consular officers of the grades indicated, as follows:

SECRETARIES IN THE DIPLOMATIC SERVICE

Robert G. McGregor, Jr., of New York.
Peter H. A. Flood, of New Hampshire.
George M. Graves, of Vermont.
Robert Lacy Smyth, of California.

CONSULS GENERAL

Harold B. Quarton, of Iowa.
Ernest L. Ives, of Virginia.

DIRECTOR OF THE BUREAU OF STANDARDS

Lyman J. Briggs, of Michigan, to be Director of the Bureau of Standards, vice George K. Burgess, deceased.

APPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY

GENERAL OFFICER

To be brigadier general, Reserve

Brig. Gen. George Henderson Wark, Kansas National Guard, from March 24, 1933.

CONFIRMATION

Executive nomination confirmed by the Senate March 27 (legislative day of Mar. 13), 1933

MEMBER OF THE UNITED STATES TARIFF COMMISSION

James W. Collier to be a member of the United States Tariff Commission.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 27, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Lord God of Hosts, be with us yet, lest we forget. We most earnestly pray for Thy wisdom to direct us that we may add more and more to the contentment and peace of mind of our country. O hasten the hour when happiness shall bless the whitened brows of the aged and flash from the laughing heart of childhood. Heavenly Father, enable us to realize most vitally that eternal vigilance is the price of everything that is dear to human hearts and homes. Through faith and perseverance lead us to devise ways that shall inspire devotion to the Republic and give patriotic incentive to our fellow citizens everywhere. Keep us in harmony with all things good and just and praises be unto Thy holy name forever. Amen.

The Journal of the proceedings of Thursday, March 23, 1933, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following date the President approved and signed a bill of the House of the following title:

On March 22, 1933:

H.R. 3341. An act to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes.

SIGNING OF ENROLLED BILL

The SPEAKER. Pursuant to the authority conferred upon him by House Resolution 74 the Chair desires to inform the House that he did, on March 24, sign the enrolled bill of the House, H.R. 3757.

APPOINTMENTS BY THE SPEAKER

The Chair laid before the House the following appointments:

Pursuant to the provision of title 40, section 175, United States Code, the Chair appoints the gentleman from North Carolina, Mr. POU, and the gentleman from New Jersey, Mr. BACHARACH, members of the House Office Building Commission to serve with himself.

Pursuant to the provision of title 24, section 236, United States Code, the Chair appoints as Directors of the Columbia Institute for the Deaf the following Members of the House of Representatives: Mr. BLOOM, of New York, and Mr. GIBSON, of Vermont.

Pursuant to the provisions of the act of June 10, 1872 (17 Stat.L. 360), the Chair appoints as members of the board of directors of the Columbia Hospital for Women the following Members of the House: Mrs. NORTON and Mrs. KAHN.

Pursuant to the provision of title 20, section 43, United States Code, the Chair appoints as a regent of the Smithsonian Institute to fill out the unexpired term of Mr. Albert Johnson, of Washington, the gentleman from Massachusetts, Mr. GIFFORD.

Pursuant to the provision of title 16, section 715a, United States Code, Supplement VI, the Chair appoints as members of the Migratory Bird Conservation Commission the following Members of the House: Mr. MCREYNOLDS, of Tennessee, and Mr. WOODRUFF, of Michigan.

Pursuant to the provision of title 16, section 513, United States Code, the Chair appoints as members of the National Forest Reservation Commission the following Members of the House: Mr. WALL DOXEY, of Mississippi, and Mr. JOHN D. CLARKE, of New York.

RESIGNATIONS

The Chair laid before the House the following resignations:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 27, 1933.

Hon. HENRY T. RAINEY,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. RAINEY: I herby submit my resignation as one of the managers on the part of the House in the pending impeachment proceedings against Harold Louderback, a United States judge for the northern district of California.

Yours truly,

M. C. TARVER.

The resignation was accepted.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 25, 1933.

Hon. HENRY T. RAINEY,
Speaker of the House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: I hereby tender my resignation from the Committee on Census, Education, Elections No. 1, and Roads, and respectfully ask that said resignations be accepted.

Sincerely yours,

MARTIN A. BRENNAN.

The resignation was accepted.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 23, 1933.

Hon. HENRY T. RAINEY,
Speaker of the House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: I desire to respectfully present herewith my resignation as a member of the Committee on Invalid Pensions.

Most sincerely yours,

THEO. B. WERNER.

The resignation was accepted.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 24, 1933.

Hon. HENRY T. RAINEY,
Speaker of the House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: I respectfully tender my resignation as member of the Committee on Insular Affairs and the Committee on Election of President, Vice President, and Representatives in Congress, to which I was appointed, and request its acceptance.

Respectfully yours,

KATHRYN O'LOUGHLIN MCCARTHY.

The resignation was accepted.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 24, 1933.

Hon. HENRY T. RAINEY,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Because I cannot give required time and study to the important work on two committees to which I have been elected a member, I hereby resign as a member of the following two committees:

Immigration and Naturalization.
Flood Control.

Sincerely yours,

JOE H. EAGLE.

The resignation was accepted.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 23, 1933.

Hon. HENRY T. RAINEY,
Speaker of the House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: I hereby respectfully tender my resignation from the following committees:

Merchant Marine, Radio, and Fisheries.
Elections No. 3.
War Claims.

Respectfully yours,

LAWRENCE IMHOFF.

The resignation was accepted.

THE RELIEF OF UNEMPLOYMENT

Mr. CONNERY. Mr. Speaker, I ask unanimous consent that I may have until 12 o'clock tonight to file the report of the Committee on Labor on the bill (H.R. 3905) for the relief of unemployment of labor.

Mr. SNELL. Reserving the right to object, I should like a little information. What is the plan for the consideration of the bill?

Mr. CONNERY. I will say that the Committee on Labor has accepted the Senate Committee on Education and Labor bill, which is a new bill. The Senate committee struck out all after the enacting clause and drafted a new bill, which the Senate committee says is acceptable to the President. The House Committee on Labor has accepted the Senate committee bill. I am going to file the report today.

Mr. BYRNS. I can see no reason why the bill cannot be taken up tomorrow and disposed of.

Mr. SNELL. If there is time to look the bill over.

Mr. BYRNS. It will be printed by morning, and the question will be whether we take it up under a rule or take it up by unanimous consent.

Mr. SNELL. We ought to have time to look the bill over before it is taken up.

Mr. BYRNS. If there is a genuine disposition on the part of the Membership that they have a longer time to look the bill over after it is printed, we can take it up Wednesday.

Mr. SNELL. Unless you have something else for Wednesday, why not make this a special order, and then we will have plenty of opportunity to read the bill and the report?

Mr. BANKHEAD. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. BANKHEAD. Unless unanimous consent is given, it will be necessary to bring it up under a rule. Why does not the gentleman suggest that we take the bill up by unanimous consent on Wednesday?

Mr. BLANTON. Before we do that, why not first dispose of the unanimous-consent request made by the gentleman from Massachusetts? Under a reservation to object, I should like to ask him a question. What is the pay proposed in the bill that is to be considered?

Mr. CONNERY. That is left entirely with the President. He can pay 30 cents a day if he wishes.

Mr. BLANTON. Does the gentleman and his committee say that they are going along with the President?

Mr. CONNERY. Oh, the gentleman from Texas knows that I could not go along with the President on any bill that would allow the President, if he wished, to pay a man 30 cents a day. I am opposed to the Senate committee bill, and I am going to file a minority report.

Mr. BLANTON. Is the committee going to report such a bill as the President proposes and then expect to defeat it on the floor?

Mr. CONNERY. The committee is going to report the bill and ask for its passage. The chairman of the commit-

tee will fight the bill, and I told the committee that I reserved my rights to oppose the bill.

Mr. BLANTON. I want to ask my friend the distinguished gentleman from Massachusetts, who is chairman of the committee, if he thinks the President in this time of depression, with 12,000,000 unemployed men walking the streets, ought to pay these men—250,000 now idle men he is to enlist—4, 8, or 12 dollars a day?

Mr. CONNERY. Fifty dollars a month for single men without dependents, $80 for married men, and $80 for men with dependents are the sums I asked for in my amendments.

Mr. BLANTON. That is far more than the gentleman's brave buddies got for fighting on the front-line trenches in France. If I were out of a job and could not find work, I would be glad to get any work of any kind.

Mr. CONNERY. They should have got much more than they did when fighting in France while other men were at home accumulating millions of dollars.

Mr. GOSS. Reserving the right to object, do I understand the unanimous-consent request of the gentleman from Massachusetts includes minority views and also the majority views in the same report?

Mr. CONNERY. Yes; I make that request.

Mr. GOSS. Printed in the same report?

Mr. CONNERY. Yes.

Mr. BULWINKLE. May I ask the gentleman how many will sign the minority report?

Mr. CONNERY. I cannot say at this time.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the bill (H.R. 3905) providing for reforestation be made the special order for Wednesday next.

The SPEAKER. Let us dispose of the other request first. Is there objection to the request of the gentleman from Massachusetts?

Mr. HOLMES. Mr. Speaker, I reserve the right to object. Has any provision been made in this bill to help out the States in the reforestation work by funds from the Federal Government? The gentleman and I both come from a territory that has no national forests to speak of.

Mr. CONNERY. I believe that in the Senate committee bill the President is authorized to buy land in the several States, so under that provision the President could provide employment in the several States after purchase of such land.

Mr. HOLMES. I thought my colleague would be more or less familiar with the phraseology.

Mr. RAGON. Mr. Speaker, I reserve the right to object. There has been so much confusion in the hall that I did not quite catch the gentleman's request.

Mr. CONNERY. My unanimous-consent request is that I have until midnight tonight to file a majority report, and minority views on the bill H.R. 3905, the reforestation bill.

Mr. RAGON. To file both tonight?

Mr. CONNERY. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. Mr. Speaker, in that same connection, I ask unanimous consent that the majority report and minority views on this bill, H.R. 3905, be printed in the RECORD at this point.

The SPEAKER. Is there objection?

There was no objection.

The majority report and minority views follow:

MAJORITY REPORT

The Committee on Labor, to whom was referred the bill H.R. 3905, having considered the same, reports favorably thereon, and recommends that the bill do pass with the following amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That for the purpose of relieving the acute condition of widespread distress and unemployment now existing in the United States and in order to provide for the restoration of the country's depleted natural resources and the advancement of an orderly program of useful public works the President is authorized, under such rules and regulations as he may prescribe and by utilizing such existing departments or agencies as he may designate, to provide for employing citizens of the United States who are unemployed in the construction, maintenance, and carrying on of works of a public nature in connection with the forestation of lands belonging to the United States or to the several States which are suitable for timber production, the prevention of forest fires, floods, and soil erosion, plant pest and disease control, the construction, maintenance, or repair of paths, trails, and fire lanes in the national parks and national forests, and such other work on the public domain and Government reservations as the President may determine to be desirable. The President is further authorized by regulation to provide for housing the persons so employed and for furnishing them with such subsistence, clothing, medical attendance, and hospitalization, and cash allowance as may be necessary during the period they are so employed.

"SEC. 2. For the purposes of carrying out the provisions of this act the President is authorized to enter into such contracts or arrangements with States, counties, municipalities, and other public bodies as may be necessary, and the President, or the head of any department or agency authorized by him to construct any project or to carry on any such public works, shall have authority to acquire real property by purchase, donation, condemnation, or otherwise, but the provisions of section 355 of the Revised Statutes shall not apply to any property so acquired.

"SEC. 3. Insofar as applicable, the benefits of the act entitled 'An act to provide compensation for employees suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, shall extend to persons given employment under the provisions of this act.

"SEC. 4. For the purpose of carrying out the provisions of this act, there is hereby authorized to be expended, under the direction of the President, out of any unobligated moneys heretofore appropriated for public works (except for projects on which actual construction may be commenced within 90 days), such sums as may be necessary; and an amount equal to the amount so expended is hereby authorized to be appropriated for the same purposes for which such moneys were originally appropriated."

The purpose of this bill is to enact into law the recommendations of the President as set forth in his message dated March 21, 1933, which is as follows:

UNEMPLOYMENT RELIEF

Message from the President of the United States transmitting a request for the enactment of the three following measures: (1) The enrollment of workers now by the Federal Government for such public employment as can be quickly started and will not interfere with the demand for or the proper standards of normal employment; (2) for grants to States for relief; (3) to create a broad public-works labor-creating program

To the Congress:

It is essential to our recovery program that measures immediately be enacted aimed at unemployment relief. A direct attack in this problem suggests three types of legislation.

The first is the enrollment of workers now by the Federal Government for such public employment as can be quickly started and will not interfere with the demand for or the proper standards of normal employment.

The second is grants to States for relief work.

The third extends to a broad public-works labor-creating program.

With reference to the latter I am now studying the many projects suggested and the financial questions involved. I shall make recommendations to the Congress presently.

In regard to grants to States for relief work, I advise you that the remainder of the appropriation of last year will last until May. Therefore, and because a continuance of Federal aid is still a definite necessity for many States, a further appropriation must be made before the end of this special session.

I find a clear need for some simple Federal machinery to coordinate and check these grants of aid. I am therefore asking that you establish the office of Federal relief administrator, whose duty it will be to scan requests for grants and to check the efficiency and wisdom of their use.

The first of these measures which I have enumerated, however, can and should be immediately enacted. I propose to create a civilian conservation corps to be used in simple work, not interfering with normal employment, and confining itself to forestry, the prevention of soil erosion, flood control, and similar projects. I call your attention to the fact that this type of work is of definite, practical value, not only through the prevention of great present financial loss, but also as a means of creating future national wealth. This is brought home by the news we are receiving today of vast damage caused by floods on the Ohio and other rivers. .

Control and direction of such work can be carried on by existing machinery of the Departments of Labor, Agriculture, War, and Interior.

I estimate that 250,000 men can be given temporary employment by early summer if you give me authority to proceed within the next 2 weeks.

I ask no new funds at this time. The use of unobligated funds now appropriated for public works will be sufficient for several months.

This enterprise is an established part of our national policy. It will conserve our precious natural resources. It will pay dividends to the present and future generations. It will make improvements in National and State domains which have been largely forgotten in the past few years of industrial development.

More important, however, than the material gains will be the moral and spiritual value of such work. The overwhelming majority of unemployed Americans, who are now walking the streets and receiving private or public relief, would infinitely prefer to work. We can take a vast army of these unemployed out into healthful surroundings. We can eliminate to some extent at least the threat that enforced idleness brings to spiritual and moral stability. It is not a panacea for all the unemployment, but it is an essential step in this emergency. I ask its adoption.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 21, 1933.*

This committee held joint hearings with the Committee on Education and Labor of the Senate, which latter committee has adopted an identical substitute as herein proposed.

The hearings brought forth objections to the bill on the grounds that it provided for regimentation of labor and fixed a wage scale of $1 per day. Those objecting to the bill expressed the fear that it would be hurtful to the American standard of living for Congress, by legislative act, to fix such a wage scale.

The substitute herein proposed eliminates these objections and approval of the substitute has been expressed by the president of the American Federation of Labor in a letter which is as follows:

AMERICAN FEDERATION OF LABOR,
A. F. OF L. BUILDING,
Washington, D.C., March 27, 1933.

Hon. WILLIAM P. CONNERY, Jr.,
Chairman Committee on Labor,
House of Representatives, Washington, D.C.

DEAR MR. CONNERY: When a substitute measure for H.R. 3905 was brought to my attention by Senator WALSH, Chairman of the Senate Committee on Education and Labor, I was under the impression that it had been jointly drafted by you and your associates, representing the House of Representatives Committee on Labor, and Senator WALSH and his associates, representing the Senate Committee on Education and Labor. This presumption was based upon the fact that these two committees had joined in conducting hearings.

I advised Senator WALSH and his associate members of the committee that the substitute bill was an improvement over the original measure, and for that reason it was more acceptable. The regimentation of labor and $1 per day compensation features are eliminated from the substitute bill.

Your substitute measure, to which you called my attention, would be more acceptable to labor than the substitute measure proposed by the Senate Committee on Education and Labor. However, it is my opinion that because of the present temper of Congress and its manifest disposition to follow such recommendations as the President might make it would be impossible to secure favorable consideration of your substitute measure without the support of the President.

Even though the substitute measure proposed by the Senate Committee on Education and Labor confers upon the President authority to launch a plan providing for the employment of thousands of people in reforestation, soil erosion, and work of that character, I assume that the President will not utilize the regimentation of labor feature and the $1 per day compensation provided for in the original bill. I cannot believe that the President will apply a plan which the congressional committees refused to approve.

Furthermore, there is grave danger that the American Federation of Labor would be misunderstood if it refused to accept, even reluctantly, the substitute measure proposed by the Senate Committee on Education and Labor. We want to help in every way possible in relieving distress caused by unemployment and to serve, insofar as it is possible for us to do so, in creating work opportunities for those who are idle and are in great distress.

Please be assured that labor appreciates the loyal, courageous, and intelligent way in which you, as chairman of the Committee on Labor, have stood for the protection of the American standard of living, for decent wages for workingpeople, and for the preservation of the exercise of voluntary action and freedom on the part of the masses of the people. However, inasmuch as the objectionable features contained in H.R. 3905 have been rejected by the Senate Committee on Education and Labor, and I firmly believe will be rejected by the House Committee on Labor, of which you are chairman, I feel that the best interests of labor and all who are concerned will be served through our acceptance of the substitute measure recommended by the Senate Committee on Education and Labor.

With expressions of high personal regard, I am,

Sincerely yours,

WILLIAM GREEN,
President American Federation of Labor.

The committee is informed that the President of the United States has given his approval to the substitute herein reported and has stated that it is entirely satisfactory to him.

As now reported the bill is strictly a relief bill. It authorizes the President to take unemployed persons who may desire to do such work and employ them in the forests and national parks. They will be furnished quarters, subsistence, medical attendance, and clothing, and such cash allowance as the President may provide.

This is an emergency measure, having for its main purpose the immediate relief of a part of the unemployed now living upon charity. It will furnish them a healthful environment, good food, clothing, and medical attendance, and some cash. It will preserve their self-respect and lift up their morale.

The work to be performed will be beneficial to the people of the United States and is work that probably would not be otherwise undertaken. It will in no way interfere with the larger program of public works mentioned in the message of the President, but is a small part of a very large program now being brought forward by the President by which he expects to relieve the widespread unemployment existing throughout the country.

The enactment of this legislation will bring immediate relief to approximately 200,000 men now in distress, will take them from the breadlines and give them healthy work, will bring a new hope to them, and the work done will increase the value of our natural resources, thus benefiting the entire Nation.

MINORITY VIEWS

The Committee on Labor met in executive session at 10 o'clock Monday, March 27, 1933, and by a majority vote favorably reported the bill presented by the Senate Committee on Education and Labor.

I cannot recommend the adoption of the bill as reported by the committee for the following reasons:

First. It should be evident to every Member of the House that under the bill as reported by the committee these workers will be regimented and physically examined.

Second. That under the guise of utilizing unskilled or common labor the cash allowance will not exceed $1 per day.

Third. That the American public will know that the Congress which favors the bill as reported fully realized that these men would be regimented in some manner and that they were to receive for their labor not more than $1 per day.

However, it is contended by some of those who advocated the passage of the bill as reported the burden would be on the President and not on Members of the Congress.

I do not agree with these contentions, believing that the American public realize that without permission of Congress the President could not establish such wages or regiment unemployed workers.

The establishment of a wage scale of $1 a day for American workers by Congress may provide the excuse by some in private industry to revise downward the already low wages paid to labor.

It is not consistent to pass one week a bill seeking to enlarge the purchasing power of our farmers and the following week to pass a bill which deprives industrial workers of a buying power.

Especially is this true when it is conceded by all competent authorities that what the country needs is an advanced not a depressed buying power.

Great stress has been laid on the fact that the bill, as reported, carries the endorsement of the President of the American Federation of Labor.

I would direct the attention of the House to the following excerpts of the letter of Mr. Green, which speak for themselves:

"When a substitute measure for H.R. 3905 was brought to my attention by Senator WALSH, chairman of the Senate Committee on Education and Labor, I was under the impression that it had been jointly drafted by you and your associates, representing the House of Representatives Committee on Labor, and Senator WALSH and his associates, representing the Senate Committee on Education and Labor. This presumption was based upon the fact that these two committees had joined in conducting hearings.

"Your substitute measure to which you called my attention would be more acceptable to labor than the substitute measure proposed by the Senate Committee on Education and Labor.

"Please be assured that labor appreciates the loyal, courageous, and intelligent way in which you, as chairman of the Committee on Labor, have stood for the protection of the American standard of living, for decent wages for workingpeople, and for the preservation of the exercise of voluntary action and freedom on the part of the masses of the people."

1. Opposition to the original bill was based on the following grounds, which still remain in the bill as reported:

First. The bill permitted and the evidence presented at the joint hearings demonstrated that it was intended to regiment those who are unfortunately unemployed. It further placed these men under military domination and control.

It would put these men through a physical examination, making this a public record which, in the case of men suffering from some slight defect, would constitute a serious hindrance to those men securing permanent employment at a later date.

Second. It placed the stamp of approval on the part of Congress on a wage scale of $1 per day for American workers.

Third. It permitted this conscripted or forced labor, paid $1 per day, to be used in the construction of all types of public works in any part of the United States.

Fourth. It virtually rescinded the action of previous sessions of Congress in voting appropriations for the construction of public works and public buildings at a decent standard of wages.

Fifth. It permitted those in charge of the civilian conservation corps to force those who were enrolled to labor for a period of 1 year. There was no provision in the bill which guaranteed the return of those enrolled to their homes on the completion of their service.

At the hearings held before the joint committee, the House Committee on Labor and the Senate Committee on Education and Labor, evidence was presented which plainly indicated that it was intended to use the money previously voted for the construction of public buildings and public works to carry out these $1-per-day projects, and, further, that such public buildings and public works would not be built until a resurvey had been made.

The following excerpts from the hearings are of special interest:

"Senator COPELAND. Mr. Douglas, Budget Director, may we assume that there is to be a resurvey of the needs of the country as regards public buildings and public works, and that in such resurvey these projects which have been arranged for heretofore may be restudied with a view to seeing how best we may get useful employment? Is that the plan of the administration?

"Mr. DOUGLAS. Yes.

"Senator WALSH (presiding). I think it is desirable there should be a resurvey of public works. Do you not think so?

"Mr. DOUGLAS. I would certainly think so.

"Senator WALSH (presiding). I think we have been spending a great deal of money on public works that were not really essential or immediately necessary.

"Representative HOPE. But, generally speaking, what your plan contemplates is a resurvey of all the public-building projects, where the contracts have not actually been let, with the idea of possibly making some changes in the nature and character of the program?

"Mr. DOUGLAS. Yes.

"Senator TRAMMELL. In other words, all public-works projects, which would include river and harbor projects, I presume, will be suspended until a check-up is made for the purpose of obtaining funds to undertake what is termed an emergency project to take care of emergency unemployment?

"Mr. DOUGLAS. Yes; temporarily, the obligation of public funds for that kind of projects, for new projects, is suspended.

"Senator TRAMMELL. Have you filed with the committee, or can you file with the committee, an itemization of those funds that are not up to the present time obligated?

"Mr. DOUGLAS. I cannot.

"Representative CONNERY. Madam Secretary, the funds for this relief, as I understand it, are to come from funds which have already been appropriated for public buildings and public works. When the Congress passed the bill for the appropriation of that money, it was in a relief bill that provided for 30 hours a week, and provided that a decent rate of wages should be paid. By this bill you propose to take the money being paid to carpenters and other skilled laborers who are now working on public works, and who are receiving the prevailing rates of wages, and turn it over to the class of men covered by the provisions of the bill before the committee, who are to be paid $1 a day.

"Secretary PERKINS. My understanding is that taking money from appropriations is a temporary expedient, so that no money need be appropriated for this particular work during the month of March.

"Representative FITZGIBBONS. You will make a record of the medical examination you give these men?

"General MACARTHUR. Yes, sir.

"Representative FITZGIBBONS. That is a public record?

"General MACARTHUR. It is.

"Representative FITZGIBBONS. If a man is turned down for some defect, would it not be a handicap to him in procuring a job in private employment later on?

"General MACARTHUR. I fancy so.

"Representative GRISWOLD. In respect to the medical treatment contemplated, you do not contemplate it any more than the World War treatment?

"General MACARTHUR. Such as vaccination for smallpox and for typhoid and paratyphoid."

The attitude of the organized workers was well explained by William Green, president of the American Federation of Labor, who was also speaking for the railroad brotherhoods.

In part Mr. Green said:

"Labor looks upon the measure with feelings of very grave apprehension. We are deeply concerned over the precedents that will be set through the enactment of this proposed legislation; and we are concerned with the effect that it will have upon labor standards and wage schedules.

"First of all, we view with apprehension this process of regimenting labor during these peace periods. We cannot understand why it is necessary, in making an onslaught on the distressing unemployment situation which prevails throughout the Nation, to regiment labor, to enlist them in an army, even though you may call it an army of conservation.

"Labor has always regarded its free expression of decision and of action the right to accept employment and to leave it at will. Labor has always endeavored to protect the very vital principle of voluntarism, and because this bill provides for regimentation during a distressing period when men and women are suffering from unemployment, we feel very keenly that that in itself will be highly objectional to labor.

"Now, let us see for just a moment what this regimentation of labor means. First of all, you can draw your own conclusions from the bill. I presume we can place upon its language our own interpretation. But it seems inconceivable to me that we could regiment labor into an army without subjecting that labor to physical examination, whereby the records of all the physical defects of men would be made public; and, second, to introduce or institute some form at least of military discipline, of military domination, of military control.

"The first step in this regimentation was explained by General MacArthur very clearly. The enlistment will take place and they will be assigned to the Government's camps at Governors Island and other places, where they will be prepared for service in this army of conservation. That is military in itself. There is your regimentation, the very principle against which labor has always vigorously contended. It smacks, as I see it, of fascism, of Hitlerism, of a form of sovietism. Labor in America has always been free. It prides itself upon the exercise of freedom. It wants to remain free. It wants to be known as free labor in free America, avoiding in the service that it gives to society the very appearance of regimentation, of military domination, of military control.

"Now let us look at the picture which is formed from that point of view, Mr. Chairman. We have the men recruited, assigned to the military camps, regimented, prepared for their duties, shipped to the point where they are to live, the camp where they are to serve. I presume that when they assemble in these camps they will still be under some form of military discipline or military control, because I cannot conceive of an orderly process being carried out under an enlistment of this kind, the creation of an army of this kind, unless it carries with it some form of military discipline and military control.

"General MacArthur was very frank in stating that was indeed the purpose.

"Now, the camp is organized, the men are assigned to their tents, registration takes place, the record of every man is kept. He rises in the morning at a certain hour, much as they do in a military camp. He follows the general routine prescribed under military discipline. He goes out to his work and performs a day's work. He comes back to the camp at the end of the day, where I presume he will follow the general routine of whatever military discipline or military control may be set up, and at night retires in accordance with military requirements or military control.

"This army of conservation, these regimented workers, are to be taken out and given employment in reforestation, soil erosion, flood control, I presume along the Mississippi River and other places.

"Senator WALSH (presiding). The President mentioned the Ohio River particularly.

"Mr. GREEN. The Ohio River. 'Construction.' What does that mean? Does that mean buildings? I presume it would mean the buildings in the camps. I presume they would be required to construct the necessary buildings that are to be erected in the camps; and if the work is on the Ohio River, they would be in conflict with free labor all along that Ohio River Valley.

"There are men and women in the Ohio Valley, along the Mississippi Valley in the South, along many other streams over which the Government has control, who are hungry and idle, who have families dependent upon them, who are seeking the opportunity to work at a standard rate of pay. Why should they not be considered?

"Let us go into the Ohio Valley, the Mississippi Valley, on the upper Lakes, in the forest, or on the public domain anywhere. These men are called out in the morning to perform a day's work at 8 hours per day. That is service. That is labor. That is labor for which free labor asks that a decent wage shall be paid.

"Now, it is proposed to pay them for that day's work out in the forest, in the flood control, or wherever they may be employed, at the rate of $1 per day. Now, my friends, human psychology is interesting. As soon as this bill is passed by the Congress of the United States, it will go down in history as a Congress that has established a dollar-day wage for the payment of labor on the public domain. You will never get away from it. The masses will lose sight of the relief feature, but they will say that this Congress determined that a dollar a day was the pay that should be given to men working in the forests of the Nation, in flood control, for the richest, most powerful nation under the sun.

"Senator WALSH (presiding). In other words, you are very much disturbed about the precedent?

"Mr. GREEN. Absolutely, and the depressing effect that such compensation for regimented workers will have upon the general wage standards of our Nation.

"I say to this committee that in my opinion you will never get away from that. You will never get away from the fact that you have established a dollar a day for labor in the United States during this distressing period, and I do not think any fair-minded man can defend such a rate of pay, especially when that rate is to be paid by what we have always considered a model employer—Uncle Sam, the Government of the United States.

"You cannot restore prosperity in this Nation by paying men at a rate below a decent level. You cannot sell manufactured goods if the workers have no buying power.

"They regiment labor in Fascist Italy; they regiment labor, or are going to regiment it, in Hitler Germany; they regiment labor in Soviet Russia; but it seems to me that the spirit of America is not in favor of regimenting labor here. They want to avoid even the very appearance of it.

"Here we have an army to be recruited, sent to military barracks, regimented, registered, assigned, subject to military discipline in free America.

"Now, my friends, you must understand why we feel so keenly about this, and I know that I am representing the heart and soul of America. Just as soon as this bill is passed in its present form this Congress will be classified and designated as the Congress that said $1 per day is the wage that should be paid to men employed in the reforestation service of the country and you will never get away from it."

In closing, Mr. Green summarized his objection in the following words:

"First of all, we are opposed to the regimentation feature of this proposed legislation. We do not think it is necessary to regiment working men during peace periods and impose upon them a form

of compulsory labor in the camps or in the reforestation centers of the Nation. Second, the bill provides that the maximum rate to be paid these regimented workers in these camps shall be $1 a day. We believe that is not an American wage. We believe that is not in keeping with the spirit and traditions and policy of the American people. We are opposed to the establishment of $1 a day as compensation for workers who are employed by the richest, most powerful Nation under the sun."

Representative CONNERY. I want to ask you this, Mr. Green: You have stated it already to the committee, but I want it made clear to the American public that the American Federation of Labor and labor throughout the United States believes that the setting of a rate of a dollar a day is inimical to the best interests of labor in the United States.

Mr. GREEN. Decidedly so; not only because of the wage itself but because of the depressing effect upon the wage standards established by labor in private industry.

M. J. McDonough, president building trades department, American Federation of Labor, who appeared before the joint committee hearings, submitted the following letter as the position of his organization on the bill as reported by the committee:

BUILDING TRADES DEPARTMENT,
AMERICAN FEDERATION OF LABOR,
March 27, 1933.

Hon. WILLIAM P. CONNERY, Jr.,
Chairman House Labor Committee,
Room 127, House Office Building, Washington, D.C.

DEAR SIR: A copy of Senate bill 598, as amended, has just come to my notice. Representing 16 national and international unions engaged in the building industry, I most emphatically desire to protest the passage of this measure, as same if approved by Congress will very seriously affect the building trades workmen of the United States.

The bill from the viewpoint of the building trades workers authorizes the President or the head of any department or agency authorized by him to construct any project or to carry on any public works, which, in my opinion, would permit of the building of Federal buildings, tunnels, bridges, at any wage designated by the President or his authorized agent. Its passage would kill the effectiveness of the Bacon-Davis prevailing rate of wage law. Further, the money to be used for the conservation corps is to be diverted from money already appropriated for building construction.

The introduction of Senate bill 598 has already been the means of adding to the present aggravated unemployment condition in the building industry, as by administrative order no contracts for Federal construction have been awarded since March 4.

I cannot see a redeeming feature in the amended bill and am very strongly opposed to its passage.

Trusting that you will continue to use your best efforts in opposition to this bill, and appreciating on behalf of the building trades workers the interest displayed by you, I am, with best wishes,

Very truly yours,

(Signed) M. J. MCDONOUGH,
President Building Trades Department.

Representatives of the railroad brotherhoods called at my office Monday afternoon and notified me of their opposition to the bill as reported. They stated they believed the bill as reported permitted, and would be so construed, to carry out the plans as formulated when the original bill, to which they objected, was presented.

The Connery amendment provides:

No regimentation of labor.

A voluntary enrollment of periods of 60 days.

Actual pay of $80 per month for married men or men with dependents, and $50 per month for single men, with subsistence.

The work to be confined to reforestation.

All public works authorized for which money has been appropriated to be continued.

The bill, as amended by the Connery amendment, would read as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That the President of the United States be, and he is hereby, authorized to provide employment for those unemployed citizens of the United States who voluntarily enroll for the purposes of this act as nearly as possible in proportion to the unemployment existing in the several States. Such workers shall be enrolled for periods of 60 days, unless sooner discharged. Such workers shall be paid at a rate of not less than $50 per month for single men without dependents and at the rate of not less than $80 per month for married men or men with dependents and provided with quarters, subsistence, clothing, medical attendance, and hospitalization, and transportation from and to their homes. An allotment of not less than $50 per month of his pay shall be paid directly to the wife of a married man and such amount as the President may request shall be allotted from the pay of men who have dependents under such rules and regulations as the President may prescribe. Each worker shall, at the time of enrollment, agree to abide by the provisions of this act and by all rules and regulations issued by the President of the United States hereunder, which shall not include any obligation to bear arms.

"SEC. 2. The provisions of chapter 15, title 5, United States Code, are hereby extended to such workers. In case of the injury or death of such workers while employed, the United States Employees' Compensation Commission is hereby authorized to pay such benefits as are provided for in case of the injury or death of a person working at his or a similar trade in the classified service of the United States.

"SEC. 3. That the President is hereby authorized, under such rules and regulations as he may prescribe and by utilizing such existing departments or agencies as he may designate, to provide for employing citizens of the United States who are unemployed in the construction, maintenance, and carrying on of works of a public nature in connection with the forestation of lands belonging to the United States or to the several States which are suitable for timber production; the prevention of forest fires, soil erosion, plant pest, and disease control; the construction, maintenance, or repair of paths, trails, and fire lanes in the national parks and national forests: *Provided further*, That the President is herein authorized to enter into agreements with any of the States for the carrying on of work on State forests similar to that authorized in this bill and may utilize the services of these workers for such work without cost to those States.

"SEC. 4. That whenever in the administration of this act it becomes necessary to secure the services of skilled artisans or other expert employees, whether or not available among such workers, the President may authorize their employment at wages paid for similar work in the classified service of the United States.

"SEC. 5. That to carry out the provisions of this act there is hereby authorized to be expended under the direction of the President, out of any unobligated moneys in the Treasury, such sums as may be necessary and available.

"SEC. 6. That in the execution of this act the President, or the head of any department authorized by him to construct any project or to carry on any work, shall have the right to acquire real property by purchase, condemnation, or otherwise.

"SEC. 7. The provisions of the Economy Act of 1933 shall not apply to any person employed under this act during such employment.

"SEC. 8. This act shall take effect the day after its enactment."

These minority views were finished too late for presentation to those members of the committee who voted for the adoption in the committee of the so-called Connery amendment.

WILLIAM P. CONNERY, Jr.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the bill H.R. 3905 be made the special order for next Wednesday.

The SPEAKER. Is there objection?

Mr. SNELL. Do I understand by that that it will be considered under the rules of the House, under general debate, and that it will be read under the 5-minute rule?

Mr. BYRNS. I suppose we can agree upon the time for debate on Wednesday.

Mr. SNELL. We ask for a reasonable time for debate, that is all.

Mr. BYRNS. I would like to dispose of the bill on that day if possible.

Mr. SNELL. Oh, I suppose that that can be done.

Mr. BYRNS. And in that same connection I ask unanimous consent that business in order on Wednesday be dispensed with.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the business in order on calendar Wednesday of this week be dispensed with. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, I now repeat my request that this bill be made the special order for Wednesday.

The SPEAKER. Is there objection?

Mr. RAGON. Mr. Speaker, I reserve the right to object. Will that permit general debate?

Mr. BYRNS. Yes; there will be general debate and also consideration of the bill under the 5-minute rule in the Committee of the Whole.

Mr. RAGON. A number of us here would like to go down the line with the President on this wage proposition. What opportunity will there be given to those of us to put it in this bill just as he suggested?

Mr. BYRNS. I do not know. I am not speaking by authority, but I have had information that the President is willing to accept the Senate bill or the substitute offered by the Senator from Massachusetts, Mr. WALSH. I propose to ascertain definitely about that by the time the bill comes up so that I can state about the matter positively.

Mr. RAGON. There would be nothing in the procedure suggested here that would prevent an amendment?

Mr. BYRNS. Nothing at all.

Mr. RAGON. To make it a dollar a day?

Mr. BYRNS. None at all. It will be open to every germane amendment.

Mr. McCLINTIC. Mr. Speaker, has the gentleman any information as to the amount of pay suggested in the Walsh bill?

Mr. BYRNS. There is no pay. It leaves the matter in the discretion of the President.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee that the bill referred to, H.R. 3905, be made the special order for Wednesday?

There was no objection.

SWIMMING TANK FOR WHITE HOUSE

Mr. BYRNS. Mr. Speaker, I ask unanimous consent for the present consideration of Joint Resolution 121, which I send to the desk and ask to have read.

The Clerk read as follows:

House Joint Resolution 121

To provide for the acceptance of sums donated for the construction of a swimming-exercise tank for the use of the President

Resolved, etc., That the Director of Public Buildings and Public Parks of the National Capital is authorized, on behalf of the United States, to accept the fund raised by donations or contributions to cover the cost of constructing, in the west terrace of the White House, a swimming-exercise tank for the use of the President.

SEC. 2. The amount so received shall be disbursed by the Director for the construction and equipment of such swimming-exercise tank and shall be expended in the same manner as appropriations for the maintenance and care of the White House. The amount of the fund in excess of the amount required for the construction and equipment of the swimming-exercise tank shall be returned to the donors.

SEC. 3. For the purposes of this resolution the Director is authorized to request the cooperation and assistance of the architectural, engineering, construction, or other forces of any department or agency of the Government.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. I suppose it is necessary to have this resolution?

Mr. BYRNS. Yes. Some time ago a movement was started without the knowledge and sanction of the President for the purpose of collecting a fund to provide for a swimming-exercise tank at the White House. The idea originated with Mr. J. M. Patterson, president of the News Syndicate Co., Inc., publishers of the News, in New York City. A number of newspapers have cooperated in raising the fund. I am advised by Mr. Early, one of the secretaries of the President, that it is expected that not exceeding $15,000, and possibly not over $13,000, will be needed for the construction of the tank. It is to be constructed in the west terrace of the White House, so as not to in anyway mar the architectural features of the building or the grounds. It will be of very simple design. Any sum that has been donated in excess of the amount used will be returned in some way to the donors.

In this connection I ask unanimous consent to include as a part of my remarks a copy of a telegram addressed to the Honorable Stephen T. Early at the White House by Mr. Fred Pasley, a newspaperman in New York, connected with the News, in which he lists the newspapers which have taken part in the collection of this fund, and explains the subscriptions which have been made as a tribute to the President.

The SPEAKER. Is there objection?

There was no objection.

Mr. SNELL. What has become of the $50,000 which the House appropriated?

Mr. BYRNS. That was in the independent offices bill which was vetoed.

The telegram referred to is as follows:

NEW YORK, N.Y., *March 26, 1933.*

Mr. STEPHEN T. EARLY,
The White House:

Complying with your long-distance telephone request, I herewith send memorandum covering the inception and development of the Roosevelt swimming-pool-fund movement.

The idea originated with J. M. Patterson, president of the News Syndicate Co., Inc., publishers of the News, as a result of the publicity attending the fact that the President was without facilities for the one form of exercise he loves and which is necessary to the maintenance of his health and strength.

The News decided to volunteer its services to permit the people of New York State to provide a swimming pool. The first story was published in the issue of Tuesday, March 14, 1933, the News starting the fund with a contribution of $1,000 and announcing:

"Our President must have his swimming pool. Because of the natural facilities which a newspaper has for handling such things expeditiously and with a minimum of overhead, the News this morning undertakes to act as a medium for the citizens of New York State to express their affection for their President."

It started, as you thus see, as a home-State movement. The first day's contributions, published in the News of Wednesday, March 15, totaled $305.43 exclusive of the News check.

The response continued and gained a volume unprecedented in the history of such movements, so far as this newspaper's experience goes.

One by one other newspapers joined the drive until at its conclusion 43 were participating. They were:

Up-State New York: Amsterdam Recorder, Auburn Citizen-Advertiser, Batavia News, Beacon News, Black River Democrat, Buffalo Courier-Express, Canandaigua Messenger, Catskill Mail, Gloversville Herald, Gloversville Leader-Republican, Glens Falls Times, Harlem Valley Times, Hudson Register, Jamestown Journal, Kingston Leader, Lockport Union-Sun and Journal, Marion Enterprise, Millarton Telegram, Monticello Bulletin, Newark Union-Gazette, Newburgh News, Olean Times-Herald, Oneonta Star, Oswego Palladium-Times, Plattsburg Republican, Poughkeepsie Star, Rochester Democrat and Chronicle, Rochester Times-Union, Rome Sentinel, Saratoga Spings Saratogian, Syracuse Post-Standard, Troy Record, and Ulster County News.

Metropolitan zone: Corriere d'America, Far Rockaway Journal, Rockaway Beach Wave, Il Progresso, Staten Island Transcript, and Yonkers Record.

Other States: Chicago Times, Omaha World-Herald, Philadelphia Bollettino Della Sera, and Philadelphia L'Opinione.

You will note that while the drive started as a home-State proposition, it rapidly assumed a national aspect, with Middle West papers cooperating and the News itself receiving contributions from as far away as California.

The fund now totals in cash $13,216.93, and the grand over-all total, which includes services and equipment, $22,656.90.

You have asked me to state the number of contributions. It would be a physical impossibility in this short time to do that. Reports of the cooperating newspapers are still in the mails, and the News contributions themselves have not been completely segregated and tabulated. The figures will be available the latter part of this week. They will not, however, give the full number of contributors. I mean to say there were so many thousands of persons represented in the contributions, particularly those under $1.

Frequently, for example, a whole family would send in $1 without saying how many members were included. Or a class of school children would chip in their pennies for a 25- or 50-cent total. I recall the case of 22 infantile-paralysis victims, whose ages ranged from 6 to 12, inmates of the Evelyn Goldsmith Home for Crippled Children at Far Rockaway, Long Island. They raised $1.15. We also had scores of instances of two children sending in a 1-cent stamp, each child asking for a credit of a half cent.

You ask me to analyze the type of contributors. They were, generally speaking, what we commonly call average folks. The children led the way and I should say that closely following them was the man in the street—the forgotten man, if you'd care to put it that way. However, there was a generous response from the upper stratum—especially in the latter days of the drive—checks of $25, $50, and $100 being not uncommon. In fact, one hotel owner in New York City wrote his check for $1,000.

You will perhaps be interested to know that Gov. Herbert H. Lehman has contributed $50, along with a letter commending the purpose of the drive.

The names of all contributors have been published by the News, and it is preparing to photostat them, bind them in parchment, and forward them to the President.

Price Waterhouse & Co., certified accountants, are now auditing the contributions, and the News will report their findings as soon as completed.

FRED PASLEY.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the resolution.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

REORGANIZATION OF AGRICULTURAL CREDIT AGENCIES (H.DOC. NO. 7)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Agriculture and ordered printed:

To the Senate and House of Representatives:

Pursuant to the provisions of section 1, title III, of the act entitled "An act to maintain the credit of the United States

Government," approved March 20, 1933, I am transmitting herewith an Executive order reorganizing the agricultural credit agencies of the United States.

This Executive order consolidates in one agency—the Farm Credit Administration—the functions of all present Federal organizations which deal primarily with agricultural credit, namely, the Federal Farm Board, the Federal Farm Loan Board, the functions of the Secretary of Agriculture with regard to loans in aid of agriculture, and those of the Reconstruction Finance Corporation pertaining to the management of regional agricultural credit corporations. The functions of the Federal Farm Board with regard to further stabilization operations are abolished by the order.

A better coordination of the agencies involved in our agricultural credit system will produce a more uniform program for agricultural credits and will result in substantial economies. A saving of more than $2,000,000 is the immediate effect of this order. Further substantial savings are anticipated.

Important as are the foregoing, of greater and controlling importance is the maintenance of the long-standing policy of the Federal Government to maintain and strengthen a sound and permanent system of cooperative agricultural credit, subject to Federal supervision and operated on the basis of providing the maximum of security to present and prospective investors in bonds and debentures resting on farm mortgages or other agricultural securities—all for the purpose of meeting the credit needs of agriculture at minimum cost.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 27, 1933.*

EXTENSION OF REMARKS IN THE CONGRESSIONAL RECORD

Mr. SNELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SNELL. Mr. Speaker, the two former Speakers of the House, Mr. Garner and Mr. Longworth, each ruled that when a Member asked unanimous consent to extend his remarks in the RECORD, it applied to his own remarks, and that is all he was supposed to put in, without special reference to outside matters. I notice that some of the new Members have not followed that rule strictly, probably for no other reason than that they did not understand it. I would like to know if that will be the position of the present Speaker during the present Congress?

The SPEAKER. Yes. The Speaker intends to follow those precedents.

Mr. SNELL. I think it would be well for the Speaker to make a definite announcement so that the new Members will understand their rights.

The SPEAKER. The Chair will make the announcement now. Under permission to extend remarks a Member obtains permission to extend his own remarks only, unless he receives specific permission from the House to include in his remarks the documents that he desires to incorporate.

Mr. SNELL. Mr. Speaker, I would like to make another inquiry. Just what is going to be the policy of the majority in regard to the RECORD during this session? Are we going to let everyone put in everything he wants to or are we going to try to hold it down? There is this thing that always comes back to bother us: Sometimes objection is made to including an editorial or some outside matter, and then the individual Member will go to another body and have that put in. I want to be as fair to the Members of the House as they are in another body, but personally I have always taken the position that the RECORD was very largely and almost entirely for the business of this House, and as few extraneous matters as possible ought to be included in it.

The SPEAKER. The Chair cannot control that. The Chair suggests that the majority leader and the minority leader agree on a policy in the matter the gentleman has discussed.

Mr. BYRNS. I may say there is one difficulty with the matter referred to by the gentleman from New York. I know it is true, because I have done it myself. If the House objects to the inclusion of something in the RECORD, the Senate usually puts it in, especially when they are asked to do it. That puts the House Member in a rather embarrassing position when he is asked to incorporate something that is probably relevant to the proceedings here. It seems to me if we could come to an agreement with the Senate it would be a very wise thing, because I agree heartily with the gentleman from New York that the RECORD ought to be made up so as to show the actual proceedings of Congress without encumbering it with a lot of outside material.

Mr. SNELL. I raised that question at this time with the hope that perhaps we might reach some agreement. If everything is going in on the other side, let us let everything go in here. If a man wants to have a book printed in the RECORD, let him get it in, or else have an agreement and make both Houses live up to it.

Mr. BYRNS. I shall be very glad to join the gentleman and confer with the majority and minority leaders in the Senate and see if we cannot reach some agreement, because I think it is highly important.

Mr. HOWARD. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. HOWARD. Will that conference be held this year or next? [Laughter.]

Mr. BYRNS. I think the gentleman can be assured it will be held very promptly.

PERMISSION TO ADDRESS THE HOUSE

Mr. BROWN of Kentucky. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. BROWN of Kentucky. Mr. Speaker, in view of the statement just made by the minority leader that many of the new Members have used the CONGRESSIONAL RECORD for the purpose of putting in material which has nothing to do with the questions under debate, I want to take this occasion to call attention to an extension of remarks put into this RECORD on the last day we were in session by one of the gentlemen from my native State, with essentially no purpose other than to promote his own future in that State. I know it is distasteful to have family fusses and family quarrels, but I am going to take a stand in the future on these matters, and I want you to know why I am objecting when this gentleman seeks to ask unanimous consent to extend his remarks in the RECORD.

On page 838 of the RECORD you will find a quarter of a page devoted by the gentleman from Kentucky [Mr. VINSON] to a personal attack on me. Now, Mr. Speaker, I read the rules which are supposed to govern us, and I would be glad to abide by them, but I want you to know that it is not alone the new Members who are refusing to abide by the rules. In Jefferson's Manual, the rules by which we are supposed to be guided, on page 147 there is a rule that no Member, in speaking, is to mention another Member in debate. It goes on to say "nor are they to digress from the matter to fall upon the person," and in this quarter of a page in explanation of his vote the gentleman from Kentucky devotes that quarter of a page to saying that there must have been disloyalty in my mind, or there is innuendo to that effect—that in a caucus I voted a certain way.

Now I take it the general rule is that matters considered in caucus are not to be aired before this body, and I am not going into this except to say that my stand in that caucus was what I considered to be for the program of the President of the United States, and none other. I may say also that this speech was already in Kentucky when it was made on the floor of the House. It was down there in the Richmond Register, a newspaper peculiarly favorable to him. It was printed on Friday when the same speech was delivered here. Before the session is over it will be in the hands of all the voters in his district, and unless I mistake my guess it will be in the hands of all the voters in the State if his political aspirations are to receive the consideration he wishes them to receive.

I called up the office of the CONGRESSIONAL RECORD to find out how much it costs to print a page of the RECORD. I

found it costs $45 a page. This gentleman has spent $225 of the taxpayers' money to explain a vote of his, so that in the future he can get votes by virtue of this explanation of this vote.

This is not all. If he sends this speech to every voter in his district it will cost $3,240.78.

This is not all; if he sends this speech to every voter in Kentucky it will cost $29,166.99. It will cost this much to send this speech to forward his own purpose in the future amongst the voters of the State of Kentucky and at the expense of the taxpayers.

This is not all. The President of the United States has appointed a Kentuckian to the foremost place amongst all his foreign ambassadors—Judge Robert Worth Bingham. The gentleman from Kentucky devotes practically 2 pages of these extended remarks in the RECORD to an attack on Judge Bingham on the ground that he is not a Democrat, that he is an independent, that his papers are unfair to him personally, and have always been; and the very day he was making that attack Judge Bingham, upon the front page of his paper, was carrying an article, "VINSON Seeking Amendment to Aid Burley in Farm Measure." What more propitious place could he have found to put this speech favorable to this gentleman. Yet he criticizes the appointment made by the President of the United States. I do not want this sort of talk to go uncontradicted when it is at the hands of a Kentuckian.

The people of Kentucky are grateful in their hearts that the President has honored our State by appointing as his chief ambassador to handle great problems of foreign affairs a native Kentuckian, Judge Bingham.

I want to tell you something more in these last 2 minutes, if I have that much time left. The gentleman from Kentucky said Judge Bingham is not a Democrat. Well, I may say to you that Judge Bingham supported Woodrow Wilson; and I may say to you he supported Al Smith; and I may say to you he turned his two newspapers over to Franklin D. Roosevelt. He is not a partisan Democrat; no. He has been partisan in this way: he has been partisan in the interest of good government in Kentucky. He has been as partisan in this as has the gentleman who has attacked him been partisan in forwarding his own interests in a political way. He has been all partisan. The people of Kentucky are grateful to the President for giving to Kentucky this appointment to the chief place amongst the ambassadors to a man, Judge Bingham, who was attacked on this floor, a place where he could not come to defend himself.

I may say to the gentleman from Kentucky that I shall not yield to him, because he made his speech the other day.

Mr. VINSON of Kentucky. I am not asking the gentleman to yield to me.

Mr. BROWN of Kentucky. The gentleman from Kentucky knows, or should have known, that the proceedings of the Democratic caucus are not subjects for discussion on the floor of the House.

I have told the gentleman what his action cost the taxpayers of the country when he attacked this man, who has been active in working for the President in Kentucky. He has kept bond issues off the State of Kentucky. He has filed suits to test out legislative actions creating bond issues, until today Kentucky is one of only two States in the Union which have no bond issues. The gentleman from Kentucky attacks the man who has kept bond issues off our State. The last was a refunding bond issue. He went into court and fought it. He fought and defeated the bond issue of the Field administration and he has defeated other bond issues, until today Kentucky has no bonded indebtedness by virtue of his endeavors and activities in politics.

Now, I may say to the gentleman from Kentucky that whenever the gentleman from Kentucky has this floor and seeks unanimous consent to extend his remarks in the RECORD I shall object until I know what the remarks are about; and I wish the membership of the House to know that in the interest of the taxpayers the gentleman from Kentucky will make no more extensions in the RECORD until I personally have read them unless the House overrules me. [Laughter and applause.] Every time I am successful in stopping an extension of his remarks it will save the taxpayers $30,000 in letters franked through the mails to voters in Kentucky explaining why he did or did not do something.

Personally, I pledge you that I shall not extend a solitary remark as long as I stay in this House, no one [applause], because I know that my friends do not want an explanation and my enemies will not believe one. [Laughter.] I am going to save the taxpayers this money on his speeches if it is necessary for him to secure unanimous consent, as is apparent from the request he made on last Thursday.

No more speeches will be written into this RECORD, mailed out to the voters of Kentucky by this particular gentleman; and, frankly, I apologize for airing a family matter, but this gentleman from Kentucky started it by writing here in these extended remarks what he knew he had no right to say on the floor of this House, and I take this occasion to notify you as to why in the future I am going to be one voice that objects whenever he asks to extend his remarks in the RECORD. [Laughter.]

Mr. VINSON of Kentucky. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. VINSON of Kentucky. Mr. Speaker, I offer no apology for the contents of my remarks to which Mr. BROWN of Kentucky refers, but I want to apologize to you for the lack of understanding of the new Member from Kentucky [laughter and applause] when he tells you and the country it will cost the taxpayers of this Nation $29,000 to send this speech of mine to my district in Kentucky. You all know that if any speeches are sent out by me I will have to pay the entire cost of printing. He displays the same kind of misunderstanding that he has shown throughout his whole political experience. [Laughter.]

Three times, I believe, in my 7 years here have I extended my remarks in the RECORD. In this instance, as the RECORD will show, it went in under motion to strike out the last word in consideration of the District beer bill.

Upon this floor on March 11 the gentleman from Kentucky [Mr. BROWN] took the position that any gentleman on this floor who opposed H.R. 2820, the pension-reform bill, was disloyal to the President of the United States. Within an hour prior to such statement this man from Kentucky, this man who talked about loyalty, had stood here on this floor, when the Browning amendment was adopted by Democrats in caucus assembled, and had voted to bind the Democratic Party to pass the bill with the Browning amendment cutting soldiers 25 percent.

Mr. BROWN of Kentucky. Mr. Speaker, I object to referring to anything that happened in that caucus.

Mr. VINSON of Kentucky. I am within the rules, Mr. Speaker.

Within the hour before his speech he had voted as I wanted to vote on the floor of this House. In caucus I heard his name called when they wanted to bind the party to pass that bill with the Browning amendment that would have cut 25 percent off veterans' compensation. I heard him vote "aye."

My charge in my speech against him was not that he was disloyal—his head is so thick, his brains work so slowly, that he cannot understand the English language. [Laughter.] I conceded his loyalty and good faith in his first vote.

The printed word, my speech, says that when he and my other colleagues from Kentucky voted to bind the Democratic Party with the Browning amendment "there was no thought of disloyalty in their minds and there was no thought of disloyalty in my mind." This is the charge. I said he changed his mind, and he did.

He says to you Members of this House that I would take the liberty to discuss what occurred in a caucus. When disloyalty is charged I take such liberty. Let me tell you, gentlemen, loyalty is part of my religion. [Applause.] JOHN YOUNG BROWN'S political life shows that he cannot spell

loyalty. Loyalty is part of my religion, and I resented the charge of disloyalty to my President, because no man in this House will stand by him longer or suffer more for him than will I. [Applause.] Wait until the storm clouds hover low, wait until support of President may not be so popular, and then see the young gentleman from Kentucky take cover, as he always does.

I said in the statement referred to by him that every Member of the Kentucky delegation voted to bind that caucus with the Browning amendment, including JOHN YOUNG BROWN himself, and then Mr. BROWN changed his mind, as he always does, and when the vote came in the House I was in identically the same position there as I was when I voted in the caucus. I wanted the Browning amendment. I have no quarrel with any gentleman who differs with me.

Oh, he refers to Mr. Bingham. I did not say anything in this statement with reference to his appointment to the Court of St. James. I told you the truth when I said that Robert Worth Bingham, after he had purchased the Courier-Journal and Times, had never supported a Democratic Governor in Kentucky, either before the election or subsequent thereto. I say he is no respecter of persons. He has crucified JOHN YOUNG BROWN again and again, and Mr. BROWN crawls on his hands and knees to him today.

I did not say anything about his appointment to the Court of St. James. I said that when Robert Worth Bingham, in his powerful papers, said that my vote was one of disloyalty to our President he wrote a malicious, willful, damnable lie, and I repeat the charge today. [Applause.]

I said further that not a word of criticism had come from Robert Worth Bingham or his papers with reference to the Senators—Republicans and Democrats alike—who voted against this same bill in the Senate, even though 44 liberalizing amendments had been added to it. I suggested that the reason this criticism had not been forthcoming, possibly, was because his name was being considered by the same Senators of the United States for appointment to the ambassadorship at the Court of St. James.

Mr. MAY. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield to the gentleman.

Mr. MAY. Lest there may be some misunderstanding on the part of the public that reads the RECORD here, a few days ago I myself spoke rather freely about Robert Worth Bingham and I have no apology for what I said, and take back nothing that I said, but still adhere to it 100 percent. Since the reference of my friend and distinguished colleague from Kentucky [Mr. BROWN] included something about Judge Bingham's paper defeating a bond issue in Kentucky, may I ask the gentleman if it is not a fact that the bond issue that the Courier-Journal and the Louisville Times defeated by their activities was sponsored by a Democratic State administration in Kentucky and that it was intended to build roads for the State and put it on the map industrially?

Mr. VINSON of Kentucky. I do not know of a single major issue that has been considered in Kentucky by Democratic governors that Mr. Bingham has not seen fit to oppose.

Mr. MARTIN of Oregon. Mr. Speaker, I submit a point of order. Why should the troubles of Kentucky be aired on this floor? There are 48 States of the Union.

Mr. VINSON of Kentucky. Mr. Speaker, I submit to the gentleman from Oregon, who as an old veteran has fought for his flag, that nothing could strike you deeper or nothing could wound you more severely than a charge of disloyalty to the President of the United States at this time. [Applause.] I am defending an attack today. It is a continuation of a former attack.

Mr. MARTIN of Oregon. Why cannot you settle it in your own State?

Mr. VINSON of Kentucky. According to the gentleman from Kentucky [Mr. BROWN], when the explanations are sent back there the settlement will be properly made. That is possibly the thing that induced him to make the utterances and take the attitude he has on the floor of the House.

There are many things that the gentleman from Kentucky has to learn. I tried to tell him the other day during the consideration of the beer bill for the District how to offer an amendment, and even though the proposition had been debated 45 minutes in his presence, he sat there and let the time pass and was unable even to offer his amendment to the bill. It was a great amendment—one that would permit Al Capone to sell beer. I am glad that the gentleman has a manual, and after he reads it he will have learned that it is not contrary to the rules of the House to refer to untrue statements a gentleman may make. This is a forum in which Members may protect themselves from untrue charges either on floor or in the press. The young gentleman may learn that disloyalty cannot be charged here or in the press without the right to answer it. [Applause.]

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SIROVICH. Mr. Speaker, ladies and gentlemen of the House, the distinguished member of the Ways and Means Committee who preceded me on the floor of the House, my dear friend and colleague, FRED VINSON, of Kentucky, spoke upon the subject of loyalty to political ideals. Utilizing that theme as my criterion, may I impose upon the membership of this House by speaking upon the subject of loyalty to one's faith. Faith is a divinely wrought, loving, and hearty reliance upon God and His promise of salvation. Faith is the intuitive spark that lights up our intellectual process to accept a religion as true on other grounds than personal observation and experience. Mr. Speaker, where reason ends faith begins, and religion becomes our ideal and gospel. The word religion comes from the Latin word "religio", which means "to bind." Religion is therefore a binding belief in the spiritual nature of man to a supernatural being.

Mr. Speaker, my purpose in taking the floor of the House this afternoon is to boldly, fearlessly, and courageously protest against the foul, iniquitous, and brutal treatment of the nationals of Jewish extraction in Germany by the cowardly, sadistic, paranoiac madman of modern Germany, Adolf Hitler. His chancellorship of Germany is an insult to the great men who have graced that position in the past. His official robes have been bathed in the innocent blood of Jewish people. History will record his name and fame with such tyrants and assassins as Torquemada, Nero, and Robespierre. Secondly, I desire to proclaim my loyalty and devotion to the Jewish religion and the faith that I have in its traditions and ideals.

Mr. Speaker, Judaism has given to the world and humanity three great ideals: First, the belief in one ever-living God; second, the inspiration of the Holy Bible; and third, the philosophy of the immortality of the soul. Each religious denomination, however, has different ceremonies connected with the worship of God. Most of the peoples of the world believe in the inspiration of the Holy Bible, and particularly the Decalogue, or Ten Commandments contained therein, which is the foundation upon which the superstructure of all government is reared.

The philosophy of the immortality of the soul is the only medium that binds the memories of those that live today with the love, respect, and admiration of those who have made the last pilgrimage to the Great Beyond.

These three concepts—the belief in a living God, the inspiration of the Holy Bible, and the immortality of the soul—have made life worth living for millions of men and women throughout the civilized world.

What has been the reward of the Jewish people for their great and tremendous contribution to the cultural civilization and ideals of our world? For 30 centuries these covenanted people of the land of Israel have been persecuted and have been proscribed. Their homes have been pillaged and plundered. Their properties have been confiscated. They have been crucified and burned at the stake. From every land and every clime they have been hunted like the beasts of the wilderness. As wanderers fleeing from such

cruelty and inhumanity they have only looked and sought for a haven of rest and contentment to live peacefully with the world. They have been the savage victims of racial hatred, bigotry, intolerance, and prejudice. They have fled from pogroms, massacres, and inquisitions, and have survived them all.

While all these kings, emperors, monarchies, and other tyrants of ancient, medieval, and modern times who have attempted to destroy the Jewish race have been forgotten in the ashes of time, Judaism will live and must continue to thrive, prosper, and flourish, because it has been the great chosen exponent and consistent and courageous advocate of God's ideals upon the face of this world. [Applause.]

When the Assyrian king, 800 years before Christ was born, took away the 10 tribes of Israel and lost them in the kaleidoscope of time he thought he had destroyed the Jewish race. When Nebuchadrezzar, King of Babylon, 200 years later, ravaged the Kingdom of Judea and took away the two remaining tribes of Israel as prisoners he, too, thought that the Jewish race had been exterminated. When Alexander the Great, King of Macedonia, pupil of Aristotle, 300 years before Christ pillaged and plundered the Holy Land and took along 100,000 prisoners to build the great city of Alexandria, named after him, he thought the Jewish people would remain prostrate, helpless, and hopeless. When Antiochus Epiphanes, a century before Christ was born, desecrated the holy temple, ransacked Judea, pillaged and plundered the Holy Land, he, too, believed that he had ruined the Jewish people. When the Roman Emperor, Titus, son of Vespasian, a few years after the death of Christ destroyed the temple, took away a quarter million Jewish prisoners, whom he marched under the triumphal arch of Rome as slaves of the Empire, he, too, thought that the Jews could no longer exist.

A hundred years later the Roman Emperor, Hadrian, led the Roman legions against the great Jewish general, Bar Kochba, who was battling side by side with Rabbi Akkiba, one of the greatest Talmudical scholars, to preserve the ideals and traditions of Judaism. Hadrian and the Roman army won. Bar Kochba was beheaded. Rabbi Akkiba had his flesh cut off piecemeal, proclaiming with his dying gasp, "There is but one God, and Jehovah is His name." Hadrian destroyed the temple, burned every home in the Holy Land, and left nothing but grass growing. He took half a million Jewish prisoners to Rome and scattered the remaining Jews to all the parts of the world. From that time on to this day the Jew has been a wanderer in the world; he has been called the "wandering Jew."

During the great crusades of the Middle Ages the spleen of religion was vent against the Jew for no reason but for the accident of having been born a Jew. During the Spanish Inquisition that inhuman tyrant, Torquemada, conducted the most vicious, inhuman, and brutal campaign against the Jewish people of Spain. They were burned on the flame, their bodies broken upon the racks, their wealth confiscated. One third of the Jewish people of Spain were killed; another third fled to Holland, Germany, Poland, Turkey, and the northern part of Africa; while the third remaining became converted to the Catholic faith. They were called marranos, because outwardly they professed Christianity but inwardly remained true to the traditions and ideals of their forefathers.

Mr. Speaker, ladies and gentlemen, in modern days we have beheld and wept at the pogroms in Russia under the brutal, tyrannical Czars of Russia. We have seen the inhuman conduct of Rumanian atrocities perpetrated against racial minorities of that kingdom. Now, in this the twentieth century of so-called "civilization" we behold in the great Republic of Germany—that land of culture, art, science, and statesmanship, the home of Einstein, Ehrlich, Wassermann, Max Reinhardt, Emil Ludwig, Fuchtwanger—the tragic political degeneration to which this country has fallen. Germany has projected into a position of power that tyrannical, autocratic, and cowardly assassin of human beings, Adolf Hitler. Thousands of Jewish citizens have been maltreated for no reason but because they profess the Jewish faith that has been the mother of Christianity, which preaches and proclaims the gospel of "Love thy neighbor as thyself." [Applause.]

Mr. Speaker, ladies and gentlemen of the House, in panoramic fashion before your eyes I have permitted history to come and march before you. Actions speak louder than words. The past rises before us and we now behold, through the telescope of time, that every nation that ever attempted to pillage, to plunder, to persecute, and to proscribe the Jewish race has eventually become disintegrated and destroyed its own usefulness and its very existence.

For centuries throughout the civilized world the Jewish people wherever they have been found have been patriotic to their country, loyal to their institutions, and devoted to their ideals. They have contributed wherever they have been found to every line of human endeavor to make the nation in which they lived great and glorious. In every part of Europe, particularly in Germany, in science, in art, in law, in medicine, in journalism, in philosophy, in literature, in statesmanship, in banking, and in every learned profession the Jew has contributed his all to make the world better for his having lived in it.

Mr. Speaker, I challenge any man in this House, so far as I am concerned, to name any group of citizens within the confines of our Republic who, year in and year out, since our institutions have been established, have been more loyal, more patriotic, more sincere, and devoted to the institutions of our Nation than have been the Jewish citizens, whose only desire has been the privilege to serve the Republic which they love so dearly. [Applause.]

My purpose in addressing the Membership of this House is to vigorously protest against that human monster, that cowardly assassin of human life, Hitler; and second, to call your attention to the fact that I am just introducing a resolution calling upon the great, noble, human, loving, and enterprising people of Germany to stop the cruel and inhuman treatment by their autocrat, Hitler, of the Jewish nationals of Germany.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. SIROVICH. Yes.

Mr. PATMAN. I hope the gentleman will agree with me that the Secretary of State is handling that situation in a very satisfactory way.

Mr. SIROVICH. I have the highest admiration and respect for our distinguished friend and colleague, the present Secretary of State, Cordell Hull, a liberal and progressive gentleman of the highest character, whose heart pulsates for every man and woman that is trying to live in conformity with the dictates of their conscience; but I would be remiss in my loyalty to my faith and to the people I represent in the Fourteenth Congressional District if I did not rise in this historic forum and protest against this infamous treatment by Hitler and his associates of innocent men and women who have committed no crime outside of being born Jews.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. SIROVICH. Yes.

Mr. BLANTON. I feel just as the gentleman does, and am unalterably opposed to any and all kinds of persecutions. If there is persecution against any people because of their race, it ought not to go unchallenged.

But is it not a matter that ought to be handled by our State Department? If we go to passing resolutions, unless we direct them to our own Executive and his Department of State, would we not be invading the Executive functions of the Government? We do not like to have the executive departments invade the legislative part of the Government. In this connection may I not call the attention of my friend to the fact that there is unreasonable, foolish, cruel persecution of the Jews right here in the Nation's Capital? I do not stand for that. I am against all persecutions. I have some very close personal friends of lifetime standing who are Jews. Why should we tolerate without protest the persecution of Jews here in Washington?

There are very prominent apartment houses here in the Nation's Capital which refuse to permit Jews to rent apart-

ments. There are apartment houses here where people can buy homes therein as they buy a residence. If my distinguished friend would go there and say, "I am a Jew", they would say, "We can not sell to you." There is that ridiculous persecution, with which I have no sympathy whatever, right here in the gentleman's Nation's Capital, but we ought to get that out of the way first before we go to foreign countries. Has my distinguished friend from New York any precedents for his resolution?

Mr. SIROVICH. To enlighten my dear and good friend, TOM BLANTON, I want to call his attention to the fact that it has always been the policy of the United States of America in times past not only to protect nationals residing in their countries but also in the interests of humanity and under the guardianship of that humanity which belongs to this great Republic to protect the rights of racial minorities residing in different countries of the world. To be specific to my friend, Mr. BLANTON, let me call his attention to the fact that the United States of America has repeatedly undertaken to affirm this guardianship of humanity in behalf of oppressed racial minorities in many instances, amongst which that come to my mind are the following:

First. Secretary Forsyth's course in 1840, under the direction of President Van Buren, on behalf of the Damascus Jewish blood-accusation victims.

Second. Minister Fay's successful efforts in Switzerland to remove anti-Jewish domestic statutory discriminations.

Third. The action of Hon. Benjamin F. Peixotto, United States consul to Rumania, about 1870, 6 decades ago, in his campaign against Rumanian Jewish persecutions, under the direct authority of President Grant, who used the following words:

> The United States, knowing no distinction of her own citizens on account of religion or nativity, naturally believes in a civilization the world over which will secure the same universal view.

Fourth. The action of Hon. Charles Sumner, as chairman of the Senate Committee on Foreign Relations, in protesting against Rumanian anti-Jewish atrocities.

Fifth. Action of the powers on behalf of persecuted Jews in the Balkans at the Congress of Berlin in 1878, at which the United States of America was represented by its minister to Austria, Hon. John A. Kasson, and its minister to Germany, Hon. Bayard Taylor.

Sixth. The vigorous course adopted by President Cleveland toward Austria in the now notorious Keiley case in 1885.

Seventh. Secretary Hay's Rumanian note of 1902.

Eighth. The action of President Theodore Roosevelt in connection with the Kishineff massacre petition in 1903.

Ninth. The action of the United States of America in 1911 in abrogating the Russian Treaty of 1832 because of discrimination against Jewish citizens, resulting in a resolution to that effect by the House of Representatives.

Tenth. The course of President Woodrow Wilson in connection with representatives of the other great powers at the peace conference in 1919 when Russia contended that her anti-Jewish discriminations were not religious but racial, our Government replying that "the two questions are inseparable."

And, last but not least, when I arose upon the floor of the House in 1928 to pillory and excoriate Rumania for her cruel treatment of racial minorities. Then I, too, introduced a resolution to abrogate treaties with Rumania which brought immediate response from that Government through its Prime Minister proclaiming to the world its intention of never permitting in the future persecutions and oppression of racial minorities.

The SPEAKER. The time of the gentleman from New York [Mr. SIROVICH] has expired.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentleman be given 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. BLANTON]?

There was no objection.

Mr. BLANTON. I agree with my distinguished friend from New York. Civilized governments ought to protest against such action, but it ought to come from the Government. A resolution that we might pass ought to be addressed to our own Department, to our own President, asking our President to take action through our State Department. It ought not be addressed to any foreign governments.

Mr. SIROVICH. That is what my resolution provides. It is going direct to the Committee on Foreign Affairs.

Mr. BLANTON. I am one who appreciates all the speeches made by my distinguished friend, Dr. SIROVICH, even his wet speeches, with which I do not agree. They are always able and interesting. I think his speech this morning is full of chronological history that is valuable to the country, and I have been listening to it with a great deal of interest; but I am afraid he is going to take action that will not bring about much good, if he is addressing his resolution to any but our own Government.

Mr. SIROVICH. That is exactly what my resolution provides.

Mr. DIES. Will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. DIES. I noticed a dispatch from a Jewish association in Germany appealing to America not to interfere with the private affairs of the German people, and it would be a serious mistake if we undertook to interfere with the internal affairs of that country. I want to ask the gentleman if he read that dispatch and if he believes it represents the views of the Jewish people there?

Mr. SIROVICH. I did read the article. For the benefit of my friend from Texas [Mr. DIES] I want to tell him that bayonets, persecution, and life itself inspired and prompted this answer. Everyone knows that Hitler and his associates have placed a censorship upon all news that comes from Germany. Even letters that are sent from Germany, I am told, are doctored and censored. Newspapers, periodicals, and magazines that are in opposition to Hitler's form of government have been suppressed. His opponents in political life have been thrown into prison, simply because they disagreed with his political fascism. Is that liberty? Is that justice? Is that freedom?

Mr. DIES. Then the gentleman believes that that editorial did not speak for the Jewish people?

Mr. SIROVICH. That is correct. It was fear that prompted that answer. Time will vindicate my position.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. AYERS of Montana. Mr. Speaker, I ask unanimous consent that the gentleman from New York have 5 additional minutes to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Montana [Mr. AYERS].

There was no objection.

Mr. SIROVICH. Mr. Speaker, when I arose to address the membership of this House I did not rise as a Jewish citizen. I am rising here as an American citizen, a Member of Congress, appealing for justice for racial and oppressed minorities. My sense of justice would compel me to appeal for any class, creed, or color that would ever be humiliated or punished in any part of the world. [Applause.] Two sets of victims are involved in these Hitler persecution, one a comparatively small number of American citizens, the wives and minor children of American citizens who for the moment happen to be residents that are located in Germany for temporary purposes; and, second, Jewish residents of Germany in general, amongst which are included its own nationals who have for centuries inhabited different parts of Germany, and whose forebears have consecrated their lives upon the altar of patriotism and have given their last drop of blood upon the altar to serve their fatherland. And a considerable number of others who have been living there since the beginning of the Great War of 1914.

Mr. Speaker, as to the first class, our own American citizens who are abroad, traveling through Germany for health, for commercial reasons, for cultural and artistic purposes, there can be no doubt as to the right and duty of American intervention. It is the duty of the German Government, acting through real German representatives, to grant adequate

protection to all American citizens as well as other German residents, not only against governmental lawlessness but also against those who would harangue the beastly element of men to destroy their fellowman on account of racial and religious intolerance. Regarding those of the Jewish race who have lived in Germany since the finish of the allied war, Germany, at the peace conference in 1919 held at Versailles, France, pledged herself, in writing, to the United States of America and other powers for the protection of national minorities. This section states—

That protection will be practically regulated within the frame of the League of Nations. However, on behalf of Germany there must be in the peace treaty definite assurances demanded for those German minorities which by cession will come under foreign sovereignty. These minorities should be given the opportunity of fostering their German characteristics, especially through granting them the right to maintain and attend German schools and churches, as well as to publish German newspapers. Furthermore, it would be desirable to create a cultural autonomy on the basis of national registers. Germany on her side is resolved to treat minorities of foreign origin in her territory according to the same principles.

Thus, in exchange for the aforementioned pledge the United States of America and its Allies in the World War imposed protective clauses of a similar nature on Poland and other new States in reliance upon these German assurances, saying officially that they—

are prepared to accord guaranties under the protection of the League of Nations for the educational, religious, and cultural rights of the German minorities transferred from the German Empire to the new States created by treaty. They take note of the statement of the German delegates that Germany is determined to treat foreign minorities within her territory according to the same principles—

And all the signatory powers to the said peace treaty promulgated at Versailles likewise pledged themselves to accord guarantees for the educational, religious, cultural, racial, and linguistic minorities within their national confines. Germany stands pledged to the United States of America and other signatory powers to the aforesaid Versailles Treaty to carry out all the provisions for the protection of her religious, racial, and linguistic minorities, not only the protection to life and property but a guaranty against any—

law, regulation, or official action against her religious minorities in enjoyment of civil or political rights.

By the said treaty—

All nationals shall be equal before the law and shall enjoy the same civil and political rights without distinction as to race, language, or religion, and all nationals who belong to racial, religious, or linguistic minorities shall enjoy the same treatment and security in law and in fact as the other nationals—

Besides which—

full and complete protection of life and liberty is assured to all inhabitants without distinction of birth, nationality, language, race, or religion.

Mr. MAY. Will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. MAY. I am very much in sympathy with the remarks of the gentleman, and I just wanted to call attention to the fact that when the Jews were captured and taken into Babylonian captivity, after they were kept all those years in slavery, the first thing they did when they came back was to start rebuilding the temple.

Mr. SIROVICH. That is right.

Mr. MAY. And when the Christians were persecuted by Belgium more than 300 years ago and taken out on to the hills and lashed to the trees, and the torch was applied, and they were burned for their religious beliefs, every time persecution of that kind has occurred they come out of it greater and stronger than ever.

Does not the gentleman believe that out of the persecution that is taking place in Germany now, unjust as it is, is going to come a stronger Jewish people?

Mr. SIROVICH. In reply to my distinguished friend, Judge MAY from Kentucky, let me remind him that when the Assyrian King destroyed the commonwealth of Israel, many of these people fled to Phoenicia and settled in that country along the Mediterranean. Prior to the Christian era the Phoenicians were the most aggressive commercial and maritime nation. In modern language they would be called the Yankees of the East. Living near the forest of Lebanon, they went into that great wilderness, hewed down the trees and converted them into ships. It was this commercial branch of the Jewish race that settled Greece, the northern part of Africa, called Carthage, Italy, and particularly Venice, which was then called Venetia, pronounced almost like Phoenicia. These Phoenicians carried the culture and civilization of their day wherever their commerce went. As their ships plowed through the Mediterranean and through the Straits of Gibraltar, they went to England and settled there. In the company of the primitive people of England they went down into the very bowels of English soil to bring back the tin ore which was so rich in England. They mixed this tin with copper and were the first bronzemakers in the world.

It was these ancient Phoenicians, the most civilized and cultured people of their day, who called England "British". The word "British" comes from two Semitic words—"Brith", which means "covenant", and "ish", which means "son." Therefore, British was the term applied to England by the Phoenician Jews, and down to the present time means "covenanted son", which is symbolic of the covenant that the patriarch, Abraham, made to God when he offered his son Isaac upon the altar as faith in one true living God.

So we see how the ancient Phoenicians developed mentally, physically, spiritually, and morally in spite of the Assyrian persecution.

Mr. MAY. Does not the gentleman feel that unjust persecution of any nation is a real tonic to any generation of any race?

Mr. SIROVICH. The gentleman saw what happened to Christianity when the Christians were persecuted by the Romans.

Mr. Speaker, I thank you for the privilege you have given me to protest against religious persecutions in Germany and to express my loyalty to my faith. [Applause.]

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. PATMAN. Does the gentleman's resolution set out alleged facts?

Mr. SIROVICH. Yes. The gentleman knows that whenever I speak I present facts only.

Mr. PATMAN. I know the gentleman is very sincere at heart, and I have the utmost confidence in him. He is respected and admired by all the Members of this body. Will the gentleman have documentary evidence or other proof to substantiate his charges?

Mr. SIROVICH. Anything I may present in this resolution will be based upon facts and upon sentiments and statements in which I think the world believes.

[Here the gavel fell.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 3 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. I am very much in sympathy with what the gentleman has said, but I feel that this matter should be referred to the State Department. I feel that it is now being handled in a very masterful and diplomatic way by the Secretary of State, Mr. Hull.

Mr. SIROVICH. While I have the greatest respect, admiration, and consideration for my distinguished friend, the Secretary of State, Cordell Hull, and know he will do justice to our unfortunate brethren in Germany, still I think the floor of the Congress of the United States is the proper place for a Member of Congress to voice and express his thoughts regarding any nation that oppresses racial minorities. The cry of humanity wherever it may be found appealing for assistance should know that America, the land of liberty, freedom, and justice, is willing to listen and to help.

May I say to the distinguished gentleman from Texas that for the past three years I have often listened to his

eloquence upon the floor of the House as he appealed to the people for justice for the veterans of our country; for the rights of those soldiers who went across the sea to make the world safe for democracy. May I say to the gentleman that amongst those who went over to make the supreme sacrifice for our Republic were more than 300,000 Jewish boys, the flower and manhood of our land. Thousands gave up their lives that our Republic shall survive. They have the right to expect someone here on the floor of the Congress of the United States to make an appeal that democracy may live. They have the right to know that their blood that has hallowed the fields of all Europe wherever our country has sent them has not been spilled in vain. They have the right to know that in the sacred earth where their mortal remains have been placed when they went over there to make the world safe for democracy, that that democracy may protect their brethren in Germany, whose only fault is that they have been born as Jews.

Tonight throughout our Republic and throughout the civilized world meetings are being held to protest against these cowardly and outrageous treatments of racial minorities in Germany. Let the world know that in the Congress of the United States a humble Member has raised his voice to hope that liberty and freedom may still ring throughout the world. [Applause.]

Mr. PATMAN. I thoroughly agree with the gentleman. I am entirely in sympathy with what the gentleman from New York has said. I am sorry that I am not as well informed on this matter as my friend from New York, Dr. SIROVICH.

Mr. McCANDLESS. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The SPEAKER. Is there objection to the request of the Delegate from Hawaii?

There was no objection.

Mr. McCANDLESS. Mr. Speaker, as I am now serving my first term as Delegate in Congress from Hawaii, and there being many of my colleagues who are new also, I am taking this means of presenting some of the pertinent facts relative to the Territory which I represent.

Hawaii, located as it is in a southwesterly direction 2,100 miles from San Francisco and with the Philippine Islands 4,800 miles further west, is apt to be disregarded as a member of the American commonwealth. The average resident of the mainland is likely to have a vague and sketchy understanding of Hawaii, and his conclusions as to conditions there are apt to be based on scanty and imperfect information received through the medium of news flashes rather than on detailed information based on an accurate study of conditions.

Hawaii is popularly, and I might say properly, pictured as a "land of enchanting scenic beauty, of active volcanoes, of warm sunshine, mellow moonlight, bedecked with a profusion of bright-hued blossoms which mingle their fragrance with the soft melodies of native music and the murmur of waves lapping the white coral beaches."

But I would paint another picture, no less true than this, but painted, as it were, from a different point of view. I would tell you not about Hawaii's volcanoes, beaches, or its flowers, but about its industries, its modern cities with telephonic communication with the mainland and Europe, about its finances, and how it pays its way as an integral part of the United States.

Hawaii is at once the Gibraltar of the Pacific, guarding our western shore, and a laboratory in which for more than five decades has taken place a unique phase in the development of human relationships and international understanding. It is in every respect a modern, enterprising American community, engaged in agricultural, industrial, and commercial activities in a typical American manner.

The islands first came under the official eye of the United States during the Spanish-American War, when the strategic military position of Hawaii was first recognized. Shortly prior to 1898 the then Republic of Hawaii, of its own volition, asked to be annexed to the United States as a territory and itself prepared a treaty to this effect. In 1898, under the administration of President William McKinley, Hawaii was made an integral part of the United States, with the status of a Territory, this action being taken by a joint resolution of the House and Senate of the United States in the same manner as Texas became a Territory in the American sisterhood of States.

The government of Hawaii was set up in 1900 by an organic act, which provides for a governor who shall be appointed by the President of the United States and who must be a resident of the islands. The lawmaking body consists of a Territorial legislature made up of 15 senators and 30 representatives, who are elected by popular vote, as are the executive officers and members of the boards of supervisors of the various counties of the Territory.

In 1930, according to the Federal census of that year, there were approximately 368,000 persons living in Hawaii, although this figure has since been increased to slightly more than 380,000, according to the 1932 report of the Governor of Hawaii. There were 63,828 registered voters in the Territory at the time of the last election. In this connection it might be of interest to quote briefly from the 1932 report of the Secretary of the Interior:

> Hawaii * * * is free from organized graft and corruption; the courts there are well administered; and in Honolulu the proportion of crimes of violence is distinctly lower than that in a majority of mainland cities.

The public-school system of the Territory compares favorably with that of any other community in the United States. In fact, back in the days of the monarchy parents on the Pacific Coast sent their children to Hawaii to be educated. English is the language of the islands. All of the public schools are conducted in this tongue and are in every way thoroughly American in curriculum and in methods. The public-school population in 1932 totaled 78,663 students.

In mentioning the schools, the question of racial relations naturally comes to mind, and in this connection I would repeat what Mr. William Atherton Du Puy, executive assistant to the Secretary of the Interior, said in his published report following his investigations in Hawaii last year:

> There is much talk in the continental press of race antagonisms in Hawaii. This talk is based on a lack of understanding of the relations between the races over there. In the States race conflicts and race prejudices are often intense. In the islands they are practically nonexistent. * * * The social question of race has never been raised. It does not exist. It is never raised except by some outsider who brings his prejudices with him, or by some continental newspaper which bases its interpretation of events in Hawaii on race prejudices that exist where it is published.

The chief enterprises of the Territory are agricultural in nature. Sugar ranks first, with a production in 1932 of 1,025,354 short tons. The prevailing low price of sugar is having a considerable and detrimental effect on the prosperity of the islands. The production of sugar in Hawaii is probably more costly than in any other sugar-producing region in the world. Health and sanitary conditions are maintained up to American standards, and a great deal of effort and money is spent in providing amusements and educational programs for the plantation workers, whose standards of living are in every way favorably comparable to those prevailing in our best mainland industrial centers. This is in strong contrast to living conditions of labor in foreign sugar-producing areas. Also, it may be noted that only the intense application of scientific methods, including the use of large amounts of fertilizer to compensate for the lack of natural soil ingredients needed by this crop, and the use of elaborate irrigation systems, has enabled the sugar growers of Hawaii to produce a per-acre yield of sugar that ranks highest in the world. But notwithstanding this, the present low price of sugar makes it almost impossible for Hawaii to get a new dollar for an old one out of its sugar business.

The growing and canning of pineapples ranks second in the list of Hawaii's industries. Here Nature, which has left so much for man to supply in the cultivation of sugar cane, has given Hawaii peculiarly ideal conditions, so that approximately 80 percent of the canned pineapples of the world comes from this western outpost of the United States.

The world depression has greatly reduced the demand for this luscious fruit, so that the 1931 pack of 12,750,000 cases

was cut to slightly more than 5,000,000 in 1932, due to the unfavorable market conditions.

Among the other industries of Hawaii might be mentioned coffee, exports of which in 1931 amounted to more than 6,000,000 pounds, valued at more than $1,000,000. But here again the prevailing low price made it impossible for the growers to make a profit. Some form of governmental aid, such as a tariff, is badly needed to save this young industry of Hawaii from utter ruin.

Cattle raising is also a considerable industry, and the Parker Ranch, on the island of Hawaii, is credited with having one of the largest herds of pure-bred Hereford cattle in the world. Hawaii is almost self-sustaining as far as beef is concerned, and in 1931 exported almost a million and a half pounds of hides to the mainland.

Tourist travel to the islands, referred to as Hawaii's "third industry," brought 15,780 persons to the islands as visitors during 1931, a drop of 15 percent from the previous year, due to the general falling off in world travel.

Turning again to the strictly commercial, exports from Hawaii in 1931, most of which went to the mainland, amounted to $102,737,836, and her imports, also principally from the mainland, totalled $86,956,768. While this left a balance of trade in 1931 of $15,781,067 in favor of the Territory, the great drop in pineapple exports alone during last year practically wiped out this balance.

Hawaii has been a profitable investment for the Federal Government. I again quote from the book of Mr. Du Puy:

A balancing of the books as between the Territory of Hawaii and the Federal Government showed that during the first 30 years that it was a part of the United States it had sent $171,000,000 to Washington, while the Federal Government had spent upon activities that might properly be charged up against the Territory, about $32,000,000, leaving a net profit to the Federal Government of some $139,000,000 in taxes received from the islands. Thus, the islands have not been an expense to the Government, but have yielded handsome and direct cash profits to it.

This is exclusive, of course, of the money spent in maintaining in Hawaii the largest army post and the strongest naval base in the whole establishment of the Government. These are not maintained for the protection of the islands, but as an outpost to the West in the national scheme of defense, and should, therefore, be paid for by the Federal Government.

A perusal of the 1932 report of the Commissioner of Internal Revenue will show that Hawaii paid in this form of taxes during the year 1931 a total of $3,785,789, which exceeds similar collections during the same year in 17 of the 48 States of the Union and the Territory of Alaska.

The following table, compiled by Mr. Du Puy, executive assistant to the Secretary of the Interior, shows the main items in the account between the Federal Government and the Territory of Hawaii from 1900 to 1930, inclusive:

Item	Paid to the Federal Government	Received from the Federal Government
Internal Revenue	$118,004,556.23	$952,836.64
Post Office	7,593,819.73	4,480,092.00
Immigration	78,500.00	1,190,000.00
Weather Bureau		191,500.00
Customs Service	44,552,860.38	3,217,577.00
United States marshal, including courts (Federal, supreme, and circuit), salaries and expenses	681,778.00	3,154,129.00
Volcano research		179,365.82
Hawaii National Park	13,404.52	891,170.60
Public Health Service		1,721,208.67
Department of Agriculture (Hawaiian Experiment Station)	713.00	1,123,430.00
Lighthouse Service	5,278.17	2,875,166.73
Rivers and Harbors		9,455,591.00
University of Hawaii		1,270,599.22
U.S. Geological Survey		317,897.00
Territory: Governor and secretary contingent and legislative expenses	61,289.00	981,100.00
Shipping Board	(1)	356,400.00
Total	170,992,199.03	32,358,063.68

[1] No record.

Mr. DUNN. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

Mr. SNELL. Mr. Speaker, reserving the right to object, and I shall not object, I wish to find out what the program for the balance of the afternoon is going to be. I have no desire to keep these gentlemen from talking.

Mr. BYRNS. No other business is to come before the House. It is proposed to adjourn over to Wednesday when the House adjourns.

Mr. SNELL. Perhaps it would be well for the gentleman from Tennessee to secure that permission now, so the membership will know definitely what the program will be.

ADJOURNMENT OVER

Mr. BYRNS. Mr. Speaker, with the permission of the gentleman from Pennsylvania, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon, on Wednesday, March 29, 1933.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. SNELL. There will be no further business, as I understand it, Mr. Speaker, except the speeches of those who desire to address the House?

The SPEAKER. The Chair so understands.

Is there objection to the request of the gentleman from Pennsylvania [Mr. DUNN].

There was no objection.

Mr. DUNN. Mr. Speaker, 3 minutes is not sufficient time for an Irishman to make an address. However, I shall obey the rules.

The gentleman from New York who just finished speaking in behalf of the unfortunate Hebrews in Germany took the very words out of my mouth. I wanted the honor of standing before this honorable body and denouncing Hitler for his persecution of the Jews. The matter has been very well covered, but I want to call attention to something else that is going on in our country.

In many States of the Union women and girls are compelled to work 16 and 18 hours a day, for which they receive the insignificant, measly wage of $3.50 or $4 a week. I have been informed, and rightly so, that the Federal Government can do nothing in the matter because it would be infringing upon the rights of the States.

I do want to say this: We Members of Congress can do anything if we want to do it, because there is not any problem that will confront us at this session or any other session that cannot be solved if we allow ourselves to be actuated by humanitarian motives. Therefore, Mr. Speaker, I say to one and all, let us make some effort or undertake to do something to bring about a condition where unfortunate girls and women shall not be compelled to work 16 or 18 hours a day for $3 a week. [Applause.]

I thank you.

EXTENSION OF REMARKS—LET'S CARRY THE NEW DEAL HOME

Mr. FLANAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address delivered over the radio under the auspices of the American Taxpayers' League from the studios of the National Broadcasting Co. of Washington, D.C., last Saturday night.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address I delivered over the radio on Let's Carry the New Deal Home, under the auspices of the American Taxpayers' League, from the studios of the National Broacasting Co., Washington, D.C., Saturday night, March 25, at 8 o'clock.

The address is as follows:

A new economy deal is going on in Washington; let's see that is carried to every State, county, municipality, and hamlet in our country.

The high cost of government today, in my opinion, is due directly to the extravagant manner in which the American people lived for years. We lived beyond our means, and we ran our governments—Federal, State, county, and municipal—in the same way. Money was easy to obtain, and we spent it freely, extravagantly, foolishly. Taxes, because we had money or could obtain money with which to pay them, gave us very little concern. We paid little, if any, attention to the yearly additions to our tax tickets.

When we at last awoke from our debauch and found out that we were all broke or financially crippled we began to realize that our profligacy had created a profligate government. We at last began to realize that each year a little more of our earning power was being turned over to the taxing power. We began to realize that our personal and business economic sins were being visited upon our Government; that our Government was suffering from the same malignant economic disease practically every man, woman, and business in America had contracted—downright recklessness and extravagance. And, thank God, we at last became tax conscious.

The big thing today about the whole sordid situation is the fact that we are at last tax conscious and realize we have got to sober up—that the Government, the individual, and business have all got to live within their incomes. The realization of this fact, I believe, is over half of the battle.

Our new leader in putting the new deal over here in Washington has certainly started out in a magnificent manner. I want to see the new Federal deal, however, extended beyond the corporate limits of the Capital City. I want to see it extended into every nook and corner of every congressional district in the United States.

Let me be specific: How about a new Federal deal on these things?

I believe we have too many places for holding Federal courts. In many Federal judicial districts the Federal court only lasts for a day or two. A great deal of money, time, and inconvenience could be saved by having one real court at some centrally located point.

How about the rural-mail routes? I believe that many rural-mail routes could be consolidated. Many of these routes have not been changed since the days of the horse and buggy.

How about the rentals being paid for post offices and public buildings? In many cases these rents, to say the least, are not in line with the prevailing rents of the community.

How about all Federal employees doing a reasonable amount of work for the salary they receive? Take many of the postmasters, for instance; the only thing they do is to get in the way of other people who want to work. Every postmaster should be competent to discharge the duties of his office and should be required to work. Many of the other Federal employees scattered over the United States are not giving value received for the salary paid.

These are blunt statements—probably harsh statements—but you men and women who are listening in tonight know that they are true statements.

An honest-to-goodness Federal survey should be made of each county, city, and town in the United States in order to determine what economies can be made. Let's bring the matter home to our people and get them to assist in the work. If local waste and extravagance are discovered by our people, we will have their sympathy and support in bringing about the needed corrections.

So much for Federal economies. How about a new deal for the States, counties, cities, and towns?

You folks who are listening in get this tonight and sleep on it: A tax dollar saved at home means as much as a tax dollar saved in Washington. And let me tell you another thing: The States, counties, cities, and towns have wasted more tax dollars than the Federal Government.

Let me give you just a few figures: The tax bill of America is around $15,000,000,000. Approximately 70 percent of the amount goes to pay the tax bills of the States, counties, and municipalities. Your Federal Government is costing around $4,000,000,000 per year, and about three billions of this amount is traceable directly or indirectly to war. If we could get rid of wars and preparing for wars we would not have any trouble balancing the Federal Budget. If the nations of the world would get a good dose of old-fashioned religion they could keep their budgets balanced without inflicting hardships on the taxpayers.

War got our Federal Budget out of balance, but the State, county, and municipal governments cannot charge their unbalanced budgets to war costs.

The State governments are costing around 2½ billion dollars and the county and municipal governments around 8½ billion dollars.

Get this: The costs of State, county, and municipal governments have increased from around $6,000,000,000 in 1925 to around $11,000,000,000 in 1932.

Well, what are you going to do about it? One thing you can do is this: Quit cussing your Representatives up here for awhile—the new leader is looking after us—and turn your attention to your State, county, and municipal affairs.

What are you going to do about it? Well, bring the new deal home. You folks who are listening in, don't you think you need a new shuffle around home?

How about reorganizing our State governments and getting rid of the useless and unnecessary departments, bureaus, and commissions? Let me tell you that in some of our State governments the departments, bureaus, and commissions need cleaning out as badly as they do in our Federal Government.

How about reorganizing our county governments and putting them on a business basis? There is probably more inefficiency and waste in our county governments than anywhere else.

How about reorganizing and cleaning up our municipal governments? A lot of them need it from top to bottom.

Let me call a thing or two to your mind, so you will begin to think:

How about all of these overlapping, four and five ply deep officers. Take down in Virginia, where I live, for instance. When I was a boy the sheriff and his deputies and the local constables enforced the law, and I believe they got along better at it than we are doing today. What do we have today? The sheriff and his deputies and constables, Oh, yes; but in addition thereto prohibition officers, Federal and State; motor cops racing up and down the road in white cars, pretending to be in a hurry; game wardens, who mess around to see if your dog is a taxpayer; and the Lord only knows how many others.

Don't you think it would be cheaper and better to let the sheriff enforce all laws? If he doesn't enforce the law, get one who will.

How about our highway departments? It may be treason to some to say it, but the fact is we are spending too much money on our highways. And then, too, some of our highway departments are becoming as czaristic as old Nicholas himself.

How about our schools? How many useless and unnecessary officers and employees could be eliminated if we had a real, efficient system. Take, for instance, these fellows who are being hired to teach our boys how to play. Don't you know that a boy who does not know how to play is too dumb to be taught?

How about the cost of schoolbooks? Don't you think the taxpayers have fed the Schoolbook Trust long enough?

I do not have time to point out any more of our State, county, and municipal mistakes. Stop and think and you will be unable to count them on your fingers.

What we need in the States right now are a few leaders like Franklin D. Roosevelt.

The new deal has started in Washington. Your duty, my friends, is to see that it is carried into every State, county, municipality, and hamlet in our land.

REFORESTATION AND RELIEF OF UNEMPLOYMENT

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. RAMSPECK. Mr. Speaker, in view of what happened here this morning with reference to the bill H.R. 3905, I would like for the RECORD to show that the bill as reported by the House committee will be identical with the bill as reported by the Senate committee, and is in the nature of a substitute which has been agreed upon by the parties at interest.

The committee was reliably informed that the President of the United States had given his approval to the substitute and that the president of the American Federation of Labor, Mr. William Green, had also given his approval to the substitute.

I regret as much as anyone to find myself in disagreement with the chairman of my committee, my beloved friend and colleague from Massachusetts [Mr. CONNERY], who is still opposed to the bill; but I hope the Members of the House will carefully read the report of the committee before making up their minds to follow his leadership in opposition to the bill.

Mr. BOYLAN. Will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. BOYLAN. Will the gentleman kindly give the House a brief synopsis of the proposed substitute?

Mr. RAMSPECK. The substitute gives the President of the United States authority to employ in reforestation and other allied lines of work people now unemployed under such rules and regulations as he may deem proper, and leaves it entirely up to him as to what he shall pay them. He must furnish them quarters and subsistence and medical attention, but the amount of the cash allowance which he may give them is to be fixed by him. It avoids the controversial subjects to which the American Federation of Labor was opposed, and I hope the House will pass the measure without amendment. [Applause.]

FARM MORTGAGE DEBTS AND THE REFINANCING THEREOF (H.DOC. NO. 9)

The SPEAKER laid before the House the following letter from the Secretary of Agriculture, which was read and with the accompanying papers referred to the Committee on Agriculture and ordered printed with illustrations:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 27, 1933.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES,
Washington, D.C.

SIR: Pursuant to the request made under House Resolution No. 69, Seventy-third Congress, I am transmitting herewith re-

port based on the study made by the Bureau of Agricultural Economics pertaining to farm-mortgage debts and the refinancing thereof.

Sincerely yours,

H. A. WALLACE.

APPOINTMENT

The Speaker laid before the House the following appointment:

Pursuant to the provision of title 20, section 134, United States Code, the Chair appoints the gentleman from Nebraska [Mr. BURKE] as a consulting trustee for the National Training School for Boys.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. CROWE, for three days, on account of important business.

THE NATIONAL BANKING SYSTEM

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SUPPORTING PRESIDENT

Mr. PATMAN. Mr. Speaker, in a few days we will again be called upon to enact legislation in regard to the banking laws. We have passed some rather far-reaching measures since the convening of this session of Congress. I doubt that any measure has ever passed the American Congress that was as far-reaching as the banking bill that passed this Congress the first day the Congress was in session. It was an emergency measure, and I was glad to support the President. I have every confidence in the President and believe that he is doing his very best to relieve distress, misery, and start our country on the road to permanent prosperity.

THOMAS JEFFERSON'S PROPHECY

When considering changes in our banking laws we should consider changes in our method of issuing and distributing money. One cannot be considered without considering the other. Thomas Jefferson made a very significant statement, and I want to read it to you. I am quoting what Jefferson said:

> If the American people ever allow private banks to control the issue of their currency, first by inflation and then by deflation, the banks and corporations that will grow up around them will deprive the people of all property until their children will wake up homeless on the continent their fathers conquered.

Every word that Thomas Jefferson said has proven to be true. A few powerful bankers in this country, controlling absolutely the issuance and distribution of money, a great privilege that should be exercised by the people only through their Representatives in Congress, have first by inflation and then by deflation almost destroyed this country.

FUNDAMENTAL QUESTION

The Constitution of the United States says that Congress shall coin money and regulate its value. There is where our trouble is today. That is the fundamental problem that must be solved before the other incidental questions will be solved. When that question is solved practically all of our other troubles will be eliminated.

WHO CONTROLS MONEY?

Now, let us see if the first part of Jefferson's statement is true—that banks are controlling the issue of currency. Is there anyone within the sound of my voice who will say that they have not been controlling the issuance and distribution of money in this country? If so, I hope he will speak out. I know you are not going to do it, because there is no one in America who believes that the few powerful banks are not controlling the issue of currency.

The next question is the suggestion of Jefferson that they first inflate and then deflate, and thus deprive the people of property.

Did they? They certainly did. Through inflation of the money controlled by them they made property values high, they made securities high, they made stocks and bonds high, they made all the products that are produced by the farmers high, and the manufacturers' goods they made high, everything high. And then they caused the deflation, and made property almost worthless, and, as Jefferson says, we will soon wake up homeless on the continent our fathers conquered.

DEFLATION ORDERED

In 1920, May 1, cotton was selling for 40 cents a pound, and wheat was selling for $3 a bushel. Through the influence of a group of these powerful bankers deflation was ordered. In 4 months' time the price of cotton had been whipped and beaten down until it was worth only 7 cents a pound, approximately one sixth of the value 4 months before, and wheat was selling for $1.40 a bushel instead of $3, the price it was selling at 4 months before.

IF DEFLATION DECREASES, INFLATION WILL INCREASE PRICES

I want to submit to you, if you can by deflation reduce the prices of commodities, why cannot you by inflation increase the price of commodities? If one is true, the other is true, and that is what we must do before we have permanent relief for this country.

Mr. BOYLAN. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BOYLAN. The gentleman has made a statement that deflation was caused by a certain group. Can the gentleman name that group for the RECORD?

LAW AND ORDER

Mr. PATMAN. I shall be glad to do that. Mr. Mellon, Mr. Morgan, and Mr. Mitchell have had more weight and influence in the control, issuance, and distribution of money and credit than all the rest of the people in the Nation combined.

They do not pay any attention to law; they do not care anything for law and order, not unless they can make the law and give the order.

IMPEACHMENT OF SECRETARY MELLON

You gentlemen know that I brought impeachment charges against Mr. Mellon. I am awfully sorry that he left the country in order to avoid prosecution of those charges. In the charges, I enumerated the number of instances where he had violated the law and trampled the law under his feet.

FLIGHT TO ENGLAND

He was not hard to catch. Anyone who could track an elephant in the snow could catch Mr. Mellon violating the law, because he paid no attention to any law. That is the reason, when the facts were presented, he had no defense, and the only thing he could do to escape punishment and save the administration was to go to a foreign land, get out of the country, and hope the people would forget it.

Mr. GOSS. The gentleman does not contend that these gentlemen have power over credit and currency greater than the Secretary of the Treasury, does he?

Mr. PATMAN. I certainly do.

Mr. GOSS. He thinks they have more power even than the present Secretary of the Treasury?

FEDERAL RESERVE BANK OF NEW YORK

Mr. PATMAN. I believe that they have more power under the present banking set-up than all the rest of the people in this country combined, including the Secretary of the Treasury. They have their control through the Federal Reserve Bank of New York and other large banking institutions there. The Federal Reserve Bank of New York is running the banking business and practically all other business in this country in connection with these other large banking institutions, and you can figure out for yourself who is running the Federal Reserve Bank of New York.

MORE ABOUT MELLON

I have told you a little about Mr. Mellon. Take, for instance, while he was Secretary of the Treasury. He passed on all public-building contracts. He hired all the architects to draw the plans for these public buildings, and not only did he do that but he notified these architects that he would like to have aluminum substituted for iron, wood, steel, and copper wherever it could be substituted in the construction of these public buildings, and they did it. He owned a monopoly on aluminum; he was financially inter-

ested in its sale. Look at the Federal Reserve bank in Pittsburgh. That was constructed by a concern that Mr. Mellon was financially interested in. The Federal Reserve Board—Mr. Mellon, chairman—gave the company the contract, and the constructing company covered that building with aluminum. Why? There is a set, fixed price for aluminum. It has not decreased in price since 1929, although everything else has gone down from 50 percent to 90 percent. He paid no attention to the law. That is only one instance. There was a man from Colombia, South America, here for 8 years. A President was to be elected down there. This man went from the Capital City of America, Washington, D.C., to Colombia, South America, and after a whirlwind campaign of 3 weeks, spending lots of money—and I do not know where he got it—he was elected President of Colombia, Olaya Herrera. What did he do? He then came right back to Washington. A dinner was given for him, at which Mr. Mellon was present. He was attending the dinner and sat to the right of President-elect Herrera, and discussed at that meeting how Mr. Mellon could get his Barco oil-concession fight in South America, which was worth $2,000,000,000 to him and Mr. Morgan, settled. As a result of that conference here in Washington the President-elect went back to Colombia and called the Congress together, and made them ratify a lease that was null and void and had been canceled years before in order that Colombia, South America, might borrow money from Mr. Morgan in New York City. They pay no attention to the law. They do not care anything about the law. I am telling you about some of the minor charges in the impeachment. Morgan had a fourth interest in that contract and Mellon and his companies had a three fourths interest in that contract. They bought that concession for a song. It was no good. They had a way of making it good, and they exercised their power successfully.

MELLON, MORGAN, AND MITCHELL

I have discussed Mr. Mellon and Mr. Morgan. Just mentioned a few minor things. I hope the Senate committee puts Mr. Morgan on the griddle and makes him tell about how he has peddled the widows and orphans worthless stocks and bonds. Let me say something about Mr. Mitchell. He is out, right now, and somebody else will probably have to step up and take his place. Many of the others will also get caught and be prosecuted. There was a man, Mr. Mitchell, who represented the biggest big business in this country, a business that goes into all the nations of this earth. Not only is he dealing with the people of America, but he is dealing with people all over the world. Did he pay any attention to the law? Why, no; he paid no attention to it. He does not think the law is made for him.

PRESENT ADMINISTRATION COMMENDED

I commend the present administration for the effort it is making to bring to justice these men who have absolutely robbed the American people in the last few years through foreign stocks and bonds, and who believe that laws are made for others to be governed by. [Applause.] It occurs to me that they are guilty of using the United States mails to defraud. I have every reason to believe that prosecution will continue; I hope it does.

LOOPHOLES IN TAX LAWS

There is Mr. Mitchell. He felt that he should not pay a tax to the United States Government on the profits that he had made. He sought a loophole in the tax laws. He did not have a particular loophole, so he made a loophole in the tax law for himself. He went before a Senate committee and boldly said that he deliberately refused to pay the United States Government any income tax in 1929.

TAX EVADER MITCHELL

How did he do that? His income in 1929 amounted to $3,006,705.16. If anyone should help support the Government of the United States, it is a man who can pay in proportion to his ability to pay, pay in proportion to the profits made by reason of the protection of the laws of this country. But not a penny of tax did he pay in 1929, although his income was in excess of $3,000,000. How did he do it? On December 20, 1929, just before the end of the year, he, in effect, writes a note to his wife in their own home, "I hereby transfer to you so many shares of bank stock", stock that was selling at the beginning of the year for a high price, but then at a low price. That gave him a sufficient paper loss to offset his profits for the year. He was careful not to let the stock get beyond his reach and control. His wife took the stock—I doubt that the stock was actually transferred. I imagine it was all done just by word of mouth. The transfer was made, and then on March 20, 1930, which was 5 days after the time that the income-tax return was to be filed for 1929, his wife transferred the stock back to him, but instead of transferring it back at $40 a share, the price of the National City Bank stock on that day, it was transferred back at $212 a share.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

ABOLISH SECRET TAX RETURNS

Mr. PATMAN. It was transferred back at $212 a share, in order, I presume, that he might take an additional loss at the end of the year 1930. Now, it is men like that who have absolutely flooded our country with worthless stocks and bonds and who then refused to contribute their part to the support of the United States Government. I do not claim all bankers and big business men are like Mr. Mitchell. Income-tax returns are secret. Secrecy is a badge of fraud. Remember, Messrs. Morgan, Mellon, and Mitchell are the ones who have been controlling the currency system of this country.

SAVIORS OF COUNTRY

The people who build our country in time of peace, who make the largest contribution to it, and the people who save our country in time of war, by making the largest contribution in manpower, are the farmers and the wage earners of this country. The banking system that those men controlled has not been functioning in the interest and welfare of these two great classes.

BANKING FACILITIES FOR FARMERS AND WAGE EARNERS NEEDED

In the first place, practically all wealth comes from the land, and this great Federal Reserve System of ours has been discouraging the loaning of money on collateral security that was in any way connected with land. "Oh, get that paper out of these banks. We do not want it", the bank examiners tell the bankers. Where is the farmer going for loans? The paper that he must give to get money to make a crop the Federal Reserve System does not want. They have been discouraging the handling of that paper.

THE FEDERAL RESERVE SYSTEM USES THE CREDIT OF THE NATION FREE OF CHARGE

Where will the farmer get his money? Where are the wage earners going to get banking accommodations and facilities for their use? Something must be done to establish one for their use. I hope the administration will consider, and I know it will, in connection with the banking reform, that it contemplates that the Government should either get into the banking business or get out of the banking business. There is no justification for the Government to be in the Postal Savings business unless it will extend the privilege so that checks can be given and ordinary banking accommodations be received by customers of that institution. [Applause.]

GOVERNMENT SHOULD EITHER GET IN OR GET OUT OF BANKING BUSINESS

The Government should either get into the banking business or get out of the banking business. Private banks do not want to lend money on land. They do not want the farmer's paper. They do not want the wage earner's paper. They have been discouraging it. So if this Government wants to do something that will aid the greatest number, it should do something quickly that will aid these two great classes, the farmers and wage earners.

MONEY BACKED BY GOLD

Yesterday I saw a very interesting article that emanated from the Treasury of the United States, which disclosed the amount of money in circulation. I want to briefly discuss that with you. There were listed Federal Reserve notes in the amount of $3,000,000,000. They are backed by 40 percent gold and eligible paper. Gold certificates, $591,000,000, which are backed by 100-percent gold. Outside of that the other money that is outstanding is not backed by one penny of gold. There are billions of dollars of it not backed by a penny of gold. Is it sound money? It is absolutely sound, because the credit of this great Government is behind it. That is the reason it is sound. We do not need a dollar of gold reserve behind the money that we use here in America. Why have gold behind it? We have all the country behind it, the best security that can be offered, including the gold; so why set aside a specific gold reserve as coverage for paper money? It is useless, needless, and unnecessary. The only time we need gold is to settle balances with foreign countries.

The SPEAKER. The time of the gentleman from Texas [Mr. PATMAN] has again expired.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROPOSALS

Mr. PATMAN. Our President is doing everything in his power to get our country started back on the road to permanent recovery. I expect to cooperate with him; I intend to give him my support and assistance. Without expressing dissatisfaction with the present administration and with the understanding that I am not impatient but realize that it takes time to solve these great problems, I want to suggest a few of the proposals that I should like to see considered in connection with future legislation:

First. Get the bankers out of the manufacturing, transportation, insurance, and utility business. Remember what Jefferson said about the banks that control the issue of currency and the corporations that will grow up around them. The Chase National Bank has directorships in 2,023 and the National City has directorships in 4,019 such concerns; both extend into foreign countries.

Second. Separate commercial and investment banking.

Third. Get the Government out of private business and get the bankers out of the Government's business. The issuance of money is a governmental function. One of Mr. Mellon's banks in Pittsburgh made 200 percent net profit last year using the Government credit free.

Fourth. The Federal Reserve System should either be overhauled, taken over by the Government, or abolished. The people are entitled to a safe place to put their money.

Fifth. Benjamin Franklin once said: "We must either decrease our wants or increase our means; the result will be the same." Our debts and taxes must be lowered or our currency must be expanded so we can pay them. We must either cheapen money or cheapen the people.

Sixth. Buying power must be restored to the people. Money sent to the people by the way of the banks does not reach them. If money can be paid directly to them, in some way, and they place it in the banks we will get expansion of the currency and restored confidence. The banks must protect their stockholders and depositors; buying power must be restored before credit is again established.

Seventh. The wealth of the Nation is concentrated into the hands of a few people. There should be a limit to the amount any one person can retain in net profits in 1 year and the amount that any one person can inherit. A part of the money collected in this way should be used to help old people, the sick, the infirm, widows, and other unfortunates in need without reference to military service. Should any one person granted the privileges of the Government and the protection of its laws be permitted to keep more than a million dollars a year of his net income after paying all expenses, or be allowed to retain more than five or ten million dollars of an inheritance?

Eighth. The idle rich are escaping the burden of taxation through the ownership of tax-exempt securities. I am sponsoring a resolution (H.Res. 594) to amend the Constitution in order that tax-exempt securities may be eliminated. A owns a $5,000 home on which he pays a tax. B owns a $5,000 bond that is tax-exempt. A helps to support the governments, local, State, school districts, and so forth. B does not pay a penny of tax to either the local or National Government.

Ninth. Income-tax returns should be subject to public inspection. Refunds to Mellons, to Mellon companies, and to other individuals and corporations during the last 12 years aggregate more than 3½ billion dollars. Many of these refunds would not have been made if the people had been permitted to get the truth. I do not believe we would have a deficit in the Treasury today if income-tax returns, war profits, excess profits, refunds, credits, and abatements had been subject to public inspection. I have introduced a bill (H.R. 4103) providing that transactions shall constitute public records and shall be open to examination and inspection under such rules and regulations as the Commissioner, with the approval of the Secretary of the Treasury, shall prescribe.

Tenth. During the last 12 years the Government has manifested too much interest in giving capital a guaranteed return and too little interest in allowing the farmers and wage earners to make a living. It is the Government's duty to protect the weak against the strong. A wise and frugal Government will restrain men from injuring one another. It is not right for people to be starving in a land of plenty, while many of our citizens who are given special privileges and favors by the Government are receiving from one to thirty million dollars a year net income. Maldistribution and underconsumption constitute a menace.

Eleventh. We finance farm mortgages. The Government credit should be extended to enable the farmers to obtain a very low interest rate.

MONEY

Eleven denominations of paper currency in current use. One-dollar certificates last on an average of 8 or 9 months; $2 certificates about 3 months longer; $5 certificates over a year, and so forth. The largest denomination, a $10,000 certificate, lasts almost indefinitely.

Over half of the number of notes and certificates in circulation are of $1 denomination.

June 1, 1931, there were presumed to be in the hands of the public (much of it in Treasury and Federal Reserve banks not in circulation)—

One-dollar, 487,000,000	$487,000,000
Two-dollar, 26,000,000	52,000,000
Five-dollar, 153,000,000	765,000,000
Ten-dollar, 132,000,000	1,320,000,000
Twenty-dollar, 72,000,000	1,440,000,000
Fifty-dollar, 6,000,000	300,000,000
One-hundred-dollar, 4,000,000	400,000,000
Five-hundred-dollar, 227,000	113,500,000
One-thousand-dollar, 209,000	209,000,000
Five-thousand-dollar, 5,352	26,760,000
Ten-thousand-dollar, 8,461	84,610,000
Total	5,197,870,000

Much of this money is in foreign countries, lost at sea, rotted in the ground, hoarded by banks and individuals.

The Bureau of Engraving and Printing turns out about $10,000,000 a day, normally, but during the recent rush it worked day and night and turned out about $60,000,000 in new money each day.

It will be noticed that $1,133,870,000 of the paper money that was outstanding was in bills of the denomination of $50 and up to $10,000. Very little of this was in actual circulation.

THE GOVERNMENT'S MODERN PRINTING PLANT

Six kinds of paper currency are now being issued. Gold and silver certificates, United States notes, national-bank notes, Federal Reserve notes, and Federal Reserve bank notes.

This money is printed in a modern manufacturing plant here in Washington, D.C., the Bureau of Engraving and Printing. It has 10 acres of floor space and employs 5,000

people; it annually produces $4,000,000,000 in new money, $465,000,000 in postage stamps, and hundreds of millions of dollars in bonds and other securities. The paper used can only be obtained by the United States Government.

Mr. HASTINGS. Mr. Speaker, I have heretofore detained the House a number of times on the question of refinancing farm mortgages. I think it is one of the most important questions before the country. I am glad to know that the President has included that important subject in his program. I saw in the press yesterday that an amendment may be offered in the Senate to the agricultural relief bill which the House passed a few days ago for the refinancing of farm mortgages. For that reason we may not have time to fully discuss the question of refinancing farm mortgages when the bill comes back to the House. I want to bring to the attention of the House some statistics prepared by the Associated Press and published in all the leading newspapers on yesterday. They are as follows:

FIGURES GATHERED FOR PRESIDENT SHOW PLIGHT OF FARMERS—PRICE OF PRODUCTS DROPS AVERAGE OF 60 PERCENT SINCE 1928

Statistics gathered by the Department of Agriculture for President Roosevelt show in figures what the farmers' troubles are.

Since 1928 the prices of the things the farmer grows have dropped an average of 60 percent. The things he buys have dropped only 29 percent.

Since 1910 farm-mortgage indebtedness has risen from $4,320,470,000 to $9,241,390,000.

Forty-two percent of all farms were mortgaged in 1930.

In the fiscal year 1931–32, 2.84 percent of all farms were lost through foreclosure.

From 1913 to 1930 farm taxes increased 2½ times.

In 1931 these taxes took 47.2 percent of the money the farmer had left after other expenses that had to be paid in cash had been met.

Agriculture's gross income dropped from around $12,000,000,000 in 1929 to $5,200,000,000 in 1932.

The value of farm lands has dropped 50 percent since 1920.

The farmers' share of the national income dropped from around 17 percent in the period between 1914 and 1919 to less than 7 percent in 1932.

Mr. Speaker, I think the facts upon which these figures are based show the figures to be very conservative. Since 1928 the prices of the major farm products—wheat, corn, and cotton—have dropped more than 60 percent. Wheat to the farmer sells at present around 30 cents per bushel, corn about 20 cents per bushel, and cotton around 6 cents per pound.

While the farm-mortgage indebtedness is given as $9,241,390,000, the additional farm indebtedness other than that secured by real-estate mortgages is estimated around $4,250,000,000; and the farmers' total indebtedness, therefore, reaches the stupendous sum of $13,500,000,000. The Associated Press figures give 42 percent of all farms mortgaged in 1930. In the East the percentage is lower, while in some sections in the Middle West the percentage of mortgaged farms is much higher. It is estimated in certain counties in my State that 65 percent of the farms are now held in foreign ownership.

The figures collected by the Associated Press for the fiscal year 1931–32 state that 2.84 percent of all farms were lost through foreclosure. This, in my judgment, is ultraconservative.

The above figures give farm taxes as having increased two and one half times from 1913 to 1930. This is an extraordinary statement and yet one that I am sure is true.

It is also stated that the taxes took 47.2 percent of the money the farmers had left after other expenses had been met. I feel sure that in my State there is little, if anything, left to the farmer after the payment of the upkeep on his farm, and his taxes. However, ad valorem taxes are a subject for State legislation.

The gross income has been reduced in 3 years from $12,000,000,000 in 1929 to $5,200,000,000 in 1932. The above figures estimate the value of farm lands as having dropped 50 percent since 1920. The truth is throughout the great agricultural sections of the Nation there is little or no cash sale for farm lands at the present time. The last statement contained in the Associated Press figures is that the farmers' share of the national income dropped from around 17 percent in 1914 to less than 7 percent in 1932.

These figures are impressive and should compel action by the Congress.

I hope that legislation on the subject, whether by way of a Senate amendment to the farm relief bill or by way of separate legislation enacted in Congress, will cover the following points: First, this legislation, while of an emergency nature, should be made permanent; second, the amount authorized should be adequate in amount, although it will require a large sum of money; third, these loans should be made at a low rate of interest, not to exceed 3 percent, and upon long terms payable upon the amortization plan at not to exceed 1 percent per annum additional. Otherwise the farmers of the country will not be induced to return to the farms and assume these obligations, improve them, and attempt to pay their way out. I sincerely hope any legislation which may be enacted may embody these things—namely, an adequate amount of money to meet the situation, a low rate of interest with long terms of repayment, and repayment to be made upon the amortization plan. In my judgment, nothing is more important in the President's program, and I am glad to give it my most earnest support. [Applause.]

Mr. WEIDEMAN. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WEIDEMAN. Mr. Speaker, to take up where the gentleman from New York left off in the matter of persecution, we have another form of persecution in our State. The gentleman from New York talked about the accident of birth; and it is an accident. I am no more responsible for being born white than you are. I am no more responsible for being big than you are for being small. Color, creed, and such things we have no control over, but there are things over which we have control, and we should exercise it over these things. One of these things is the welfare of our people.

In my city today there are 200,000 people on the public welfare rolls. Out of 3,700 policemen, 2,600 are dependent upon welfare for the very food they eat. This is an unhealthy condition and jeopardizes the entire administration of justice.

I am speaking in support of House Resolution 58, introduced by one of my colleagues from Detroit [Mr. DINGELL], which resolution calls for an investigation of the banking situation of my State and the way this situation has been handled. There are some things in connection with the banking situation that I should like to know about.

I should like to know why, as a Member of Congress, I was denied the privilege and right of sitting in a meeting that was had between some of the representatives of the stockholders, depositors, and directors of those banks, and the Secretary of the Treasury last Saturday. Is there anything mysterious about the banking situation in Detroit? Is there anything that cannot bear the light of day?

I should like to have this investigation so I can find out why it was that a certain bank, able to stand a "run", was forbidden to open. Within 3 weeks after one of the largest banks in the State of Michigan closed, it was perfectly able to carry on, able to stand a run with a little assistance, but a gentleman in the Treasury Department, Mr. Awalt, I am informed, forbade the bank to open. These are things we are entitled to know.

Mr. BOYLAN. Mr. Speaker, will the gentleman yield?

Mr. WEIDEMAN. I yield.

Mr. BOYLAN. The gentleman requested permission to sit in this conference?

Mr. WEIDEMAN. Yes; I did.

Mr. BOYLAN. Was it denied?

Mr. WEIDEMAN. It was denied; absolutely.

Mr. BOYLAN. Who denied it?

Mr. WEIDEMAN. Both Mr. Woodin and Mr. Watkins.

Mr. BOYLAN. On what grounds?

Mr. WEIDEMAN. On the ground that it was a conference with Mr. Watkins by appointment; that I as a Congressman was not an invited guest; and the hearing was closed to me, a Congressman having the interest of my district at heart at a time when there are hundreds of thousands of people starving whom I was endeavoring to help.

Mr. BOYLAN. Did the gentleman have something to contribute to this conference?

Mr. WEIDEMAN. Yes; I did.

Mr. BOYLAN. And the gentleman was not permitted to contribute it?

Mr. WEIDEMAN. I was not. Now, I am rather suspicious that our Secretary of the Treasury is getting bad advice from Mr. Ballantine, Mr. Meyer, Mr. Mills, Mr. Awalt, and others, and has not secured good information.

The Reconstruction Finance Corporation sent a man out to Detroit. I want to find out by what authority he (Mr. John McKee) went there to tell the bankers there, and the stockholders of the Union Guardian that if they raised $5,000,000 the Reconstruction Finance Corporation would raise $20,000,000 for the bank. This was on the 4th of March. On the 5th of March they made an appointment to meet him in the board room on the thirty-second floor of the Union Guardian Building on March 6, but on March 6 he had checked out of the Book-Cadillac and taken the Wabash train and gone to Chicago, leaving our city in that pitiful condition.

I want to know why one of the strongest banks of this country, able to continue in business and to save half of the State banks of Michigan was not allowed to open its doors to meet the situation. Just one bank, the Union Guardian, may have been in poor condition; but the handling of the situation in Michigan destroyed the entire banking structure of the State of Michigan. It is time to stop faking about the banking situation.

PEOPLE REDUCED TO PEONAGE

Our people now are in terrible condition. I have statements here from factory workers. Here is one from an employee of the Hup Motor Car Co., a photostat of a check for 46 cents representing 2 weeks' pay; of course he did no work 2 weeks but was available for work; another from an employee of the Hudson Co. for 15 cents; another check from the Hudson Co. for 14 cents. What a sense of satisfaction must come to a man to take home to his wife and family a check for 2 weeks' work for 14 cents! It has cost him $1.20 car fare if he reported for work every day. I have an instance from the Briggs Co., the case of a lady who had worked for Briggs for 15 years. She worked from 7:30 a.m. to 10:30 p.m. The Briggs Co. gives its employees half an hour at noon and half an hour at night. This girl got $15 for 2 weeks' work, and out of that $15 was taken $3 for insurance and welfare. Think of it; such wages for 2 weeks' work, working from 7:30 a.m. to 10:30 at night. I tell you the lot of the employee in the city of Detroit today is no cinch.

They work you hard and you do not have any choice about it. These are conditions that I want investigated. I could go on in this way endlessly. Why, they pay out checks for 2 cents, and this is worse than anything you have in your town.

We have a beautiful city. We have one of the finest manufacturing cities in the world, but it appears to me there has been a deliberate attempt there by some forces, and I believe they are the forces to which the gentleman from Texas [Mr. PATMAN] referred, to deliberately get control of our banking situation and control wages; at least we have this result. The State banks in Michigan are crushed, the national banks are crushed, they are not operating and things are in a terrible condition. We must have aid.

CHILDREN STARVING

I ask you to support the resolution of the gentleman from Michigan [Mr. DINGELL] and try to give us some help so we can find out what is wrong. We know what is wrong, but I want it brought out publicly and as a matter of record so our folks will not be compelled to starve, and we will not see little children 6 or 7 or 8 years old going from garbage pail to garbage pail to pick out morsels of food to eat. I do not want the condition brought about again where children must go to school in the morning without breakfast and without lunch and fall down sick and palsied from lack of food.

Is this our American civilization of which we boast?

My friends, I could take you back of my office building in the city of Detroit to a restaurant where they throw out their refuse at noon and you will find there forty or fifty men waiting to pounce upon these remnants just as wolves do, scrambling to get the choice morsels that the people who do happen to eat throw away.

These are the conditions against which I protest, and I was denied the privilege of sitting in this meeting Saturday. They may have thought that I would not be pledged to secrecy on matters that pertain to the destruction of the entire banking system of the State of Michigan, and conditions that tend to a continuation of the pauperism of the people of my city. I shall never be bound to secrecy on any such matters. If the condition is healthful it can stand the sunlight, and if it is contaminated the sunlight might tend to renovate it.

Mr. DUNN. Will the gentleman yield?

Mr. WEIDEMAN. I yield to the gentleman.

Mr. DUNN. Is the gentleman under the impression that I was just referring to one State when I spoke about the condition of unfortunate women and girls? I referred to every State in the Union, and I condemned every State in the Union.

Mr. WEIDEMAN. I stand squarely behind the gentleman from Pennsylvania, and the gentleman and I are going to get along all right on this matter.

Mr. GOSS. Did I understand the gentleman to say that women are working in the industries of Michigan from 7:30 in the morning until 10:30 at night?

Mr. WEIDEMAN. Yes; and I have a list of them right here.

Mr. GOSS. Does not the State of Michigan have laws regulating the hours of work of women in industry?

Mr. WEIDEMAN. Yes; and let me tell the gentleman how they work this. They will check them in on one time clock, and when they have worked the statutory period, they use another time clock so you cannot prosecute them; and in addition to this, the gentleman probably knows as well as I do what happens when you try to prosecute a big industrialist. But this is not done at Ford's or all the factories. You know you do not get anywhere with such a prosecution. That is the practical side of the thing and that is the hypocrisy of it.

WAGE SCALE AN INSULT TO AMERICAN CIVILIZATION

My friends, these women work on these high-speed drill presses and at mass-production jobs at top speed and average only 15 cents an hour. Here is a woman whose first name is Mary—and I shall not give her last name—who operates a drill press and she has worked for them 5 years. Her rate was 20 cents an hour, but she lost her tool checks and they fined her $5 because she lost them. She is married and her husband is out of work and she has five children. Is not this a great state of American civilization when a woman is compelled to support her husband, who is unable to find work, and five children, because her husband has been deprived of an opportunity to work?

Mr. GOSS. I may suggest to the gentleman that he take this matter up with the officials of the State of Michigan, because this is a terrific indictment the gentleman is making.

Mr. WEIDEMAN. The gentleman needs no suggestion about taking care of the matter. That is why I am here today. I want to make this a matter of public record, and what I say here can be substantiated.

Mr. GOSS. I hope the gentleman will follow it up.

Mr. KELLER. Will the gentleman yield?

Mr. WEIDEMAN. Yes.

Mr. KELLER. Why do we not accept the plain, unadulterated fact that industry is national and not State, and go

at it from that viewpoint, because that is the only way we are ever going to do anything about it?

Mr. WEIDEMAN. I agree with the gentleman.

I should like to call the attention of the Members to this case of a man who is a toolmaker. They say this is a specialized industry. They work the employees from 14 to 18 hours a day for 2 months and then lay them off for 10 months. This is the kind of employment we get. We should aim through Federal laws to give uniform employment, so that a man can work throughout the year. You are just as hungry in June as you are in January, but it is not quite as hard to get food in June.

Mr. RICH. Does not the gentleman believe it would be a wise thing if we could have the Government create a minimum wage scale for males and females the country over?

Mr. WEIDEMAN. Yes; I agree with the gentleman.

Mr. RICH. I have been advocating that for the last year or more, and have been trying to get the assistance of those in authority, but we cannot seem to get anywhere.

Mr. WEIDEMAN. My friend, do you not know the reason you cannot do that? It is because many Members of Congress do not ask their people how to vote on these things and are unacquainted with conditions.

[Here the gavel fell.]

Mr. KVALE. Mr. Speaker, I ask unanimous consent that the gentleman be given 2 minutes more.

The SPEAKER. Is there objection?

There was no objection.

WHY DON'T THE BANKERS TELL THE TRUTH

Mr. WEIDEMAN. On this bank proposition in Detroit, they had gone ahead with the scrip plan—they proposed to issue scrip to settle the bank problem. It was decided to issue scrip to the amount of 5 percent of the gross deposits of the four banks which were members of the clearing house.

The decision was made on Tuesday. Bids for printing were offered by the Calvert Lithographing Co., and among others the Gregory, Mayer & Thom Co. The Calvert Co. got the contract and began printing. It was said that the scrip would be available on the following Monday morning and that all would be well again.

Sunday afternoon came, and it was evident that some snag had developed. There was great secrecy about it. Every effort was made to keep the situation from the newspapers. Then about 10 o'clock Sunday night came the announcement by Henry Ewald that counterfeiting had been discovered, and the formal statement was being prepared.

Presently it came in a written statement signed by Robert O. Lord, president of the Guardian, and Wilson W. Mills, chairman of the board of the First National. They said counterfeit copies of the scrip had appeared in Detroit. This before a single scrip had been issued to the public.

It was afterward found that it was not a counterfeit, that it was the actual sample submitted by the Gregory, Mayer & Thom Co. to show what they could do in bidding for the printing contract. This was formally acknowledged the next day by both Lord and Mills, who said that it was a "terrible mistake." Such things as these do not build confidence in our banking system or its leaders.

[Here the gavel fell.]

Mr. DUNCAN. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. DUNCAN. Mr. Speaker, usually we hear only from the critics among those who are affected adversely by our act, and it is gratifying occasionally to have words of commendation. I want to read a resolution from the Macdonald-Dugger-Duncan Post, No. 11 of the American Legion, of St. Joseph, Mo., concerning the President's economy bill. It is dated March 22, and reads as follows:

MACDONALD-DUGGER-DUNCAN POST, No. 11,
St. Joseph, Mo., March 22, 1933.

Resolution

Be it resolved by Macdonald-Dugger-Duncan Post, No. 11, of St. Joseph, Mo., as follows:

Whereas that in this time of national emergency the members of this post realize that there is an urgent demand and necessity for a reduction in governmental expenditures; and

Whereas our President has recommended to Congress and Congress has enacted into law legislation which authorizes the President to curtail governmental expenditures: Therefore be it

Resolved by the membership of this post, That we commend and congratulate the President for his efforts in securing this legislation and tender an offer of such assistance, individually and as a post, of any services which we may be able to render in this emergency: Be it further

Resolved, That a copy of this resolution be forwarded by the adjutant of this post to the President.

MACDONALD-DUGGER-DUNCAN POST, No. 11.

[Applause.]

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. TRUAX. Mr. Speaker, ladies and gentlemen of the House, I am heartily in accord with what the gentleman from Oklahoma [Mr. HASTINGS] said concerning the condition of American agriculture. The most pressing, the most vital issue concerning the farmers of this country and the home owners of the country today is a moratorium or suspension of foreclosures. An average of 5,000 farms and homes are confiscated daily by the moneylenders of this country. We have on the way to this house this week another phase of the President's program that proposes to refinance the farms and the homes of this country. In the face of what is coming to us if we refuse to take action, are we not a party to this confiscation that is going on in the country day by day? Is it not our duty to enact legislation that will give to these people the same protection that will be given to others later on?

Ten years ago I predicted the coming of a farm peasantry. Today that peasantry is here, and

> Bowed by the weight of centuries he leans
> Upon his hoe and gazes on the ground,
> The emptiness of ages in his face,
> And on his back the burden of the world.
> Who made him dead to rapture and despair,
> A thing that grieves not and that never hopes?

I know the American farmer is not a hoe farmer. Nevertheless he leans heavily upon his high-priced tractors and machinery and equipment. The emptiness of certain foreclosure is in his face, and on his back the crushing burden of mortgage indebtedness that is bearing him to the ground. So I say to you, let the strong arm of the law step in today and say to these moneylenders, You shall not sell out these worthy people until they, too, by the provisions that will be made for them—through money that will be loaned to them—shall have an opportunity to work out their salvation.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. RICH. Are not the moneylenders the gentlemen speaks of the banks who have loaned to the farmers for the account of depositors in the bank?

Mr. TRUAX. I would say not. I would say that the moneylenders who are foreclosing today are the insurance companies, who have been loaned millions by the Reconstruction Finance Corporation. And also they can foreclose by State banking departments. That is particularly true in Ohio. The country banks have been most lenient of all the moneylenders with reference to foreclosing upon their properties; but what these farmers need today, what they must have, is to be refinanced at lower rates of interest. Any farmer today who is compelled to pay more than 3 or 4 percent for his loans cannot live. They all have to pay more. When they borrow money from the Reconstruction Finance Corporation on their livestock they are paying 7 percent interest back in Ohio, and when they borrow money for seed loans I think the interest is 6 or 7 percent. With the present price level they simply cannot make the grade and pay such interest.

If I am correctly informed, we have in the Federal Farm Board a cotton reliever who is drawing a salary of $75,000 a year and a wheat reliever who is drawing a salary of $50,000

a year. In other words, it takes 2,500 bales of cotton to pay the cotton reliever for one year and 150,000 bushels of wheat to pay the wheat reliever for one year.

The SPEAKER. The time of the gentleman from Ohio has expired.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. LEE of Missouri, for 10 days, on account of sickness in his family.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was signed by the Speaker on March 24, 1933:

H.R. 3757. An act to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did, on March 24, 1933, present to the President, for his approval, a bill of the House of the following title:

H.R. 3757. An act to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases.

ADJOURNMENT

Mr. SEARS. Mr. Speaker, I make the point of no quorum.

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 5 minutes p.m.), in accordance with the order heretofore made, the House adjourned until Wednesday, March 29, 1933, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

6. A letter from the Secretary of War, transmitting a report from the Chief of Engineers, pursuant to House Document No. 308, Sixty-ninth Congress, on James River, N.Dak. and S.Dak.; to the Committee on Rivers and Harbors.

7. A letter from the Secretary of War, transmitting a report from the Chief of Engineers, pursuant to the Rivers and Harbor Act approved July 3, 1930, on preliminary examination and survey of Paradise Creek, Portsmouth, Va., together with accompanying papers and illustrations; to the Committee on Rivers and Harbors.

8. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Justice for the fiscal year 1933, to remain available until June 30, 1934, amounting to $25,000 (H.Doc. No. 8); to the Committee on Appropriations and ordered to be printed.

9. A letter from the Secretary of Agriculture, transmitting a report, pursuant to request made under House Resolution No. 69, Seventy-third Congress, based on the study made by the Bureau of Agricultural Economics pertaining to farm mortgage debts and the refinancing thereof (H.Doc. No. 9); to the Committee on Agriculture and ordered to be printed, with illustrations.

10. A communication from the President of the United States, transmitting for the consideration of Congress the estimates of annual and permanent appropriations for the District of Columbia for the fiscal year 1934 amounting to $32,999,700 (H.Doc. No. 10); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. RAMSPECK: Committee on Labor. H.R. 3905. A bill for the relief of unemployment through the performance of useful public work, and for other purposes; with amendment (Rept. No. 13). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIRKSEN: A bill (H.R. 4215) to impose a tax upon the sale of certain motor fuel; to the Committee on Ways and Means.

By Mr. CHRISTIANSON: A bill (H.R. 4216) to amend the provisions of the Revenue Act of 1932 relating to the tax on gasoline, and for other purposes; to the Committee on Ways and Means.

By Mr. BLOOM: A bill (H.R. 4217) to amend the naturalization laws in respect of residence requirements, and for other purposes; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 4218) to give certain civil-service employees of the War Department credit, under the Retirement Act of May 22, 1920, and such act as amended, for service rendered as telephone operators between March 1, 1918, and August 15, 1925, inclusive; to the Committee on the Civil Service.

Also, a bill (H.R. 4219) to amend the naturalization laws in respect of residence requirements, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. SUMNERS of Texas: A bill (H.R. 4220) for the protection of Government records; to the Committee on the Judiciary.

By Mr. BRUNNER: A bill (H.R. 4221) authorizing appropriation of funds for construction of a Federal highway from Fort Tilden, N.Y., to the border of Connecticut; to the Committee on Roads.

By Mr. RAYBURN: A bill (H.R. 4222) to amend section 5 of the Interstate Commerce Act, as amended, relating to the consolidation and acquisition of control of carriers by railroad, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WEIDEMAN: A bill (H.R. 4223) to clarify the provisions of the immigration law relative to exclusion and deportation of certain aliens who have criminal records, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. HAINES: A bill (H.R. 4224) to authorize the Postmaster General to hire vehicles from postal employees; to the Committee on the Post Office and Post Roads.

By Mr. STRONG of Pennsylvania: A bill (H.R. 4225) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Parkers Landing in the county of Armstrong, Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

By Mr. KNUTSON: A bill (H.R. 4226) providing for the withdrawal and sale of vacant agricultural and pine lands in Lake of the Woods County to the State of Minnesota as a game preserve; to the Committee on the Public Lands.

By Mr. SAM B. HILL: A bill (H.R. 4227) to provide that the tax upon electrical energy shall be paid by the vendor; to the Committee on Ways and Means.

By Mr. SABATH: A bill (H.R. 4228) to amend the Emergency Relief and Construction Act of 1932; to the Committee on Banking and Currency.

By Mr. MOTT: A bill (H.R. 4229) for a preliminary examination and survey of Seaside Harbor, in the State of Oregon; to the Committee on Rivers and Harbors.

By Mr. BRUNNER: A bill (H.R. 4230) to amend the Federal Home Loan Bank Act to provide for the making of loans by the banks to home owners; to the Committee on Banking and Currency.

By Mr. KELLER: A bill (H.R. 4231) to provide for a retirement system for railroad and transportation employees, to provide unemployment relief, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GLOVER: A bill (H.R. 4232) to regulate interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. CONDON: A bill (H.R. 4233) to restore the 2-cent postage rate on certain mail matter; to the Committee on Ways and Means.

By Mr. BANKHEAD: A bill (H.R. 4234) to provide for the redistribution of the overbalance of population in industrial centers by aiding in the purchase of subsistence farms, and for other purposes; to the Committee on Agriculture.

By Mr. IMHOF: A bill (H.R. 4235) to provide for State ownership and operation free of charge of certain interstate bridges; to the Committee on Interstate and Foreign Commerce.

By Mr. BRUNNER: Resolution (H.Res. 75) requesting the Department of State to call on the German Government to cease denying the fundamental and inalienable rights of those who may be resident in Germany; to the Committee on Foreign Affairs.

By Mr. SABATH: Joint resolution (H.J.Res. 122) requesting and authorizing the President and Attorney General to issue orders dismissing all pending cases and orders of injunction arising under the Volstead Act; to the Committee on the Judiciary.

By Mr. BLOOM: Joint resolution (H.J.Res. 123) authorizing the Postmaster General to make a just and equitable compensation for the past use in the Postal Service of a certain invention and device for the postmarking of mail packages and for the more permanent cancelation of postage stamps during the time the said device was in use by the Post Office Department, not exceeding or going beyond the life of the letters patent thereon; to the Committee on Claims.

Also, concurrent resolution (H.Con.Res. 9) authorizing the acceptance of the gift of a stone tablet bearing the conjoined escutcheons of the Washington and Standish families to be placed in the Capitol; to the Committee on the Library.

By Mr. DIRKSEN: Concurrent resolution (H.Con.Res. 10) requesting the President to pardon persons suffering imprisonment for violation of the National Prohibition Act; to the Committee on the Judiciary.

By Mr. SIROVICH: Concurrent resolution (H.Con.Res. 11) to request assurance of the German Government for absolute equality of rights for its racial and religious minorities; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of Massachusetts, memorializing Congress for the passage of legislation relative to the labelling of foreign-made goods; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of Maine, memorializing Congress to provide for a wider use of granite in Federal construction; to the Committee on Public Buildings and Grounds.

Memorial of the Legislature of the State of Wisconsin, memorializing Congress to issue $13,000,000,000 in currency to finance necessary public works and to make loans to farmers and to liquidate frozen assets; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of New York, memorializing Congress to enact appropriate legislation to prohibit the appointment of banking institutions as receivers; to the Committee on the Judiciary.

Memorial of the Legislature of the State of West Virginia, memorializing Congress to pass a bill for the refinancing of farm mortgages; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of Kansas, memorializing Congress to pass the Farmers' Farm Relief Act; to the Committee on Agriculture.

Memorial of the Legislature of the State of Nevada, memorializing Congress to increase the tariff on copper; to the Committee on Ways and Means.

Memorial of the Legislature of the State of Utah, memorializing Congress to appoint a committee to investigate the administration and control by the Bureau of Biological Survey of the Bear River Migrating Bird Refuge; to the Committee on Rules.

Memorial of the Legislature of the State of Arizona, relative to providing for the retention of veterans' benefits; to the Committee on World War Veterans' Legislation.

Memorial of the Legislature of the State of Arizona, relative to foreign-trade and commerce; to the Committee on Ways and Means.

Memorial of the Legislature of the State of Arizona, relative to the allotment of lands in the Colorado River Indian Reservation and the reclamation of the said lands; to the Committee on Irrigation and Reclamation.

Memorial of the Legislature of the State of Arizona, protesting the extension of certain Federal-reserved areas within Arizona; to the Committee on the Public Lands.

Memorial of the Legislature of the State of Arizona, memorializing Congress relative to the Grand Canyon National Game Preserve; to the Committee on Agriculture.

Memorial of the Legislature of the State of Arizona, memorializing Congress to consider legislation requiring the blending of ethyl alcohol with petroleum fuels used in internal-combustion engines; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAMS: A bill (H.R. 4236) granting an increase of pension to Mary A. Quillen; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4237) granting an increase of pension to Ella Slaughter; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4238) granting an increase of pension to Emma M. Carrow; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4239) granting an increase of pension to Maggie A. Lauderbough; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4240) granting a pension to Margaret Robinson; to the Committee on Invalid Pensions.

By Mr. ALLEN: A bill (H.R. 4241) for the relief of Bernard V. Wolfe; to the Committee on Claims.

By Mr. BANKHEAD: A bill (H.R. 4242) granting a pension to Sarah B. Cordell; to the Committee on Pensions.

By Mr. BEEDY: A bill (H.R. 4243) for the relief of Charles R. Daggett; to the Committee on Military Affairs.

By Mr. BLACK: A bill (H.R. 4244) for the relief of the Washington Post Co.; to the Committee on Claims.

Also, a bill (H.R. 4245) for the relief of Laurence R. Lennon; to the Committee on Claims.

Also, a bill (H.R. 4246) for the relief of Roland Morgan; to the Committee on Military Affairs.

Also, a bill H.R. 4247) for the relief of Henrietta Jacobs; to the Committee on Claims.

Also, a bill (H.R. 4248) for the relief of Fred J. Byers; to the Committee on Claims.

Also, a bill (H.R. 4249) for the relief of the Great American Indemnity Co. of New York; to the Committee on Claims.

Also, a bill (H.R. 4250) granting a pension to Hugh Brennan; to the Committee on Pensions.

By Mr. BLOOM: A bill (H.R. 4251) to authorize the presentation of a Distinguished Service Cross to Ralph Ellsworth Ladue; to the Committee on Military Affairs.

Also, a bill (H.R. 4252) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Mary Elizabeth O'Brien, a former employee of the United States Veterans' Bureau; to the Committee on Claims.

Also, a bill (H.R. 4253) for the relief of Laura Goldwater; to the Committee on Claims.

Also, a bill (H.R. 4254) granting an increase of pension to Martha J. Constant; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4255) for the relief of Eugene McGirr and Rose McGirr; to the Committee on Claims.

Also, a bill (H.R. 4256) for the relief of John Fleckstein; to the Committee on Claims.

Also, a bill (H.R. 4257) for the relief of Bernard Knopp; to the Committee on Claims.

Also, a bill (H.R. 4258) for the relief of Flora Yost (Klinawski); to the Committee on Claims.

Also, a bill (H.R. 4259) for the relief of Edward N. Sonnenberg; to the Committee on Claims.

Also, a bill (H.R. 4260) for the relief of Harry Solomon; to the Committee on Military Affairs.

Also, a bill (H.R. 4261) for the relief of Ernest Jacober, deceased; to the Committee on Naval Affairs.

Also, a bill (H.R. 4262) for the relief of George C. Randall; to the Committee on Naval Affairs.

Also, a bill (H.R. 4263) for the relief of Alexander Gilchrist, Jr.; to the Committee on the Civil Service.

Also, a bill (H.R. 4264) for the relief of Ludwig Bahnweg; to the Committee on Claims.

Also, a bill (H.R. 4265) for the relief of the heirs of the late Frank J. Simmons; to the Committee on War Claims.

Also, a bill (H.R. 4266) for the relief of David Schwartz; to the Committee on Naval Affairs.

Also, a bill (H.R. 4267) for the relief of Helen Rauch; to the Committee on Claims.

Also, a bill (H.R. 4268) for the relief of Joe Setton; to the Committee on Claims.

Also, a bill (H.R. 4269) for the relief of Edward J. Devine; to the Committee on Claims.

Also, a bill (H.R. 4270) for the relief of Max Rauch; to the Committee on Claims.

Also, a bill (H.R. 4271) for the relief of William Cunningham; to the Committee on Claims.

Also, a bill (H.R. 4272) for the relief of Annie Moran; to the Committee on Claims.

Also, a bill (H.R. 4273) for the adjudication and determination of the claims arising under the extension by the Commissioner of Patents of the patent granted to Frederick G. Ransford and Peter Low as assignees of Marcus P. Norton, numbered 25036, August 9, 1859; to the Committee on Claims.

Also, a bill (H.R. 4274) for the relief of Charles A. Brown; to the Committee on Claims.

By Mr. BUCKBEE: A bill (H.R. 4275) granting an increase of pension to Reikjel Knutson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4276) granting a pension to Martha Weiss; to the Committee on Invalid Pensions.

By Mr. CARPENTER of Nebraska: A bill (H.R. 4277) granting an increase of pension to Susan A. Westbrook; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4278) granting an increase of pension to Margaret E. Cowan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4279) granting a pension to Mary J. Kimball; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4280) granting an increase of pension to Cynthia Spicknall; to the Committee on Invalid Pensions.

By Mr. CROWE: A bill (H.R. 4281) granting a pension to George E. Hilgert; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 4282) for the relief of Oscar L. McCallen; to the Committee on Claims.

By Mr. DOCKWEILER: A bill (H.R. 4283) granting a pension to Mary S. Spink; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4284) granting a pension to Max Rapaport; to the Committee on Pensions.

Also, a bill (H.R. 4285) granting a pension to William H. Neff; to the Committee on Pensions.

Also, a bill (H.R. 4286) to extend certain letters patent to the heirs of Oscar Morath; to the Committee on Patents.

Also, a bill (H.R. 4287) for the relief of William Cavanaugh; to the Committee on Military Affairs.

Also, a bill (H.R. 4288) for the relief of Walter E. Sharon; to the Committee on Naval Affairs.

Also, a bill (H.R. 4289) for the relief of Webster Berry; to the Committee on Military Affairs.

Also, a bill (H.R. 4290) for the relief of Herman W. Bensel; to the Committee on Military Affairs.

Also, a bill (H.R. 4291) for the relief of Robert Edward Doherty; to the Committee on Naval Affairs.

Also, a bill (H.R. 4292) to establish a military record for Daniel P. Tafe; to the Committee on Military Affairs.

By Mr. DUNCAN of Missouri: A bill (H.R. 4293) granting a pension to Ida Adamson; to the Committee on Invalid Pensions.

By Mr. FREAR: A bill (H.R. 4294) granting a pension to Edwin H. Tarbox; to the Committee on Pensions.

By Mr. IMHOFF: A bill (H.R. 4295) for the relief of John Ralston; to the Committee on Military Affairs.

Also, a bill (H.R. 4296) for the relief of James Harriman; to the Committee on Claims.

By Mr. KOPPLEMANN: A bill (H.R. 4297) granting a pension to James H. Devlin; to the Committee on War Claims.

Also, a bill (H.R. 4298) for the relief of John Neuhs; to the Committee on Military Affairs.

By Mr. MOTT: A bill (H.R. 4299) for the relief of John Hampshire; to the Committee on Claims.

Also, a bill (H.R. 4300) for the relief of Alex Silvola; to the Committee on Claims.

Also, a bill (H.R. 4301) for the relief of Jack Mattson; to the Committee on Claims.

Also, a bill (H.R. 4302) to authorize the purchase by the city of McMinnville, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916 (39 Stat. 218); to the Committee on the Public Lands.

Also, a bill (H.R. 4303) to afford permanent protection to the watershed and water supply of the city of Coquille, Coos County, Oreg.; to the Committee on the Public Lands.

By Mr. IMHOFF: A bill (H.R. 4304) for the relief of Charles C. Floyd; to the Committee on Military Affairs.

By Mr. PARKER of Georgia: A bill (H.R. 4305) granting a pension to Oliver H. Davis; to the Committee on Pensions.

By Mr. SCRUGHAM: A bill (H.R. 4306) for the relief of Leonard Gaskins; to the Committee on Naval Affairs.

Also, a bill (H.R. 4307) for the relief of George D. Sanders; to the Committee on Military Affairs.

By Mr. SPENCE: A bill (H.R. 4308) for the relief of Helen Niehaus; to the Committee on Claims.

By Mr. STRONG of Pennsylvania: A bill (H.R. 4309) authorizing the President of the United States to present the Distinguished Service Cross to Samson Goldstein; to the Committee on Military Affairs.

By Mr. WIGGLESWORTH: A bill (H.R. 4310) for the relief of Alvarado Mason; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

169. By Mr. BOYLAN: Resolution adopted by the Banking Board of the State of New York at a meeting held in New York on March 23, 1933, as follows: "*Resolved*, That this board memorialize Congress to incorporate in any new legislation with respect to branch banking adequate safeguards against this evil: *And further resolved*, That it is the sense of the board that such legislation should provide that no national bank or branch thereof shall be established in any community served by a State bank or trust company without the approval of the State authorities, etc."; to the Committee on Banking and Currency.

170. Also, resolution adopted by the Banking Board of the State of New York at a meeting held in New York on

March 23, 1933, as follows: "*Resolved*, That we favor the requirement, as soon as practicable, of compulsory membership in the Federal Reserve System of all banks and trust companies of this State"; to the Committee on Banking and Currency.

171. Also, resolution adopted by the Senate of the State of New York, urging the Government of the United States, through its Department of State, to use its best diplomatic efforts in an attempt to persuade the German Government to desist from any further outrages and persecutions against the Jews in Germany; to the Committee on Foreign Affairs.

172. Also, resolution adopted by the Senate of the State of New York, calling on the Congress of the United States to speedily enact appropriate legislation to prohibit to monopoly in the appointment of receivers and other court officers by the Federal district judges in the southern district of New York be discontinued; to the Committee on the Judiciary.

173. By Mr. DELANEY: Petition of Banking Board of the State of New York, urging that Congress in any new legislation with respect to branch banking incorporate adequate safeguards against the overestablishment and the competitive establishment as between Federal and State authorities of unit banks; to the Committee on Banking and Currency.

174. By Mr. FITZPATRICK: Petition of the Legislature of the State of New York, relative to the appointment of receivers and other court officers by the Federal district judges in the southern district of New York; to the Committee on the Judiciary.

175. Also, petition of the Pequot Democratic Club of the City of Yonkers, N.Y., protesting against the inhuman treatment of those of the Jewish faith residing in Germany; to the Committee on Foreign Affairs.

176. Also, petition of the Legislature of the State of New York, protesting against the inhuman treatment of those of the Jewish faith residing in Germany; to the Committee on Foreign Affairs.

177. Also, petition of the Criterion Club, Jewish Community Center of Yonkers, N.Y., protesting against the inhuman treatment of those of the Jewish faith residing in Germany; to the Committee on Foreign Affairs.

178. By Mr. KELLER: Resolutions pertaining to equality in regulation of all commercial carriers, equality in subsidization of all commercial carriers, and equality in taxation of all commercial carriers; to the Committee on Interstate and Foreign Commerce.

179. Also, petition by Women's Railroad Prosperity Club, of Jackson County, in Murphysboro, Ill., pertaining to equality in regulation of all commercial carriers, equality in subsidization of all commercial carriers, and equality in taxation of all commercial carriers; to the Committee on Interstate and Foreign Commerce.

180. By Mr. KENNEDY of New York: Petition of the Banking Board of the State of New York, urging uniformity in banking practices; to the Committee on Banking and Currency.

181. Also, petition of the Legislature of the State of New York, requesting that the United States, through its Department of State, use its best diplomatic efforts in an attempt to persuade the German Government to desist from any further outrages and persecutions; to the Committee on Foreign Affairs.

182. Also, petition of the Legislature of the State of New York, urging the enactment of legislation preventing the banking institutions being appointed receivers; to the Committee on the Judiciary.

183. By Mr. KOPPLEMANN: Petition of Hartford District Council, Ladies Auxiliary to the Veterans of Foreign Wars, condemning the practice of discharging veterans and keeping nonveterans on the State, city, or town pay rolls; to the Committee on World War Veterans' Legislation.

184. Also, petition of Common Council of the City of New Britain, urging that in the enforcement of the Revenue Act of 1932 no obligation should be imposed upon any State or Territory or political subdivision thereof, or the District of Columbia, or on the officers or employees of the aforesaid; to the Committee on Ways and Means.

185. Also, petition of the Hartford District Council, Veterans of Foreign Wars of the United States and its auxiliaries, favoring a 4 percent tax on hoarded wealth and enactment of legislation to the end that taxes claimed as due by the Government shall rest in the Federal Treasury; to the Committee on Ways and Means.

186. By Mr. LAMBERTSON: Petitions of 80 citizens of Trego County and 20 citizens of Nemaha County, Kans., urging the passage of the Frazier bill providing for the refinancing of farm loans; to the Committee on Ways and Means.

187. By Mr. LINDSAY: Petition of the State of New York Banking Department, New York City, favoring compulsory membership in the Federal Reserve System of all banks and trust companies of this State; to the Committee on Banking and Currency.

188. Also, petition of Ladies' Catholic Benevolent Association, Troy, N.Y., opposing the passage of the McLeod-Norris bill and favoring the passage of House bill 3083, the Wilcox municipal debt financing bill; to the Committee on Banking and Currency.

189. Also, petition of Colonial Works, Inc., manufacturers of paints and varnishes, Brooklyn, N.Y., favoring the passage of House bill 235; to the Committee on Expenditures in the Executive Departments.

190. Also, petition of the Senate of the State of New York, Albany, favoring professional legal employment in bankruptcy proceedings; to the Committee on the Judiciary.

191. Also, petition of the Senate of the State of New York, Albany, protesting against persecution of Jews in Germany; to the Committee on Foreign Affairs.

192. Also, petition of the Thirty-seventh Legislative Assembly of the State of Oregon, favoring removal of Federal gasoline tax; to the Committee on Ways and Means.

193. By Mr. RUDD: Petition of Ladies Catholic Benevolent Association, Troy, N.Y., opposing the passage of the McLeod-Norris bill, and favoring the passage of the Wilcox municipal debt financing bill, designated as House bill 3083; to the Committee on Banking and Currency.

194. Also, petition of Joseph A. Broderick, superintendent of banks, State of New York, favoring compulsory membership in the Federal Reserve System of all banks and trust companies; to the Committee on Banking and Currency.

195. Also, petition of the Legislature of the State of New York, with reference to the appointment of receivers in State banking institutions in bankruptcy proceedings; to the Committee on the Judiciary.

196. Also, petition of the Legislature of the State of Oregon, opposing the Federal gasoline tax; to the Committee on Ways and Means.

197. By Mr. SWEENEY: Petition of the Young American Hebrew Association, of Cleveland, protesting the anti-Jew acts in Germany; to the Committee on Foreign Affairs.

198. By Mr. WELCH: Petition of the California State Senate, Joint Resolution No. 8, relative to memorializing Congress and the legislatures of the several States of the Union to cooperate in the program for a belated recognition of the people of the United States of the services rendered the Nation by volunteers who fought the war with Spain, the Philippine insurrection, and the China relief expedition; to the Committee on Pensions.

199. Also, petition of the California State Senate, Joint Resolution No. 17, relative to stimulation of interest in the development of gold mining; to the Committee on Coinage, Weights, and Measures.

200. By the SPEAKER: Petition of the Banking Board of the State of New York, urging uniformity in banking practices; to the Committee on Banking and Currency.

201. Also, petition of the State Bar of California, urging Congress to provide for the appointment of a fourth judge for the United States Circuit Court of Appeals for the Ninth Circuit; to the Committee on the Judiciary.

202. Also, petition of the Board of Commissioners of Camden, N.J., requesting national legislation to enable munici-

palities to refinance debts at lower rates of interest, to deal with holders of city bonds with a view of cutting the interest thereon, and to permit cities to borrow from a governmental agency at rates of interest lower than existing rates; to the Committee on Banking and Currency.

203. Also, petition of Edmond C. Fletcher, requesting that the House of Representatives prefer articles of impeachment against Hon. Fenton Whitlock Booth, Chief Justice of the Court of Claims of the United States; to the Committee on the Judiciary.

SENATE

TUESDAY, MARCH 28, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	La Follette	Robinson, Ark.
Ashurst	Couzens	Lewis	Robinson, Ind.
Austin	Dickinson	Logan	Russell
Bachman	Dieterich	Lonergan	Schall
Bailey	Dill	Long	Sheppard
Bankhead	Duffy	McAdoo	Shipstead
Barbour	Erickson	McCarran	Smith
Barkley	Fess	McGill	Steiwer
Black	Fletcher	McKellar	Stephens
Bone	Frazier	McNary	Thomas, Okla.
Borah	George	Metcalf	Thomas, Utah
Brown	Goldsborough	Murphy	Townsend
Bulow	Gore	Neely	Trammell
Byrd	Hale	Norbeck	Tydings
Byrnes	Harrison	Norris	Vandenberg
Capper	Hatfield	Nye	Van Nuys
Caraway	Hayden	Overton	Wagner
Carey	Hebert	Patterson	Walcott
Clark	Johnson	Pittman	Walsh
Connally	Kendrick	Pope	Wheeler
Coolidge	Keyes	Reed	White
Copeland	King	Reynolds	

Mr. REED. I announce that my colleague the junior Senator from Pennsylvania [Mr. DAVIS] is still detained from the Senate by illness. This announcement may stand for the day.

Mr. BYRD. I wish to announce that my colleague the senior Senator from Virginia [Mr. GLASS] is unavoidably detained.

Mr. LEWIS. I wish to announce that the Senator from Ohio [Mr. BULKLEY] and the Senator from New Mexico [Mr. BRATTON] are necessarily absent.

Mr. HEBERT. I desire to announce that the Senator from Vermont [Mr. DALE], the Senator from Delaware [Mr. HASTINGS], the Senator from New Jersey [Mr. KEAN], and the Senator from New Mexico [Mr. CUTTING] are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-seven Senators having answered to their names, a quorum is present.

INVITATION TO THE INTERNATIONAL PARLIAMENTARY CONFERENCE ON COMMERCE

The VICE PRESIDENT laid before the Senate a letter from the Secretary of State, transmitting copies of correspondence relative to an invitation from the Secretary General of the International Parliamentary Conference on Commerce to the Congress to be represented at the eighteenth plenary assembly of that organization at Rome, beginning on April 19, 1933, which, with the accompanying papers, was referred to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following memorial of the House of Representatives of the State of Arizona, which was referred to the Committee on Agriculture and Forestry:

STATE OF ARIZONA,
OFFICE OF THE SECRETARY.

UNITED STATES OF AMERICA,
State of Arizona, ss:

I, James H. Kerby, secretary of state, do hereby certify that the within is a true, correct, and complete copy of House Memorial 2, regular session, Eleventh Legislature, State of Arizona, entitled "Relating to the Grand Canyon National Game Preserve", all of which is shown by the original engrossed copy on file in this department.

In witness whereof I have hereunto set my hand and affixed the great seal of the State of Arizona. Done at Phoenix, the capital, this 9th day of March A.D. 1933.

[SEAL] JAMES H. KERBY,
Secretary of State.

House Memorial 2, relating to the Grand Canyon National Game Preserve

To the President and the Congress of the United States:

Your memorialist, the House of Representatives of the State of Arizona, respectfully represents:

In northern Arizona, north and west of the Grand Canyon and within that large area of public land known as the Kaibab National Forest, is the Grand Canyon National Game Preserve, almost 1,000,000 acres in extent.

The said Grand Canyon National Game Preserve was created under the authority of the act of Congress approved June 29, 1906, by successive proclamations of the President dated November 28, 1906, June 23, 1908, and June 3, 1909.

Said Grand Canyon National Game Preserve was created while Arizona was yet a Territory and under Federal supervision for the purpose of protecting and fostering the wild life within the boundaries of the area set aside, and it was a beneficent and beneficial act, resulting in the increase of game until the area has become one of the best-stocked game preserves in the Nation.

During the territorial period and until the State of Arizona became properly prepared to protect its wild game the arrangement was most satisfactory, and has the enthusiastic approval of the citizens of this State.

Arizona has developed and for some years has had a creditable body of laws designed for the protection and fostering of the wild life of the State and a department of government known as the "State game and fish commission", which is well able to and does efficiently administer said laws and is able and prepared to adequately administer them within the said area.

However capable and efficient the administration of the area may be under Federal officers and employees, the dual administration thereof, under the laws of the United States by the officers and employees thereof and also under the laws of Arizona by its officers and employees, is altogether undesirable and unsatisfactory, entirely unnecessary, and unproductive of good results.

The area is splendidly stocked with wild life, particularly deer, and constitutes one of the principal resorts of Arizona sportsmen.

Arizona claims the right to administer the area with respect to the protection of the wild life thereon in accordance with State law, for the reason that the State owns in its sovereign capacity as one of the natural resources of the State all of the wild life within its borders.

It would be highly beneficial to this State, and in no manner or degree prejudicial to the interests of the Federal Government nor to the cause of wild-life protection, for the Federal Government to relinquish its jurisdiction over the said Grand Canyon National Game Preserve.

Wherefore your memorialist, the House of Representatives of the State of Arizona, respectfully urges that the President of the United States rescind the said proclamation by which the Grand Canyon National Game Preserve was created, and that the Congress repeal the authority upon which the said proclamations were based, upon condition that the State of Arizona by legislation or otherwise undertake to afford adequate protection to the wild life of the said area.

And your memorialist will ever pray.

Adopted by the house March 7, 1933.

Received by the secretary of state March 7, 1933.

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the State of Arizona, which was referred to the Committee on Commerce:

STATE OF ARIZONA,
OFFICE OF THE SECRETARY.

UNITED STATES OF AMERICA,
State of Arizona, ss:

I, James H. Kerby, secretary of state, do hereby certify that the within is a true, correct, and complete copy of House Resolution 3, regular session, Eleventh Legislature, State of Arizona, entitled "Protesting the extension of certain Federal reserved areas within Arizona," all of which is shown by the original engrossed copy on file in this department.

In witness whereof I have hereunto set my hand and affixed the great seal of the State of Arizona. Done at Phoenix, the capital, this 9th day of March A.D. 1933.

[SEAL] JAMES H. KERBY,
Secretary of State.

House Resolution 3, protesting the extension of certain Federal reserved areas within Arizona

To the honorable Senate and House of Representatives of the Congress of the United States of America in Congress assembled:

Your memorialist, the House of Representatives of the Eleventh Legislature of the State of Arizona in regular session convened respectfully represents:

Whereas the Supreme Court of the United States has decided that the Colorado River is a navigable stream and that the Hoover Dam is being constructed for the purpose of improving navigation; and

Whereas the reservoir to be created by the dam will extend upstream within the State of Arizona 115 miles, permitting the development of commerce between a heretofore inaccessible mineral district and railroad shipping points; and

Whereas the creation of this reservoir will provide the opportunity to develop fishing; and

Whereas the people of Arizona, in which is located more of the river affected by the creation of the Hoover Dam than all the other States combined, desire that no more Federal restrictions be imposed upon commerce and fishing on the Colorado than on other navigable streams in the United States of America; and

Whereas the creation of a national park of the area surrounding this reservoir would enable Federal officials to prevent the development of commerce and fishing unless those applying for licenses would comply with the provisions of the Santa Fe compact that are obnoxious to the State of Arizona, and with the rules and regulations of the National Park Service: Now, therefore, be it

Resolved, That we do hereby protest the creation of any Federal park within Arizona in the vicinity of the Hoover Reservoir; and be it further

Resolved, That we request our Members of Congress to oppose any further extensions of Federal reserved areas within Arizona unless the same shall be submitted to and approved by the Arizona State Legislature.

Adopted by the house March 3, 1933.

Received by the secretary of state this 4th day of March 1933.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Arizona, which was referred to the Committee on Finance:

STATE OF ARIZONA,
OFFICE OF THE SECRETARY.

UNITED STATES OF AMERICA,
State of Arizona, ss:

I, James H. Kerby, secretary of state, do hereby certify that the within is a true, correct, and complete copy of House Joint Memorial No. 16, entitled "Relating to Foreign Trade and Commerce", which was passed by the Eleventh Legislature, State of Arizona, regular session, 1933. All of which is shown by the original engrossed copy on file in this department.

In witness whereof I have hereunto set my hand and affixed the great seal of the State of Arizona. Done at Phoenix, the capital, this 18th day of March A.D. 1933.

[SEAL] JAMES H. KERBY,
Secretary of State.

House Joint Memorial 16, relating to foreign trade and commerce

To the honorable President and the Congress of the United States:

Your memorialist, the Eleventh Legislature of the State of Arizona, in regular session convened, respectfully represents that—

Whereas the people of the United States are suffering from an unprecedented era of unemployment, due largely to an almost total lack of foreign commerce; and

Whereas the reconstruction of the welfare and prosperity of the people of the United States; the return of employment; the reopening of our mines, mills, and factories; the reestablishment of markets for the products of our ranches, farms, and orchards depends largely upon our foreign trade and commerce:

Now, therefore, your memorialist, the Eleventh Legislature of the State of Arizona, does hereby respectfully endorse and commend the efforts and intentions of our President, and of the Congress of the United States, to take immediate steps to readjust the European war debts, to the end that the first stone may be laid in the foundation for the recovery of our foreign commerce and trade; and your memorialist prays that the effective date of such readjustment be set for the earliest moment consistent with the best interest of our people and of our country.

Passed the senate March 13, 1933.

Passed the house March 11, 1933.

Approved 14th day of March 1933.

Received by the secretary of state March 15, 1933.

The VICE PRESIDENT also laid before the Senate a memorial of the House of Representatives of the State of Arizona, memorializing Congress to establish in Arizona facilities for the hospital treatment of tubercular and neuropsychiatric cases and to make appropriation of approximately $4,000,000 for such hospital treatment if veterans' benefits are to be reduced, which was referred to the Committee on Finance.

(See memorial printed in full when presented by Mr. ASHURST on the 27th instant, p. 856, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Arizona, which was referred to the Committee on Indian Affairs:

STATE OF ARIZONA,
OFFICE OF THE SECRETARY.

UNITED STATES OF AMERICA,
State of Arizona, ss:

I, James H. Kerby, secretary of state, do hereby certify that the within is a true, correct, and complete copy of House Joint Memorial 13 of the regular session, eleventh legislature, State of Arizona, entitled "On the Allotment of Lands in the Colorado River Indian Reservation and the Reclamation of the Said Lands", all of which is shown by the original engrossed copy on file in this department.

In witness whereof I have hereunto set my hand and affixed the great seal of the State of Arizona. Done at Phoenix, the capital, this 15th day of March A.D. 1933.

[SEAL] JAMES H. KERBY,
Secretary of State.

House Joint Memorial 13, on the allotment of lands in the Colorado River Indian Reservation and the reclamation of the said lands

To the Senate and House of Representatives of the Congress of the United States of America and the Honorable the Secretary of the Interior, Washington, D.C.:

Your memorialist, the Eleventh Legislature of the State of Arizona, respectfully represents—

The Colorado River Indian Reservation in Yuma County, Ariz., embraces approximately 150,000 acres of highly fertile river-bottom lands, splendidly adapted to the growing of general agricultural products, and of rich mesa or high tablelands especially adapted by reason of unusually favorable conditions of soil and climate, to the culture of citrus and other valuable fruits.

The feasibility of the reclamation of this body of land by means of the diversion of water from the Colorado River has been well established by authoritative investigations conducted by engineers and agents of the United States Government and of the State of Arizona.

Exhaustive engineering investigations conducted by the State land department of Arizona, with the permission of the Secretary of the Interior, establish beyond reasonable doubt the existence of underground water resources, adequate in quantity and quality for the successful reclamation of the said lands, and the feasibility of such reclamation, by means of pumping plants, by individual settlers or cooperative communities of settlers.

The reclamation and development of this splendid body of land, by either of the above plans, would provide homes and sustenance for thousands of patriotic citizens, who today have no means of livelihood, and jobs for a large number of persons now unemployed.

The allotment of such of the lands embraced within the said Indian reservation as may be needed by the Indians attached thereto, and the opening of the remainder to settlement or sale, would not only assist in bringing about the reclamation and settlement of the land referred, and in relieving unemployment to an appreciable extent but would also be an act of long-deferred justice to the town of Parker, which, though established by virtue of Federal action and encouragement, finds itself, after many years of waiting, still surrounded by Indian lands and effectually cut off from the development to which its natural resources entitle it.

Wherefore, your memorialist, the Eleventh Legislature of the State of Arizona, respectfully but urgently prays that Congress provide by appropriate legislation for the reclamation of the said land, as a means of relieving unemployment, and of providing homes and sustenance for worthy citizens, and that the Secretary of the Interior take action looking to the allotment to the Indians attached to the said Colorado Indian Reservation, of the lands needed by them or for their use, and the restoration of the remainder of said reservation or some considerable portion thereof to entry under the United States land laws, or its subjection to sale under such terms and conditions, rules, and regulations, as will prove just to the Indians at present owning the said land and to prospective settlers, thus achieving in the fullest measure the beneficent purposes herein referred to.

And your memorialist will ever pray.

Approved March 11, 1933.

The VICE PRESIDENT also laid before the Senate the following memorial of the Legislature of the State of Arizona, which was referred to the Committee on Manufactures:

STATE OF ARIZONA,
OFFICE OF THE SECRETARY.

UNITED STATES OF AMERICA,
State of Arizona, ss:

I, James H. Kerby, secretary of state, do hereby certify that the within is a true, correct, and complete copy of House Memorial 1, regular session, Eleventh Legislature, State of Arizona, entitled: "Requesting Congress to Consider Legislation Requiring the Blending of Ethyl Alcohol with Petroleum Fuels in Internal Combustion Engines", all of which is shown by the original engrossed copy on file in this department.

In witness whereof I have hereunto set my hand and affixed the great seal of the State of Arizona. Done at Phoenix, the capital, this 9th day of March A.D. 1933.

[SEAL] JAMES H. KERBY, *Secretary of State.*

House Memorial 1, requesting Congress to consider legislation requiring the blending of ethyl alcohol with petroleum fuels used in internal-combustion engines

To the Senate and House of Representatives of the Congress of the United States:

Your memorialist, the Eleventh Legislature of the State of Arizona, respectfully represents—

The basic industry of the United States is agriculture. There can be no return to national prosperity unless and until agriculture is allowed to prosper.

There can be no prosperity for the agricultural industry until the prices paid for its products reach a level showing a fair margin above the cost of production.

Prices can show no such revival while the problem of huge surpluses persists—while visible supplies turn the operation of the law of supply and demand to the disadvantage of the producer.

The farmer, the fruitgrower, the trucker, can contribute nothing but added complication to a sadly messed economic condition until their buying power is restored.

A simple and seemingly practical, easily administered, inexpensive means of accomplishing the restoration of agriculture is suggested in the plan to require, by Federal legislation, that all petroleum products that may be used as a fuel in internal-combustion engines shall be blended with a given percentage of ethyl alcohol, made from agricultural products grown within continental United States.

The claim is made by authorities that the technical problems of such a plan have been solved; that the increased cost of motor fuel would be so little as to constitute a small price to pay for the return of agricultural and, therefore, of national prosperity; that the demand for agricultural products from which ethyl alcohol could be produced would solve the problem of surpluses and visible supplies and elevate farm prices to a level which would make buyers out of the producers and set the endless chain of industry to revolving.

The claims made are worth studying; if they are based upon demonstrable facts the plan is worth trying. It appears to hold no peril; it holds out a substantial promise of great aid to the Nation's basic industry.

Wherefore your memorialist prays that the Congress of the United States give serious consideration to the claims which are made for the proposed plan and enact legislation to carry it into effect.

And your memorialist will ever pray.

Adopted by the house March 6, 1933.

Received by the secretary of state March 7, 1933.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Mines and Mining:

Senate Joint Resolution 17

Senate Joint Resolution 17, relative to memorializing and petitioning Congress to enact legislation subsidizing the discovery of gold in the gold-mining sections of the United States

Whereas the United States is passing through a period of great unemployment and distress among the working people of this country; and

Whereas we are passing through a financial crisis in the history of our country; and

Whereas our great gold-producing areas have remained undeveloped through these past many years; and

Whereas it would naturally benefit the United States if more people were given an incentive to prospect and develop the gold-bearing sections of our country, which gold-bearing sections are still undeveloped to any great depth; and

Whereas during the Civil War period great relief to our stricken Nation was obtained by reason of the gold recovered from our gulches and riverbeds by the mere scratching and washing on the surface of our gold-bearing veins; and

Whereas the cost of mining has increased materially by reason of the fact that it is now necessary to mine beneath the surface with modern equipment and machinery and at a higher cost of labor; and

Whereas it would materially better our standing as a Nation to conserve, protect, and increase our available gold reserves: Now, therefore, be it

Resolved by the Senate and the Assembly of the State of California jointly, That the Legislature of the State of California hereby memorializes and petitions Congress to enact legislation that it subsidize the production of gold by issuing to every producer of 200 ounces or less of primary gold per month a bond of the value of $5 for each ounce thereof, said bonds to take the form of Government bonds bearing a low rate of interest and maturing 5 years from date of issuance thereof; and be it further

Resolved, That a copy of this joint resolution be transmitted to the President of the United States, to the Vice President of the United States, and to each Member of the Senate and House of Representatives of the United States.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Pensions:

STATE OF CALIFORNIA,
DEPARTMENT OF STATE.

I, Frank C. Jordan, secretary of state of the State of California, do hereby certify that the following is a full, true, and correct copy of Senate Joint Resolution No. 8 of the fiftieth session of the Legislature of the State of California, adopted January 26, 1933:

CHAPTER 29

Senate Joint Resolution 8, relative to memorializing Congress and the legislatures of the several States of the Union to cooperate in the program for a belated recognition of the people of the United States of the services rendered the Nation by volunteers who fought the war with Spain, the Philippine insurrection, and the China relief expedition

Whereas the Veterans of the Spanish War hold their thirty-fifth annual national encampment in Los Angeles, Calif., beginning August 20 this year, the year celebrates the thirty-fifth anniversary of the important events of that war and its related campaigns, which wrote some of the most important history of the United States; and

Whereas history as available to the people of the United States, especially in the schools, has not given the accomplishments and achievements of that service, and the tremendous benefits to the Nation, the place they deserve in the national hall of fame; and

Whereas the Spanish War was responsible for eliminating the feeling of sectionalism between the North and the South that had endured from the Civil War. It made the United States of America united in fact as well as in name. The blue and the gray fought together as brothers. Eighty-four percent of the armies from the South were sons of Confederate veterans. Seventy-two percent of the armies from the North were sons of Union veterans. All were volunteers; former Confederate and Union chiefs officered that army in fighting for a united Nation. That war made the United States a real world power. It made our flag respected in every land and on every sea; and

Whereas the value of those accomplishments cannot be measured in material terms. The world recognized the importance of the developments from that war long before they were recognized by our own people. All nations realized that in the welding of the forces of the North and the forces of the South a new nation had been born, magnificent in purpose and invincible in power, that forever would be a power in world affairs; and

Whereas that was 35 years ago. For years patriotic leaders of the country have been planning a belated recognition of the value of the service rendered the Nation by the men of that war as a fiftieth anniversary, golden jubilee, but it now seems that too few of these veterans will remain alive for a semicentennial celebration. Originally there were about 400,000 men in that service. More than half of them have already passed to the Great Beyond. Simple arithmetic will demonstrate how few will remain 15 years from now; and

Whereas it is deemed fitting that this thirty-fifth national encampment, held in the year of the Century of Progress Exposition, when we are looking in retrospect at the achievements and accomplishments of the past hundred years, be taken as the most propitious time to recognize nationally the service rendered by those patriots and for setting up some lasting tribute to them that may be made part of the enduring historical record of the Nation and the States from which they came; and

Whereas an honor scroll, graphically setting out the major events of the Spanish War and related campaigns and the accomplishments therefrom, together with the roll Spanish War veterans who distinguished themselves in that service, or later achieved prominence in public affairs, has been decided upon as the most fitting tribute at this time. A tribute that in original and in replica can be placed in the halls of the National Capitol, the leading museums of the country, in the halls of the capitols of every State in the Union, and in the palaces in the capitals of Cuba, Puerto Rico, Hawaii, and the Philippines, as a perpetual monument to those patriots, doing honor to the dead, giving the survivors their flowers now rather than when they have passed to their final reward, and at the same time preserving those flowers that posterity may be made more familiar with those glorious pages of national history and aid in keeping their memory green; and

Whereas war ordinarily is not profitable to the nations engaged, the Spanish War was an exception to this rule. The 400,000 men who served the colors in that war brought to the United States possessions worth more than $8,000,000,000. To June 30, 1930, more than $22,000,000,000 of business had come to the United States from these possessions, and the inflow continues at the rate of nearly a billion dollars a year; and

Whereas it is peculiarly fitting that this celebration and presentation of the tribute of a grateful Nation to its warriors of long ago be staged at the Los Angeles national encampment, because it was a California regiment, the First Infantry, that had the honor to be the first unit of the United States Army ever to embark for service on foreign soil, it sailing from San Francisco on the *City of Peking,* bound for Manila, on May 23, 1898. All previous foreign military operations had been conducted by the Navy or the Marine Corps. Likewise California was the base for all of the operations in the Philippines and China during the more than 4 years of the war and its related campaigns, and was more closely in touch with the war during those 4 years than any other State in the Union: Therefore be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the State of California does hereby extend a

most cordial welcome to the delegates and visitors of the United Spanish War Veterans, their auxiliaries, and affiliated organizations who will be present at the thirty-fifth national encampment; that the president of the Senate and the speaker of the assembly is hereby authorized to appoint a committee from these bodies to officially express this welcome on behalf of the State of California; and be it further

Resolved, That the Congress of the United States of America and the legislatures of all of the States of the Union be, and are hereby, memorialized to most heartily endorse and support the program for what we believe to be a highly merited recognition of a series of the most important events in the life of our country and of the services of that gallant body of volunteers who answered the call to the colors, brought glory, solidarity, and power to the Nation and credit to themselves; and be it further

Resolved, That the secretary of state be and he is hereby directed to transmit, under the great seal of the State of California, copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the chairman of the Committee on Military Affairs of each of the two Houses of Congress, to the Senators and Representatives from California in Congress, to the governors and lieutenant governors of each of the other 47 States of the United States, to the speakers of the houses of representatives in the legislatures of each of these States, to the chairmen of the committee on military affairs of each of the two houses in the legislatures, to the national headquarters of the United Spanish War Veterans in Washington, D.C., and to the department headquarters of the Department of California, United Spanish War Veterans at Oakland, Calif., as evidence of the wishes of the people of the sovereign State of California that the glowing deeds of these patriotic sons of the Nation be given the recognition that their accomplishments merit; and be it further

Resolved, That the Governor of the State of California be, and he is hereby, requested to appoint a commission of not less than 25 of the leading patriotic citizens of California, to be known as the "Spanish War Commemoration Commission", to aid in carrying into effect the program for a national tribute to the service of these veterans in accordance with the plan outlined in this resolution; this commission to serve without pay but to be furnished, if necessary, with office space in the buildings of the State of California in Sacramento, San Francisco, and Los Angeles as headquarters for carrying out its work; and be it

Resolved, That we do hereby authorize and direct that such an honor scroll as may be devised for the occasion, setting forth the important events of the Spanish War and its related campaigns and the accomplishments therefrom, together with the names of the men of that service who especially distinguished themselves or have since attained prominence in public affairs, be given a proper place in the historical records of the State of California and be displayed in proper places in the halls of the capitol building at Sacramento and the State buildings in San Francisco and Los Angeles as a perpetual monument to the gallant sons of California who brought credit to our Commonwealth through their sacrifices and their loyalty to the flag of our country.

FRANK F. MERRIAM,
President of the Senate.
J. A. BEEK,
Secretary of the Senate.
WALTER J. LITTLE,
Speaker of the Assembly.
ARTHUR A. OHNIMUS,
Chief Clerk of the Assembly.

Attest:
[SEAL]
FRANK C. JORDAN,
Secretary of State.

Endorsed: Filed in the office of the secretary of state of the State of California January 28, 1933. Frank C. Jordan, secretary of state, by Charles J. Hagerty, deputy, at 3:10 o'clock p.m.

In witness whereof I have hereunto set my hand and have caused the great seal of the State of California to be affixed hereto this 20th day of March A.D. 1933.

[SEAL]
FRANK C. JORDAN,
Secretary of State.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Kansas, which was referred to the Committee on Agriculture and Forestry:

Senate Concurrent Resolution 18

A concurrent resolution memorializing the Congress of the United States to pass "the Farmer's Farm Relief Act" proposing that the Government now perform its solemn duty and place American agriculture on a basis of equality with other industries

Whereas Kansas is largely an agricultural State and largely dependent on that industry; and

Whereas prices of agricultural products, both crops and livestock, are now, and have long been, so low that the farmers are unable to pay taxes, interest, and upkeep, and to secure a living return for their capital and labor; and

Whereas many farmers already have been dispossessed of their homes, and thousands more are threatened with the loss of the accumulations of a life of toil; and

Whereas the business of our cities has been heavily curtailed by the plight of agriculture and thousands of our laboring men have been thrown out of employment: Therefore, be it

Resolved by the senate (the house of representatives concurring therein), That the Congress of the United States is urged to speedily enact into law the measures for farm relief as now proposed by President Roosevelt in special message of March 16, 1933, in order that agriculture and industry may be rehabilitated and labor given employment; be it further

Resolved, That the secretary of state be, and is hereby, directed to transmit copies of this resolution to the President of the United States, and to the Senate and to the House of Representatives of the United States, and to each of the Members of the Kansas delegates therein.

I hereby certify that the above concurrent resolution originated in the senate and passed that body March 17, 1933.

CHAS. W. THOMPSON,
President of the Senate.
CLANIS W. NALLIS,
Secretary of the Senate.

Passed the house March 21, 1933.

W. H. VERNON,
Speaker of the House.
W. K. BISHOP,
Chief Clerk of the House.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Agriculture and Forestry:

STATE OF NEVADA,
Department of State, ss:

I, W. G. Greathouse, the duly elected, qualified, and acting secretary of state of the State of Nevada, do hereby certify that the foregoing is a true, full, and correct copy of the original Senate Joint Resolution No. 21, introduced by Senator Tobin on March 9, 1933, now on file and of record in this office.

In witness whereof I have hereunto set my hand and affixed the great seal of state at my office in Carson City, Nev., this 22d day of March, A.D. 1933.

[SEAL]
W. G. GREATHOUSE,
Secretary of State.

Senate joint resolution memorializing Congress to grant to forest users in the United States a moratorium of 2 years for the payment of grazing fees for the year 1932, and to omit charges for grazing fees for the year 1933

Whereas our great national depression has imposed a blow upon the livestock industry of the West that amounts to bankruptcy; and

Whereas livestock owners in many instances cannot pay their State and county taxes; and

Whereas many livestock owners are faced with the necessity of holding their stock under fence and upon land without feed thereon, because of the present depression they cannot secure the necessary funds to pay grazing fees; and

Whereas the possibility of securing the necessary funds through any of the Government agencies would be too late to save the situation, and, if so obtained, would only be borrowing from one department to pay another; and

Whereas we feel that imminent disaster is upon us, unless relieved by a moratorium of at least 2 years on the grazing fees due for 1932 and the remission of all fees for 1933: Now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada, That we memorialize the Congress of the United States to take immediate steps to provide a moratorium of at least 2 years on the payment of grazing fees due from livestock men as users of the Government ranges for 1932, and a total remission of grazing fees for the year 1933; and be it further

Resolved, That properly certified copies of this resolution be forwarded, by the secretary of state, to the President of the United States Senate, the Speaker of the House of Representatives, to the Secretary of Agriculture, to each of our Senators, and to our Representatives in Congress.

MORLEY GRISWOLD,
President of Senate.
V. R. MERIALDO,
Secretary of Senate.
FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.
STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

Approved March 20, 1933.

F. B. BALZAR, *Governor.*

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Finance:

STATE OF NEVADA,
DEPARTMENT OF STATE.

I, W. G. Greathouse, the duly elected, qualified, and acting secretary of state of the State of Nevada, do hereby certify that

the foregoing is a true, full, and correct copy of the original assembly Joint Resolution No. 22, introduced by Mr. Cooper on February 16, 1933, now on file and of record in this office.

In witness whereof I have hereunto set my hand and affixed the great seal of State at my office, in Carson City, Nev., this 22d day of March A.D. 1933.

[SEAL] W. G. GREATHOUSE,
Secretary of State.

Assembly joint resolution memorializing Congress to increase the tariff on copper

Whereas the production of copper in the mining regions of the United States is an industry furnishing employment to thousands of men, giving them the opportunity to support families to the credit of this Nation; and

Whereas copper is so extensively useful in the industries and sciences in our own Nation; and

Whereas the production of copper by cheap labor has presented a competitive condition with which our American people, by reason of American living standards, are unable to compete, thus throwing many thousands of industrious men out of employment and destroying the right of American families to exist in the manner and maintain American principles and ideals as contemplated by our Constitution: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of Nevada, That the Congress of the United States be memorialized to impose an additional tariff upon copper to the extent that the total tariff thereon may be 10 cents per pound instead of 4 cents as at present; and be it further

Resolved, That properly certified copies of this resolution be forwarded by the secretary of state to the President of the United States Senate, the Speaker of the House of Representatives, to each of our Senators, and to our Representative in Congress.

FRED S. ALWARD.
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.
MORLEY GRISWOLD,
President of the Senate.
V. R. MERIALDO,
Secretary of the Senate.
STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

Approved March 22, 1933, 10:03 a.m.

F. B. BALZAR, *Governor.*

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of West Virginia, which was referred to the Committee on Banking and Currency.

Senate committee substitute for House Concurrent Resolution 16 [by Mr. Lester], memorializing Congress to pass a bill providing for the refinancing of farm mortgages

Whereas a crisis exists and hundreds of thousands of once prosperous farmers in this Nation have already lost their farms and their all by mortgage foreclosures, because of the fact that the price of agricultural products has for a long time been below the cost of production, a condition that affects all of the people of this Nation and is largely responsible for the continuance of the depression; and

Whereas there is at present no adequate way of refinancing existing agricultural indebtedness, and the farmers are at the mercy of their mortgagors and creditors; and unless immediate relief is given, hundreds of thousands of additional farmers will lose their farms and their homes and more millions will be forced into our cities and villages and the army of the unemployed will necessarily increase to alarming proportions, thereby precipitating a condition that threatens the very life of this Nation; and

Whereas Senator ARTHUR CAPPER will introduce, at the session of the Congress which convenes this week, a bill providing for the refinancing of farm mortgages at an interest rate of 2 percent, plus 1 percent for amortization and 1 percent for loan-protection life insurance, making a total of 4 percent, which method of refinancing of farm mortgages has been and is now advocated by the representatives of the farmers of West Virginia; and

Whereas the adoption of such provisions will enable the reduction of the annual carrying charges of present farm mortgages of record from $1,000,000,000 to $400,000,000 and thereby save $600,000,000 annually, which represents an average of $100 per farm per year for each farm in the United States: Therefore be it

Resolved by the house of delegates (the senate concurring therein), That the Legislature of West Virginia respectfully requests and petitions the Congress to pass without delay said refinancing bill, which will be so introduced by Senator ARTHUR CAPPER, in order that the agricultural indebtedness of this Nation may be refinanced and agriculture saved from utter ruin; and be it further

Resolved, That the clerks of the senate and house of delegates have copies of this memorial sent to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, the Secretary of Agriculture, Senator CAPPER, and the United States Senators and Members of the House of Representatives from West Virginia.

We, Charles Lively, clerk of the Senate of West Virginia, and John S. Hall, clerk of the House of Delegates of West Virginia, hereby certify that the foregoing resolution was regularly adopted by the Legislature of West Virginia, on March 9, 1933.

CHARLES LIVELY,
Clerk of the Senate.
JOHN S. HALL,
Clerk, House of Delegates.

The VICE PRESIDENT also laid before the Senate a concurrent resolution of the Legislature of the State of Utah, memorializing Congress to appoint a committee to investigate the administration and control by the Bureau of Biological Survey of the Bear River Migratory Bird Refuge, which was referred to the Committee on Agriculture and Forestry.

(See concurrent resolution printed in full when presented on yesterday by Mr. KING, p. 858, CONGRESSIONAL RECORD.)

Mr. ROBINSON of Arkansas presented a letter from Irving A. Metz, of Helena, Ark., relative to farm-relief legislation, which was referred to the Committee on Agriculture and Forestry.

He also presented a letter from J. E. Sheedy, of New York City, N.Y., relative to ocean mail contracts, which was referred to the Special Committee on Investigation of Ocean and Air Mail Contracts.

Mr. CAPPER presented petitions of sundry citizens of Bennington, Centralia, Claflin, Jetmore, Luray, Madison, Red Wing, Selden, Solomon, and Wakeeney, and of Clay, Cloud, Franklin, Logan, and Mitchell Counties; members of the Farmers' Unions of Belle Plaine and Rydal; and the Farmers Educational Cooperative Association of Stafford, all in the State of Kansas, praying for the passage of the so-called Frazier bill to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, which were referred to the Committee on Agriculture and Forestry.

Mr. COPELAND presented petitions of sundry citizens of Clarkson, Warsaw, and vicinity, in the State of New York, praying for the regulation and supervision of the motion-picture industry, which were referred to the Committee on Interstate Commerce.

He also presented the petition of a joint committee on reduction of armament of the World Alliance for International Friendship and the Church Peace Union, of New York City, N.Y., praying for an embargo on the shipment of arms and ammunition to foreign countries where war threatens, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the New York State Woman's Republican Club, of New York City, N.Y., protesting against the recognition of the Soviet Government of Russia, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Jewish community of Troy, N.Y., protesting against alleged mistreatment of Jews in Germany, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by Stewart Manor Post, No. 172, the American Legion, of Stewart Manor, Long Island, N.Y., endorsing the President's economy program, which was ordered to lie on the table.

Mr. ASHURST presented a resolution adopted by the Maricopa (Ariz.) County Women's Republican Club, protesting against the recognition of the Soviet Government of Russia, which was referred to the Committee on Foreign Relations.

TAXATION OF TAX-EXEMPT SECURITIES

Mr. ASHURST presented a resolution of the executive committee of the Department of the District of Columbia, the American Legion, which was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,
DEPARTMENT OF THE DISTRICT OF COLUMBIA.

Whereas this country has been passing through a period of economic depression which has created great hardships and poverty to many citizens of our Nation; and

Whereas the said conditions have caused such alarm throughout the Union that the President of the United States has requested and received from the Congress of the United States wartime powers for the purpose of raising revenue to balance our National Budget; and

Whereas there are approximately $100,000,000,000 in National, State, and municipal tax-exempt securities outstanding in the United States: Therefore be it

Resolved, That the executive committee of the Department of the District of Columbia, the American Legion, endorse the amendment to the United States Constitution taxing tax-exempt securities, introduced in the United States Senate by Senator ASHURST, of Arizona; that the national executive committee of the American Legion be requested to work for the passage of said amendment; and that copies of this resolution be forwarded to Senator ASHURST and the press.

THE WORLD COURT

Mr. AUSTIN presented the following joint resolution of the Legislature of the State of Vermont, which was referred to the Committee on Foreign Relations:

Whereas the adherence of the United States to the World Court, advocated by every President and Secretary of State in the United States since the World Court was established in 1921, is not yet achieved; and

Whereas there are now pending in the Senate of the United States three treaties which have already been signed by the President's authority and which, when ratified by two thirds of the Senate, will complete the adherence of the United States to the Court; and

Whereas these treaties, in the judgment of the Department of State, the American Bar Association, the Vermont Bar Association, and other competent authorities, entirely meet the reservations attached to the resolution passed by the United States Senate in 1926 by a vote of 76 to 17 providing for the entry of this country into the World Court; and

Whereas on February 13, 1925, the Senate and the House of Representatives of the State of Vermont passed a resolution declaring that "we consider it most desirable for the United States Senate without further delay to adopt such methods as may seem best for the United States to participate in the World Court * * *": Now, therefore, be it

Resolved by the senate and house of representatives, That the Legislature of the State of Vermont hereby reaffirm its belief that the United States should take its place in the World Court without further delay and toward this end we urge the Senate of the United States to ratify the three World Court treaties which it now holds at the earliest practicable time in the special session of the new Congress; and be it further

Resolved, That the secretary of state be directed to forward copies of this resolution to Senator WARREN AUSTIN and to Senator PORTER DALE requesting their cooperation in realizing the objective of this memorial and asking them to convey the action of the Vermont Legislature as a whole to the United States Senate.

GEO. D. AIKEN,
Speaker of the House of Representatives.
CHARLES M. SMITH,
President of the Senate.

Approved March 23, 1933.

STANLEY C. WILSON, *Governor.*

STATE OF VERMONT,
OFFICE OF SECRETARY OF STATE.

I hereby certify that the foregoing is a true copy of the original joint resolution entitled "Joint Resolution Relating to Adherence of the United States to the World Court" approved March 23, 1933.

In testimony whereof I have hereunto set my hand and affixed my official seal at Montpelier this 24th day of March, A.D. 1933.

[SEAL] RAUSON C. MYRICK,
Secretary of State.

TARIFF ACT OF 1930—FRESH VEGETABLES

Mr. FLETCHER presented a paper by the secretary of the Florida Agricultural Tariff Association, Bradenton, Fla., relative to the Tariff Act of 1930, its purpose and effect as applied to fresh vegetables in their natural state, which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

TARIFF ACT OF 1930—ITS PURPOSE AND EFFECT AS APPLIED TO FRESH VEGETABLES IN THEIR NATURAL STATE

FLORIDA AGRICULTURAL TARIFF ASSOCIATION,
Bradenton, Fla., March 17, 1933.

The act (H.R. 2667) to provide revenue, to regulate commerce with foreign countries, to encourage domestic industries, and to protect American labor.

December 5, 1928, public notice was issued by the Ways and Means Committee of the House of Representatives to all concerned, that it would hold hearings commencing January 7, 1929. The hearing on agricultural products to commence January 24, 1929. The general hearings before the House Ways and Means Committee closed February 27, 1929. Was reported back to the House, and passed by the House on May 27, 1929, and went to the Senate, where it was read twice and referred to the Committee on Finance on May 29, 1929.

Again an exhaustive hearing was held by the Finance Committee similar to the hearings held by the Ways and Means Committee, covering all relevant factors constituting an advantage or disadvantage in competition, particularly as to the difference in cost of production of like products in California, Texas, Florida, and other Gulf States competing with such foreign products, with the express purpose of fixing the duty on fresh vegetables in their natural state at rates that would place American products on an equal footing with imports of like products.

On September 4, 1929, the bill was reported back with amendments. The bill passed the Senate with amendments, was referred to a conference committee composed of 5 members from the Senate and 5 members from the House.

The conference committee is a rate-adjusting body and has no authority to change any rate on which House and Senate are agreed; its only mission is to reconcile rates on which the House and Senate bills disagree and to report such adjusted bill to the House and Senate for final action.

The bill as reported by the conference committee was passed by the House on May 27, 1930; by the Senate on June 14, 1930; and was approved by the President on June 17, 1930.

About two weeks after the President signed the 1930 tariff bill applications were filed with the Tariff Commission requesting investigation of, and reduction in, duty on tomatoes and peppers in their natural state; and a little later similar applications were filed on peas, green or unripe; beans, snap or string; lima beans, green or unripe; okra, cucumbers, and eggplant in their natural state.

On January 30, 1931, in compliance with Senate Resolution No. 414, the Tariff Commission instituted investigations on above commodities; and on May 2, 1931, on beans, snap or string, green or unripe.

This investigation covered a period of 8 months or more, the Tariff Commission employing their expert investigators to gather evidence, in minute detail, as to the cost of producing each of these various vegetables in various producing sections in Florida, Texas, Cuba, Mexico, and at other foreign and domestic producing points by personal visitation of their investigators; and, as their report indicates, devoting most of their time and research in establishing costs of production in order to show the rate of duty that would put American production on a parity with production costs in foreign countries where cheap land, pauper wages, and living conditions far below our American standards prevail.

The Florida Agricultural Tariff Association, representing, and in behalf of, the Florida growers and kindred industries, more or less dependent upon the maintenance and growth of the vegetable industry, put on a far-reaching research for dependable and convincing data as to costs of production, harvesting, conditioning, grading, and shipping, in various producing sections in Florida, Cuba, and Mexico, employing expert investigators, both in Florida, Cuba, and Mexico, at an almost prohibitive expense when combined with the expense of appearing at the hearing with witnesses and attorneys, before the Tariff Commission in Washington, D.C., October 19–24, 1931.

On November 23, 1931, the Commission made their report to the President, stating: "The United States Tariff Commission herein report the results of investigations of the differences in cost of production of tomatoes, etc., in the United States and in the principal competing countries for the purpose of section 336 of the Tariff Act of 1930." The Commission recommended but three changes; one increase and two decreases. (See second column of following table of duties provided.) This report was approved by the President on December 2, 1931, to become effective January 1, 1932.

Commodity	Rate of duty in Hawley-Smoot bill, 1930	Change in duty hearing, October 1931, approved Dec. 2, 1931, effective Jan. 1, 1932	Rate of duty in Fordney-McCumber bill, 1922
Beans, snap or string, green or unripe.	3½ cents per pound	No change	½ cent per pound.
Lima beans, green or unripe.	do	do	Do.
Peas, green or unripe	3 cents per pound	Increase to 3½ cents per pound.	1 cent per pound.
Onions	2½ cents per pound	No change	1½ cents per pound.
Potatoes, white or Irish.	75 cents per 100 pounds.	do	Do.
Tomatoes in their natural state.	3 cents per pound	do	Do.
Peppers in their natural state.	do	Decrease to 2½ cents per pound.	25 per cent ad valorem.
Eggplant in their natural state.	do	Decrease to 1½ cent per pound.	Do.
Cucumbers in their natural state.	do	No change	Do.
Squash, celery, lettuce, and cabbage.	2 cents per pound	do	Do.
Cauliflower	50 per cent ad valorem.	do	Do.
Okra	do	do	Do.
All other vegetables not specially provided for.	do	do	Do.

NOTE.—Imports of fresh vegetables prior to 1922 were of such poor quality and the volume so small they were not considered as competitive by American growers; hence, American producers

did not appear before either congressional committee charged with the writing of the bill, and there can be no doubt that the rates of duty provided in the Tariff Act of 1922 provided for revenue only, and in no wise represented the difference in cost of production in America as compared with production costs in foreign countries.

Again on July 18, 1932, request was filed with the Commission for investigation of tomatoes, and on September 12, 1932, of peppers, seeking a reduction of duty. These applications for investigation and lowering of the rates of duty were under consideration of the Commission until November 1, 1932, on which date the applications were denied and dismissed by public notice; there having been no material changes in production costs since that most comprehensive and far-reaching investigation leading up to the hearing in October 1931, in which case the findings of the Commission were approved by the President on December 2, 1931; and yet, in the face of all these investigations and hearings to fix the duty rates as a correct and true measure of the difference in production costs in the United States and those of competing foreign countries, in order that our American grower of fresh vegetables would be placed on a parity with competitive foreign imports—no more, no less—3 months later, February 3, 1933, the Commission issued an order, by order of the President, directing an investigation of fresh tomatoes, and set Monday, February 13, 1933, as the date of the hearing in Washington, D.C.

The hearing convened as per order of the Commission, and the petitioners for the investigation, representing the Mexican interests, appeared by attorney and witnesses and presented their testimony; at the close of which, on motion of Mr. A. McC. Barnes, attorney for the Florida Agricultural Tariff Association, to dismiss the hearing for various reasons set out in his argument for dismissal, the chief of which was that no new evidence of material importance bearing on comparative costs of production had been introduced by the petitioners, the hearing was then adjourned; thus completing the fifth assault on the fresh-vegetable tariff rates, by foreign producers, to obtain control of the consuming markets of the United States.

First. Before the Ways and Means Committee of House of Representatives.

Second. Before the Senate Finance Committee.

Third. Hearing before the United States Tariff Commission, October 1931.

Fourth. Petitions filed with the Commission July and September 1932, and dismissed November 1, 1932.

Fifth. The investigation culminating in the hearing on February 13, 1933.

All having for their chief object the fixing of a rate of duty that would be a fair measure of the difference in cost of production and marketing of fresh vegetables produced in foreign countries, as compared with the cost of production and marketing similar or like products grown in the United States.

All having resulted in practically confirming, as just and equitable, the rates of duty as written into the Hawley-Smoot bill, in force since June 1930.

Must our farmers continue to bear this great burden of expense in protecting and maintaining tariff rates that are already so low that the American farmer has barely an even show for our American markets against foreign producers, who pay no American taxes, employ no American labor, and add nothing to the sum of American growth and progress?

We cannot believe the American Congress, in writing section 336 (commonly known as "the flexible clause") into the 1930 tariff bill, intended to furnish a peg on which to hang such repeated and unwarranted assaults on an American industry; a legalized system of heckling and piling up expenses on a class made up largely of small farmers, which can ill afford such frequently mounting expense; a class of which the unanimous pronouncements of economists, financiers, and political leaders, regardless of party, are that agriculture must have adequate protection, in order that farming be brought back to a reasonably profitable basis; and back of, and in accord with, such pronouncements the press of the entire country has proclaimed and reiterated the necessity of bringing agriculture back to a profitable basis as one of the first requisites for the return of prosperity.

H. T. BENNETT, *Secretary.*

REPORT OF THE JUDICIARY COMMITTEE—PRESCRIPTION OF MEDICINAL LIQUORS

Mr. KING, from the Committee on the Judiciary, to which was referred the bill (S. 562) relating to the prescribing of medicinal liquors, reported it with amendments and submitted a report (No. 8) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably with a reservation a treaty between the United States and the Dominion of Canada for the completion of the Great Lakes-St. Lawrence deep waterway, signed at Washington on July 18, 1932 (Executive C, 72d Cong., 2d sess.), and submitted a report (Ex. Rept. No. 1) thereon.

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, reported favorably the nomination of John W. Troy, of Alaska, to be Governor of the Territory of Alaska, vice George A. Parks.

The VICE PRESIDENT. The treaty and nomination will be placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DILL:

A bill (S. 846) to provide a preliminary examination of the Puyallup and Nisqually Rivers and their tributaries, in the State of Washington, with a view to the control of their floods; to the Committee on Commerce.

A bill (S. 847) for the relief of the Nez Perce Tribe of Indians; to the Committee on Indian Affairs.

By Mr. McNARY:

A bill (S. 848) giving credit for water charges paid on damaged land; to the Committee on Irrigation and Reclamation.

A bill (S. 849) for the relief of Oliver Victor Riessbeck; to the Committee on Naval Affairs.

A bill (S. 850) granting a pension to Noah C. Dugan; to the Committee on Pensions.

By Mr. REED:

A bill (S. 851) for the relief of Harry Gordon; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 852) to amend section 24 of the Trading with the Enemy Act, as amended; to the Committee on Finance.

By Mr. HARRISON:

A bill (S. 853) for the relief of Robert A. Bowers and Mary E. Bowers;

A bill (S. 854) for the relief of the Ingram-Day Lumber Co.;

A bill (S. 855) for the relief of the heirs or legal representatives of Charls Johnson and Kate Johnson;

A bill (S. 856) for the relief of John G. Sessions;

A bill (S. 857) for the relief of the owners of the late American schooner *Three Marys;* and

A bill (S. 858) for the relief of E. L. Trenholm; to the Committee on Claims.

A bill (S. 859) for the relief of Orville E. Clark;

A bill (S. 860) for the relief of George W. Edgerly; and

A bill (S. 861) for the relief of Gottlieb Luhm, deceased; to the Committee on Military Affairs.

A bill (S. 862) granting a pension to Harvey E. Barron;

A bill (S. 863) granting a pension to Vivian C. Bogle; and

A bill (S. 864) granting a pension to Emmerline Valentine; to the Committee on Pensions.

By Mr. GOLDSBOROUGH:

A bill (S. 865) to correct the naval record of Michael J. Budzinski; to the Committee on Naval Affairs.

By Mr. SHIPSTEAD:

A joint resolution (S.J.Res. 35) to provide for the determination and payment of claims for damage sustained by the fluctuation of the water levels of the Lake of the Woods in certain cases, and for other purposes; to the Committee on Foreign Relations.

CHANGES OF REFERENCE

On motion of Mr. DILL, the Committee on Military Affairs was discharged from the further consideration of the following bills, and they were referred to the Committee on Naval Affairs:

S. 100. An act for the relief of Walter Gray; and

S. 105. An act for the relief of Dennis F. Collins.

AMENDMENT OF EMERGENCY RELIEF AND CONSTRUCTION ACT, 1932

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (S. 509) to amend the Emergency Relief and Construction Act of 1932, which was referred to the Committee on Banking and Currency and ordered to be printed.

REPORT ON USE OF SILVER COINAGE IN EUROPEAN NATIONS

Mr. DILL submitted the following resolution (S.Res. 49), which was referred to the Committee on Printing:

Resolved, That the report on an investigation made in 1932 by Senator CARL HAYDEN, of Arizona, relative to the use of silver coinage in the 16 European nations whose governments are indebted to the United States be printed as a Senate document.

RADIO ADDRESS BY JOHN A. SIMPSON

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by John A. Simpson, president of the National Farmers Union, over a national hook-up on Saturday, March 25,1933.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The address is as follows:

In my last month's radio talk I announced that at this hour I would read the statement I made before the Senate Finance Committee February 23. The hearings being held before that committee were for the purpose of studying economic problems with a view to securing suggestions as to the solution of such problems. These hearings are in six volumes and were held under Senate Resolution No. 315. You should write your Senator and ask for a set of these reports.

All the big bankers and big manufacturers and big economists of the United States appeared before this committee. The day I testified there were two other citizens, Winthrop W. Aldrich, president of the Chase National Bank of New York City, and Alexander Legge, president of the International Harvester Co. of Chicago.

I am reading the complete statement that I made for the purpose of letting my radio audience know that I talk the same to a committee of the United States Senate as I do out at farmers' meetings or over the radio. Since the first of December I have appeared before many committees of the House and Senate, always standing foursquare for the National Farmers' Union program.

The following is the statement:

STATEMENT OF JOHN A. SIMPSON, PRESIDENT NATIONAL FARMERS UNION, WASHINGTON, D.C.

"Mr. SIMPSON. Mr. Chairman and gentlemen of the committee, it is my understanding——

"Senator GORE. Do you hold any position in connection with any farm organization in the country?

"Mr. SIMPSON. Yes. I am president of the National Farmers Union. I have given the reporter a copy of what I am saying, and it is headed that way.

"Senator GORE. Have you a copy for each member of the committee?

"Mr. SIMPSON. The newspapermen have got them all away from us.

"Senator WALSH of Massachusetts. Tell us briefly what that statement is, of your own activities, your own background.

"Mr. SIMPSON. For 14 years I was president of the State Farmers Union of Oklahoma, and now I am in the third year as president of the National Farmers Union. That covers about 30 States.

"The CHAIRMAN. With headquarters here?

"Mr. SIMPSON. With headquarters here in Washington when Congressmen and Senators are here. Our national headquarters are at Kankakee, Ill., where our national secretary keeps the office.

"It is my understanding that you desire from those whom you have called before this committee to diagnose conditions in this Nation and suggest remedies.

"Before I begin that part of my statement, I call your attention to the fact that the farmers and laborers of this Nation compose 75 percent of the total population. I also call your attention to the fact that from this 75 percent you have only asked four for their advice and counsel and we four received belated invitations. I do not know how many you have invited altogether, but the newspaper reports have given such statements as indicate that we four are not 5 percent of the number invited, although we represent 75 percent of the population.

"Senator SHORTRIDGE. The chairman undoubtedly felt that you four were quite competent to represent the 75 percent.

"Senator WALSH of Massachusetts. The chairman is not a member of the committee. I think the difficulty was that the subcommittee was composed of men who have other interests than farming interests.

"The CHAIRMAN. I want to say to the gentlemen here that I have sent the letters at the request of members of the committee. I have made no list up whatever, and I do not want you to think, Mr. Simpson, because you opposed me in the last campaign, that I had any objections to your coming here.

"Mr. SIMPSON. I just wanted it to be known that farmers and laborers are rather looked upon as not counting so much.

"Senator SHORTRIDGE. That is not so.

"The CHAIRMAN. That is not true.

"Mr. SIMPSON. Oh, yes.

"Senator SHORTRIDGE. Oh, no, it is not, Brother Simpson.

"The CHAIRMAN. If you will get that out of your head—the same kind of a statement was made in the campaign—it will be better for the farmers. I want to say that much to you now. I am just as much a friend of the farmer as you are.

"Mr. SIMPSON. Listen; I want to say this——

"The CHAIRMAN. I do not have so much to say about it.

"Mr. SIMPSON. Senator, I want to say this, that farmers everywhere are treated as inferiors.

"The CHAIRMAN. Not at all.

"Mr. SIMPSON. Absolutely.

"The CHAIRMAN. Every time they have come before the Finance Committee, they have received what they have asked for.

"Mr. SIMPSON. Listen; the United States Chamber of Commerce over here has a committee on agriculture, as well as every little chamber of commerce in the United States. It is an insult to the intelligence of the farmers, as though they did not have sense enough to run their own business. We Farmers Union folks might just as well have a committee on banking.

"Senator SHORTRIDGE. In all good nature, I think you are all wrong.

"Mr. SIMPSON. I am good-natured about it; but I am just telling how a farmer feels.

"Senator SHORTRIDGE. I was born between two rows of corn, and I am a farmer.

"Senator WALSH of Massachusetts. Under the Democratic administration things are going to be different for the farmers.

"Mr. SIMPSON. That is what I think.

"Senator SHORTRIDGE. Now we will listen.

"Mr. SIMPSON. I also desire to call your attention to the fact that a great number of those invited are the ones responsible for present conditions. They are the ones who believe present policies are sound and are against any fundamental change in policies.

"With no business of any kind in the last 18 years except contact work with the people of every State in this Nation, and especially the farm population, I offer the following as my brief diagnosis of the affairs, public and private, of the people of this Nation.

"I mean for 18 years I have had no other business except working in contact with not only farmers, but other folks in every State in the Nation.

"First I find the general health of the people of the Nation is good. In fact, it never was better.

"Second. I find the intelligence of the common people increasing to a considerable degree. This is not only in the matter of decreasing of illiteracy among the common people but also an increasing interest in public affairs that comes of an increase in intelligence. The common people of this country are thinking more and better than they have done in 50 years.

"I cannot say as much for the ultrarich. I find that greed and avarice have almost completely destroyed their power to think clearly. Selfishness has made them as blind as Samson. They have no conception of the condition of the common people of this Nation. They evidence no desire to inform themselves.

"Senator SHORTRIDGE. I do not want to interrupt, because I am very much interested in what you are saying, but who are the common people in America?

"Mr. SIMPSON. There are 125,000,000; and not more than 10,000 ultrarich any more, because the ultrarich are cannibals and they swallowed up about 10,000 of their own kind in the last 4 years.

"Senator SHORTRIDGE. No one is poorer than I am, but who are the common people?

"Mr. SIMPSON. Probably you and I, Senator.

"Senator SHORTRIDGE. All right. I am much poorer than when I came here. I may be a little wiser.

"Mr. SIMPSON. The only bad thing is when a common fellow thinks he belongs on the side of the ultrarich. That is the worst feature of things.

"Senator SHORTRIDGE. I know the disposition is to think that a man, if he be a millionaire, is necessarily wise. He is, in the accumulation of money, but he may not be in other matters.

"Mr. SIMPSON. They can lose it, too, about as easily as the little fellow loses his.

"They worship precedents and cling to false gods in a way that positively shows an alarmingly decreasing intelligence. They cling to error even unto self-destruction. A much higher percentage of the ultrarich than of common people are jumping out of windows.

"Third. In the diagnoses I find business developed into a maze of complexities, intricacies, and duplicities that defies the understanding of even those who built them.

"Mr. Charles Dawes and Mr. Owen D. Young in recent statements have admitted that the institutions with which they deal and help control are so complex that it is beyond their power to comprehend and understand their ramifications.

"Mr. John P. Frey, secretary-treasurer of the metal-trades department of the American Federation of Labor, testifying before a subcommittee of the Judiciary Committee of the Senate, Senator George Norris, of Nebraska, presiding, stated that a break-down of the Chase National Bank showed directors of the Chase National holding directorships in subsidiary banks and directors on these subsidiary banks, together with directors of the Chase National holding directorates in 12 insurance companies, 32 manufacturing corporations, 17 railroads, 19 public utilities, and 21 miscellaneous corporations. In all the Chase National Bank has an interlocking connection with a total of 2,023 directorships in other banks, insurance companies, manufacturing concerns, transportation companies, and public utilities.

"Senator GORE. Do you mean that many different concerns, or that many directors of the Chase Bank are on that many——

"Mr. SIMPSON. They hold that many directorates. Some of them hold just 1, and some 2 or 3.

"Senator GORE. That would mean 2,000 different entities?

"Mr. SIMPSON. No. It would mean 2,023 directorships.

"Senator GORE. Sometimes 3 or 4 on one?

"Mr. SIMPSON. Yes.

"The CHAIRMAN. Did you hear Mr. Aldrich testify today?

"Mr. SIMPSON. Yes, sir.

"The CHAIRMAN. Did you have any objections to his testimony on the farm question?

"Mr. SIMPSON. Oh, yes. He looks at it from the big fellow's standpoint.

"The CHAIRMAN. That does not amount to anything in detail.

"Mr. SIMPSON. Your thinking always comes from the approach you make. The basis you start to reason from determines what conclusions you come to. When people start from a different basis they are not going to come to the same conclusions.

"Mr. Frey also stated that a break-down of the National City Bank shows they hold 7 directorships in aviation companies, 41 in other banks, 104 in miscellaneous companies, 44 in insurance companies, 102 in manufacturing corporations, 29 in transportation companies, 115 in public-utility corporations. A break-down of each of these 41 banks shows that the group under the National City Bank hold 4,019 directorships in other banks, public utilities, insurance companies, transportation companies, manufacturing and miscellaneous corporations.

"Senator SHORTRIDGE. And you think that is evil, of course, and brings about bad results?

"Mr. SIMPSON. It developed the other day that through that maze of intricate and complicated systems the Insull operations of some of those bankers out there amounted to stealing $50,000,000 from the people, when they knew that they were offering securities that were worthless.

"Senator SHORTRIDGE. I gather that you think that is one of the evil results from these facts you have called to our attention.

"Mr. SIMPSON. Yes, sir.

"Somebody said awhile ago that a thing can get too big.

"Senator WALSH of Massachusetts. I used the word 'bigness' as being one of the evils of our day.

"Mr. SIMPSON. Senator, you are absolutely correct. You can get a thing so big that it is not an economic or a safe or an honest unit. That is one of the things I am complaining of.

"Mr. Frey said his investigation reveals these interlocking directorates, both in banking and industry, extend into foreign countries. It further reveals that it extends to every automobile concern with the exception of Ford. It shows it includes practically every railroad, ship company, and aviation company in the United States. It includes practically every public utility in the United States, hundreds of them, and also in foreign countries. It includes a majority of the insurance companies of the United States. It includes every line of manufacturing. It reveals there is scarcely such a thing as an independent concern in the United States. Just a few big bankers completely control commerce, industry, and transportation.

"Mr. Frey was putting this testimony on for the American Federation of Labor to show why it was that labor could not sit down across the table now with their employers and deal, because their employers are slaves and have to ask the big bankers what they can do. That is the purpose that he had in putting that testimony in the record.

"Fourth. I find the morals of the country bad socially, politically, and commercially. Crime of all kinds, including murder and suicide, is continually increasing. Business, through control of a large percentage of the press of the country, has corrupted politics.

"Senator WALSH of Massachusetts. Can we not put that on the prohibitionists and not the bankers?

"Mr. SIMPSON. I never like to speak about the dying, Senator.

"Very little accurate information is available to the people of the country through the press.

"It used to be said of honest men that their word was as good as their bond. In business today I do not feel that I am exaggerating when I say my diagnosis shows that to a large extent neither the word nor bond of the average business man is dependable.

"Senator SHORTRIDGE. Oh!

"Mr. SIMPSON. I have had a hundred business men tell me that. They cancel their contracts when they would not think of doing such a thing formerly if they found a place to buy cheaper, and so forth. Business is not what it used to be. Out in the West 50 years ago a perfect stranger could ride up to a store and say, 'I want a new saddle. I want a new blanket. I want a new suit of clothes.' He would be asked, 'Where do you work?' He would say, 'I work at ranch so-and-so down here.' The merchant would let him have them, and the storekeepers of those days will tell you that they seldom lost a penny. Today you could not do that if you had the bond of the rancher.

"Senator SHORTRIDGE. That is a mighty sad statement, that in spite of our churches, our schools, and our preachments, we are becoming a dishonest people.

"Mr. SIMPSON. Our word is not as good as it used to be.

"Senator WALSH of Massachusetts. Our churches are diminishing. They are old-fashioned. Religion is going, like everything else.

"Mr. SIMPSON. Fifth, in a thorough examination covering the whole United States, I find the monetary system in use in this country has completely failed to furnish the people a medium of exchange. Positive proof of this statement is found in the fact that hundreds of municipalities and organizations of the people are issuing scrip because they have no medium of exchange with which to do the business required in their localities.

"Senator WALSH of Massachusetts. Is that actually happening?

"Mr. SIMPSON. Oh, yes. Right in Senator Smoot's town, Salt Lake City, I visited the Natural Development Association, that has over 40,000 members and does business of every kind under the sun with scrip which they issue, to pay laborers, to pay farmers for their products, and so forth. They own their own coal mines, and a fleet of trucks that deliver the coal. They own 16 stores, 4 of them in Salt Lake City and others scattered out over Utah and other States. You can have anything you want with the scrip of the Natural Development Association in Salt Lake City. You can have an operation, from a shave at the barber's to having your appendix taken out at a hospital, and it is putting men to work.

"Senator WALSH of Massachusetts. How has that been kept out of the papers?

"Mr. SIMPSON. How is that?

"Senator WALSH of Massachusetts. Why has that information been kept out of the papers?

"Mr. SIMPSON. Because these big bankers control the press, and they do not want that kind of stories to get out. But you see little squibs of it. You see where towns are issuing scrip to start their people to work, and some of them are using it on a scrip basis.

"Senator WALSH of Massachusetts. That is amazing to me. Did you know it before, Senator GORE?

"Senator GORE. Yes; 144 towns are using money of their own.

"Mr. SIMPSON. And every day it is growing in numbers.

"Some of these organizations now have thousands of members and do millions of dollars of business with their own scrip as a medium of exchange. It has developed that wherever these organizations have sprung up or where municipalities have issued their own medium of exchange that it has resulted in putting hundreds of unemployed men to work.

"I find that the present monetary system and policies of government are directly responsible for an army of unemployed numbering 12,000,000 and another army of 9,000,000 only partially employed. I find that our present monetary system and policies of government are directly responsible for 10 cents per bushel corn—that is the average price of corn over the United States today, to the farmer—5 cents per pound cotton, 30 cents per bushel wheat, 2½ cents per pound hogs, 8 cents per dozen eggs, 12 cents per pound butterfat, and like ruinous prices for other farm products.

"Senator SHORTRIDGE. Pausing right there, not to prolong the statement, you have called attention to the low prices of various farm products. You are attributing those prices to the lack of currency?

"Mr. SIMPSON. The lack of medium of exchange. The people cannot get along on barter, Senator. They have to have a medium of exchange or else it ruins trade.

"Sixth. I come to what I consider the most serious condition in this country, and that is the thinking of the average public official and the men who conduct the large business institutions of the Nation. It is the most serious for the reason that correction of all other ailments depends entirely upon our average public official and average business man approaching these subjects from an entirely different viewpoint than they have in the past.

"You cannot correct any of these things until first you get to thinking straight here in Washington.

"Senator SHORTRIDGE. Truly.

"Mr. SIMPSON. For 50 years we have been taught that it is honorable to accumulate great wealth. For 50 years the laws of this country have been such as to encourage the accumulation of great wealth.

"Let me give a little personal experience. A stroke of lightning in 1878 widowed my mother. She was 28 years old. She had three little boys. I was the oldest, not quite 7. All through our childhood and young manhood that good mother struggled to see that we got an education, and she taught us that she wanted us to get an education so that we could make more money and make it more easily. It is a false idea of what an education is for, and yet that is the prevailing education that has existed in this country during the last 50 years. It is all wrong. That is where the thinking is wrong.

"There is not one thing in the laws of this Nation that prevents a man from accumulating and getting into his possession all the wealth of the Nation, leaving every other human absolutely propertyless. The accumulating process has gone on until today less than 4 percent of the people own more than 80 percent of the wealth of the Nation.

"Our business men, our public officials, must change their position quickly on this question or there will be revolution and overthrow of the Government. In 2,000 years no nation ever reached the degree of concentration of wealth that we have in this country without revolution and overthrow of the government except that nation redistributed the wealth.

"I made that statement a year ago in a hearing before the Ways and Means Committee when they had the tax bill up; and when I had completed my statement, Congressman RAINEY, who was presiding, went into detail of it and showed how in each country, from the days of Babylon down to Russia, that very thing had happened. I had not exaggerated.

"Talking about taxation, there is only one fair basis for taxation and that is ability to pay. That is the only fair test, and the

only fair test of ability to pay is net income at the end of the year. It is just as wrong as it could be, as Mr. Aldrich suggests in his statement, to tax the coffee that the poorest woman in the land drinks, or that the blind beggar who stands on the street corner to have you drop pennies in his tin cup drinks. He goes to buy coffee to take to his hovel that he calls home, and he must pay the same tax that the richest man in the United States pays. There is no test of ability to pay at all. It is wrong. Through inheritance taxes, you gentlemen and the Members of the House—the House must start it, of course—have a method by which you can correct the greed and avarice in a man piling up wealth when he passes out.

"Senator WALSH of Massachusetts. It would also require stringent laws about gifts in anticipation.

"Mr. SIMPSON. Gifts must be included.

"Senator WALSH of Massachusetts. I think you agree, from what you have said, that some method should be devised for reaching the incomes that come from tax-exempt securities?

"Mr. SIMPSON. Yes, Senator. I am going to say something now that perhaps you may not like. Most of these big moneyed interests that come in here asking for the repeal of the eighteenth amendment, and so forth, are not actuated because they care so much about the eighteenth amendment, but because they want to raise $125,000,000, or $150,000,000 off the poor people that drink beer, because it will relieve them of that much income tax.

"Senator WALSH of Massachusetts. I have publicly stated that that motive, and the movement in this country against prohibition, began and developed largely out of the agitation over increased taxes a year ago.

"Mr. SIMPSON. Accumulation of great wealth is based on greed and selfishness. Therefore, it should be considered dishonorable, and the laws of the land should discourage it instead of encourage it.

"You talk about the churches. I read an article today where a man said he was going to take his name off the church roll, because he still had an ambition to be rich, and he said, 'I would rather go to Hell without my name on there, than to go there being a hypocrite.'

"Our public officials must realize that the present policies of government have developed because those motivated by greed and avarice have largely controlled legislation. I have plenty of Senator's speeches to justify that statement. You should get your thinking on straight and realize that the most of these big business men rob and steal by virtue of laws that they have promoted.

"It is my impression, you should give very little weight to the advice of such men. You should get your thinking on straight and realize that a great many of the economists of this country are beneficiaries of Rockefeller and other foundations. Their advice should have very little weight in the matter of legislation.

"An economist is just like an alienist. You can have a murder trial and have all the alienists you want on both sides. You may have a bill presented here, and you will have the highest class of economists in the United States on both sides.

"With regard to remedies, the Farmers Union recommends four bills that have been introduced in the House and Senate as remedies to the conditions prescribed.

"First, the Frazier bill, S. 1197; I place this bill first, not as a permanent remedy but as an emergency measure. Figuratively speaking, 40 percent of the farmers of this Nation are financially sinking out in the middle of old 'River Mortgage.'

"I believe, Senator GORE, you said 15 percent were distressed.

"Senator GORE. I think that, perhaps, meant 15 percent of all the farms. Of course, 40 or 50 percent of them are not mortgaged. There are various figures on the number that are mortgaged.

"Mr. SIMPSON. Every one of them has a mortgage to sink him. The condition of agriculture is such that if you were to give me the best 1,000 acres of land in Illinois and Iowa, the two greatest, richest producing lands of any State, clear of all encumbrance, and tell me, 'You have to keep it 10 years, pay the taxes 10 years, and the prices of farm products are going to remain where they are,' I would tell you, 'I don't want it.'

"Senator GORE. Certainly.

"Mr. SIMPSON. That is the condition. Land that was selling for $300 or $400 an acre has no value at all today. It does not pay the taxes. So, anybody who has a mortgage is sinking, because he cannot even pay the taxes, and if he has interest to pay on top of that, he is hopeless.

"Senator WALSH of Massachusetts. In other words, no farm property today under present conditions is worth paying the taxes.

"Mr. SIMPSON. In the East that would not be entirely true. The eastern farmer did not know that there was a depression until 1929. We farmers out there in the Midwest knew it commenced in 1920. We have been going downhill ever since.

"If we are to have small home-owning farms in this Nation, in the future, we must throw them, as a lifesaver, the Frazier bill. This bill will get them to the bank.

"It provides for the Government refinancing farm mortgages up to 80 percent of the reasonable value of the farms on a basis of 1½ percent interest and a payment each year on the principal of 1½ percent. It is not immodest for the farmers of this Nation to ask for the passage of the Frazier bill, because this Government has made more favorable loans to other groups in the past.

"By the way, the Frazier bill has the backing of farmers to a greater extent than any other bill for mortgage relief.

"Senator WALSH of Massachusetts. What is the status of that bill?

"Mr. SIMPSON. It has had its hearings, and the report of the committee has not yet been made known.

"Senator WALSH of Massachusetts. You do not expect to get action between now and the 4th of March?

"Mr. SIMPSON. No. This is just education now. We could not do much in this session.

"Senator WALSH of Massachusetts. You are trying to get us to think straight?

"Mr. SIMPSON. Yes. The State legislatures of the following States have memorialized Congress to pass this bill: Montana, Nevada, Wisconsin, Illinois, Minnesota, North Dakota, Nebraska, California, Oregon, Indiana, and Arizona, as well as Tennessee, Idaho, and South Dakota—14 States. There is a telegram Senator FRAZIER sent to a Congressman-elect out in North Dakota today, telling him about it.

"Senator WALSH of Massachusetts. Do you want that in the record?

"Mr. SIMPSON. Yes.

"Hon. WILLIAM LEMKE,
Bismarck, N.Dak.

"Montana, Nevada, Wisconsin, Illinois, Minnesota, North Dakota, Nebraska, Idaho, California, Oregon, Indiana, Arizona on record in Secretary of Senate's office as having passed Frazier bill resolution. Tennessee, South Dakota passed but not reported to Secretary.

LYNN J. FRAZIER.

"Senator WALSH of Massachusetts. Proceed.

"Mr. SIMPSON. This Government has lent private steamship companies in recent years millions of dollars, much of it on 20 years' time and some of it at less than 1 percent interest. This Government settled with the European nations on the billions of dollars they borrowed during the war on a much more favorable basis than the Frazier bill provides for financing farmers.

"That is the reason I say it is not immodest for us to ask for the Frazier bill. Surely farmers are of more importance to the perpetuity and the prosperity of this Nation than European countries and steamship companies.

"Senator WALSH of Massachusetts. Before you leave that, can you tell us, in one sentence, what the Frazier bill provides?

"Mr. SIMPSON. It provides for refinancing farm mortgages up to 80 percent of the reasonable value.

"Second. The McNary bill, S. 5027. This bill had the endorsement of the National Grange, the Farm Bureau, and the Farmers Union in the last session of Congress. It was reintroduced in this session.

"It provides, first, that the Government shall take charge of the marketing of farm products on a basis of seeing that farmers get cost of production for that portion of their crops consumed in this country. Then the bill provides three ways that the Government may use, or any combination of those three ways, to get farmers cost of production for that part of their crops consumed in this country.

"The Farmers Union part of the bill will be found under title 3, and is headed 'The Allotment Plan.'

"The domestic-allotment plan is a counterfeit of what ours was. The domestic-allotment plan is an unsatisfactory substitute for the Farmers Union allotment plan. The Farmers Union allotment plan provides for cost of production for that portion of farm crops consumed in this country. The domestic-allotment plan does not even pretend to secure cost of production to farmers. The Farmers Union allotment plan deals only with the buyer of farm products. That is, the Government deals only with the buyer of farm products.

"It provides for the Government's licensing the buyers and regulating them on a basis of instructing the buyers what portion of each delivery of a farm crop purchased by them shall be settled for on the cost basis fixed by the Government. Of course, the portion of each delivery not needed for home consumption will be settled for by the buyer on the basis of the world price that day. The domestic-allotment plan provides for regulating 30,000,000 men, women, and children on the farms, an impossible proposition, unsound in principle and already doomed to failure.

"Senator GORE. Without any motive to police each other, they would wink at each other's violations?

"Mr. SIMPSON. Let me tell you what happened with some of the cooperative commodity organizations. Take the cotton growers of Oklahoma—and it was a big one, and successful. They had a contract with the farmer that the farmer had to deliver all his crop. How did the farmer get out of doing that? The farmer quit farming all the place, and his wife farmed part of it, and it was not his crop—and if he was a pretty good-sized farmer, some of the boys farmed some of it.

"Senator WALSH of Massachusetts. They need a little religion down in Oklahoma.

"Senator GORE. Either that, or it will hurt the old bachelors. [Laughter.]

"Senator SHORTRIDGE. Do they not have a community-property principle down in Oklahoma?

"Mr. SIMPSON. You would have to have 100,000 employees.

"Senator SHORTRIDGE. I want to go on record as dissenting from your reflection upon the morals of the farmer. You seem to be appearing for the farmer, and yet you say he is essentially a dishonest man. I deny that.

"Mr. SIMPSON. Senator, the farmer is a human being, like anybody else, and the only reason he is not as big a crook as the big fellow is because he has not had the opportunity. I think there is a higher percentage of honest farmers than of any other class.

"Senator SHORTRIDGE. That may be some palliative, or something in the nature of a defense.

"Mr. SIMPSON. He has not had the opportunity nor the experience.

"Senator SHORTRIDGE. I deny it. I claim the farmer is, in general, an honest man.

"Senator WALSH of Massachusetts. There are minorities everywhere who are uncontrollable.

"Mr. SIMPSON. Certainly. But it would take an army of 100,000 to police the domestic-allotment plan, Senator. I believe you will agree with me on that.

"The Frazier bill, as I said before, is an emergency and life-saver that gets the farmer to the bank. The McNary bill gives the farmer dry, warm clothes when he has reached the bank, and it is permanent legislation. The McNary bill is simply applying the interstate commerce law to agriculture. It has worked for 26 years for transportation. We see no reason why it will not work for agriculture.

"Senator WALSH of Massachusetts. What is the status of that measure?

"Mr. SIMPSON. That measure was up in the last session, and was sent to the floor of the Senate. It was discussed for 3 days, right at the last, and sent back to the committee for correction. Of course that meant the death of it. It has been reintroduced, just as a matter of keeping it alive, because we had to wait on these fellows with the domestic-allotment plan, but in the special session we hope to get something that will give us cost of production.

"Senator SHORTRIDGE. You favor both of those bills, I take it?

"Mr. SIMPSON. Yes.

"Third. Thinking men must admit that a monetary system under which, at least, 40,000,000 people are either entirely or partially objects of charity and under which farm products have dropped to less than one third of cost of production is not a sound system.

"The Farmers' Union offers as a remedy for such a condition the Wheeler bill, S. 2487, which provides for the remonetization of silver at the ratio of 16 to 1.

"The United States is the only major country trying to do business on the gold-standard basis it had before the World War. All the major countries have either gone off the gold standard or changed their basis of gold standard since that time. All the major countries in the interest of the debtors have cheapened their money with the exception of the United States. Our Government has made our dollar grow in purchasing power until it is impossible for debtors to pay their obligations. Our Government has let our money go up in purchasing power until all other nations can sell their products in this country, but cannot buy our products in return.

"The Wheeler bill will do more to raise the price of products the whole world over than any other one piece of legislation Congress could pass. If the Wheeler bill were passed, it would mean every European country could pay what they owe us and thus a war menace would be removed.

"If the Wheeler bill were passed, China's dollar would be enhanced to where Japan would be glad to cease hostilities. With China's dollar doubled in value she could alone carry on a successful war against Japan. With China's present cheap dollar there is great danger that eventually we will be drawn into that war. Here again the Wheeler bill would avert another war menace. If the Wheeler bill were passed, it would mean three fourths of the world that now use silver for money would immediately become purchasers of the products of this country.

"Senator WALSH. Before you leave the Wheeler bill, has that bill the support of the farmers' organizations generally?

"Mr. SIMPSON. Not up to date. A good many years ago every farm organization and every labor organization in the United States indorsed the remonetization of silver, but at the present time, right up to date, the Farmers Union is the only one of the farmers' organizations that is making that its specific measure. Some of the rest of them say, 'Well, if we could get it, we would be in favor of it', but they think they could not get it, so they are recommending diminishing the number of grains in a gold dollar, and some other things.

"Senator WALSH of Massachusetts. There appears today to be a movement prompted somewhat by the silver States—and I think that has given many people a prejudice against it and prevents them from being open-minded in the consideration of it.

"Mr. SIMPSON. This is what I find along that line, Senator: I find that the big banking interests, the big moneyed fellows of New York City, own the big silver mines, and they do not want free silver. They would like a little purchasing, but they do not want a bimetallic standard of money, because it makes it harder for them to control the basic money of the country, when there are two moneys, than when there is one.

"Senator GORE. There is one point there, Mr. Simpson, that puzzles me. You say that if the price of silver were doubled, it would increase the purchasing power of the silver-using countries like China. That was your statement of it.

"Mr. SIMPSON. It increases the cost of production in those countries. Of course, it increases Chinese purchasing power with us and with any country that has a higher-priced money.

"Senator GORE. Here is the point that has always puzzled me, and always agitates me about silver: They say that to double the value of silver would increase Chinese purchasing power. The value of gold in the United States has doubled—just what we want to do with reference to silver in China. That has increased the purchasing power of the people who have the gold, but it has wrecked our country, in a way.

"Mr. SIMPSON. It has increased our purchasing power. We can buy of China. It has decreased the purchasing power of those that do not have the gold. They cannot buy our products.

"Senator GORE. If you double the value of silver in China, the Chinaman who has silver in his pocket would undoubtedly profit by it, but prices would go down as silver went up. That is just what we do not want to do here. Our money is too dear and our prices are too low. We want to cut down the value of money in this country in order to raise prices, and yet we are arguing that we ought to increase the value of money in China, which is what has happened here, in order to help the Chinese and increase their purchasing power, when here the very fact that our gold has doubled in value, we assign as one of the reasons for our troubles. I have thought about that a good deal, and I just cannot reconcile the two viewpoints.

"Mr. SIMPSON. Senator, there are always two things to keep in mind when you are studying that question. A lot of people get mixed on it.

"Senator GORE. I confess I do.

"Mr. SIMPSON. I was in France a little over a year ago, and just the other day a Congressman on the Ways and Means Committee said that France, by making the franc worth one fifth its former value, had not increased prices in France. He said, 'I was in France a year ago. I was there 20 years ago.' He said, 'I could get just as good a dinner for 40 cents in France when I was there this time as I could 20 years ago.' I said, 'Congressman, 20 years ago, to get that 40-cent dinner, it took just 2 francs. When you got it a year ago, it took 10 francs. Measured in number of francs, the price of that dinner was five times what it was before. Measured in our money, it was the same, and the difference to the fellow serving that dinner would be only if he was in debt. Then that dinner would pay off five times as much debt as if they had kept the franc on the basis of 20 cents.'

"Senator GORE. There is no doubt that the deflation of the franc cut down the debts.

"Mr. SIMPSON. It practically eliminated domestic debts.

"Senator SHORTRIDGE. You believe in bimetallism, under the Wheeler bill, at 16 to 1?

"Mr. SIMPSON. Yes, sir.

"Fourth, the Rankin bill, H.R. 13012, provides a medium of exchange with which the people of this Nation can carry on trade. It provides for an issue of paper money by the Government to be known as 'Liberty notes.' These notes are to be put out by the Government to the extent of bringing the general-commodity index price up to the standard of 100. In putting out these Liberty notes, should the general-commodity index price rise above 103, then the Government shall retire such Liberty notes until the price index goes back to 100. In retiring the Liberty notes, should the index price fall to 97, then the Treasury shall again put in circulation Liberty notes.

"The bill would stabilize the general purchasing power of the dollar at the normal index of 100. It would give both debtor and creditor an honest dollar with which to deal with each other. It would mean that a farmer could pay his debt when due with the same number of bushels of wheat or pounds of cotton as it would have taken when he made the debt.

"A dollar that takes a much greater number of bushels of wheat, pounds of cotton, or any other commodity to pay when due than when made is a dishonest dollar. A dollar that takes a much less number of bushels of wheat, pounds of cotton, or any other commodity to pay when due than when made, is a dishonest dollar.

"In one way it is a dishonest dollar to the debtor, and in the other way it is a dishonest dollar to the creditor.

"In conclusion, let me say that the Democratic Party the 8th of last November entered into a solemn contract with the farmers of this Nation. In that contract they agreed to do three things:

"First, to refinance farmers at lower rates of interest and long-time payment on the principal. It is in the platform. I presented it to the platform committee, and they put it in.

"Second, to do everything possible to see that farmers get cost of production for their products. I was there and presented it. I was a delegate to the convention, too.

"Third, they promised us a sound currency. We have been told by the party's leaders that the currency we have has too great a purchasing power, that the purchasing power must be reduced. In other words, we must have a cheaper dollar.

"That is another contract we farmers had with the leaders at that time, right there at the convention.

"The Farmers' Union expects the Democratic Party to completely fulfill each of these three provisions in the contract they made with us in the last election. We consider it a part of the remedy that the contract be carried out to the letter.

"I should like to introduce in the record, Mr. Chairman, a letter which illustrates the discrimination practiced against the farmers.

"Senator SHORTRIDGE. What is it you want to introduce?

"Mr. SIMPSON. A letter from the Reconstruction Finance Corporation agricultural corporation set-up. It is amazing to think that this is all the credit a farmer has.

"Senator GORE. What is the point?

"Mr. SIMPSON. Let me read it. It is just a short letter. [Reading:]

HELENA BRANCH,
"REGIONAL AGRICULTURAL CREDIT CORPORATION,
OF SPOKANE, WASH.,
"Helena, Mont., January 20, 1933.

"Mr. EMORY J. LAROCHE,
"Madoc, Mont.

"DEAR SIR: Please be advised that your application for a loan has had the careful consideration of our loan committee, and that it has seemed inadvisable to allow the loan in the amount for which you applied. However, they have approved a loan to you of $800, to be secured by a first mortgage on your 6 cattle, 2 horses, 7 tons of hay, 4,370 bushels of wheat in bin, your 1933 crops, and all machinery and equipment as listed by the inspector.

"It will also be necessary that you give us a first mortgage on your real estate. We will require that your wife join you in signing the note and mortgage.

"It will also be necessary that your cattle be branded with your recorded brand.

"Trusting this meets with your satisfaction, and upon receipt of such information, the necessary papers will be prepared and forwarded to you for execution.

"Yours truly,

"P. B. MCCLINTOCK,
"Assistant Manager."

And thus ends the statement.

BANKING SITUATION

I want to review some of the things that have happened here in the National Capital in a legislative way since the 4th of March.

President Roosevelt inherited a banking situation unparalleled in the history of the Nation. When he took the oath of office, every State except one had declared a bank holiday, and that State officially declared it sometime during the afternoon of inaugural day. The new President found an old war time law under which he immediately issued a bank-moratorium proclamation. I do not feel that there was anything else for him to do. I have had people criticize what he did, and when I ask them, "What would you have done?" they had no answer.

Some peculiar things, however, developed. As soon as Congress convened, they were asked to pass a law dealing with the banking situation. Under that law, if a banker were to pay a debt the bank owed, it would send him to jail. I have heard some farmers remark, "I would like to have a law like that for farmers." In other words, if you had a deposit slip and you went to the bank that issued it and said to the banker, "Pay me what you owe", the banker would reply, "I cannot; they would put me in jail."

Another thing we have seen out of this extraordinary condition; we have seen the basic money—gold—completely retired. We have seen the law make it a penal offense to use gold or a gold certificate as a medium of exchange. If you have a gold coin or a gold certificate, you cannot use it to buy groceries, get a haircut, or pay any obligation. If you should use it that way, both you and the person receiving it are liable to a fine or imprisonment or both.

Congress passed this bill in 6 hours. They did it without having an opportunity to read the bill.

ECONOMY BILL

The next bill put through Congress with lightninglike speed was the economy bill. It provided for a half-billion-dollar reduction in pensions and compensations to soldiers and in wages to Government employees.

I am just as certain that to reduce wages will no more bring prosperity to this country than reducing prices of farm products in 1920 brought prosperity to the country. The facts are, it was the largest contributing factor toward the terrible depression that followed the reduction of such prices.

I quote from a statement of Thomas S. Hammond, president of the Illinois Manufacturers' Association, in an appeal to ex-service men:

"All ex-service men who have the welfare of their country at heart are urged to communicate with Senators LEWIS and DIETERICH and request them to support the President's constructive economy program."

This statement, coming from the president of the manufacturers, exceeds in nerve and gall any statement I ever heard. The manufacturers of this country during the war robbed the Government of billions of dollars. Some of them were convicted and sent to the penitentiary. Many others should have been. For instance, the Government paid a billion dollars for airplanes, and not one airplane was ever furnished the Government fit for battle. Every American soldier who fought in the air was compelled to use either a French or British airplane. The International Harvester Co. sold to the Government every kind of farm implement they manufacture and shipped them to France. They even sold this Government and shipped to France thousands of International Harvester Co.'s manure spreaders. Just think of the International Harvester Co. having the nerve to complain of pensions and compensations paid to ex-service boys. Just think of the big bankers, who draw almost a billion dollars a year of interest from the Government, complaining of paying ex-service boys pensions and compensations.

I also find this Government the 15th of this month borrowing $942,504,500 from the rich of the country and paying the highest rate of interest by the Government in years, 4¼ percent. Here again it is well to observe they take from the ex-service boys' pension and compensation fund to pay more interest to the ultrarich.

I warn you radio listeners that when 90 percent of the newspapers of the United States endorse a national legislative program you can bet your last dollar that the program is satisfactory to the international bankers of Wall Street. I think the big bankers have relinquished direct control here at the National Capital but have installed instead remote control.

It developed in the hearings before the Banking and Currency Committee of the Senate that the international bankers know a thousand times more about evading income taxes than Al Capone and his whole gang know on that subject. You should write one of your Senators for a copy of these hearings. They are not printed yet, but will be in a few days. The hearings were before the Senate Banking and Currency Committee and were an investigation of the stock exchange and the big bankers.

These hearings reveal that Charles E. Mitchell, who was president of the National City Bank of New York, evaded income taxes by selling 18,000 shares of his National City Bank stock to his wife at a loss of over $2,000,000. This reduced the amount of his income-tax payment over $400,000. After the proper time had elapsed his wife sold the stock back to him at the same price she paid. Unless this Government puts stripes on Mitchell and sends him to a Federal penitentiary, it should pardon Al Capone and Congress pass a bill apologizing to him.

REMONETIZATION OF BEER

Getting back to legislation, the Congress, at the crack of the whip, has in a few days passed a bill remonetizing the sale of beer and wine. The beer will contain the average alcoholic contents of the preprohibition commercial beer. The wine permitted will not have as high a percentage of alcohol as the usual commercial wine.

In a few days they could remonetize beer, but in a whole session they will not even consider remonetization of silver. Think of the mental caliber of a man who thinks the remonetization of beer is of more importance to the return of prosperity than the remonetization of silver.

I say to you that everything that has been done up to date is as foolish and useless as the moratorium and Reconstruction Finance Corporation legislation of a year ago. It will be a long time before reducing wages and remonetizing beer will put money in a farmer's pocket.

With 44 countries off the gold standard, there is not a chance in the world to bring prosperity to the farmers of this Nation until silver has been remonetized, thus making it possible for those 44 countries to purchase the products of the farms and the factories of this Nation. No man has a right to call himself a statesman who does not know this much about international trade.

FARM RELIEF BILL

The farm-relief measure is the biggest economic legislative folly ever presented to the National Congress. In the Senate it is known as S. 507. Let me analyze it for you.

It is a price-fixing measure and contrary to the history of all price-fixing legislation; it does not even attempt to get the farmer cost of production. When any division of government steps in and fixes the price of transportation, electricity, telephone, gas, or any other commodity they always base the price on cost of production including interest on investment.

In the political campaigns presidential candidates, candidates for the House and Senate of the United States, stand on the street corners and tell the farmer he is the salt of the earth, the backbone of the country, the very mudsills of the Nation. Then after the election they kick him around like he was a hound dog.

In this farm relief bill they fix prices that in many instances are not half the cost of production. How do you expect to pay your back taxes and back interest and payment on the principal with a price less than the cost of production?

In section 3, page 2, of this bill, you will find a provision that reads as follows: "To protect the consumers' interest by readjusting farm products at such level as will not increase the consumers' expenditures for agricultural commodities above the percentage which was returned to the farmer in the pre-war period August 1909 to July 1914." Section 3 is a guaranty to the consumer that if this bill becomes a law, he can eat the farmer's bread and butter and wear his cotton and wool clothes at less than it cost the farmer to produce it.

The Farmers' Union is the only farm organization here in Washington protesting against a bill that fixes a maximum price on the farmers' crops at less than cost of production. I am the only head of a farm organization that is fighting for the price to be fixed at cost of production. I can also tell you, my radio audience, that if the other farm organizations had not retreated from their position of a year ago, we could have had legislation that would have provided for cost of production. All we had to do was to ask for it. The President of the United States repeatedly told us that he would give us anything reasonable that we asked for. The Farmers' Union is alone in asking for cost of production. The other organization leaders are willing for you to get less than that.

Title 1 of the bill provides for the Government's purchasing the cotton now held by the Farm Board. The Farm Board cotton set-ups are enthusiastic for this part of the bill because that way the Government will give a price for it far above what they could sell it for on the market. It means nothing to the farmers of the

Nation. It is simply a matter of profit to the Farm Board cotton set-ups. This part of the bill also permits cotton farmers to speculate on a very safe basis. I can imagine the big cotton planters taking advantage of this speculative feature, but very few of the 10-bale farmers will even ever know of it.

In the history of all price-fixing legislation it has been done on a basis of telling the purchaser what he must pay. The President in his message to Congress on this relief bill said it is an experiment. Sure, this bill is an experiment, but there was no necessity for drawing a bill that would be an experiment. There are plenty of precedents in price fixing that no experiment is needed.

This bill taxes the processor on the theory that the funds thus raised will trickle back to the benefit of the farmer. When the Government fixes railroad rates it does not tax some processor or anyone. It simply tells to the purchasers of freight and passenger service how much they must pay and the railroad gets their money right there. We not only have precedents in price fixing of other commodities than agriculture but we even have precedents of price fixing of agricultural products.

In February 1919 the State presidents of the Farmers Union of six States came to Washington and lobbied a bill through Congress that provided for Government guarantee of a minimum price for the 1919 crop of wheat of $2.26 per bushel for no. 1 wheat at Chicago. The bill also provided for an appropriation of a billion dollars to back up this guarantee. The law went into effect May 1919. The grain exchanges could not speculate below the $2.26, consequently they speculated above that price and in less than 30 days wheat was $3 a bushel on the Chicago market. It remained around that price until May the next year. The results were, first, the Government did not have to spend one penny of the billion dollars. Second, in spite of the fact that wheat was 75 cents a bushel higher than during the 2 years of the war, the price of bread did not go up, so it did not cost the consumers anything. Third, it made the wheat farmers prosperous and that prosperity extended into every business in the Nation.

No; this farm relief measure did not need to be an experiment. They could have copied the 1919 law that brought the wheat farmers prosperity, and then we would have known where we were going, instead of all admitting we have only an experiment.

A third thing in this bill that is the height of folly is the regulation of the farmer as to his acreage. How any sane man thinks that such a thing is practical is beyond my comprehension. In 1919 there was no attempt to regulate farmers. We got that good price for wheat, with the only machinery of the Government being the licensing of the buyers of wheat. Think of a group of sane men attempting to regulate 30,000,000 men, women, and children on the farms instead of through a license system regulating a few thousand purchasers of the products of the farm. It looks like those who planned this bill had an army of relatives they wanted to see get on the Government pay roll. As a job producer, I feel, the bill will be a success.

The fourth thing in the bill that will stink to high heaven before it is in operation 6 months is the land-leasing provision. It provides for the Government's renting land for the purpose of taking it out of production. I remember a short while ago when a big newspaperman from Minneapolis gave a banquet at the Willard Hotel pushing this provision of the bill. I can vision insurance companies going to the Government with their hundreds of thousands of acres of land and renting it to the Government at $4 or $5 per acre. It will be a fine scandal, this leasing part of the bill, by the time it has been in operation a year. Compared to the inevitable results of this bill, the Farm Board and its policies will be popular.

THE FARMERS' UNION PROGRAM

Remember the Farmers' Union program is a real program. It endorses the Wheeler bill, which is now known as S. 70. Write your Senator for a copy, and tell him you want him to support it. It provides for remonetizing silver. It gives the common people of the country what in all time has been the common people's money. Gold has been the rich man's money. Gold has always been used to enslave the poor people of the country.

If you believe in the Wheeler bill, you should belong to the Farmers' Union. It is the only farm organization here in Washington endorsing and working for the passage of this measure.

For 2 years the Farmers' Union has supported the Frazier bill. It is known now as S. 457. Write your Senator for a copy of the Frazier bill, and demand of him that he support it and vote for it. Seventeen State legislatures have passed joint resolutions memorializing Congress to pass the Frazier bill. The Farmers' Union is largely responsible for this having been done. The Frazier bill provides that this Government shall refinance farm mortgages on a basis of the farmer paying the Government 1½ percent interest and 1½ percent on the principal each year until the principal is paid.

If you believe in the Frazier bill, you should belong to the Farmers' Union. It is the only farm organization here in Washington endorsing and working for the passage of this measure.

The Farmers' Union is supporting the Swank-Thomas bill which in agreement with the Grange and the Farm Bureau a year ago was combined into the McNary bill, S. 5027. You should write your United States Senators and ask them for a copy of the McNary bill, S. 5027. This bill provides for the Government's regulating the marketing of farm crops on the basis of getting cost of production to farmers for that portion of their crops consumed in this country; cost of production to include wages for all labor used in production and interest on investment.

If you believe in such legislation, you should get into the Farmers' Union. It is the only farm organization here supporting and promoting this bill.

At our Omaha convention the 11th of this month arrangements were made for me to announce a day for farmers to come to Washington to work on our legislative program. I am not making that call now for the reason that everything is being railroaded. Bills are being passed that Members never had a chance to read—upon which there were no committee hearings. It would be folly to go to the expense of coming to Washington at this time. I may call you later through your State headquarters. Be ready when the call comes.

However, I appeal to you to write to the President of the United States, to write to your Congressman from your district, and to your two Senators, telling them what you think about these things and asking them to pass the Farmers' Union legislation that I have just explained in this talk. Do not put it off. Write these four letters at once. Use lead pencil if you do not have ink. Do not ask the children how to spell the words. Let it be your own production from beginning to end. That is the kind of a letter that makes an impression here.

STATE LEGISLATION

I have told you something of the tremendously important developments that have taken place here at Washington in the past few weeks. These are matters of far-reaching importance to every farmer and homemaker.

But while these things have been transpiring here at Washington the State legislative bodies in 43 States of the Union have been busy considering matters of special importance to the individual States.

Most State legislatures have taken steps to reduce expenses and to lower taxes. This is very gratifying to the Farmers' Union. We have been actively urging this for several years. Many States would find their financial affairs in far better shape today had they heeded the farmer's plea for reduced expenditures and lower taxes 2 or 3 years ago.

It is interesting to note, however, that despite the big need for funds most of the States are standing firmly against any grabbing of road funds for other uses. The Farmers' Union insists that special gasoline and license taxes collected from automobile users for road-improvement purposes must be spent for that purpose and not diverted to other uses. A number of States are arranging to reapportion the gas-tax funds so as to make a larger share available for county and local roads. This permits of a reduction in local road taxes and is a material aid to the farmer in his present hard-pressed financial condition.

There is one bill pending, however, in nearly every State legislature that should, in my opinion, be vigorously opposed by farmers and Farmers' Union members. This is the so-called "model bill" introduced by railroad interests which would bring motor trucks under the control of a State commission—oftentimes this would be the State railroad commission—and subject them to the same sort of rigid and costly control that is now placed on the railroads.

This means that with such a law in effect truck operators would be required to increase their charges until they were approximately the same as those charged by the railroads.

Once such a law goes into effect in a State, the farmer's best chance to get lower transportation costs is lost.

This same problem will probably come to us here in Washington in the near future in the form of a demand for national regulation of truck rates. We hear suggestions of this kind here of late. If your State legislatures stop this movement in the States, we can probably stop it in Congress; but if many of the States take this step, it may be difficult to prevent similar action here.

Let your State legislators know where you stand on this matter. Because of the fact that in most States the legislative bodies are approaching adjournment, you will have to act quickly if your efforts are to be effective.

IN CONCLUSION

Friends of the radio audience, last month over 500 farmers in States where we had no Farmers Union responded to my appeal to organize and came into the union. There are now six locals around Hazleton, Pa., with a membership of over 300. There are five locals around Urbana, Ohio, all self-organized and with a membership of over 200. In Michigan, Indiana, Georgia, and Florida we are receiving members every day. Most of our State unions where we have been organized for years report more members paid up for the 1st of March than they had for the 1st of March last year.

Mr. Farmer listening in, if you would like to support an organization that has a program like the Farmers Union, that brings you the truth once a month over the National Broadcasting Co., that will furnish you with a Farmers Union paper twice each month, get in where you can help instead of hinder. Write E. E. Kennedy, Kankakee, Ill. He will tell you how. E. E. Kennedy is our national secretary. National headquarters are at Kankakee, Ill. Get in your organization where you do not have to depend on the daily press for information, where you can get the truth instead of misrepresentation.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had

passed a joint resolution (H.J.Res. 121) to provide for the acceptance of sums donated for the construction of a swimming-exercise tank for the use of the President, in which it requested the concurrence of the Senate.

RELIEF OF UNEMPLOYMENT

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate proceed to the consideration of the bill (S. 598) for the relief of unemployment through the performance of useful public work, and for other purposes.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Education and Labor with an amendment to strike out all after the enacting clause and to insert:

That for the purpose of relieving the acute condition of widespread distress and unemployment now existing in the United States, and in order to provide for the restoration of the country's depleted natural resources and the advancement of an orderly program of useful public works, the President is authorized, under such rules and regulations as he may prescribe and by utilizing such existing departments or agencies as he may designate to provide for employing citizens of the United States who are unemployed in the construction, maintenance, and carrying on of works of a public nature in connection with the forestation of lands belonging to the United States or to the several States which are suitable for timber production, the prevention of forest fires, floods, and soil erosion, plant pest and disease control, the construction, maintenance, or repair of paths, trails, and firelanes in the national parks and national forests, and such other work on the public domain and Government reservations as the President may determine to be desirable. The President is further authorized by regulation to provide for housing the persons so employed and for furnishing them with such subsistence, clothing, medical attendance and hospitalization, and cash allowance as may be necessary during the period they are so employed.

SEC. 2. For the purposes of carrying out the provisions of this act, the President is authorized to enter into such contracts or arrangements with States, counties, municipalities, and other public bodies as may be necessary, and the President or the head of any department or agency authorized by him to construct any project or to carry on any such public works, shall have authority to acquire real property by purchase, donation, condemnation, or otherwise, but the provisions of section 355 of the Revised Statutes shall not apply to any property so acquired.

SEC. 3. Insofar as applicable, the benefits of the act entitled "An act to provide compensation for employees suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, shall extend to persons given employment under the provisions of this act.

SEC. 4. For the purpose of carrying out the provisions of this act, there is hereby authorized to be expended, under the direction of the President, out of any unobligated moneys heretofore appropriated for public works (except for projects on which actual construction may be commenced within 90 days), such sums as may be necessary; and an amount equal to the amount so expended is hereby authorized to be appropriated for the same purposes for which such moneys were originally appropriated.

Mr. ROBINSON of Arkansas. Mr. President, I submit an amendment to the pending bill and ask that it may be read and printed.

The VICE PRESIDENT. The amendment will be read and printed, as requested.

The CHIEF CLERK. Add a new section, as follows:

SEC. 5. That the unexpended and unallotted balance of the sum of $300,000,000, made available under the terms and conditions of the act approved July 21, 1932, entitled "An Act to Relieve Destitution", etc., may be made available, or any portion thereof, to any State or Territory or States or Territories without regard to the limitation of 15 percent or other limitations as to percent.

Mr. BORAH. Mr. President, I desire to ask the Senator in charge of the bill [Mr. WALSH] a question with reference to one of its provisions. Among other things which it is provided the President may do, there is the following, on page 4 of the bill:

To provide for employing citizens of the United States who are unemployed, in the construction, maintenance, and carrying on of works of a public nature in connection with the forestation of lands belonging to the United States or to the several States which are suitable for timber production, the prevention of forest fires, floods, and soil erosion, plant pest and disease control, the construction, maintenance, or repair of paths, trails, and fire lanes in the national parks and national forests.

I desire to ask if I am correct in my understanding that under that authority dealing with plant pests and disease control the President would be authorized or permitted to deal with what is known as the "blister rust control."

Mr. WALSH. That is correct; he would.

Mr. BORAH. That is a very serious matter throughout the Northwest.

Mr. WALSH. Some members of the committee called the attention of the whole committee to that fact.

Mr. BORAH. There would be no doubt in the Senator's mind that the subject of national forests and parks in the States might be dealt with through the President having an understanding with the States?

Mr. WALSH. In my judgment there is no question about that authority being granted.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. WALSH. I yield to the Senator from New York.

Mr. COPELAND. May I say to the Senator from Idaho that the matter of the white blister and gypsy moth was given consideration by the committee; and yesterday I stated on the floor that I had no question that, so far as both of those pests are concerned, under the laws which now exist, with the cooperation of the States, even private land adjacent to the public domain might be entered in order to deal with the problem presented.

Mr. BORAH. I am very glad to have that construction.

Mr. FESS. Mr. President, I should like to ask a question of the Senator from Massachusetts. On yesterday and also today I have had several inquiries from the area affected by the Ohio River flood, and have been asked whether the first section of the bill is broad enough to make any application to flood-control construction work on a river such as the Ohio.

Mr. WALSH. It is not broad enough. The work that is to be done under this bill is confined strictly and absolutely to the public domain owned by the several States and by the Federal Government. If there is any public domain along the Ohio River, the President could undertake flood-control work there.

Mr. FESS. There is no land owned by the State or the Federal Government on that river.

Mr. WALSH. I understand the President has in mind a general public works bill that will probably propose flood-control work such as the Senator has in mind.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. WALSH. I yield to the Senator.

Mr. COUZENS. I observed in the Washington News last night an editorial concerning this bill, and in the editorial it says:

Unemployed workers who want to go to the camps will volunteer.

Mr. WALSH. Does not the Senator think that editorial was written in connection with the original draft of the bill rather than in connection with the bill as proposed to be amended?

Mr. COUZENS. I do not find anything in the original draft with respect to the question of homeless men going to Army camps. Was there anything in the original bill to that effect?

Mr. WALSH. No; there was a provision for a civilian conservation corps in which citizens could enlist for the term of a year.

Mr. COUZENS. The editorial says:

Free transportation will be furnished to camps in the nearest national forests.

It also says:

Unemployed workers who want to go to the camps will volunteer. Those who prefer to stay at home on relief, part-time work, or any other basis will do so. From those who apply, the Secretary of Labor will select the most deserving.

Then I observe that in the bill section 1 provides:

The President is authorized * * * by utilizing such existing departments or agencies as he may designate to provide for employing citizens of the United States.

Do I understand that that would exclude an alien who had applied for citizenship but who was not yet a citizen?

Mr. WALSH. I assume it would. I assume it would be necessary for an alien to have his final papers in order to be classified as a citizen. He is an applicant for citizenship until that period is reached.

Mr. COUZENS. So that under the interpretation the Senator places on it all residents who apply would not be able to avail themselves of the provision unless they had their final papers.

Mr. WALSH. That is my opinion.

Mr. BARBOUR. Mr. President——

Mr. WALSH. I yield to the Senator from New Jersey.

Mr. BARBOUR. I should like to ask the Senator a question along the same line as that propounded by the Senator from Ohio [Mr. FESS] in relation to the Ohio River. Does the Senator feel that in the measure of which he spoke and which he indicated the President was going to recommend later, providing for public works, there will probably be included some provision in relation to coastal erosion due to storms and that sort of thing along the coast?

Mr. WALSH. I am of the opinion, from the casual reference which the President made to a proposed public works bill, that it would include work of the character suggested by the Senator from New Jersey.

Mr. BARBOUR. I have an amendment which I had in mind to suggest in relation to this bill in that connection, but I will be glad to withhold it if the Senator feels there is any chance of more appropriate specific legislation coming along later.

Mr. WALSH. I think the Senator would exercise good judgment in withholding it.

Mr. BARBOUR. I thank the Senator.

Mr. ROBINSON of Arkansas. I offer the amendment which was reported a few moments ago to add at the end of the committee amendment a new section.

The VICE PRESIDENT. The Senator from Arkansas offers an amendment to the committee amendment, which will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to add a new section, as follows:

SEC. 5. That the unexpended and unallotted balance of the sum of $300,000,000 made available under the terms and conditions of the act approved July 21, 1932, entitled "An Act to Relieve Destitution", etc., may be made available, or any portion thereof, to any State or Territory or States or Territories without regard to the limitation of 15 percent or other limitations as to percent.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arkansas to the amendment reported by the committee.

Mr. WALSH. Mr. President, will the Senator from Arkansas state the reason for annexing the amendment to this bill?

Mr. ROBINSON of Arkansas. Mr. President, it was thought yesterday that it might be practicable to consider as an amendment to this bill the measure which was introduced by the Senator from New York [Mr. WAGNER], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Colorado [Mr. COSTIGAN]; but there is necessity for prompt action regarding the subject matter of the amendment because of the situation that prevails in one or more States with respect to destitution relief. It appears that there is an unexpended balance of approximately $69,000,000 of the fund of $300,000,000 which was made available under the act of July 21, 1932, for the use of the States and their subdivisions, and that at least one State has exhausted the amount that may be allotted to it and expended in that State under the provisions of the act of July 21, 1932. In order to meet that situation, arising out of emergency demands for additional sums in the State referred to, this amendment is proposed. It is intended to remove the limitation of 15 percent on the amount that may be advanced and allotted to any State and to the subdivisions of any State.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Idaho?

Mr. ROBINSON of Arkansas. I yield.

Mr. BORAH. May I ask what portion of the $300,000,000 referred to still remains unexpended?

Mr. ROBINSON of Arkansas. I stated about $69,000,000, according to the latest figures I have, and, of course, the removal of the limitation applies only to the unallotted and unexpended balance.

Mr. BORAH. Has the Senator concluded not to offer what is known as the "Wagner bill" as an amendment?

Mr. ROBINSON of Arkansas. Yes. So far as my advice goes, it is not regarded as expedient to attach that bill to the pending measure. It is thought that the two should be considered separately. It is expected, however, that the Senate will proceed to the consideration of the bill which the Senator has in mind at an early date, just as soon as it can do so.

Mr. COUZENS. Mr. President, I should like to ask the Senator why there should not be perhaps a higher limit provided rather than to take off all limitation, and thereby prevent the States that have been the most thrifty and careful from coming in and using any of the balance of the $69,000,000 while letting the State of Illinois and the State of Pennsylvania or others that have been most grasping come in and get the whole $69,000,000 which is left?

Mr. ROBINSON of Arkansas. There naturally arises a question as to what form the amendment should take. I did not have the opportunity before preparing this amendment of consulting even with the Senator from Massachusetts; I did advise with the President and with some others, and was informed that there is a requirement for quick action with respect to the removal of this limitation. It was my thought, since there is only remaining of the fund referred to $69,000,000, that we might well leave it to the discretion of the authorities charged with the administration of the act to fix the amount that is required to meet the immediate needs of any State.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield to the Senator from New York.

Mr. WAGNER. I might say, so far as the State of Illinois is concerned, that my definite information is that unless this relief is given by April 1 they will be without funds to deal with the unemployment situation.

Mr. ROBINSON of Arkansas. That is my information.

Mr. COUZENS. It was not my intention not to relieve Illinois, but, instead of taking off the limitation, to extend the limit, say, to 25 or 30 percent.

Mr. ROBINSON of Arkansas. The removal of the limitation applies only to the remainder of the unexpended fund, and, since it is expected that additional funds will be made available in a very short time, I thought that this was perhaps the most practicable way in which to proceed.

Mr. REED. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield to the Senator from Pennsylvania.

Mr. REED. The Senator referred to the fact that one State had exhausted its entire 15 percent. Will the Senator tell us what State he had in mind?

Mr. ROBINSON of Arkansas. The State I had in mind is Illinois.

Mr. REED. The Senator from Michigan [Mr. COUZENS] mentioned Pennsylvania in that connection. It is my impression that Pennsylvania has not obtained the 15 percent at all.

Mr. ROBINSON of Arkansas. I have no information that it has done so.

Mr. WAGNER. I might say to the Senator that I think Pennsylvania is within $1,000,000 of having secured the limit of 15 percent.

Mr. ROBINSON of Arkansas. I think there may be 1 or 2 States in addition to Illinois in need of a relaxation of this limitation, and since wa cannot tell just when the bill that was reported, as I understand, this morning may be finally acted upon, I thought that the best and fairest way to proceed was as is contemplated by this amendment.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

Mr. ROBINSON of Arkansas. I yield.

Mr. WALSH. I will say that the amendment is acceptable to the committee.

Mr. ROBINSON of Arkansas. The Senator from Massachusetts informs me that the amendment is acceptable to

him and to the committee. I yield to the Senator from Michigan.

Mr. VANDENBERG. Will the Senator refresh our recollection, then, as to what is the rule or limitation remaining in the law with the 15 percent taken out?

Mr. ROBINSON of Arkansas. There will be no limitation as to the percent; there are quite general conditions prescribed in the act. They remain unchanged. The only effect of the amendment now proposed is to leave the Reconstruction Finance Corporation free to make such additional allotments to any State or Territory as may be required to meet emergency demands.

Mr. VANDENBERG. There still is a necessity of a very strict nature for a showing of need?

Mr. ROBINSON of Arkansas. Oh, yes. This amendment does not change the requirements as to the allotment of expenditures; it merely relaxes the limitation of 15 percent.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield to the Senator from Colorado.

Mr. COSTIGAN. If I understand the Senator from Arkansas, his amendment is evidence of acute existing unemployment conditions in the United States at this time?

Mr. ROBINSON of Arkansas. It is; particularly in the States which have been mentioned.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arkansas to the amendment reported by the committee.

The amendment to the amendment was agreed to.

Mr. DICKINSON. Mr. President, I should like to inquire of the Senator from Massachusetts if he is able to give the Senate a list of the unobligated balances that are involved in this bill and what they amount to?

Mr. WALSH. Mr. President, in reply to the Senator from Iowa, I send to the desk a letter from the Director of the Budget and ask that it be read.

The VICE PRESIDENT. Without objection, the letter will be read.

The Chief Clerk read as follows:

BUREAU OF THE BUDGET,
Washington, March 27, 1933.

Hon. DAVID I. WALSH,
United States Senate.

MY DEAR SENATOR WALSH: On March 24 the Bureau of the Budget sent to the several departments and independent establishments having charge of the principal construction activities of the Government a questionnaire calculated to develop definite information as to the amount of unexpended and unobligated balance of construction funds in these departments. It was necessary to afford the departments a little time to assemble the desired information.

Up to the present hour definite reply has been received from two divisions only, and these represent minor activities. We are expecting response from all other Departments this afternoon, but I am apprehensive that some of them will be further delayed.

At the time of sending out the questionnaire we telephoned to each of the departments asking for an approximation of unexpended and unobligated construction balances. The figures given by telephone in response showed an aggregate of $600,842,461 unexpended, of which $148,966,005 was unobligated. The figures were, of course, tentative, and those which we expect to receive today in the written replies will be more or less tentative by reason of the fact that in many instances it will probably be necessary, after scrutiny and discussion of the included items, to reconcile divergent interpretations of "unobligated" funds. It is believed that the final aggregate will differ materially from the estimated aggregate obtained by telephone.

Trusting the information herein will serve your purposes until more accurate information shall have reached the Bureau, I remain,

Sincerely yours,

L. W. DOUGLAS, *Director.*

Tentative list of unobligated balances of appropriations for construction

	Unobligated
Agriculture:	
Forest Service	$1,200,000
Public roads	9,375,000
Commerce:	
Aeronautics	200,000
Coast and Geodetic Survey	300,000
Lighthouses	1,463,484
Interior:	
Indian Affairs	1,111,100
National Park Service	1,363,260
Reclamation	2,500,000
Treasury:	
Coast Guard	$135,414
Supervising Architect	77,818,281
War:	
Flood control	28,250,000
Rivers and harbors	21,442,629
Quartermaster Corps	1,214,771
Air Corps—technical construction	578,332
Independent offices:	
Public Buildings and Public Parks	212,705
National Park and Planning Commission	36,906
Veterans' Administration	1,764,123
	148,996,005

MARCH 27, 1933.

Mr. CAPPER. Mr. President, I offer the following amendment: On page 4, line 23, after the word "domain", insert the words "National and State", so that it would read:

and such other work on the public domain, National and State, and Government reservations.

The purpose of the amendment is to make it possible for this public work to apply, if desired by the States, on State parks. They are State domain. Otherwise, it would not. I have consulted with the Senator from Massachusetts, and he advises me that that amendment will be acceptable.

Mr. WALSH. Mr. President, I think the words "public domain" include the words in the Senator's amendment, but I see no objection to it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kansas to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 4, line 23, after the word "reservations", it is proposed to insert:

incidental to or necessary in connection with any projects of the character enumerated.

Mr. LA FOLLETTE. Mr. President, I have discussed the amendment with the Senator from Massachusetts [Mr. WALSH], and I understand that both he and the Senator from Arkansas [Mr. ROBINSON] are in sympathy with the purposes of it. All that the amendment seeks to do is to confine the projects to the type enumerated or to projects made necessary by or which are incidental to the projects enumerated in the paragraph.

Mr. WALSH. Mr. President, that is the matter we discussed yesterday and practically agreed upon. The amendment is acceptable.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wisconsin to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. WALCOTT. Mr. President, I have an amendment to the bill, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. The Senator from Connecticut offers the following amendment:

After the word "desirable", on line 24, page 4, insert the following proviso:

Provided, That the President may, in his discretion, extend the provisions of this act to lands owned by counties and municipalities and lands in private ownership, but only for the purpose of doing thereon such kinds of cooperative work as are now provided for by acts of Congress in preventing and controlling forest fires and the attacks of forest-tree pests and diseases, and such work as is necessary in the public interest to control floods.

Mr. WALCOTT. Mr. President, this amendment would bring to the Eastern States, which have no Federal lands, certain advantages that they would not get otherwise. The use of the word "private" in connection with lands is objectionable, except for the control of disease and fire control.

In this connection I should like to read a very brief statement from the Secretary of Agriculture, addressed to the Senator from Massachusetts [Mr. WALSH] with reference to the President's attitude:

The President has requested me to inform you that while he does not favor the use of any labor or men provided by Senate bill 598, as reported from your committee to the Senate on March 27, for tree planting, forest improvement, or other work chiefly beneficial to the private-land owner, he believes it essential to accomplish the full intent of the bill that an amendment to it be made, preferably after the word "desirable", in line 24.

That is the amendment just read. In other words, it has the approval of the President and the approval of the Secretary of Agriculture and the approval of Major Stuart, the Chief of the Forest Service. It would be of material help to those States in which there are no Federal lands.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Idaho?

Mr. WALCOTT. I do.

Mr. BORAH. The amendment says:

But only for the purpose of doing thereon such kinds of cooperative work as are now provided for by acts of Congress.

What acts of Congress has the Senator reference to—preventing and controlling forest fires only?

Mr. WALCOTT. The control of forest fires and the control of disease.

Mr. BORAH. That is already covered.

Mr. WALCOTT. It is limited to the control of disease and forest fires, and possibly flood control, on private lands.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from New York?

Mr. WALCOTT. I do.

Mr. COPELAND. The McNary-Clark Act provides for that cooperation now, so that, for instance, between New York and New England there is a corridor which is arranged to protect against the spread of the gypsy moth; and in order to guard the public domain it is necessary to do some work upon private property in that connection.

Mr. BORAH. But this amendment says that "the President may, in his discretion, extend the provisions of this act to lands owned by counties and municipalities and lands in private ownership", apparently without consulting those who own the lands as to whether or not they desire this cooperation.

This bill in its present form I can willingly support. I do not want to get too far away from its present form, however. I want to keep within the Constitution.

Mr. COPELAND. Does the Senator mean that he would add there "with the consent of the owner"?

Mr. BORAH. Yes.

Mr. COPELAND. I see no objection to that addition.

Mr. WALCOTT. I am sure that would be acceptable.

Mr. VANDENBERG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Michigan?

Mr. WALCOTT. I do.

Mr. VANDENBERG. I call the Senator's attention to the situation in Michigan, and ask him whether his amendment would cover it. I show him a map. The diagonal spots are national forests; the green spots are State forests; but in the fire control of those areas the entire sector on the map that is in yellow has to be treated under State authority as a unit in order to make fire control effective in the specific public domain indicated.

Under the Senator's amendment, would it be possible for the State to continue its unified control of the fire situation?

Mr. WALCOTT. I feel that it would be permissible, and that this amendment, if adopted, would distinctly aid that unified control, in that small areas such as the Senator has marked in green and crosshatched would be accessible to Federal aid in the event of fire, flood, or disease control being necessary.

Mr. VANDENBERG. May I ask the Senator whether the forestry authorities of Michigan have been in consultation with him in respect to this question?

Mr. WALCOTT. They have. The State forester and an assistant were here yesterday at the request of the governor of the State and in consultation with the associate forester, Mr. Granger, and with me. They are very eager to have some provision of this sort, and they approved of the exact wording of this amendment yesterday.

Mr. HEBERT. Mr. President, will the Senator yield to me?

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Rhode Island?

Mr. WALCOTT. I do.

Mr. HEBERT. I had in mind proposing an amendment somewhat along the lines of that which has been offered by the Senator. As I listened to the reading of his amendment I was not satisfied in my own mind that it covered the purpose of the one which I had intended to propose. Perhaps I can make myself clear to the Senator if he will permit me to read the amendment which I intended to offer: In line 22, page 4, after the word "forests", add the following:

and the maintenance or repair of public highways which have been or are being constructed in whole or in part with the aid of Federal funds, including any work tending to prevent forest fires along said highways.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. WALCOTT. I yield.

Mr. COPELAND. The committee considered matters of that sort, and decided that it would be a great mistake to have this bill cover activities where normal labor is employed. The original bill provided on line 21 of page 4 for the construction, maintenance or repair of roads, paths, and so forth, and it was decided that it would be unwise and improper to include in this measure those activities which are carried on in a normal way at prevailing rates of wages, and so forth. So I hope the Senator will not press his amendment.

Mr. HEBERT. Mr. President, I feel that I ought to make this observation:

Much of our relief work in our State has been done in that way. We have put men to work along the highways clearing away brush, and paying them out of a fund made available for relief. We may want to continue that work, but it did seem to me that inasmuch as there are no national fire lanes, no national parks, no national forest reserves, so far as I know, anywhere in New England, some means should be made available so that we could supply employment to the needy in our State. This would be one way of doing it. I know of no other project where work would be available anywhere in New England except in this way, unless possibly under the amendment of the Senator from Connecticut people were employed in treating the blister rust on the white pine, or something of that type of work.

Mr. COPELAND. Mr. President, will the Senator from Connecticut permit a reply?

Mr. WALCOTT. I yield.

Mr. COPELAND. There would be no objection, of course, to the State of Rhode Island, or any other State, doing as it pleases about its unemployed citizenship; but we are dealing nationally with the problem, and we must be frank about it in our discussion. The American Federation of Labor had very serious objection to this bill in the first place, and some concessions were made, which, in the long run, I think improved the bill. But I think it would be offensive if we were to include the repair of highways, an activity ordinarily carried on by persons employed at the prevailing rate. Once more I beseech the Senator not to press that amendment in the interest of harmony.

Mr. HEBERT. Mr. President, if the Senator from Connecticut will permit me further, I am not so much concerned about the maintenance or repair of highways. I am more particularly concerned with the work incident to the prevention of forest fires along those highways.

Mr. WALCOTT. Mr. President, I think I have a complete answer for that. Highways under State control—that is, highways which are not constructed or maintained with Fed-

eral aid—could be handled by the State; but I am perfectly certain, because I raised this very question with Major Stuart yesterday, that in the event of a fire sweeping across not only fire lanes but highways there would be complete cooperation between the Federal and the State authorities, even though it involved for the time being private lands, State lands, county lands, or municipal lands. Those are emergencies which justify any prompt action. I do not believe that it is important to have the word "highway" included here because of the antagonism it arouses among certain groups, such as was expressed before our committee, and as was called attention to by the Senator from New York. I think the Senator is perfectly safe in leaving it as it is. We know exactly what he wants, and we want the same thing in Connecticut, we want the same thing in all the Eastern States where we have small forest areas. But I think we have the protection with this amendment.

Mr. HEBERT. Mr. President, will the Senator yield further?

Mr. WALCOTT. I yield.

Mr. HEBERT. Am I correct in understanding the Senator now that some work may be done to prevent forest fires along those highways constructed in whole or in part with Federal aid, under the amendment proposed by the Senator?

Mr. WALCOTT. It is my opinion, and I think I am safe in quoting Major Stuart, Chief of the Forest Service, that with State consent work can be done looking to fire control through Federal cooperation or Federal aid, under this amendment. I am inclined to think that it might be done even without the amendment, but in order to make doubly sure, I am proposing the amendment.

Mr. HEBERT. Mr. President, I make a distinction between fire control and fire prevention. I think there is a very marked difference.

Mr. WALCOTT. There is.

Mr. HEBERT. I am anticipating the occurrence of forest fires. My object was to have some work of this nature done under this bill to prevent the occurrence of forest fires. I am not unmindful of the fact that most of the forest fires occur along the main lanes of travel, most of which have been constructed with Federal aid.

Mr. WALCOTT. We feel in New England, as the Senator knows, that the flicking of a cigarette from an automobile into the brush or the dry leaves on the side of the road is perhaps the biggest menace we have.

Mr. HEBERT. That is true.

Mr. WALCOTT. That would come under this bill if any regulation that would prevent that might be entered into or adopted by the Federal Government with the consent of the States.

Mr. BORAH. Is that what the Senator has in mind with reference to the prevention of fire?

Mr. HEBERT. The flicking of cigarettes?

Mr. BORAH. Yes.

Mr. HEBERT. No, indeed, Mr. President. I had in mind removing brush from the side of the highway, and making the highway clean, so that anything that is thrown there, which might be set afire, could be removed. It is a work we have done in our State under State-aid plans, and I want, if possible, to have it extended, so that it might be done under the provisions of this bill.

Mr. COPELAND. Mr. President, will the Senator from Connecticut yield a moment?

Mr. WALCOTT. I yield.

Mr. COPELAND. If the Senator from Rhode Island has in mind cutting brush and doing things of that sort on the public domain, which I assume the roads are, there could be no objection to that. It is provided for in the bill. I thought the Senator had in mind the actual construction and repair of the roads themselves.

Mr. HEBERT. Oh, no; nothing of that kind.

Mr. COPELAND. Then I am sure the Senator is entirely protected by the amendment and the bill itself.

Mr. HEBERT. Does the Senator refer to the amendment offered by the Senator from Connecticut?

Mr. COPELAND. Yes; read in connection with the bill.

Mr. TYDINGS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Maryland?

Mr. WALCOTT. I yield.

Mr. TYDINGS. I ask unanimous consent for permission to file a report from the Committee on the District of Columbia at any time today on the District beer bill, and to have the bill reprinted, so that in the event the Senate has no business before it, it may be taken up at the first opportunity.

Mr. BORAH. Mr. President, let us know something about this "first opportunity." What does the Senator mean by that?

Mr. TYDINGS. I mean when there is nothing else before the Senate.

Mr. BORAH. That might be this afternoon.

Mr. TYDINGS. I do not ask unanimous consent to bring it up; I only ask unanimous consent to file the report and the bill, so that they may be in the hands of Senators and they may study them.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McNARY. A similar situation might have arisen yesterday, when the pending bill was reported and request was made to consider it before it had been printed a short time. If consent is granted to the Senator to file a report on the beer bill during the session today, ordinarily would it come up tomorrow, if a motion were made to proceed to its consideration, or would it have to go over under the rule?

The PRESIDENT pro tempore. It is the opinion of the Chair that it could be taken up tomorrow.

Mr. McNARY. Then I object.

Mr. WALCOTT. Mr. President, if there is no further discussion of the pending amendment, may we have a vote on it?

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Connecticut.

Mr. LA FOLLETTE. May I ask what became of the amendment offered by the Senator from Rhode Island?

Mr. HEBERT. I did not actually offer any amendment.

Mr. LA FOLLETTE. I misunderstood the situation.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. WALCOTT] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. FLETCHER. Mr. President, I offer an amendment, on page 5, line 25, to correct an ambiguity. After the word "construction," in line 25, I move to insert the words "has been commenced or", so it would read, "except for projects on which actual construction has been commenced or may be commenced within 90 days."

Mr. WALSH. I have no objection.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I offer an amendment, which I desire to have reported.

The PRESIDENT pro tempore. The clerk will report the amendment.

The CHIEF CLERK. On page 5, line 8, after the word "necessary" and before the comma, the Senator from Wisconsin moves to insert the words "including provisions for utilization of existing State administrative agencies."

Mr. LA FOLLETTE. Mr. President, may I explain briefly the purpose of this amendment? I do not know whether the situation exists in other States, but in my own State there has been carried on by the State a very successful project of unemployment relief in forestry work. As a result of that activity, a very efficient organization has been

set up which reaches down into the townships in the areas suitable for forestation and fire-prevention work.

I merely wish to give in this bill permissive authority to the President to make such use of an existing organization of that character as he may deem desirable and necessary. There is nothing that is compulsory in the language which I have offered. It is merely permissive authority to make use of any efficient organizations which may exist and which may be helpful in carrying on work of this character.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Wisconsin to the committee amendment.

The amendment to the amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, in connection with the amendment, I ask unanimous consent to have printed at this point in the RECORD a report of the activity of the Wisconsin State agency on these projects.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

REPORT OF 1932 UNEMPLOYMENT RELIEF PROJECTS ADMINISTERED BY THE CONSERVATION COMMISSION IN ACCORDANCE WITH PARAGRAPH 3 OF AMENDMENT 3A TO SUBSTITUTE AMENDMENT NO. 1S TO BILL 35A

SECTION 1. REPORT OF EXPENDITURES

Of $500,000 appropriated to the conservation department, $493,467.25 has been allocated to approved projects designed to relieve the distress of the unemployed and to develop and augment the facilities for forest protection.

During the year 1932 the conservation department expended a total of $464,221.08 on these projects. Of this amount the sum of $396,691.98, or 85.45 percent, was expended in the form of wages.

The total wages paid consist of the following items:

Wages to foremen, operators of trucks and equipment, and laborers	$348,181.06
Wages to teamsters	41,062.25
Camp, board and keep	7,448.67
Total wages	396,691.98

The work accomplished was divided into 416 separate projects. Table I shows by forest-protection districts the number of projects worked upon, the counties making up each district, the amount expended for labor, the total amount expended, and the percentage of labor expenditures to total expenditures.

TABLE I.—*Table, by districts, showing number of projects, labor expenditure, and total expenditure*

District No.	Number of projects	Counties making up districts	Labor expenditure	Total expenditure	Percent of labor expenditure to total expenditure
1	30	Bayfield and Douglas	$37,348.00	$41,385.74	90.24
2	66	Burnett, Polk, Washburn	27,479.07	29,788.20	92.25
3	36	Iron and Vilas	38,489.44	47,339.83	81.30
4	32	Florence, Forest, Marinette	50,140.68	58,385.32	85.88
5	39	Marinette	29,253.80	33,894.37	86.31
6	46	Ashland, Iron, Price, Taylor	$47,668.13	$59,429.18	80.21
7	34	Chippewa, Rusk, Sawyer	31,935.17	38,815.48	82.27
8	25	Lincoln, Oneida	33,503.05	35,300.55	94.91
9	33	Langlade, Marathon, Oconto, Shawano	40,170.15	42,810.90	93.83
10	33	Clark, Eau Claire, Jackson, Monroe	30,915.84	34,073.04	90.73
11	32	Adams, Juneau, Portage, Wood	23,075.75	25,877.17	89.17
Door County	5	Door	4,719.40	4,958.22	95.18
Miscellaneous	5	All districts	1,993.50	12,163.08	16.39
Total	416		396,691.98	464,221.08	85.45

These expenditures have been further analyzed to show in which counties projects are located and how much money was expended in these counties. Table II shows the labor expenditure and the total expenditure and the percentage of each which has been apportioned to each of the 30 counties in which work was done.

TABLE II.—*Apportionment of expenditures to counties*

No.	County	Labor expenditure	Percent of total	Total expenditure	Percent of total
1	Adams	$11,620.66	2.92	$12,495.99	2.69
2	Ashland	27,880.83	7.03	33,713.89	7.26
3	Bayfield	11,902.08	3.00	12,815.74	2.76
4	Burnett	10,723.90	2.71	10,752.20	2.32
5	Chippewa	1,484.02	.37	1,570.06	.33
6	Clark	11,433.47	2.88	12,539.74	2.71
7	Door	4,719.40	1.19	4,958.22	1.06
8	Douglas	25,395.07	6.40	28,480.27	6.14
9	Eau Claire	3,570.14	.90	3,910.43	.84
10	Florence	15,408.73	3.89	18,023.71	3.88
11	Forest	31,301.86	7.89	36,398.87	7.84
12	Iron	24,556.95	6.19	32,281.14	6.96
13	Jackson	13,766.12	3.47	15,193.09	3.27
14	Juneau	7,363.16	1.86	8,146.99	1.76
15	Langlade	27,657.31	6.97	29,286.99	6.31
16	Lincoln	12,299.60	3.10	12,795.66	2.75
17	Marinette	32,526.39	8.20	37,699.61	8.12
18	Monroe	2,053.71	.52	2,328.05	.50
19	Oconto	8,352.24	2.10	8,846.07	1.91
20	Oneida	21,203.45	5.35	22,504.89	4.85
21	Polk	799.20	.20	799.20	.17
22	Portage	173.49	.04	199.50	.04
23	Price	14,073.05	3.55	16,917.50	3.65
24	Rusk	11,978.09	3.02	15,817.69	3.40
25	Sawyer	17,303.63	4.36	20,130.22	4.34
26	Shawano	4,160.60	1.05	4,677.84	1.01
27	Taylor	3,788.68	.95	4,545.43	.98
28	Vilas	16,822.19	4.24	20,234.35	4.36
29	Washburn	15,917.77	4.02	18,143.41	3.90
30	Wood	3,670.64	.92	3,931.64	.85
	Undistributed	2,785.55	.71	14,082.69	3.04
	Total	396,691.98	100.00	464,221.08	100.00

A statement of expenditures showing the purposes for which money was expended is shown in table III.

TABLE III.—*Statement of expenditures*

District no.	Labor	Team hire	Camp board	Dynamite, fuzes, caps	Equipment hired	Gas, grease, and oil	Supplies, repairs	Administration	Other expense	Total expenditure	Percent of total
1	$29,560.42	$5,275.73	$2,511.85	$1,279.78	$1,828.56	$459.66	$305.46		$164.38	$41,385.74	8.91
2	24,264.37	2,360.70	854.00	576.23	353.35	171.07	373.07		835.41	29,788.20	6.42
3	34,885.89	3,603.55		3,675.13	4,082.32	783.25	278.45		31.24	47,339.83	10.19
4	44,480.86	5,659.82		5,856.77	1,430.24	494.06	434.37		29.20	58,385.32	12.58
5	25,202.80	2,966.60	1,064.40	2,283.11	978.24	722.93	598.81		57.48	33,894.37	7.30
6	41,682.33	3,192.51	2,793.29	4,221.23	4,909.11	1,017.10	1,324.17		289.44	59,429.18	12.80
7	28,434.71	3,275.33	225.13	2,744.03	2,783.15	714.15	310.07		328.91	38,815.48	8.37
8	30,717.39	2,785.66		1,113.86	417.20	186.54	34.00		45.90	35,300.55	7.60
9	33,438.95	6,731.20		2,220.34	10.00	111.65	163.71		126.05	42,810.90	9.22
10	27,752.26	3,163.58		1,574.06	397.25	743.69	221.19		221.01	34,073.04	7.34
11	21,048.18	2,627.57		800.47		583.72	794.84	398.54	223.85	25,877.17	5.58
Door County	4,719.40					132.11	106.71			4,958.22	1.06
Miscellaneous projects	1,993.50						7,998.87	2,170.71		12,163.08	2.63
Total	348,181.06	41,062.25	7,448.67	26,354.01	17,189.42	6,119.83	12,943.72	2,569.25	2,352.87	464,221.08	100.00
Total (percent)	75.01	8.84	1.61	5.68	3.70	1.32	2.78	.56	.50	100.00	

SECTION II. EMPLOYMENT

Twelve thousand seven hundred and ninety men were given employment. These men had a total of 40,209 dependents, or an average of 3.14 dependents for each man employed. The average wage per man employed was $31.02.

This information is shown by districts in table IV.

TABLE IV.—*Number of men employed, number of dependents, and average wage*

District no.	Number of men employed	Total wages	Average wage per man	Number of dependents	Average number dependents per man
1	1,047	$37,348.00	$35.67	2,906	2.86
2	879	27,479.07	31.26	3,448	3.92
3	1,276	38,489.44	30.16	3,348	2.62
4	1,427	50,140.68	35.14	4,850	3.40
5	834	29,253.80	35.08	2,630	3.15
6	2,332	47,668.13	20.44	6,283	2.69
7	1,072	31,935.17	29.79	3,743	3.49
8	876	33,503.05	38.25	2,803	3.20
9	1,224	40,170.15	32.82	4,245	3.47
10	997	30,915.84	31.01	3,194	3.20
11	590	23,075.75	39.11	1,961	3.32
Door County	225	4 4,719.40	20.98	675	3.00
Miscellaneous	11	1,993.50	181.23	33	3.00
Total	12,790	396,691.98	31.02	40,209	3.14

In order to show which counties have benefited by employment for relief purposes, table V has been prepared, showing the number of men employed from each of the 35 counties from which labor was secured.

TABLE V.—*Number of men employed by counties*

No.	County	Number of men employed	Percent of total
1	Adams	334	2.61
2	Ashland	1,223	9.56
3	Barron	5	.04
4	Bayfield	375	2.93
5	Burnett	349	2.73
6	Chippewa	67	.52
7	Clark	248	1.94
8	Columbia	1	.01
9	Door	225	1.76
10	Douglas	671	5.24
11	Eau Claire	237	1.86
12	Florence	334	2.61
13	Forest	992	7.75
14	Iron	978	7.65
15	Jackson	339	2.65
16	Juneau	152	1.19
17	Langlade	793	6.20
18	Lincoln	361	2.82
19	Marinette	942	7.37
20	Monroe	134	1.05
21	Oconto	259	2.02
22	Oneida	515	4.03
23	Polk	27	.21
24	Portage	1	.01
25	Price	823	6.43
26	Rusk	316	2.47
27	Sawyer	621	4.86
28	Shawano	165	1.29
29	Taylor	270	2.11
30	Trempealeau	35	.27
31	Vernon	1	.01
32	Vilas	375	2.93
33	Washburn	506	3.96
34	Waushara	5	.04
35	Wood	100	0.78
	Miscellaneous	11	.09
	Total	12,790	100.00

In order to show roughly the sources from which labor was obtained and to show to what degree labor was obtained from the immediate locality in which the projects are located table VI has been prepared in percentages. Employment on miscellaneous projects and the projects in Door County has not been included in this compilation. The number of men employed on these projects was comparatively small, and if included would materially affect the percentages otherwise obtained.

TABLE VI.—*Sources of labor in percentages*

District No.	Percent of labor employed from towns in which projects are located	Percent of labor employed from nearby towns	Percent of labor employed from nearby cities	Percent of labor employed from outside county	Total percent
1	72.67	9.33	18.00		100
2	72.15	16.98	8.27	2.60	100
3	67.62	24.29	7.91	.18	100
4	80.45	11.80	7.75		100
5	86.66	11.54	1.80		100
6	57.06	18.02	11.74	13.18	100
7	64.26	15.88	19.86		100
8	54.60	25.60	19.80		100
9	66.42	31.30	2.18	.10	100
10	27.30	20.61	37.06	15.03	100
11	50.37	26.93	18.53	4.17	100
Door County	(2.00)	(80.00)	(18.00)		(100)
Total	63.59	19.30	13.90	3.21	100

The percentages in parentheses are not included in computing totals.

Common labor was paid at the rate of 25 cents per hour for the first 4 weeks and at the rate of 30 cents per hour thereafter. Foremen, gradermen, and tractor operators were paid at a rate of from 35 cents per hour to 40 cents per hour. Teams and trucks were hired at local prevailing rates.

In computing the figures shown in columns g, h, i, and j of table VII it was assumed that the average wage for all classes of labor was 30 cents per hour in all districts, except miscellaneous projects, where 53 cents was used. The total man hours was computed by dividing the total wages by the average hourly wage. This was divided by the number of men employed to give the average number of hours worked per man. By dividing this figure by 8 the average number of 8-hour days worked per man was obtained.

The rotation of labor, or average number of periods for which each man was employed, was obtained by dividing the total number of times men were employed by the actual number of men employed. By dividing the average number of days each man worked by this ratio the average number of days in each period of employment was obtained.

The total number of times men were employed is the total number of times men worked on all projects. When one man worked on two or more projects he was considered to have worked as many times as the number of projects on which he worked. The transferring of labor from one project to another during the same period of employment was discouraged as much as possible.

TABLE VII.—*Periods of employment and average number of days worked per man*

	(a) Number of times men were employed	(b) Total wage	(c) (b/a) Average wage per time employed	(d) Actual number men employed	(e) (a/d) Rotation of labor	(f) Average wage per hour	(g) (b/f) Man-hours	(h) (g/d) Average hours worked per man	(i) (h/8) Average days worked per man	(j) (i/e) Average days per period of employment
District no. 1	1,908	$37,348.00	$18.98	1,047	1.88	$0.30	124,493.3	118.9	14.8	7.9
District no. 2	1,575	27,479.07	17.45	879	1.79	.30	91,596.9	104.2	13.0	7.3
District no. 3	2,087	38,489.44	18.44	1,276	1.64	.30	128,298.1	100.5	12.6	7.7
District no. 4	2,272	50,140.68	22.07	1,427	1.59	.30	167,135.6	117.1	14.6	9.2
District no. 5	1,653	29,253.80	17.70	834	1.98	.30	97,512.7	116.9	14.6	7.4
District no. 6	2,502	47,668.13	19.05	2,332	1.07	.30	158,893.8	68.1	8.5	7.9
District no. 7	1,751	31,935.17	18.24	1,072	1.63	.30	106,450.6	99.3	12.4	7.6
District no. 8	1,954	33,503.05	17.15	876	2.23	.30	111,676.8	127.5	15.9	7.1
District no. 9	2,022	40,170.15	19.87	1,224	1.65	.30	133,900.5	109.4	13.7	8.3
District no. 10	1,737	30,915.84	17.80	997	1.74	.30	103,052.8	103.4	12.9	7.4
District no. 11	1,421	23,075.75	16.24	590	2.41	.30	76,919.2	130.8	16.4	6.8
Door County	375	4,719.40	12.59	225	1.67	.30	15,731.3	69.9	8.7	5.2
Miscellaneous project	11	1,993.50	181.23	11	1.00	.53	3,759.0	341.7	42.7	42.7
Total	21,328	396,691.98	18.60	12,790	1.67	.30	1,319,430.6	103.2	12.9	7.7

SECTION III. WORK ACCOMPLISHED

The total expenditures, classified according to the type of work accomplished, are as follows:

Type of work accomplished	Total expenditure	Percent of total
New fire roads	$374,299.17	80.62
Fire breaks	40,655.40	8.76
Fire-hazard elimination	10,669.82	2.30
Construction labor	18,679.97	4.02
Miscellaneous	19,916.72	4.30
Total	464,221.08	100.00

The above classifications will be discussed in the following paragraphs:

New fire roads: 1,020 miles of new fire road were constructed, at a cost of $374,299.17, or an average cost per mile of $366.96. In constructing these roads 17,497 rods of fill, 266 bridges of an average length of 22.7 feet, 764 culverts, and 299 gates were installed. These figures are shown by districts in table VIII.

TABLE VIII.—*New fire roads*

District no.	Number of miles	Cost	Cost per mile	Rods of fill	Number of bridges	Total feet, bridges	Number of culverts	Number of gates
1	66.3	$33,156.71	$500.10	2,389	18	459	100	11
2	51.2	16,279.11	317.95	1,005	4	390	15	5
3	139.8	44,519.98	305.35	1,402	22	592	205	25
4	90.6	53,647.21	592.13	1,533	31	767	88	36
5	102.7	32,479.67	316.26	1,810	48	849	40	34
6	111.7	56,603.90	506.75	1,938	39	1,004	137	28
7	58.5	33,196.61	567.46	464	14	145	71	19
8	111.3	34,605.05	310.92	1,860	28	403	65	40
9	171.2	40,740.05	237.97	1,167	43	1,175	30	54
10	86.5	20,564.69	237.74	3,009	15	163	11	35
11	30.2	8,506.19	281.66	920	4	86	2	12
	1,020.0	374,299.17	366.96	17,497	266	6,033	764	299

Fire breaks: 342.2 miles of fire breaks were constructed at a total cost of $40,655.40 on an average cost per mile of $118.81. In constructing fire breaks 323 rods of fill, 11 bridges of an average length of 18.6 feet, 13 culverts, and 4 gates were installed. These figures are shown by districts in table IX.

TABLE IX.—*Fire breaks*

	Number of miles	Cost	Cost per mile	Rods of fill	Number of bridges	Total feet of bridges	Number of culverts	Number of gates
District no. 1	12.6	$2,073.86	$164.59	100			5	
District no. 2	176.9	10,233.20	57.85	3			3	
District no. 5	1.5	288.80	192.53					
District no. 7	4.5	572.30	127.18		2	20	1	
District no. 10	63.1	12,451.79	197.33	52	8	167	4	4
District no. 11	83.6	15,035.45	179.85	168	1	18		
	342.2	40,655.40	118.81	323	11	205	13	4

Fire-hazard elimination: The work accomplished under this classification consisted of the following:

Type and amount of work accomplished:	Total cost
103.5 miles of snag cutting, at an average cost per mile of $47.84	$4,951.36
81.5 miles of road slash, burned at an average cost per mile of $26.85	2,188.41
190.0 miles of telephone-line brushing, at an average cost per mile of $13.32	2,530.15
30 acres of park and other slash, disposed of at an average cost per acre of $33.33	999.90
Total hazard elimination	10,669.82

Construction labor: Practically the entire expenditure under this classification was for labor. Supplies and materials have been changed to other funds wherever possible. The work accomplished under this classification consisted of the following:

Type and amount of work accomplished:	Total cost
21 new towers	$3,845.84
12 tower replacements	1,567.43
8 tower relocations	971.82
Tower repairs	358.08
Addition to ranger-station buildings	462.30
Improvements to ranger-station buildings	1,781.99
Repairs to ranger-station buildings	78.00
190.9 miles of new telephone line, at an average cost of $35.86 per mile	6,846.26
Improvements to old telephone line	2,768.25
Total construction labor	18,679.97

Miscellaneous: The work on expenditures under this classification are as follows:

Type and amount of work accomplished:	Total cost
Construction of gates not distributed to projects	$557.33
Miscellaneous brushing (12 miles at $45.81 per mile, and 695 acres at $7.13 per acre)	5,507.91
Cruising	327.90
Tower-cabin construction	235.90
Administration and supervision	2,569.25
Tower foreman	1,362.30
Tools and supplies not distributed to projects	8,455.58
Transportation not distributed to projects	631.20
Miscellaneous expenditures	269.35
Total miscellaneous	19,916.72

Mr. COUZENS. Mr. President, I want to offer a substitute for section 2, and in offering the substitute I would want to include the amendment the Senator from Wisconsin has just had adopted. I would like to have the clerk read the amendment.

The PRESIDENT pro tempore. The clerk will read the amendment.

The Chief Clerk read the proposed substitute, as follows:

SEC. 2. For the purpose of carrying out the provisions of this act the President is authorized to enter into such contracts or agreements with States as may be necessary, and the President, or the head of any department or agency authorized by him to construct any project or to carry on any such public works, shall be authorized to acquire by purchase, donation, condemnation, or otherwise real property contiguous to real property already owned by the Government, but the provisions of section 355 of the Revised Statutes shall not apply to any property so acquired.

Mr. COUZENS. Mr. President, this amendment proposes to eliminate from the language in section 2 authority for the President to purchase or acquire property from counties and municipalities, or any other property except from the State where such property is contiguous to the property already in the ownership of the Federal Government.

The purpose is not to give a blanket authority for the purchase from municipalities or from counties or from States of any kind of property which may not be contiguous to Federal property such as national forests or national parks. In all other respects it is the same as the provision proposed by the committee.

Mr. CONNALLY. Mr. President, will the Senator yield to me?

Mr. COUZENS. I yield.

Mr. CONNALLY. Under this amendment it would be impossible for the President to acquire lands in a State where there are no public lands.

Mr. COUZENS. That would be true.

Mr. CONNALLY. Does the Senator think that is quite fair? I represent a State territorially the largest in the Union, and there is not a foot of Federal land in the State. Does the Senator think my State ought to be denied all the benefits of this proposed act?

Mr. COUZENS. It refers to acquiring property. It would not prevent any work being done.

Mr. CONNALLY. If we could not acquire the property, how could we do any work on it?

Mr. COUZENS. There are provisions in the first section for doing work in cooperation with the States. I am just objecting to the purchasing of any more land by the Federal Government except where it might be necessary to square out a piece of national forest with Federal land.

Mr. CONNALLY. I will have to disagree with the Senator.

Mr. COUZENS. If the Senator could illustrate in what kind of a case this would apply in Texas, I would be glad to have him do it. I do not understand what land he would want to sell the Federal Government under section 2.

Mr. CONNALLY. The Senator from Texas does not want to sell the Federal Government anything, but if it is sound national policy to acquire land in order to undertake reforestry, I do not see why any particular section or any particular State should be discriminated against. For instance, there are many areas in Texas which would make fine national forests; and we might want the Federal Government to purchase some of that land and reforest it and let it be

a national forest. But under the Senator's amendment it would be impossible to do that.

Mr. COUZENS. In other words, this money might not be used for relief of unemployment at all.

Mr. CONNALLY. It would be if they reforested the land.

Mr. COUZENS. I know; but if the Government uses all of the limited appropriation now carried in this bill for the purchasing of land, there would be nothing left for the relief of unemployment. In other words, it would be for the relief of landowners rather than of the unemployed.

Mr. VANDENBERG. Mr. President, will my colleague yield?

Mr. COUZENS. I yield.

Mr. VANDENBERG. Furthermore, national parks are never purchased: they are always procured by donation from the States or subdivisions.

Mr. COUZENS. That is true with respect to national parks; but I also wanted to cover the question of forests. In other words, if this is to be a land purchase bill, then why mislead the public into thinking it is an unemployment relief bill?

Mr. COPELAND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from New York?

Mr. COUZENS. Certainly.

Mr. COPELAND. As I understand the Senator, he simply proposes to eliminate municipalities and counties?

Mr. COUZENS. And, in addition to that, make the bill applicable to land that may be required in the State contiguous to land already owned.

Mr. COPELAND. I see no objection to that.

Mr. LA FOLLETTE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Wisconsin?

Mr. COUZENS. I yield.

Mr. LA FOLLETTE. It has been the experience in Wisconsin under relief forestation work that where the purchase of land in any considerable quantity is involved $2 goes for the purchase of land and only $1 for wages or other form of relief work. Therefore it seems to me the Senator's amendment is very properly drawn to restrict, insofar as possible, the activities under the bill to the provisions for relief work.

Mr. COUZENS. The reason why I offered it in this particular form was because the Senator from Massachusetts [Mr. WALSH], in describing the intent of the section, said there might be a few acres contiguous to some Federal land or park which it might be necessary to acquire to square it out, and it would not be expensive.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. McNARY. The Senator from Michigan is quite right. Under the acquisition act passed in 1916 the Government can acquire land on watersheds and navigable streams. This year we carried about $90,000 for that purpose. Up until 2 years ago the Government carried about $1,000,000 a year. I think 6,000,000 acres have been acquired. Why interfere with that policy in a haphazard way? I think the Senator is quite correct in asking that the language to which he has referred should be stricken out.

Mr. COUZENS. I am asking to strike out all the language that takes away or interferes with the operation of the policy that we already have. It is proposed under section 2 to spend all this money for acquiring lands from counties and municipalities. It would be a land-relief measure instead of an unemployment-relief measure if that language were permitted to stand.

Mr. WALSH. Mr. President, all that the Senator from Michigan has said is in accord with the views of the President. The President has no intention and no purpose to use the funds available in this bill for the purchase of any public domain. He has emphatically stated that we already have too much public domain. The only reason for the proposal was to permit, for instance, the purchase of land where water would be available or for some similar purpose. I see no objection to the amendment.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Michigan [Mr. COUZENS].

Mr. CONNALLY. Mr. President, I do not quite agree with the purpose of the amendment of the Senator from Michigan [Mr. COUZENS]. As I undertook to point out a while ago, his amendment would restrict the power and discretion of the President under the bill. My State is in a very peculiar position with reference to Federal land. When Texas came into the Union it reserved its own land and donated to the Union a great part of the territory which now forms a part of the States of New Mexico and Colorado. The result is there are no Federal lands in Texas. If this is an unemployment-relief measure, my State is entitled to the benefits of the relief proposed to be granted. On the other hand, if it is a land proposition, as the Senator from Michigan insinuated—though I do not know that that is the purpose—it seems to me my State, since it came into the Union, is still in the Union.

Mr. COUZENS. Mr. President, will the Senator from Texas yield?

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Michigan?

Mr. CONNALLY. Certainly.

Mr. COUZENS. The Senator will find his State is taken care of the same as my State, under section 1. I do not want to limit in any way the amount of money that is being devoted to the relief of unemployment. Particularly I do not want to divert the use of that money to the purchase of land.

Mr. CONNALLY. I understand the purpose of the Senator, but does the Senator think it is sound policy to reforest only in the places where there are already large Federal parks and a great deal of Federal land?

Mr. COUZENS. Oh, no.

Mr. CONNALLY. If reforestation is a good policy anywhere, it is good everywhere.

Mr. COUZENS. That can be done under the provisions of section 1.

Mr. CONNALLY. I understand, but let me say to the Senator from Michigan, that some sections in the Senator's own State contain Federal lands and others do not. Does he want to restrict the activities under this section to those portions of the State only where there is Federal lands?

Mr. COUZENS. I did it on the recommendation of the Senator from Massachusetts yesterday. If the Senator from Texas wants to amend the substitute which I have offered and omit all purchases, I am entirely agreeable. The Senator from Massachusetts described it yesterday and I have endeavored to act in accordance with his views. If the Senator from Texas wants to offer an amendment to my amendment eliminating all purchases, I am entirely agreeable.

Mr. CONNALLY. I do not care to do that because it may be that in working out the plan we ought to purchase some land somewhere.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Idaho?

Mr. CONNALLY. I yield.

Mr. BORAH. I think the Senator is or ought to be supremely happy, and I know he is fortunate in the fact that the Government owns no land in his State. If the bill prevents the purchasing of any land in his State, he ought to be happy again. I wish my State were in the same position. We have about 69 percent of all the land in our State under Federal control. We have the other end of the proposition. I envy the Senator and his State in their position. I would not, if I had my way, permit the Federal Government to purchase a foot of land in my State except for public buildings.

Mr. CONNALLY. Of course, if the Senator acknowledges the ownership of 69 percent in the Federal Government, he would not care about the Federal Government purchasing any more. [Laughter.] I am not anxious for the Federal Government to purchase any land in my State. I think my State was wise when it reserved its own public lands. But

let me suggest to the Senator that the lands which Texas did keep have not been preserved in great forest reserves, but have been sold to settlers and homesteaders. The result is we have not any great scope of public lands upon which these projects can be undertaken. With reference to my State, if the Federal Government cannot purchase any of those lands, the net result will be that no reforestation will take place in my State, and consequently my State will get no benefit whatever out of this legislation.

Mr. FESS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Ohio?

Mr. CONNALLY. I yield.

Mr. FESS. I am interested in the question asked by the Senator from Idaho about the amount of public land or the proportion of the land in the State owned by the Federal Government. Why is it the Federal Government does not cede to those States the land that lies within their boundaries? I would vote for it today.

Mr. BORAH. We would get about a dozen votes for such a proposal.

Mr. FESS. It ought to be done and let the Government get out of the ownership of such lands.

Mr. BORAH. The Government created these vast forest reserves of land where in many instances God could not make a tree grow and neither can the Government. The result of it is that we have this vast percentage of land under the control of the Federal Government, depleting and exhausting our opportunities for building up communities and all things connected with great communities. But we could not get a bill through the Congress to cede those lands to the States.

Mr. FESS. Why not?

Mr. BORAH. Because we could not get the votes.

Mr. FESS. Would not the voters in the State oppose it? Would not the land States in the West oppose it?

Mr. BORAH. Support it, does the Senator mean?

Mr. FESS. No; oppose it.

Mr. BORAH. I do not know about that.

Mr. FESS. I do not know why the East would want to retain those lands.

Mr. BORAH. It was the East that adopted the policy and enforced the policy which resulted in Federal ownership of 69 per cent of the lands in Idaho to which I have referred. It was their thought that put this policy upon the West.

Mr. FESS. We ought to change it.

Mr. BORAH. Yes; we ought to.

Mr. FESS. I would vote to change it at once.

Mr. CONNALLY. Mr. President, let me suggest, on the other hand, that I am not an easterner and that the Western States are not entirely unblessed by the possession of these Federal lands. They always want the Federal Government to cede these lands, complaining that they do not pay taxes and do not maintain the States; but my observation since I have been a Member of Congress is that the Federal Government goes into the Treasury and, from moneys contributed by the remaining States of the Union, builds roads and builds parks and has forest rangers and appropriates millions of dollars for caring for those lands. All of that money is spent in the Western States which are complaining that the Federal Government owns the public domain.

Mr. BORAH. We do not want any money out of the Treasury of the United States. We want communities. We want the States built up and the communities built up. We cannot do it by making forest reserves of the States and then taking money out of the Treasury of the United States for that purpose. No amount of money from the Treasury of the United States can suffice for a great, fully developed commonwealth. We want the taxing power to extend to our great domain. Suppose 69 percent of some of these great Eastern States were under Federal control. What condition would they be in when you consider they are now daily knocking at the door of Congress for money to feed their people?

Mr. CONNOLLY. But we have Federal homestead laws. Are not many of those lands subject to homestead entry? Cannot settlers go and convert those lands into public settlement?

Mr. BORAH. They are not subject to homestead entry if they are under reserve.

Mr. CONNALLY. But they are not all under reserve, are they?

Mr. BORAH. I said 69 percent. Not only that, but in those places in the valleys, and so forth, where homes could have been built, under the regulations and practices and domination of the forest reserve that has been made impracticable. These vast regions are given over entirely to forest reserves. That does not make a State. We cannot make a State in that way, it makes no difference how much money we get out of the Treasury of the United States. It is like the old days in England when they had vast hunting forests. They were very delightful for those who hunted and were willing to sustain and maintain them, but they prevented the building up of communities.

Mr. CONNALLY. I simply offer that suggestion to the Senator from Idaho. I am sure he has a great State. It may not be developed to the extent of some of the old States, but it was sufficiently attractive for the Senator to choose it for his home. It was sufficiently wise to select the Senator and send him here to Washington to represent it. I have high respect for both the Senator and his State when I contemplate that fact.

Mr. BORAH. The people who are there are a very fine class of people, but there are not enough of them. [Laughter.] We want more of the same class of people and we want our natural resources which Nature's God has given us with which to develop our State.

Mr. CONNALLY. The State of Idaho is not altogether unblessed. The Federal Government has already undertaken to make Idaho a great State. The Federal Government has financed reclamation projects by which water has been dammed up and carted out across the desert to water the plains. That money has been furnished to the settlers of Idaho from the Federal Treasury without any interest whatever. It takes something more than the laws of a State or a nation to make a State. God Almighty has something to do with it. He made the desert. He made the mountains. He made the streams. A statute cannot remove or change them.

Mr. President, I insist that I do not believe the amendment of the Senator from Michigan is just or that it is fair in limiting the activities under the bill to those States that now possess Federal lands. If the bill is good for New England, it ought to be good for the South. If it is good for the pinelands of Michigan that have been cut over and that are now worthless perhaps, it ought to be good for some of the pinelands down in Texas owned by private people which the Federal Government might want to acquire to establish a great forest reserve.

Mr. COUZENS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Michigan?

Mr. CONNALLY. I am always glad to yield to the Senator from Michigan. He is irresistible.

Mr. COUZENS. Does the Senator's State have any lands which it owns itself?

Mr. CONNALLY. A few scattered pieces of land here and yonder that it has not been able to sell to private settlers. That is the kind of lands we have to reforest.

Mr. COUZENS. They can be reforested under the terms of this bill.

Mr. CONNALLY. Yes; but would the Senator want to reforest 200 acres here and 200 acres there and 100 acres in some other place?

Mr. COUZENS. If they are owned by the State and there is unemployment, it can be relieved under section 1 of this act.

Mr. CONNALLY. The Senator comes from Michigan, from the great city of Detroit, the center of the great auto-

mobile industry of the United States. He knows that the great automobile industry in Detroit would not want to have 1 factory over in the eastern part of town making 2 automobiles a week and another factory over in the western part of town making 1 automobile a week.

Mr. President, will the Senator from Michigan give me his attention?

Mr. COUZENS. The Senator from Wisconsin was much more entertaining for the moment. [Laughter.]

Mr. CONNALLY. I dare say he is always more entertaining. I am making an argument which perhaps the Senator from Michigan would not consider to be entertaining to him, but I think he owes me the courtesy of listening to me until I get through with my answer to his interruption.

Mr. COUZENS. I was listening until I was interrupted by the delightful Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. CONNALLY. I know the Senator from Michigan meant no discourtesy, but since I was directing my remarks to the Senator from Michigan I hope he will do me the great kindness to listen to me. I trust the Senator from Wisconsin will pardon my interfering with his conversation for the moment. If he will, I shall be very glad. [Laughter.]

I was just pointing out that the Senator from Michigan comes from Detroit. He comes from the headquarters of the great automobile industry, where are located General Motors and Henry Ford, and he knows that it is not sound policy for Mr. Ford or the General Motors to have one little factory in east Detroit making a few automobiles a week and another one on the west side of the town making a few more.

Mr. President, the proposition is that reforestation is a big project. It is necessary to have a lot of territory; indeed, to have a preserve. It is not feasible to reforest 100 acres here, and 15 miles off another hundred acres, and 20 miles off another hundred acres. That is the condition of the public lands of my State.

The State of Texas thought it better, according to the ideas and suggestions of the Senator from Idaho, to have its lands sold to individual home owners and have them settled, to build up communities, and to build up counties than to hold them in a great untenanted reserve. The result has been that the only lands which my State owns are those which were turned back to it because those who acquired them could not pay the price, or lands which were in forests and cut over and which have not produced new growth of timber. They are not productive from an agricultural standpoint, and their only possible utility is under this very sort of a project for reforestation. But if we are going to deny the President the power to acquire lands in east Texas, where there were once fine forests of pine, if he cannot acquire them, then my State is out of the picture so far as this bill is concerned. My unemployed will still be unemployed; my hungry will still be hungry; my lands will still be barren; my lands will remain unforested, while the Senator from Michigan, living in a State where the white-pine forests once grew, may see them watered and cultivated and flourishing again, with Government money; and the Senator from Wisconsin, the State of the lakes, will see every lake fringed with a new forest out of the Treasury, out of my money and your money, the money of the people of my State. His unemployed will have jobs; his hungry will fatten.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. LA FOLLETTE. One of the reasons why I am in sympathy with the amendment offered by the Senator from Michigan is that in my State, for instance, there are vast areas of cut-over lands, which are owned by private interests; and if there were sufficient money available to provide for the acquisition of land and for affording work relief, I should not be averse to the policy the Senator suggests; but, with the limited sum of money available, I think the objective sought by the Senator from Michigan is a worthy one—namely, that the money provided here shall go to the purpose of giving relief rather than for the acquisition from private interests of cut-over lands on which the owners no longer desire to pay taxes and which are being unloaded upon the Federal Government.

I am in sympathy with the situation which confronts the Senator from Texas, but I merely wanted to urge upon the Senator's attention the fact that in a great many States of the Union there is a situation which completely justifies the amendment offered by the Senator from Michigan.

Mr. CONNALLY. The Senator from Wisconsin is willing to trust the President about everything else in this bill. Why is the Senator not willing to trust the President in that respect? The Senator from Wisconsin says there is not enough money to go around. The Senator knows that his State is to get reforestation; he knows that it is not necessary to buy any of the public lands of his State; they are there already. Now, why is not the Senator willing for all the States of the Union to have equal opportunity under this measure?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BARKLEY. What would happen in a State like mine where there are no public lands of any kind? We have no public lands in Kentucky. The only public lands there are probably little memorial graveyards of some kind.

Mr. CONNALLY. Of Daniel Boone.

Mr. BARKLEY. Well, we have not even got that as yet, though we hope that the last resting place of Daniel Boone may be taken over before long. We have a project there to make a national park out of the Mammoth Cave. The law which we passed for that purpose required the State of Kentucky to donate to the Government 45,000 acres of land, and after that was done the Government was supposed to take it over as a national park. We have not been able to get as yet more than 35,000 acres, so that it is not yet a national park. Outside of that and a few little monuments, there are no public lands in the State.

I am not prepared to advocate that the Government go in promiscuously and indiscriminately and condemn lands and buy them in order to plant trees on them; but there are vast areas in the mountain section of Kentucky and in the Tennessee Valley, which has been spoken of in connection with Muscle Shoals, all of which are privately owned; there are no public lands there; the areas are owned by private individuals. What is the reason for purchasing additional land adjacent to a piece of public land and at the same time ignoring all the lands in the State where there is no public land?

Mr. CONNALLY. The Senator is absolutely correct, and if he were in the Chamber a while ago and listened to the discussion, he knows that that was one of the points that the Senator from Texas was undertaking to bring out, that in my State, as in his own State, we have no public lands, and this amendment will deny the benefits of this act to those States.

The Senator from Wisconsin a moment ago contended that there is not enough money to purchase lands. Well, under the amendment of the Senator from Michigan purchases can be made of adjacent lands. The Senator from Wisconsin is willing to buy the land so long as it is contiguous to some that the Government already owns; and it owns large areas in Wisconsin.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. COUZENS. I think it is hardly fair for the Senator to talk in that way, when the Senator from Kentucky raises an old issue that has been all hashed over. The effect is that this proposal was put in this amendment because of the statement of the Senator who was handling the bill on the floor. This is not a suggestion of mine.

Mr. CONNALLY. Then I withdraw all that I said about the Senator and transfer it to the Senator from Massachusetts.

Mr. COUZENS. The Senator from Massachusetts agreed to this because it was in accord with the views of the Presi-

dent of the United States. Now, if it will satisfy the Senator from Kentucky and the Senator from Texas, I am perfectly willing to cut out—and I will offer an amendment to cut out—the provision for the purchase of any contiguous property and then the Senator will have no complaint to make.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. CONNALLY. Yes.

Mr. BARKLEY. I am for this bill; I am not raising any criticism at all with reference to its provisions; and I am going to vote for it, whether it is amended or whether it is not amended; but I think it is not at all unfair to suggest that there may be some localities that may not benefit under it. That may be all right; I am not localized; I am not provincial in my outlook upon this situation. If we can pass a good bill that will help Wisconsin and Michigan or Idaho or any other State, even though we do not help my State, I am willing to vote for it; but I want to find out where we are and to know whether there is anything in the Senator's amendment that would cure the situation to which I refer.

Mr. CONNALLY. Mr. President, I want to say to the Senator from Michigan that the Senator from Texas meant no reflection upon him or his motives, nor did he mean any reflection upon the Senator from Wisconsin. The Senator from Texas was merely trying to point out that naturally those Senators who come from States where there are public lands know all about them and look at the question from the viewpoints of those States; but we do not; we do not have any public lands; we do not deal with them; we do not know anything about them; and I was assuming that the Senators had overlooked the fact that there are States like Kentucky and States like Texas that would get no benefit under this measure. I do not want to be provincial about this matter. Nobody in Texas has said a word to me about it or telegraphed or written me. I simply have made these suggestions from a reading of the bill and a reading of the amendment of the Senator from Michigan. If the Senator from Michigan is acting on the suggestion of the Senator from Massachusetts, then I direct my remarks to the Senator from Massachusetts.

Mr. WALSH. I suggest that the Senator turn them on the President. The amendment the committee has proposed is approved by the President; and I call upon any Senator who heard the President's statement to rise and say whether I misquote him when I state that he emphatically asserted that he did not want to go into the business of purchasing public lands.

Mr. CONNALLY. Then why is such language used in the bill?

Mr. WALSH. Because he said that occasions might arise when it might be necessary to purchase land—for instance, in order to acquire a water supply for some camp—and in that event it would be desirable to acquire land.

Mr. CONNALLY. Since the Senator from Massachusetts raised the issue about the President, I want to say I am standing with the President; I am cooperating in carrying out the President's views; but the committee that has reported this bill was supposed to report a bill such as the President wanted. Is not that correct? The members of the committee work on it and they bring it in here and say, "Here is a bill just like the President wanted; do not change it," and then they come in here with amendments and say it ought to be changed. How can we rely on an assurance like that when they themselves do not know what the President wants?

Mr. WALSH. The committee did not think it wise to authorize under this bill the general purchase of private lands by the President, and the President did not think it was a wise policy; but we did include in the bill this authority to which reference has been made, with the knowledge that the President would use it only in extreme emergency. That is the reason why it is in the bill. As to the proposition to which the Senator from Texas refers, I suggest that a separate bill providing a separate appropriation be presented.

Mr. CONNALLY. I am willing to trust the President and give him this authority and let him have it. I am not asking him to buy a foot of land in Texas. I want him to have authority with which the Senator from Massachusetts, claiming to represent the President, apparently is not willing to trust him. He is not willing to give him the authority. The Senator says, the President indicated he would not use the power except in extreme cases. The Senator from Massachusetts, however, wants to prevent him from using it in even extreme cases.

I am willing to trust the President. I have got no land I want to sell, and I do not know of anybody in my State who has, but I think it is unjust for the Congress to pass a bill, supposedly for the relief of everybody in this Union, and then to make it impossible for the President to do anything in States like Kentucky and Texas.

The Senator from Massachusetts talked about a "separate bill" to do this. Why? Because he knows a separate bill would be pigeonholed in his or in some other committee and would never see daylight. When we are legislating on forestry we ought to legislate on all of it. We are dealing with that policy now, and I hope the Senate will not show a lack of confidence in the President by denying him the authority which is requested in this bill as originally reported by the Senator's committee.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. COPELAND. It seems to me, Mr. President, that we did put a lot of language in the bill to cover the one thing the President had in his mind, which was largely the question of the donation of property. It was made clear there was no authority for him to accept property, and he pointed out in our conference at the White House that in carrying on this work in the matter of fire protection and flood control it might happen that there would be adjoining a piece of publicly owned land, another strip which could be advantageously used for the protection of the public domain. So the real purpose of this section originally was to make it possible to receive such property by donation. There was never any question that it could be purchased, but the question was as to the right to receive property by donation.

Mr. CONNALLY. Mr. President, let me say to the Senator, then, that the defeat of the amendment of the Senator from Michigan will not interfere at all with what the Senator points out. The President still would have authority to buy contiguous land; he still would have authority to accept donations. The amendment of the Senator from Michigan, however, is restrictive. It is prohibitive. It erects complete barriers against the State of Kentucky and the State of Texas and perhaps other States of the Union.

I think that every part of this Union is at least theoretically a part of it and ought to be considered in any far-flung scheme of rehabilitation or relief which the Senate proposes.

Mr. COUZENS. Mr. President——

Mr. CONNALLY. I yield to the Senator from Michigan.

Mr. COUZENS. In view of what the Senator from New York said, would it meet the views of the Senator from Texas if we cut out the words "purchase or condemnation" and left in the word "donation"?

Mr. CONNALLY. I have not analyzed all of the Senator's amendment, but I do not see anything wrong with the section as it stands. Why amend it?

Mr. COUZENS. Because I do not want this money to be taken out of the mouths of unemployed workers and put into the hands of real-estate owners.

Mr. CONNALLY. I do not, either.

Mr. COUZENS. That is just what we are doing if we leave this section wide open. I am cooperating with the President, and I do not want the President or any of his subordinates under pressure to buy from States and real-estate men a lot of land and use up this money for that purpose.

Mr. CONNALLY. There is no disagreement between the Senator from Michigan and myself as to that purpose. The

President of the United States is not going to spend all of this money for land and have nothing left with which to compensate the workers who may be employed.

Mr. COUZENS. I do not want him to spend any of it for that purpose.

Mr. CONNALLY. The Senator, then, wants to circumscribe the President's power.

Mr. COUZENS. I want him to use the money for the unemployed. I want him to use it to put people to work.

Mr. CONNALLY. The Senator from Wisconsin [Mr. LA FOLLETTE] has another measure here, carrying $500,000,000 more for the unemployed, in addition to this bill.

Mr. COUZENS. That is entirely different from this camp and forestation idea which the President put up to us.

Mr. CONNALLY. But that is the program. Reforestation is what is in this bill, is it not?

Mr. COUZENS. On lands that are already owned by the Government or the States, as provided in section 1.

Mr. BARKLEY and Mr. LONG addressed the Chair.

Mr. CONNALLY. I yield first to the Senator from Kentucky. Then I shall yield to the Senator from Louisiana.

Mr. BARKLEY. Mr. President, I have been trying to find out what the Senator's amendment is. Unfortunately, I was called out of the Chamber when his amendment was read. It is to section 2 of the bill, as I understand.

Mr. CONNALLY. It is to prevent the purchase of any land.

Mr. BARKLEY. The Senator's amendment applies to section 2 of the bill?

Mr. COUZENS. That is right. I am offering a substitute for that section.

Mr. BARKLEY. As I understand, this section provides that the President may enter into such contracts with States, counties, municipalities, or other public bodies as he may deem necessary, I presume, for the inauguration of some kind of public project. It is not very clear just what it means, but in that connection he is authorized to buy lands.

Mr. COUZENS. Yes.

Mr. BARKLEY. What is the objection to that?

Mr. COUZENS. Because there is a very limited amount of money, 140 or 150 million dollars; and the more we spend for land to relieve landowners the less we will have with which to feed the hungry.

Mr. BARKLEY. If we are going to have a project of any kind that means the construction of anything on it, we must have land on which to build it.

Mr. COUZENS. We have plenty of land as provided in section 1.

Mr. BARKLEY. We may not have the land in the right place.

Mr. COUZENS. The Senator certainly is not going to leave the matter wide open, is he, so that all these department heads will be under pressure to buy lands from counties and municipalities and States, and what little money we have with which to feed the unemployed will go to the landowners?

Mr. BARKLEY. Oh, no! I do not assume that anybody, whether the President or anybody appointed under him, would go out and engage in the wholesale real-estate business; but I cannot see where there would be any objection to authorizing the President to buy whatever land is necessary in order to carry out the contracts he may enter into with States, counties, or cities in the construction of any project that comes under this bill. That is entirely different from reforestation, as I understand.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from New York.

Mr. WAGNER. Does not the Senator regard it as unthinkable that the President of the United States would devote a large portion of this money, or any considerable portion of this money, to the purchase of real estate, in view of the purpose of this legislation, which is merely in the nature of relief legislation to take care of these unfortunate unemployed?

I think it is unthinkable that the President would do such a thing. We know that that will not happen. There may be, however, as I understand, cases where some incidental property may have to be taken in order to carry out the purposes of the act; and my own prediction would be that the amount of money spent for the purchase of property would be an insignificant portion of the amount appropriated.

Mr. COUZENS. Then why not have Congress say so?

Mr. WAGNER. We are trusting the President with the administration of this whole matter. Why restrict him in this particular instance?

Mr. COUZENS. Because the more we save out of buying real estate the more we have to feed the unemployed with, and because the bill says specifically in section 2 that the President may assign this work to a head of a department. No one knows what pressure these departments and the President would be under to buy up these lands.

Mr. WAGNER. I assure the Senator that the President will know what is going on in every department of the Government.

Mr. COUZENS. If the President is able to know what each unemployed man is going to do, if he is able to know what each veteran is going to do, how much he is going to have his compensation cut, and all of those other details, then he is a greater man than I have ever heard of.

Mr. WAGNER. Of course, I did not mean to suggest that he would know all the details.

Mr. COUZENS. The Senator said that.

Mr. WAGNER. But I am sure the purchase of a substantial piece of property would not be made without his authorization. We are quibbling about a very unimportant detail.

Mr. COUZENS. Anything the Senator does not want, of course, is a detail; but anything that he wants is statesmanship.

Mr. CONNALLY. Mr. President, let me say to the Senator from Michigan that I applaud his fine outlook. I have, as the Senator knows, the very tenderest personal regard for him, and I am not quarreling with his viewpoint; but everybody knows that this whole bill trusts tremendous power to the President. He is not going to permit all the money to be spent for land and have nothing with which to feed the unemployed, because the purpose of the bill is to feed the unemployed. It is unfair and unjust, however, to circumscribe his powers and make it impossible for him to carry out the purposes of the bill; so I hope the Senator will not insist on his amendment.

Mr. LOGAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Kentucky?

Mr. CONNALLY. I yield to the Senator from Kentucky.

Mr. LOGAN. I understand that the amendment of the Senator from Michigan is to prevent the purchase of land on which to carry out these projects. Is that the purpose of it?

Mr. CONNALLY. That is the purpose—unless it is contiguous to presently owned Federal land.

Mr. LOGAN. The power to purchase land where it would otherwise be procured by donation, or in some other manner, will very greatly interfere with the entire project. I think the Senator from Michigan is right. If we ever let it be known that the Government of the United States has the power to purchase a man's land, we will never get it except by purchasing it and paying about 4 or 5 times what it is worth.

So I believe it would help the entire project if we should prohibit the purchasing of land, as is provided for in the amendment of the Senator from Michigan, and have the burden placed on someone else to procure the land. We cannot have land given to us, we cannot acquire it in any way, if the owner of the land knows that the Government of the United States has the power to purchase and pay for it. I have had some experience with trying that out; and land becomes very, very valuable when the Government of the United States wants it.

Mr. CONNALLY. When the Government has to have it, of course, that is true; but the Government does not have to buy any of this land. The President does not have to buy an acre of it; and I am not in favor of prohibiting him from purchasing land if he finds it is necessary in order to carry out this program.

Mr. LOGAN. Suppose it is desired to acquire one tract of land, or a few tracts of land, within an area that the Government has already acquired.

Mr. CONNALLY. The Government can condemn it.

Mr. LOGAN. If we say that the Government can buy it, then it will have to condemn it; but if we say that the Government cannot buy it, then the owners will have a direct incentive to donate it in order to have the project carried out, or the local authorities will see to it that the property is acquired and conveyed to the Government.

Mr. CONNALLY. I do not agree with the Senator from Kentucky. He says that if the Government is going to buy land, a private owner will hold up the Government and make it pay 3 or 4 times as much as the land is worth, but that if the Government will not buy the land he will probably give it to the Government. That is a strange conception of the cupidity of individuals.

Mr. LOGAN. I should like to correct the Senator—not if the Government will not buy it, but if the Government cannot buy it. Then he will probably donate it; but if the Government has the power to buy it, he will never turn it loose until he gets many times what it is really worth.

Mr. CONNALLY. I do not follow the Senator there. I think a man who is so greedy that he has a desire to hold up his Government and get 3 or 4 times what a piece of land is worth in case of a sale is not going to turn around and give it to the Government because the Government has not any power to buy it. I do not understand human motives to work that way. They do not in my State, and I wonder that they work that way in Kentucky. I do not believe they do.

Mr. LOGAN. I am sorry to say that they do work exactly that way in Kentucky, because I have seen them work, and I know whereof I speak.

Mr. CONNALLY. The Senator must have in mind lands that are not worth the payment of the taxes.

I hope the amendment of the Senator from Michigan will be rejected.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Michigan [Mr. COUZENS] to the amendment of the committee. [Putting the question.]

Mr. COUZENS. I suggest the absence of a quorum.

Mr. LONG. Mr. President, is this vote over?

Mr. COUZENS. The result was not announced.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	La Follette	Robinson, Ark.
Ashurst	Couzens	Lewis	Robinson, Ind.
Austin	Dickinson	Logan	Russell
Bachman	Dieterich	Lonergan	Schall
Bailey	Dill	Long	Sheppard
Bankhead	Duffy	McAdoo	Shipstead
Barbour	Erickson	McCarran	Smith
Barkley	Fess	McGill	Stelwer
Black	Fletcher	McKellar	Stephens
Bone	Frazier	Metcalf	Thomas, Okla.
Borah	George	McNary	Thomas, Utah
Brown	Goldsborough	Murphy	Townsend
Bulow	Gore	Neely	Trammell
Byrd	Hale	Norbeck	Tydings
Byrnes	Harrison	Norris	Vandenberg
Capper	Hatfield	Nye	Van Nuys
Caraway	Hayden	Overton	Wagner
Carey	Hebert	Patterson	Walcott
Clark	Johnson	Pittman	Walsh
Connally	Kendrick	Pope	Wheeler
Coolidge	Keyes	Reed	White
Copeland	King	Reynolds	

Mr. BYRD. I wish to announce that my colleague the senior Senator from Virginia [Mr. GLASS] is unavoidably detained.

Mr. LEWIS. Permit me, sir, to announce that the Senator from Ohio [Mr. BULKLEY] and the Senator from New Mexico [Mr. BRATTON] are necessarily absent.

The PRESIDENT pro tempore. Eighty-seven Senators having answered to their names, there is a quorum present. The question is on agreeing to the amendment offered by the senior Senator from Michigan [Mr. COUZENS] to the committee amendment.

Mr. COUZENS. I ask for a division.

On a division, the amendment to the amendment was agreed to.

Mr. CONNALLY. Mr. President, what was the result of the vote?

The PRESIDENT pro tempore. It is not customary to state the count in the case of a division, but the Chair will say, from his own count, that there were 2 to 1 in favor of the amendment.

Mr. CONNALLY. Mr. President, I want to make just a comment on the way the Senate is doing business. Senators rush in here who never heard of the amendment that is being voted on, who have heard none of the debate, and decide the issue. Those of us who are trying to stand by the administration bill and support it as it is written are overwhelmed by recruits who dash in from the cloakroom and know nothing about the pending amendment, and are unwilling to trust the President as his wishes are set forth in the original bill.

Mr. DUFFY. Mr. President, I desire to offer an amendment, to ask permissive authority only, on page 5, at the end of line 4, to insert the words which I send to the desk.

I may say that I have consulted with the Senator from Massachusetts [Mr. WALSH], in charge of the bill, and others on the committee, and I believe they are agreeable to the amendment.

Mr. WALSH. Mr. President, the amendment is recommended by the Forestry Department.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 5, at the end of line 4, the Senator from Wisconsin proposes to insert the following words:

The President is further authorized to allocate funds available for the purposes of this act for forest research, including forest products investigations by the Forest Products Laboratory.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

Mr. CONNALLY. Mr. President, I do not think this amendment should be agreed to. The senior Senator from Wisconsin [Mr. LA FOLLETTE] has already pointed out that there is no money appropriated in this bill for the purchase of any land; that it all ought to go to the unemployed. Then why spend a lot of money on a laboratory? I hope the Senate will defeat the amendment.

Mr. DUFFY. Mr. President, the Forest Products Laboratory is national in scope, and would have the means by this additional authorization, if the President saw fit to make use of it, very materially to aid in the employment of people presently unemployed. It is only permissive. Otherwise the President would not have the power under the bill. I am willing to leave it to the President.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

SWIMMING-EXERCISE TANK IN THE WHITE HOUSE

Mr. WAGNER. Mr. President, I ask that the proceedings may be interrupted long enough to have a joint resolution read, which I shall introduce, and for which I shall ask immediate consideration.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the clerk will read the joint resolution.

The joint resolution (S.J.Res. 34) to provide for the acceptance of sums donated for the construction of a swimming-exercise tank for the use of the President, was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the Director of Public Buildings and Public Parks of the National Capital is authorized, on behalf of the United States, to accept the fund raised by donations or contri-

butions to cover the cost of constructing, in the west terrace of the White House, a swimming-exercise tank for the use of the President.

SEC. 2. The amount so received shall be disbursed by the Director for the construction and equipment of such swimming-exercise tank and shall be expended in the same manner as appropriations for the maintenance and care of the White House. The amount of the fund in excess of the amount required for the construction and equipment of the swimming-exercise tank shall be returned to the donors.

SEC. 3. For the purposes of this resolution, the Director is authorized to request the cooperation and assistance of the architectural, engineering, construction, or other forces of any department or agency of the Government.

Mr. WAGNER. Mr. President, the purpose of this resolution is to authorize the United States to accept the funds raised by popular contributions for the construction of a swimming pool in the White House. I want briefly to explain the origin of this proposal; how it is intended to be executed; and then I shall ask unanimous consent that the Senate proceed to the immediate consideration of the joint resolution.

The idea for the construction of a White House swimming tank through popular subscription originated with Capt. Joseph M. Patterson, the enterprising and generous president of the News Syndicate Co., Inc., publishers of the New York Daily News. The News decided to volunteer its services to organize the means whereby the people of New York State could provide a swimming pool for the President, and thus make available to him the one form of exercise which he loves and which is necessary to the maintenance of his health and strength. The first story in connection with this undertaking was published in the issue of the News of March 14, 1933.

In its beginnings the movement was a home State enterprise. Before it had gotten very far under way it had become Nation-wide in its appeal. The following newspapers joined the movement:

Up-State New York: Amsterdam Recorder, Auburn Citizen-Advertiser, Batavia News, Beacon News, Black River Democrat, Buffalo Courier-Express, Canandaigua Messenger, Catskill Mail, Gloversville Herald, Gloversville Leader-Republican, Glens Falls Times, Harlem Valley Times, Hudson Register, Jamestown Journal, Kingston Leader, Lockport Union-Sun and Journal, Marion Enterprise, Millerton Telegram, Monticello Bulletin, Newark Union-Gazette, Newburgh News, Olean Times-Herald, Oneonta Star, Oswego Pallarium-Times, Plattsburg Republican, Poughkeepsie Star, Rochester Democrat and Chronicle, Rochester Times-Union, Rome Sentinel, Saratoga Springs Saratogian, Syracuse Post-Standard, Troy Record, Ulster County News. Metropolitan zone: Corriere d'America, Far Rockaway Journal, Rockaway Beach Wave, Il Progresso, Staten Island Transcript, Yonkers Record. Other States: Chicago Times, Omaha World-Herald, Philadelphia Bollettino Della Sera, Philadelphia L'Opinione.

The fund now has cash resources of $13,216.93 and the grand over-all total, which includes services and equipment, amounts to $22,656.90. The contributors whose subscriptions made the fund possible came from all classes of society. A great many children participated in the enterprise, and the size of the individual contributions indicates that the man in the street was an active participant.

I am advised that the President is willing to accept this gift, of which he had no knowledge until it was announced in the public press, provided authority for its acceptance is given by Congress.

It is the President's desire that the swimming tank shall be of simple construction and as inexpensive as possible. It is to be built within the west terrace of the White House, in the wing that runs west from the mansion itself to the Executive offices. This space is now used by White House clerks who could be moved conveniently to other offices without expense.

Nothing will be done to alter the present architecture or appearance of the White House. The President's desire to preserve this structure without change will be met, and it is for this reason that it is proposed to have the tank built indoors rather than outdoors.

Under the terms of the joint resolution, the construction of the swimming tank will be in control of the Director of Public Buildings and Public Parks of the National Capital.

Mr. President, this voluntary action on the part of the public represents, in my judgment, an expression of affection and good will toward the President of the United States. It is a token of regard graciously tendered. It seems to me altogether appropriate that Congress should grant the necessary authority for the acceptance of this gift.

I ask unanimous consent that the Senate proceed to the consideration of the joint resolution.

Mr. McNARY. Mr. President, has the joint resolution ever been referred to a standing committee of the Senate?

Mr. WAGNER. No. I ask that the rule be waived, and that we proceed to the consideration of the joint resolution. However, I have been informed that the House unanimously passed a similar joint resolution yesterday without reference to any committee.

Mr. FLETCHER. Why not act on the House joint resolution?

Mr. WAGNER. I ask that the House joint resolution be laid before the Senate.

The PRESIDENT pro tempore. The Chair lays before the Senate a joint resolution of the House of Representatives, which will be read.

The joint resolution (H.J.Res. 121) to provide for the acceptance of sums donated for the construction of a swimming-exercise tank for the use of the President, was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the Director of Public Buildings and Public Parks of the National Capital is authorized, on behalf of the United States, to accept the fund raised by donations or contributions to cover the cost of constructing, in the west terrace of the White House, a swimming-exercise tank for the use of the President.

SEC. 2. The amount so received shall be disbursed by the Director for the construction and equipment of such swimming-exercise tank and shall be expended in the same manner as appropriations for the maintenance and care of the White House. The amount of the fund in excess of the amount required for the construction and equipment of the swimming-exercise tank shall be returned to the donors.

SEC. 3. For the purposes of this resolution, the Director is authorized to request the cooperation and assistance of the architectural, engineering, construction, or other forces of any department or agency of the Government.

Mr. WAGNER. I ask that the House joint resolution be substituted for the Senate joint resolution and that it be put on its passage.

Mr. McNARY. It does not carry an appropriation?

Mr. WAGNER. No; it simply authorizes the acceptance of a gift.

Mr. McNARY. I have no objection.

The PRESIDENT pro tempore. The Senator from New York asks unanimous consent that the Senate proceed to the consideration of House Joint Resolution 121. Is there objection?

Mr. BARKLEY. Mr. President, I reserve the right to object, which I shall not exercise, simply in order that I may say that in one of the appropriation bills passed at the last session of Congress there was an amount carried for this very purpose. For some reason it was stricken out of the bill, making it necessary for private citizens to take up a collection to build the swimming pool which we undertook to provide for in one of the appropriation bills. I believe it to be a very worthy object, but I think it is a serious reflection on the Congress of the United States that we make it necessary for private citizens to donate money to build a swimming pool for the use of the President of the United States.

Mr. WAGNER. Mr. President, the item was not stricken out by Congress. The bill providing that particular appropriation was vetoed by the President of the United States.

Mr. BARKLEY. I am glad to have that correction, but it does not change my attitude in the matter. I think we ought to appropriate the money to build the pool.

The PRESIDENT pro tempore. Is there objection to the consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate Joint Resolution 34 will be indefinitely postponed.

RELIEF OF UNEMPLOYMENT

The Senate resumed the consideration of the bill (S. 598) for the relief of unemployment through the performance of useful public work, and for other purposes.

Mr. McNARY. Mr. President, in the absence of the junior Senator from Rhode Island [Mr. HERBERT], who was temporarily called from the Senate Chamber, I propose the following amendment and ask the attention of the Senator from Massachusetts.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to add after section 4 a new section, as follows:

SEC. 5. The authority of the President under this act shall continue for the period of 2 years next after the date of the passage hereof and no longer.

Mr. WALSH. Mr. President, the Senator from Rhode Island conferred with me about this amendment. It was his first suggestion that it be limited to 1 year. At my suggestion he changed the date so as to make it 2 years. I see no objection to it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. VANDENBERG. Mr. President, if I may have the attention of the Senator from Massachusetts, he will recall that we were discussing yesterday certain interpretations of section 4 in respect to river-and-harbor work. I consulted with the Board of Rivers and Harbors Engineers this morning, so far as possible, and I find two questions of interpretation which may be troublesome. I bring them to the Senator's attention.

First, there are two types of appropriations for public works in the rivers and harbors development. One is the maintenance work and the other is the new work. Could the maintenance work, which I am sure the Senator from Massachusetts has no purpose of interfering with under this bill, be by any stretch of the imagination defined as public works under the language of the bill?

Mr. WALSH. Mr. President, it seems to me it is inconceivable that that interpretation should be put upon it.

Mr. VANDENBERG. In other words, it would be the Senator's view that the Department would be justified in considering that maintenance work is not "public works" within the purview of this act?

Mr. WALSH. In my judgment, the Department should consider maintenance work as not public works within the meaning of the act.

Mr. VANDENBERG. Now, as to the other point upon which there might be some controversy, in some instances the Board of Rivers and Harbors Engineers has what it calls "continuing contracts", covering long-range river-and-harbor construction, in which there may not be any work for another 90 days, and yet the next step in that program might be next fall. Does the Senator think that the language as it has been amended by the amendment submitted by the Senator from Florida would exempt those continuing contracts from the inhibitions of the bill? Let me put it differently. The Senator has no thought of interfering with work actually under contract?

Mr. WALSH. Certainly not.

Mr. VANDENBERG. That answer I think is completely satisfactory.

Mr. TRAMMELL. Mr. President, may I ask a question in regard to that? Is it contemplated, where there is a continuing project yet all the funds for that continuing project have not been obligated, that the project shall be discontinued when there is an expiration of that part which has already been obligated?

Mr. WALSH. I do not see how it could be done without serious injury and causing considerable loss to the Government.

Mr. TRAMMELL. That is the point. I do not think it should be done.

Mr. WALSH. It is not intended that it shall be done.

Mr. TRAMMELL. We have, we will say, a continuing project requiring the expenditure of $2,000,000; it is in progress; contracts have been made already for $1,000,000; yet there is $1,000,000 that has not actually been obligated by contract under the provisions of this bill as we have it. Of course, that would stop that project until Congress could appropriate sufficient money.

Mr. WALSH. Was the Senator in the Chamber when his colleague offered an amendment relating to that?

Mr. TRAMMELL. No; I was not here; but he and I conferred about it.

Mr. WALSH. Does not the Senator think that amendment takes care of the situation?

Mr. TRAMMELL. I think the amendment takes care of the situation. On this question of two kinds of appropriation, one for maintenance and the other for new projects, I am wondering as to the effect of the provisions of the particular paragraph on the situation in regard to maintenance charges. I think it would depend very largely upon the administration of the fund. If the custom of administering the maintenance fund in any large measure is that of doing it by contract, then where a contract has not been made it is not obligated and would result in the maintenance fund lapsing into the fund for reforestation purposes.

I am not sufficiently familiar with the methods to know whether the maintenance fund is to be carried on entirely by the Government's own facilities or is to be carried on by contract. I think in a good many instances it is probably carried on by contract. If it is carried on by maintenance and no contract has been made, then what will become of that fund? Will it not go into the reforestation fund instead of the maintenance fund?

Mr. VANDENBERG. The Senator from Massachusetts assures us that is not the purpose, and inasmuch as the administrative interpretation goes to the genius of the whole proposition I assume that we can rely upon his statement that the maintenance fund will not be interfered with.

Mr. TRAMMELL. We hope so, but I have found very frequently in discussing other measures that the administrative features have not been vouched for other than in a general way by those in charge of the bill. I dare say the Senator from Massachusetts has never discussed with anyone connected with the administration the question of the method of administering the maintenance fund and the question of administering a new project appropriation. The question of administration would have certainly something to do with what would go back to the maintenance fund. That is my idea. I wish to protect the situation. That is my only interest. The question is whether the statement on the floor of the Senate would control when in all probability this particular feature has not been discussed with anyone connected with the administration. Under those circumstances I question whether the statement made by the Senator from Massachusetts would have any influence whatever in the matter of administering the legislation.

Mr. WALSH. The Senator from Florida heard the President discuss the legislation and I am sure that the Senator knows that the President does not intend to use any obligated funds.

Mr. TRAMMELL. I think he intends to use no obligated funds, but, of course, the question arises as to what funds are obligated. He said plainly he does not intend to use any obligated funds. I do not believe that the President has in mind stopping a maintenance fund. However, someone will be employed by him to work out all these details and might view it otherwise. I know the President cannot carry out all the details involved in the administration of this measure and others devolving upon him. Someone will be found to whom he will entrust those important duties and prerogatives in which the entire American people are involved, and that person may entertain the idea that a certain maintenance fund is a foolish contribution by Congress. If they do not construe that it has been obligated, they will perhaps say, "We will stop that maintenance fund and not allow it to be continued any longer." We may not have

any trouble of that kind, but it is very easy to see that we might have it.

Mr. WALSH. Mr. President, in behalf of the committee I desire to offer a perfecting amendment. On page 5, line 16, after the word "employees", I move to insert the words "of the United States", so as to read, "An act to provide compensation for employees of the United States", and so forth. The purpose is to have the language of the bill properly repeat the title of the compensation law.

The PRESIDENT pro tempore. Without objection, the perfecting amendment is agreed to.

Mr. BARKLEY. Mr. President, the Senator from Massachusetts [Mr. WALSH] may have explained the provisions of the bill with reference to the reallocation of funds already appropriated by Congress for other things. I understand the bill carries a reference to an appropriation of approximately $150,000,000, which has heretofore been made by Congress for other things. If the Senator has gone into the detail of that matter, I do not want him to cover it again. But in the interest of employment I am wondering if it would not have been better to have provided an additional sum for this work. For instance, there is an item for public roads of nearly $10,000,000, appropriated by Congress heretofore, that is to be turned into this fund. Are those public roads only the public roads in the public lands of the United States or must that be taken out of the general road fund?

Mr. WALSH. My information is simply that furnished to the Senate by the Director of the Budget. I assume the Senator has before him that information.

Mr. BARKLEY. Yes; I have the memorandum from the Director of the Budget.

Mr. WALSH. That is the only information I have. The President again and again has assured us that he does not intend to interfere and will not interfere with any projects that have been authorized which can be undertaken immediately. His only purpose is to use the funds that are not contracted for and will not be available for operating purposes for some time.

Mr. BARKLEY. Take the item of $77,000,000 under the Treasury Department, which is money we have appropriated heretofore for public construction. On account of the slowness with which the Architect's Office has operated many of those projects have not been begun. The bill provides that they must be started within 90 days or they are to be eliminated and the amount appropriated is to be transferred to this fund. Not having had an opportunity to go over the bill with the Senator and the committee or the President, I am wondering whether we are really aiding in the employment of people in the emergency by taking the $77,000,000 out of the public-building fund and putting it into the reforestation fund.

Mr. WALSH. That is a criticism of the bill I have heard made from the other side of the Chamber and from other sources.

Mr. BARKLEY. I am not criticizing; I am trying to get information. I realize we are appropriating $150,000,000 for use in the reforestation program and making it immediately available, but I am wondering what effect that will have on the balancing of the Budget. After all, it is merely taking money out of one pocket and putting it in another.

Mr. WALSH. That is a criticism which has been levied against the bill and against the President's idea.

Mr. BARKLEY. Of course, I come from a section of the country interested in the flood-control program as it relates to the Mississippi and Ohio Rivers and other rivers tributary to them. But taking the $28,000,000 and adding $21,000,000 for river-and-harbor work, which we have appropriated heretofore under programs long ago authorized by Congress, it is now proposed to turn that money into this fund, and I am wondering how seriously it may affect the permanent-program policy of the Government.

Mr. WALSH. The committee sought in every possible way to safeguard the matters referred to by the Senator. We talked the matter over at very great length. Many members of the committee have projects in their own States that they do not want interfered with. We consulted with everyone interested and tried to limit to the utmost the possibility of any funds, heretofore appropriated and used in this way, permanently interfering with the general policy.

Mr. BARKLEY. I have no project in my State that is under construction, either flood-control or river-and-harbor work. The Ohio River project has been completed, according to the program of Congress, from Pittsburgh to Cairo. The Tennessee and Cumberland Rivers have been canalized. The Mississippi River is under control of the Mississippi River Commission. I am speaking only generally. I am not speaking in behalf of any local project, because all the projects in which we are interested have been completed.

Mr. COPELAND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from New York?

Mr. WALSH. I yield to the Senator from New York, who is particularly interested in this phase of the matter.

Mr. COPELAND. When this matter was considered with the President at the White House, the question arose as where the money would come from to do the reforestation work. It was stated that there are, as we all know, many unexpended balances and large sums of money which have not yet been allocated because the blueprints were not ready and plans were not ready to go forward. It is not contemplated that those projects shall be discontinued or permanently done away with; but certainly the prudent business man, if he had money in the bank or on hand, put aside to build a house or a store, would not borrow money if he could use that fund temporarily and replace it later.

The outline of the bill was prepared having in mind, on the part of the committee, that there is to be a gigantic public-works program presented here very shortly. No one need feel disturbed that the highways in which all of us are interested or the public works which are worth while, in which all of us are interested in our respective States, are to be destroyed by what is done here. It was simply a question of taking money out of one pocket and putting it in another, as was suggested by the Senator from Kentucky [Mr. BARKLEY]. That is what the President had in mind, and that is what we had in mind.

The Senator will recall that not only are there those projects which have been considered here in the letter of the Director this morning but there are unexpended balances. It frequently happens that in the construction of a public building the entire appropriation is not exhausted. There are such sums that will be available here and there. I am very sure from what the President told us that there is no thought in his mind to discontinue these worth-while projects which will be carried on in due time. The question is now to make use at this moment of funds which are already available for carrying on this work of relief.

Mr. HAYDEN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Arizona?

Mr. COPELAND. Certainly.

Mr. HAYDEN. Is there any connection between the enactment of this bill and the general instructions which, according to press dispatches, have been sent throughout the country directing that no further contracts for public buildings shall be let?

Mr. COPELAND. I think, and frankness compels me to say, that the administration intends to resurvey what thoughts we have had in the past about those projects which have not yet been formulated.

Mr. HAYDEN. The press dispatches would lead one to infer that even though the plans and specifications have been made and advertisements for bids are out, yet no contract would be let.

Mr. COPELAND. I think that may be true, but it has no bearing upon what will ultimately be done.

Mr. HAYDEN. Is there any connection between the action thus taken and the legislation we are considering here today?

Mr. COPELAND. I do not think so.

Mr. HAYDEN. Furthermore, today I was shown a telegram from the State of Colorado stating that telegraphic

advice had been received from the Bureau of Public Roads in Washington that there would be no further Federal aid for road construction within that State. The State now has a credit of over $1,500,000, but the advice was that there are to be no further expenditures based on that credit out of the Federal-aid appropriation. Is there any connection between that advice to the State of Colorado and the pending legislation?

Mr. COPELAND. If the Senator seeks my construction of that order, it is this: While I do not know, of course, what the President has in mind about projects which are to be carried on under the new bill, yet no doubt road construction is one of them. It would seem to me very proper to wait and see what we are going to do. Instead of spending $2,000,000 in that State, perhaps we are going to spend $10,000,000. There need be no discouragement or worry on the part of Colorado or any other State, it would seem to me.

Mr. HAYDEN. I feel that a large program of public works based upon a Federal bond issue is absolutely essential, and I have faith that such a program will be presented to the Congress at an early date. But if the passage of the particular bill now pending before the Senate means that projects which have already been authorized and are ready to proceed shall be stopped, it would seem that the net result would be merely robbing Peter to pay Paul. There might be a different form of activity, but no additional men would be put to work.

Mr. COPELAND. The Senator knows very well it is not in the heart of the President to interfere with employment.

Mr. BARKLEY. Mr. President——

Mr. COPELAND. I yield to the Senator from Kentucky.

Mr. BARKLEY. There is $28,000,000 to be transferred from flood control. We adopted a flood-control program a number of years ago as a national project, accepting it as a national obligation. Of course, if it were merely a bookkeeping process to transfer this $28,000,000 from flood-control appropriations to a reforestation program and go right on with the work just the same, it would not make any difference; but this bill limits flood-control and river-and-harbor work and the prevention of erosion to public lands. As I understand, there is no flood problem on the public lands of this country. The flood-control problem centers around the Mississippi River and the Mississippi Valley. It has been emphasized at this time by the floods that are going down the Ohio River to the Mississippi. The situation, while improved a little for the time being, is one which every year recurs and causes untold suffering and damage to property and loss of life. I am wondering whether it is the intention of the framers or authors of this bill, those who are sponsoring it, to stop all flood-control work in the Mississippi River Valley because it does not involve public lands there at all; it involves the national law for flood control which we enacted some years ago, under which we have undertaken to bring about the final control of the flood waters of the Mississippi River. I should like to get that matter cleared up.

Mr. ROBINSON of Arkansas. Mr. President, I think I can answer the question of the Senator from Kentucky. It was discussed at great length yesterday, and the whole subject was gone into in detail. There is a provision in the bill that no funds shall be diverted from projects which are commenced within 90 days from the approval of the bill. The object of this arrangement is to make immediate use of funds that have already been authorized and appropriated. The provision does not repeal the authorization; it leaves the authorization still in force. There is no intention of interfering with any projects that have been begun or that may be commenced within 90 days, nor is there any intention to stop flood-control work, so far as my information goes. There is a blanket authority given to the President to make immediate use of the funds that have heretofore been appropriated for public work generally, but I do not think it could now be said exactly what particular appropriations will or will not be used under this bill. The idea of this bill is to make immediate use of funds which under existing conditions and prospective conditions probably will not be used in the early or immediate future, and it is also to avoid the necessity for additional authorizations and appropriations at this time.

Mr. BARKLEY. What interpretation does the Senator place on the clause of the bill providing that it shall not affect projects that have already been begun or that may be begun in 90 days?

The Mississippi flood-control project is one project; it started years ago; and it might by interpretation be eliminated from this language altogether, because it is regarded as one project, it is already started, and is a continuing project, and yet if that be the interpretation, I do not know where there is any $28,000,000.

Mr. ROBINSON of Arkansas. I do not know whether it would be possible to pass in a general way on the question as to whether a project is commenced or not. It is certain that no portion of the funds that have been appropriated for any purpose can be used, provided the project for which they have been appropriated has already been commenced or may be hereafter commenced within 90 days.

Mr. BARKLEY. I can appreciate the fact that no money that is authorized and actually appropriated and lying idle somewhere ought to be kept there; it ought to be used for this purpose.

Mr. ROBINSON of Arkansas. Instances were cited yesterday where appropriations which had been available for 2 years had not been expended, nor had construction been begun. There is not any advantage in letting such funds remain idle and unused and providing additional funds for the purposes carried in this bill, and I believe that is the idea of the President.

Mr. BARKLEY. The Senator does not feel that this bill, therefore, necessarily interferes with the carrying out of the continuing projects which we all had in mind years ago when we passed the flood control bill.

Mr. ROBINSON of Arkansas. I certainly do not, and I am positive that there is no such idea in the mind of the President. Of course, necessarily, the powers that are given to the President are somewhat general and broad, but the principal thought underlying the bill is that immediate use shall be made of funds that are not going to be used in the near future and that have not been obligated for the projects for which they were appropriated.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield, of course, although I do not know whether I have the floor. I think the Senator from New York [Mr. COPELAND] has the floor.

Mr. COPELAND. I yield.

Mr. CLARK. I ask the Senator to yield merely for the purpose of permitting me to ask the Senator from Arkansas a question. I assume what the Senator has just said as to flood-control projects would apply with equal force to inland-waterway projects.

Mr. ROBINSON of Arkansas. I think so.

Mr. CLARK. And to public buildings, though, of course, public buildings cannot be considered continuing projects.

Mr. ROBINSON of Arkansas. I think necessarily there is a discretion committed to the President, and that, by the passage of this bill, we rely in a measure on the exercise of his discretion. If we are not willing to do that, if we wish to insist upon keeping these appropriations in their present situation, then we should vote against the bill; but the thought in the mind of the President, as I understand—and certainly the thought in the mind also of those who are sponsoring the bill—is that an opportunity is presented at once to mitigate and relieve in a limited measure the problem of unemployment, which is the greatest and most difficult problem confronting the Nation, and that no harm will result to the public by reason of suspending for a time the construction, for instance, of Federal buildings, which might be dispensed with, even though they have been authorized, and that it is not intended to stop the work that has been commenced or that may be commenced in 90 days. That is the limitation on the discretion of the President.

Mr. CLARK. What I had in mind particularly were such projects as the Missouri River project, which, if suspended

or laid aside, would throw approximately 15,000 men out of work.

Mr. COPELAND. Certainly the President would never contemplate a thing of that sort.

Mr. ROBINSON of Arkansas. The whole object of this bill is to stimulate employment and encourage it, to add an additional method of taking up the slack in employment; and it is not possible—I do not believe it is possible—for the Congress to work out—certainly not on the floor of the Senate—the particular projects to which these funds may for the time being be diverted.

Mr. LONG. Mr. President, will the Senator from New York yield in order that I may propound a question to the Senator from Arkansas?

Mr. COPELAND. I yield.

Mr. LONG. As I understand, we need have no worry that the Mississippi flood-control project is going to be impaired by the language referred to in this proposed statute?

Mr. ROBINSON of Arkansas. As I understand, the President is anxious that the flood-control work on the Mississippi River be carried forward as rapidly as practicable, and there is not any likelihood that any action will be taken under this bill that will prevent the carrying forward of that project. But I do admit and assert, if necessary, that the bill gives the President a broad discretion. It seems to me it is necessary to do that in order to enable him to use the funds that are not immediately required.

Mr. VANDENBERG. Mr. President, will the Senator from New York yield to me?

Mr. COPELAND. I yield.

Mr. VANDENBERG. I should like to ask the Senator from New York if he agrees in the response given me by the Senator from Massachusetts that maintenance funds in respect to river and harbor works are not included within the term "public works"?

Mr. COPELAND. Those funds are already provided for and allocated to that specific purpose; so I do not think they are included.

Mr. VANDENBERG. Inasmuch as there seems to be some confusion in the Department in respect to that definition, I am wondering if there would be any objection, since we are all in agreement to adding the following language on page 6, after the word "days", just before the parenthesis concluded in line 1:

and except maintenance funds for river and harbor improvements.

Mr. COPELAND. "Already allocated."

Mr. VANDENBERG. So that the exception would read:

Except for projects on which actual construction may be commenced within 90 days, and except maintenance funds for river and harbor improvements already allocated.

Would the Senator from Massachusetts resist such an amendment?

Mr. WALSH. I would not; because I think it is already embodied in the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Michigan to the amendment reported by the committee.

The amendment to the amendment was agreed to.

Mr. HALE. Mr. President, I should like to ask the Senator in charge of the bill whether the effect of this measure will not be felt in balancing the Budget for the coming fiscal year? The Senator from Arkansas has stated that the unobligated balances would probably not be spent in the immediate future. I take that to mean that he believes they probably would not be spent during the next fiscal year. Is not that true?

Mr. WALSH. I think that is the assumption, that they will not be spent for a year or two.

Mr. HALE. Therefore if they were not spent during the coming year, we would have $140,000,000, or whatever amount the bill will cost, to be taken out of the Budget for next year, whereas if we apply that money to the purposes of this bill we will have to make up the $140,000,000. Is not that correct?

Mr. WALSH. Undoubtedly, that is correct.

Mr. HALE. Therefore the direct effect of this bill will be to make it so much harder to balance the Budget for the next fiscal year. I think there can be no doubt about that.

Mr. WALSH. I do not know that it will make it so much harder, but it certainly will not make it easier.

Mr. HALE. It will add $140,000,000 to the expenditures.

Mr. WALSH. It certainly will add to the expenditures when Congress shall reappropriate the money authorized in the last section of this bill.

Mr. HALE. That is true; but also, Mr. President, it is true that if we can divert the money from the purposes for which we have already appropriated it to this purpose, we can also either put off making the expenditures for those purposes during the coming fiscal year or give them up altogether; could we not?

Mr. WALSH. That is true.

Mr. HALE. And thereby this bill does make it harder, by $140,000,000, at least, to balance the Budget for the coming fiscal year?

Mr. WALSH. This bill provides sooner or later for an appropriation amounting at least to $140,000,000.

Mr. ROBINSON of Arkansas. Yes, Mr. President; but that does not apply to balancing the Budget for this fiscal year. This whole subject was gone into at great length yesterday. It simply leaves the authorizations for the appropriations standing, but takes the funds that have been appropriated and diverts them for the purposes of this bill. Congress can reappropriate on the authorizations or it can decline to do so. It may not make the appropriation of all or it may make the appropriation of any part of the $140,000,000 for the next fiscal year. The primary object of the bill is to make available for immediate use under the terms of this bill funds which have been appropriated for other purposes but which are not being expended and are not to be expended in the early or immediate future. It does involve finally in all probability such an increased expenditure as this bill contemplates. Nobody has ever questioned that.

Mr. HALE. So far as balancing the Budget for the next fiscal year is concerned, if we do not pass this bill and if we put off, as it is possible to do, the expenditure of those unobligated balances, we would save $140,000,000.

Mr. ROBINSON of Arkansas. Yes; if we chose to repeal the authorizations and cover back into the Treasury the appropriations already made, that would be one way of saving the amount that may be expended under this bill. That is entirely true.

Mr. HALE. We would not have to repeal them; we could simply put them off, as the Senator admits we are going to do, anyway, and, unless these unobligated balances——

Mr. ROBINSON of Arkansas. What is the difference between the Senator's proposition and mine?

Mr. HALE. Unless those unobligated balances are expended during the coming fiscal year they will not appear in the expenditures for the fiscal year and will reduce the expenditures to be met by $140,000,000.

Mr. ROBINSON of Arkansas. Will the Senator inform me who has controverted that statement?

Mr. HALE. Therefore, as I said before, if we do not pass this bill and put off the expenditure of the unobligated balances for a year, it would be possible to save $140,000,000 toward balancing the Budget.

Mr. ROBINSON of Arkansas. I again inquire, who has controverted that statement?

Mr. HALE. Nobody, successfully.

Mr. FESS. Mr. President, I should like to have the attention of the Senator from New York [Mr. COPELAND], as he mentioned the item that I have in mind.

On page 5, in section 4, at the bottom of the page, where we limit the amount of money that is to be used, we exclude projects on which actual construction may be commenced within 90 days. Unless there are contracts already entered into, and the work has not been begun, I do not see what the 90-day limit would mean. If it means that any contract that might be made between now and 90 days from

now would exclude the use of the funds, then this provision could not be applied for 90 days yet.

Mr. COPELAND. Let me say to the Senator that he has had his heart broken many times. He has succeeded in getting an appropriation for some project and has found after weeks and months that no blueprints have been prepared, no estimates submitted, and so forth. The President, in his conference with us the other night, pointed out that one reason why these unallotted funds could be used was because many of these projects are not yet even in the blueprint stage. I have in mind a public building——

Mr. FESS. That is all right; I recognize that; but why the 90 days?

Mr. COPELAND. There were some projects—the Senator from Utah [Mr. THOMAS] spoke about two in his State—where the plans are complete, specifications have been prepared, and requests have been made for bids. It would be a great pity, would it not, if we were to do anything in this bill that would hold up that money?

Mr. FESS. That is true.

Mr. COPELAND. That is the reason why it was put in. Then, in order that it might be general and apply to all others, this language was chosen; and so any project which is so far along in the preparation of plans and specifications that it can actually be prepared for work within 90 days will be excluded from the operation of this bill.

Mr. FESS. I understood the Senator to say in reply to the question asked by the Senator from Wyoming that he thought probably the dispatch in reference to further contracts being made was a correct dispatch. That is, the Senator from Wyoming asked whether the statement in the press that there would not be any further contracts made was a correct statement. I can understand that there might be contracts already made, but the work not yet begun, where some time would have to elapse before it could be begun, and that could be done under this provision. That would be one reason for making it a future date.

Mr. COPELAND. I want to be entirely frank with the Senator. I have no doubt that there will be some projects which perhaps would have been hastened along under normal conditions which now will be delayed somewhat, because, if I am correctly advised, what I have referred to as a gigantic public-works plan is contemplated. Some of these projects that we enthusiastically entered upon a year or two ago may be resurveyed, but any project which has gone so far as to acquire a site, have plans drawn, and actually be in process of completion, in my opinion, will be gone forward with.

Mr. FESS. Mr. President, if that be the case I should think that we made a mistake in striking out "may be," in the last line, on page 5, and inserting "has been," because "may be" refers to the future and "90 days" refers to the future.

Mr. COPELAND. Frankly I was not much in harmony with that particular amendment. I think I should have preferred to leave it as it is.

Mr. FESS. Mr. President, I am going to vote for this measure, and the reason why I am going to vote for it is that I assume that no money that is now applied to a project that is already in progress will be transferred from that project over to some other project and thus discontinue the one that we are working on. That would be a bad policy. It would just be creating unemployment at one place to create employment at another; and I understand that is not in the bill.

Mr. COPELAND. That is right.

Mr. FESS. The statement of the Senator from Arkansas was perfectly clear on that point—that the purpose is to utilize moneys that have already been authorized but cannot be used this year, and might be used in something else instead of lying idle. I think that theory is a correct one, and it does not necessarily mean that it is going to stop the appropriations upon this continuing project next year.

Mr. COPELAND. I think the Senator has stated the matter exactly as it is.

Mr. FESS. If it did mean that, I would not want to vote for the bill. I shall vote for it, however, with some conviction that we shall really be disappointed. I doubt very much whether we shall get the relief that we are anticipating in this particular project of reforestation.

Mr. COPELAND. The Senator will realize that no one of us could predict that. The President himself would not undertake to predict that. This is an untrod path, and yet it has in it elements which appeal to all of us, I am sure, as capable of doing great good. In view of that fact I am going to vote for the measure, as the Senator says he is, in the hope that through the operation of the bill 200,000 unemployed men may be given at least a living during the next year.

Mr. FESS. I am assuming that the expenditure of the money in planting trees will be so conducted that there will be at some time in the future some outcome of this effort. Otherwise it would be wasteful. I am of opinion, however, that more is expected from it than can possibly come from it. However, I think it is a movement under the stress of the times that merits favorable consideration, and for that reason I am going to vote for it.

Mr. DICKINSON. Mr. President, yesterday there was a good deal of conversation concerning the transfer of these unobligated appropriations. Since this list was furnished I have been going over it very carefully.

Everyone knows that the work of the Forest Service is absolutely definitely arranged. It has a month-to-month program; and whenever we take any money away from that Service we are going to interfere with that program for a certain definite time. There is no way around it. It is not an appropriation that lies in the Treasury for any length of time. It is definitely allocated clear through the entire year; and the amount is $1,200,000.

Take the Bureau of Public Roads: There is an allocation made according to the road mileage of the various States in the Union; and the States look forward to this as a part of the help they are going to receive from the Federal Government. If we take this money away, even though it is for a month or 2 months or 3 months or whatever the time may be, I do not see how we can say that we do not interfere with the public-highway program for that particular State. There is no way around it.

Now let me suggest that the work of the Forest Service is practically all labor. The work of the Bureau of Public Roads is largely labor. The work of the Bureau of Indian Affairs is largely labor. The work of the National Park Service is largely labor. The work of the Bureau of Reclamation is practically all labor. The work of the Coast Guard is mostly labor. In the case of the Supervising Architect's Office it is estimated that nine men are employed for every expenditure of $10,000. That is the estimate of the Supervising Architect's Office; so when we take $77,000,000 out, somewhere along the line 70,000 men are going to quit working.

Why say that this is not going to interfere with the program of public works? There is no explanation that can be given which will support that statement, because this money does not remain in the Treasury year in and year out at all. It absolutely is used on a monthly prorated basis.

Now take the matter of flood control. Our flood-control appropriations have been made here, year after year, on the basis of a yearly allowance. I have here an estimate from the War Department which shows that there are employed in flood control somewhere between ten and twelve thousand men. Take the money away from them for a month or 2 months or 3 months, and that program is going to be interfered with.

Why not face this thing? We should not legislate blindfolded. As a matter of fact, when we take money away from one appropriation and turn it over to another, the authorization for that appropriation is gone.

It is said, "Oh, but we are going to have a reauthorization of this money." Yes; but do you know what has to be done after an authorization is made in order really to get the money where it can be used? The estimate of

the department has to go to the Budget Bureau. Then the estimate of the Budget Bureau has to go to the President. Then the President's Budget estimate has to come up here to Congress. Then it has to go through the House of Representatives, and then it has to go through the Senate, and then the bill goes to the White House and is signed by the President. Yet we are told, "Oh, you are not interfering with any of these projects that have been established by legislation, that have been carried on for years"!

Why not face this thing squarely? If we should do this thing, why not appropriate the money? If this emergency exists, that is the way in which it should be met.

Let us go a little further. I come now to rivers and harbors. I send to the desk, to be read, a letter from a man who is interested in river and harbor improvements. It is the reaction of a layman as to what this proposal is going to do to the river and harbor projects.

I ask to have the clerk read the letter.

The PRESIDENT pro tempore. Without objection, the letter will be read.

The legislative clerk read as follows:

SIOUX CITY, IOWA, *March 24, 1933.*

Senator L. J. DICKINSON,
Senate Office Building, Washington, D.C.

MY DEAR DICKINSON: When our President asks an appropriation of a tremendous sum of money with which to carry on public works and without any particular specification of it, something so entirely new to this country of ours, I feel it is asking for too much authority. When it comes to planting some millions of evergreens over the denuded forests and mountains, when there are so many vital propositions where this money and labor can be employed, to place this sum of money in his hands to put it into really nonproductive returns or to hand it out to special interests does not seem desirable.

The House may be whipped into line, but there ought to be enough careful, conservative, sane Democrats, in addition to the Republicans, who will not favor this tremendous opportunity for favoritism in disbursing the public funds. Certainly, if the projects are meritorious, the President should have no hesitancy in defining these purposes that the Congress can act intelligently and not surrender their birthright. The Congress is there to protect the people. Certainly this would not be a protection, as I view it. We are not ready to establish another Mussolini or another Hitler, and we should maintain our equilibrium.

Sincerely yours,

GEO. C. CALL.

Mr. DICKINSON. Mr. President, let us take the river and harbor item. Somewhere in the neighborhood of 7,000 men are employed in river and harbor improvement work.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. LEWIS. I ask the able Senator from Iowa who is this gentleman who writes this letter which the Senator tendered to be read and put in the RECORD, where an assumption is suggested of a parallel between the action of the President of the United States and of others whom he calls Mussolini and Hitler?

Mr. DICKINSON. He is one of the outstanding business men of Sioux City, Iowa.

Mr. LEWIS. What does he stand out in? [Laughter.]

Mr. DICKINSON. He is a financier; he is a landowner, a propertyowner, and one of the best citizens there, and he is greatly interested in rivers and harbors. He thinks the very thing is going to happen that I am fearful of; that is, that for many of the projects which are to be drained of their appropriations the money never will be reappropriated, and the projects will at least lack the improvements which would have come to them during the time the funds are taken away from them.

Mr. LEWIS. I trust the eminent Senator will let his great constituent understand that for an intelligent man and one who represents gentility to assert before the public that the attitude that is now being taken on the part of the present President of the United States to help the people ranks him as one held up before the country as a lawless invader and a despot is not becoming an American or a patriot.

Mr. DICKINSON. Let me suggest to the Senator from Illinois that we can go too far in centralizing power, and we are plodding along that line now, and perhaps we will see the time when we will rue the day when we put so much power in one man's hands.

I am for the relief of the unemployed. An insinuation was made yesterday that those who sought to criticize this bill have no sympathy with the unemployed. I have every sympathy with the unemployed, but I do not know how Senators can explain their action in taking an appropriation away from a man who is employed in the improvement of rivers and harbors of this country, or on flood-control work in this country, and transferring him to a place where he is going to plant trees in some denuded area of the country, and say that they are relieving the unemployed. The only way it can be done would be to pay one man a dollar a day, where the other man was getting $4 a day. That would be all. As a matter of fact, I know that that provision has been cut out of this bill. They are not to have the $1 allowance. On the other hand, the underlying principle of the bill is the fact that money is being taken away from projects which have been authorized and transferred to a new and untried project, which has not been approved by anyone, to be selected by the Chief Executive.

Everyone believes that there is something that ought to be done with respect to reforestation. There is no objection to that. But if it should be done now by the unemployed, let me suggest that we ought to be manly enough to appropriate for it, and not take the money away from projects which have been authorized and appropriated for and turn it over to these other projects.

Oh, but it is said it is going to be temporary. No; it is not to be temporary. It will be permanent, unless we reenact the legislation and renew the appropriations. The authorization is carried on, but, as a matter of fact, the projects are only proceeded with when Congress acts. We could make the appropriations now for this matter just the same as we can make it for these other projects, after we have taken the money away from them.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Iowa yield to the Senator from New York?

Mr. DICKINSON. I yield.

Mr. COPELAND. I wish to say, in all frankness, that if I had had my way, there would have been a direct appropriation of this money. That was my desire, and I so expressed it in the committee. However, that was not the opinion of the committee, and I am inclined to think that the committee was right.

Let me remind the Senator that this is an extraordinary time in which we live. It is as if there were an unknown epidemic of disease spreading over the country. The methods which have been used in ordinary times do not apply now.

Let me remind the Senator, too, that during the last administration there was no effective means taken of stopping the epidemic of economic distress. I am not finding fault about that, but simply reminding the Senator that those measures which we used in the past have not accomplished the thing we have in mind.

We are not making of Mr. Roosevelt a Mussolini or a Hitler. We are conferring upon a great-hearted, kindly gentleman, who has determined to solve this problem, the power to do it, and here was a short cut. The country had at its disposal this $100,000,000. It was not needed now for the purposes for which it was originally appropriated. So that money is to be taken and used now, and then we will determine in the future what shall be done with these other projects, which are simply delayed by reason of the present undertaking.

Mr. BORAH. Mr. President, will the Senator from Iowa yield to me?

Mr. DICKINSON. I yield.

Mr. BORAH. I think it is rather late now to begin to talk about granting extraordinary power. This is the mildest form of delegation of power I have seen in the Senate since this session of Congress opened. I do not think there

is anything in the pending bill that is unconstitutional. It may be that there is a question of policy involved, but we have been for a long time granting lump sums and telling the President to do so and so according to his judgment, and if I construe this bill correctly, that is what it does.

Mr. WALSH. Exactly.

Mr. BORAH. It is granting the President of the United States a lump sum of money and authorizing him, within his discretion, to do certain things. That is an old practice, though I concede not a wholly wise policy.

Mr. DICKINSON. Let me suggest to the Senator that the matter of the centralization of power was not brought in by any remarks of my own. The thing to which I am addressing myself is the fact that we are taking away money from projects which are established projects, which have been authorized by legislation, many of them continuing projects, which have been carried on for years, and now we are saying to these projects that they cannot be carried on now, that they will have to bide their time until Congress can, under the authorizations, reappropriate the money, so that they can continue.

Mr. BORAH. I am not criticizing that portion of the Senator's contention. That is a question of policy, and there is much argument in support of his position, I agree. But there has been, up to this late hour, considerable discussion about granting these extraordinary powers, and that especially arose after the agricultural bill was brought in.

I notice that some of the great editorial writers who were in favor of granting extraordinary power, as it seemed to me unconstitutional power, to deal with the bank situation, and to deal with the economic proposition, become fearfully alarmed when it comes to considering the agricultural bill, which, while it may be granting some extraordinary powers, is far different, in my judgment, from the grants which were made in these other instances. It makes a great difference where the extraordinary powers are operating. So far as I am concerned, I said in the beginning, and I say now, that I am perfectly willing to grant the President of the United States in this emergency all the power that can be granted to him within the Constitution of the United States. I think this bill comes clearly within the Constitution. I therefore shall vote for it. Whether it will prove satisfactory depends on its administration.

Mr. DICKINSON. It is not my impression that anyone could attack the bill on account of its being unconstitutional. There is no question but that Congress has the authority to grant this power to the President. I do not think there is any question about that at all. I agree with the able Senator from Idaho.

One of my distinguished constituents wrote me criticizing me very severely for voting against the economy bill, on the theory that the power should have been granted there. Then he writes me persistently that under no circumstances should I vote for the extra power which is included in the agricultural bill, to which the Senator from Idaho has referred. So it can be seen that it all depends on the approach the man has as to whether he wants the extra power to be granted.

Mr. STEIWER. Mr. President, I want to call attention for just a moment to the fact that in the substitute there is no express provision for the transportation of those who are to be employed. I have no information as to whether it is the purpose of the Executive to transport laborers over great distances. I assume that he probably will not desire to do so if transportation can be avoided. Nevertheless, it may be absolutely imperative that he provide a certain amount of transportation in some cases.

In the substitute, as I said, there is no express or specific provision authorizing the President to provide such transportation, but it may be implied from the language employed in the first section that the President may furnish transportation in taking the unemployed to the places of public works. I say that may be implied because the language employed, excluding certain nonessential language, is as follows:

> The President is authorized * * * to provide for employing citizens of the United States who are unemployed—

And so forth.

The authorization to provide employment may very well carry with it incidentally authorization to provide transportation in order to take the laborers to the place of employment. Apparently, however, there is no authorization to provide or permit the transportation of those citizens back to their homes after the employment has been concluded. I assume that there could be no objection to such a provision, and I therefore offer the amendment which I send to the desk at this time.

The PRESIDING OFFICER. The clerk will report the amendment.

The CHIEF CLERK. On page 5, line 4, the Senator from Oregon [Mr. STEIWER] proposes to strike out the period and to insert in lieu thereof a comma and the following:

> and, in his discretion, to provide for the transportation of such persons to and from the places of employment.

Mr. WALSH. Mr. President, there is no objection to the President's being authorized to provide by regulation for the transportation of these employees.

Mr. STEIWER. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

Mr. HALE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	La Follette	Robinson, Ark.
Ashurst	Couzens	Lewis	Robinson, Ind.
Austin	Dickinson	Logan	Russell
Bachman	Dieterich	Lonergan	Schall
Bailey	Dill	Long	Sheppard
Bankhead	Duffy	McAdoo	Shipstead
Barbour	Erickson	McCarran	Smith
Barkley	Fess	McGill	Steiwer
Black	Fletcher	McKellar	Stephens
Bone	Frazier	McNary	Thomas, Okla.
Borah	George	Metcalf	Thomas, Utah
Brown	Goldsborough	Murphy	Townsend
Bulow	Gore	Neely	Trammell
Byrd	Hale	Norbeck	Tydings
Byrnes	Harrison	Norris	Vandenberg
Capper	Hatfield	Nye	Van Nuys
Caraway	Hayden	Overton	Wagner
Carey	Hebert	Patterson	Walcott
Clark	Johnson	Pittman	Walsh
Connally	Kendrick	Pope	Wheeler
Coolidge	Keyes	Reed	White
Copeland	King	Reynolds	

Mr. BYRD. I wish to announce that my colleague the senior Senator from Virginia [Mr. GLASS] is unavoidably detained.

Mr. LEWIS. I desire to announce that the Senator from Ohio [Mr. BULKLEY] and the Senator from New Mexico [Mr. BRATTON] are necessarily absent.

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. ROBINSON of Indiana. Mr. President, before the Senate votes on the measure I desire very briefly to submit an observation or two with reference to the situation that now confronts us.

As I understand it, originally the President of the United States desired to have the Congress authorize him to employ 250,000 men at a dollar a day to be concentrated in the Army camps of the country. Organized labor in the

United States, very properly I think, objected to any such measure as that. They objected to it for a number of reasons, and not the least was the fact that they felt that as soon as such a scale of wages was paid by the United States Government every industry in the land the next day would undertake to establish the same wage scale. That would mean that the standard of living in this country, of course, would be lowered all along the line and purchasing power would be decreased everywhere. So the bill was rewritten.

I listened to the explanation submitted by the eminent Senator from Massachusetts [Mr. WALSH]. I understand that to some degree at least in phraseology the language is now less unsatisfactory to the interests of American labor, but at the same time the bill gives the President the identical power which the original would have granted him. Indeed, it gives him much greater power. Instead of a dollar a day, if he desires to do so he can employ men at 50 cents a day, or he can employ them at $10 a day. The press informs us the President proposes to do just exactly what he would have done had we passed the bill in the original form in which it came here, namely, regiment labor in camps and pay a wage scale of a dollar a day. That is not denied by anybody here. It is not denied by the President. The press of the country carries a story to that effect, and I presume it is true.

Mr. HATFIELD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from West Virginia?

Mr. ROBINSON of Indiana. I yield.

Mr. HATFIELD. May I ask how the Senator got the information that labor favors the bill in its present form?

Mr. ROBINSON of Indiana. O Mr. President, perhaps I did not make myself clear. I would say to my good friend from West Virginia that my understanding is that the phraseology now in the bill is perhaps more satisfactory to labor than the original draft of the bill as submitted here. However, I am convinced, as is my friend from West Virginia, that labor in the United States is still opposed to this measure in its present form for the reason suggested, that the President can do precisely the same thing under the terms of the bill as it is now before us that he could have done under the terms of the bill as originally drafted. I am definitely sure, may I say to my friend from West Virginia, that all labor connected with the building trades is opposed to this measure, even as it is written now, and to its phraseology.

Mr. HATFIELD. Yes; I am positive the Senator is right about that.

Mr. ROBINSON of Indiana. Mr. President, much has been said about diverting $140,000,000 or so from funds that have been appropriated for other projects. Most of those projects are in the building trades. It is proposed today to do just what we did the other day in the so-called "economy bill." We take $140,000,000 from those people engaged largely in the building trades—carpenters, bricklayers, stone masons, and others who would be employed in the building projects in which the Government is interested—and we give the money to other men, the only difference being that whereas we have been holding up the wage scale in the building projects, under this new-fashioned scheme—assuming the press quotes the President correctly—we will pay all labor conscripted in this manner a dollar a day, and the building trades will suffer accordingly.

Mr. President, I understand this bill is to be followed by other appropriations and that ultimately 250,000 men will be employed in the reforestation program. I understand that it will require an outlay of half a billion dollars—$500,000,000—before we are through with this program this year. I understand the $140,000,000 will carry on the work until the 1st of May. If it takes $140,000,000 to conduct this experimental work until the 1st of May, it is reasonable to assume, and I think it is perhaps admitted, that it will cost at least $500,000,000 during the rest of this calendar year. That will be $500,000,000 more.

Mr. President, need I remind the Senate that just a few days ago, under the guise of economy, we passed a measure through this body to take $400,000,000 away from the disabled veterans of America, to take $400,000,000 out of their pockets? We deprived them of that much income. We take that much out of their pockets. We deprive them of that much purchasing power. We take another $125,000,000 from the underpaid Federal employees. That is a total of $525,000,000. Mark you, we passed a bill which was called an economy bill under the guise of balancing the Budget. That was given as the whole reason for it. The credit of the Nation was at stake, and it was necessary to balance the Budget. So we found these two classes of our citizens, the disabled veterans and the Federal employees, who were practically helpless, and we decided to take this half billion dollars out of their pockets. That we did. That was done to balance the Budget.

Now we propose to appropriate that same amount, $500,000,000, half a billion dollars, that we just got through taking out of the pockets of the disabled veterans and the Federal employees, and put that $500,000,000 in the pockets of people who are unemployed in the country. In other words, we have just got through robbing, practically—it amounts to that as I view it, because we have deprived them of vested rights—we have just got through robbing the disabled veterans and Government employees of the United States of half a billion dollars in order to turn it right over to another class of our citizens in the same sum, and the Budget still remains unbalanced! We are right where we started.

The whole purpose of the economy bill was to balance the Budget, but I point out to you, Mr. President, that the Budget is just where it was before. It was merely a matter of bookkeeping. We transferred $500,000,000 from one class to another. The figures have merely gone into another column and the Budget remains exactly where it was. It is unbalanced and every Member of the Senate knows that it will not be balanced this year or next year. Why not face the facts and let the country know that is the truth? Of course it will not be balanced. If the program the President has in mind, as published in the press, should be carried out, it will be billions of dollars more out of balance within the next 2 or 3 years.

What difference does it make whether the indebtedness is outside of the Budget or inside of the Budget? The country owes the money just the same, and just to that extent the country's credit is strained. In other words, we constantly increase the indebtedness of Uncle Sam. The public indebtedness is constantly increasing, and the purchasing power of the people is constantly decreasing. The whole program has been deflationary.

I understand as well as anybody here that the American people today are looking to President Roosevelt with hope and great trust. The desire is above all things to get out of the depression in which we find ourselves. My hope is that he will succeed in justifying the confidence of the people and will not disappoint them. It would be catastrophic in the extreme, in my judgment, if they should have their hopes blasted, if this whole program should fail.

I hope I am patriotic enough to do everything in my power to help make the program succeed; but I feel that I should be derelict in my duty did I not point out to the Senate this fact, which it seems to me is so plain that all may see. Everything that has been done since the 4th of March this year has been deflationary. For instance, take the bank bill which we passed and as a result of which we placed dictatorial power in the hands of the President, giving him the power of life and death over all financial institutions of the country. Mr. President, the net result of that bill will be—and there can be no question about it, I think—that the depositors of the banks of the United States will be deflated to the extent of $10,000,000,000. That means to say that the country will have—in fact, has at this minute—$10,000,000,000 less purchasing power than it would have had had this situation not arisen. That is entirely deflationary.

In the next place, we took $525,000,000 worth of purchasing power away from the disabled veterans of the country

and the Government workers. That also is deflationary. What the country needs is increased purchasing power, not decreased purchasing power.

Then we passed the beer bill; and I am willing to say to my friends, both on this side and the other side, that in the end that will prove to be deflationary, because it will divert money that today is being expended in the homes for food and clothing to the brewers of the country in the form of money paid for beer.

Until we start going up hill by providing more purchasing power there can be no real prosperity in this country. We have got to find a way to start the wheels of industry turning. Instead of going down hill, as we have been going all the way along, we must start going up toward prosperity.

Mr. President, I think the whole system up to date is wrong; I think we are headed downward to an abyss of disaster; but I think there is still time to turn around and go back the other way. Unless we do so, the catastrophe will be far worse than anything we have thus far seen, and human misery will be tremendously increased within the next 2 months.

What will you do the next time if depositors start runs on these banks we have reopened? What will you do then? That is the next problem to get ready for. Increased purchasing power is what the country needs. Up to this moment we have been decreasing purchasing power; ever since March 4 the policy has been deflationary; and I submit to my friends, especially on the other side of the Chamber, that, in my humble judgment, the thesis is wrong and the policy unsound.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. HALE called for the yeas and nays.

The yeas and nays were not ordered, and the bill was passed.

APPROVAL OF THE JOURNAL

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that the reading of the Journal be dispensed with, and that the Journal for March 23 and March 27, 1933, stand approved.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. ROBINSON of Arkansas. Mr. President, unless there is some further business to come before the Senate, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 20 minutes p.m.) the Senate took a recess until tomorrow, Wednesday, March 29, 1933, at 12 o'clock meridian.

SENATE

WEDNESDAY, MARCH 29, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. LEWIS. Mr. President, I suggest the absence of a quorum, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Harrison	McNary
Austin	Connally	Hatfield	Metcalf
Bachman	Coolidge	Hayden	Murphy
Bailey	Copeland	Hebert	Neely
Bankhead	Costigan	Johnson	Norris
Barbour	Couzens	Kean	Nye
Barkley	Dickinson	Kendrick	Overton
Black	Dieterich	Keyes	Pittman
Bone	Dill	King	Pope
Borah	Duffy	La Follette	Reynolds
Brown	Erickson	Lewis	Robinson, Ark.
Bulkley	Fess	Logan	Robinson, Ind.
Bulow	Fletcher	Lonergan	Russell
Byrd	Frazier	Long	Sheppard
Byrnes	George	McAdoo	Shipstead
Capper	Goldsborough	McCarran	Smith
Caraway	Gore	McGill	Steiwer
Carey	Hale	McKellar	Stephens
Thomas, Okla.	Trammell	Van Nuys	Walsh
Thomas, Utah	Tydings	Wagner	Wheeler
Townsend	Vandenberg	Walcott	White

Mr. LEWIS. Mr. President, I rise to announce the absence of the Senator from New Mexico [Mr. BRATTON] on official business. I ask that the announcement remain for the day.

Mr. BYRD. I wish to announce that my colleague the senior Senator from Virginia [Mr. GLASS] is unavoidably detained from the Senate.

Mr. HEBERT. The Senator from Missouri [Mr. PATTERSON] is absent on account of illness in his family.

The junior Senator from Pennsylvania [Mr. DAVIS] is still absent on account of illness.

The Senator from Vermont [Mr. DALE], the Senator from Delaware [Mr. HASTINGS], the Senator from Pennsylvania [Mr. REED], the Senator from New Mexico [Mr. CUTTING], and the Senator from Minnesota [Mr. SCHALL] are necessarily absent.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present. The Senate will receive a message from the President of the United States.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

(The message was received by Mr. Biffle and handed to the Vice President.)

MESSAGE FROM THE PRESIDENT—REGULATION OF SECURITY ISSUES

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, which will be read.

The Chief Clerk read the message, as follows:

To the Congress:

I recommend to the Congress legislation for Federal supervision of traffic in investment securities in interstate commerce.

In spite of many State statutes the public in the past has sustained severe losses through practices neither ethical nor honest on the part of many persons and corporations selling securities.

Of course, the Federal Government cannot and should not take any action which might be construed as approving or guaranteeing that newly issued securities are sound in the sense that their value will be maintained or that the properties which they represent will earn profit.

There is, however, an obligation upon us to insist that every issue of new securities to be sold in interstate commerce shall be accompanied by full publicity and information, and that no essentially important element attending the issue shall be concealed from the buying public.

This proposal adds to the ancient rule of caveat emptor, the further doctrine, "Let the seller also beware." It puts the burden of telling the whole truth on the seller. It should give impetus to honest dealing in securities and thereby bring back public confidence.

The purpose of the legislation I suggest is to protect the public with the least possible interference to honest business.

This is but one step in our broad purpose of protecting investors and depositors. It should be followed by legislation relating to the better supervision of the purchase and sale of all property dealt in on exchanges, and by legislation to correct unethical and unsafe practices on the part of officers and directors of banks and other corporations.

What we seek is a return to a clearer understanding of the ancient truth that those who manage banks, corporations, and other agencies handling or using other people's money are trustees acting for others.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 29, 1933.*

The VICE PRESIDENT. The message will be referred to the Committee on the Judiciary and printed.

Mr. ROBINSON of Arkansas. Mr. President, the Senator from Arizona [Mr. ASHURST] is necessarily temporarily absent from the Senate. I ask leave, out of order, to introduce in behalf of that Senator a bill having relation to the subject matter of the message just read and to have the bill referred to the Committee on the Judiciary.

The bill (S. 875) to provide for the furnishing of information and the supervision of traffic in investment securities in interstate commerce was read twice by its title and referred to the Committee on the Judiciary.

Mr. ASHURST subsequently said: Mr. President, I was unavoidably detained from the Chamber this morning, and the senior Senator from Arkansas [Mr. ROBINSON] very kindly introduced a bill in my behalf. I ask unanimous consent to print in the RECORD at this point an analysis of the bill, which analysis has been prepared by Mr. Huston Thompson, with the approval of the Secretary of Commerce.

There being no objection, the analysis was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

THIS ANALYSIS OF THE PROPOSED FEDERAL SECURITIES ACT HAS BEEN PREPARED BY MR. HUSTON THOMPSON WITH THE APPROVAL OF SECRETARY OF COMMERCE ROPER

The Federal Securities Act is a bill to provide for the furnishing of information and the supervision of traffic in investment securities in interstate commerce.

Sections 1 and 2 contain the title of the bill and certain definitions on the following subjects: "Security", "person", "sale", "issuer", "Commission" (meaning the Federal Trade Commission, which is to have jurisdiction under the bill), "mortgage", "title", and "interstate commerce."

Section 3 sets forth certain requirements in the matter of the sale and advertisement of securities in interstate commerce and forbids such sale or advertisement until certain information shall have been filed with the Commission. This section covers the subjects of—

(a) The sale or offer to sell domestic securities in interstate commerce;

(b) The advertisement of domestic securities through interstate medium, including not only newspapers, circulars, and magazines but also radio;

(c) The physical transportation of domestic securities across State lines; and

(d) The sale or offer to sell by persons or corporations of the securities of foreign governments in the United States.

Section 4 provides that the promoters, principal officers, and directors of corporations shall sign the statement except in the case of securities issued by foreign governments, when the statement shall be signed by persons in the United States negotiating or underwriting the loan for the sale in the United States.

Section 5 designates the information required in the statements to be filed with the Commission and consists of two subdivisions—(a) information required of domestic corporations and (b) information required concerning foreign government securities. In the case of domestic securities it requires the names of the issuers of the stock, promoters, trustees, officers, etc., the amount of paid-up capital, the numbers and types of shares, with the description of their respective voting rights, dividends, profits, the amount of funded debt, a balance sheet showing a detailed list of assets and liabilities, a statement of the amount of the issuer's income, expense, and fixed charges during the preceding fiscal year; the plan of the proposed issuer, the price offered to the public, all bonuses, commissions, and the amount returned to capital investment, together with the names of all of those composing the syndicate.

In the case of the securities issued by foreign governments the American representatives shall state the purpose, date, and terms of the loan, the underwriting agreement, members of the syndicate, bonuses, commissions, and amount to be returned to the foreign government, the security pledged with the loan, and the general financial condition of the borrowing government and whether it has ever defaulted on principal or interest on any security sold in the United States, together with the proposed method of distribution and price of the security as offered here.

A fee of one one-hundredth of 1 percent of the value of the securities will be charged for registration with the Commission.

Section 6 empowers the Commission to revoke the registration of domestic securities. Some of the grounds stated are insolvency of the issuer, violation of the act, previous or present engagements in fraudulent transactions, fraudulent representations in advertising the security.

Section 7 provides for judicial review in the event of an order of revocation by the Commission to the Court of Appeals of the District of Columbia.

Section 8 prohibits the interstate advertisement either written or spoken of domestic and foreign securities subject to this act unless the communication contains certain information concerning the securities offered as required by the Commission and the act. Copies of all such advertising material must be filed with the Commission and the statement so filed shall be available for public inspection.

Section 9 assumes that all purchasers rely upon the representations contained in the statement and makes all the signers of such statement jointly and severally liable to the purchasers for damages in the event of any material misrepresentation contained therein. Misrepresentations in the statement or advertising when made with the knowledge of their falsity will subject the signers to the Federal fraud and perjury laws.

Section 10 makes it unlawful to represent that registration with the Commission constitutes the Commission's approval.

Section 11 exempts certain securities from the terms of the act such as those issuing under the Federal Government and our States, or the subdivisions of the Federal or State Government.

Section 12 exempts certain transactions such as judicial sales and isolated transactions by individuals.

Section 13 empowers the Attorney General at the request of the Commission to prosecute for fraud in the interstate offer or sale of securities. The exemptions of sections 11 and 12 are not applicable to this provision.

Section 14 declares that it shall be a Federal offense to transmit or offer in interstate commerce securities that do not meet the requirements of the State in which they are to be sold. This is an application to the sale of securities similar to that applied under the Webb-Kenyon law to the prohibition against the sale and transportation of liquor into dry States. In this section also it is specifically provided that the exemptions of sections 11 and 12 do not apply.

Section 15 empowers the Commission to make necessary rules and regulations.

Section 16 gives jurisdiction to the Federal district courts to enforce the criminal provisions of the act and the various orders of the Commission.

Section 17 provides the penalty of not more than $5,000 or 5 years in jail, or both, for any officer, director, or agent of any corporation knowingly participating in the violation and conviction under this act.

An appropriation clause follows.

Mr. KING. Mr. President, the bill which the Senator from Arkansas introduced a few moments ago was referred to the Committee on the Judiciary, of which I am a member. In view of the fact that the Committee on Banking and Currency has been considering the question involved in the bill, in connection with the measure I introduced, as well as other measures, I was wondering whether the bill introduced by the Senator from Arkansas should not go to that committee.

Mr. ROBINSON of Arkansas. Mr. President, I took some advice about the matter of the reference of the bill, and concluded that it should go to the Committee on the Judiciary. There are involved some questions pertaining to law and constitutionality, and after taking the advice to which I have already referred, I asked the reference to the Committee on the Judiciary.

Mr. KING. I may, on further considering the matter, ask that the Committee on Banking and Currency be discharged from the further consideration of the bill which I introduced, and that it also be referred to the Committee on the Judiciary; but I shall pretermit that request at the present time.

Mr. ROBINSON of Arkansas. I think that either the Committee on the Judiciary or the Committee on Banking and Currency might have jurisdiction, but after looking into the matter, it was my conclusion that this particular bill should go to the Committee on the Judiciary.

Mr. JOHNSON. Mr. President, I want to say to the Senator from Arkansas that three similar measures are already before the Committee on the Judiciary. In addition to that, one measure of cognate application was considered by a subcommittee of the Committee on the Judiciary during the last session, and reported back to the full committee. I think the reference to the Committee on the Judiciary, in view of what has transpired, is quite appropriate.

Mr. ROBINSON of Arkansas. I thank the Senator from California.

SUPREME COURT DECISION IN APPALACHIAN COAL CASE

Mr. COSTIGAN. Mr. President, on March 21 the learned senior Senator from Utah [Mr. KING] suggested to the Senate his apprehension that the so-called Appalachian decision of the Supreme Court of the United States may unfortunately operate to abrogate some provisions of the Sherman antitrust law and the Clayton Act. An examination of the opinion of the Court leads me to conclude that

the fears of the Senator from Utah are substantially unfounded.

The Court in that case held that the evidence—

makes it impossible to conclude that defendants through the operation of their plan will be able to fix the price of coal in the consuming markets.

The Court also held:

The proof clearly shows that wherever their selling agency operates it will find itself confronted by effective competition backed by virtually inexhaustible sources of supply, and will also be compelled to cope with the organized buying power of large consumers. The plan cannot be said either to contemplate or to involve the fixing of market prices.

The Court further held:

A cooperative enterprise, otherwise free from objection, which carries with it no monopolistic menace, is not to be condemned as an undue restraint merely because it may effect a change in market conditions, where the change would be in mitigation of recognized evils and would not impair but rather foster fair competitive opportunities.

Finally, the Court, remanding the cause, instructed the district court to retain jurisdiction over the proceedings, so that it may take further proceedings if future developments justify that course in the appropriate enforcement of the Antitrust Act.

Mr. President, I ask that the opinion of the Supreme Court of the United States may for suitable reference be printed in the RECORD in full.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The opinion is as follows:

SUPREME COURT OF THE UNITED STATES

No. 504.—October Term, 1932

APPALACHIAN COALS, INC., ET AL., APPELLANTS, *v.* THE UNITED STATES OF AMERICA—APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE WESTERN DISTRICT OF VIRGINIA

(March 13, 1933)

Mr. Chief Justice Hughes delivered the opinion of the Court.

This suit was brought to enjoin a combination alleged to be in restraint of interstate commerce in bituminous coal and in attempted monopolization of part of that commerce, in violation of sections 1 and 2 of the Sherman Antitrust Act (26 Stat. 209). The district court, composed of three circuit judges, made detailed findings of fact and entered final decree granting the injunction (1 F.supp. 339). The case comes here on appeal (28 U.S.C. 380).

Defendants, other than Appalachian Coals, Inc., are 137 producers of bituminous coal in eight districts (called for convenience "Appalachian territory") lying in Virginia, West Virginia, Kentucky, and Tennessee. These districts, described as the southern high volatile field, form part of the coal-bearing area stretching from central and western Pennsylvania, through eastern Ohio, western Maryland, West Virginia, southwestern Virginia, eastern Kentucky, eastern Tennessee, and northeastern Alabama. In 1929 (the last year for which complete statistics were available) the total production of bituminous coal east of the Mississippi River was 484,786,000 tons, of which defendants mined 58,011,367 tons, or 11.96 percent. In the so-called "Appalachian territory" and the immediately surrounding area the total production was 107,008,209 tons, of which defendants' production was 54.21 percent, or 64 percent if the output of "captive" mines (16,455,091 tons) be deducted.[1] With a further deduction of 12,000,000 tons of coal produced in the immediately surrounding territory, which, however, is not essentially different from the particular area described in these proceedings as Appalachian territory, defendants' production in the latter region was found to amount to 74.4 percent.[2]

The challenged combination lies in the creation by the defendant producers of an exclusive selling agency. This agency is the defendant *Appalachian Coals, Inc.*, which may be designated as "the company". Defendant producers own all its capital stock, their holdings being in proportion to their production. The majority of the common stock, which has exclusive voting right, is held by 17 defendants. By uniform contracts, separately made, each defendant producer constitutes the company an exclusive agent for the sale of all coal (with certain exceptions) which the producer mines in Appalachian territory.[3] The company agrees to establish standard classifications, to sell all the coal of all its principals at the best prices obtainable, and, if all cannot be sold, to apportion orders upon a stated basis. The plan contemplates that prices are to be fixed by the officers of the company at its central office, save that, upon contracts calling for future deliveries after 60 days, the company must obtain the producer's consent. The company is to be paid a commission of 10 percent of the gross selling prices f.o.b. at the mines and guarantees accounts. In order to preserve their existing sales outlets the producers may designate subagents according to an agreed form of contract, who are to sell upon the terms and prices established by the company and are to be allowed by the company commissions of 8 percent. The company has not yet begun to operate as selling agent; the contracts with it run to April 1, 1935, and from year to year thereafter unless terminated by either party on 6 months' notice.

The Government's contention, which the district court sustained, is that the plan violates the Sherman Antitrust Act, in the view that it eliminates competition among the defendants themselves and also gives the selling agency power substantially to affect and control the price of bituminous coal in many interstate markets. On the latter point the district court made the general finding that "this elimination of competition and concerted action will affect market conditions, and have a tendency to stabilize prices and to raise prices to a higher level than would prevail under conditions of free competition." The court added that the selling agency "will not have monopoly control of any market nor the power to fix monopoly prices."

Defendants insist that the primary purpose of the formation of the selling agency was to increase the sale, and thus the production, of Appalachian coal through better methods of distribution, intensive advertising, and research, to achieve economies in marketing, and to eliminate abnormal, deceptive, and destructive trade practices. They disclaim any intent to restrain or monopolize interstate commerce, and in justification of their design they point to the statement of the district court that "it is but due to defendants to say that the evidence in the case clearly shows that they have been acting fairly and openly, in an attempt to organize the coal industry and to relieve the deplorable conditions resulting from overexpansion, destructive competition, wasteful trade practices, and the inroads of competing industries" (1 F. supp., p. 341). Defendants contend that the evidence establishes that the selling agency will not have the power to dominate or fix the price of coal in any consuming market; that the price of coal will continue to be set in an open competitive market; and that their plan, by increasing the sale of bituminous coal from Appalachian territory, will promote, rather than restrain, interstate commerce.

First. There is no question as to the test to be applied in determining the legality of the defendants' conduct. The purpose of the Sherman Antitrust Act is to prevent undue restraints of interstate commerce, to maintain its appropriate freedom in the public interest, to afford protection from the subversive or coercive influences of monopolistic endeavor. As a charter of freedom the act has a generality and adaptability comparable to that found to be desirable in constitutional provisions. It does not go into detailed definitions which might either work injury to legitimate enterprise or through particularization defeat its purposes by providing loopholes for escape. The restrictions the act imposes are not mechanical or artificial. Its general phrases, interpreted to attain its fundamental objects, set up the essential standard of reasonableness. They call for vigilance in the detection and frustration of all efforts unduly to restrain the free course of interstate commerce, but they do not seek to establish a mere delusive liberty either by making impossible the normal and fair expansion of that commerce or the adoption of reasonable measures to protect it from injurious and destructive practices and to promote competition upon a sound basis. The decisions establish, said this Court in *Nash v. United States* (229 U.S. 373, 376), "that only such contracts and combinations are within the act as, by reason of intent or the inherent nature of the contemplated acts, prejudice the public interests by unduly restricting competition or unduly obstructing the course of trade." (See *Standard Oil Co. v. United States*, 221 U.S. 1; *United States v. American Tobacco Co.*, 221 U.S. 106; *Chicago Board of Trade v. United States*, 246 U.S. 231, 238; *Window Glass Manufacturers v. United States*, 263 U.S. 403, 412; *Maple Flooring Association v. United States*, 268 U.S. 563, 583, 584; *Paramount Famous Corporation v. United States*, 282 U.S. 30, 43; *Standard Oil Co. v. United States*, 283 U.S. 163, 169.)

In applying this test, a close and objective scrutiny of particular conditions and purposes is necessary in each case. Realities must dominate the judgment. The mere fact that the parties to an agreement eliminate competition between themselves is not enough to condemn it. "The legality of an agreement or regulation cannot be determined by so simple a test, as whether it restrains competition. Every agreement concerning trade, every regulation of trade, restrains" (*Chicago Board of Trade v. United States*, supra). The familiar illustrations of partnerships, and enterprises fairly integrated in the interest of the promotion of commerce, at once occur. The question of the application of the statute is one of intent and effect, and is not to be determined by

[1] "Captive" mines are thus designated as they produce chiefly for the consumption of the owners.

[2] Defendants contend that, in calculating their position upon a percentage basis, surrounding territory should be included and that their percentage thus lies "somewhere between 54-21 and 64 percent." The district court found: "The coal produced in the surrounding territory is the same kind of coal as that produced in the Appalachian territory and is suitable for the same purposes and available to the same markets, generally on the same freight rates, and for all practical purposes might have been included in the territory described as Appalachian territory."

[3] Exception is made to deliveries on contracts then outstanding and of coal used in the operations of defendant's mines or sold to its employees.

arbitrary assumptions. It is therefore necessary in this instance to consider the economic conditions peculiar to the coal industry, the practices which have obtained, the nature of defendants' plan of making sales, the reasons which led to its adoption, and the probable consequences of the carrying out of that plan in relation to market prices and other matters affecting the public interest in interstate commerce in bituminous coal.

Second. The findings of the district court, upon abundant evidence, leave no room for doubt as to the economic condition of the coal industry. That condition, as the district court states, "for many years has been indeed deplorable." Due largely to the expansion under the stimulus of the Great War, "the bituminous mines of the country have a developed capacity exceeding 700,000,000 tons" to meet a demand "of less than 500,000,000 tons." In connection with this increase in surplus production, the consumption of coal in all the industries which are its largest users has shown a substantial relative decline. The actual decrease is partly due to the industrial condition, but the relative decrease is progressing, due entirely to other causes. Coal has been losing markets to oil, natural gas, and water power, and has also been losing ground due to greater efficiency in the use of coal. The change has been more rapid during the last few years by reason of the developments of both oil and gas fields. The court below found that "based upon the assumption that bituminous coal would have maintained the upward trend prevailing between 1900 and 1915 in percentage of total energy supply in the United States, the total substitution between 1915 and 1930 has been equal to more than 200,000,000 tons per year."[4] While proper allowance must be made for differences in consumption in different parts of the country,[5] the adverse influence upon the coal industry, including the branch of it under review, of the use of substitute fuels and of improved methods is apparent.

This unfavorable condition has been aggravated by particular practices. One of these relates to what is called "distress coal." The greater part of the demand is for particular sizes of coal, such as nut and slack, stove coal, egg coal, and lump coal. Any one size cannot be prepared without making several sizes. According to the finding of the court below, one of the chief problems of the industry is thus involved in the practice "of producing different sizes of coal, even though orders are on hand for only one size, and the necessity of marketing all sizes." Usually there are no storage facilities at the mines, and the different sizes produced are placed in cars on the producer's tracks, which may become so congested that either production must be stopped or the cars must be moved regardless of demand. This leads to the practice of shipping unsold coal to billing points or on consignment to the producer or his agent in the consuming territory. If the coal is not sold by the time it reaches its destination, and is not unloaded promptly, it becomes subject to demurrage charges which may exceed the amount obtainable for the coal unless it is sold quickly. The court found that this type of "distress coal" presses on the market at all times, includes all sizes and grades, and the total amount from all causes is of substantial quantity.

"Pyramiding" of coal is another "destructive practice." It occurs when a producer authorizes several persons to sell the same coal, and they may in turn offer it for sale to other dealers. In consequence "the coal competes with itself, thereby resulting in abnormal and destructive competition which depresses the price for all coals in the market." Again, there is misrepresentation by some producers in selling one size of coal and shipping another size which they happen to have on hand. "The lack of standardization of sizes and the misrepresentation as to sizes" are found to have been injurious to the coal industry as a whole. The court added, however, that the evidence did not show the existence of any trade war or widespread fraudulent conduct. The industry also suffers through "credit losses", which are due to the lack of agencies for the collection of comprehensive data with respect to the credits that can safely be extended.

In addition to these factors the district court found that organized buying agencies and large consumers purchasing substantial tonnages "constitute unfavorable forces." "The highly organized and concentrated buying power which they control and the great abundance of coal available have contributed to make the market for coal a buyers' market for many years past."

It also appears that the "unprofitable condition" of the industry has existed, particularly in the Appalachian territory where there is little local consumption, as the region is not industrialized. "The great bulk of the coal there produced is sold in the highly competitive region east of the Mississippi River and north of the Ohio River under an adverse freight rate which imposes an unfavorable differential from 35 cents to 50 cents per ton."[6] And in a graphic summary of the economic situation the court found that "numerous producing companies have gone into bankruptcy or into the hands of receivers, many mines have been shut down, the number of days of operation per week have been greatly curtailed, wages to labor have been substantially lessened, and the States in which coal-producing companies are located have found it increasingly difficult to collect taxes."

Third. The findings also fully disclose the proceedings of the defendants in formulating their plan and the reasons for its adoption. The serious economic conditions had led to discussions among coal operators and State and National officials seeking improvement of the industry. Governors of States had held meetings with coal producers. The limits of official authority were apparent. A general meeting of producers, sales agents, and attorneys was held in New York in October 1931, a committee was appointed, and various suggestions were considered. At a second general meeting in December 1931, there was further discussion and a report which recommended the organization of regional sales agencies, and was supported by the opinion of counsel as to the legality of proposed forms of contract was approved. Committees to present the plan to producers were constituted for 18 producing districts, including the 8 districts in Appalachian territory. Meetings of the representatives of the latter districts resulted in the organization of defendant *Appalachian Coals, Inc.* It was agreed that a minimum of 70 percent and a maximum of 80 percent of the commercial tonnage of the territory should be secured before the plan should become effective. Approximately 73 percent was obtained. A resolution to fix the maximum at 90 percent was defeated. The maximum of 80 percent was adopted because a majority of the producers felt that an organization with a greater degree of control might unduly restrict competition in local markets. The minimum of 70 percent was fixed because it was agreed that the organization would not be effective without this degree of control. The court below also found that it was the expectation that similar agencies would be organized in other producing districts, including those which were competitive with Appalachian coal, and that it was "the particular purpose of the defendants in the Appalachian territory to secure such degree of control therein as would eliminate competition among the 73 percent of the commercial production." But the court added: "However, the formation of Appalachian Coals was not made dependent upon the formation of other regional selling agencies, and there is no evidence of a purpose, understanding, or agreement among the defendants that in the event of the formation of other similar regional sales agencies there would be any understanding or agreement, direct or indirect, to divide the market territory between them or to limit production or to fix the price of coal in any market or to cooperate in any way." When, in January 1932, the Department of Justice announced its adverse opinion, the producers outside Appalachian territory decided to hold their plans in abeyance pending the determination of the question by the courts. The district court found that "the evidence tended to show that other selling agencies with a control of at least 70 percent of the production in their respective districts will be organized if the petition in this case is dismissed"; that in that event "there will result an organization in most of the districts whose coal is or may be competitive with Appalachian coal; but the testimony tends to show that there will still be substantial, active competition in the sale of coal in all markets in which Appalachian coal is sold."

Defendants refer to the statement of purposes in their published plan of organization, that it was intended to bring about "a better and more orderly marketing of the coals from the region to be served by this company [the selling agency] and better to enable the producers in this region, through the larger and more economic facilities of such selling agency, more equally to compete in the general markets for a fair share of the available coal business." The district court found that among their purposes, defendants sought to remedy "the destructive practice of shipping coal on consignment without prior orders for the sale thereof, which results in the dumping of coal on the market irrespective of the demand"; "to eliminate the pyramiding of offers for the sale of coal"; to promote "the systematic study of the marketing and distribution of coal, the demand and the consumption and the kinds and grades of coal made and available for shipment by each producer in order to improve conditions"; to maintain an inspection and engineering department which would keep in constant contact with customers "in order to demonstrate the advantages and suitability of Appalachian coal in comparison with other competitive coals"; to promote an extensive advertising campaign which would show "the advantages of using coal as a fuel and the advantages of Appalachian coal particularly"; to provide a research department employing combustion engineers which would demonstrate "proper and efficient methods of

[4] The findings show that "the number of domestic oil burners in use has increase more than sixtyfold * * * from 1921 to 1931. * * * About 50 percent of all oil burners, both domestic and commercial, are in the markets in which Appalachian coals are sold. The railroads have improved combustion methods and reduced their fuel consumption from 1916 to 1929 by 32,000,000 tons. In freight service their consumption of coal per thousand freight ton miles dropped from 164 pounds in 1919 to 125 pounds in 1929. The electric industries decreased consumption of coal per kilowatt-hour from approximately 3.2 pounds to 1.6 pounds and thereby reduced their requirements for coal in excess of 47,000,000 tons. Efficiency in the smelting of pig iron decreased the consumption of coal in relation to the pig iron made by 10,000,000 tons. The saving in by-product coke manufactures over the beehive system amounted to 12,000,000 tons."

[5] The court below points out that "the use of natural gas and fuel oil is limited to certain areas. Gas is not available to all sections of the country and the great centers of fuel-oil consumption are California, the Southwest, the midcontinent field, and the Atlantic seaboard. Moreover, in the States in which Appalachian coal is chiefly marketed the substitute fuels combined supply only about 10 percent of the total energy consumption. In the year 1929 about 50 percent of defendants' coal, other than railroad fuel, went into the States of Ohio, Michigan, Indiana, and Illinois." In these States the percentage of total energy consumption derived from bituminous coal in 1929 ranged from 88.7 percent to 92.7 percent.

[6] Defendants insist that "the real spread is from 25 cents to $1.84 per ton."

burning coal in factories and in homes" and thus aid producers in their competition with substitute fuels; and to operate a credit department which would build up a record with respect to the "reliability of purchasers." The court also found that "defendants believe that the result of all these activities would be the more economical sale of coal, and the economies would be more fully realized as the organization of the selling agent is perfected and developed." But in view of the designation of subagents, economies in selling expenses would be attained "only after a year or so of operation."

No attempt was made to limit production. The producers decided that it could not legally be limited and, in any event, it could not be limited practically. The finding is that "it was designed that the producer should produce and the selling agent should sell as much coal as possible." The importance of increasing sales is said to lie in the face that the cost of production is directly related to the actual running time of the mines.

Fourth. Voluminous evidence was received with respect to the effect of defendants' plan upon market prices. As the plan has not gone into operation, there are no actual results upon which to base conclusions. The question is necessarily one of prediction. The court below found that, as between defendants themselves, competition would be eliminated. This was deemed to be the necessary consequence of a common selling agency with power to fix the prices at which it would make sales for its principals. Defendants insist that the finding is too broad and that the differences in grades of coal of the same sizes and the market demands at different times would induce competition between the coals sold by the agency "depending upon the use and the quality of the coals."

The more serious question relates to the effect of the plan upon competition between defendants and other producers. As already noted, the district court found that "the great bulk" of the coal produced in Appalachian territory is sold "in the highly competitive region east of the Mississippi River and north of the Ohio River under an adverse freight rate." Elaborate statistics were introduced with respect to the production and distribution of bituminous coal and the transportation rates from the different producing sections to the consuming markets, as bearing upon defendants' competitive position, together with evidence as to the requirements of various sections and consumers and the relative advantages possessed by reason of the different qualities and uses of the coals produced. It would be impossible to make even a condensed statement of this evidence (which has been carefully analyzed by both parties) but an examination of it fails to disclose an adequate basis for the conclusion that the operation of the defendants' plan would produce an injurious effect upon competitive conditions, in view of the vast volume of coal available, the conditions of production, and the network of transportation facilities at immediate command. While strikes and interruptions of transportation may create temporary and abnormal dislocations, the bituminous coal industry under normal conditions affords most exceptional competitive opportunities. Figures as to developed and potential productive capacity are impressive. The court below found upon this point that the capacity of the mines in the Appalachian region operated by others than defendants is 82,660,760 tons, as against the capacity of defendants' mines of 86,628,880 tons. While the present yearly capacity of all mines in southern West Virginia, Virginia, eastern Kentucky and Tennessee is 245,233,560 tons, based upon an 8-hour working day. "This excess capacity over actual production" the court said, "Could be brought into production at moderate expense and with reasonable promptness." As to potential, undeveloped capacity in Appalachian territory the court found that in the eight districts in this region not held by any operating, or by any captive, company, there are approximately 760,000 acres containing more than 4,300,000,000 tons of recoverable coal. In addition, in the same territory "owned by captive companies and not being operated or owned by operating companies who are using only a very small proportion of their holdings", there is an additional 860,000 acres, containing more than 4,600,000,000 tons of coal. Within the 24 counties in which defendants' mines are located, and immediately adjacent to them, on railroads already operating, "with the exception of short, feeder extensions," there are over 1,620,000 acres of coal-bearing land, containing approximately 9,000,000,000 net tons of recoverable coal "comparable both in quality and mining conditions with the coal now being mined in that region". "The opening up of this acreage would involve only the extension of short branch lines from the railroads and the building of mining plants. The price of these lands at the present time would be less than half of the value of two or three years ago, and considerably less on a royalty basis. Coal produced from these districts is available for any market in which Appalachian coal is sold. Conditions in the coal industry are such that new companies are free to enter the business of producing and marketing coal in competition with existing companies". In connection with this proof of developed and potential capacity, the "highly organized and concentrated buying power" that can be exerted must also have appropriate consideration.[7]

Consumers testified that defendants' plan will be a benefit to the coal industry and will not restrain competition. Testimony to that effect was given by representatives of the Louisville & Nashville Railroad, the Norfolk & Western Railroad, and the Chesapeake & Ohio Railroad, "the largest railroad users of coal operating in the Appalachian region", and by representatives of large utility companies and manufacturing concerns.[8] There was similar testimony by wholesale and retail dealers in coal. There are 130 producers of coal other than defendants in Appalachian territory who sell coal commercially. There are also "a large number of mines that have been shut down and could be opened up by the owners on short notice." Competing producers testified that the operation of the selling agency, as proposed by defendants, would not restrain competition and would not hurt their business. Producers in western Pennsylvania, Alabama, Ohio, and Illinois testified to like effect. Referring to this testimony, the court below added: "The small coal producer can, to some extent, and for the purpose of producing and marketing coal, produce coal more cheaply than many of the larger companies, and is not prevented by higher cost of operation from being a competitor in the market."

The Government criticizes the "opinion testimony" introduced by defendants as relating to a competitive situation not within the experience of the witnesses, and also animadverts upon their connections and interests, but the Government did not offer testimony of opposing opinions as to the effect upon prices of the operation of the selling agency. Consumers who testified for the Government explained their dependence upon coal from Appalachian territory.

The district court commented upon the testimony of officers of the selling agency to the effect "that the organization would not be able to fix prices in an arbitrary way, but by the elimination of certain abuses and by better advertising and sale organization the producers would get more in the aggregate for their coal". "Other witnesses for the defendants," said the court, "indicated that there would be some tendency to raise the price, but that the degree of increase would be affected by other competitors in the coal industry and by producers of coal substitutes."

Fifth. We think that the evidence requires the following conclusions:

(1) With respect to defendant's purposes, we find no warrant for determining that they were other than those they declared. Good intentions will not save a plan otherwise objectionable, but knowledge of actual intent is an aid in the interpretation of facts and prediction of consequences (*Chicago Board of Trade* v. *United States*, supra). The evidence leaves no doubt of the existence of the evils at which defendants' plan was aimed. The industry was in distress. It suffered from overexpansion and from a serious relative decline through the growing use of substitute fuels. It was afflicted by injurious practices within itself—practices which demanded correction. If evil conditions could not be entirely cured, they at least might be alleviated. The unfortunate state of the industry would not justify any attempt unduly to restrain competition or to monopolize, but the existing situation prompted defendants to make, and the statute did not preclude them from making, an honest effort to remove abuses, to make competition fairer, and thus to promote the eccential interests of commerce. The interests of producers and consumers are interlinked. When industry is grievously hurt, when producing concerns fail, when unemployment mounts and communities dependent upon profitable production are prostrated, the wells of commerce go dry. So far as actual purposes are concerned, the conclusion of the court below was amply supported that defendants were engaged in a fair and open endeavor to aid the industry in a measurable recovery from its plight. The inquiry then must be

---

[7] J. M. Dewberry, general coal and coke agent of the Louisville & Nashville Railroad, a large consumer of Appalachian coal, testified: "It is a well known fact today that the buying power of these large consumers of coal is more intelligent, more forceful, more far-reaching than ever before in the history of the industry. And it just sounds to me like a joke for somebody to talk about Appalachian coals or somebody else dictating the price that they are going to pay. They dictate their own price. The purchaser makes it. And he makes it because of the tremendous force and influence of his buying power. Why, it is nothing these days for one interest or one concern to buy several million tons of coal."

[8] The district court, in its findings, after referring to the railroads above mentioned, continues: "A representative of a large public-utility company" (with extensive power lines in the Middle West and on the Atlantic seaboard) "consuming annually approximately 2,485,000 tons of coal has stated that the organization and operation of Appalachian Coals, Inc., will not affect competition in the markets in which his company buys coal, and that it will have a beneficial effect on the coal industry. A representative of a power company operating throughout the State of Georgia * * * using from 30,000 to 125,000 tons of coal annually, has stated that the organization and operation of Appalachian Coals, Inc., will not restrain competition in the markets in which his company buys coal. A representative of the Carbide & Carbon Corporation, which uses annually about 250,000 tons of bituminous coal, 100,000 tons of coke made from bituminous coal, and 40,000 to 50,000 tons of petroleum coke, and operating plants that consume coal at South Charleston, W.Va.; Niagara Falls, N.Y.; Cleveland, Ohio; Sault Ste. Marie, Mich.; Indianapolis, Ind.; and Fremont and Fostoria, Ohio; has stated that the organization of Appalachian Coals, Inc., will have a beneficial effect in the coal industry and will not restrain competition in the markets in which his company buys coal. The largest purchaser of coal in the States of North Carolina, South Carolina, Georgia, and eastern Tennessee, who purchases approximately 600,000 tons of coal annually under normal conditions for use by textile mills located in those States, has stated that the organization and operation of Appalachian Coals, Inc., will not control or dominate the price in the markets in which he purchases coal, and that he will be able to purchase coal in an open and competitive market."

whether, despite this objective, the inherent nature of their plan was such as to create an undue restraint upon interstate commerce.

(2) The question thus presented chiefly concerns the effect upon prices. The evidence as to the conditions of the production and distribution of bituminous coal, the available facilities for its transportation, the extent of developed mining capacity, and the vast potential undeveloped capacity makes it impossible to conclude that defendants through the operation of their plan will be able to fix the price of coal in the consuming markets. The ultimate finding of the district court is that the defendants "will not have monopoly control of any market nor the power to fix monopoly prices"; and in its opinion the court stated that "the selling agency will not be able, we think, to fix the market price of coal". Defendants' coal will continue to be subject to active competition. In addition to the coal actually produced and seeking markets in competition with defendants' coal, enormous additional quantities will be within reach and can readily be turned into the channels of trade if an advance of price invites that course. While conditions are more favorable to the position of defendants' group in some markets than in others, we think that the proof clearly shows that wherever their selling agency operates it will find itself confronted by effective competition backed by virtually inexhaustible sources of supply, and will also be compelled to cope with the organized buying power of large consumers. The plan cannot be said either to contemplate or to involve the fixing of market prices.

The contention is, and the court below found, that while defendants could not fix market prices, the concerted action would "affect" them; that is, that it would have a tendency to stabilize market prices and to raise them to a higher level than would otherwise obtain. But the facts found do not establish, and the evidence fails to show, that any effect will be produced which in the circumstances of this industry will be detrimental to fair competition. A cooperative enterprise, otherwise free from objection, which carries with it no monopolistic menace, is not to be condemned as an undue restraint merely because it may effect a change in market conditions, where the change would be in mitigation of recognized evils and would not impair, but rather foster, fair competitive opportunities. Voluntary action to rescue and preserve these opportunities, and thus to aid in relieving a depressed industry and in reviving commerce by placing competition upon a sounder basis, may be more efficacious than an attempt to provide remedies through legal processes. The fact that the correction of abuses may tend to stabilize a business or to produce fairer price levels does not mean that the abuses should go uncorrected or that cooperative endeavor to correct them necessarily constitutes an unreasonable restraint of trade. The intelligent conduct of commerce through the acquisition of full information of all relevant facts may properly be sought by the cooperation of those engaged in trade, although stabilization of trade and more reasonable prices may be the result (*Maple Flooring Association* v. *United States*, supra; *Cement Manufacturers Association* v. *United States*, 268 U.S. 588, 604). Putting an end to injurious practices and the consequent improvement of the competitive position of a group of producers is not a less worthy aim and may be entirely consonant with the public interest where the group must still meet effective competition in a fair market and neither seeks nor is able to effect a domination of prices.

Decisions cited in support of a contrary view were addressed to very different circumstances from those presented here. They dealt with combinations which, on the particular facts, were found to impose unreasonable restraints through the suppression of competition, and in actual operation had that effect. *American Column & Lumber Co.* v. *United States* (257 U.S. 377); *United States* v. *American Linseed Oil Co.* (262 U.S. 371). Compare *Maple Flooring Association* v. *United States*, supra, at pages 579–582. In *Addyston Pipe & Steel Co.* v. *United States* (175 U.S. 211) the combination was effected by those who were in a position to deprive, and who sought to deprive, the public in a large territory of the advantages of fair competition and was for the actual purpose and had the result of enhancing prices, which, in fact, had *been unreasonably increased*. (Id., pp. 237, 238.) In *United States* v. *Trenton Potteries Co.* (273 U.S. 392), defendants, who controlled 82 per cent of the business of manufacturing and distributing vitreous pottery in the United States, had combined to fix prices. It was found that they had the power to do this and had exerted it. The defense that the prices were reasonable was overruled, as the court held that the power to fix prices involved "power to control the market and to fix arbitrary and unreasonable prices", and that in such a case the difference between legal and illegal conduct could not "depend upon so uncertain a test" as whether the prices actually fixed were reasonable, a determination which could "be satisfactorily made only after a complete survey of our economic organization and a choice between rival philosophies." (See *United States* v. *Cohen Grocery Co.*, 255 U.S. 1.) In the instant case there is, as we have seen, no intent or power to fix prices, abundant competitive opportunities will exist in all markets where defendants' coal is sold, and nothing has been shown to warrant the conclusion that defendants' plan will have an injurious effect upon competition in these markets.

(3) The question remains whether, despite the foregoing conclusions, the fact that the defendants' plan eliminates competition between themselves is alone sufficient to condemn it. Emphasis is placed upon defendants' control of about 73 percent of the commercial production in Appalachian territory. But only a small percentage of that production is sold in that territory. The finding of the court below is that "these coals are mined in a region where there is very little consumption." Defendants must go elsewhere to dispose of their products, and the extent of their production is to be considered in the light of the market conditions already described. Even in Appalachian territory it appears that the developed and potential capacity of other producers will afford effective competition.[9] Defendants insist that on the evidence adduced as to their competitive position in the consuming markets, and in the absence of proof of actual operations showing an injurious effect upon competition, either through possession or abuse of power, no valid objection could have been interposed under the Sherman Act if the defendants had eliminated competition between themselves by a complete integration of their mining properties in a single ownership. (*United States* v. *United States Steel Corporation*, 251 U.S. 417; *United States* v. *International Harvester Co.*, 274 U.S. 693.) We agree that there is no ground for holding defendants' plan illegal merely because they have not integrated their properties and have chosen to maintain their independent plants, seeking not to limit but rather to facilitate production. We know of no public policy, and none is suggested by the terms of the Sherman Act, that in order to comply with the law those engaged in industry should be driven to unify their properties and businesses in order to correct abuses which may be corrected by less drastic measures. Public policy might indeed be deemed to point in a different direction. If the mere size of a single, embracing entity is not enough to bring a combination in corporate form within the statutory inhibition, the mere number and extent of the production of those engaged in a cooperative endeavor to remedy evils which may exist in an industry, and to improve competitive conditions, should not be regarded as producing illegality. The argument that integration may be considered a normal expansion of business, while a combination of independent producers in a common selling agency should be treated as abnormal—that one is a legitimate enterprise and the other is not—makes but an artificial distinction. The Antitrust Act aims at substance. Nothing in theory or experience indicates that the selection of a common selling agency to represent a number of producers should be deemed to be more abnormal than the formation of a huge corporation bringing various independent units into one ownership. Either may be prompted by business exigencies and the statute gives to neither a special privilege. The question in either case is whether there is an unreasonable restraint of trade or an attempt to monopolize. If there is, the combination cannot escape because it has chosen corporate form, and, if there is not, it is not to be condemned because of the absence of corporate integration. As we stated at the outset, the question under the act is not simply whether the parties have restrained competition between themselves but as to the nature and effect of that restraint. (*Chicago Board of Trade* v. *United States*, supra; *United States* v. *Terminal Association*, 224 U.S. 383; *Window Glass Manufacturers* v. *United States*, supra; *Standard Oil Co.* v. *United States*, 283 U.S. 163, 169, 179.)

The fact that the suit is brought under the Sherman Act does not change the principles which govern the granting of equitable relief. There must be "a definite factual showing of illegality." (*Standard Oil Co.* v. *United States*, 283 U.S. p. 179.) We think that the Government has failed to show adequate grounds for an injunction in this case. We recognize, however, that the case has been tried in advance of the operation of defendants' plan, and that it has been necessary to test that plan with reference to purposes and anticipated consequences without the advantage of the demonstrations of experience. If in actual operation it should prove to be an undue restraint upon interstate commerce, if it should appear that the plan is used to the impairment of fair competitive opportunities, the decision upon the present record should not preclude the Government from seeking the remedy which would be suited to such a state of facts. We think also that in the event of future controversy arising from the actual operation of the plan the results of the labor of both parties in this litigation in presenting the voluminous evidence as to the industry, market conditions, and transportation facilities and rates should continue to be available without the necessity of reproducing that evidence.

The decree will be reversed and the cause will be remanded to the district court with instructions to enter a decree dismissing the bill of complaint without prejudice and with the provision that the court shall retain jurisdiction of the cause and may set aside the decree and take further proceedings if future developments justify that course in the appropriate enforcement of the Antitrust Act.

It is so ordered.

Mr. Justice McReynolds thinks that the court below reached the proper conclusion and that its decree should be affirmed.

Mr. KING. Mr. President, I cannot quite share the views expressed by the able Senator from Colorado much as I should like to accept the views which he has expounded. There is no doubt the Supreme Court of the United States has in various decisions almost whittled away the spirit if not the letter of the Clayton Act and the Sherman antitrust law. I shall not take time, of course, on this occasion to analyze the decision. I can only say that I am very glad that the Supreme Court has retained jurisdiction of the case because I fancy that within a short time applications may be made to the Supreme Court to take cognizance of the case

[9] Supra pp. 10, 11.

again upon the ground that a monopoly has been entered into or is in process of being developed.

Mr. President, there is no doubt that monopolies today are invading our domestic life and our industrial life to the disadvantage of the people. I want to say now, as I have said upon former occasions, that if monopoly shall control the industries of the United States we are simply advancing toward a national socialism, because the people of the United States will prefer to have the Government of the United States control, if it does not own and operate, the large industries of the country rather than to have those industries form monopolies and subject the people to unreasonable prices and monopolistic restraint.

I may say that there is a resolution now before the Committee on the Judiciary calling for an investigation of the operation of the Sherman law and of the Clayton Act, with a view to determining whether those acts should be strengthened or whether there should be some modification of the existing antitrust laws. I hope that the Judiciary Committee—and I am a member of that committee—will take cognizance of the resolution now before it and make searching investigation of the operation of those laws and of the growth of monopoly and the effect of monopolistic control upon the industries of our country.

PETITIONS AND LETTERS

Mr. CAPPER presented a petition of sundry citizens of Herington, Kans., praying for the passage of the so-called Frazier bill, to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, which was referred to the Committee on Agriculture and Forestry.

Mr. ROBINSON of Arkansas presented a letter from C. J. Shaw, of Little Rock, Ark., submitting a plan for agricultural relief, which was referred to the Committee on Agriculture and Forestry.

He also presented a letter from Eli H. Brown, Jr., Esq., of Louisville, Ky., in relation to financial and banking problems, which was referred to the Committee on Banking and Currency.

He also presented a letter from John B. Sullivan, Jr., Esq., of Boston, Mass., in relation to deduction of loss from income tax suffered on the sale of securities or other property held for more than two years, which was referred to the Committee on Finance.

RELIEF OF UNEMPLOYMENT—LETTER FROM THE AMERICAN FORESTRY ASSOCIATION

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD and to lie on the table a letter from the American Forestry Association giving its unqualified approval to Senate bill 598.

There being no objection, the letter was ordered to lie on the table and to be printed in the RECORD, as follows:

THE AMERICAN FORESTRY ASSOCIATION,
Washington, D.C., March 28, 1933.

Hon. DAVID I. WALSH,
Chairman Senate Committee on Education and Labor,
Senate Office Building, Washington, D.C.

MY DEAR SENATOR WALSH: The satisfactory progress on S. 598 is causing tremendous interest and enthusiasm among members of the American Forestry Association in all parts of the Nation. The program set forth in this bill presages an era of national leadership in conservation such as the American Forestry Association has long been working for. We rejoice over the indications that the bill will pass within the next few days.

Because of the interest of our many members, I am writing to ask your cooperation in securing the pen which President Roosevelt will use in signing this bill. We would plan to have it framed and kept among the permanent records of this association.

We trust also that photographers will be permitted to record this historic event and that copies of the photographs will be available so that we may publish one in an early issue of American Forests.

If possible, one or more representatives of the association would greatly appreciate the opportunity to be present when the bill is signed.

With appreciation for the splendid leadership which you have taken in regard to this bill, I am,

Very sincerely yours,

OVID BUTLER,
Executive Secretary.

RESOLUTION OF ROCKBRIDGE POST, NO. 95, AMERICAN LEGION

Mr. BYRD presented a resolution adopted by Rockbridge Post, No. 95, American Legion, of Lexington, Va., which was ordered to lie on the table and to be printed in the RECORD, as follows:

LEXINGTON, VA., *March 23, 1933.*

To the CLERK OF THE UNITED STATES SENATE,
Washington, D.C.:

At meeting held at the home of Comrade Dr. Alfred G. Hutton the following resolution was adopted:

"*Resolved*, That Rockbridge Post, No. 95, of the American Legion and the members thereof do hereby express their confidence in the wisdom and patriotism of our President, Franklin D. Roosevelt, and the Senate and House of Representatives in the laws passed for economy and recovery of the Nation and the people, and we pledge anew our allegiance and our united efforts in loyalty to render every assistance in hastening this recovery; and we declare our opposition to any communistic movement on the part of radical organizations or groups in their efforts to weaken or tear down our Government and civilization.

"2. That copies of this resolution be sent to the President, the Senate, the House, and the press."

GREENLEE D. LETCHER, *Commander,*
CHARLES W. R. DUNLAP, *Adjutant,*
Rockbridge Post, No. 95.

MANUFACTURE AND SALE OF BEER

Mr. DUFFY presented resolutions adopted by the Common Council of the City of Milwaukee, Wis., which were ordered to lie on the table and to be printed in the RECORD, as follows:

Whereas the Congress of the United States is about to pass an amendment to the present law which will permit the manufacture and sale of beer of 3.2 percent alcoholic content, which unquestionably will receive the unqualified approval of the President; and

Whereas this action, achieved through the energetic efforts of President Roosevelt, will stimulate and revive trade and aid materially in relieving the economic burden now prevailing throughout the land; and

Whereas the benefits Milwaukee will derive from the passage of this amendment are incalculable, thousands of operatives in the brewing industries and allied trades will resume work, the value of taxable property will increase, thousands of dollars will pour into the city treasury, and property and home owners will obtain substantial relief from the burden of taxes they are now carrying: Therefore be it

Resolved by the Common Council of the City of Milwaukee, That it hereby extends to President Roosevelt its appreciation of his energetic efforts in securing the enactment of the amendment permitting the manufacture and sale of beer of 3.2 percent alcoholic content and commends the Senate and House of Representatives in their prompt compliance with the desires of our Chief Executive of the Nation;

Resolved further, That a duly certified copy of this resolution be sent to President Roosevelt and to the clerks of the United States Senate and House of Representatives.

OFFICE OF THE CITY CLERK,
Milwaukee, March 24, 1933.

I hereby certify that the foregoing is a copy of a resolution adopted by the Common Council of the City of Milwaukee on March 20, 1933.

FRANK A. KRAWCZAK, *City Clerk.*

ISSUANCE OF CURRENCY

Mr. LA FOLLETTE presented resolutions adopted by the Common Council of the City of Milwaukee, Wis., which were referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

Resolution advocating the issue of national currency to municipalities on the pledge of their bonds

Whereas national currency is issued to banks because of their special privilege on the pledge largely of municipal interest-bearing bonds purchased by such banks; and

Whereas the overwhelming interest burden of American municipalities is thus suffered for the benefit of specially privileged banking interests; and

Whereas the same security would exist for such currency if municipalities were themselves to deposit their bonds and receive the money loaned thereon for their public improvements directly from the Government of the United States of America; and

Whereas the interest on the municipally owned bonds so pledged would revert to the borrowing municipality: Now, therefore, be it

Resolved, That it is a folly and a waste to burden the public works of the people with the unnecessary debt of interest for the benefit of the privileged manipulators of the people's currency; and be it further

Resolved, That the constitutional power of Congress to coin money should be exercised directly for the benefit of the people in their public works; that suitable legislation should be enacted

establishing a standard of integrity and sound economy of municipal bond issues and giving to municipalities which meet such standard the same rights enjoyed by national banks to receive national currency on the pledge of their bonds; and be it further

Resolved, That the clerk transmit duly certified copies of this resolution to the Senate and the House of Representatives of the United States of America as a memorial to Congress from the city of Milwaukee; and be it further

Resolved, That other American municipalities be and they hereby are invited to join in this appeal to Congress.

OFFICE OF THE CITY CLERK,
Milwaukee, March 24, 1933.

I hereby certify that the foregoing is a copy of a resolution adopted by the Common Council of the City of Milwaukee, on March 20, 1933.

FRANK A. KRAWCZAK,
City Clerk.

REPORTS OF THE PUBLIC LANDS AND SURVEYS COMMITTEE

Mr. CAREY, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 604) amending section 1 of the act entitled "An act to provide for stock-raising homesteads, and for other purposes", approved December 29, 1916 (ch. 9, par. 1, 39 Stat. 862), and as amended February 28, 1931 (ch. 328, 46 Stat. 1454), reported it without amendment and submitted a report (No. 9) thereon.

He also, from the same committee, to which was referred the bill (S. 313) to amend section 5 of the act approved July 10, 1890 (28 Stat. 664), relating to the admission into the Union of the State of Wyoming, reported it with amendments and submitted a report (No. 10) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. DILL, from the Committee on Interstate Commerce, reported favorably the nomination of James H. Hanley, of Nebraska, to be a member of the Federal Radio Commission for the unexpired portion of the term of 6 years from February 24, 1930.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nominations of several Foreign Service officers to be diplomatic and consular officers of the grades indicated, as follows:

SECRETARIES IN THE DIPLOMATIC SERVICE

Robert G. McGregor, Jr., of New York;
Peter H. A. Flood, of New Hampshire;
George M. Graves, of Vermont; and
Robert Lacy Smyth, of California.

CONSULS GENERAL

Harold B. Quarton, of Iowa; and
Ernest L. Ives, of Virginia.

The VICE PRESIDENT. The nominations will be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KING:

A bill (S. 866) to provide for recording of deeds of trust and mortgages secured on real estate in the District of Columbia, and for the releasing thereof, and for other purposes; and

A bill (S. 867) to define, regulate, and license real-estate brokers and real-estate salesmen; to create a Real Estate Commission in the District of Columbia; to protect the public against fraud in real-estate transactions, and for other purposes; to the Committee on the District of Columbia.

A bill (S. 868) to provide for the deportation of certain alien seamen, and for other purposes; to the Committee on Immigration.

By Mr. McADOO:

A bill (S. 869) to meet the existing emergency in the agricultural industry, to refinance existing farm loans so as to provide long-time loans at low interest rates, to permit the repurchase of foreclosed farm lands, and for other purposes; to the Committee on Banking and Currency.

By Mr. ERICKSON:

A bill (S. 870) for the relief of L. R. Smith; to the Committee on Agriculture and Forestry.

A bill (S. 871) for the relief of Josephene M. Scott; to the Committee on Claims.

By Mr. McNARY:

A bill (S. 872) to facilitate the use and occupancy of national-forest lands for purposes of residence, recreation, education, industry, and commerce; to the Committee on Agriculture and Forestry.

A bill (S. 873) granting compensation to George Walthers; to the Committee on Claims.

By Mr. CAREY:

A bill (S. 874) to prevent deceit and unfair prices that result from the unrevealed presence of substitutes for virgin wool in woven or knitted fabrics purporting to contain wool and in garments or articles of apparel made therefrom, manufactured in any Territory of the United States or the District of Columbia, or transported or intended to be transported in interstate or foreign commerce, and providing penalties for the violation of the provisions of this act, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. ROBINSON of Arkansas:

A bill (S. 876) to extend the time for filing claims under the Settlement of War Claims Act of 1928, and for other purposes; to the Committee on Finance.

By Mr. BYRD and Mr. TOWNSEND:

A bill (S. 877) to promote the foreign trade of the United States in apples and/or pears, to protect the reputation of American-grown apples and pears in foreign markets, to prevent deception or misrepresentation as to the quality of such products moving in foreign commerce, to provide for the commercial inspection of such products entering such commerce, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. SHEPPARD:

A bill (S. 878) for the relief of W. G. McGee; to the Committee on Claims.

A bill (S. 879) for the relief of Howell K. Stephens; to the Committee on Military Affairs.

By Mr. BACHMAN:

A bill (S. 880) for the relief of Elmer E. Mynatt; to the Committee on Claims.

FAIR TRADE BILL—CHANGE OF REFERENCE

Mr. CAPPER. Mr. President, I ask unanimous consent that the Committee on Interstate Commerce may be discharged from the further consideration of the bill (S. 497) to define the intent of the antitrust laws as to certain agreements, sometimes known as the "fair trade bill", and that it may be referred to the Committee on the Judiciary.

Since the bill was introduced, it has developed that in its present form it properly belongs to the Judiciary Committee. I have consulted with the Senator from Washington [Mr. DILL], the Chairman of the Committee on Interstate Commerce, and he is entirely agreeable to the change of reference.

The VICE PRESIDENT. Without objection, the Committee on Interstate Commerce will be discharged from the further consideration of the bill and it will be referred to the Committee on the Judiciary.

SUSPENSION OF ANNUAL ASSESSMENT WORK ON MINING CLAIMS

Mr. HAYDEN submitted an amendment intended to be proposed by him to the bill (S. 7) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, which was referred to the Committee on Mines and Mining and ordered to be printed.

AMENDMENT OF EMERGENCY RELIEF AND CONSTRUCTION ACT, 1932

Mr. LA FOLLETTE submitted an amendment intended to be proposed by him to the bill (S. 509) to amend the Emergency Relief and Construction Act of 1932, which was referred to the Committee on Banking and Currency and ordered to be printed.

UNEMPLOYMENT RELIEF—AMENDMENT

Mr. BANKHEAD submitted an amendment intended to be proposed by him to the bill (S. 812) to provide for coopera-

tion by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes, which was ordered to lie on the table and to be printed.

PRESCRIBING OF MEDICINAL LIQUORS

Mr. KING. Mr. President, yesterday I reported favorably from the Judiciary Committee Senate bill 562, introduced by the Senator from New York [Mr. COPELAND], relating to the prescribing of medicinal liquors. I ask that the Senate proceed to the consideration of this measure.

Mr. McNARY. Mr. President, I did not get the purport of the Senator's request.

Mr. KING. I stated that I had reported yesterday from the Judiciary Committee Senate bill 562, which was introduced by the Senator from New York [Mr. COPELAND] relating to the prescribing of medicinal liquors.

May I say to the Senator that a similar bill was reported unanimously by the Judiciary Committee at the last session and was on the calendar, and efforts were made to secure its passage, but objection was made by the then Senator from Iowa, Mr. Brookhart.

Mr. McNARY. The question I desire to propound is, Has the bill been reported in the regular way?

Mr. KING. It has.

Mr. McNARY. And it has gone over for a day?

Mr. KING. Yes.

Mr. McNARY. It is now on the calendar?

Mr. KING. Yes.

Mr. McNARY. And the Senator is moving to take it up at this time?

Mr. KING. I am moving to take it up at this time.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator if the report of the Committee on the Judiciary is unanimous?

Mr. KING. I did not happen to be present at the meeting, but I understand that it was.

Mr. DILL. Mr. President, I was not at the meeting, but I opposed the reporting of a similar bill at the last session of Congress, and I am opposed to this bill.

The VICE PRESIDENT. The question is on the motion of the Senator from Utah.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 562) relating to the subscribing of medicinal liquors, which had been reported from the Committee on the Judiciary with amendments.

The first amendment was, in section 1, page 1, line 7, after the word "be", to strike out "filled more than once" and insert "refilled"; and on page 2, line 1, after the word "medicinal", to strike out "needs" and insert "need", so as to make the section read:

That (a) the third sentence of section 7 of title II of the National Prohibition Act, as amended, is amended to read as follows: "No more liquor shall be prescribed to any person than is necessary to supply his medicinal need, and no prescription shall be refilled. No person shall by any statement or representation that he knows is false, or could by reasonable diligence ascertain to be false, induce any physician to prescribe liquor for medicinal use (1) when there is no medicinal need for such liquor or (2) in excess of the amount of medicinal liquor needed."

(b) Section 7 of title II of such act, as amended, is further amended by inserting before the period at the end thereof a semicolon and the following: "but no physician shall be called upon to file any statement of such ailment in the Department of Justice or the Department of the Treasury or in any other office of the Government, or to keep his records in such a way as to lead to the disclosure of any such ailment, except as he may be lawfully required (1) to make such disclosure in any court in the course of a hearing under authority of section 9, title II, of this act, or (2) to make such disclosure to any duly qualified person engaged in the execution or enforcement of this act or any act supplementary hereto."

The amendment was agreed to.

The next amendment was, in section 2, page 3, line 6, after the word "or", to strike out "reuses" and insert "re-uses", so as to make the section read:

SEC. 2. Strike out section 8 of title II of the National Prohibition Act and insert in lieu thereof the following:

"SEC. 8. The Commissioner shall cause stamps to be printed, the design of which shall be prescribed by regulations in accordance with the provisions of this act, and he shall furnish the same free of cost to physicians holding permits to prescribe. Each such physician shall affix one of said stamps to each such prescription written by him and shall cancel same under regulations to be prescribed in accordance with the provisions of this act. No physician shall prescribe and no pharmacist shall fill any prescription for liquor unless such stamp is affixed thereto. Every person who, otherwise than is authorized by this act, uses or who falsely makes, forges, alters, counterfeits, or re-uses any stamp made or used under any provision of this act, or with such intent uses, sells, or has in his possession any such forged, altered, or counterfeited stamp, or any plate or die used or which may be used in the manufacture thereof, or who shall make, use, sell, or have in his possession any paper in imitation of the paper used in the manufacture of any stamp required by this act, shall, on conviction, be punished by a fine not exceeding $1,000 or by imprisonment at hard labor not exceeding 2 years. The effective date of this section 2 shall be not earlier than January 1, 1934."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. KING. Mr. President, I ask that the report of the committee accompanying the bill may be printed in the RECORD following its passage.

There being no objection, the report (No. 8) was ordered to be printed in the RECORD, as follows:

[Senate Report No. 8, Seventy-third Congress, first session]

PRESCRIBING OF MEDICINAL LIQUORS

Mr. KING, from the Committee on the Judiciary, submitted the following report (to accompany S. 562):

The Committee on the Judiciary, having had under consideration the bill (S. 562) relating to the prescribing of medicinal liquors, reports the same favorably to the Senate and recommends that the bill do pass, with the following amendments:

On page 1, line 7, strike out the words "filled more than once" and insert in lieu thereof the word "refilled";

On page 1, line 11, strike out the word "needs" and insert in lieu thereof the word "need"; and

On page 3, line 2, strike out the word "reuses" and insert in lieu thereof the word "re-uses."

PURPOSES OF THIS BILL

This bill is intended to accomplish three purposes:

(1) To enable a person in need of liquor because of disease, injury, or other disability to obtain it in such quantities as are medically indicated.

(2) To insure to patients for whom medicinal liquor is needed secrecy concerning the ailments from which they suffer.

(3) To simplify prescribing, thereby saving approximately $110,000 a year to the Government.

The ends named are to be accomplished without weakening the control of medicinal liquor by the Government.

To enable patients to obtain necessary medicinal liquor the bill proposes to strike out of the National Prohibition Act as supplemented and amended all statutory limits on the quantity of liquor that may be prescribed and the number of prescriptions that may be issued and to insert in lieu thereof "no more liquor shall be prescribed to any person than is necessary to supply his medicinal needs."

An estimated saving of approximately $110,000 a year is to be effected by discontinuing the use of the present official prescription blanks, which cost the Government about $125,000 a year, and substituting for them stamps, to be used in authenticating physicians' lawful prescriptions, which will cost the Government from $10,000 to $15,000 a year.

HISTORY OF THIS LEGISLATION

This legislation has been sought by the American Medical Association to remove the present arbitrary limits on the dosage of medicinal liquors and to prevent disclosures unnecessarily of professional confidences of patients.

Its enactment was recommended by the Wickersham Commission unanimously. Insofar as relates to the features of the legislation substituting stamps for the present official subscription blanks, at a considerable saving to the Government, it was approved by the Acting Secretary of the Treasury January 9, 1933.

Its administrative features have been approved by Dr. James M. Doran, Commissioner of Industrial Alcohol, and Col. Amos W. W. Woodcock, Director of the Bureau of Prohibition.

A bill of similar purport passed the House of Representatives and was favorably reported by the Senate Committee on the Judiciary in the Seventy-second Congress. It expired, however, on the Senate Calendar with the expiration of that Congress.

The enactment of this legislation is being urged by the American Medical Association and by members of the medical profession in every State.

Mr. SHEPPARD. Mr. President, I want it understood that I am against this measure and that I have many misgivings regarding its successful operation. I know, however, that

it is recommended by the Prohibition Bureau, and I shall watch its operations very closely.

Mr. ROBINSON of Arkansas. Mr. President, I think that the proponents of the bill, either the Senator from New York or the Senator from Utah, should make a brief explanation of it.

Mr. KING. Mr. President, the bill has passed——

The VICE PRESIDENT. The Senate has passed the bill.

Mr. KING. And I think an explanation now would be in the nature of an ex-post-facto proceeding.

Mr. ROBINSON of Arkansas. Very well; I shall not insist.

Mr. BARKLEY. Mr. President, do I understand that the Senator from Texas favored the bill, and that is the reason the Senator from Arkansas suggested that it ought to be explained? [Laughter.]

Mr. SHEPPARD. I am opposed to the bill, I shall say to the Senator; but in view of the recommendation of the Bureau of Prohibition, I have withheld any further action than to express my opposition.

RELIEF OF DESTITUTION

Mr. WAGNER. On behalf of the Senator from Colorado [Mr. COSTIGAN] and myself, from the Committee on Banking and Currency, I report favorably, with amendments, the Federal Emergency Relief Act of 1933, being the bill (S. 812) to provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes, and I submit a report (No. 11) thereon.

Mr. ROBINSON of Arkansas. I understand the bill was reported yesterday or a day or two ago.

Mr. WAGNER. It was ordered reported yesterday, but the written report on the bill was not completed at that time, and I am now submitting it.

Mr. ROBINSON of Arkansas. Does the Senator desire now to proceed to the consideration of the bill?

Mr. WAGNER. I should like to proceed to the consideration of the bill.

Mr. McNARY. Mr. President, what is the request? I hardly assume that it is necessary for me to object.

Mr. ROBINSON of Arkansas. An objection does not lie. The Senator from New York, or some other Senator, may move to proceed to the consideration of the bill. There is no disposition to dispose of the measure with undue haste; but the Senate has no other business before it.

Mr. McNARY. What bill is it?

Mr. ROBINSON of Arkansas. This is the destitution relief bill, reported yesterday.

The VICE PRESIDENT. The Chair is informed by the Parliamentarian that the bill was not reported yesterday.

Mr. ROBINSON of Arkansas. My information was that the bill was reported yesterday, but that the written report was not submitted until this morning.

The VICE PRESIDENT. The Parliamentarian advises the Chair that the bill was ordered reported yesterday, but was actually reported only this morning.

Mr. FLETCHER. Mr. President, the committee met yesterday and considered the bill, and ordered it favorably reported by the Senator from New York [Mr. WAGNER] and the Senator from Colorado [Mr. COSTIGAN]. I will say that it is the same bill that was introduced in the last Congress by the Senator from New York [Mr. WAGNER], the Senator from Colorado [Mr. COSTIGAN], and the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. ROBINSON of Arkansas. If the bill was not actually reported yesterday, an objection would lie to its consideration.

Mr. McNARY. I make the objection.

Mr. ROBINSON of Arkansas. I made inquiry yesterday and was informed that the bill had been reported, but it seems now that what was meant by that statement was that it had been ordered reported.

Mr. McNARY. That is it.

Mr. WAGNER. That is the situation.

Mr. McNARY. In order to dispose of the matter, I shall object to the consideration of the bill at this time.

Mr. ROBINSON of Arkansas. Very well, Mr. President. I thought perhaps the Senator would not object to an explanation of the bill by the Senator from New York [Mr. WAGNER].

Mr. McNARY. I have no objection to an explanation, but I do object to the consideration of the bill today by the Senate.

Mr. ROBINSON of Arkansas. I will not ask the formal consideration of the bill; but, there being no other business before the Senate, if the Senator from New York is ready to proceed I ask that he and other Senators may be permitted to discuss the bill.

The VICE PRESIDENT. The Senator from Arkansas asks unanimous consent that the Senator from New York and other Senators may discuss the bill. Is there objection? The Chair hears none.

Mr. WAGNER. Mr. President, I am not going to take very much of the Senate's time in a preliminary statement of the bill which I presented several days ago on behalf of the Senator from Colorado [Mr. COSTIGAN] and the Senator from Wisconsin [Mr. LA FOLLETTE], and myself. We recognized the need for relief in July 1932, when Congress provided $300,000,000 to be distributed by the Reconstruction Finance Corporation to aid the States in meeting their problems of distress.

Last February the Senate again recognized our national responsibility and our inescapable duty to help carry the overwhelming burden imposed by the national emergency by voting to increase the relief funds of the Reconstruction Finance Corporation by an additional $300,000,000. That legislation, however, failed to obtain consideration in the House.

Today the relief fund of the Reconstruction Finance Corporation is almost depleted, and cannot possibly last beyond May. Several States have already either completely exhausted their rights under existing law or will exhaust them within a month.

Meanwhile the need for relief continues to mount and climb successively new and higher peaks as the persistence of unemployment continues to dry up personal resources and sources of private help.

The Department of Labor, in its March bulletin, reports a further increase in expenditures for relief in January, and estimates even sharper increases for February and March. Again it calls attention to the fact that a larger share of the cost of relief is being progressively paid out of public funds. In January 1933 Government funds supplied 89.2 percent of the amount spent on unemployment relief. That should be compared to the condition in January 1932, when governmental funds represented only 62 percent of the total.

The reason for this change is not that private contributors are less generous today than a year ago. The growth of the public share in the cost of mitigating distress is caused by the obvious fact that the need is growing far more rapidly than the capacity of voluntary agencies to meet it.

The latest reports of the Department of Labor statistics show continued declines in the number of men employed, and a steady shrinkage in the size of the total pay envelope of the wage earners of the country. The latest reported index for manufacturing industries shows the total of wage payments to have declined to 35.8 cents for every dollar that was similarly paid out in 1926.

There is a remarkable and a very menacing problem. Essentially, it is that shrinkage in earnings which is reflected in the growing demand for relief and simultaneously in the growing inability of the States and localities to satisfy the need. The income of these governmental units is largely derived from real estate which has always been overtaxed and which is now finding it quite impossible to carry the local burdens by reason of falling rents and increasing vacancies as families continue to double-up and share their quarters.

Down to the 28th of February, 40 States and 2 Territories had already obtained Federal aid for the relief of distress arising out of unempolyment, and the funds remaining available for the purpose do not now exceed $61,000,000. More is needed. More will be needed no matter how successfully the President's program of rehabilitation progresses. Necessarily, the effects of any such program cannot be generally felt for some time. The relief problem which confronts us is an immediate problem. When we deal with relief, we are grappling with the problems of the men and women in the very front-line trenches of the war with depression. Delay may mean starvation. The responsibility is unquestionably ours not only to prevent that calamity but to go farther and lift the standards of relief to a level of decency.

What we face is nothing less than the obligation to provide the indispensable essentials for the maintenance of the physical and spiritual existence of our citizenship.

I should make it plain, I believe, that the bill and the amendment before you do not constitute all of the necessary remedial legislation. They are addressed only to the point of maximum irritation—to the relief of actual hardship and distress. It is my expectation that this Congress will, in addition, enact legislation to open opportunities for employment. That is what the men who are in need want and pray for, and that prayer it is in the national interest to answer.

I come now to a more specific explanation of the bill.

The bill as amended authorizes the Reconstruction Finance Corporation, with the approval of the President, to borrow $500,000,000 to be used in making grants to the States, Territories, and the District of Columbia for the relief of distress arising out of unemployment. This fund is placed under the control of a Federal relief administrator, appointed by the President, with the approval of the Senate; and 10 days after the date upon which the administrator has taken office the Reconstruction Finance Corporation is divested of its authority under the Emergency Relief and Construction Act to approve applications for relief under title I of that act. The unobligated balance of relief funds remaining with the Reconstruction Finance Corporation is made available for the purposes of this act.

Grants to the States may be made on two bases: Each State is, upon application, entitled to receive an amount equal to one third of the public moneys expended by such State and its civil subdivisions for the purposes of unemployment relief. These grants are to be made quarterly, beginning with the second quarter in the calendar year 1933, and shall be based upon such expenditures during the preceding quarter. Not exceeding $200,000,000 may be granted to the States on this basis.

The balance of the amounts made available by this act are to be used for grants to the States to be made by the Administrator whenever, from an application presented by a State, he finds that the combined moneys available within the State from all sources will fall below the estimated needs of the State for the relief of distress arising out of unemployment. Grants may also be made to States applying therefor to aid needy persons who have no legal settlement in any one State or community, and to aid cooperative and self-help associations for the barter of goods and services.

No State may receive, under the bill, more than 15 percent of the funds made available under its terms.

The relief funds now on hand with the Reconstruction Finance Corporation are generally sufficient to supplement the requirements of the States until May. A very few States, however, have either exhausted their rights under the existing law or are about to exhaust them. In order to avoid serious hardship in those States, the present rule, which limits the relief advances to any one State to $45,000,000, has been lifted until the new relief administration begins to function. That was done yesterday by the amendment to the Reconstruction Finance Corporation Act.

The bill recognizes that not only must starvation be prevented, but standards of relief must be lifted if the growing generation is not to inherit all of the disastrous legacies of undernourishment and demoralization. The localities cannot alone carry the burden of distress which is national in scope and character. The Federal Government must, therefore, continue to cooperate on an even more vigorous scale than it has in the past.

The plan embodied in the bill is designed to stimulate the maximum of local effort in the provision of relief and to supplement that effort with Federal assistance.

Except for details, these are the principal changes accomplished in the existing relief machinery by the amendment now presented.

During the past few weeks the spirit of the American people has been revitalized and restored by the display of affirmative leadership in action asserted by the President of the United States. We have witnessed a resurgence of confidence such as has not been experienced since the beginning of the depression.

We must not, however, commit the fatal error of regarding this changed spirit as in itself the remedy for the distressing conditions which now confront us. The wreckage already wrought is too widespread to be so readily rebuilt. Besides, it is still continuing. The spread of havoc has not yet been brought to a halt. The new mood simply affords us a better opportunity in which to succeed through the inauguration of such policies as are calculated to arrest the depression. The need for the provision of relief remains indispensable. The need for the promotion of employment-giving projects is growing in urgency. I do not for one moment pretend that the pending bill contains all the necessary remedies. It is but a small segment of the entire program of legislation and activity which must be inaugurated in order to bring us back to a better day.

Mr. COSTIGAN. Mr. President, having been necessarily absent from the Senate when the Senator from New York began his remarks, I rise to inquire whether he has asked immediate consideration of the bill he has been discussing?

Mr. WAGNER. I did ask immediate consideration, and the Senator from Oregon [Mr. MCNARY] objected to consideration today.

Mr. COSTIGAN. May I further inquire whether the Senator from Oregon indicated any doubts about the urgent need for the enactment of the proposed legislation?

Mr. WAGNER. He did not. I am hopeful that when the Senator returns to the Chamber we may persuade him to withdraw his opposition, because I think there is a universal sentiment in this body that this legislation is needed, that there is no objection to it, and that it ought to be acted upon at once. I hope Senators will cooperate with me in persuading the Senator from Oregon to withdraw his objection to the immediate consideration of the bill.

Mr. COSTIGAN. I cordially concur in the hope expressed by the Senator from New York.

RECESS

Mr. ROBINSON of Arkansas. There being no further business before the Senate, I move that the Senate take a recess until 12 o'clock tomorrow.

The PRESIDING OFFICER (Mr. VAN NUYS in the chair). The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 12 o'clock and 48 minutes p.m.) the Senate took a recess until tomorrow, Thursday, March 30, 1933, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 29, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

O bless us and sustain us, our Father in Heaven, with the spirit of the Master. It is the spirit of righteousness, truth, and justice which nothing can defeat. It creates purity of heart, faithfulness of purpose, and uprightness of action, and these are abiding realities of character. May the living God be set in our thoughts and hearts, glorious in holiness,

purity, and power. Thou alone canst make the high ideals of life possible. Blessed Lord and Saviour, Thou art so essential to our national welfare. Be Thou, Heavenly Father, with our President, our Speaker, and all Members of this Congress, that they may realize a unity and deep convictions in these hours of our country's call and need. Amen.

The Journal of the proceedings of Monday, March 27, 1933, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J.Res. 121. Joint resolution to provide for the acceptance of sums donated for the construction of a swimming-exercise tank for the use of the President.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 598. An act for the relief of unemployment through the performance of useful public work, and for other purposes.

IRENE NICHOLSON LINDER

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 68

Resolved, That there shall be paid out of the contingent fund of the House to Irene Nicholson Linder, mother of Heath Linder, late an employee of the House, an amount equal to 6 months' compensation, and an additional amount, not exceeding $250, to defray funeral expenses of the said Heath Linder.

The resolution was agreed to.

MORDECAI EZEKIEL—EXTENSION OF REMARKS

Mr. CLARKE of New York. Mr. Speaker, several of my colleagues have asked me for some added information regarding the authorship of the legislation respecting agriculture, which was just passed, and I should like to ask unanimous consent to insert in the RECORD at this time a speech made by the distinguished Democrat from Missouri [Mr. LOZIER] on December 21, 1926, regarding one of the authors of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. CLARKE]?

There was no objection.

The speech is as follows:

SPEECH OF HON. RALPH F. LOZIER, OF MISSOURI, DEC. 21, 1926, REGARDING ONE OF THE AUTHORS OF THE FARM BILL WHICH RECENTLY PASSED THE HOUSE

Mr. LOZIER. I have made this pro forma motion in order to propound an inquiry to the gentleman from New York, chairman of the subcommittee having charge of this bill. We are now considering appropriations for the Bureau of Agricultural Economics. One of the chief satellites of the Bureau is Mordecai Ezekiel, who in a lengthy pamphlet issued by the Department has prepared a formula by which he claims that the production and price of hogs may be determined quite definitely for a number of years in advance. Boiled down, according to the vacuous utterances of Mr. Mordecai Ezekiel, in order to figure out the number of hogs in the United States in 1, 2, 3, or 5 years in the future, it is only necessary that a person be a graduate of several universities, have specialized training in higher mathematics, algebra, geometry, trigonometry, differential and integral calculus, and be able to understand, explain, and demonstrate the Einstein theory.

In other words, this economic agricultural meteor has devised and given to embattled and handicapped farmers a sure and definite rule by which he may know long in advance the supply of hogs in the country and the market prices that will prevail at any given future date. Thus enlightened, and with this foreknowledge, the farmers' troubles may quickly disappear and he may bend his energies and accentuate his hog-raising activities to meet the situation, and with his accumulated supply of hogs he may take advantage of the high market prices that Mr. Mordecai Ezekiel has enabled him to forecast. Important, if true.

Tell it in Gath and publish it in the streets of Askelon that Mordecai Ezekiel has furnished a waiting world a formula for the solution of the hog problem and for forecasting the pig crop and market price of pork on foot several years in advance.

It is true, Mr. Ezekiel admits, that his formula is too intricate for the ordinary farmer to work out the problem of future pig production and pork prices, but this profound agricultural economist very modestly admits that the farm advisers and county agents and agricultural experts possess the requisite qualifications to enable them to apply his formula and determine future hog supplies and pork prices with reasonable mathematical certainty. I assume that Mr. Ezekiel contemplates that the farm advisers, county agents, and agricultural experts will pass on this new discovery to the farmers, who, according to Mr. Ezekiel, are not sufficiently intelligent and skilled in mathematics to comprehend his hog-supply and pork-price forecasting formula.

I am wondering if this Mordecai Ezekiel formula for forecasting the supply and market price of hogs several years in advance is the farm relief that the present administration has been promising the agricultural classes. If so, why not have President Coolidge, Secretary Jardine, and the Republican steering committee get behind the Ezekiel plan for farm relief?

We have had the McNary-Haugen plan, the Yoacum plan, the Aswell plan, the Tincher plan, the Fort plan, and numerous other plans for the rehabilitation of agriculture. We have not been able to secure congressional approval for any of these plans for farm relief. Let everybody get behind "the Mordecai Ezekiel plan" for farm relief. Consider the psychological effect of the name, "the Mordecai Ezekiel plan."

Here we have a combination of two illustrious Old Testament characters, Mordecai, the upright Jewish captive, who in sackcloth and ashes lay at the gate of Ahasuerus and planned and consummated the deliverance of his people from the plot of Haman; and Ezekiel, of blessed memory, whose lamentations have come down the ages to stimulate and inspire religious loyalty and devotion. "The Mordecai Ezekiel" farm relief bill would be much more appealing than the "McNary-Haugen bill." Let us all unite on the "Mordecai Ezekiel" farm relief bill, in view of the distressing fact that the administration will probably not permit the passage of the "McNary-Haugen" or any other worth-while farm-relief legislation.

When "the Mordecai Ezekiel" farm relief bill is presented to the public, methinks the newspapers will quit talking about the "McNary-Haugen" bill and other farm-relief measures and give over their front pages to an elucidation of "the Mordecai Ezekiel hog-control, pork-price forecasting farm relief bill."

Publish it far and wide to the agricultural classes that a Daniel has come to judgment in the person of Mordecai Ezekiel, around whom the "farm bloc" will gather as a battalion of death, crying with one accord, give us "the Mordecai Ezekiel pork-price market-forecasting plan" or give us death!

In view of the great services rendered the American farmers by Mr. Mordecai Ezekiel I want to ask the chairman of this committee whether, in his opinion, the pending appropriation is sufficiently large to cover the salary of Mr. Mordecai Ezekiel. I should consider it a great calamity if this bill did not make provision for adequate compensation for this great satellite of the Bureau of Agricultural Economics.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. LOZIER. I yield to the gentleman from Minnesota.

Mr. NEWTON of Minnesota. Why single out just one man?

Mr. LOZIER. Because he is outstanding, a star of the first magnitude in this great Bureau.

Mr. NEWTON of Minnesota. I beg to differ with the gentleman.

Mr. LOZIER. But consider the far-reaching accomplishments of this gentleman. This outstanding representative of the Department of Agriculture has prepared, as he claims, a method or formula by which those versed in higher mathematics may be able to determine definitely in advance the supply of swine and the market price of pork 1, 2, or several years in advance, and I am very much interested in this bill making provision for an adequate salary for Mr. Mordecai Ezekiel in order that his formula may be perfected and tried out in America. Such outstanding genius should be amply rewarded.

Mr. NEWTON of Minnesota. The gentleman is always fair and does not like to be partial in any way. My recollection has been that these predictions in reference to the prices and the production of hogs have not always been confined to hogs, but at times they get out figures on wheat, and out in our country I do not recall that anyone has ever said a good word about their wheat-crop predictions; and this last year the cotton people were complaining. Is Mordecai Ezekiel handling the wheat and cotton estimates, or does that go to someone else? If so, I think his salary ought to be fixed somewhere along the line.

Mr. LOZIER. Answering the gentleman from Minnesota, may I say that while some statisticians and agricultural economists have attempted to forecast the production and price of wheat, no one has gone as far as Mr. Ezekiel in devising a formula by which, with mathematical precision, one may in advance determine the supply and market price of hogs 1, 2, 3, or more years in the future.

Mr. NEWTON of Minnesota. The gentleman thinks the theory is wrong?

Mr. LOZIER. I think if there is anything in the Mordecai Ezekiel theory, it should be applied to other agricultural commodities, such as wheat, corn, cotton, rice, beef, and mutton, and other products of the farm. [Applause.]

Mr. MAGEE of New York. Mr. Chairman, my answer to the question is that ordinarily you must expect to find stars everywhere, not only in the Department of Agriculture but in other places. [Laughter.]

NEWSPAPER CENSORSHIP IN WISCONSIN

Mr. PEAVEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. PEAVEY. Mr. Speaker, for the second time in the 11 years I have been in Congress I was absent on account of illness during the first 10 days of the special session. Of course, it was unfortunate I was unable to be present during this time. No one regrets the fact more than I do, but the record votes taken during my absence show conclusively that neither the people of the Tenth District nor of the country were injured by my absence. The overwhelming majority by which the Roosevelt program carried shows this.

During that time Congress adopted the President's program as follows: Banking bill adopted without a roll-call vote; economy bill by vote of 266 for to 138 against; beer bill by vote of 316 for to 97 against. I was absent on all these roll calls, including the election of Speaker.

I am perfectly willing that the people I represent in Congress should judge me on my record. I believe we can all agree that the public is entitled to know all the facts on which to reach a conclusion.

The Milwaukee Journal, the Superior Telegram, the Ashland Daily Press, and the Merrill Daily Herald have severely criticized me for my absence. The Merrill Herald editorially pledged itself to carry any statement or explanation by me as to why I was not present to vote. Here it is. I challenge them or the other papers named to print it.

The papers mentioned, including the Herald, edited by Walter Chilsen, whom I defeated for Congress in 1928, ignored and failed to mention that a leave of absence was granted me by the House because of illness, although they all had the information to that effect direct from Washington. I returned to Washington March 22 in time to vote for the Roosevelt farm relief bill, but neither the Journal nor the Telegram published that. The Journal in its anxiety to prejudice the voters against me deliberately falsified its report of my absence on the beer vote, and said I "had long been known as a dry." The Merrill Herald, in commenting editorially on my failure to vote on the beer and economy bills, referred to my receiving $13,000 a year, and the Ashland Press and Superior Telegram carried similar untruths.

The daily newspapers in Wisconsin have preached for years that progressives like me have no influence at Washington; that our votes were wasted; and now the whole pack, like fresh-scented hounds, are jumping onto me because of my failure to cast my one vote on two bills, both of which carried by more than a hundred majority.

They would not publish the fact that in the closing days of the last session the House passed and Senator LA FOLLETTE succeeded in getting through the Senate my dynamite bill, which President Hoover signed, whereby the farmers on the cut-over lands of northern Wisconsin will again be able to purchase Government explosives for land clearing at $7 to $8 per hundred. That, in the opinion of newspapers like the Journal, the Telegram, the Herald, and the Press, was not news. This news means much in these hard times to thousands of cut-over land farmers with stumps to blow, but the newspapers named put it in the wastebasket. While this bill was in Congress, most of the weekly newspapers of my district gave me every help and assistance, likewise the Madison Capital Times and the Duluth News-Tribune. Friends of mine wrote the Journal, the Telegram, and the Herald calling attention to the facts and asked that their letters be published, and they refused. The Associated Press and other news representatives here in Washington sent out the facts on the passage of my dynamite bill, but these daily newspapers would not publish them.

The newspapers named have never liked my votes in Congress. They care nothing about my 10-day absence. They would much rather I did not vote at all. They thought they saw a chance to deceive the public and to injure me by distorting the facts regarding my absence, thereby serving their own selfish interests.

The United States Government invokes censorship of the news only in time of war. The Merrill Herald has censored and suppressed every item of news favorable to me or my office since I was elected 11 years ago. For the most part this is true of the other three newspapers mentioned. These publications are for the most part not newspapers at all; they are the partisan, political organs of organized greed, and as such they should be made to pay the same rate of postage as other people and business institutions. We do not need censorship of the news. The people want a free press in Wisconsin.

NEWSPAPER SUBSIDY IN WISCONSIN

Congress, some years ago, reduced the postage rate on daily newspapers and magazines within the county where published to 1 cent a pound. All other users of Uncle Sam's post office pay at the rate of 1 cent per ounce; that's just 16 to 1.

This less-than-cost rate on second-class mail (daily newspapers and magazines) was put through Congress by the strong-arm power of organized publicity held by the daily newspapers and magazines. It was bludgeoned through Congress on the theory that the daily newspapers and national magazines were not just dispensers of paid advertising, but were, in fact, educational mediums through which the people would receive fair and impartial accounts of world events and the facts pertaining to the Government. They did not call it a subsidy; they just wanted a less-than-cost postage rate on their enormous mail deliveries. This low rate on second-class mail has caused a deficit in the operation of the Government postal system ever since the law was passed until this year, 1932, the total deficit was $206,885,830.79, of which $102,144,290.83 was due to the subsidy given daily newspapers and magazines. Every dollar of this $102,144,290.83 is a direct burden upon the American taxpayer. Not one of the newspapers mentioned ever published a line on this subject.

Wisconsin daily newspapers for weeks past carried on a propaganda campaign for the program of the National Economy League—the big Federal income-tax payers—to cut Government expenses, cut wages, and slash pensions and benefits paid disabled soldiers. "Balance the Budget" is the burden of their cry. Why do not the daily newspapers do something themselves to this end? They unbalanced the Budget to the extent of $102,144,290.83 last year. If there was an ounce of sincerity in their pleas to Members of the legislatures and Congress to cut their own salaries first, why do not they practice it by paying the Government what it actually costs to deliver their papers for them?

Income-tax payers, like the four newspapers mentioned, are for the national economy bill, of course; it balances the National Budget, keeps their tax-exempt securities at par, and the poorly paid Government employees and disabled soldiers drawing from $12 to $24 per month can carry the burden.

There are 13,000,000 able-bodied men out of employment now. What chance have these ex-soldiers, many of them the most loyal, the most patriotic men to wear the uniform during the World War, to get a job? None. The passage of the Roosevelt economy bill as it pertains to the disabled World War veterans is economically unsound and patriotically unjust. These men, because of their loyalty to duty, their officers, and their country's cause, carried on in the trenches and on the field sacrificing their lives and health without regard to preservation of their Army records, now find themselves penalized for their patriotism.

Everyone familiar with soldier matters here in Washington knows that the Government kept no individual medical records of the men who served in the Spanish War. It is impossible for them now to prove service connection. Who is there in all Wisconsin that will benefit by cutting the pensions paid these veterans? Who is there that dares to advocate reducing the pensions paid those few left who fought in the Civil War?

Everyone familiar with soldier claims knows that most of those men now drawing disability allowance are doing so because they did not press their claims in time. Most of them have service-connected disabilities, in fact, but they

either sacrificed their soldier records for the good of the service or they, through a sense of patriotism, refused to press their claims until the economic necessities to get a living for themselves and their families forced them to seek justice. Now they are too late to prove service connection. Out of the spirit of patriotism and loyalty to the Government they sacrificed their opportunities to build up sick leave and hospital records and carried on during their services and after as long as conditions made it possible for them and their families to live rather than ask the Government for aid. To penalize these men now will cause resentment and bitterness, which the Nation can ill afford.

It is my earnest hope and belief that President Roosevelt will be more lenient and generous in administering the law as it pertains to slashing the soldiers' pay in the economy bill than the harsh terms of the measure itself warrant.

Organized wealth made billions out of the World War. It is but just and fair that they should now contribute a small part of their income to support those disabled by the war, even though many of them are unable now to prove service connection. It is true there are thousands of enlisted men drawing compensation and pensions who are not entitled to the money, but that is not the fault of the law. The wrong lies in the administration of the law. Political pull put these men on the rolls, and every undeserved pension could be cut off tomorrow under existing law if the President and those in charge had the political courage to do it. This is true of every officer drawing retirement pay unjustly.

The economic effect of this is that these disabled veterans, unable to work and turned adrift by the Federal Government, will become a direct charge on the communities where they live, and this means increase of local property taxes, both real and personal.

The big income-tax payers want Government expenses reduced, so as to cut their income taxes. They do not care that the homes, business houses, and farms will be required to pay more. That is why these newspapers led by the Milwaukee Journal dislike me. That is why they suppress any news that is favorable and exaggerate and distort and when necessary resort to outright falsehoods to injure me politically. I am a menace to their system. That is why the Journal and the Telegram would not publish the Associated Press report of my return to Congress last week.

I want those receiving large incomes under the protection of subsidies and special privileges accorded them by the Government to pay their fair share of the tax burden occasioned by the cost of Government.

Every Hoover reactionary Republican in the House and Senate voted for the economy bill. It takes from the poor and gives to the rich.

I daresay there are not 100 Federal income-tax payers left in northern Wisconsin who will benefit by the bill, while there are thousands of disabled veterans and their families in these trying times who will find it difficult, if not impossible, to carry on when deprived of their pension pay. Local property, real and personal, will of necessity have to carry this additional burden. I am opposed to the provisions of the economy bill slashing the disabled soldiers' pay, because it is in fact the proposal of the National Economy League, whose members pay four fifths of all the Federal income taxes. To balance the National Budget at the expense of the disabled soldiers for the direct benefit of those who pay the income taxes and own $20,000,000,000 of tax-exempt Government bonds is no economy.

No rule of justice or reason to my mind can justify this proposal to take from the disabled veterans for the benefit of those owning the Nation's tax-exempt wealth. The Roosevelt administration has been sold a lemon that will sour on the minds of the American people when they learn its effect. It is not fair, just, or constructive. It takes from those hardest hit by the depression for the benefit of the most fortunate class in America.

WISCONSIN DAILY NEWSPAPERS' PRIVATE MONOPOLY

Led by the Milwaukee Journal, the Superior Telegram, the Merrill Daily Herald, and the Ashland Press are all monopolists. They enjoy a monopoly—not of brains or desire to serve their fellowmen to better purposes but they enjoy a monopoly by law. Through selfish propaganda and organized influence they have by the passage of both Federal and State laws entrenched themselves not only by a subsidy in less-than-cost postage rates but by provisions which exclude competition. Years of time and much work and expense are required to establish an opposition newspaper to those mentioned.

That is not all. As the owners of local monopolies these newspapers feel compelled to endorse and defend every other monopoly in Wisconsin and the Nation.

Nor is it the prime reason for this deliberate attempt on the part of these four daily newspapers to injure me politically. They dislike me because I have for years voted and worked to show up the unfairness and dishonest attempts of the big income-tax payers to escape their fair share of the tax burdens of government.

Every one of the owners of these four dailies and most of their officers are receiving a net salary several times that paid a Member of Congress. Why should they get a subsidy by having their goods delivered to their customers at less than cost? I incurred their lasting enmity in 1925 to 1928 when I voted and worked against the Mellon bills to reduce income taxes. If the Mellon bills reducing income and surtaxes had been defeated, as I advocated and voted to do, the national debt would be $9,000,000,000 less than it is today and that mad era of stock speculation and gambling that collapsed in 1929 would never have occurred.

Newspapers like those referred to have for the last three years blamed the depression on everything and everybody, including God Almighty. I say the Mellon income tax reduction bills passed by Congress in 1925 to 1928 were the direct, positive cause of the depression.

First, because they took off industry its fair share of the burden of government. This permitted the large corporations to earn excessive profits which created huge surpluses, and this caused the wild era of stock speculation under which the common people of the Nation were encouraged to go head-over-heels in debt, and corporate wealth accumulated so fast that stock dividends were resorted to that big business might escape taxes.

No; it was not the World War, the foreign situation, or the climate or the crops, nor was it God who brought on the depression. It was greed gone mad on the part of the American industrial, financial, and political leaders that caused the depression, and now they propose that the common people shall pay for it. The farmer has been paying for the last 10 years; labor, since the fall of 1929; and now they propose that Government employees and the disabled soldiers shall make up the difference and balance the Federal Budget, thereby enhancing and preserving the par value of $40,000,000,000 of Federal, State, and municipal tax-exempt bonds owned as a result of this orgy of stock speculation by the unscrupulous investment bankers and brokers and newspaper owners and their associate like that of the Milwaukee Journal. They fostered the era of stock gambling that ended in the depression, just as they fostered the World War, and for the same reason—greed!

In 1929 the Milwaukee Journal's clumsy methods at tax evasion became so raw that even the Hoover administration would not stand for it, and the Journal was assessed $286,058.05 in fines. The Treasury Department under Andy Mellon could not accept the bogus corporation set-up designed by the Journal in an attempt to hide its extortionate profits to escape taxes. The Journal's net income for the period from 1926 to 1930 was well over a million dollars annually.

The conditions in the country and President Roosevelt call for a new deal. Why not start now? I know of no better beginning than for all the daily newspapers to start in giving the people the truth.

Why do not the daily newspapers give the people of Wisconsin the facts about such important matters as taxes, subsidies, and privileges now enjoyed by wealth?

Why always seek to be larger and richer? Why not try being better? More just; more truthful? Why not discuss

with the people of the State the secret cash refunds made by Mellon and Mills by the United States Treasury during the past 5 years amounting to a billion dollars or more? That helped unbalance the Budget.

Why not discuss the $900,000,000 paid each year in interest to the present owners of Liberty bonds? The common people of the country bought most of these bonds at par in 1917–18 and sacrificed them at 70 to 90 when the squeeze came in 1920–21. Who has them now? The Government pays $1,200,000,000 a year in interest on borrowed money. This is one third more than all the soldiers of all the wars, including their widows and orphans, are paid. Why not ask them to be patriotic and accept a sacrifice?

Were this interest to be reduced by one half in accord with the reduced cost of living, as the Government employees and disabled soldiers are being told, that reduction alone would balance the Budget without reducing or stopping compensation and pensions now paid these disabled men and their dependents.

JUST AS A BEGINNING

Why not forget the lip service now paid the political St. Lawrence waterway on paper and get down to brass tacks and advocate a St. Lawrence waterway on the water of the Great Lakes for the benefit of the people of the Great Lakes States? Why sit on the lid for the benefit of the New York bankers and brokers who own the railroads?

Why not help restore general commerce on the Great Lakes and thereby reduce the freight paid by the people of Wisconsin more than $50,000,000 a year.

Why not stop serving the financial overlords of the political and industrial East. The National City and the Chase National Banks of New York alone hold over 3,000 seats on the boards of directors of corporations of every kind from Maine to California. Why not let them serve themselves? They insist they are sufficiently able to do so. Why not let them do so and you help serve the people of Wisconsin?

The Wisconsin people are intelligent. They will reward those who are loyal to Wisconsin. Congress and the Nation are not impervious to the truth. They will respond to Wisconsin's needs when they know that Wisconsin's Representatives in the Senate and House are going to be backed up by the daily newspapers of Wisconsin.

I recognize the right of these editors to criticize me as a Member of Congress when they believe I am wrong, but I believe you will agree with me that in the public interest they should not be permitted to censor the news, to distort and falsify the news, nor should they be allowed to suppress the news. I believe the facts given above show they are guilty of all three.

THE PRESSING PROBLEM OF NATIONAL DEFENSE

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of national defense.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, the subject of national defense is just now insistently and imperatively demanding the attention of thoughtful and reflecting persons. In a world filled with accumulating confusion of thought and feeling and clashes of conflicting economic and political interests, we dare not neglect the lessons of history to strengthen our "outer gates" of defense. Just when and where war may break no man san tell. That its coming may be long deferred all truly patriotic persons earnestly pray. But all human experience proves that war comes "like a thief in the night." "Be ye, therefore, ever ready" is the part of sound sense. Just what is "readiness", just what constitutes "proper preparedness", must be tested by the same standards of common sense in the light of all surfounding facts.

We need not deceive ourselves by thinking there will be no war soon because "no nation can now finance a war." Wars can be fought without "finances" in the sense of drafts upon "accumulated capital." Wars use men and material; and capital, credit, money, or finances cannot create either. By modern methods, by the "universal draft" of man power and material resources, armies are recruited, factories filled with men and women making arms and ammunitions, and transportation, mines, forests, farms, and every other resource commandeered, taken, used, and employed in the all-engaging enterprise of war.

Further, the expense of maintaining the defense forces is forcing the matter upon the attention of the people. The whole world is groaning under the burden of armaments. Our Democratic platform calls for a survey as to the mounting expenses that threaten to reach a billion dollars.

RELATIVE IMPORTANCE OF LAND, NAVAL, AND AIR FORCES FOR DEFENSE

America can concede inferiority in her land forces. Her immediate neighbors to the north and the south are her closest friends among the nations. The militaristic nations are so far separated by water that before adequate attacking forces could be transported to our shores we could mobilize and train adequate defensive forces.

In the matter of sea power we should have, and we have now the right to have, under existing treaties, and by the common consent of all mankind, equality with the other great sea power of the world, to wit, Great Britain. Sea power alone cannot accomplish conquests. It may materially and decisively cooperate with land forces to accomplish conquests of territory. But independent of land forces, and purely as a naval power, the objective and mission of our Navy is to defend our shores and to defend the rights of our commerce upon the high seas.

In like manner and to an even greater degree our air forces, in view of our isolated situation, are purely defensive. Just as naval power cannot conquer enemy territory and hold it, so air power cannot conquer and hold enemy territory. Only land forces can take and hold land. But we do not wish to take and hold anybody else's land. We only wish to hold and keep our own land, and therefore we maintain a strictly defensive posture.

Air forces, like naval forces, must operate from land bases. Of course, these land bases must be in friendly territory; and as our national policy is purely defensive, as we have no aggressive aims upon the territory of any other country, however large or however small, however powerful or however weak, then our air forces must and will base only upon American territory. Since we have the largest territory of any nation except Russia, and since we have the longest shore lines of any nation in the world, we should have the greatest and most powerful air forces in the world to defend our continental possessions and our shores and frontiers.

No nation on the earth need fear our gaining superiority in the air. So long as we concede inferiority in numbers and strength upon the ground and have mere equality upon the surface of the sea our superiority in the air would be no threat to any other nation. It would be purely defensive. This declaration of our national policy of simple defense and not of aggression is not merely a verbal declaration. It is the solemn expression of the thought and the feeling of every genuine American heart. We have good will toward all and malice toward none. We crave neither the land, nor the wealth, nor the power of any other nation. We seek to serve only the highest interests of humanity through the practice of Christian ideals. Our last two great wars, the one to free Cuba and the Philippine Islands and the other to check the world ambitions of the monarchical and militaristic party in Germany, have both been prompted by altruistic and unselfish aims. We have neither sought to get more wealth, nor territory, nor power, but, on the contrary, have purposely and deliberately refused to accept more territory and wealth and power. This very year we have deliberately and without any dread, fear, or compulsion solemnly renounced our sovereignty over the Philippine Islands. There is no prospect that America's ideals and objectives will change. Therefore our defense policies correspond absolutely with our national ideals. We wish to be the friend of every nation that will permit us to be such friend.

Considering these broad propositions, it seems to me that we are bound to insist upon further development, enlargement, and perfection of our air forces. In order to do so, there must be adequate encouragement for those who have the daring and the skill to lead and to train our air forces. We must have more planes of the faster and more powerful types. These planes must have a longer cruising radius. Our air personnel must constantly train for the severest trials and tests of battle.

The cost of one $10,000,000 cruiser will build and equip at least 200 most powerful bombing planes, in the face of which no enemy fleet could effect a landing on our shores. The cost of 10 such battle cruisers would build and equip at least 1,600 such airplanes. If a modern battleship costs around $50,000,000, then that money, spent in powerful airplanes, will build and equip 1,000. Therefore, at the cost of one new battleship and of 10 new cruisers we can have 2,600 planes of the most powerful and modern and efficient type, in the face of which no enemy fleet would ever dare to approach our shores. This done, our defense aims are accomplished. We wish war to stay away from us. We can shift our full air force from ocean to ocean overnight. Air is certainly the first line of defense. If an enemy fleet, with full complement of carriers and planes, approaches our shores, we, with all our planes based on land, surely can "put out their eyes" and then destroy their ships with bombs from the air. Our fleet would stand by to help "mop up" if necessary. This new "third dimension of warfare" is manifestly the most important, for such a nation as ours, that maintains arms solely for self-defense.

NAVAL DEFENSE A SINGLE AIM AND ENTERPRISE

When we consider the problem of national defense in its broad and true relation, we are impressed by the fact that it involves a single objective, and that is repelling an invading army. The people of the Nation are not interested in an army as such merely for purposes of ornament, or pride, or entertainment. In like manner they are not interested in a navy merely for its beauty, or its grandeur, or its glory. So for the same reason they are not interested in air power solely for the daring, and the thrill, and the heroism involved in air adventure. On the contrary, the people of the United States who are paying now nearly $700,000,000 a year for national defense, and as that figure threatens to mount toward $1,000,000,000 a year, as recited in the Democratic platform of 1932, the people are interested in national defense, just as they are interested in a police department, or in a fire department, or in an insurance policy. The people do not pay out large sums of money merely to see handsome policemen in beautiful uniforms parade the sidewalks of our cities, nor, on the other hand, do they pay taxes merely to be entertained by shrieking and roaring fire-fighting apparatus. They are interested solely in the police force because it insures domestic order and the protection of property. They are interested in fire departments solely because they prevent the spread of fires and thus prevent the useless destruction of property. All of these defensive institutions are very expensive but very necessary. But the common-sense business man and taxpayer of America insist that we get the maximum of insurance for every dollar invested, and that we get the maximum of police protection for the money expended, and that we get the maximum of fire protection for the cost of the fire department. In like manner do these hard-headed American citizens, those who labor and produce the wealth from which the taxes of the Nation are paid, insist that in the matter of national defense we get the maximum of defense at the minimum of cost.

THE FACTORS OF NATIONAL DEFENSE

In the earliest days of recorded history warfare was conducted solely by land forces. Then "the wooden walls" represented by ships transporting soldiers were added to the fighting instrumentalities. But a battleship is nothing but a limited space of territory carrying a battery of guns. It is nothing but a movable fortress. Then was added that most revolutionary factor in fighting instrumentalities know as "the heavier-than-air flying craft". Throughout history land forces have fought for the high ground. Naval forces have sought the longest range guns. But the highest mountain and the longest range gun are as nothing to the altitudes to which airplanes may ascend, and the distance to which they may go to deliver their death-dealing bombs. We cannot rely upon land forces alone. We cannot rely upon sea craft alone. We cannot rely upon both of them together. To them must be added this mobile force of air that transcends in range and in swiftness the flight of the imagination of all the Caesars and Napoleons and Wellingtons of the past. Of course, we cannot rely upon air forces alone. But, undoubtedly, it is now the most important, because it is the first line of defense, and if it fails then war can be brought to our very shores, our seaports can be destroyed from enemy ships, and any land troops may then effect landings upon our soil. Manifestly, if we can prevent the destruction of our great coastal cities, and prevent the invasion of our territory, then we have accomplished the first and highest aim of any policy of national defense.

THE UNITY OF THE TRINITY

Manifestly we cannot long expect to maintain and function properly with a threefold national defense organization. Sea forces have performed some of their most important functions when cooperating with land forces. In like manner the air forces must, and will in the future, perform their most important function in cooperating with both land forces and sea forces. But to have three coequal and coordinate and separate agencies seeking, at the same time, to accomplish the same result of national defense is illogical, excessively expensive, and undoubtedly dangerously inefficient.

The commander of the land forces cannot be trusted to decide when he will take over the command of the naval forces, or the command of the air forces, or both. In like manner, the commanding officer of either of the other independent forces cannot be trusted to decide when to take over the command of the others. That decision must rest in some power and legal authority above all three of these agencies. In the eyes of that superior authority, these three agencies must be coequal and coordinate. That superior authority should be a secretary of national defense. He should be selected with great care by the President, and his qualifications scrutinized by the Senate. He should be a man thoroughly grounded in the broad principles of national policy, thoroughly conversant with all military history, fairly familiar with the operations of land and naval and air forces, and thus be able to give that expert and sound advice to the President during all the training period of peace and in the critical hour of war.

THREE FORCES CONSTITUTE ONE DEFENSE

Undoubtedly there is sufficient difference between land operations and water operations to justify a separate subordinate organization for each. By the same token, and with far greater force, there is justification for a separate and subordinate organization for air instrumentalities. Air agencies fight over both land and water. Air agencies differ more from both land and water agencies than land and water agencies differ from each other. Therefore there must be three separate and coordinate subdivisions in the single department of national defense. In contemplating these forces and factors as agencies of national defense, the secretary of national defense relates them all to their proper mission and function. He is not the special pleader for anyone. They are all equally entitled to his favorable consideration and all equally subect to his superior authority. He can and will repress and suppress mutual envies, jealousies, and rivalries between the three branches. He considers national defense as a single problem. He and his three assistant secretaries constitute the continuing council of national defense. They should sit in conference at least once a month, and they should constantly study the broad policies to be applied in training and in combat.

THE PRESIDENT AS COMMANDER IN CHIEF

Those who have opposed the single department of national defense recognize the logic of the arguments hereinabove made, but say that the two existing departments, and if there should be a new department created for the air forces, then that these three independent and separate departments would head up in the President as the Commander in Chief, and that he would control and correlate and determine the mission and function of each in every particular situation. But the practical difficulty of this answer is that the President is elected by the people upon political considerations and as the exponent of some particular economic views. The welfare of the Nation in all of its relations is the constant solicitude of the President. Therefore he cannot be expected to be expert upon the problem of national defense. He cannot be expected to give enough time and thought to those problems after he is elected to enable him to function as Commander in Chief for both training and combat. Therefore the necessity arises for his selecting as secretary of national defense a citizen with the qualifications above indicated. It is argued that no such citizen can be found. It is complained that we have no such supermen. The argument answers itself. If we have no man sufficient to grasp the entire problem of national defense, then the provision in the Constitution that the President is the Commander in Chief of all our defense forces is an absurdity, because he must not only be a superman in these problems of policy and strategy and tactics but he must also be a superman in the matter of politics and of economics and of administration.

Undoubtedly there are men who do possess the knowledge, the experience, and the ability to function as a secretary of national defense. Such a man was Dwight W. Morrow. Such a man was John W. Weeks. Such a man is Elihu Root. I forbear to mention others. But the President, faced with this responsibility, would undoubtedly lay aside personal and political considerations and would scan the Nation to find the man into whose hands he could confidently commit all the fighting forces of the Nation. This secretary of national defense would function in the name of the President, the President would function through him, and thus would be accomplished that unity of command, that harmony of policy, that cooperation in action so indispensable to the achievement of the great, single, undivided aim and object of national defense.

REFORESTATION AND RELIEF OF UNEMPLOYMENT

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that it may be in order to consider the bill (S. 598) for the relief of unemployment through the performance of useful public work, and for other purposes, in lieu of the bill H.R. 3905, made the special order of business for today.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. RAMSPECK]?

Mr. JENKINS. Reserving the right to object, are there any copies of the amendments made by the Senate on yesterday available for the membership now?

Mr. RAMSPECK. No. We only have 3 or 4 copies that have been marked up by the Parliamentarian.

Mr. JENKINS. What will be the procedure with reference to those amendments? Will they be considered first as a part of this bill?

Mr. RAMSPECK. If we have under consideration the Senate bill, of course they are a part of the bill.

Mr. SNELL. In the reading of the bill there will be full and complete time to explain the amendments and to offer substitutes, I suppose?

Mr. BYRNS. Mr. Speaker, I understand the gentleman from Georgia [Mr. RAMSPECK] will ask unanimous consent that there be general debate on the bill for 3 hours. I am informed by the Government Printing Office that they can have copies here within 2 hours, and if Members object I am sure the gentleman from Georgia [Mr. RAMSPECK] will not insist on taking up the bill under the 5-minute rule until copies are available.

Mr. JENKINS. I do not intend to object, but I intend to bring that point out. The amendments run all the way through the bill, and they are very important amendments, and no one can speak intelligently on the bill as it is now printed.

Mr. RAMSPECK. There will be ample time to discuss the amendments, and copies will be available before we take up the bill under the 5-minute rule.

Mr. TREADWAY. The bill is short. Would it not be possible to let the bill be read as amended and adopted by the Senate, rather than confuse our minds by reading S. 598, which evidently is not correct? I think rather than wait 2 hours, as the majority leader suggests, it would be more simple to have the Clerk read the bill as it was passed by the Senate.

Mr. RAMSPECK. There is no objection to that.

Mr. BYRNS. That would be done anyway unless it is waived.

Mr. WOODRUFF. Reserving the right to object, may I suggest to the gentleman that inasmuch as he proposes to ask for 4 hours' general debate, that long before we can take up the bill under the 5-minute rule the Printing Office will have sufficient time to print enough copies of the bill to supply the needs of the House during its consideration under the 5-minute rule.

Mr. RAMSPECK. We expect the printed copies here before the general debate is ended.

Mr. SNELL. Does the gentleman expect to complete this bill today?

Mr. RAMSPECK. We would like to.

Mr. SNELL. It would seem to me it would be much better to take more time under the 5-minute rule than to spend all this time in general debate, because individual amendments are more important to the House than general debate on the bill.

Mr. JENKINS. I may say that the amendments run clear through the bill, and no one can talk intelligently on the bill without running counter to the amendments which the Senate has already adopted.

Mr. RAMSPECK. We intend to ask for 3 hours' general debate. That will give at least 2 hours under the 5-minute rule. Does not the gentleman think that would be sufficient?

Mr. SNELL. I do not think 2 hours would be sufficient under the 5-minute rule.

Mr. BYRNS. It is a short bill. There is only one really vital amendment that is to be offered, as I understand.

Mr. SNELL. Very well. We just wanted to have plenty of time under the 5-minute rule.

Mr. BEEDY. Reserving the right to object, I do not understand what the arrangement is. What is the request of the gentleman?

Mr. RAMSPECK. I am asking unanimous consent to consider the Senate bill in lieu of the House under the special order.

Mr. BEEDY. I understood there was coupled with that request some request about general debate. Is that true?

Mr. RAMSPECK. No; that will come later.

Mr. BANKHEAD. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. BANKHEAD. As I understand the gentleman, he does not refer to the original Senate bill, but the Senate bill as finally amended and passed by the Senate on yesterday.

Mr. RAMSPECK. The gentleman is correct. The request is to consider the Senate bill as passed by the Senate yesterday.

Mr. GOSS. Is the House to understand that the bill will not be considered under the 5-minute rule until printed copies are available to the Membership? I shall object to this unanimous-consent request if it embraces consideration of the bill under the 5-minute rule before printed copies are available.

Mr. BYRNS. Mr. Speaker, I may say to the gentleman that the general debate is expected to last 3 hours. The Government Printing Office has advised me they expect to have printed copies here in about 2 hours. So copies should be available to the Membership within the next 2 hours.

Mr. GOSS. I shall not object to this request if we are assured of having these copies before we come to consideration under the 5-minute rule; but if such assurance is not given I shall object, I may say to the gentleman.

Mr. BYRNS. I think if there is any real reason why it should not be considered under the 5-minute rule this afternoon we could delay such consideration until tomorrow.

Mr. GOSS. Will the gentleman assure us that we will have these copies?

Mr. BYRNS. I have been assured by the Government Printing Office that they would be here within the next 2 hours, and I pass the assurance along to the gentleman from Connecticut.

Mr. BRIGGS. Mr. Speaker, will the gentleman yield that I may ask the floor leader a question?

Mr. RAMSPECK. Yes.

Mr. BRIGGS. Will the gentleman from Tennessee yield for a question?

Mr. BYRNS. Certainly.

Mr. BRIGGS. Why is it the Government Printer was not able to incorporate these amendments into the printed bill after he has had 12 hours within which to do it? Then we could have had it this morning.

Mr. BYRNS. I asked him that question this morning. I do not know just why he cannot, but I think probably the Government Printing Office was waiting until the bill was reported and sent to the House, for in the Senate they have the opportunity of reconsidering the vote by which a bill is passed until the bill is reported to the House. I think this probably explains it.

Mr. BRIGGS. Could not some other arrangement be made in these cases where it is contemplated to take up bills in this way?

Mr. BYRNS. That is what they are doing now; they are printing the copies now.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. SNELL. Let us have an understanding that if the bills are not ready for distribution at the time the general debate is completed, further consideration of the bill will go over until tomorrow or until we have printed copies of the bill before us.

Mr. RAMSPECK. We can have the understanding that we will adjourn until tomorrow if printed copies are not here when general debate closes. In such event I shall move that the Committee rise.

Mr. SNELL. That is satisfactory.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. BEEDY. Mr. Speaker, reserving the right to object, what is the request?

The SPEAKER. The request is that the House, under its previous order, consider Senate bill 598 instead of the House bill.

There was no objection.

MESSAGE FROM THE PRESIDENT (H.D. NO. 12)

The Chair laid before the House the following message from the President of the United States, which, together with the accompanying papers, was referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

To the Congress:

I recommend to the Congress legislation for Federal supervision of traffic in investment securities in interstate commerce.

In spite of many State statutes the public in the past has sustained severe losses through practices neither ethical nor honest on the part of many persons and corporations selling securities.

Of course, the Federal Government cannot and should not take any action which might be construed as approving or guaranteeing that newly issued securities are sound in the sense that their value will be maintained or that the properties which they represent will earn profit.

There is, however, an obligation upon us to insist that every issue of new securities to be sold in interstate commerce shall be accompanied by full publicity and information, and that no essentially important element attending the issue shall be concealed from the buying public.

This proposal adds to the ancient rule of caveat emptor, the further doctrine, "Let the seller also beware." It puts the burden of telling the whole truth on the seller. It should give impetus to honest dealing in securities and thereby bring back public confidence.

The purpose of the legislation I suggest is to protect the public with the least possible interference to honest business.

This is but one step in our broad purpose of protecting investors and depositors. It should be followed by legislation relating to the better supervision of the purchase and sale of all property dealt in on exchanges, and by legislation to correct unethical and unsafe practices on the part of officers and directors of banks and other corporations.

What we seek is a return to a clearer understanding of the ancient truth that those who manage banks, corporations, and other agencies handling or using other people's money are trustees acting for others.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 29, 1933.*

INTERNATIONAL PARLIAMENTARY CONFERENCE ON COMMERCE (H.DOC. NO. 11)

The SPEAKER laid before the House the following communication from the Secretary of State, which was read, and, with the accompanying papers, referred to the Committee on Foreign Affairs and ordered printed:

DEPARTMENT OF STATE,
Washington, March 27, 1933.

The Hon. HENRY T. RAINEY,
Speaker of the House of Representatives.

SIR: On January 4 of this year the Department transmitted to the Senate and to the House of Representatives copies of a despatch from the American Embassy at Rome and its enclosure, a letter from the Secretary General of the International Parliamentary Conference on Commerce extending an invitation to the Congress of the United States to be represented at the eighteenth plenary assembly of the above-mentioned organization, which is to take place at Rome, beginning April 19, 1933. Inasmuch as no reply to this invitation was received from either Chamber of the Seventy-second Congress, copies of the previous correspondence are transmitted herewith in order that the present Congress may consider whether or not it desires to be represented at the conference in question.

This matter is also being referred to the Vice President.

Very truly yours,

CORDELL HULL.

REFORESTATION AND RELIEF OF UNEMPLOYMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (S. 598) for the relief of unemployment through the performance of useful public work, and for other purposes; and pending this motion I ask unanimous consent that debate on the bill be limited to 3 hours, one half to be controlled by the gentleman from California, Mr. WELCH, and one half by myself.

Mr. CONNERY. Mr. Speaker, reserving the right to object, I understand that the gentleman from Georgia will yield me half of his time in opposition and that the gentleman from California will yield half of his time in opposition on the Republican side.

Mr. RAMSPECK. Insofar as I am concerned, Mr. Speaker, I shall yield the gentleman from Massachusetts [Mr. CONNERY] one half of the time on this side.

Mr. SNELL. I am sure the gentleman from California will yield to anyone who wants time, in any reasonable amount, in opposition on this side.

Mr. BEEDY. Mr. Speaker, reserving the right to object, I am opposed to the bill, and I would like to have some arrangement whereby the control of the time on this side may be divided.

Mr. WELCH. How much time does the gentleman from Maine desire?

Mr. BEEDY. I think we ought to have one half of the time, or three quarters of an hour, to be distributed among

those who are opposed to the bill, exactly as the arrangement has been made on the other side.

Mr. WELCH. I may say to the gentleman from Maine that he is the first Member on this side who has indicated opposition to the bill, and it would hardly be fair to those in favor of the bill, with the limited time for debate, particularly to the members of the committee, if one half of the hour and a half allotted to this side were given to the opposition. This might mean that two men would have the right to consume as much time as all those in favor of the bill on this side.

Mr. BEEDY. I would be pleased to assure the gentleman that if there are no requests for time on this side from those opposed to the bill, to take up the three quarters of an hour, I shall yield it back to the gentleman.

Mr. WELCH. How much time does the gentleman from Maine desire?

Mr. BEEDY. I think I should like to have the time split, and I shall yield back any unused time to the gentleman from California. Personally I want 15 or 20 minutes.

Mr. WELCH. I can assure the gentleman from Maine that I shall be as fair in the yielding of time as possible, but I do not think it would be fair to yield one half of the time in the way suggested.

Mr. BEEDY. Mr. Speaker, I ask that the unanimous-consent request be modified in that the time on this side of one hour and a half be divided, 1 hour to be controlled by the gentleman from California [Mr. WELCH] and 30 minutes by the gentleman from Maine [Mr. BEEDY].

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, I believe one of the vicious practices that has grown up and may be perpetuated here is this reyielding of time. It never was intended that more than two people should control the time. I have no objection in this instance if the House wants to do this, but when a situation like this comes up, the time ought to be controlled by two men and they should yield to the individuals desiring time.

Mr. SNELL. I agree with the gentleman that that is the practical and the best way to work it out, and the gentleman from California [Mr. WELCH] states he will yield the gentleman 30 minutes.

Mr. O'CONNOR. That would be all right if the gentleman from Maine were going to use the 30 minutes, but when he reyields time to someone else that violates the whole theory of handling such matters in the House.

Mr. BEEDY. I may say to the gentleman that I agree with everything he says about the practice, and I should not have asked for this except the precedent had been started on that side of the House. It is perfectly proper to yield back time unconsumed; and if it is satisfactory to everyone concerned, I shall yield back any time I do not use to the gentleman from California.

Mr. WELCH. That is satisfactory to the gentleman from California.

Mr. CONNERY. Mr. Speaker, reserving the right to object, I know the gentleman from Georgia [Mr. RAMSPECK] will turn over this time to me, and the gentleman can yield the 45 minutes if he wants to. That was not my idea in making this request. What I want to do is to make sure that the opponents of this bill on both the Democratic and the Republican sides have a chance to talk; that is all.

Mr. RAMSPECK. Mr. Speaker, I modify my request by asking that the debate be limited to the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia as modified?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Georgia that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 598) for the relief of unemployment through the performance of useful public work, and for other purposes, with Mr. LOZIER in the chair.

The Clerk read the bill, as follows:

Be it enacted, etc., That for the purpose of relieving the acute condition of widespread distress and unemployment now existing in the United States, and in order to provide for the restoration of the country's depleted natural resources and the advancement of an orderly program of useful public works, the President is authorized, under such rules and regulations as he may prescribe and by utilizing such existing departments or agencies as he may designate, to provide for employing citizens of the United States who are unemployed in the construction, maintenance, and carrying on of works of a public nature in connection with the forestation of lands belonging to the United States or to the several States which are suitable for timber production; the prevention of forest fires, floods, and soil erosion; plant pest and disease control; the construction, maintenance, or repair of paths, trails, and fire lanes in the national parks and national forests; and such other work on the public domain, National and State, and Government reservations incidental to or necessary in connection with any projects of the character enumerated as the President may determine to be desirable: *Provided*, That the President may, in his discretion, extend the provisions of this act to lands owned by counties and municipalities and lands in private ownership, but only for the purpose of doing thereon such kinds of cooperative work as are now provided for by acts of Congress in preventing and controlling forest fires and the attacks of forest-tree pests and diseases and such work as is necessary in the public interest to control floods. The President is further authorized, by regulation, to provide for housing the persons so employed and for furnishing them with such subsistence, clothing, medical attention and hospitalization, and cash allowance as may be necessary during the period they are so employed, and, in his discretion, to provide for the transportation of such persons to and from the places of employment. The President is further authorized to allocate funds available for the purposes of this act for forest research, including forest-products investigations, by the Forest Products Laboratory.

SEC. 2. For the purpose of carrying out the provisions of this act the President is authorized to enter into such contracts or agreements with States as may be necessary, including provision for utilization of existing State administrative agencies, and the President, or the head of any department or agency authorized by him to construct any project or to carry on any such public works, shall be authorized to acquire by purchase, donation, condemnation, or otherwise real property contiguous to real property already owned by the Government, but the provisions of section 355 of the Revised Statutes shall not apply to any property so acquired.

SEC. 3. Insofar as applicable, the benefits of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, shall extend to persons given employment under the provisions of this act.

SEC. 4. For the purpose of carrying out the provisions of this act there is hereby authorized to be expended, under the direction of the President, out of any unobligated moneys heretofore appropriated for public works (except for projects on which actual construction has been commenced or may be commenced within 90 days, and except maintenance funds for river and harbor improvements already allocated), such sums as may be necessary; and an amount equal to the amount so expended is hereby authorized to be appropriated for the same purposes for which such moneys were originally appropriated.

SEC. 5. That the unexpended and unallotted balance of the sum of $300,000,000 made available under the terms and conditions of the act approved July 21, 1932, entitled "An act to relieve destitution", etc., may be made available, or any portion thereof, to any State or Territory or States or Territories without regard to the limitation of 15 percent or other limitations as to percent.

SEC. 6. The authority of the President under this act shall continue for the period of 2 years next after the date of the passage hereof and no longer.

Mr. RAMSPECK. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. BYRNS], the author of the bill.

Mr. BYRNS. Mr. Chairman, as the gentleman from Georgia stated, I introduced the House bill on this subject. I did so because the chairman of the Labor Committee, for reasons entirely satisfactory to himself, was disinclined to introduce it on account of objections he had to certain features of the bill, with which you are entirely familiar.

The Speaker has understood from the beginning that in all of these emergency measures which have been sent up and are later to be sent up I, as the majority leader, stand ready to introduce any bill which the President sponsors in his effort to restore prosperity—any measure that he may send up here, whenever it becomes necessary for me to introduce it.

It was the purpose, of course, to refer the various bills to the committees that have jurisdiction in order to give the chairmen an opportunity to introduce the bill, if they de-

sired. There are two reasons for this: In the first place, they are entitled to that privilege; and in the second place, any chairman or member of the committee introducing it would have access to the committee in executive session when the bill is under consideration.

I state that for the reason that there are one or two of my friends among the press correspondents who seem to be under the impression that I am not in entire harmony with all the bills that have been passed. I hope that in the light of this statement there will be no more publications which some of us have read intimating that there was some doubt as to my hearty and enthusiastic support of everything that the President has asked in an effort to bring relief to the people of this country.

I have supported every proposition he has made, and I propose to do so in the future, and subordinate even some of my views, if necessary, in order to meet his wishes in this particular emergency. [Applause.]

I say that for the reason that the people are looking to him, and him alone, to lead them out of this slough of despond and despair into the sunlight of prosperity. [Applause.] He assumes the responsibility with the people of this country, and, in my humble judgment, Congress should be willing to hold up his hands and give him the support that he is entitled to receive. [Applause.]

There has been some sincere objection urged to this bill, and I am not here to criticize any gentleman who may differ with respect to its provisions. Nor am I here—I want it understood—for the purpose of criticizing any Members of this House who on previous occasions have voted against any of these bills. Certainly no one expects any Member of this House to do otherwise than to vote his earnest convictions. That is what we were sent here to do, and that is what your constituents and mine expect us to do. Their votes in no sense represent the slightest disloyalty to the President and should not be so considered.

But it seems to me that those who have opposed this bill have looked at it from the wrong viewpoint. Objection was made to the bill as originally introduced because it provided for the pay of $30 a month, including food, clothing, lodging, and medical attendance, which, it is said, would certainly amount to as much as a dollar a day, making a total of at least $2 a day which was to be paid for the work provided for in this bill.

As I said a minute ago, I think those who oppose the measure because of the $30 provision, look at it from an entirely wrong viewpoint. This is not an employment measure. It is not proposed as an employment measure. It is proposed solely and wholly as a relief measure, to take care of and provide work for possibly 250,000 men who are now walking the streets, to enable them to support themselves and their families. You know and I know very well, whatever may be your views with reference to the value of forestation, that in the condition of the Treasury as it is today, no one would ever think of proposing a bill of this kind at this particular time if it were not for the fact that there are millions of unemployed, and that it is the duty of the Federal Government to see that they and their families are not permitted to suffer, if we can prevent it. So I say it is purely and wholly a relief measure, and nothing else, and if passed as originally prepared and introduced, it could not, in my humble judgment, have served in any way to be an example in the way of fixing or lowering wages by private industry.

I have always stood for good wages. I believe that the standard of living in this country should be maintained, and I would not for one moment stand for any proposition, so far as I am personally concerned, which would serve to reduce the pay of labor to a point where the standard of living was lowered. As I have said, if this bill had been passed as introduced, I do not think it would have had that result.

Someone told me of a minister of the gospel who married a year or two ago, and who has no children. He finds himself now in a position where his charge, a very small church, is unable to provide for him and his wife. He is penniless, but proud-spirited. He does not want charity, he wants opportunity to provide for himself and his wife. When this bill was introduced he expressed his pleasure that such a bill was on the way and stated that he wanted to be one of the first to enlist under its provisions, saying that he was going to leave his wife at home, where she could raise chickens and sell eggs, and that with the $30 that he would send to her she would be able to get along very well while this depression is upon us.

That is what the bill is intended to do. It is intended to pay the people a dividend in the years to come, but at this particular time it will enable those who serve under it and accept its provisions to feel that they are not accepting a dole, but that they are really rendering a service that some day the people of the country can collect upon. It will provide for the employment of 250,000 men.

Mr. WATSON. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. WATSON. The bill provides for the housing and employment of those who work. Will those who do not live near the forestation land be permitted to work on the land also?

Mr. BYRNS. Yes. One of the Senate amendments about which we have talked provides for transportation for those who live away from the lands.

Mr. WATSON. Will they be paid more?

Mr. BYRNS. Oh, no; but they will be given transportation.

Mr. WATSON. And, although they may have their own homes, they may have transportation and work on the forestation lands?

Mr. BYRNS. Undoubtedly. This bill is intended to give relief to the unemployed, regardless of locality. [Applause.]

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, in the 5 minutes allotted me I shall try to elucidate some of the amendments offered yesterday in the Senate. I do this because as yet we have not been furnished with a printed copy of those amendments. A printed copy of the bill with the Senate amendments is absolutely necessary to a clear consideration of the bill. The first amendment passed yesterday by the Senate is in the shape of a new section designated as section 5. This section provides that any unexpended and unallotted balance of the $300,000,000 made available to the States for relief last year should be made available for the purposes of this bill, regardless of the 15 percent limitation. This amendment will aid in carrying out the provisions of the bill.

The next amendment will appear in line 23 on page 4 of the present copy of the Senate bill, and is in the nature of a clarifying amendment. It adds the words "National and State" the better to describe the public domain considered. In line 24 there is another amendment, introduced by Senator WALCOTT, of Connecticut. It provides that lands owned by counties and municipalities and private lands contiguous or near to national reserves might be included within the program if the work to be done on these lands will encourage the program of the Federal Government as contemplated in this bill. It is thought that frequently such a course may be necessary to carry out a fire-prevention or flood-control program.

Mr. BLANCHARD. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. Yes.

Mr. BLANCHARD. That amendment also provides, does it not, that the Government may go on private lands to carry on this work?

Mr. JENKINS. Yes; I was coming to a consideration of that. There is an amendment to that effect but it is guarded very closely, I think. If it is not, it should be, so that private lands cannot be improved for the benefit of private owners at the expense of the Government. I think the language of the amendment guards that very closely.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. Yes.

Mr. MOTT. Can the gentleman tell us the purpose of the provision for the purchase of private land adjoining Federal property in connection with reforestation?

Mr. JENKINS. I am afraid I am not competent to discuss that with finality, because I am not a member of the committee and did not follow that closely. However, it was brought out in the Senate yesterday that it should not be the policy to purchase land unless absolutely necessary. This is not a bill for the purchase of land. The Couzens amendment covered that, I think.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. JENKINS. I yield.

Mr. HILL of Alabama. Does the gentleman know how much land there is available in the Government now for these purposes?

Mr. JENKINS. I cannot give the figure. I would not want to give the gentleman an approximation, for his question calls for a definite figure, and he should have it. It is set out in the committee hearings and in the testimony of Colonel Stewart.

On page 5 there is an amendment that will be interesting to the gentleman from Pennsylvania [Mr. WATSON], because it answers the question which he propounded to the gentleman from Tennessee [Mr. BYRNS], and who stated that transportation will be provided both to and from the work for men who must be brought from a distance. This amendment provides that transportation be provided. Section 2 is amended so that it has been rewritten. The principal amendment is that under the new section only contiguous property may be purchased. This covers most of the amendments offered in the Senate yesterday.

The original bill introduced in line with the President's wishes, and I presume under his orders, is that shown on the print in your hands; but it is that portion which has been interlined. When the Committees on Labor from the Senate and House had their first joint meeting that is the bill that was considered. Its passage was favored by Miss Perkins, the Secretary of Labor—she was strong in her espousal of this bill—and so was Colonel Stewart of the Government Park Service; Mr. Douglas, the Director of the Budget, also favored its passage—I think all those who testified before Mr. William Green, president of the American Federation of Labor, testified in favor of it. Mr. Green delivered a most forceful and convincing argument against the bill. His fair attitude toward the President and those insisting upon the passage of the bill disarmed the members of the committee who were inclined by consideration of friendship for the President or loyalty to their party to favor the bill. Having accomplished that he plunged into his arguments against the bill, and by clear logic, forceful eloquence, and pleasing presentation he completely changed the views of most if not all of those on the committee. He objected strenuously to the regimentation of labor. He deplored the provisions that gave the President the authority "to select from the employed citizens" and to "enroll for a term of 1 year" and other similar provisions. He claimed that this plan tended toward dictatorships and was inimical to the best interests of free labor. He dwelt at length and with great force upon this theme of "regimentation". He also argued that a fixed rate of compensation at $1 per day would be construed as a wage standard fixed by the Government and that it would have a very disastrous effect upon labor wages at this time and hereafter. When he concluded it was evident that the bill as it was then written could never pass. The committees met and produced another bill from which these objectionable features have been stricken. The bill as it is now printed with the Senate amendments meets the approval of organized labor, according to a letter from Mr. Green, as printed in the report of the committee. It is my hope that the President in his regulations for the carrying into effect of this bill will see to it that these principles of free labor are not invaded, that this work will not be carried on under the discipline of the military, and that nothing will be done to make anyone who is employed thereunder feel that he is in any way disgraced or despised. That every effort will be made to cause those who accept employment to feel that they are rendering faithful service and are entitled to reasonable compensation therefor. The men who accept employment hereunder will in most cases be good, law-abiding Americans who prefer work to charity and who will feel grateful to their country for providing them an opportunity to earn a living for themselves and their families. [Applause.]

Mr. RAMSPECK. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman, first I would like to make it plain to the Membership of the House that I believe the President of the United States, in offering this bill to Congress and to the country, did so with the best and highest of motives, the most humane of motives, with a desire to help the unfortunate men and women of the country, and with the desire to relieve unemployment in the United States. I want it distinctly understood that my attitude on this matter is not in opposition to the President personally. If my own brother were President of the United States, I would not vote to give him the power to set wages for labor that we give the President in this bill. [Applause.] I think that will cover the whole situation as far as my attitude toward our President, for whom I have sincere admiration and affection, is concerned in this matter.

Majority and minority views were filed on this bill. The Members of the House have had an opportunity to read the minority views, as expressed by me in the RECORD yesterday. In the majority views you will see a letter from President Green, of the American Federation of Labor. You will remember he said in that letter that the Connery amendments were more acceptable to labor than the Senate bill, but that in general, with the temper of Congress at the present time, he felt it might be better to accept the Senate amendments. In fact, I want to read exactly what he said:

> However, it is my opinion that because of the present temper of Congress and its manifest disposition to follow such recommendations as the President might make, it would be impossible to secure favorable consideration of your substitute measure without the support of the President * * *.
>
> However, inasmuch as the objectionable features contained in H.R. 3905 have been rejected by the Senate Committee on Education and Labor, and I firmly believe will be rejected by the House Committee on Labor, of which you are chairman, I feel that the best interests of labor and all who are concerned will be served through our acceptance of the substitute measure recommended by the Senate Committee on Education and Labor.

Above that in his letter he said:

> Your substitute measure, to which you called my attention, would be more acceptable to labor than the substitute measure proposed by the Senate Committee on Education and Labor.

I am authorized to state on the floor of this House this morning that Mr. Roberts, legislative representative of the American Federation of Labor, called me on the telephone today and informed me that Mr. Green had talked to him from out of the city on the telephone today and said that Mr. Green was against this Senate bill. Mr. Green is in accord with the president of the building-trades organization of the American Federation of Labor. So I want to say to the Membership of the House today that I can state that organized labor in its entirety, from Mr. Green down, the railroad brotherhoods, every member of organized labor in the United States, is absolutely opposed to the Senate bill which is now being considered by the House.

Mr. LUNDEEN. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. LUNDEEN. Do I understand that Mr. Green has reversed his position?

Mr. CONNERY. Mr. Green has reversed his position. He said he will stand behind Mr. McDonough's position, and I will read you what Mr. McDonough wrote in his letter to me:

> AMERICAN FEDERATION OF LABOR,
> BUILDING TRADES DEPARTMENT,
> *March 27, 1933.*
>
> Hon. WILLIAM P. CONNERY, Jr.,
> *Chairman House Labor Committee, Washington, D.C.*
>
> DEAR SIR: A copy of Senate bill 598, as amended, has just come to my notice.
>
> Representing 16 national and international unions engaged in the building industry, I most emphatically desire to protest the

passage of this measure, as same, if approved by Congress, will very seriously affect the building-trades workmen of the United States.

The bill from the viewpoint of the building-trades workers authorizes the President, or the head of any department or agency authorized by him, to construct any project or to carry on any public works, which in my opinion would permit of the building of Federal buildings, tunnels, bridges, at any wage designated by the President or his authorized agent. Its passage would kill the effectiveness of the Bacon-Davis prevailing rate of wage law. Further, the money to be used for the conservation corps is to be diverted from money already appropriated for building construction.

The introduction of Senate bill 598 has already been the means of adding to the present aggravated unemployment condition in the building industry, as by administrative order no contracts for Federal construction have been awarded since March 4.

I cannot see a redeeming feature in the amended bill and am very strongly opposed to its passage.

Trusting that you will continue to use your best efforts in opposition to this bill, and appreciating on behalf of the building-trades workers the interest displayed by you, I am, with best wishes,

Very truly yours,

M. J. McDONOUGH,
President Building Trades Department.

I just want to make it clear to the House that organized labor, all branches of organized labor throughout the United States, are absolutely opposed to this bill which we have under consideration.

Mr. BRUMM. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. BRUMM. Does the gentleman know of any collateral understanding with regard to the minimum wage that will be paid? There seems to be nothing in the bill suggesting what the minimum wage will be.

Mr. CONNERY. According to this morning's paper, Senator ROBINSON of Indiana said that the amended bill proposes that the wage shall be only $1 a day; and the President, in my opinion, is going to pay only $1 a day.

Mr. BRUMM. Does the gentleman know how the employment will be distributed? Will it be in relation to the population?

Mr. CONNERY. That is provided for in my bill. I do not believe it is so provided in the Senate bill before us today.

Mr. BRUMM. I looked at the bill hurriedly. I did not see it.

Mr. CONNERY. I do not think that it is provided for in the bill.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield to the distinguished Republican leader.

Mr. SNELL. Does the gentleman take the position that it is impossible for Congress to do anything for the relief of unemployment and distress unless it is done in accordance with the rules and regulations of union labor?

Mr. CONNERY. Oh, no; I do not say that. I may say to the distinguished Republican leader that when the bill is read for amendment I shall, after the first paragraph is read, move to substitute the Connery amendment providing a wage of $50 to single men without dependents and $80 to married men or men with dependents.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a further question?

Mr. CONNERY. Certainly.

Mr. SNELL. This is not a wage scale bill or a bill settling scales of wages for labor.

Mr. CONNERY. The gentleman thinks not? Well, I think differently. The passing of this bill will mean the tagging of labor at $1 a day throughout the United States. That is what this bill will do.

Mr. SNELL. This is a bill for the relief of unemployment.

Mr. CONNERY. That is what they call it, but a rose by another name is a rose just the same.

Mr. SNELL. This does not establish any $1-a-day wage.

Mr. CONNERY. This bill, if passed, is going to tag labor at $1 a day throughout the entire United States, and under this bill the President could pay the workers 50 cents a day if he so wished.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. KVALE. Does not the $50 and $80 proposed by the gentleman from Massachusetts likewise tag labor?

Mr. CONNERY. No; it does not, I may say to the gentleman from Minnesota. They call this a relief bill, but I do not believe in paying men as low as $1 a day for labor. We should pay them something like at least a decent living wage, such as $50 a month for single men without dependents and $80 a month for married men or men with dependents.

Mr. KVALE. The gentleman still believes that the level he proposes is not a tagging of labor at those levels?

Mr. CONNERY. No. They call it a relief bill, so I am willing to compromise a little bit.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Certainly.

Mr. JENKINS. Is it a well-recognized principle of organized labor that there should never be a distinction between married men and single men doing the same work?

Mr. CONNERY. Possibly that may be so, but I doubt it. At any rate, I think labor is in favor of giving a better wage to a married man in a relief program than to a single man.

Mr. JENKINS. I may say to the gentleman from Massachusetts that his proposal absolutely violates a cardinal principle of organized labor, when the man's marital status or the number of his dependents determines what he shall receive for his labor.

Mr. CONNERY. I do not think so.

Mr. MARTIN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I shall be pleased to yield to the distinguished general from Oregon.

Mr. MARTIN of Oregon. The gentleman harps on the $1 a day. Is it not true that these men are fed, clothed, and given medical attention, as well as transportation to and from their homes?

Mr. CONNERY. Yes; but I want to give them a little more than that. The gentleman from Oregon knows, and I know—possibly the gentleman from Oregon more than I, because he was a general in the Army—that in the Army men were paid $30 a month, given medical attention, food, and equipment. Surely the gentleman would not ask men to do the fatigue work that we did outside of battle for such wages in peace times.

Mr. MARTIN of Oregon. However, they do get more than $1 a day, do they not?

Mr. CONNERY. They get their 30 cents a day for food.

Mr. MARTIN of Oregon. They get $2 a day.

Mr. CONNERY. No; they do not.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield the gentleman from Massachusetts 3 additional minutes.

Mr. COCHRAN of Missouri. Section 4 provides that unobligated moneys heretofore appropriated for public works are to be used in connection with this act.

Mr. DIRKSEN. Mr. Chairman, I make the point of order that the Committee is not in order.

The CHAIRMAN. The Committee will be in order. The gentleman from Massachusetts will proceed.

Mr. BEEDY. Mr. Chairman, for the sake of order and for the sake of the precedents I make the point of order that neither the gentleman who has the floor nor the gentleman who is interrogating him is in order. As I understand, when order is demanded in the House, neither the man on the floor nor the party interrogating him has the right to proceed until recognized by the Chair.

Mr. COCHRAN of Missouri. In reference to the unobligated balance in the building fund——

Mr. BEEDY. Mr. Chairman, I insist upon my point of order.

The CHAIRMAN. The gentleman will suspend. Is it the gentleman's point of order that those who have interrupted the speaker have not obtained permission to interrupt the speaker?

Mr. BEEDY. No; my point of order is that after the Chairman attempts to obtain order he must again recognize

the gentleman in the well of the House before debate may be continued.

The CHAIRMAN. The Chair has attempted to do that, but in the confusion possibly his statements have not been heard or apprehended by the Committee.

May the Chair ask again that the Committee be in order; and unless order is maintained the Chair is going to ask the Sergeant at Arms to place himself and his deputies in different parts of the House and see that Members refrain from conversation while the House is in Committee of the Whole.

With this admonition, the gentleman from Massachusetts will proceed.

Mr. CONNERY. Mr. Chairman, I yield to the distinguished gentleman from Missouri.

Mr. COCHRAN of Missouri. What I want to know is how far a project has to be advanced before it can be put in the obligated classification.

Mr. CONNERY. The language is "except for projects on which actual construction may be commenced within 90 days." As I see it, I may say to the gentleman, they can stop all construction work. They may permit some post offices or public buildings to be built within the next 90 days, and if they do the money which is taken away from those projects is to be reappropriated later.

Mr. COCHRAN of Missouri. Later, I understand; but that may mean any time in the future.

Mr. CONNERY. Yes; it may be 5 years from now.

Mr. COCHRAN of Missouri. We have a situation in my city where the job is on the market. The bids must be in the first week in April and a contract should be immediately let. If they do not tie their hands, they certainly could commence work within 90 days. While they have not obligated the money on the superstructure, they have obligated the money on the foundation and the foundation is completed. Would the gentleman say that this job should go ahead? It seems to me there is nothing in this act that can prevent that project from going on.

Mr. CONNERY. It is not up to me to say that. By the provisions of this bill I believe that the President could stop that construction.

Mr. COCHRAN of Missouri. I cannot agree with my distinguished friend. What did the hearings develop about the unobligated balances?

Mr. CONNERY. The hearings developed they could stop anything they wanted to within the 90 days, and then they give them authorization in the future to reappropriate that money.

I may say to the gentleman further that on this proposition you are throwing plasterers, bricklayers, stoneworkers, and men who are working on post offices and other public buildings at decent, union wages, or at the prevailing rate of wages, out of employment and turning them into the forests at a dollar a day.

Mr. RAMSPECK and Mr. SNELL rose.

Mr. CONNERY. I yield first to my colleague on the committee, the gentleman from Georgia.

Mr. RAMSPECK. Has not the President of the United States authority to stop all construction work at any time, anyway, and has it not all been stopped since March 4?

Mr. CONNERY. Yes.

Mr. SNELL. Under the provisions of the bill which the gentleman has just referred to, the bill takes money from the public-works program for this special program.

Mr. CONNERY. Yes.

Mr. SNELL. How many more men will be employed under these provisions than would be employed if we continued the public-works program?

Mr. CONNERY. I think you are robbing Peter to pay Paul. The Building Trades Union have in their membership 1,500,000 workers. One million three hundred thousand are out of work at the present time, and I think when you put this measure through you will throw about 200,000 who are now getting decent wages out of work, and then you will put 200,000 to work at a dollar a day.

Mr. SNELL. There will be no improvement then in the unemployment situation.

Mr. CONNERY. Not under this bill; no. Under my bill there would be a great improvement.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. MALONEY of Connecticut. Will the gentleman yield?

Mr. CONNERY. I yield to my friend from Connecticut.

Mr. MALONEY of Connecticut. A moment ago a distinguished Army officer made reference to the pay of the soldiers during the war. Would not the gentleman like to make a note of the fact that during the war the Government allowed an allotment in addition to the soldiers' pay for married men and for those with dependents?

Mr. CONNERY. That is true. The Government provided an allotment in addition to the money which the enlisted man would send home to his wife and children.

Mr. RICH. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. RICH. Can we expect that the President will provide a fair distribution of this work among the various States?

Mr. CONNERY. I have, of course, the greatest confidence that the President will provide a fair distribution of the work among the States.

Mr. GOSS. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Connecticut.

Mr. GOSS. Will the gentleman explain to the House how the 250,000 men will be chosen out of the 12,000,000?

Mr. CONNERY. I have not seen the Senate bill, as amended, but in the original bill, I may say, it was to be according to the population of the different States, as there was some provision of that kind in the original bill.

Mr. GOSS. I understand there is a 15 percent provision in the Senate bill.

Mr. CONNERY. The original bill and my amendment provide a distribution, as nearly as possible, in proportion to the unemployment existing in the several States. I do not know whether that is in the Senate bill or not. It is in my amendment and is in the original bill.

Mr. GOSS. I hope the gentleman will bring that out or get someone to answer the question about how the 250,000 will be chosen.

Mr. RAMSPECK. If the gentleman will permit, I will answer the question. It is left entirely within the discretion of the President under the bill as passed by the Senate. The original bill did have a provision providing for a distribution in proportion to the existing unemployment, but this bill puts it entirely in the hands of the President of the United States.

Mr. GOSS. So then the President chooses whomever he wants to have this relief?

Mr. RAMSPECK. That is right.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CONNERY. Mr. Chairman, in these 2 minutes I should like to read to the Committee the amendment which I am going to offer when we start to read the bill under the 5-minute rule:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That the President of the United States be, and he is hereby, authorized to provide employment for those unemployed citizens of the United States who voluntarily enroll for the purpose of this act, as nearly as possible in proportion to the unemployment existing in the several States. Such workers shall be enrolled for periods of 60 days, unless sooner discharged. Such workers shall be paid at a rate of not less than $50 per month for single men without dependents and at the rate of not less than $80 per month for married men or men with dependents, and provided with quarters, subsistence, clothing, medical attendance, and hospitalization, and transportation from and to their homes. An allotment of not less than $50 per month of his pay shall be paid directly to the wife of a married man and such amount as the President may request shall be allotted from the pay of men who have dependents under such rules and regulations as the President may prescribe. Each worker shall, at the time of enrollment, agree to abide by the provisions of this act and by all rules and

regulations issued by the President of the United States hereunder, which shall not include any obligation to bear arms.

"SEC. 2. The provisions of chapter 15, title 5, United States Code, are hereby extended to such workers. In case of the injury or death of such workers while employed, the United States Employees' Compensation Commission is hereby authorized to pay such benefits as are provided for in case of the injury or death of a person working at his, or a similar, trade in the classified service of the United States.

"SEC. 3. That the President is hereby authorized under such rules and regulations as he may prescribe and by utilizing such existing departments or agencies as he may designate, to provide for employing citizens of the United States who are unemployed, in the construction, maintenance, and carrying on of works of a public nature in connection with the forestation of lands belonging to the United States or to the several States which are suitable for timber production, the prevention of forest fires, soil erosion, plant pest, and disease control, the construction, maintenance, or repair of paths, trails, and fire lanes in the national parks and national forests: *Provided further*, That the President is herein authorized to enter into agreements with any of the States for the carrying on of work on State forests similar to that authorized in this bill and may utilize the services of these workers for such work without cost to those States.

"SEC. 4. That whenever in the administration of this act it becomes necessary to secure the services of skilled artisans or other expert employees whether or not available among such workers the President may authorize their employment at wages paid for similar work in the classified service of the United States.

"SEC. 5. That to carry out the provisions of this act there is hereby authorized to be expended under the direction of the President, out of any unobligated moneys in the Treasury, such sums as may be necessary and available.

"SEC. 6. That in the execution of this act the President, or the head of any department authorized by him to construct any project or to carry on any work, shall have the right to acquire real property by purchase, condemnation, or otherwise.

"SEC. 7. The provisions of the Economy Act of 1933 shall not apply to any person employed under this act during such employment.

"SEC. 8. This act shall take effect the day after its enactment."

The members will note that section 7 of my bill provides that these workers shall not come under the Economy Act of 1933. Under this Senate bill the Comptroller might be obliged to rule that these dollar-a-day men must take a 15 percent cut in their dollar-a-day pay. I hope that the House will consider the Connery amendment carefully and then pass it in the interest of putting through a bill which will not only relieve unemployment but will see to it that the dignity of the worker and his family is maintained, that the worker will not be obliged to consider himself as an object of charity at a wage of a dollar a day but will be able to hold up his head and say, "I'm working for my Government at a decent living wage", and "I'm proud to work for such a Government." [Applause.]

Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD by the printing in the RECORD of the names of the senders and the cities from which they were sent, of these telegrams and letters received by me today in opposition to this Senate bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts to extend his remarks in the manner indicated?

There was no objection.

The matter referred to is as follows:

Fairbanks Morse & Co., Chicago, Ill.; Evatt General Bronze Corporation, Long Island City, N.Y.; I. A. Bennett & Co., Chicago, Ill.; David E. Kennedy, Inc., Chicago, Ill.; Heltonville Limestone Co., Chicago, Ill.; Dearborn Electric Construction Co., Chicago, Ill.; Russel & Erwin Manufacturing Co., Chicago, Ill.; Art Metal Construction Co., Chicago, Ill.; Structural Slate Co., Chicago, Ill.; McWayne Co., Chicago, Ill.; W. L. Vandame Co., Chicago, Ill.; E. E. Davis, Chicago, Ill.; Architectural Decorating Co., Chicago, Ill.; Cowing Pressure Relieving Joint Co., Chicago, Ill.; J. L. Robers, Kansas City, Mo.; Coleman Bronze Co., Chicago, Ill.; N. P. Severin Co., Chicago, Ill.; Massachusetts State Federation of Labor, James T. Moriarty, president, Robert J. Watt, secretary, Lowell, Mass.; Building Trades Council, Maurice J. Cassidy, secretary, St. Louis, Mo.; Shea Adamson Co., Chicago, Ill.; F. P. Smith Iron & Wire Works, Chicago, Ill.; H. A. Framburg & Co., Chicago, Ill.; Price Bros., Inc., Chicago, Ill.; L. H. Sohn & Co., Chicago, Ill.; Vermont Marble Co., Chicago, Ill.; Diebold Safe & Lock Co., Chicago, Ill.; N. P. Severin Co., F. Berton Rideman, New York, N.Y.; E. C. Judd Lumber Co., Chicago, Ill.; Strobel Steel Construction Co., Chicago, Ill.; Andres Stone & Marble Co., Chicago, Ill.; Thos. Moulding Floor Co., Chicago, Ill.; Gardner Vail, Inc., Chicago, Ill.; Indiana Limestone Corporation, Chicago, Ill.; Square D Co., Chicago, Ill.; Paul Miller Co., Chicago, Ill.; Henry Newgard Co., Chicago, Ill.; Chicago Pump Co., Chicago, Ill.; Spencer Turbine Co., Chicago, Ill.; Soutsos & Doherty Co., Chicago, Ill.; T. R. Coughlan Stone Co., Mankato, Minn.; Georgia Marble Co., Chicago, Ill.; Sager Metal Weatherstrip Agency, Chicago, Ill.; H. B. Dodge & Co., Chicago, Ill.; Katz & Lewis Plumbing Co., Chicago, Ill.; Truscon Steel Co., Chicago, Ill.; Crane Co., Chicago, Ill.; Northwestern Terra Cotta Co., Chicago, Ill.; Decorators Supply Co., Chicago, Ill.; M. J. Colleran, general president Operative Plasterers and Cement Finishers International Union, New York, N.Y.; J. A. Franklin, general president Boilermakers and Iron Ship Builders, International Brotherhood of Boilermakers, Iron Ship Builders, Welders, and Helpers of America, Kansas City, Kans.; P. J. Morrin, general president International Association of Bridge Structural and Ornamental Iron Workers, St. Louis, Mo.; J. M. Gaviak, Cleveland, Ohio; William McCarthy, Washington, D.C.; F. A. Fitzgerald, Washington, D.C.; Jose V. Moreschi, president International Hod Carriers Building and Common Laborers Union of America, Quincy, Mass.; William J. Bowen, president emeritus, George T. Thornton, president, Harry C. Bates, first vice-president, John J. Gleeson, secretary, Rochard J. Gray, treasurer, Bricklayers, Masons, and Plasterers International Union of America, Washington, D.C.; Jordan A. Pugh, district manager Common Brick Manufacturers Association of America, Washington, D.C.; L. P. Lindel, general president Brotherhood of Painters, Decorators, and Paperhangers of America, La Fayette, Ind.; Breen Stone & Marble Co., Kasota, Minn.; U. S. Gypsum Co., Chicago, Ill.; E. L. Bergland, president the Lamson Co., Inc., Syracuse, N.Y.

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. ELLZEY].

Mr. RAMSPECK. Mr. Chairman, I yield an additional 5 minutes to the gentleman from Mississippi [Mr. ELLZEY].

PRELIMINARY

Mr. ELLZEY of Mississippi. Mr. Chairman, this proposed legislation has two definite objectives, viz:

First. As a relief measure, it proposes to employ approximately 250,000 men, using unobligated balances of moneys heretofore appropriated for public-works program.

Second. It proposes to use those employed for a worthwhile and eventually a self-liquidating project, forestation, and in some cases reforestation.

THE PLAN

From a study of the bill now before us, and from advice from the administration, to carry out the provisions of this act a fourfold plan will be effective, viz:

First. Enlisting or enrollment of unemployed: The Department of Labor will assume the responsibility of enrolling the men. Various agencies will be asked to cooperate with this Department. The labor departments of the States, civic organizations, public-employment bureaus, and so forth, will gladly assist in this important work. The number of men employed in the several States will be prorated on a percentage basis, the quota for the individual State being determined by its proportion to the number of unemployed in the Nation.

Second. Assembling of unemployed: The War Department will assume the responsibility of assembling the men at the camps. Naturally the War Department will provide transportation and will establish self-sustaining camp units, such as kitchen equipment, and so forth. In addition, it will probably provide Army tents, clothing, bedding equipment, and so forth—all of which surplus equipment is now at the disposal of the War Department. After the War Department assembles the men to the respective camps in self-sustaining units its duties will cease immediately.

Third. Supervision of work at forest camps: The actual supervision and direction of the work will be under the Forest Service, Department of Agriculture. The Forest Service has a corps of foresters who are engaged at the present time in this phase of work. The administration advises that the Forestry Service has available a sufficient number of experienced men to direct this project.

Fourth. The President is given the following authority, viz:

(1) "To provide for employing 250,000 men, citizens of the United States, who are unemployed."

(2) The President is given the authority to construct, maintain, and carry on works of a public nature in connection with forestation of lands belonging to United States or to the several States which are suitable for timber production, and such other work on the public domain and Government reservations as he may determine.

(3) The President is further authorized to furnish those employed with housing accommodations, subsistence, cloth-

ing, medical attendance, and hospitalization and cash allowance.

(4) To carry out the provisions of this act, the President is authorized to enter contracts or arrangements with States, counties, municipalities, and other public bodies.

(5) He shall have authority to acquire real property by purchase, donation, condemnation, or otherwise.

(6) The President is authorized to direct unobligated moneys heretofore appropriated for public works, except for projects on which actual construction may be commenced within 90 days.

(7) The President is authorized to extend to those employed the benefits of Employees' Compensation Act as approved September 7, 1916.

FAVORABLE POINTS

First. This is a relief measure, recommended by the present administration. It has two motives, the first to help unemployed, 250,000 men, and secondly to foster a self-liquidating project—forestation.

Second. The program, as was outlined by the President at a joint meeting of the Committees on Labor of both Houses, is based on successful experience in similar projects of forestation. For instance, in the State of New York individual forestation projects were launched in 1911. Developed today, the returns from same are sufficient to pay the taxes of the entire forest reserve.

At a joint conference of Committees of Labor of both Houses attention was directed to the successful projects of forestation in Europe. I respectfully call your attention to some successful forest projects in Europe as listed below:

SOME SUCCESSFUL FOREST PROJECTS IN EUROPE

Germany

City of Villingen (Baden) owns forest of about 9,300 acres.

Net income has increased from $2.10 an acre in 1867–76 to $8.46 an acre in 1924–27.

Gross income was $3.60 per acre during the first period and $18.62 per acre during the last period; that is, expenditures also increased but were justified by increased income. (From Allgemeine Forst- und Jagd-Zeitung, January–February 1930.)

France

Twenty communes in Department of Doubs own from 460 to 2,100 acres of forest. Annual incomes from these range from $10 to $35 per acre, or from $14,000 to $28,000 for each commune.

Twenty communes in Department of Jura own forests of 800 to 7,400 acres, from which they receive incomes of $4,500 to $23,000, or $1 to $12 per acre (lower returns than in Doubs because more coppice, yielding mostly firewood). (Bull. du Comité des Forêts, December 1932.)

Communal forest of Pelussin (southeastern France): Area about 1,000 acres. Was denuded 80 years ago, then restocked with fir, pine, spruce, and larch. Forest reserve now yields net income of about 250,000 francs per year (about $10 per acre). A lot of money has been put into roads, public buildings, electrification, waterworks, and acquisition of new land; also helps with current budget of the commune. (Revue des Eaux et Forêts, January–February 1931.)

Sweden

George S. Perry, in Forestry in Sweden (1929) mentions Elvdalen and Orsa parish (or communist forests) and says: "The two parishes * * * are considered rich and escape all local taxation, due to the income from their forest properties. Moreover, substantial funds have been built up."

Forest belonging to Orson parish has returned over $5,000,000 revenue in last 30 years (1924). People of town are tax-free and have free street-car service, telephone, library, and schools. (From Report of New Hampshire Forestry Commission, 1924.)

Switzerland

City of Winterthur owns forest of about 3,000 acres, chiefly spruce, fir, and pine. Has been managed under definite working plan for over 100 years. Employs 25 to 45 men in the woods (in normal times). No data on revenues. (R. S. Hosmer in Lumber World Review, May 10, 1922.)

The Sihlwald, belonging to city of Zurich, owns about 2,600 acres, mostly beech. Has supplied timber and firewood to the city since 853 A.D., and has been owned by the city since 1524. Gives employment to about 150 men in woods and small mill. Has always (at least in recent decades) yielded good net income. (Figures not available.) (R. S. Hosmer, in Lumber World Review, May 10, 1922.)

Germany

Town of Forbach, in Black Forest of Baden, has about 1,900 people. Owns forest of 1,482 acres. Employs many in woods and in woodworking plants. The profits of the town forests pay all the communal taxes. A part of the forest is set aside as a reserve to meet costs of extraordinary expenditures for building schools, roads, or other public buildings, etc. (Quoted from statement by H. A. Reynolds, of Massachusetts Forestry Association, in report of New Hampshire Forestry Commission, 1924.)

In Germany there are no less than 1,500 town- and village-owned forests, all of which make for local prosperity, and 500 of which not only pay the local expenses but return the surplus as a bonus to the citizens. These forests supply fuel wood free, or nearly so, to the inhabitants. * * * These forests are a stable institution and a part of the very life of the German people, especially in small communities. (Quoted from Report of Forestry Commission, New Hampshire, 1924.)

Italy

I understand also that Italy is now considering a plan for the expenditure of $400,000,000 for projects of forestation, flood control, reclamation, and irrigation.

Third. It would not require the ordinary added cost of administration, because the Departments of Labor, War, and Agriculture are already prepared, to a very large extent, to carry out the provision. Much of the necessary equipment is already in the possession of the Army. The Forest Service has available a sufficient number of trained men to supervise the work.

Advice was further given that a working camp is now in operation in New York employing 1,400 men. In said camp subsistence is furnished, shelter provided, and men paid $3 per week. It is understood that organized labor is soldily behind this relief activity in New York.

Likewise there is a splendid reforestation project well underway at Bogaloosa, La. This project is giving to the Southland a renewed hope for the growth of longleaf yellow pine on cut-over lands.

SOME ARGUMENTS ADVANCED AGAINST THE MEASURE

First. Too much power given the President.

Answer: Similar powers given Woodrow Wilson. We are facing a similar crisis. Continuation might result in the loss of more lives and American institutions literally destroyed. Furthermore, if ever in the annals of American history any President showed the ability to assume this responsibility, because of his vision, his remarkable courage, a sympathetic spirit for the masses of our people, and his faith in Almighty God to guide us, that President is Franklin D. Roosevelt.

Second. Some Members from the New England States object because no Federal forest reservations are in that section. There are four definite answers, viz:

(a) President is authorized to enter contracts or agreements with States, counties, municipalities, or other public bodies. Therefore develop State forest reservations.

(b) President authorized to acquire real property by purchase, donation, condemnation, or otherwise. Therefore he could acquire lands.

(c) In case forestation projects impossible, the bill provides for other work as President may determine. I have sufficient faith to believe that this great Nation will always provide for the destitute in every State. For instance, last July Congress authorized the Reconstruction Finance Corporation to expend $300,000,000 for relief purposes. Of this amount, I am advised that approximately $40,000,000 has been allocated, but not disbursed. In the neighborhood of $60,000,000 has not been allocated and $192,195,371.94 has been disbursed, namely:

Statement of disbursements as of Mar. 25, 1933

Alabama	$2,315,836.00
Arizona	1,049,213.00
Arkansas	3,391,840.00
California	3,861,906.00
Colorado	2,763,290.00
Florida	2,947,498.00
Georgia	726,095.22
Hawaii	307,435.00
Idaho	799,856.00
Illinois	37,490,228.00
Indiana	2,374,068.00
Iowa	858,684.00
Kansas	2,180,418.00
Kentucky	3,215,578.00
Louisiana	6,176,920.00
Maine	46,467.00
Michigan	14,925,908.00
Minnesota	965,844.30
Mississippi	2,233,054.00
Missouri	2,326,267.42
Montana	1,609,710.00

Statement of disbursements as of Mar. 25, 1933—Continued

Nevada	$193,354.00
New Hampshire	1,120,488.00
New Mexico	237,068.00
New York	13,200,000.00
North Carolina	3,885,166.00
North Dakota	314,443.00
Ohio	11,968,663.50
Oklahoma	2,796,577.00
Oregon	1,425,524.00
Pennsylvania	29,123,768.00
Puerto Rico	360,000.00
Rhode Island	336,033.00
South Carolina	2,754,315.00
South Dakota	1,496,481.00
Tennessee	2,318,287.00
Texas	5,168,600.00
Utah	2,262,864.00
Virginia	3,124,888.00
Washington	2,782,525.00
West Virginia	6,126,685.00
Wisconsin	7,633,526.50
	192,195,371.94

Third. Rate of pay is objectionable to some. The original bill provided for subsistence, shelter, clothing, medical treatment, transportation, and $1 per day as pay. Remember that this is for unskilled workers. In my section you can secure any number of men—white men—who will be glad to receive same.

Fourth. Some have objected because unexpended balances for public buildings would be used for financing this proposed project. In answer, let me say that when the final page of this era is written one colossal blunder in Federal finances will be the extravagant and often unnecessary building program under the pretense of helping the unemployed. The administration stated that for a Federal post-office building, and I presume also for the Federal buildings in Washington, it requires $4,000 to give one man work for a year. Under this forestation project $4,000 would employ four men 1 year and a fifth man for a period of 6 months.

Therefore I sincerely urge this body to pass the bill. [Applause.]

Mr. RAMSPECK. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. COLLINS].

Mr. WELCH. Mr. Chairman, I yield an additional 5 minutes to the gentleman from Mississippi.

Mr. COLLINS of Mississippi. Mr. Chairman, we are all agreed that reforestation is something that should be done. Whether the method which has been presented to us by this measure is the proper way to accomplish the desired object is open to controversy.

I fear that the money that it contemplates will be available to accomplish the work will be wholly inadequate. If the Membership of the House will examine the CONGRESSIONAL RECORD of March 28, yesterday, page 916, you will find a letter from the Director of the Budget inserted there by Senator WALSH giving the sources of the moneys that will be used to carry out this work. These moneys, according to the letter, aggregate $148,996,005. The letter is as follows:

BUREAU OF THE BUDGET,
Washington, March 27, 1933.

Hon. DAVID I. WALSH,
United States Senate.

MY DEAR SENATOR WALSH: On March 24 the Bureau of the Budget sent to the several departments and independent establishments having charge of the principal construction activities of the Government a questionnaire calculated to develop definite information as to the amount of unexpended and unobligated balance of construction funds in these departments. It was necessary to afford the departments a little time to assemble the desired information.

Up to the present hour definite reply has been received from two divisions only, and these represent minor activities. We are expecting response from all other departments this afternoon, but I am apprehensive that some of them will be further delayed.

At the time of sending out the questionnaire we telephoned to each of the departments asking for an approximation of unexpended and unobligated construction balances. The figures given by telephone in response showed an aggregate of $600,842,461 unexpended, of which $148,966,005 was unobligated. The figures were, of course, tentative, and those which we expect to receive today in the written replies will be more or less tentative by reason of the fact that in many instances it will probably be necessary, after scrutiny and discussion of the included items, to reconcile divergent interpretations of "unobligated" funds. It is believed that the final aggregate will differ materially from the estimated aggregate obtained by telephone.

Trusting the information herein will serve your purposes until more accurate information shall have reached the Bureau, I remain,

Sincerely yours,

L. W. DOUGLAS, *Director.*

Tentative list of unobligated balances of appropriations for construction

	Unobligated
Agriculture:	
Forest Service	$1,200,000
Public roads	9,375,000
Commerce:	
Aeronautics	200,000
Coast and Geodetic Survey	300,000
Lighthouses	1,463,484
Interior:	
Indian Affairs	1,111,100
National Park Service	1,363,260
Reclamation	2,500,000
Treasury:	
Coast Guard	135,414
Supervising Architect	77,818,281
War:	
Flood control	28,250,000
Rivers and harbors	21,442,629
Quartermaster Corps	1,214,771
Air Corps—technical construction	578,332
Independent offices:	
Public Buildings and Public Parks	212,705
National Park and Planning Commission	36,906
Veterans' Administration	1,764,123
	148,996,005

MARCH 27, 1933.

I made a hurried investigation this morning of the unobligated funds available from War Department appropriations. Two items of these I call to your attention: Flood control, $28,250,000; and rivers and harbors, $21,442,629. The Engineer Corps of the War Department this morning advised me that these figures were erroneous; that the district engineer officers have been contacted by wire, and the figure $28,250,000 for flood control should be $16,219,609; and for rivers and harbors $11,759,571 instead of $21,442,629. So, if the other figures of the Director of the Budget submitted to Senator WALSH yesterday are erroneous in other respects as those of the War Department, and they probably are, then the figure of $148,996,005 available for reforestation will dwindle into perhaps about half that amount. Therefore, instead of caring for an estimated 250,000 people it is apparent that this bill will provide employment to less than 75,000.

The public has the idea that each of those employed will be paid $1 per day and that covers the entire cost of each worker employed. I tell you that we can pay labor as much as $3.50 a day and save money rather than adopt the plan that has been submitted to us here today. [Applause.] I am certain that the President upon investigation must see that the proposal submitted here is a more costly way of doing a very desirable job.

All of us want to help in this emergency. Workers need jobs and should have them. The President's reforestation program is a good one. It should be carried out so as to provide workers with the largest measure of relief possible. Does this bill do that? Will the money provided for expenditure reach the maximum number sought to be relieved? In other words, is this a costly way of doing a good job?

If we can pay workers $2 or $3 or as much as $3.50 per day and keep them at home in reforestation work and furnish employment to a larger number of workers, why not do it? That is the main object of this bill.

I am advised that a maximum wage of $3.50 per day can be paid in this work and at the same time employ more persons with the same money than could be done under this bill.

It is proposed to congregate these workers in camps, to transport them to the camps, to feed and house them in camps, to hospitalize them, and otherwise care for them there.

Let us examine the cost.

1,000 men in camps with payment of $1 per day for 365 days in the year

Maintenance:	
Pay	$365,000
Food—basis 35 cents per man per calendar day	127,750
Clothing [1]	54,000
Bedding (2 blankets, 2 pillowcases, 3 sheets) per man	5,050
Fuel (wood to be cut by men)	5,000
Water	6,000
Cleaning gear and miscellaneous supplies	3,000
Maintenance of buildings, 1.4 percent per annum	1,000
Maintenance and replacement of equipment and services	9,000
	575,800
Camp construction and equipment:	
25 barracks	32,950
8 kitchens and mess halls	12,568
5 toilet and lavatory buildings, including equipment	17,500
1 building, infirmary	2,450
2 buildings (offices and supply)	2,826
Water-supply system	15,000
Sewage system	20,000
Cots, mattresses, pillows, and mattress covers	9,810
Mess equipment and lanterns	2,520
Kitchen equipment	2,869
Labor in construction of camp and services, at $2.19, requires 7,000 man-days	15,330
	133,823
Transportation to and from camps	50,000
Medicines and medical attendance	73,000
	832,623

This is $832.62 for each of the 1,000 men for 1 year, or $2.66 per man per working day—313.

The figure of $2.66 per day is simply the total cost of the construction and operation of the camp of 1,000 men, including the pay and subsistence of the men divided by 313 working days. All of these men will not, of course, be available for productive labor. It is estimated that 15 percent of the men, or a total of 150 out of a thousand, will be required for cooks, camp police, wood details, or will be sick. Furthermore, the construction of the camp itself will require about 7,000 man-days, which is equivalent to about 25 men throughout the year. Out of 1,000 men, therefore, but 825 would be available for productive labor. This is equivalent to $3.22 per man for each of the 313 working days.

That these men are available for productive labor does not mean that during a year they will each be employed 313 days on productive work. An allowance must be made for inclement weather and for loss of time between jobs. Assuming that this would result in a further reduction of 15 percent of the productive man-days available, the resulting cost per man per day employed on useful work would be about $3.78.

Mr. ELLZEY of Mississippi. Will the gentleman yield?

Mr. COLLINS of Mississippi. I cannot yield. I do not have the time.

There is no sense in becoming hysterical about methods. I take it, all of us wish to arrive at the same objective. Are we doing it? In the first place, we find that this measure cannot provide employment to nearly so many men as has heretofore been estimated—probably 75,000 men. In the second place, we are setting up a very costly system—one that will cost more than for us to go out into communities over the United States where reforestation is to be done, and employ men, and employ them at a wage of $1 a day, or in excess of that amount, and keep those men at home; keep them with their families and around their own firesides, and not congregate them in the camps throughout the country. The home is the place where we should keep our men and our boys and not at camps. [Applause.]

I know something of the problem. Several forward-thinking lumber concerns in my State are replanting their cut-over lands. I am enthusiastic over the fine record of our President. I was a Roosevelt supporter prior to his nomination. I worked for his nomination. I want to see him lead stricken men and women back to employment and to happiness. I am certain this is his aim. This, too, is our aim, and to accomplish it will take the combined judgment of both Executive and legislators. There is work for all. We therefore should not refuse to think, but instead should exert ourselves in meeting our daily work as thinking men and upstanding legislators. After all, it is not the President's problem, but the problem of all. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. COLLINS] has expired.

Mr. HARTLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Maine [Mr. BEEDY].

Mr. BEEDY. Mr. Chairman, I can readily understand how there is much in the present situation to justify the Chief Executive in asking Congress for abnormal grants of power. There is much of merit in some of the requests of the present Chief Executive for abnormal power at the hands of this Congress. I voted gladly to give to our President that power which gentlemen on the Democratic side of the aisle refused to give to our former President, namely, power to reorganize the departments of the Government. I gladly voted the President that power because it is a 1-man job, and I apprehend that he has a wonderful opportunity to render great service to the country under the exercise of the power thus granted. I voted gladly to give the President the power he asked for under the terms of the bill approved March 20, instant, and entitled "A bill to maintain the credit of the United States." There, too, the President has a wonderful opportunity for constructive service, but I am coming to the point where I think I shall reserve to myself the right to think upon some of these requested grants of power before instead of after voting for them.

I may say to the House, for I believe it to be the truth, that, whether we realize it or not, there is much of the situation in this country which resembles the situation in Germany today. Much that is transpiring in this country today presents, to my mind, an exact parallel to the events transpiring in Germany. But there is this difference: In that country the splendid resistance of the Germanic people to the attempt of one man to assume unjustifiable power testifies to their strength of purpose and to their intelligent conception of a limited executive power in a free government. We, on the contrary, are all too ready to become a party to abject surrender of legislative power and prostrate the legislative branch of our Government to every request, wise or unwise, which is made by our Chief Executive; this because of our unthinking desire to do something to help in the present situation. Mr. Chairman, we owe ourselves and the Nation a higher duty. We must stop this hurried, hysterial granting of power to the Chief Executive; and I adjure the Members of this House to approach a vote upon this bill—I do not attempt to say how I think they should vote—very thoughtfully. If you value the inherent niceties of our system of government, if you believe this system valued principally for a nicely adjusted system of checks and balances to guard against unjustifiable exercise of power by the Executive as against the legislative, and vice versa, then I beseech you to approach this bill very thoughtfully, for much depends upon the action of the moment as regards the future.

In the first place, I may call attention to the fact that aside from the situation which is again unfortunately repeated here, namely, legislating without having before us the legislation we are called upon to enact, we understand little of what we are doing.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. Yes.

[1] Clothing per man:

1 hat	$1.26
1 woolen suit	12.00
5 suits dungarees	9.90
6 suits underwear	3.00
12 pairs socks	.72
3 pairs shoes	7.74
4 cotton shirts	5.00
1 overcoat	14.38
	54.00

Mr. CONNERY. Copies of the bill are now available at the desk. The bill has been printed and is here before us.

Mr. BEEDY. Now that a printed copy of the complete bill is available, I should be pleased to read it, but I shall be obliged to defer my reading until I have completed my remarks.

Mr. CONNERY. If the gentleman will yield further, I wish to make this clear to the gentleman from Maine as well as to the Members of the House: Senator ROBINSON of Indiana said on yesterday:

> I listened to the explanation submitted by the eminent Senator from Massachusetts [Mr. WALSH]. I understand that to some degree at least in phraseology the language is now less unsatisfactory to the interests of American labor, but at the same time the bill gives the President the identical power which the original would have granted him. Indeed, it gives him much greater power. Instead of a dollar a day, if he desires to do so, he can employ men at 50 cents a day or he can employ them at $10 a day. The press informs us the President proposes to do just exactly what he would have done had we passed the bill in the original form in which it came here, namely, regiment labor in camps and pay a wage scale of a dollar a day. That is not denied by anybody here. It is not denied by the President. The press of the country carries a story to that effect, and I presume it is true.

Mr. BEEDY. Mr. Chairman, since the gentleman has mentioned this particular subject, let me say at this point that it is clear if we are to come out of the slough in which we now find ourselves, one of two things must happen. Either we must resuscitate the shrunken fortunes of men of property throughout the United States by inflating prices or we must lower the price of labor; in other words, deflate labor costs. Apparently the President of the United States has lost hope of any general rise in prices as the result of any legislation he has thus far recommended. Under the bill authorizing the issuance of $2,000,000,000 of new currency—an inflationary measure—up to last week only $7,000,000 of this currency had been issued, which proves what has been said again and again that there is no demand for more currency. The trouble is there are not the values upon which more currency can be issued. For this reason no increase in prices attended the passage of the act of March 9 entitled "An act to provide relief in the existing national emergency in banking and for other purposes." Evidently the President has now decided to attack the existing problem from another angle and by the exercise of a power such as no President ever had before he proposes to deflate labor costs.

Let us turn to some of the details of the pending bill. I direct the attention of the House to section 4. This bill, you understand, is an appropriation bill. Its consideration might have been objected to at the outset for this very reason. Read section 4:

> For the purpose of carrying out the provisions of this act there is hereby authorized to be expended under the direction of the President out of any unobligated moneys heretofore appropriated for public works—

And so forth.

In other words, when you pass this bill you say that, notwithstanding the fact that Congress in the exercise of its power has appropriated moneys for specific projects hitherto authorized, the President is authorized to expend or reappropriate them in pursuance of no purpose of the legislative branch of Government but, purely within the exercise of his discretion, upon any project in the country that appeals to him. How far-reaching such a proposal is, nobody knows. What are its limitations?

[Here the gavel fell.]

Mr. BEEDY. Will the gentleman yield me additional time?

Mr. HARTLEY. Mr. Chairman, I yield the gentleman from Maine 10 additional minutes.

Mr. BEEDY. I say, nobody knows the limits involved in the details of this bill. Its sponsors tell us that it does not appropriate any money right now; that this money, whose expenditure is authorized, has already been appropriated for public works, but that for the moment it is still in the Treasury and not actually committed by contract obligations to the precise purposes for which it was appropriated.

Therefore we are asked for the time being to waive our rights in and to numberless public-works projects and turn over appropriated moneys, which might otherwise be utilized for public works which have already been considered by the Congress, to the President of the United States. We are asked to permit the President to expend this money in his own discretion for—

> Carrying on of works of a public nature in connection with the forestation of lands which are suitable for timber production, the prevention of forest fires, floods and soil erosion, plant pest and disease control, the construction, maintenance, or repair of paths, trails, and fire lanes in the national parks and national forests, and such other work on the public domain and Government reservations as the President may determine to be desirable.

I repeat that no man living knows what projects this bill is designed to authorize or what the ultimate expenditures involved may amount to.

We are told that whatever money is expended from appropriations already made for other projects will be cared for by appropriations at some future time. But let no man be assured of any such result. The pending bill goes no further than this. I quote:

> And an amount equal to the amount so expended *is hereby authorized to be appropriated* for the same purposes for which such moneys were originally appropriated.

It is a far cry from an *authority to appropriate* to the *actual appropriation itself*. When "the powers that be" are through juggling with public-works allocations some sections of the country may be enabled to carry out projects already authorized, and they may not. Appropriations for some projects already authorized may never again develop. But, be that as it may, the burden of reestablishing such projects as a result of this bill is thrown back upon the Congress.

The projects which we have once passed upon we must pass upon again. They must once more be recommended by the Budget. They must again be passed upon by the proper subcommittees of the Committee on Appropriations. Work already done by the Congress must be done all over again, for the passing of this bill will destroy instantly the result of weeks of patient labor before committees and on the floor of this House. All this involves wasted time, repeated effort, and useless expenditure of money. For after all, it does cost the people of the country money to run the Congress of the United States. If the Congress, by such legislation as this, is to be compelled to do its work over a second time to get a single result, then it will cost the country much more to maintain it in the future than it has in the past.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. BEEDY. I wish the gentleman would excuse me. I find that when I yield my time gets away from me and I accomplish nothing. I shall try to yield when I have concluded my remarks if I have any time left.

I want to call your attention to the fact that we do not know how much money is going to be spent by the President under the terms of this bill. The gentleman from Mississippi [Mr. COLLINS] made this quite clear in what he has just stated.

Take, for example, the statement—tentative, it is true—of the Director of the Budget, printed in this morning's RECORD. Under the item affecting the Supervising Architect's Office he tells you there is $77,000,000 now unobligated in this office. This alleged amount of money is there, I believe, in pursuance of appropriations made under the Wagner Relief Act of July 21 last. Another authority states there is $69,000,000 at the disposal of the Supervising Architect's Office, which is as yet unobligated. Which statement is correct? Neither. Both are wrong. This morning I get from the Supervising Architect's Office the statement that of the $100,000,000 appropriated under the relief act of July 21 last there is unobligated and at the disposal of the Supervising Architect's Office at this moment $93,000,000.

I suppose that when we are considering this extraordinary grant of power to the President whereby he would be authorized to spend more than $100,000,000 solely on projects

that appeal to him, that the question of 15 millions more or less which might be at his disposal for this purpose is an inconsequential item. So long as we are to authorize the President to spend money on whatever projects are pleasing to him, neither the amount involved nor the express will of Congress, which has already selected certain public-works projects and done its part to speed them on their way through timely appropriations for the purpose of meeting the unemployment situation, is of the slightest consequence.

But the proponents of this bill would have us look upon it without criticism because it is a relief bill. They would have us believe that the millions already appropriated by the Congress to be expended on public works as a relief measure would work no desirable results. Only let the President of the United States expend those same millions, and for the time being ignore the will of the Congress, and then we shall indeed have relief from unemployment. So this is an emergency-relief measure! It will greatly mitigate the evils growing out of unemployment.

Let us see just what relief it will bring to the unemployed. There are said to be 48,000,000 laborers in the country, of whom about 15,000,000, in round numbers, are unemployed. In other words, about 1 out of every 3 is unemployed. The pending bill—disregarding for the moment the thousands who are today being thrown out of employment through the autocratic suspension of our public-works program as planned—is designed to give employment to 250,000 people. In other words, 17 men out of every thousand unemployed would be afforded relief. Just what would this mean to the average town of 5,000 population? Such a town would have, in round numbers, 1,200 families, the heads of which would be considered as laborers. But 1 in every 3 being unemployed, would mean that the average town of 5,000 people has 400 unemployed. To such a town this bill would give employment to seven men. On the face of it, this bill is but a gesture made to relieve the unemployed. And mark you, these seven men who would be relieved in a town of 5,000 population would be taken from their homes, given transportation across the country, dumped into an army camp, given a place to sleep, subsistence, and an "allowance", as the bill terms it; but the truth is that it would be a day's wage of $1.

So that this bill merely scratches the surface of the unemployment situation. In doing so it establishes a bad precedent in American wage standards and it subjects the Government to an expenditure of money which cannot be computed. Nobody knows how many hundreds of thousands of dollars will be needlessly expended in taking unemployed laborers from their local environment and transporting them across the country to some flood-control or forestation project which the President's advisers have persuaded him to adopt.

Under section 3 of the bill the Federal Employees' Compensation Act is to be extended over the 250,000 who are to be given employment. And so every one of these 250,000 who are injured while in the performance of their duties may make their claims against the Federal Government for disability compensation. Payments on this item alone may run on for years and total staggering sums.

Again, under section 1 of the bill, the 250,000 to be relieved are to be furnished with medical attendance and hospitalization. Mind you, these men are to be employed in work which is extremely hazardous, and while living in temporary camps they are subjected to the same hazards of epidemic and disease as are common in army camps in the time of war. World War statistics show that 1 man out of every 20 in the Army was laid up in the hospital daily. If this percentage holds true under the regimentation of these 250,000 unemployed, we shall have 12,500 of them daily in hospitals. It is impossible to hospitalize men for less than $3.50 per day. So that if we may judge by past experience, a daily hospitalization expense of $37,500 will be incurred under the terms of this bill.

You may vote for this bill if you desire, but it is an unwise measure. It will prove to be uneconomic in its operation. It establishes a bad Government precedent. It leads the masses to believe that it is their Government's duty to put them on the pay roll. This idea, carried to its extreme, approximates the doctrine of communism. It is the belief of the Communist that government should step into the shoes of private business and take over the pay rolls of a nation. It is the doctrine of the Communist that government must take care of the sick. It is the doctrine of the Communist that government must insure its workers. I am not yet ready to subscribe to any such doctrine. I am not yet ready to encourage any such theories of government. I am not yet ready by my vote to load this Government down with expenses which can be met only by draining the people of their resources through extreme taxation.

If the expense of running this Government recently attained four billions in carrying out the normal functions of government, what may we not expect in the way of Government expense if we are to launch ourselves upon any such radical experiments and endorse any such extreme departures from sound practice? If the people are already protesting at the high cost of government, what may we not expect in the way of protests when we attempt to broaden the field of public expenditures upon the claim that good government demands them?

And speaking of radical departures in government, just what has happened to our public-works program even before this bill was ever written? Notwithstanding that the representatives of the people, the law-making body of this representative Government, appropriated millions for public works in relief of unemployment, nevertheless within a few hours after the President's inauguration on March 4 orders were received at the Treasury Department to stop the award of all public-works contracts; to do nothing further in the way of obligating funds to carry out the will of the legislative branch of the Government as solemnly written into law.

I undertake to say that when that order was issued it was issued without authority. The gentleman from Alabama [Mr. OLIVER], in a private conversation this afternoon, called my attention to the fact that when a recent Congress had appropriated money for the building of destroyers the then President of the United States held up the building of those destroyers. I questioned that President's authority then, and I believe now that he acted beyond the scope of his authority. I now assert that when the order was issued by the executive department to halt the public-works program of the Congress; there was no power to justify it. No man in the executive department of this Government had any more right to hold up the award of public-works contracts on the 4th or 6th of March than I myself now have to close the doors of the English Parliament and forbid further legislative action by that body in behalf of the English people. Yet here we sit raising no word of opposition to such an exercise of autocratic power. We doubtless console ourselves with the thought that we are doing our duty by our President and our country.

This high-handed action is sought to be mollified by a provision in the pending bill which permits awards of contracts for public works "on which actual construction may be commenced within 90 days." But, mark you, on all projects the actual construction of which cannot be commenced short of 91 days all award of contracts is forbidden. No consideration is given the fact that many thousands of dollars have already been paid to private architects to develop plans for extensive projects; no consideration is given the fact that tens of thousands of dollars have been expended by private concerns in preparing bids on specifications already formulated. Only one thought moves the authors of this pending scheme, namely, to stop the entire public-works program of the Congress for the benefit of countless thousands and launch a new public-works program of the President for the benefit of 250,000 unemployed.

It should be remembered that when the public-works program of the Congress is halted not only is the labor of construction companies to be deprived of employment but additional thousands are to be added to the unemployed through the stoppage of orders for fabricated materials in

all the many industries allied with that of construction proper.

All such loss which is inherent in this pending proposal is irreparable. Both industry and construction are seriously impeded, and the resulting unemployment of skilled workmen will never be compensated for by the regimentation of unskilled, unclassified, and unknown from the army of unemployed to the number of 250,000. For my part I will have nothing to do with any such gigantic legislative mistake.

Mr. MARSHALL and Mr. McKEOWN rose.

Mr. BEEDY. If I yield to the gentleman, then I am obligated to yield first to the gentleman from Alabama. The House has been generous to me, and I owe it first to yield to the gentleman from Alabama.

Mr. HILL of Alabama. The gentleman has covered what I had in mind.

Mr. BEEDY. And I find that to be the case generally. If a Member is permitted to proceed without interruption, many questions will in due course be answered which other Members were at first prompted to ask.

I ask the Chair to give me a warning when I am within 3 minutes of the limitation of my time.

The CHAIRMAN (Mr. WEARIN). The gentleman has 1 minute remaining.

Mr. BEEDY. Then I shall ask to be yielded 5 more minutes, in order that I may yield to the gentleman from Ohio [Mr. MARSHALL].

Mr. WELCH. Mr. Chairman, I yield 5 additional minutes to the gentleman from Maine.

Mr. MARSHALL. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. MARSHALL. Perhaps the gentleman has covered this, but I want to ask him a specific question. In my district—Springfield, Ohio—a new Federal building has been authorized and it has been delayed for months. Recently the contractors have appeared and the subcontractors have come in, and there is every indication that they may build the building this spring. Will this enactment here, in the gentleman's opinion, and I want it from him, because he has studied the matter, in anyway interfere with that program?

Mr. BEEDY. I cannot determine that, but if the project is one that can be started within 90 days, the gentleman may rest assured it will be consummated. Wherever contracts have already been let, the pending bill is in no way operative.

Mr. BYRNS. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. BYRNS. I want to call to the attention of Members that Congress has already given the President authority which he now has to do this thing. This does not confer any additional authority on the President to stop construction or cut off appropriations.

Mr. BEEDY. I would like to have the gentleman point out where we ever gave the President of the United States authority to stop the construction of public works.

Mr. BYRNS. In the Economy Act, by amendments of the Senate, and in the Post Office appropriation bill.

Mr. BEEDY. This year?

Mr. BYRNS. Yes.

Mr. BEEDY. And I venture to say that there are not six men in the House who knew that they were giving him that power and authority. It is certain, however, that he had no such power when he stopped the public-works program 3 weeks ago.

Mr. BYRNS. The President in issuing the order appointing his survey of the moneys in the Treasury available for construction, excepted contracts that had been entered into.

Mr. BEEDY. I know that, and I have just called the attention of the House to it.

I can well understand how the gentleman from Tennessee can consistently support this bill. He himself is on record as saying he does not think it is necessary to balance the Government's Budget. Some of us think that the balancing of the Government's Budget is highly necessary. If you gentlemen of the opposition do not care to balance it, you should proceed to pass the pending bill, which ultimately will call for an additional appropriation of at least $146,000,000. I am of the opinion that before we are through with it, it will call for more. But this bill, I understand, is but preliminary to another construction relief bill which the President desires the country to pass and which will call for an additional appropriation of $500,000,000.

If it is the purpose of the present administration to demonstrate its inconsistency by pursuing a highly inconsistent legislative policy, it has certainly made a good start. Notwithstanding the extravagant statement of the gentleman from Tennessee made in a prior Congress that it was not necessary to balance the Budget, it is nevertheless true that others high in the councils of his party have insisted that the Government's Budget must be balanced at the present session of Congress. Indeed, this has been one of the outstanding tenets of the present administration.

The act of March 20, 1933, was called for by the President for the express purpose of maintaining "the credit of the United States Government." But the Government's credit can never be maintained without a balanced Budget. And if you are to demand unprecedented legislation calling first for a hundred and forty-six millions of additional appropriations, to be followed by another unprecedented piece of legislation calling for an additional appropriation of $500,000,000. And if both these legislative proposals are typical of legislation to be demanded by the President and endorsed by the party in power, then we may as well abandon all hope of balancing the National Budget and maintaining the "credit of the United States Government."

If we had ample millions for expenditure in the way of forestation, flood control, irrigation projects, and what not, all of which in and of themselves might be highly desirable, that would be one thing. But where our daily expenditures are exceeding our daily receipts by hundreds of millions, I cannot bring myself to swallow the alluring bait of proposed forestation projects in New England at the cost of unsound legislative precedent and an inevitable contribution to further unbalancing the National Budget. I am not yet ready to surrender the legislative policy and the legislative power of this Government to any man in the White House. I still believe that this Congress should retain some power in itself to cope with and solve present-day depression problems. [Applause.]

Mr. RAMSPECK. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN. Mr. Chairman and members of the Committee, I was one of the members of the Labor Committee who had the honor and privilege of calling upon our good President. For about one hour and a half we discussed the merits and demerits of the reforestation bill, which was introduced, I believe, by the gentleman from Tennessee [Mr. BYRNS]. I recollect that Mr. CONNERY, the Chairman of the House Labor Committee, asked the President whether he would agree to have the 5-day week and the 6-hour day clause inserted in the bill. The President disagreed.

I am convinced, beyond any doubt, our President is sincere when he makes an effort to have laws enacted which will alleviate the suffering of the citizens of our country; and I also have not any doubt that every Member of the House wants to do something to extricate the people from the rut into which they have fallen.

While I was campaigning for the office of Congress I did not hesitate to impress upon the minds of the citizens that if I were elected I would do all in my power to bring about a condition whereby every man and woman who was able to work would obtain a job at a living wage. I also stated I would not support any measure reducing soldiers' compensation. If I were to vote for this bill in its present form, the people of the district I represent would be justified in calling me a personified liar.

I maintain the bill which is now before the House, if enacted into law, will not solve the unemployment problem even if it does give work to 250,000 men at $1 a day.

In my opinion, one of the reasons why India, China, Japan, Turkey, and other countries throughout the world

are not developed like those countries having a higher standard of wages is that men and women are compelled to work for inadequate wages. I do not want to be misunderstood when I give the names of countries having a low standard of wages. I believe every country should do its utmost to promote the welfare of its citizens. Therefore I do not hesitate to say, regardless of a man's nationality, race, color, or creed, he is entitled to a just compensation for services rendered, no matter what kind of work he or she is required to do. A just compensation, in my opinion, means not an existing wage but a living wage. All of us belong to the human family and we should do all in our power to alleviate the suffering of the human race.

I firmly believe reforestation is absolutely essential, because many millions of acres of good forest land have been destroyed by fire. Floods have caused inestimable damage, and reforestation would undoubtedly prevent floods. I believe in the draining of swamps, the construction of reservoirs and canals, and the extermination of insects which are a detriment.

I believe a million men could be employed continuously in our forests and that it would be a profitable proposition to our Government. No man has been able to estimate the damage done by forest fires or floods. We speak in terms of millions of dollars being lost because of forest fires and floods, but in reality it amounts to billions.

In conclusion I want to say I disapprove of the bill because of its low wages and its military aspect. I will support the bill if it can be amended to stipulate an adequate wage, 5 days a week, and no more than 8 hours a day; and also take from it its military aspect.

The American Federation of Labor likewise disapproved of the passage of this bill.

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, this is another deflationary measure. I am in favor of every measure which will relieve unemployment, but this measure will not relieve unemployment. It provides for further extending the Government indebtedness, because if we did not spend the money on this we would not spend it at all, and the money that we have to borrow from the people of the country must come through the selling of bonds, and that money must come out of the banks. The money that we spend on this will be frozen up in a nonliquidating project. The result of the whole thing is a further contraction of credit on the part of the banks and a further liquidation in the prices of labor and commodities. As a result, it means less employment than we had before.

This bill will cost a lot of money to operate for every man that it puts to work. We hear it said, though it is hard to put your finger on the exact situation, that it is going to cost $500,000,000 and that the bill is going to put 250,000 men to work. That is $2,000 per man. Then they are going to pay these men $1 a day. The rest of the money is going somewhere—into organization, into material—and it is going to cost about six times as much as it would to feed a whole family to put one man to work.

The way to work out of this situation is to stop spending money which requires bond issues and give industry and mining and farming and business generally a chance to work out of this picture. We have not given them a single chance without a lot of deflationary tactics since 1929. Let us begin now, because when we do recover we are going to recover because we put things on a sound basis. Let us stop doing the things that prolong the depression and begin to do such things as we did when we started in on this session of Congress—that is, balance the Budget and put the country in the black and out of the red; put it where it can and has a decent chance to recover. The farther we go into this sort of thing, the farther we go with this sort of spreading out, the worse the country will get. Why should we not stop this sort of thing and begin to give business and industry a chance to recover? [Applause.]

In order to understand how this bill would work, one must have an understanding of economic principles. In ordinary times a certain amount of capital can be tied up by the Government, when its Budget is balanced, in unnecessary and nonproductive public works without serious damage, but when the Budget is unbalanced and that money must come not from the regular income of the Government but the sale of securities, and every time you sell a million dollars' worth of bonds the result is that you take that much capital out of the channels of trade and industry and away from the credit channels of the banks which are available, and thereby you slow up and make more difficult dealings in commodities, agriculture, and otherwise, and the operation of farms, factories, mines, and railroads.

You do more damage to the employment situation by such operations than you do good. This bill is another deflationary operation. It will further increase unemployment beyond the numbers who will be put to work by this bill, and it will further reduce commodity prices and the prices of securities and make credit conditions more distressing.

In order to understand fully the picture, we must go back to the economic history of the last 10 or 12 years.

From 1919 to 1929 there was practically a steady drop in the price of most agricultural commodities. This was undoubtedly a more severe drop than the drop in general commodities. The profits in agriculture over this period were comparatively small, but likewise the profits in other business were comparatively small as a general rule. It was a period when the profits of the speculator and of the chain organizations and that sort of thing ran into the big figures. Speculation in stocks, bonds, and all sorts of securities, legitimate and otherwise, ran wild to such an extent that there had to be a collapse to stop it.

The situation was further aggravated by large loans and large freezing of capital to foreign countries. The stock market loans probably totaled $25,000,000,000 or $30,000,000,000, although the call loans in New York were only $8,500,000,000. The loans to foreign countries which were all diverted to frozen enterprises probably ran over $10,000,000,000. Our stock-market loans have been reduced to probably one third of the total of 1929, but in the meantime an indebtedness has been created on the part of the railroads, utilities, the Federal Government, State and municipal governments of all descriptions, probably running into larger figures.

A change in our monetary system could not possibly have avoided the collapse. At the time the break came there had piled up a terrific load of debt, personal, corporation, municipal, county, and State, and this contributed to the break. In 1929, after the break, instead of allowing the liquidation of labor and commodities to go on in a natural way, there was an agitation for the keeping up of wages and an agitation for a tremendous expansion of governmental works of all descriptions to provide employment, and there was an agitation for the same type of expansion by industry, by utilities, and by railroads. This resulted in the piling up of a tremendous debt, public, private, and corporation.

If this unsound method of treating with the break had not been applied, it is the opinion of many of us that the situation would have taken care of itself, prices would have stabilized, and a gradual improvement would have been in progress long before this.

Then we passed the bill for 50 percent payment of the bonus, another deflationary measure.

The price of farm commodities unquestionably was deflated further than they would have been had not the stabilization division of the Federal Farm Board been in operation.

Things went along until July 1930 with rather a little improvement in some markets. After July 1930 there was a steady decline in commodity prices and security prices, due to the terrific load of debt which was piled up against all corporations, both public and private, and a tremendous number of individuals. This resulted in an avalanche of bank failures beginning in the early fall of 1931, and resulted first in the National Credit Corporation being organized by the banks and then in the creation of the Reconstruction

Finance Corporation. Down to this point no change in the currency could possibly have combated the deflationary tendencies or the debts which we were piling up.

The Reconstruction Finance Corporation got under way, and in February 1932 the bank failures were reduced as low as one a week. Following that began the agitation for the bonus and other measures, including the Garner pork-barrel bill, the so-called Wagner relief bill, and other measures, which would cause greater deflation. This resulted in a practically complete collapse of the commodity and security market in April, May, and June of 1932. There were other contributing causes, but these were the main ones.

Things went along with some improvement after the adjournment of Congress in the middle of July with the assurance that there would be no foolish legislation passed until December at least.

Then about December 1932 there began the agitation for inflation—some of it inflation along the line of revaluating the gold ounce; some of it along the line of currency issue—and it began to make an impression on the people, and had the effect which everyone knows would result from the discussion which would necessarily have to be given publicity in the House and Senate to such measures. That is, it dried up all channels of credit, caused a demand for gold, and made the banks feel afraid to help their weaker sisters, and brought about the general closing of the banks and the suspension of specie payments of gold.

Then what happened? Congress met and passed the Emergency Banking Act, and confidence began to be restored. The economy bill was then passed and signed and a beer bill was also passed and signed, which will unquestionably raise some revenue.

Commodity prices began to go up. Security prices began to go up. Then we have thrown on the horizon the President's farm bill which has further deflationary powers; that is, the chances are 8 out of 10 that it will reduce the net return which the farmer will receive for his commodities.

Next, the President's unemployment relief bill is projected on the scene. This cannot possibly relieve the unemployment situation but will cause a further deflation of prices. It will cost a lot of money, freeze a lot of capital, and take just so much more out of the channels of industry which is needed to keep things turning and supply credit for the people's business.

This is also a deflationary measure, designed to reduce prices and further destroy business and farming. The result is another drop in the prices of commodities and securities.

We have not tried once to stick to sound measures which under normal circumstances have always resulted in a price rise. Is it not time that we tried the old-fashioned way of balancing the Budget and stop experimenting with legislation on a vast scale which prevents the things which we most desire? If we had tried the sound way and it had failed, I would be willing to experiment. Not having tried the sound way and it not having failed, I believe it is entitled to the first choice.

We have had such a terrific drop in commodity and security prices due to the unsound measures which we have continuously tried since this depression started. Having this in mind and the prices having dropped to much farther than they have in other times, it is only reasonable to assume that, given a chance to rise, they would rise farther. Why should we continue to try to keep them down?

Frankly, I think we must have reductions in taxes locally.

I think we must provide some means, temporarily at least, of taking care of the farm-mortgage situation and perhaps the city-mortgage situation. Whether it can be worked out through extensions on existing mortgages to be carried by the present owners or whether it must be through governmental operation, I am not far enough along in my study to say definitely.

There must unquestionably be a reduction of railroad rates and railroad debts.

There are undoubtedly many other things that must be done, but wild inflation must result disastrously.

Uncontrolled deflation has resulted disastrously.

This bill provides more deflation and more unemployment and no relief.

Is it not time to stop deflationary tactics and give prices and employment a chance to come back? That is the way this country and all other countries are going to recover ultimately. Why not start now?

Mr. RAMSPECK. Mr. Chairman, I yield 5 minutes to the gentlewoman from New Jersey [Mrs. NORTON].

Mrs. NORTON. Mr. Chairman, no Member in this House holds more respect and affection for the Chairman of our Committee on Labor than I do. I have worked with him since I came to Congress. I consider that BILL CONNERY is one of the finest Members in this House. [Applause.] Nevertheless, I regret that I cannot agree with him regarding this bill.

I represent the same kind of people he represents, and I have sufficient knowledge of and confidence in their patriotism to believe that in an emergency such as this they would expect me to vote for the bill, believing that through its provisions we would sustain the American spirit of independence.

No man is compelled to accept this work. He volunteers for service. The bill is merely a constructive substitute for what we are obliged to do today—give relief money to unemployed men—with the difference that now they are considered in the class of paupers, which title every self-respecting man or woman resents, and this bill will provide them with work and self-respect.

It is absurd to say that this bill would establish a rate of pay for labor. It has nothing to do with a rate of wage. It is a relief measure, pure and simple. It provides food, clothing, medical care, and a camp for men who have been without all these things, and a nominal wage instead of the dole they now are receiving. They should return from these camps better men, physically and mentally. I heartily support this relief measure, and I refuse to accept it as a labor measure. It is clearly an appropriation for relief, and should not be labeled a labor bill. In my opinion it does not belong in our committee at all.

No Member of this House has a greater sympathy with labor than I. I consider myself as of the laboring class, and feel proud of the label, but I say to you I feel sure that the great army of the unemployed, for whom labor has not been able to do very much in this depression, will welcome this grant of power to the President of the United States to do something for the 12,000,000 Americans who cannot even earn a dollar a day, through no fault of their own, but because we are and have been in the worst depression of our existence.

Objection has been made to sending these men away from home, and I would have the same objection to this bill if it were possible to employ them at home. Since we know this is impossible, what are we going to do about it? Are we going to keep the men at home and allow them to starve rather than accept a job that at least is preferable to the dole—one that will give them a measure of self-respect until economic conditions improve? Surely not. One part of this bill which I regret is separating families. I would like to see it limited to single men. I have been told this would be discriminating; also that married men would be glad to take advantage of it. There are many parts of the bill I would change if the necessity were not so great. Under all the circumstances, and they are unusual, I believe we should heartily support the President, whose problems at this time are almost too great for any man to carry. I urge you not only to vote for this bill, but to pray daily that God may direct him and give him strength to do that which is best for all the people of the country.

May I say to you that my heart has been wrung during the past several months with people coming to my office begging for something to eat. I go home every night heartsick thinking of the misery I have met during the day. It has gotten to be as bad as that, and when I ask the men who visit my office if they would prefer work of this kind rather than a dole they have in every case said they would. So this is not a question of rate of wages. We will take

care of that subject when it comes before us. It is a question of whether or not 12,000,000 people in this country are going to be brought to a dole or whether the President of the United States will get the power to do the thing for them that he thinks is right, and because of that I urge and beg you to support this bill. It is not in any sense to be considered as a labor wage bill.

The title of the bill explains its purpose: "For the relief of unemployment through the performance of useful public work, and for other purposes", and that, my dear colleagues, is the only question to be considered at this time. [Applause.]

Mr. CAVICCHIA. Will the lady yield?

Mrs. NORTON. I yield to my colleague from New Jersey.

Mr. CAVICCHIA. I notice that the bill in its present form gives the President discretion to use part of the funds for helping States and counties. Does the lady think that the State of New Jersey and some of our counties in that State that have large park reserves would benefit by this bill? If so, I shall gladly vote for it.

Mrs. NORTON. Certainly; I believe that New Jersey will benefit by this legislation.

The CHAIRMAN. The time of the lady from New Jersey has expired.

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Chairman, there seems to be a great difference of opinion as to how many people will be relieved by this legislation. Whether it will be 250,000 or less than this number, it is acknowledged by all that it will operate to reduce unemployment to some extent at least. I have been much interested in the discussion of the features of the bill as they apply to present-day conditions. I have heard nothing about the relief in this bill that will be extended to all the generations that are to come, provided, of course, this proves to be the starting point from which a program of reforestation will be carried on through the years, and which will supply forest products to the generations yet unborn.

I wonder how many Members of this House know that today in this country we are using our forest products five times as fast as they are being grown?

Mr. SHOEMAKER. Will the gentleman yield?

Mr. WOODRUFF. I yield.

Mr. SHOEMAKER. Does the gentleman know that less than 8 percent of the lumber is being used today that was used 40 years ago?

Mr. WOODRUFF. I understand the gentleman is at least partly correct.

Mr. SHOEMAKER. Buildings are being constructed of concrete and steel.

Mr. WOODRUFF. But notwithstanding that, according to the authorities, we are today using forest products five times as fast as they are being grown. That spells just one thing, and that is that in other generations to come the forest products we have at our disposal and our use today will not be available.

We have in the national forests of this country 19,339,000 acres. Fire has damaged those forests since 1910 to the extent of $58,985,000. The forests in State and private hands constitute 410,000,000 acres. Those forests have been damaged since 1915 more than a half billion dollars. That is more money than is involved in this bill, Mr. Chairman.

Some objection has been urged this afternoon because of the fact that the President has issued orders to enter into no more contracts for the construction of public buildings. It is my opinion that Federal relief can be extended to the unemployed in this country in much better ways than by building Government buildings which in 40 or 50 years will become obsolete and perhaps have to be replaced because of the growth of the community in which they are erected. We have had much experience in this work during the past 3 years and it has proven that the number of men employed for the money expended has been disappointing indeed.

May I remind the Members of this House at this time that a larger proportion of the money to be expended under the provisions of this bill will get into the hands of the man who works with his hands than is the case with other Government work. In doing the work proposed in this bill practically every dollar of it will eventually reach the pockets of individuals who today are without work and without hope. This is something which should not be lost sight of in the consideration of the bill.

Everyone who knows anything about the forests of the country realizes that the greatest damage to these forests comes from fires. Anyone who knows about forest fires knows that to successfully handle them it is necessary to get the necessary men and apparatus on the job with the utmost dispatch. As briefly as I can I shall state what is proposed to be done in the national forests. The information I give the House came to me from the Forest Bureau not later than this morning. They propose to do many things. For instance, they propose to build 54,405 miles of roads and trails, which will enable our forest organization to reach fires in the quickest possible time. In order to reach sections of the forests that cannot quickly be reached by roads and trails they propose to build 69 airplane landing fields. In case of fires in these out-of-the-way places men and fire-fighting apparatus can be transported to the scene of these fires by air. They propose to build 13,000 miles of telephone lines, 2,674 lookout towers, and 7,000 miles of range fences.

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. WOODRUFF. Much of the income we derive from the national forests comes from the renting of these forests for pasturing stock, and the fences I have enumerated will be used for the purpose of better controlling this stock.

They propose, as far as they can with the nursery stock on hand and available by purchase, to increase the plantations in our national forests.

Other things responsible for the destruction of our forests are insects and tree diseases. In the national forests of this country is one tract of 1,609,000 acres in which disease exists which threatens the total destruction of this great forest. To this area the Forest Service has been unable to give the necessary attention in the past. It is proposed with the money made available by the provisions of this bill to move into this section of the forest and do what is necessary to protect and preserve this more than a million and a half acres of splendid forest for the benefit of posterity.

Now, Mr. Chairman, I have become somewhat impatient with the methods of conducting the public business in this House. I think the Membership has not been given the time it should have been given for the consideration of some of these bills; but, notwithstanding my impatience, Mr. Chairman, I have gone along, believing that the man at the head of this Government is honest, sincere, and able, and that he is going to do the best he can to bring relief to this country. This bill may easily prove to be of major importance in his program. Reemployment must start somewhere, sometime, somehow, and it may easily prove that this is the time and that the bill is the medium through which the start will be made.

The success of laws depends largely upon the ability and integrity with which they are administered. It is my opinion that if this law is successfully administered, its beneficial effects will be almost immediately felt among the distressed people in every section of this great country. If it proves to be the starting point of that great program of reforestation which I mentioned a moment ago, its beneficial effects will touch the people of every community all down the centuries to come. I have not the time at my disposal to speak of many other benefits to be derived from such a program of reforestation, but they are many and extend to every class of our people. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Chairman, I am for high wages. I am for a high rate of employment. I am for high commodity prices. I am for low dollar values because at the present time the American people owe $200,000,000,000. This $200,000,000,000 of indebtedness was either contracted or refinanced under exactly these conditions, a high rate of employment, high wages, high commodity prices, and low dollar values. We cannot conceivably repay this $200,000,000,000 until we restore these four items. [Applause.]

Two years ago, when I came into this body, my first act was to point out the necessity for a public-works program sufficiently extensive in its projection to employ all of the technologically unemployed, amounting to approximately 2,000,000 men. The removal of this surplus would, as I pointed out, put those idle from other reasons back to work supplying the needs of the 2,000,000. I introduced a bill at that time providing such a program, but because of a lack of understanding of the needs of men, the economic necessity of the country, my bill received no consideration. The need for a public-works program of a permanent nature is even more necessary today than it was when I first advocated it. The unemployed are greater in numbers, their destitution more bitter. But, ladies and gentlemen, the understanding of the needs of men and of the economic necessities of the country are now in the hands of another, one more keenly alert, more sympathetic in heart; and the program so necessary then, so needed now, is about to be initiated.

I am for this reforestation bill because it is a relief measure and because it has been my fortune to see some of the European forests that have been mentioned here today and to have some idea of what they really mean economically to those countries. In my study of economics it has been necessary to get at least some understanding of what forests may be made to mean to this country. I make the suggestion for those who have not studied the problem, that because the passing of our forests has been permitted this year and every other year there is going into the Gulf of Mexico 500,000,000 cubic yards of the best soil in our whole country. We ought to start forestation where no forests have existed, and we ought to start reforestation where forests have been cut down.

However, if I thought this little measure alone were all we would do in this regard I would be sick and sorry about it, because I see and understand perfectly that during the past 3 years what the loss of national income of this country means. Starting with the year 1930 it was $14,000,000,000; in the year 1931 it was $31,000,000,000; and last year the national income was $47,500,000,000 under the year 1928–29.

We have been wasting our time, because we have been permitting the national income to go down from $85,000,000,000 to $37,500,000,000. At the same rate of decrease, our national income this year will fall below $24,000,000,000. Consider for a moment what this means. Our interest charges are $10,000,000,000, and our governmental charges, with every possible kind of economy, is another $10,000,000,000. We should stand up and face these facts: Unless we restore the national income by putting men to work, by restoring their power to purchase, we cannot hope to earn our living, much less pay our debts.

The reason I am enthusiastic for this part of the program is that I recognize the fact it is just the first drop in the bucket; that it is the beginning of the public-works program we have got to have—that we are going to have. I understand there is being prepared at the present time a Nation-wide program to put men to doing real work on a real American scale, because, I repeat to you, only by putting men to work can we restore our national income. This is the necessity we face at the present time. [Applause.]

I hope this body will get fully and completely an understanding of what I am compelled to try to say in 5 minutes, and that is that we are facing a greater difficulty than that faced during the World War, or even during the Civil War. The question of unemployment is the most ominous question civilization has ever faced, and it is up to America to solve this question at the present moment, because we cannot permit 12,000,000 men to continue in idleness. We cannot go on as we are. We have got to create a great public-works program which will cost not $1,000,000,000, not $2,000,000,000, but many billions of dollars. Unless and until we get an understanding of this fact, we have no way out of our present conditions. [Applause.]

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. McGUGIN].

Mr. McGUGIN. Mr. Chairman, I am not at all convinced that a little reforestation work is going to solve the unemployment problem in the United States. I am not prepared to say whether or not the work which is to be performed under the provisions of this bill is of vital necessity, but as I view this bill, it has not as its basic purpose the solution of the unemployment question or that this work is absolutely necessary. I shall support this bill on another principle which I think is very vital to society.

At the outset may I say I cannot subscribe to the proposition that we are ever coming out of this depression upon the theory of the Government furnishing employment to all the unemployed in this country. If ever we reach this point, we shall have nothing less than a communistic government. This is all there is to communism: everybody works for the government, and therefore the government must have all the income.

We have approximately 14,000,000 people unemployed—48,000,000 if we include their dependents. Those who are unemployed are already either in poverty and want or are facing it.

We cannot have a stable society in this country of ours and a safe government with such a tremendous number of unemployed. In the meantime the only security of society rests upon the proposition of taking care of these people as best we can.

Each community in this country, with Reconstruction Finance Corporation aid, is trying to take care of its own unemployed. In my judgment this bill is going to be just as valuable as it is wisely administered.

This bill, as I see it, should primarily be administered to take care of the floating unemployed population of this country that cannot be taken care of in any particular community. They come into this town or that town or the other town and they cannot be taken care of because each town has its own people to provide for.

There are 14,000,000 men unemployed, or 48,000,000 people in want; and to get down to plain truth this is a threat to the Government which leads toward revolution and disorder. If revolution and disorder comes to this country, they are most likely to be started by floaters who have none of the ties of home. Violence is not going to be started by the men back in the different communities who have homes and whose neighbors are doing the best they can to care for them. Revolutions are started by floaters. It was the floaters who came drifting into Paris who set off the French Revolution.

If this bill is administered with real selectivity by picking up 250,000 men who are now floating about the country and get them out into the forests where they can be taken care of, it will be a great step toward social preservation in this hour of need. Other than this, I would not support the bill because I would think it is unsound. [Applause.]

Mr. RAMSPECK. Mr. Chairman, I yield 4 minutes to the gentleman from Washington [Mr. ZIONCHECK].

Mr. ZIONCHECK. Mr. Chairman, I listened with extreme interest to the comments of the previous speaker. He made the statement that revolutions are caused by the floating population. History of revolutions will teach you that revolutions are caused by the middle class when they are gouged into the ground and their property, as well as personal freedom, taken away from them. The significant thing is that the previous speaker was in favor of the bill for the reason that it would give the Government absolute control over the floating population, inferentially supporting the bill on the ground and for the reason that he favors regimentation of the floating population of unemployed into prison work-

camps, because of his fear of what they might do unless they are put under this iron control.

I have read the original administration bill which was introduced and I was very much disturbed about the language embodied in that bill, for it allowed in express terms the absolute dictatorial power of drafting the unemployed into workcamps. This view was more than substantiated by the testimony of General MacArthur—of Bonus Expeditionary Force notoriety—before the joint House and Senate committee. Among other things, he testified that it was the intention of the administration to ship all these enlisted unemployed into concentration camps under the direction and control of the Army for so-called "processing", which included, among other things, physical examinations and preliminary training of at least 1 month before they were to be shipped out to the work projects. General MacArthur admitted that they would have to be under some disciplinary regulation in these work camps, the extent of which he was unable to say.

The present bill gives all the powers of the former bill in a broader form, although it does not specifically set them forth, and hence gives the President of the United States unlimited powers to do as he pleases with the unfortunate unemployed, who are in no manner responsible for their present plight. This, I say, is fundamentally wrong in principle and in direct contravention of our American concept of the Declaration of Independence, the Constitution of the United States, and the cherished prerogative of labor to freely contract for its hire.

I have, through my contacts and work, what might be termed better than a bowing acquaintance with the unemployed situation, for I have had the privilege and honor of helping the unemployed of Seattle and its vicinity in their terrible struggle for existence. I know that not only they but also those who are employed are absolutely opposed to any scheme of things that involves the regimentation of labor, and particularly so when the scale of pay is that of $1 a day and keep. Today in the district that I represent labor is being forcibly shackled on the unemployed for the mere pittance that they receive by way of a relief allowance of some $3 or $4 a week. The shameful and inhuman tactics of Mr. Shannon, who is in charge of the relief committee in King County, have been forcefully brought to my attention by the unemployed, and I am informed that they plan a concerted strike against these un-American and cruel tactics, which Mr. Shannon says are but the policy of the Reconstruction Finance Corporation of the old Hoover regime.

The bill before us does not only allow for forced labor but adds to it the element of a compulsory period away from home against will, which, in the eyes of all reasonable people, means the added element of imprisonment, for this bill does not provide for voluntary enrollment or retirement.

The argument that the passage of this bill is necessary to keep people from starving is entirely unfounded, for direct relief is now being given in all parts of the United States, and the $500,000,000 direct-grant relief, which I understand is to come before us soon, will certainly be adequate for some time at least in providing food, shelter, and clothing. It is my hope that this administration will be more humane and liberal in the administration of this proposed direct relief and allow the unemployed to administer it themselves wherever they prove their competence so to do, and thus avoid the waste of high overhead and the indignities to these suffering people which are heaped upon them by many professional welfare workers.

The huge public-works program, which I am informed is the third portion of the President's program for unemployment, if efficiently and effectively administered, will create work for millions of the unemployed within a few months; and this again gives added argument that the bill before us today is not the emergency measure some would lead us to believe it is, for, all in all, it would only provide un-American employment for some two hundred thousand men.

By way of passing, I should like to state that it is my hope that the President finances this program by the use of Treasury notes, but if he fears that this would be unsound money, then I would suggest that these bonds be deposited with the Government's fiscal agent, the Federal Reserve System, under the 1931 amendment to the Reserve Act, known as the Glass-Steagall bill, and have the Federal Reserve bank issue Federal Reserve notes with these governmental bonds as security and thus avoid the heavy interest burden by a private flotation. Certainly no one could say Federal Reserve notes are unsound money, for they are legal tender, and no one can deny that we are actually off the gold standard today.

I am for reforestation as a conservation measure, provided decent wages are paid, but I am also mindful of the fact that this measure will take millions of dollars—hundreds of millions of dollars—from present authorized public-works projects and will thus create more unemployment, because on a public-works program every man put to work at a decent wage would create employment for from 3 to 5 more men, directly and indirectly, in the preparation and production of the necessary materials.

Mr. ELLZEY of Mississippi. Will the gentleman yield?

Mr. ZIONCHECK. I yield.

Mr. ELLZEY of Mississippi. Does the gentleman realize that, according to the information from the Department, on a building program like the construction of a post office, it takes $4,000 to give 1 man employment for 1 year, while under this plan it is estimated that 4 men can be employed for 1 year for the same amount of money and a sixth man can be employed for 6 months?

Mr. ZIONCHECK. I may answer by saying that if it takes $4,000 for 1 man, if he creates jobs for 5 or 6 other men at $2,000 or $3,000 a year, we are fundamentally better off.

Mr. CONNERY. Will the gentleman yield?

Mr. ZIONCHECK. Yes.

Mr. CONNERY. And the people who are making the materials for the construction of Government buildings are getting decent wages.

Mr. ZIONCHECK. That is true; and they are also creating additional purchasing power.

However, I want to direct your attention to two or three vital points that have not come up. One is, What will be the position of the Democratic Party if and when relative prosperity comes back? It is my opinion that we will be pointed to as the "One Dollar a Day Party." The people will forget the present emergency, but the opposition will never allow them to forget the $1 a day.

Another thing is this: Why should Congress be cowardly enough to put this power into the hands of the President and expose him to the pressure of the predatory interests who will want to use this bill for their own selfish purposes? Once this power is given to the President these interests will bare the iron hand—ungloved—and will ruthlessly press down upon him. History bears out that these interests have a heart of marble and will stoop to anything that a racketeer would stoop to, but with more finesse. I have a vivid recollection of the previous Democratic Governor of the State of Washington who refused to lend himself or be a party to their vicious schemes and plots, and, sad to say, he ended up in an institution for the mad.

There is another consideration which I think is most vital. When you pass this kind of legislation, it is dictatorial; and what will the American people think, feel, and suffer if this power goes into the hands of another President, a President who is not so kind and so humane and so considerate as Franklin D. Roosevelt is believed to be? We are passing legislation here, and remember that to repeal such legislation over a Presidential veto it will take a two-third majority and not merely an ordinary majority required for its passage.

I fail to see any emergency that will justify such a broad unlimited power, and I am not a participant in the optimistic hysteria that seems to have gripped the country today.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. ZIONCHECK. Yes.

Mr. HILL of Alabama. The gentleman will note that section 6, on page 4, provides that the authority of the President under this act shall continue for a period of 2 years next after the date of the passage hereof and no longer.

Mr. ZIONCHECK. That is a Senate amendment and it infinitely improves the bill, but the principle of dictatorship is not left out; and I may say that in my campaign one of the things that I pointed out was that if Hoover and the Republican Party were returned to office we would be in the grip of a vicious dictatorship. I am sure if the people were aware of what we are leading them into today they would protest our actions, for in every move we take today we go on and on toward the things which the American people basically fear.

I speak here merely in a representative capacity, representing the 95 percent of the people of my district and not the 5 percent special-interest group, and, in my opinion, the only people who want a dictatorship today to save them from the miserable mess that they brought on by their insatiable greed are the 5 percent special-interest group. These I promised not to represent. I may say, facetiously, that I feel like any other average American citizen, freeborn, believing in the traditions and institutions of our country, that if there is to be a dictator I should be "it" and nobody else.

This is fundamental in our make-up and in our institutions, which we have been taught to believe are the only true safeguards of liberty and freedom.

Everything that I say is said in a spirit of constructive criticism. The easiest thing for one to do would be to follow the crowd, but to do this I would feel that I would be derelict in my duty to those whom I want, to the best of my ability, to honestly represent. I here and now want to make a prediction, and it is this: That after many of these anaesthetic palliative measures are found not to cure the depression or to right the wrongs, and when the President offers some real cures for our economic system which will truly give the workingman and the farmer a greater share of what they produce, many of the present Members of Congress, who look askance at one who will not follow every administrative proposal, will desert him, and those who today seemingly oppose him in some of his measures will then stand by his side ready and willing to aid him in his every effort. [Applause.]

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, the Federal Government has no forest preserves in New York State. The Empire State, however, established a forest preserve in 1885. The State has an investment in forest lands of approximately $15,000,000, of which $12,000,000 or more has been spent for lands purchased or appropriated and $3,000,000 for land taken on tax sales.

There are two large forest preserves in the State over which the conservation department exercises exclusive jurisdiction. Among these is the Adirondack Preserve, which contains about 1,982,924 acres, and the other is the Catskill Preserve, which embraces an area of 176,440 acres.

There are other minor areas operated as State parks. Among the most notable of these, containing 65,000 acres, is Allegany State Park, located in the Congressional District which I have the honor to represent. I might add that because of the surpassing beauty of the mountain scenery, the springs and streams, its altitude, and its abundant timber, thousands of people are attracted to this spot each summer for rest, recreation, and health.

The State of New York has five forest-tree nurseries with a capacity of 125,000,000 trees. These State nurseries have an annual output of 40,000,000 trees. I recall that one year 20,000 acres were reforested. Trees are sold to private landowners and given to municipalities and State institutions. Prior to 1930 about 160,000,000 trees were planted.

My State has been a pioneer in this great work of reforestation. It has neither asked nor has it received Federal aid in carrying on this highly constructive activity. The State of New York has long recognized the value of forests in controlling floods, protecting streams at their sources, the loss caused by soil erosion, and the influence trees exert on atmospheric conditions.

Scientific investigation has shown that soils covered with forests can store up water in tremendous volume. It has been proved quite conclusively that under favorable conditions a forest cover can store up a quantity of water corresponding to a precipitation of 0.16 inch and even 0.24 inch. A cover of moss can store up from 0.18 to 0.39 inch; in fact it can absorb water 200 to 900 times its weight.

We have in New York State many birch, maple, and pine trees. The dead leaves of the birch and maple will absorb water from 150 to 220 times their weight, and pine needles from 120 to 135 times. I only mention these facts to illustrate the importance of forests as a factor in flood control.

New York State has recognized, too, the importance of reforestation in preventing the loss of soil through erosion. Nature requires 10,000 years to produce an inch of fertile soil. One great storm can inflict, through the process of erosion, a terrific financial loss upon a State. The famous French engineer, Demontzey, computed that one mountain torrent brought down in 85,000 cubic yards of water over 221,000 cubic yards of detritus, or more than two and one half times its own volume.

The national loss caused by floods through erosion cannot be estimated with accuracy. Nevertheless, no one can successfully controvert the fact that in the aggregate the loss is stupendous.

The people of the State of New York have vital interest in this as well as in any other relief plan or proposal that calls for large Federal expenditures. Regardless of the amount, whether large or small or for whatever purpose Federal money is appropriated, the taxpayers of New York State will bear the burden to the extent of 33 cents out of every dollar. One of the great problems that now confronts every political subdivision of the State, as well as the State government itself, is to curtail expenditures to relieve the overburdened taxpayers. The State is planning drastic cuts in its expenditures; municipal governments are doing likewise to reduce taxes. The State has a tremendous indebtedness. To enable the State to balance its budget now oppressive and obnoxious taxes will have to be imposed.

New York State, being highly industrialized, the number of unemployed is very large; distress in some of the cities in my State has reached tragic proportions.

Again, I repeat, of whatever sum is appropriated here one third will be paid by the taxpayers of the State of New York. A plan of relief predicated on employment should be one that will give the maximum of employment with a minimum waste of the funds. The program of employment should, so far as possible, provide work near the centers of population and thus avoid the cost of transporting those in need of employment long distances to the place where they are to work.

That this bill will pass is evident. There is one section, however, providing pensions for every man injured while temporarily employed on this public work. That is indefensible. New York State taxpayers will pay out of all proportion to the benefits they will receive. The Federal Budget cannot be balanced, neither can the New York State budget be balanced by carrying out a program of unrestrained spending of the public funds.

This bill proposes to spend $500,000 a day for 2 years, one third of which must be borne by the taxpayers of New York State. [Applause.]

Mr. RAMSPECK. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. HOEPPEL].

Mr. HOEPPEL. Mr. Chairman and gentlemen, I protest the passage of this bill because I see inequalities and injustices in it, as I did in the economy bill. In the interest of both the women and children of America and the aged parents of our unemployed I protest the passage of this bill, unless it is amended to provide something more or less on the order of a decent, livable wage.

I have an amendment providing an allotment allowance for wives and dependent parents which I will present later.

But before giving you the details I wish to call your attention to the effect which today is being exercised in the economy bill. There are numerous inequalities and injustices in that bill, and those things are potentially possible in this bill also.

I invite your attention to the act of March 3, 1933, in which this Congress took away from the enlisted men in the service receiving only $21 a month their reenlistment allowance, which reduces by 10 percent per month their enlistment remuneration. Their rations have been reduced practically 40 percent.

On April 1 of this year they are going to suffer another reduction of 33 percent in their clothing allowance, and in addition 15 percent of their $21 a month pay. I protest this.

I also speak in behalf of the retired enlisted men. They also suffer a reduction of 15 percent in their meager pay, effective April 1. Here in Washington is a man who fought in Cuba and the Philippines. He was decorated for bravery in battle. His monthly retired pay of $35.75 will be reduced 15 percent, notwithstanding that he is totally disabled.

Despite the fact that he served long, hard years for low pay and risked his life repeatedly the iniquitous economy law reduces his retired pay.

I should like, if I am permitted, to illustrate a lesson from the Bible. We all should look to the Bible for justice.

I present the Congress of the United States and the Government in the character of Dives, the rich man, and I present Lazarus as the poor, unfortunate, suffering unemployed.

I am pleased to be a Member of Congress. I enjoy the associations that I have made here. My secretary said, "Do you know it is a pleasure to be here; all of these gentlemen and their secretaries are so kind, helpful, and cooperative?"

I replied, "Certainly; you are right. I observed that last year when I was here. But do you realize this, my dear sir, that they are receiving today $25 a day, rain or shine, whether they work or not? Do you know that I received $879 mileage to journey here and go back to California, when the fact is I came here for less than $100? Who is paying that extra money which I receive? Do you realize that many of us have double and triple incomes?"

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. HOEPPEL. In just a minute.

Mrs. NORTON. I was going to suggest to the gentleman that he could return that mileage money if he so desired. [Applause and laughter.]

Mr. HOEPPEL. Mr. Chairman and members of the Committee, I wish to inform the good lady that I am on record——

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HOEPPEL. Will the gentleman yield me a little more time?

Mr. RAMSPECK. I am sorry but I have not the time.

Mr. HOEPPEL. Yes. I am receiving two salaries, and I am today giving one of them to charity, and I will continue to do so during the time I hold office in Congress. I state this publicly only for the reason that I desire this information in the RECORD in answer to the good lady from New Jersey.

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. BLANCHARD].

Mr. BLANCHARD. Mr. Chairman, I rise to voice my approval of the general purpose of this bill, reserving, however, opinion as to the merits on the matter of pay. I wish to treat the bill from the standpoint wholly of an emergency matter and I think in some of our discussion we have gone far afield in speaking of the provisions of the bill. I shall treat it as an emergency matter and confine my remarks to the language of the bill. Let me read the very meat and essence of the proposal as it is contained in the bill:

The President is authorized to provide for employing citizens of the United States who are unemployed.

In other words, we are not establishing a pay basis for wage earners in the United States, nor are we promulgating a permanent policy with reference to wage scales for the future. It is temporary employment for unemployed citizens of the United States, and on that basis I propose to treat the bill and on no other, because I think we all can agree that inasmuch as it is a temporary measure, we can never with it bring permanent relief to this country nor cure permanently the situation in which we find ourselves today. We must of necessity seek remedial measures which will permanently cure our difficulty, and that cure can only be achieved when the wheels of industry turn again in this country.

So far as the power granted in the measure is concerned, I think no one should be heard to complain about the grant of power given to the President, because we have long since fixed the policy far in excess of the power given to the President in this measure by previous enactments. If there is one legal, one constitutional measure that we are passing in this program, in this emergency, we find it here in this bill.

I dislike very much to think in terms of the permanent features of the policy that this country will adopt, but I do like to think in terms of the policy we are promulgating in effecting a constructive policy that will provide future generations with the enjoyment and profit that we would wish. I speak now of the forests and their effect upon this whole country. I need not repeat what has been said on the floor today, that we are providing a self-liquidating project, a project that goes to the very essence of the conservation of our natural resources. We are giving to the country a foundation stone for the preservation of our natural resources, and from that standpoint we ought to forget for the moment the fact that we are providing and granting powers to the President of the United States far in excess of anything that we might give him in normal times.

If we would view this from the standpoint of emergency legislation only, to provide relief for unemployed people in the United States, then we will be simply carrying out the program that has been announced by both major parties—temporary relief first, and a permanent program that looks to the future salvation of our country. [Applause.]

Mr. RAMSPECK. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. NESBIT].

Mr. NESBIT. Mr. Chairman, it has been stated here today that the major objection to this bill comes from labor. I would be the last Member of this House to vote for any bill that might bring harm to the interests of labor. I am a coal miner by occupation. I am a member of the United Mine Workers of America, and that organization is affiliated with the American Federation of Labor.

When the hearings were being held, Mr. Green, president of the American Federation of Labor, appeared before the Committee on Labor. He stated his objections to the bill, and subsequently those parts of the bill to which he objected were removed. After the bill came from the Senate he wrote a letter to the chairman of the House Committee on Labor accepting the substitute measure recommended by the Senate Committee on Education and Labor, and up to this time I have received no official information from Mr. Green that he has changed his mind about the matter.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. NESBIT. Yes.

Mr. CONNERY. If the gentleman will call Mr. Roberts, of the American Federation of Labor, on the telephone, Mr. Roberts will tell him that Mr. Green says that he will go along with whatever Mr. McDonough, of the Building Trades Department of the American Federation of Labor, is in favor of. I read Mr. McDonough's letter.

Mr. NESBIT. The gentleman read Mr. McDonough's letter, and the gentleman told the House what Mr. Roberts said. Mr. Green and I are personal friends. He has never given me any information other than what we find in his letter to Mr. CONNERY.

I quote it:

However, inasmuch as the objectionable features contained in H.R. 3905 have been rejected by the Senate Committee on Education and Labor, and I firmly believe will be rejected by the House Committee on Labor, of which you are chairman, I feel that the best interests of labor and all who are concerned will be served through our acceptance of the substitute measure recommended by the Senate Committee on Education and Labor.

With expressions of high personal regard, I am,

Sincerely yours,

WM. GREEN,
President American Federation of Labor.

That is how I feel about this bill. I feel that the best interests of organized labor will be served by supporting this bill. I did not come to Congress to be a rubber stamp for the President, nor have I come here as an obstructionist. I want to help along. The country is in bad shape, and I want to contribute my bit to help adjust matters. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois [Mr. NESBIT] has expired.

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Chairman, ladies, and gentlemen, it is obvious that in the time allotted to me I shall not have time or opportunity to discuss the specific provisions of this bill. Therefore, my remarks shall be of a general nature.

I believe very greatly in the effect of leadership, and history teaches us that it was leadership that brought this Nation into existence. When, upon that memorable historic occasion, a few patriots pushed overboard in Boston Harbor the King's tea that set in motion a revolution that lasted more than 8 long and terrible years, they set the spark that sent the war cry to 13 struggling Colonies of this country to overthrow the power of a mighty king. Who upon the floor of this House today doubts that if it had not been for the leadership of George Washington and the loyalty of the American colonists the cause of liberty in America would have failed? When they supported that great revolution against the king's authority it was the leadership of Washington and the loyalty of the revolutionary patriots that brought surrender of the British sword at Yorktown, and when the American people handed authority to Franklin D. Roosevelt on the 8th day of last November to lead the American people in the councils of this Nation they issued a command to the American Congress to follow the leadership of this great leader, this Moses, in this great war against poverty and distress. I have heard, as he has heard, the cry of distress throughout this country, and I am following the chief today as the patriots of 1776 followed Washington.

Who upon the floor of this House doubts the fact that if it had not been for the leadership of Washington, the loyalty of Benjamin Franklin and the other great statesmen who sat in the Constitutional Convention of 1787, we would never have adopted our charter of liberty under which we are living today? It was leadership then that saved the Nation and saved this Republic.

I believe we have in the White House a man who has heard the call to leadership of the people of America, and that he has not only demonstrated his great ability as a leader, but he has also heard the cry of distress that comes from the multiplied millions of unemployed throughout this country.

You may talk about your objections to the legislation. There are two or three features that are objectionable to me. I am a great believer in organized labor, and I sympathize with it, but I believe that organized labor will be pleased with the enactment of this bill into law, because it takes out of the bread lines and away from the soup houses thousands and hundreds of thousands of men that organized labor is not able to supply with a job. It is an emergency measure that should be supported by every group and interest in this country.

It is a case similar to that in 1777, when old Ben Franklin gathered the colonial representatives around the table and said, "Boys, it is a case of either hang together or hang separately." Today it is a question of whether we will follow the almost superhuman leadership of the great Commander in Chief and save the Nation. [Applause.]

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. RAMSPECK. Mr. Chairman, I yield 4 minutes to the gentleman from Indiana [Mr. GRISWOLD].

Mr. GRISWOLD. Mr. Chairman, in answer to the gentleman from Illinois [Mr. NESBIT] I want to say that a week ago I sat in the hearings of the Joint Committee on Labor of the House and the Senate and I heard one of the most masterful addresses ever delivered by a man in the interest of free labor and against involuntary servitude. The man who made that address was William F. Green. Today in the report of the committee I see a different statement by Mr. Green. If Mr. Green were a circus acrobat instead of president of the American Federation of Labor, if we are to judge by his change of position, he could turn a flip in a thimble and not touch the side. [Laughter and applause.]

Mr. Chairman, what the unemployed want today is not work relief but work. This reforestation bill is drawn on the theory of work relief, not work. You say this bill will assist the unemployed to retain their self-respect and lift up the morale. Every Member here knows that this bill is still charity. That it is the worst form of charity—it is chain-gang charity. A dollar a day to support a family of five is not intended to induce self-respect. Trying to support a family on $1 a day will not raise morale. It will lower it. A man's government—an all-wise, free, noble government—sends a man to work in the morning. He works a day of unlimited hours, and receives as compensation $1. He returns home in the evening—if a place that can be procured on a dollar-a-day salary can be called a home—and sits down there with his undernourished family to spend the remaining hours of his day contemplating the glories of the free government that made him and his family what he is. Do you think that will lift the morale? You know it will not. You are putting up alibis to ease your conscience with such platitudes.

You say that under this bill we have voluntary employment. Under it we create slavery and bondage. You may call this bill voluntary employment. Is any man going to work voluntarily for less than a living wage? Is any man going to work voluntarily for $1 a day and by so doing admit to himself and his family that he cannot by all his efforts in a land of plenty properly support them by the power of his brawn and brain?

Of course, there will be gentlemen who say that $1 is better than nothing. There are gentlemen who will sit in their own homes by a warm fire in zero weather and claim that the whole world is warm. They infer that by this bill. They increase the amount of charity. A man will work for $1 a day when his children lift their puny, skeleton hands to Heaven and in quavering voices cry like Israel of old, "How long, O Lord, how long?"

He will under conditions like this work for 30 cents a day. It will not be voluntary on his part. He is driven to it by a long monotony of pain that is greater than any governmental force. And by this bill you would take advantage of that pain and hunger and misery and because of his suffering bend him to your will.

He is not a free man exercising his own volition. Years ago in this Nation children were bound out under the law by their parents until they were 21 years of age. In practically all States we have abolished those laws as unjust and un-Christian. They violated the very principles of freedom and individualism that were the cornerstone of American liberty.

Today you would reestablish those laws with increased range. You would make involuntary servants not only of children but of adults—of men and women; this new law by its terms will respect neither youth, age, nor sex.

There are those who claim that south of the Mason and Dixon's line can be found 10 men for every job at $1 a day. That fact is probably true, but if it is true it is a burning shame and disgrace, whether the men be black or white. Such a condition is not a thing to boast of in a civilized nation. It is a thing to bring the red flush of shame to the cheek of every citizen.

But forgetting the humane side—throwing it into the discard entirely and looking only at the economic side—what will happen if you bring the white labor of the North down to the standard of the Negro labor of the South? The dollar-a-day standard. Cotton and tobacco have been produced with cheap labor in the South. It has been bought by the better paid labor of the industrial North and East. Who is going to buy your cotton and tobacco when you place all the labor in the Nation on a dollar-a-day basis, when by your example you have reduced the labor of the North to the condition of Negro labor in the South? What profit is it to raise the price of the wheat and corn of the farmer and reduce labor until it has no money to buy flour or meat? The manufacturers of the land want this bill. The bankers who are taking from the taxpayer a billion dollars a year on their tax-exempt securities want this bill passed. Only bowed labor, unemployed and destitute and hungry is opposed, and its voice cannot be heard above the clink of dollars. Congress has the power to pass this law. You have the power to penalize labor that has built your cities and railroads—labor that has dug your canals and built your dykes. But Congress is tyrannous if it uses this power.

I have no doubt but the bill will be passed. Today you are going to set a premium on human misery. You are saying to the unemployed: "We have you on the hip; you must eat; your children demand food, but they can only be fed at our terms." This bill is charity still, but it is charity for which one must work. It is a new form of charity from that spoken of in the text: "Now abideth faith, hope, charity, but the greatest of these is charity." By this bill you make a mockery of that text. By this bill you destroy faith in government, you take hope from the destitute, and you banish that love which is true charity.

I shall vote for the Connery substitute, which provides for $80 a month for married men, with $50 to be allotted to their dependents. I want to pay men for their work a wage that will give them a purchasing power; a wage that will maintain their self-respect and uplift their morale. For charity, I am willing to give; for work, a man should be paid.

This bill is an attempt by the large cities to unload their unemployed on someone else. They invited them in during times of prosperity and now want to kick them out in a time of depression. [Applause.]

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY of Pennsylvania. Mr. Chairman, I shall support this measure as a step in the right direction. In normal times no such action as this would be advisable, but these are not normal times. With complete disaster facing us from great and long-continued unemployment, any plan which provides work for Americans should be adopted. With 250,000 men provided with self-respecting work in public forests a slight start at least has been made toward curing unemployment by employment.

I listened with interest to the remarks of the gentleman from Kentucky [Mr. MAY]. He drew a parallel between the critical days of the struggle for American independence and these days when we are struggling to maintain the safety of our institutions.

I remember that the records of the Continental Congress show that on the day the Declaration of Independence was approved the next order of business was the appointment of a committee to devise the great seal of the United States. The members of that committee were Benjamin Franklin, Thomas Jefferson, and John Adams.

They designed the great seal, the reverse side of which was never cast, although it should be used on every official document issued by the United States.

This reverse side of the seal has an unfinished pyramid and underneath a Latin phrase meaning "A new order in the ages."

Mr. Chairman, we have come to an age which demands a new order, and we have groped blindly on old paths which now lead in the wrong direction and whose end is the precipice.

The only way out of the present jungle of economic conditions is through restoration of American purchasing power. That must come in the main by means of jobs for American workers.

I realize that this proposal to use 250,000 men in the public forests is not the solution of the problem. If I thought that this plan were all that President Roosevelt has to recommend in dealing with 12,000,000 unemployed Americans, I should not be here urging support for it.

But this is part of a threefold program as announced by the President. That program includes, first, these forestry camps; second, relief grants to the States; and, third, a broad public-works labor-creating program.

I propose to do all I can for the enactment of all three recommendations.

In my opinion, the Nation-wide public-works program must be undertaken without a moment's delay. Unless this Nation undertakes now to put through an economic plan to produce income for Americans there will be utter collapse.

We have protected creditors and salvaged banks and railroads. What must come now is a Nation-wide plan to produce income by producing jobs in great public and private construction projects which will mean fair wages to American workers.

Any halting, timid, experimental proposal will be futile. It will mean billions if we are to win the victory in this desperate war against unemployment, poverty, and human suffering.

If the President will put the influence of his great office behind the plan to get men back to work on construction, the battle is half won.

Only half won, however. We cannot, at this stage of business degeneration, expect restoration through public works alone.

We should declare that a state of national emergency exists and empower the President to name a national emergency council to survey the entire industrial system as it exists today. There should be an emergency industrial board with power to specify industries which are affected with a public interest. These industries should be required to form trade associations and establish price and production schedules. The 30-hour week should be established with wages at the highest possible standards, to be determined by collective bargaining. Both industry and labor should be required to recognize the fundamental requirement that competent workers must have jobs.

The antitrust laws should be waived during the emergency and cooperation should take the place of the cutthroat competition which has had so great a part in bringing about present conditions.

Marketing pools and selling associations should be licensed by the industrial board under such regulations as will carry out the purpose of ending the industrial break-down.

There is a crying need for production, but the lack of purchasing power prevents that production. Give workers a job and the pay envelopes will mean purchasing power, which in turn means higher commodity prices and a lessening of debt burdens. Such action will remedy other economic ills and will make currency inflation unnecessary.

Congress has authorized loans by the billions to banks, railroads, and insurance companies. Whatever the justification, the fact is that such action has not cured unemployment and will not cure it.

With prices and production stabilized through self-governing industry, working with a Government tribunal, loans for pay rolls will be safe and secure. They will immediately flow back into business channels for goods, circulating from merchant to manufacturer to farmers and mine owners.

That restoration of business will provide the tax funds for balancing the Budget. It will mean payment of dividends and interest on stocks and bonds. It will prevent the repudiation of debts.

Countless plans are being suggested to end this depression. None is of value unless it restores employment to unemployed workers.

Surely all must agree that thus far every scheme involved and put into operation has failed to put willing workers back to work.

The way to accomplish that task is through public works and such an organization of industry that purchasing power will balance production.

The President's Committee on Recent Social Trends diagnosed our trouble as a failure to devise social inventions to match our mechanical inventions.

The social invention needed most is a governor to regulate and control the vital machinery of production and distribution. It must make our industrial system work as a unit and not the plaything of conflicting forces. It must act when the pressure of production reaches the danger point. It must keep purchasing power in line with output of goods.

We can devise and apply such a social invention. American ability and inventive genius have already created the gyroscope to keep great ships on level keel in the fiercest storms. We have installed the radio beam to hold the airplane on its true course through the darkest night. We have devised balances which will weigh the atom invisible to the eye. We have made the photoelectric cell to control factories full of giant machines. We have built robots to regulate the pressure of gas and water in monster cylinders and tanks.

I will not believe that the intelligence which created these automatic mechanical governors of steel and copper and rubber and aluminum is powerless to create and apply the social governor which is so necessary today. There is wisdom and good will enough in America to devise the social invention which will make these works of men's hands promote the common welfare. During the World War the necessary regulators were operated successfully. During this greater war against poverty and suffering and chaos we can and will apply a modified and improved control for national safety and self-defense.

Mr. Chairman, every enlightened business man knows that the amount paid in wages must be immensely increased before any recovery is possible. But the individual business man is helpless before the sweatshop wages and cutthroat prices which drag the Nation into deeper depression every month.

Only the Government of the United States can break this vicious circle. It can be done first by creating purchasing power through wages paid on construction projects, such buying power to be used for products of the farm and factory. Then the Government can act as a guide for industry and help assure stabilization of prices and production which will protect honest business against destructive competition.

Mr. Chairman, I gladly join in support of this measure for forestry camps as a beginning of the great task which must be accomplished if this Nation is to endure. I will support any plan which can be formulated by the President for the supreme purpose of increasing employment and purchasing power in this country. [Applause.]

Mr. RAMSPECK. Mr. Chairman, I yield 4 minutes to the gentleman from South Carolina [Mr. McSWAIN].

Mr. McSWAIN. Mr. Chairman, I have been unable to bring my judgment to approve this measure.

In the latter days of the last Congress I opposed with solemn conviction what was known as the "Couzens amendment" to the Army appropriation bill, which amendment sought to establish camps of this same general sort, to invite boys under 20 years of age to accept quasi-military control in order that they might have bread, shelter, and clothing. The same proposition is involved here, nothing else, absolutely nothing else. Married men will not and should not go to these forest camps. Only a few thousand boys, seeking adventure and freedom from home and civil restraints, will volunteer to serve there.

I believe in putting first things first. This proposal should certainly be very low down on the priority list of relief measures. According to my Scotch sense of economy and of the wise handling of the public funds that belong to all the taxpayers, about 75 percent of the $140,000,000 here authorized to be expended virtually will be poured into a rat hole. There are too many other places where this money is urgently needed now to help married men, women, and children to waste over $100,000,000 on mountain camps, trails, roads, and trees. We of this generation will be dead and reduced to dust before these saplings now planted will be big enough to make coffins for our grandchildren.

Will grown men, married men, accept the invitation to leave their homes to go maybe thousands of miles across the continent yonder to be virtually incarcerated in quasi-military camps where they must rise at the blast of a bugle, where they will fall in a breadline to eat, and where the curfew will ring for them to retire to their bunks every night? Money expended in building camp shacks, water and light facilities, roads, trucks, machinery, tools, will prove a final economic waste. I hope I be wrong. I do not want to see the money wasted merely to fulfill my prediction. Have we forgotten the extravagance and profiteering in construction of camps and cantonments during the war? What percentage was ever salvaged? My memory may be inconveniently fresh, and my indignation too persistent.

Mr. MAY. Will the gentleman yield?

Mr. McSWAIN. Oh, no; I am too busy now. [Laughter.]

I voted for the economy bill, and $400,000,000 was there cut from the boys who had helped to save this country in a great national emergency, believing it was necessary to do so in order to balance the Budget and maintain our national credit. And now we propose to pour nearly one half of that saving right back into an economic rat hole. Upon my conscience, I cannot approve it. A conscience is sometimes a great political inconvenience. [Applause.]

Put first things first. Consider and discover the relative value of relief proposals. Spend our money where it will do most good now. If we have $140,000,000 to spend, spend it in employing the labor of men who will use their wages to support anxious wives and precious children. Put this money into the construction of permanent highways in our States, which are needed now and will be economic assets. Federal contribution to highway construction has been discontinued, and the highway forces of my State, after the 1st of July, will be discontinued and disorganized. Thousands of men will be out of employment, and machinery will be idle. What about these men? Are not they and their families entitled to eat and be clothed?

Furthermore, they talk about discontinuing the public-works program. These buildings are needed and will employ husbands and fathers in quarrying stone, rolling steel frames, making brick and tile, lumbering, sawing, and dressing, and will employ carpenters, masons, steelworkers, plumbers, and painters in construction.

Mr. SISSON. Will the gentleman yield?

Mr. McSWAIN. I am very sorry, but I have only 4 minutes. I should like to satisfy the intellectual curiosity of all my friends, but I simply cannot do so now. [Laughter.]

Eighty-five percent of every dollar expended for road construction and 85 percent of every dollar for the erection of public buildings goes to labor; not labor at the spot, but labor in preparing the raw materials of nature, to be transported and to be put in position in the construction of public buildings. [Applause.]

[Here the gavel fell.]

Mr. McSWAIN. Now, under leave to extend my remarks, I am offering a few additional considerations concerning my position on this legislation. Our Democratic platform binds us to cut expenses at least 25 percent and to exert every effort to balance the Budget. Our Democratic platform also commits us to certain other definite public-works propositions, such as flood control, power development, and a well-planned and well-developed public construction and building program. By this pending legislation we are at least temporarily setting aside all these projects to which we are definitely committed by party platform. There is nothing in

the platform that I can find about reforestation and building mountain camps and roads thereto, at great expense, in order to give occupation and relief to an insignificantly small percentage of our unemployed population.

I predict that the enrollment in these camps at one time will never exceed 100,000. If that be so, hardly 1 percent of the total unemployed men of the Nation will be entertained in these camps. There is no emergency in reforestation. The little trees and saplings can wait a while until the little children and women have surcease of sorrow. Mountain trails and mountain roads can wait for construction until the miserable trails leading to the farm homes of the industrious and hard-working people of this Nation have been lifted out of the mud, so that father and mother and children can get to the market and to the school and to the church. If it be an emergency matter for the feeding of wandering boys and unattached young men, then the economical thing to do would be to assemble them in the various National Guard encampment grounds to be found in every State and give them food and shelter where the houses and tent foundations already exist, where light and water facilities are already to be found, where there are bathing pools, bathhouses, and sewerage plants, and where they can be housed and fed at less than 10 percent of what it would cost to take care of them in newly constructed mountain camps. These National Guard camp sites are unoccupied for 11 months of the year. The unemployed boys and young men could be very well entertained in them from September 1933 to May 1934, when surely there will be normal employment for all who really wish to work.

But now, assuming that we have plenty of money, assuming that our Budget has already been balanced, assuming that our revenues are coming in with great volume, assuming that we are now prepared to begin some altruistic and idealistic experiments, I suggest that there are several other ways by which this $140,000,000 could be better spent at this time.

First, we could rush and enlarge our public-building program. These buildings are needed now and will be useful for the next 50 or 100 years. Eighty-five percent of the total cost of all these buildings goes directly to labor. I mean labor in preparing the raw material, in quarrying the stone, in making the brick, in cutting the lumber, and in transporting these materials and then in arranging them in the building itself. Eighty-five percent of the value to the building, as it stands finished, represents the labor devoted to the stone in the surface of the earth, to the iron ore in the mountain side, and to the standing tree in the forest.

In the second place, we should resume our contributions and advancements to the States for the building of public roads, bridges, and underpasses. These roads are needed, and will be needed as long as civilization lasts. Eighty-five percent of road construction represents labor somewhere along the line.

In the third place, we should lend money to States, counties, and municipal corporations to build and enlarge their sewer systems, and their waterworks, and their electric-light plants, and to pave their streets, and build schoolhouses, and town halls, and all of those conveniences that contribute daily to the needs and to the comforts and to the uplifting of all the men and all the women and all the children.

Then, in the fourth place, we should rush construction for flood control, and build retaining reservoirs, and navigation dams, and locks, and deepen the channels of our navigable streams so as to be able to carry, at the minimum of cost, the volume of commerce that surely will soon be returning. During this period of depression we should plan for a mighty onrush of business; and of commerce, and of industry when the tide turns upward.

In the fifth place, we should be now developing the Tennessee River Valley, and the Columbia River Basin, and the mighty ship canal from the ocean to the Lakes. Even now we should have thousands of men clearing the basin of the Cove Creek Dam project and excavating for the foundations of the dam, and rush to completion the construction of the greatest stream-regulation and flood-control project possible in all this broad land.

But most important of all is the immediate reorganization of our banking system and the revamping of our monetary system. All the public-work projects and relief programs contemplate borrowing money. That means that somebody in America has money, because this money cannot be borrowed from foreign nations or from the citizens of foreign nations. It is stated that already 5 percent of the population either own or have a mortgage upon 85 percent of the property and natural resources of this Nation. Every bond that we sell to raise money to build reforestation camps and to grade mountain roads that will wash away, and to wear out trucks and machinery in building them, means placing another mortgage upon the wealth and the earning power of the people of this Nation. Every dollar we borrow for public works, for road construction, is placing just that much greater power in the hands of the small percentage of those who already own nearly all the wealth of this Nation. A bond issued by the Government is nothing but a mortgage upon all the earning power of the people. When I borrow money, I am very sure that I need it, and that I use it, for some present and imperative purpose. If I do not, I will soon be in bankruptcy.

Now, what we need is to get the people to work along the normal lines of business. We can do it if we will revamp the banking laws, and if we will guarantee bank deposits, and if we will stop paying high rates of interest for money borrowed by the Government, and if we will stop issuing tax-exempt securities, and if we will expand the volume of money and credit in this Nation so that private industry can see a chance to earn profits. When that is so, labor will be employed at good wages, and a fair degree of prosperity will bless all who are able and willing to work. Until we guarantee bank deposits the people are not going to put the money in the banks and leave it there. Until bank deposits are guaranteed, bankers cannot afford to lend money to private individuals and to private industry. As it is now, bankers dare not lend to anybody except the Government. So long as the Government will pay them 2 percent on short notes, and 4 percent on long-time bonds, the banks will sit stagnant and useless as aids to reviving industry. The thing to do is to stop borrowing money for the Government and stop paying high rates of interest, but to issue against the credit of the Government legal-tender obligations that shall circulate among the people as money and shall be receivable in the payment of all public and private debts. When the Government stops borrowing the money heaped up in banks, then the banks will have to lend it to private industries and private citizens. When credit begins to loosen up, manufactures will commence, the prices of commodities will begin to rise, and then the paralysis in the business world will be at an end. When prices begin to rise, then a great scramble of buying will commence. Every business man will wish to buy before the prices rise more. This rush of buying will push the prices up. When prices rise, mortgagors will be able to pay the interest on their mortgage debts and the taxes on their property, and soon will begin to be able to pay off the mortgages, and that will be the solution of the economic stagnation still driving men and women to suicide.

I hope and pray that patchwork will stop and that a fundamental operation upon the fiscal, economic, and banking structure of this Nation will be performed. That is what I mean by "putting first things first." If these first things of fundamental and primary importance are done, then there will be no need for a lot of this superficial and temporary and most limited direct-relief legislation.

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Chairman, this proposal primarily is for employment. Of course it will not be a panacea for our unemployment situation, which is very desperate; but it certainly is a move in the right direction and one which has been proposed by our President and fills what I think is a great need.

There are roaming up and down the highways of this Nation many men looking for something to do. They have been employed in the past and they have no desire to be unemployed at this time. There are many young men who are graduates of high schools and even of universities who are prepared to do things that are useful in life who have not been able to find employment. One of the greatest advantages from this law will be the building up of the morale and the saving of the character of these young men who would like to have employment.

There are others by the thousands who are in the bread lines of the cities who do not prefer charity and who have no desire to ask the public for a gratuity or for something upon which to live, but would like to have employment temporarily, have shelter, have food, clothing, and hospitalization, and have a little remuneration until such time as they can work themselves back into regular employment.

As a beginning this is an admirable proposal. I cannot see the results of a chain gang or a militaristic regime in connection with this matter. I cannot believe it will be administered with any such idea in mind. This is not the proposal. It is going to be handled from the standpoint of humanity and for the building up of the morale and the character of these men who would like to have employment.

I cannot see where there is any competition between this labor and skilled labor. Certainly no corporation or private employment agency would have the right to look to this as any guide for a reduction of wages, because everybody understands this is inaugurated to help the unemployed and those who are now asking for charity.

Moreover, the service that is to be performed is worth while from the standpoint of our Nation. We should build up our forests. These natural resources are of great value to the future generations. This is no experiment. Other nations—in Europe, and even China—are planting trees on their denuded hills to save the soil and hold back the water in order to prevent floods. Most engineers agree that this is a proper method to control flood waters; that the forests make a natural reservoir to hold such water through the periods of time and prevent floods and permit evaporation through a period which will prolong the rainfall. In my opinion this is the way, eventually, flood waters will be handled, taking the denuded lands and replanting them to forests for beautification and for the impounding of the water in order to prevent the run-off of such water into the valleys which would destroy property and life. Of course, reservoirs can be used, but the forests are needed to augment the reservoirs if we are to have a perfect system of flood control. We need to look to the future with a conservation forest policy that will take care of our future timber needs. We are importing a large portion of our pulpwood needs for paper manufacturing.

The people of American need a tree-consciousness. In the last 2 years, under the inspiration of the George Washington Bicentennial Commission, something like 20,000,000 trees have been planted in America because this one organization took the lead to promote tree-consciousness in America. The Federal Government ought to lead in this work. It ought to lead the way for the States and lead the way for the individual landowners. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. LESINSKI].

Mr. LESINSKI. Mr. Chairman, the reason I am for this bill is because there is nothing in it that is against labor or organized labor. If there was I would be against it.

Now, what will this bill do to my own territory, representing one of the biggest manufacturing districts in the country? The floating population of the United States seems to drift in there from the four corners of the country, and we have no way of regulating this condition. The welfare organizations will not support them, so what happens? They go out in the field and dig themselves into the ground like rats, building shacks from old boards. Is this American civilization? Is this the way we want the people of our country to live? They have nothing to eat, and they are compelled to go through the alleys eating garbage out of pails that the rodents have run through. Are we going to permit this condition to exist in this country, a country that is supposed to be flowing with milk and honey?

We must find something for these people to do in order to eliminate this terrible condition, and that is one reason why I favor this plan, and I believe my constituents will uphold my stand.

We have in the State of Michigan 20,000,000 acres of forest land, of which only 2,000,000 are owned by the State and 600,000 by the Government. What will they do with the 17,400,000 acres of land that will not be taken care of by reforestation? There are 10,000,000 acres of tax-delinquent lands that can be used for this purpose and thereby add to our national wealth, and that is another reason why I think the House should stand by President Roosevelt and vote for this bill. [Applause.]

Opposition to this legislation has arisen because of the fear that a precedent for wage scales might be established through this bill. Let me repeat that I am a friend of labor, and if I believed for one moment that this bill would have that effect I would most certainly oppose its passage. But let us look at the facts, as pertaining to the State of Michigan, as they now exist. Workers in private employ in the woods in northern Michigan receive wages which vary from $15 to $30 per month, with board furnished in camp. Of course, this is entirely too low, but it demonstrates to an extent the lengths to which some employers will go when there is a surplus of available labor.

The Public Welfare in northern Michigan, through funds furnished to some extent by the Reconstruction Finance Corporation, pays a maximum work dole of but $30 per month, with no other benefits. In other words, conditions in Michigan are so bad that the laboring people are being forced to work for next-to-nothing in order to keep body and soul together.

Before the advent of the present depression, metropolitan Detroit was made up of honest, home-loving, and, to a very great extent, home-owning citizens. Times have greatly changed, however; these same people by reason of unemployment have seen their savings gradually dwindle or lost entirely through banks that were forced to close because they entered into a wild orgy of speculation with other people's money,

Thousands upon thousands of these people, and a large number of them are personal friends of mine, have lost or they are about to lose their homes, for which they have worked and saved year after year. They are no longer able to meet the interest payments, to say nothing about principal payments and taxes.

It is this great mass of people that I am thinking of when I stand before you in support of this bill. If we can eliminate this large surplus of floating labor from our large industrial centers, I venture to say that the day is not far distant when the balance of our jobless citizens will be gainfully employed, and some of them will then be able to save their homes, and if not, surely to save themselves from further degradation by becoming public charges.

Make no mistake, gentlemen, the unemployment condition has been growing, and I feel that it is high time that we use our power by passing this bill as a start to recovery. Let us do what we can to give every man and woman their God-given right to earn an honest living. [Applause.]

Mr. WELCH. Mr. Chairman, I yield the balance of my time to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Chairman, I listened with a great deal of interest to the gentleman from Kentucky and the gentleman from Pennsylvania, who made the observation that in the dark days of this country, from the beginning, there were measures undertaken which would alleviate the sufferings of that hour. If I may add to that observation, I would like to say that in the very dawning hours of the American Republic there came to Washington a man by the name of Tom Paine, who had written a pamphlet in

which there was an opening sentence which George Washington said was worth 100,000 soldiers to the Continental Army.

The sentence was, "This is the time that tries the souls of men."

Washington, the Father of Our Country, and his brave patriots were fighting a foe from without. Today we are fighting a foe from within.

It seems to me that Tom Paine must have envisioned the year 1933 and the crisis such as we are now confronted with when he wrote those words long ago. We as Members of this body are face to face with the fact that we are indeed in a crisis as acute as ever faced the men and women of this country.

I am happy that in my congressional district in West Virginia we have the Monongahela and George Washington National Forests, with more than one quarter of a million acres.

I am not speaking from a selfish point of view this afternoon, I am speaking from the standpoint of the great eastern centers of population; and I want to say to you that with the great forces of unemployed in the cities there will probably be 2,000 men employed and $2,000,000 spent in my own West Virginia, and so I am glad that in my district there will be a section of forest land which will contribute to the employment of the people of the United States. [Applause.]

Mr. RAMSPECK. Mr. Chairman, I yield to the gentleman from Kansas [Mr. CARPENTER].

Mr. CARPENTER of Kansas. Mr. Chairman, ladies and gentlemen of the Committee, personally I doubt the wisdom of this bill. However, I realize there may be some good in it. If it called for an outright appropriation I would not vote for it. However, we are promised it will not require any new funds. Since it is represented to be the plan of President Roosevelt and his desire that we pass it, and because of the great confidence the people in my district and the Nation have in him, with the hope of restoring better times, I will go along with him on this proposition and vote for it. [Applause.]

Mr. RAMSPECK. Mr. Chairman, as stated by the gentlewoman from New Jersey [Mrs. NORTON], we members of the Committee on Labor have a deep and abiding affection for our chairman, the gentleman from Massachusetts [Mr. CONNERY]. Mr. CONNERY is one of the golden-hearted Irish lads of this House, whose wit is always sparkling, and whose heart is as big as this building, but he is impulsive, and on this particular measure our friend and beloved colleague from Massachusetts has gone off on a sidetrack, following the objections of the American Federation of Labor, and neither he nor anyone else can tell where that organization stands on this measure.

Let us see what is intended by the bill. In the first place, the President of the United States sent us a message on March 21 in which he said that he was going to present a 3-point program for dealing with unemployment.

This is the first point in that program, and I hope gentlemen will keep that in mind, because the same message which deals with this subject and by virtue of which this legislation is presented to this House, pledges the President of the United States to follow it up with the other two parts of his program, one of which is a billion dollar relief bill for public works. It seems to me that that in itself answers the objections which have been injected into this debate by several speakers, that we are taking money from public works for this purpose and therefore not accomplishing anything. It is unquestionably the intention of the President to bring in a broader public-works program than now exists, and for that reason, before this bill was ever introduced in this body or in the body at the other end of the Capitol, an order was issued stopping the letting of contracts on projects already authorized in order that a resurvey might be made to pave the way for the President's larger program for public works.

Mr. FULMER. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. FULMER. And as I understand the larger program that will come in later, it will take into consideration reclamation and flood-control projects that would give considerable assistance to a number of States that will not be able to participate in this program, because they have no public lands or State-owned lands.

Mr. RAMSPECK. The gentleman is correct.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. LANHAM. What will be the effect of this bill in States that have no public lands? For instance, in the State in which I live, when the Republic of Texas was admitted to the Union, it reserved all its public lands, and the Federal Government owns no land in that State except such as it has acquired by purchase.

Mr. RAMSPECK. Has the State of Texas any State-owned lands?

Mr. LANHAM. It has some, many of which are natural forests. It has divided up its State lands and sold them to homesteaders.

Mr. RAMSPECK. This bill permits the President to contract with the Governor of the gentleman's State to work on the State domain. It also permits the President to control plant pests on private lands.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. KOPPLEMANN. I have a telegram from the State forester of the State of Connecticut, stating that this measure will help our State. What does not seem clear to me is this: I know that we have State forests and I can appreciate the help which will come to the forests, but in what manner will this measure help those unemployed who live in my State?

Mr. RAMSPECK. The original bill contained a provision that the President should select those to be employed in this program upon the basis of the unemployment existing in the several States. I have no doubt in my own mind that even though that requirement is not in the present bill there will be as far as possible an equal distribution of the opportunity to be engaged under the provisions of this bill extended to the gentleman's State and every other State.

Mr. McCLINTIC. If I understand the provisions of the bill, there is a section that relates to extending aid to municipalities and subdivisions of territory. Am I correct about that?

Mr. RAMSPECK. I think the Senate limited that to States, though I am not certain. My recollection of reading the Senate amendment is that municipalities have been stricken out.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. MOTT. Will the gentleman tell us why forest roads were left out of the provisions for maintenance and repair of trails, fire lanes, paths, and so forth, in national forests?

Mr. RAMSPECK. My understanding of the reason for that is that we appropriate money each year in the agricultural appropriation bill for that purpose. It was not the purpose of this bill to interfere with any regular work that is done under appropriations by which labor is paid the prevailing wage scale.

Mr. MOTT. As to those forest roads that had been in the Federal forests for that purpose, does not the gentleman think that the work to be done in the national forests should be done as well on these forest roads as on forest paths?

Mr. RAMSPECK. I think they ought to be taken care of under the regular appropriation, because we are making this for the purpose of relieving distress; and we do not want to be guilty of what has been charged by some; that is, taking away from people we have already provided for and giving it to somebody else at a smaller scale of pay.

Mr. MOTT. May I ask the gentleman a further question?

Mr. RAMSPECK. Yes; I yield.

Mr. MOTT. In the State of Oregon we have several hundred miles of forest roads on which there is no work being

done at all and upon which thousands of our people would like to be employed. Under those circumstances does the gentleman not think forest roads should be included in this bill?

Mr. RAMSPECK. I do not think they should be included in this bill, because the relief bill passed last year carried several million dollars appropriation for that very purpose. It was limited to that purpose, and I think if the gentleman will investigate through the Bureau of Public Roads he will find there is provision made for that work under the regular appropriation.

Mr. HASTINGS. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. HASTINGS. In further answer to the inquiry of my colleague the gentleman from Oklahoma [Mr. MCCLINTIC], I invite attention to lines 7 to 18, on page 2, which provide that the President may, in his discretion, extend the provisions of this act to lands owned by counties and municipalities and lands in private ownership, but only for the purpose of doing thereon such kind of cooperative works as are now provided for by act of Congress, in preventing and controlling forest fires and attacks of various tree pests and diseases, and such work as is necessary in the public interest to control floods; so that, in a limited way, work may be done on that character of land.

Mr. RAMSPECK. That is correct.

Mr. SNYDER. The word "labor" has just been presented. Is it true that the farmer and the little business man will prosper in proportion to labor as a result of this bill?

Mr. RAMSPECK. I do not think there is any question about that at all.

Mr. GOSS. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. GOSS. Will the gentleman explain to the House how this reforestation matter will be self-liquidating?

Mr. RAMSPECK. I cannot explain that to the gentleman in detail.

Mr. GOSS. All through the debate that expression has been used. I do not quite see how it can be done, and I would like to get the information.

Mr. RAMSPECK. The only explanation I can give to the gentleman is that my understanding of the word "reforestation" is that if it is properly carried out it adds to the value of the forests. If we can add to the value of our national forests, it is, to a certain extent, self-liquidating.

The suggestion has been made that in the Shenandoah Forest of Virginia the trees are growing so close together that none of them will be worth anything for timber, but if it is properly forested, there will be a fine crop of timber grown on that land, which will produce some money for this Government in the years to come.

Mr. MOTT. Will the gentleman yield for another question?

Mr. RAMSPECK. Yes; I yield.

Mr. MOTT. By "adding to the value of the forests" does the gentleman mean the value of our national forests for recreation purposes or the actual value of the forests for crops?

Mr. RAMSPECK. I mean both.

Mr. MOTT. As far as the value of the crop is concerned, is it not a fact that that is already provided for by existing law, including the way the trees must be cut?

Mr. RAMSPECK. I cannot go into details with the gentleman as to what the present law provides, but the Chief of the Bureau of Forestry testified before the joint committee of the House and Senate on this matter that only about six or seven thousand men could be employed under the present appropriation in that way.

Mr. MOTT. May I ask the gentleman another question?

Mr. RAMSPECK. Yes.

Mr. MOTT. Does the gentleman think that 250,000 men can be employed on work in forests, in working on paths and fire lanes and such work, outside of forest roads?

Mr. RAMSPECK. I cannot tell the gentleman. I have made no such estimate.

Mr. Chairman, there appeared in the Washington News of yesterday a letter from a citizen of this city, and I read it for the purpose of showing the reaction of the man on the street to this measure:

EDITOR OF THE NEWS:

By far the most constructive move toward unemployment relief is President Roosevelt's plan for creating an army of 250,000 men for reforestation. It is difficult to understand the objections of William Green, of the Federation of Labor. If the work to be done was in competition with outside labor, it would be easy to understand his objections, but this work is created for men who would otherwise be in the bread lines. Plenty of men working in this city are not getting even as much as is proposed for the reforestation army—the rental cab driver, for instance. I agree with him that the pay is too low for regular work, but as it will take a lot of surplus labor out of the large cities, it will give those who remain a much better chance of getting a real job. It is a move in the right direction.

It is a move in the right direction. This bill does just a few simple things. It gives the President the right to employ unemployed persons. It gives him the right to use them in a specified manner. It limits the amount to be spent to the unobligated appropriations heretofore made for certain public works.

Mr. Chairman, the real purpose of this legislation, as put forward by this great humanitarian in the White House—a man who himself knows what it is to suffer, a man who knows what it is to face misfortune—the real purpose back of this bill is to take the man out of the flophouses, out of the soup kitchens, out of the bread lines of the cities of this country and give these poor unfortunate citizens an opportunity to labor in the forests on the public domain of this country under healthful conditions. It gives them an opportunity to get back their self-respect; and it does not make any difference to me, insofar as I am concerned, whether he pays them 10 cents or $10. The real purpose of the bill is relief and not wages; and, as was ably said by the gentlewoman from New Jersey, this is a relief measure for the unemployed who are helpless in the great cities of this country. It is not a question of wages or of setting any wage standard.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. SNELL. How far does the gentleman think this bill gives the President the right to start entirely new projects outside of direct reforestation, or forestation?

Mr. RAMSPECK. I do not think it gives him any right to go into what we would call "public works", such as the construction of buildings and things of that sort. The amendment offered by Senator LA FOLLETTE limits employment under this bill, as I understand it, to public works incident to reforestation.

Mr. SNELL. Then the gentleman would not consider that the President had authority under this bill to start an entirely new project such as the development of the Tennessee River, as the President suggested in an interview some time ago?

Mr. RAMSPECK. Unquestionably not. That is not the intention. The only intention of this bill is to put these men to work in the forests as a relief measure. There ought not to be a single vote against it in this House. [Applause.]

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. CULKIN. Can the gentleman tell us whether or not any reclamation or irrigation projects are contemplated by this measure or authorized by it?

Mr. RAMSPECK. I do not think they are either contemplated or authorized. The bill does authorize some temporary flood-prevention work.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. MAY. Referring to section 4 of the bill, can the gentleman advise the House as to the amount of money that may be appropriated under the bill?

Mr. RAMSPECK. If the gentleman from Kentucky will look in the RECORD of yesterday, he will find a statement from the Director of the Bureau of the Budget in which it is stated there is available approximately $148,000,000 for this purpose.

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. ALLGOOD. If the gentleman will permit, further answering the question of the minority leader, if the gentleman from New York will look on page 2 of the bill he will find the following language:

That the President may, in his discretion, extend the provisions of this act to lands owned by counties and municipalities and lands in private ownership, but only for the purpose of doing thereon such kinds of cooperative work as are now provided for by acts of Congress in preventing and controlling forest fires and the attacks of forest-tree pests and diseases and such work as is necessary in the public interest to control floods.

I think in the matter of flood control he might expend some money in the Tennessee Valley.

Mr. RAMSPECK. He could do temporary flood-control work, but not on a permanent project like the Tennessee Valley project.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I have but a moment left.

Mr. GREEN. Is it not a fact he can go on to projects not mentioned in this bill if he sees fit?

Mr. RAMSPECK. Not outside of the national forests and the public domain, except for flood-control work.

This measure is very dear to the President's heart. Let us stand by our leader in the White House and vote down the amendments. [Applause.]

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That for the purpose of relieving the acute condition of widespread distress and unemployment now existing in the United States, and in order to provide for the restoration of the country's depleted natural resources and the advancement of an orderly program of useful public works, the President is authorized, under such rules and regulations as he may prescribe and by utilizing such existing departments or agencies as he may designate, to provide for employing citizens of the United States who are unemployed, in the construction, maintenance and carrying on of works of a public nature in connection with the forestation of lands belonging to the United States or to the several States which are suitable for timber production, the prevention of forest fires, floods, and soil erosion, plant pest and disease control, the construction, maintenance or repair of paths, trails and fire-lanes in the national parks and national forests, and such other work on the public domain, National and State, and Government reservations incidental to or necessary in connection with any projects of the character enumerated, as the President may determine to be desirable: *Provided*, That the President may in his discretion extend the provisions of this act to lands owned by counties and municipalities and lands in private ownership, but only for the purpose of doing thereon such kinds of cooperative work as are now provided for by acts of Congress in preventing and controlling forest fires and the attacks of forest-tree pests and diseases and such work as is necessary in the public interest to control floods. The President is further authorized, by regulation, to provide for housing the persons so employed and for furnishing them with such subsistence, clothing, medical attendance and hospitalization, and cash allowance, as may be necessary, during the period they are so employed, and, in his discretion, to provide for the transportation of such persons to and from the places of employment. The President is further authorized to allocate funds available for the purposes of this act, for forest research, including forest products investigations, by the Forest Products Laboratory.

Mr. CONNERY. Mr. Chairman, I offer an amendment to strike out section 1 and insert the language that I send to the desk.

The Clerk read as follows:

Amendment by Mr. CONNERY: Page 1, strike out all after the enacting clause and insert in lieu thereof the following as a substitute for the bill——

Mr. BLANTON. Mr. Chairman, I make a point of order at this juncture.

The CHAIRMAN. The Chair holds the amendment to be in the nature of a substitute. It has not yet been reported.

Mr. BLANTON. The gentleman can offer his amendment as a substitute for section 1 with notice that he will move to strike out the balance of the House provisions as they are reached, but under the rules of the House he cannot offer it as a substitute "for the whole bill", which he proposes in his amendment.

The CHAIRMAN. The gentleman from Massachusetts has offered this amendment as a substitute for section 1.

Mr. BLANTON. But he did not so state in his proposal, but stated that it was a substitute for the bill.

The CHAIRMAN. The Chair overrules the point of order.

Mr. BULWINKLE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BULWINKLE. May the Clerk read the statement introducing the amendment?

The CHAIRMAN. Without objection, the Clerk will again report the amendment in the nature of a substitute for section 1 offered by the gentleman from Massachusetts.

The Clerk read as follows:

Amendment by Mr. CONNERY: Page 1, strike out all of section 1 and insert in lieu thereof the following as a substitute for the bill.

Mr. BLANTON. Mr. Chairman, I again make the point of order against that part which says it is a substitute for the bill. Under the rules and the precedents such an amendment cannot be offered as a substitute for the bill, but only as a substitute for the first section, with notice, and so forth.

Mr. CONNERY. Mr. Chairman, I ask unanimous consent that the amendment be changed to section 1 instead of the bill.

The CHAIRMAN. That language in the gentleman's amendment is only informative because if the amendment is adopted it is, in fact, a substitute for the bill.

The gentleman from Massachusetts asks unanimous consent that his amendment may be modified as requested. Is there objection?

Mr. CONNERY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CONNERY. Mr. Chairman, I understand it is not absolutely necessary to do this, but if it will ease the mind of the gentleman from Texas I shall be pleased to do it.

Mr. BLANTON. All I am interested in is keeping intact the rules and precedents of the House. They require that the amendment be offered as a substitute for the first section with notice that the remaining sections will be stricken on motion thereafter, as they are reached.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that his amendment may be amended in the manner suggested. Is there objection?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: Page 1, strike out all of section 1 and insert in lieu thereof the following as a substitute for section 1:

"That the President of the United States be, and he is hereby, authorized to provide employment for those unemployed citizens of the United States who voluntarily enroll for the purposes of this act, as nearly as possible in proportion to the unemployment existing in the several States. Such workers shall be enrolled for periods of 60 days, unless sooner discharged. Such workers shall be paid at a rate of not less than $50 per month for single men without dependents and at the rate of not less than $80 per month for married men or men with dependents, and provided with quarters, subsistence, clothing, medical attendance, and hospitalization and transportation from and to their homes. An allotment of not less than $50 per month of his pay shall be paid directly to the wife of a married man, and such amount as the President may request shall be allotted from the pay of men who have dependents, under such rules and regulations as the President may prescribe. Each worker shall, at the time of enrollment, agree to abide by the provisions of this act and by all rules and regulations issued by the President of the United States hereunder, which shall not include any obligation to bear arms.

"SEC. 2. The provisions of chapter 15, title 5, United States Code, are hereby extended to such workers. In case of the injury or death of such workers while employed, the United States Employees' Compensation Commission is hereby authorized to pay such benefits as are provided for in case of the injury or death of a person working at his or a similar trade in the classified service of the United States.

"SEC. 3. That the President is hereby authorized, under such rules and regulations as he may prescribe and by utilizing such existing departments or agencies as he may designate, to provide for employing citizens of the United States who are unemployed, in the construction, maintenance, and carrying on of works of a public nature in connection with the forestation of lands belonging to the United States or to the several States which are suitable for timber production, the prevention of forest fires, soil erosion, plant pest, and disease control, the construction, maintenance, or repair of paths, trails, and fire lanes in the national

parks and national forests: *Provided further*, That the President is herein authorized to enter into agreements with any of the States for the carrying on of work on State forests similar to that authorized in this bill and may utilize the services of these workers for such work without cost to those States.

"SEC. 4. That whenever in the administration of this act it becomes necessary to secure the services of skilled artisans or other expert employees whether or not available among such workers the President may authorize their employment at wages paid for similar work in the classified service of the United States.

"SEC. 5. That to carry out the provisions of this act there is hereby authorized to be expended under the direction of the President, out of any unobligated moneys in the Treasury, such sums as may be necessary and available.

"SEC. 6. That in the execution of this act the President, or the head of any department authorized by him to construct any project or to carry on any work, shall have the right to acquire real property by purchase, condemnation, or otherwise.

"SEC. 7. The provisions of the Economy Act of 1933 shall not apply to any person employed under this act during such employment.

"SEC. 8. This act shall take effect the day after its enactment."

Mr. CONNERY. Mr. Chairman, it is not my desire to take any further time of the Committee of the Whole House, and I simply want to say in a few words just what my amendment does.

In the minority views which I had printed in the RECORD you will notice on page 9 it is stated that the Connery amendment provides: No regimentation of labor; a voluntary enrollment of periods of 60 days; actual pay of $80 per month for married men or men with dependents and $50 per month for single men, with subsistence. "Men with dependents", for example, means a widower with children or a single man whose father is dead and who has a mother and several sisters or brothers to take care of.

The Connery amendment provides that the work is to be confined to reforestation, and all public works authorized for which money has been appropriated are to be continued. Under the amendment there will be no letting out of men who are now at work on Government projects.

You have heard the reading of the bill here, and there are two or three things in the pending Senate bill to which I would like to call your attention.

The Connery amendment provides for the Workmen's Compensation Act to apply to these men, and it applies also to their subsistence. You will notice the Senate bill provides that the Employees' Compensation Act is to have effect only so far as it is applicable. They might just give them compensation at the rate of $1 a day if a man were injured or compute on the rate of a dollar a day for the total computation in figuring compensation for his dependents in case he be killed. My bill takes care of this and says that they are to get the same as every other classified worker engaged in a similar trade in the United States service.

Then you have another proposition here, and I am wondering why this is in the bill. The Senate bill allows the President to buy land in the United States and does away with section 355, Revised Statutes, which provides that the Government must get a good title to such land. Section 355 is laid aside in the Senate bill, and the bill would allow the President to take over land without getting a good title, such as we have to get before constructing public buildings, post offices, and the like.

I think the Members of the House are entirely conversant with what I am trying to do under this amendment. I am trying to do away with the drafting and regimentation of labor. I am trying to do away with the starvation wage of $1 a day. I am trying to do away with the pegging of labor in private industry throughout the United States at $1 a day, because that is what this bill will do.

When you voted the economy bill a year ago, the day you voted to cut Federal salaries, the United States Steel Corporation came out with a 15 percent cut and then a little later with another 15 percent cut. Big industries will do the same thing on all labor throughout the United States if you pass the Senate bill and peg the wage at $1 a day throughout the country.

I know you are interested in putting people to work and giving a purchasing power to the American workman. This is not the time for deflation but it is time to get wages up and give the people of the United States a chance to buy something, give them a purchasing power, give them a chance to buy the products of the farmers, and give them a chance to get a decent living wage. You can do this and put them to work and help bring back prosperity if you will pass the Connery amendment. [Applause.]

Mr. BANKHEAD. Mr. Chairman, I desire to be recognized in opposition to the substitute amendment.

Mr. Chairman, I am sure I can contribute very little to what has already been suggested before the Committee as to the real merits and purposes of the bill. I think that the gentleman from Wisconsin [Mr. BLANCHARD], in the short statement he made with reference to the merits of this bill, very largely covered the whole proposition.

This, confessedly, is not a bill which undertakes to regulate the standard of wages under normal conditions in the United States of America. This is not a bill which, by supporting it, a Representative on this floor puts the stamp of his approval on a permanent reduction of the entire wage scale paid to union labor in the United States of America. What this bill is, as I understand it, and I think it is a fair reading of the intent and purpose of the bill, is purely one of an emergency nature to undertake in a small way to try to relieve this desperate and shocking unemployment situation in the United States.

As I contemplate its provisions and its purposes as announced in the program of the President of the United States, I am not thinking in terms of these general discussions that have been presented here with reference to its effect upon the wage scale of the United States, but I am thinking in terms of my own people back in my own district, and they represent the types of men and women that you have in your districts regardless of what section of the country you represent.

Under this terrific depression that has visited our people for the last 3 or 4 years, constantly progressive in its nature, there are today 11,000,000 or more people out of any sort of gainful employment within the limits of this Republic; hopeless, desperate, naked, unshod, unhoused, hungry, and here is simply a proposition that involves the possible employment of a very negligible number of these 11,000,000, or only one quarter of a million people.

But it does provide that much relief, with a substantially sound basis for the increase of the permanent wealth of the public domain of the United States of America, and gives to that number, small as it is, the assurance of a substantial employment for a period of time.

I am like a great number of other gentlemen on the floor, an adherent of the standard of legitimate wages in the United States of America. I think I have a consistent record in the House for 16 years of going along with the general principles of supporting the American Federation of Labor. I think my record will show that.

But, gentlemen, this is not a permanent and normal proposition. It is not a normal situation. The President of the United States, in looking over all possible fields for remedies of this unemployment situation, puts forth a practical proposition that he has given very long study to and which has intrigued his imagination and confidence, and that is the proposition of reforestating the public domain and improving the conditions for the enjoyment of future generations in the United States. [Applause.]

This bill proposes to give under its terms employment for a few months, possibly a year, and maybe two years, to 250,000 men who today cannot find a single job to provide food and clothing for their wives and children.

One gentleman rather resented the fact or suggestion that had been made that 10,000 men in some sections of the South would be eager to embrace the opportunity for a temporary subsistence and employment provided for in the bill.

But, gentlemen, this is not a sectional proposition. Hunger and nakedness do not alone exist in the South. You men from the great industrial sections of the country

know how you provide for your charities and are being called upon. Your State, your counties, your municipalities are almost exhausted from undertaking to look after men and women who cannot find employment in the country.

What you are trying to do is to take care of the hungry and the destitute of America. Some of us regret the departure from our conception of the proper functions of the Government with reference to appropriations, but every man knows that we are engaged in a great economic war. We have won the first battle; in a measure we have restored confidence of the American people in the future. We have undertaken to remedy the desperate situation of the banking institutions, and we have got to begin some counter offensive against the evil forces that are working against our people.

I justify the expenditure of these public funds on the fundamental proposition that it is the first duty of any government to preserve itself and to preserve its structure against these forces that are threatening the life of the people, as far as it may be done. [Applause.]

That is the proposition involved here, and it is the only proposition involved. Oh, these objections that have been pointed out! I cannot find it in my heart to believe that organized labor in America, the men in the crafts, and in the unions who are in large measure protected in their wage scales by the Bacon Act on public works, are willing to come here before this Congress and before the bar of public opinion in America and say that in their anxiety to preserve their standards of pay, which they ask for in normal times, they find it in their hearts to deny to this multitude of unemployed, unorganized men and women in America, this poor opportunity for a little subsistence voted out of the Treasury of the United States, in order to sustain the lives of their people. [Applause.]

Let us look at this thing fundamentally. We are engaged here with a desperate necessity, and those of us who are most meticulous in our conception of the proper functions of the Congress of the United States and of the Constitution ought to be willing to waive some of them, or we shall be compelled by the very force of progressive disaster to waive them in some of the actions we are going to take. I appeal to the Members of this House, and particularly to those of the party now in control of the Government, to carry out the requests of the President. America today is looking to the President to lead us out of this wilderness of destitution and despair. Franklin D. Roosevelt may make mistakes of judgment. He is not an infallible man, he is not an inspired prophet, but his conduct since he was inaugurated as Chief Executive of the Nation has been of such a nature that he has attracted and still holds the confidence and admiration of the American people. [Applause.] This is in his program. We ought to carry it through. It has been proposed and has been passed by the Senate, and we ought to vote down every adverse substitute and amendment that may be offered to this bill. [Applause.]

Several Members rose and addressed the Chair.

Mr. O'CONNOR. Mr. Chairman, I rise to a point of order, and I do it reluctantly—and I have decided to make it at each amendment—that we must comply with the rules which provide that on each amendment there shall be only 5 minutes of debate in favor of the amendment and 5 minutes of debate against it.

The CHAIRMAN. The gentleman is correct. All time on this amendment has been exhausted.

Mr. DE PRIEST. Mr. Chairman, I offer an amendment to the substitute, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. DE PRIEST to the substitute offered by Mr. CONNERY: At the end of section 1 insert "That in employing citizens for the purpose of this act, no discrimination shall be made on account of race, color, or creed; and no person under conviction for crime and serving sentence therefor, shall be employed under the provisions of this act."

Mr. CONNERY. Mr. Chairman, I accept that amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois to the amendment offered by the gentleman from Massachusetts.

The amendment was agreed to.

The CHAIRMAN. The question now recurs on the substitute offered by the gentleman from Massachusetts as amended by the amendment of the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. CONNERY) there were—ayes 90, noes 290.

So the substitute was rejected.

Mr. DE PRIEST. Mr. Chairman, I offer the following amendment to the original bill, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. DE PRIEST: Page 2, line 25, after the word "employment", insert: "That in employing citizens for the purpose of this act no discrimination shall be made on account of race, color, or creed; and no person under conviction for crime and serving sentence therefor shall be employed under the provisions of this act."

Mr. BLANTON. Mr. Chairman, I make the point of order against the amendment.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. The provisions of that amendment—in fact, every word of it—were inserted into the Connery substitute. The Connery substitute has just been defeated by the action of the House by a vote of 90 yeas to 290 nays, a majority of 200 votes against it. The Committee of the Whole House on the state of the Union having just voted on the proposition and voted it down, the amendment is not in order. I hope that we may pass this bill without any amendments, as it is a part of the President's program.

The CHAIRMAN. The point of order is overruled, for the very obvious reason that the Connery amendment, which was rejected, included other matters different from what is embodied in the amendment offered by the gentleman from Illinois. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and the Chair announced himself in doubt.

The Committee divided; and there were—ayes 179, noes 71.

So the amendment was agreed to.

Mr. McCLINTIC. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McCLINTIC: Page 1, line 7, after the word "works", insert "which may include the construction of reservoirs."

Mr. RAMSPECK. Mr. Chairman, I make the point of order that the amendment is not germane. This bill is limited to reforestation primarily. That is the principal purpose of the bill.

While it does detail some work that can be done in the forests, it has nothing in it which is of a similar nature to the building of waterworks systems, as I understand it. I do not think it is in line with the purpose of the bill nor is it germane to the bill itself.

Mr. McCLINTIC. Mr. Chairman, there could not be reforestation without water to take care of fires.

The CHAIRMAN (Mr. LOZIER). The Chair is ready to rule. The Chair is of the opinion that the amendment is germane; that the construction of reservoirs in connection with these projects is not out of harmony with the letter and the spirit of the measure. Moreover, section 1 specifically provides for the prevention of forest fires, floods, soil erosion, plant pests and disease control, construction, maintenance and repair of paths, trails, and firelanes in national parks and national forests. The present occupant of the chair is of the opinion that the construction of reservoirs may become not only a permissible but a necessary element in the consummation of the proposed program.

The point of order is overruled.

Mr. McCLINTIC. Mr. Chairman, I hope I may have the attention of the Members of the House for a moment. I am heartily in accord with the intent of this legislation. A large portion of our public domain and our public parks is located

in a section of the country that is arid or semiarid; and with the adding of this amendment it does not make it mandatory on the part of the President to construct such reservoirs but, on the other hand, it points out the necessity for providing that which is needed to protect the forests against fire. If this amendment is added, it will make every public park a more attractive place for the tourist. It will provide water in case of forest fires. It will be of aid to wild life. It will furnish a bathing place for those who go there for the purpose of recreation. It will provide refuges for migratory birds. It is one of the most important amendments that could be added to a bill of this kind, because it is in line with the spirit of that which is intended by those who first wrote the legislation.

Mr. CONNERY. Will the gentleman yield?

Mr. McCLINTIC. I yield.

Mr. CONNERY. On page 2 of the bill it reads as follows:

And such other work on the public domain, the National, State, and Government reserves incidental to or necessary in connection with any projects of the character enumerated.

Mr. McCLINTIC. I agree with the gentleman; but it is worth while to call the attention of those who will be charged with the responsibility of looking after the public domain to this matter. For that reason I did not make it mandatory but merely discretionary, so that those who are called upon to look after the duties of this particular legislation would know that this amendment was something that would bring to humanity an added benefit.

Mr. TABER. Will the gentleman yield?

Mr. McCLINTIC. I yield.

Mr. TABER. Is this not really a reclamation project? Does it not make it a reclamation project?

Mr. McCLINTIC. No. Nothing like that is in my mind. I simply had this thought, that if you are going to arrange for the planting of trees and reforestation, in many sections of the country with which I am personally acquainted, we do not have a sufficient amount of water for protection or to take care of wild life during some of the drought periods. So this will provide a fourfold benefit, thus making it possible to render a most useful, lasting service. I sincerely hope the amendment will be agreed to.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

Mr. BOILEAU. Reserving the right to object, I have an amendment to offer, and I should like to address the committee for 5 minutes.

Mr. MOTT. Reserving the right to object, I intend to offer an amendment to insert the word "roads", in line 6, on page 2, to include forest roads with fire paths and lanes.

Mr. RAMSPECK. Mr. Chairman, I will modify my request to make it 15 minutes. I ask unanimous consent that all debate on this section and all amendments thereto close in 15 minutes.

Mr. McCLINTIC. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCLINTIC. Would it be in order to amend that so that each amendment would be taken care of as offered?

Mr. RAMSPECK. Mr. Chairman, I will withdraw the request, and I move that all debate on this section and all amendments thereto close in 15 minutes.

The motion was agreed to.

Mr. RAMSPECK. Mr. Chairman, with reference to the amendment offered by the gentleman from Oklahoma [Mr. McCLINTIC] the bill unquestionably carries with it authority for the President of the United States to do any work in the national forests or in the national parks which may be incident to or necessary to carry out the general program of the bill. This bill is limited to relief, and if you will notice, it is practically limited to hand labor. We do not want to build any great big reservoirs under this bill, because then we will be getting into competition with free labor and employing machinery and spending a lot of money for material. The purpose of this bill is to put men to work with their hands, as a matter of relief, and relief only. I hope the House will vote down the amendment offered by the gentleman from Oklahoma.

Mr. WELCH. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. WELCH. As a matter of fact, under the amendment offered by the gentleman from Oklahoma [Mr. McCLINTIC] to include reservoirs, Boulder Dam could be constructed. Boulder Dam is nothing more nor less than a reservoir. There is sufficient language in the bill in lines 7 and 8, page 2.

Mr. McCLINTIC. The language of the amendment simply was permissive. In other words, it said "may." In every park there is a lot of rock and material, and it would cost only a little money to put in a dam.

Mr. HASTINGS. Under the terms of this bill in States where there are no national forests and no national parks, such as Oklahoma, Missouri, Arkansas, Nebraska, and Kansas, unless some such amendment as that offered by my colleague from Oklahoma [Mr. McCLINTIC] is adopted, work cannot be done. The gentleman from Georgia knows, of course, there is but a limited amount of public land in a large number of the Southern States and in a large number of the Middle Western States. All the land in these States has been taken up. If under the amendment offered by my colleague work could be done on small tracts of land by way of building reservoirs, it would help in flood control. It is of very great importance to our people in the State of Oklahoma and would enable us to employ some of our own people near home and give them work under this relief measure.

Mr. RAMSPECK. I may say to the gentleman from Oklahoma that the amendment offered by his colleague [Mr. McCLINTIC] would not operate in the way he suggests because all activity is limited to land owned by the Federal Government, by the States, and municipalities. According to the gentleman's statement there is no such land in Oklahoma.

Mr. HASTINGS. I do not mean to say there is absolutely none, because there is some public land and some State-owned land in Oklahoma, but the gentleman knows there is a comparatively small amount of public lands and of State-owned lands in States like Arkansas, Missouri, and a great many of the Southern States that has not been entered and gone into private ownership.

Mr. RAMSPECK. I realize the gentleman's statement is true, but this is only part of a general program and we want to leave it in such shape that the President of the United States will have discretion to work it out for the best interests of those people who are so unfortunate as to need work of this sort.

Mr. HASTINGS. Of course, the adoption of this amendment would still leave discretion in the hands of the President as to the other parts of the bill.

Mr. RAMSPECK. Yes; but it will lead to further amendments of a similar nature.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. JOHNSON of Oklahoma. If I understood the gentleman from Georgia correctly, he stated that the present wording of the bill is broad enough to include what my colleague the gentleman from Oklahoma [Mr. McCLINTIC] seeks to do by his amendment.

Mr. RAMSPECK. That is true if it is incident to the general program laid down in the bill.

Mr. JOHNSON of Oklahoma. I fully agree with the gentleman, but if that be true, how would it jeopardize this bill to make it more specific so there would be no question as to the exact meaning of the act?

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken; and on a division (demanded by Mr. McCLINTIC) there were—ayes 25, noes 269.

So the amendment was rejected.

Mr. HOEPPEL. Mr. Chairman, I offer an amendment.

Mr. BOILEAU. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BOILEAU. At the time the gentleman from Georgia moved that debate on this section be limited, I requested permission to offer an amendment and discuss it. Am I to be precluded from so doing now that the time has been limited?

The CHAIRMAN. The gentleman is not precluded from offering an amendment. The Chair is recognizing the gentleman from California, who desires to offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOEPPEL: On page 2, line 22, strike out the word "and", the remainder of line 22, all of line 23, down to and including the word "employed", and substitute in lieu thereof the following:

"As may be necessary during the period they are so employed, and to pay them not less than $40 per month: *Provided, however,* That married men must make a regular allotment of $20 per month from their pay directly to their wives while they are dependent upon their husbands for their support, which allotment is to be augmented by an equal amount from any unobligated moneys in the Treasury, the total amount to be paid directly to the dependent wife under such rules and regulations as may be prescribed by the Secretary of the Interior: *Provided further,* That a dependent wife with minor child or children shall be paid from any unobligated moneys in the Treasury the additional sum of $5 per month for each child; and in case where father and mother of an unmarried man employed under provisions of this act are dependent upon him for support there shall be paid to such dependent father and/or dependent mother an allowance equal to the amount provided in the case of a dependent wife, such payment to be made under such rules and regulations as may be prescribed by the Secretary of the Interior: *Provided further,* That preference in employment under the provisions of this act, wherever practicable, shall be given to the heads of dependent families."

Mr. GOSS. Mr. Chairman, I make the point of order that the amendment is not germane. Just because two subjects matter are related does not make them necessarily germane. This requires certain affirmative direction by the Secretary of the Interior, while in the section to which the amendment is offered these powers are given to the President. The President may not desire to delegate these powers to the Secretary of the Interior; he might wish to delegate them to some other department.

The CHAIRMAN. Does the gentleman from California desire to be heard on the point of order?

Mr. HOEPPEL. Mr. Chairman, I ask unanimous consent to modify my amendment by providing that the President be given that authority.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. GOSS. Mr. Chairman, I object.

The CHAIRMAN. Does the gentleman from California desire to be heard on the point of order?

Mr. HOEPPEL. Mr. Chairman, I concede the point of order. I withdraw my amendment and will resubmit it later.

Mr. BOILEAU. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: On page 2, line 25, after the amendment just adopted, offered by Mr. DE PRIEST, strike out the period, insert a colon and the following: "*Provided,* That the cash allowance paid to persons so employed shall be in that amount which the President shall consider sufficient to enable such person to provide a family of average size with all the necessities of life, including rent, clothing, food, fuel, medical attendance, and education of minor children."

Mr. GOSS. Mr. Chairman, I make a point of order on the amendment based on the same ground as the point of order on the last amendment.

Mr. BOILEAU. Will the gentleman state the grounds, as I did not hear the point of order on the other amendment?

Mr. GOSS. Just because two matters are related, they are not necessarily germane to the bill. In the sentence just preceding it is stated "and cash allowance as may be necessary during the period they are so employed, and, in his discretion, to provide for the transportation of such persons", and so on. It seems to me that this additional language in the gentleman's amendment would not be germane to this section of the bill.

The CHAIRMAN (Mr. LOZIER). The Chair is of the opinion that the amendment is not a departure from the letter and spirit of the legislation. It is simply an amplification of the powers specifically granted in the bill, and for this reason the point of order is overruled.

Mr. BOILEAU. Mr. Chairman, it seems to me that this amendment raises a point which is very important in connection with this legislation. It has been stated repeatedly—and, I believe, upon proper authority—that the President's program contemplates a salary or a pay allowance or a cash allowance of $30 a month. I make the point that if you make this allowance $30 a month it will mean that not a married man in this country who has no other income can assume one of these jobs and leave his family entirely dependent upon this small pittance.

This afternoon I called up the general secretary of the Associated Charities here in the city of Washington, and I was told that the charities here in the city of Washington give a minimum of $60 a month for a family consisting of 2 adults and 3 children. This is the minimum allowance. So here in the city of Washington any man with a wife and three children could not possibly take one of these jobs and support his family unless we are to agree that the District of Columbia would pay something in addition to keep the family going.

To my mind, if we are going to give relief to the unemployed, we should give a sufficient amount so that the man will be able to support his family at least as well as people are supported by charity.

In the District of Columbia and other large cities rents paid by the Associated Charities average from $15 to $25 a month, and this is without heat; and I submit to you that in many of the cities of this country men who would accept one of these jobs at $30 per month would not have any more than enough money to provide a small apartment or flat or some kind of dwelling for his family and heat it.

Mr. CONNERY. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Massachusetts.

Mr. CONNERY. I will say to the gentleman, too, when they go to work at $1 a day in these forests, the welfare department of the city takes them off of their rolls, where he might have been getting $12 a week, and he will have to support his family out of this $1 a day.

Mr. BOILEAU. That is true, and I submit to you that this amendment provides that the President shall fix the cash allowance at a sum which he shall determine to be sufficient to enable a man to have enough money to give his family the necessities of life—not any luxuries but just rent, food, clothing, and things of that kind. Certainly I do not presume there is anyone here today who will deny that the man who works in the forests doing this hard work should receive enough money to at least give his family a decent living—not luxuries but just the bare necessities of life.

Mr. RAMSPECK. Will the gentleman yield?

Mr. BOILEAU. I am pleased to yield to the gentleman from Georgia.

Mr. RAMSPECK. The gentleman has a wrong conception of the bill. This is not an employment bill but a relief bill.

Mr. BOILEAU. But even if it is a relief bill, how can you give relief to a married man unless you give him enough money to provide the necessities of life for his family? This bill is a fine bill for single men, but it will not help a solitary married man, and I dare say there is not a married man in the District of Columbia or any other city in the country who would assume one of these jobs, without any other income, because he would be doing his family a great injustice. He could not pay the rent and provide his family with even enough food to eat.

Mr. RAMSPECK. I agree with the gentleman that that sort of man will get no benefit out of this bill and it is not intended for him.

Mr. BOILEAU. Who does the gentleman assume will take these jobs?

Mr. RAMSPECK. This is intended for the man who is now living on charity and ordinarily would not get anything.

Mr. BOILEAU. And I submit to the gentleman that the Associated Charities told me this afternoon that $60 is the minimum amount that families living on charity receive with which to provide rent, fuel, light, clothing, and incidentals. Do you want to bring them lower than this? Do you want to give them less than charity cases are getting now? They would be better off accepting charity than working for half of the amount charity allows them for the support of their families.

Mr. BYRNS. Will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. BYRNS. I want to call the attention of the gentleman to this fact. As the gentleman from Georgia says, this is not for the relief of men of the kind he refers to, but is intended for the relief of men who are now wholly dependent upon charity and that is all they are getting.

Mr. BOILEAU. I want to say to the gentleman that people depending on charity here in the District are getting a minimum of $60 if they have a family of 2 adults and 3 children.

Mr. BYRNS. And they will continue to get it, if they need it, from the Associated Charities.

Mr. BOILEAU. I cannot understand how a married man is going to get any relief, under this bill, unless we raise the amount of the allowance carried in the bill. A family cannot be supported on $30 per month if they pay rent and have no other income.

[Here the gavel fell.]

Mr. ROGERS of New Hampshire. Mr. Chairman, I rise in opposition to the amendment, not because I am opposed to the workingman and not because I am opposed to organized labor, because I am, and always have been, a friend of organized labor; but I want to say that the entire purpose sought to be accomplished by this legislation has been misunderstood by a great many Members of this House.

It is best expressed in the language of the President of the American Federation of Labor, when he said:

> We want to help in every way possible in relieving distress caused by unemployment, and to serve, insofar as it is possible for us to do so, in creating work opportunities for those who are idle and in great distress.

This bill accomplishes that very purpose. It does two things. It gives an opportunity to engage in forestation work to relieve the sufferings caused by unemployment, and the use of unobligated funds to accomplish this end.

I want to call attention to the words of a distinguished Senator at the other end of the Capitol. He said in discussing this bill on Monday of this week:

> I also have reason to know that the President intends to put in charge of this work a representative of organized labor; and, in view of that fact, it is to be assumed that the work will be carried on under rules and regulations that will be acceptable to labor employed upon this kind of work.

In view of that statement, we should oppose amendments to this measure, and leave the responsibility where it has been assumed by the man in the White House at the other end of the Avenue, and give an opportunity to the unemployed to get some chance of relief and get back on the road to prosperity. [Applause.]

The CHAIRMAN. All time has expired, and the question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. SHANNON) there were 54 ayes and 256 noes.

So the amendment was rejected.

Mr. LANZETTA. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

> Page 2, line 3, after the word "State" where it occurs the second time, insert the words "and Territories".

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken, and the amendment was rejected.

Mr. DIRKSEN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

> On page 2, line 7, after the word "forests", insert "the establishment of game preserves, sanctuaries for birds and wild fowl, the establishment of public hunting and fishing grounds on marginal lands along navigable water courses, the propagation of fish, game, and wild fowl."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

Mr. MOTT. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

> Amendment offered by Mr. MOTT: Page 2, line 6, after the word "of", insert the word "roads."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon.

The amendment was rejected.

Mr. McCANDLESS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

> Amendment offered by Mr. McCANDLESS: Page 1, line 5, after the word "States", insert the words "and its Territories."

Mr. O'CONNOR. Mr. Chairman, I make the point of order that the amendment has already been voted on.

The CHAIRMAN. The point of order is overruled. The question is on agreeing to the amendment offered by the Delegate from Hawaii.

The amendment was rejected.

Mr. GOSS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

> Amendment offered by Mr. GOSS: Page 1, line 11, after the word "unemployed", insert "as nearly as possible in proportion to the unemployment existing in the several States."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Connecticut.

The amendment was rejected.

Mr. DIRKSEN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

> Amendment offered by Mr. DIRKSEN: Page 2, line 22, strike out the words "and cash allowance" and insert in lieu thereof the word "remuneration."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The amendment was rejected.

Mr. DIRKSEN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

> Amendment offered by Mr. DIRKSEN: Page 2, line 22, strike out the words "as may be necessary" and insert in lieu thereof "as shall be deemed necessary to maintain a standard of living, equivalent to the standard of living which obtained during the 6 months' period ending June 30, 1928, such standard of living to be determined by investigation, through established agencies of the Government."

The question is on agreeing to the amendment offered by the gentleman from Illinois.

The amendment was rejected.

Mr. MOTT. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

> Amendment offered by Mr. MOTT: Page 2, line 25, after the word "employment", strike out the remainder of the section.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Oregon.

The amendment was rejected.

The Clerk read as follows:

SEC. 2. For the purpose of carrying out the provisions of this act the President is authorized to enter into such contracts or agreements with States as may be necessary, including provision for utilization of existing State administrative agencies, and the President, or the head of any department or agency authorized by him to construct any project or to carry on any such public works, shall be authorized to acquire by purchase, donation, condemnation, or otherwise, real property contiguous to real property already owned by the Government, but the provisions of section 355 of the Revised Statutes shall not apply to any property so acquired.

Mr. BYRNS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BYRNS: Page 3, line 11, after the word "acquire", insert "real property"; and in lines 12 and 13 strike out "real property contiguous to real property already owned by the Government."

Mr. BYRNS. Mr. Chairman, I ask the attention of the committee for just a moment. I have offered this amendment at the instance and request of the President. He says that it is exceedingly important that this language shall be eliminated.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The amendment was agreed to.

The Clerk read as follows:

SEC. 3. Insofar as applicable, the benefits of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, shall extend to persons given employment under the provisions of this act.

Mr. WADSWORTH. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: Page 3, line 16, strike out all of section 3 and insert in lieu thereof the following:

"SEC. 3. The President is authorized to promulgate and put into effect rules and regulations for compensating persons employed under the provisions of this act for injuries received while actually engaged in work."

Mr. WADSWORTH. Mr. Chairman, may I call the attention of the House to section 3 and what it provides? I have made what examination I could of the act referred to in section 3 of the bill as printed. Its provisions actually are not applicable in any sensible way to the persons who are to be employed in this relief work. If you will read the provisions of the act referred to, you will find that the rates of compensation for injuries to civil employees of the Government are based, of course, fundamentally upon the fact that they are employed by the Government as a life work.

It is provided in that act that the compensation to injured employees shall not exceed $66.66 per month nor be less than $30 per month. There are various other provisions about dependents, dependent children, dependent mothers, old age coming over the employee—all having to do with the permanent civil service of the United States. That act is not and cannot be made satisfactorily applicable to this particular situation. There is no parallel between the conditions under which these 250,000 men are to be employed and the conditions under which the five or six hundred thousand civil servants of the Government are employed.

Mr. BLANTON. Will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. BLANTON. I think the amendment offered by the gentleman is such a necessary one and is so valuable that the committee might accept it. Eventually it would save millions of dollars for the Government.

Mr. WADSWORTH. I cannot yield further. I press this amendment in all seriousness, especially as an amendment has just been adopted, offered by the gentleman from Tennessee [Mr. BYRNS], which compels this bill to go back to the Senate. I offer this in all seriousness in order that we may avoid either one of two evils: If the act referred to in section 3 of the bill is to be interpreted as applicable to these people and its rates of compensation followed, we will build up a new pension system in this Government little dreamed of. And those people, in most instances, will not have worked for the Government more than 60, 90, or 100 days; whereas if it is to be interpreted severely, then section 3 will not do justice. The thing is so extraordinary, so unusual, that in my humble judgment we would better leave it to the President to work out a just system of compensation for injuries incurred by these men while actually at work, and that is the purpose of my amendment. [Applause.]

Mr. O'CONNOR. Will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. O'CONNOR. If by any chance the amendment were adopted, will the gentleman from New York then vote for this bill?

Mr. WADSWORTH. I would not. [Laughter.]

Mr. RAMSPECK. Mr. Chairman, the Employee's Compensation Act applies to all persons working for the Federal Government. It applies to men in the shipyards. I see no reason why it cannot be applied to these men.

This bill was prepared by a representative of the administration, and I hope it may be sent back to the President in just as near the form he sent it here as possible. I hope the amendment will not be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. WADSWORTH].

The question was taken and on a division, demanded by Mr. WADSWORTH, there were ayes 174 and noes 147.

Mr. O'CONNOR. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. WADSWORTH and Mr. RAMSPECK as tellers.

The committee divided; and the tellers reported there were—ayes 140 and noes 174.

So the amendment was rejected.

Mr. GRISWOLD. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment by Mr. GRISWOLD: Page 3, line 21, strike out the period, insert a colon, and add the following: "*Provided*, That the wage basis for the computation of such compensation shall be not less than $2 per day."

Mr. RAMSPECK. Will the gentleman yield?

Mr. GRISWOLD. I yield.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 7 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia [Mr. RAMSPECK]?

There was no objection.

Mr. GRISWOLD. Mr. Chairman, this amendment differs from the amendment offered by the gentleman from New York [Mr. WADSWORTH] in that it does not change existing law. We have been told that these men are really receiving more than $1 a day; that the additional maintenance, hospitalization, and everything else will make their wages approximately $2 per day. We were told in the committee by the Chief of the Forestry Service that with the few men now employed in the Forestry Service they have 2,000 cases a year before the Compensation Board. Now, we are sending in more men, inexperienced men, to handle an ax in the forests. We will have more casualties from this service and we can only pay these men under this bill, applying the compensation act as it would be applied in section 3, 66 cents a day for the loss of a leg or any other injury. The amendment I have offered would leave the present set-up of the compensation act in force, but increase that to comply with what we are told by the Secretary of Labor and others that these men will actually receive $2 a day, and make the basis of that compensation $2 instead of $1 a day, and then they could get more than 66 cents a day, which they would get under the present bill.

Mr. RAMSPECK. Mr. Chairman, I just want to call the attention of the Committee to one fact in answer to the argument offered by the gentleman from Indiana [Mr. GRISWOLD]. Section 12 of this act provides that in computing the monthly pay the usual practice of the service in which the employee was employed shall be followed. Subsistence

and the value of quarters furnished to an employee shall be included as a part of the pay. It is very probable that in figuring the amount received by an employee under this act, as this section provides, it may be figured on a basis higher than $2 a day, because the quarters and subsistence furnished under this bill may be worth more than a dollar a day, and for that reason I hope the amendment will not be adopted, as well as for the other reason that we do not want any unnecessary amendments adopted which would delay the passage of the bill.

Mr. GRISWOLD. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. GRISWOLD. This amendment provides a minimum of $2 per day. If they could get more than that this amendment will not affect it.

Mr. RAMSPECK. I think we had better leave it as it is.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. GRISWOLD].

The amendment was rejected.

The Clerk read as follows:

SEC. 4. For the purpose of carrying out the provisions of this act, there is hereby authorized to be expended, under the direction of the President, out of any unobligated moneys heretofore appropriated for public works (except for projects on which actual construction has been commenced or may be commenced within 90 days, and except maintenance funds for river and harbor improvements already allocated), such sums as may be necessary; and an amount equal to the amount so expended is hereby authorized to be appropriated for the same purposes for which such moneys were originally appropriated.

Mr. BEEDY. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. BEEDY. Mr. Chairman, I make the point of order that section 4 is in violation of House rule XXI, paragraph 4, which expressly states that a provision carrying an appropriation is not in order during the consideration of a bill or a joint resolution reported by a committee not having jurisdiction.

Fortunately we have a very accurate precedent by which we may go. I call the attention of the Chair to the middle of the paragraph at the bottom of page 393 of the Manual, from which I quote:

Language reappropriating, making available, or diverting an appropriation or a portion of an appropriation already made for one purpose to another is not in order.

I call the attention of the Chair also to the RECORD of the Sixty-seventh Congress, first session, page 4891. At that time the Congress had under consideration a bill which sought to control the importation of dyes and chemicals. Among other provisions the bill contained one appropriating or making available moneys, which had once been appropriated for salaries for the collection of customs revenue, for payment of salaries for the enforcement of the provisions of the pending bill.

Mr. WALSH, of Massachusetts, made the point of order that the bill was in fact an appropriation bill, and that it was reported by the Ways and Means Committee, which committee was without appropriating power.

Chairman Campbell stated that—

Section 3 of the bill reported by the Ways and Means Committee provides that the appropriation for collecting the revenue from customs of 1922 is hereby made available for the payment of salaries and all other expenditures incident to the operation of the dye-and-chemical section provisions of the customs, Treasury Department, for the fiscal year ending June 30, 1922. To that section the gentleman from Massachusetts, Mr. WALSH, makes the point of order that it carries an appropriation reported by the Committee on Ways and Means, and that under the rules of the House that committee has no jurisdiction over appropriations.

The Chair then proceeded to sustain the point of order.

I submit this ruling to the Chair as a binding precedent and make the point of order against section 4 of the pending bill.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. I yield.

Mr. GOSS. I was looking at the same section in connection with making this point of order myself. When I read it more carefully, I saw that the language read:

For the purpose of carrying out the provisions of this act there is hereby authorized to be expended.

Of course, this committee has the power to authorize expenditures. Had the language read "appropriated" instead of "authorized", in my judgment it would then have been subject to the point of order made by the gentleman from Maine. I do not understand that language authorizing expenditure makes the appropriation. I ask this question of the gentleman.

Mr. BEEDY. If it does not make the appropriation, then the granting of the authority means nothing. To authorize an "expenditure" of money is to make it available through appropriation. This kind of bill should have come from the Committee on Appropriations of the House, I submit to the Chair.

Mr. O'CONNOR. It does not appropriate the money. That has already been done.

Mr. BANKHEAD. Is the Chair prepared to rule?

The CHAIRMAN. If the gentleman from Alabama desires to make any observations on the point of order, the Chair will be pleased to hear them.

Mr. BANKHEAD. Mr. Chairman, I shall be very brief.

I think the gentleman from Connecticut is right. As I understood it, the point of order made by the gentleman from Maine was based upon the proposition that this section was reported by a committee that had no jurisdiction under the rules of the House to make an appropriation.

If the Chair please, it takes only a cursory reading of the section itself to show it does not in any way attempt to make an appropriation in the sense of the point of order made by the gentleman from Maine, but merely contains the language—

For the purpose of carrying out the provisions of this act there is authorized to be expended.

Mr. BACON. Does it not change the destination of money already appropriated?

Mr. BANKHEAD. That is not enough to sustain the point of order made by the gentleman from Maine.

Mr. TABER. Mr. Chairman, the rules provide that unless the bill comes from a committee authorized to bring in appropriations that an appropriation is out of order.

Now, is this an appropriation?—is the question. The language of the bill reads:

For the purpose of carrying out the provisions of this act there is hereby authorized to be expended.

The language does not read "authorized to be appropriated." The language reads—

authorized to be expended out of any unobligated moneys heretofore appropriated—

for certain purposes.

Under the ruling made in the Sixty-seventh Congress, reported at page 4891 of Hinds' Precedents, the Chair had before it precisely this proposition, whether an appropriation which was already made was being allocated to a different purpose, exactly the same situation as that before the Chair at the present time. It is absolutely unquestioned that this is a reappropriation of funds which have already been appropriated, and it is clearly in violation of the rule.

If the Chair has not this citation, I shall be pleased to send it to the desk.

The CHAIRMAN. The Chair has before it the citation to which the gentleman refers.

Mr. BYRNS. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee.

Mr. BYRNS. The House by unanimous consent agreed to consider the Senate bill in lieu of the House bill. As the gentleman from Alabama has pointed out, this is nothing more nor less than a transfer of funds already appropriated. It carries no appropriation. No appropriation is intended by this bill. Under these circumstances it seems to me the point of order should be overruled.

The CHAIRMAN (Mr. LOZIER). Before ruling, the Chair would like to inquire of the gentleman from Georgia [Mr.

RAMSPECK] or the gentleman from Alabama [Mr. BANKHEAD] whether or not under this language the President would be authorized to use the funds heretofore appropriated for other purposes in payment of the obligations arising under this act.

Mr. RAMSPECK. Certainly, Mr. Chairman. That is the thing that is sought to be done. There is no new money taken out of the Treasury, but the money is transferred from one purpose to another, temporarily.

The CHAIRMAN. Is it not the use of money that has been allocated by an appropriation act for another purpose, and is not the effect of this language to take from the Treasury, without any further appropriation, funds that the Congress has heretofore appropriated for other purposes?

It seems to the present occupant of the chair that there is a very wide difference between the language "authorized to be expended" and "authorized to be appropriated." Here is a proposition not to authorize an appropriation. If this were a proposal to authorize an appropriation, then some additional act of Congress would be necessary to make the authorization effective, but this language provides that—

There is hereby authorized to be expended out of any unobligated moneys heretofore appropriated.

Mr. RAMSPECK. That is what I wanted to call to the attention of the Chair. The money has already been appropriated, and this is simply a transfer of the use of it from one purpose to another.

The CHAIRMAN. The Chair will ask the gentleman from Georgia this question. The money has already been appropriated, but by this language the gentleman seeks to divert that money which was appropriated for one specific purpose to another specific purpose; is not that true?

Mr. RAMSPECK. Yes. Of course, Mr. Chairman, that is the purpose of the section—to make available for this purpose funds which have not been used but were appropriated for a similar purpose.

The CHAIRMAN. Then if the gentleman's statement is true, the gentleman admits this is, in essence and in fact, an appropriation?

Mr. RAMSPECK. No; that is not my understanding, if the Chair pleases, for this reason: The Chair stated a while ago that when you authorize an appropriation there must be some further action by the Congress. This is true, but such further action in this case has already been taken. The money has already been appropriated, and this act simply transfers the use of it to some other purpose.

The CHAIRMAN. The gentleman admits that the money has heretofore been appropriated for another purpose.

Mr. RAMSPECK. Yes.

Mr. COCHRAN of Missouri. Mr. Chairman, the point of order of the gentleman from Maine was based upon the fact that the bill has been reported by a committee that has no authority under the rules of the House to report such a bill. The House, by unanimous consent, agreed to take up a bill that has never been in the committee and therefore the rule does not apply. This bill has never been to a committee. It came from the Senate and was placed before the House and therefore the rule does not apply, because no committee has reported this Senate bill.

The CHAIRMAN. The Chair will state to the gentleman from Missouri and to the Committee that this bill is being considered as a substitute for a bill that was before the House and was reported by the Committee, and by unanimous consent this bill is now being considered, not under a special rule, but under the general rules of the House.

Mr. GOSS. Mr. Chairman, may I refer to section 4 of rule XXI, which says that a point of order on an appropriation in any such bill, joint resolution, or amendment thereto, may be raised at any time. I state this in answer to the statement of the gentleman from Missouri.

The CHAIRMAN. The Chair is ready to rule.

Clause 4 of rule XXI provides that—

No bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations, nor shall an amendment proposing an appropriation be in order during the consideration of a bill or joint resolution reported by a committee not having that jurisdiction. A question of order on an appropriation in any such bill, joint resolution, or amendment thereto may be raised at any time.

Section 4 of the bill under consideration, to which this point of order is directed, reads as follows:

For the purpose of carrying out the provisions of this act—

Which implies, of course, an expenditure of public funds under the provision of this act out of the Public Treasury—

there is hereby authorized to be expended—

Not hereafter appropriated, but to be expended—

under the direction of the President—

And so forth.

Now, what money is to be expended? Any money out of any unobligated moneys heretofore appropriated for public works. This is evidently and essentially, by the express language of this section, an effort to divert public funds from the purpose for which they were appropriated by the Congress and allocate them to the use and for the payment of expenses under this act.

The Chair calls the attention of the Committee to the syllabus of a decision in the precedents by Mr. Campbell, Speaker pro tempore:

A proposition to reappropriate or make available an appropriation previously made—

That is what you propose to do—

or to divert such appropriation to any other purpose than that for which originally made is equivalent to a direct appropriation and is not in order in connection with a bill reported by a committee without authorized jurisdiction to report appropriations. Committees without jurisdiction to report appropriations may not report propositions to reappropriate appropriations or parts of appropriations already made.

This decision was made on August 11, 1921, and may be found in Cannon's Precedents, section 9156.

The present occupant of the chair is constrained to sustain the point of order.

Mr. BANKHEAD. Mr. Chairman, I desire to submit a parliamentary inquiry, in view of the importance of the decision as affecting the operations of this bill.

The CHAIRMAN. The gentleman will state it.

Mr. BANKHEAD. I do not know whether the present occupant of the chair in Committee of the Whole will feel inclined to answer the question, because probably the question may better be submitted to the Speaker.

I want to submit this inquiry: In the event that this bill should be passed and section 4 stricken out by the ruling of the Chair, and the bill went to conference, and the conferees restored this section of the bill in the conference report, would it be subject to a point of order on the ground stated by the gentleman from Maine? I submit that in all candor, for it is evident that unless this can be done it will be necessary for a special rule to be brought in to retain this provision, because it is the very heart of the bill itself.

Mr. TREADWAY. Mr. Chairman, I call the attention of the gentleman from Alabama to the fact that the question he has propounded to the Chair would be a question later on to be taken up when the committee is in the House debating, if necessary, a conference report.

Certainly it does not appear to me that the question should be fairly put to the Chair presiding as chairman on something that the Speaker of the House may be called upon to decide in the future.

Mr. BLANTON. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The Chair has no objection to answering the question of the gentleman from Alabama.

Mr. BLANTON. I think that is the function of the Speaker of the House, and I ask for the regular order.

Mr. RAMSPECK. Mr. Chairman, I offer an amendment to take the place of section 4.

I have not my amendment written out, but it is as follows: I move to amend in place of section 4 by inserting the following:

SEC. 4. For the purpose of carrying out the provisions of this act, there is hereby authorized to be appropriated, under the

direction of the President, out of any unobligated moneys heretofore appropriated for public works (except for projects on which actual construction has been commenced or may be commenced within 90 days, and except maintenance funds for river and harbor improvements already allocated), such sums as may be necessary; and an amount equal to the amount so expended is hereby authorized to be appropriated for the same purposes for which such moneys were originally appropriated.

Mr. BLANTON. Mr. Chairman, I make the point of order that the amendment is not in the form provided for by the rule.

The CHAIRMAN. The point of order is well taken. Will the gentleman from Georgia present his amendment in writing?

Mr. RAMSPECK. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

In place of section 4, stricken out, insert the following:

"SEC. 4. For the purpose of carrying out the provisions of this act there is hereby authorized to be appropriated, under the direction of the President, out of any unobligated moneys heretofore appropriated for public works (except for projects on which actual construction has been commenced or may be commenced within 90 days, and except maintenance funds for river and harbor improvements already allocated), such sums as may be necessary; and an amount equal to the amount so expended is hereby authorized to be appropriated for the same purposes for which such moneys were originally appropriated."

Mr. BLANTON. Mr. Chairman, I make the point of order against the amendment that the only authority that this, or any other committee without authority to make appropriations, can exercise, is to authorize an appropriation to be made out of any money in the Public Treasury not otherwise appropriated, and that neither this committee nor any other legislative committee has authority to authorize an appropriation out of money heretofore allocated to some other project.

I intend to support this measure as part of the President's program, and even though I do not agree with many of its provisions, I am willing to help the President put his policies into force and effect.

But at the same time I am in favor of upholding the rules and precedents of the House and not allowing expediency to control us.

Mr. BEEDY. Mr. Chairman, it seems to me that the proposed amendment makes my point of order the stronger. No bill can be entertained here or any provision of any bill coming from the Committees on Education and Labor which aims to appropriate from any moneys already appropriated. If you appropriate from moneys already appropriated for the purpose of the bill before the House, then you seek to make those moneys available for expenditure from moneys already appropriated for a specific purpose, and you seek to divert them to another purpose. I submit the point of order and ask for a ruling.

Mr. RAMSPECK. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LOZIER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill S. 598, had come to no resolution thereon.

RECESS

Mr. BYRNS. Mr. Speaker, I move that the House stand in recess for 10 minutes.

The motion was agreed to; accordingly (at 5 o'clock and 42 minutes p.m.) the House stood in recess.

AFTER RECESS

The recess having expired (at 5 o'clock and 52 minutes p.m.), the House was called to order by the Speaker.

Mr. BANKHEAD. Mr. Speaker, by direction of the Committee on Rules, I report a privileged resolution, which I send to the desk and ask for its immediate consideration.

Mr. SHANNON. Mr. Speaker, does not the rule have to lie over for a day?

The SPEAKER. It does not.

The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 85

Resolved, That upon the adoption of this resolution it shall be in order to offer as an amendment in Committee of the Whole House on the state of the Union to the bill S. 598 the following language:

"SEC. 4. For the purpose of carrying out the provisions of this act, there is hereby authorized to be expended, under the direction of the President, out of any unobligated moneys heretofore appropriated for public works (except for projects on which actual construction has been commenced or may be commenced within 90 days, and except maintenance funds for river and harbor improvements already allocated), such sums as may be necessary; and an amount equal to the amount so expended is hereby authorized to be appropriated for the same purposes for which such moneys were originally appropriated."

All points of order against said amendment shall be considered as waived in the House and in the Committee of the Whole House on the state of the Union.

Mr. SNELL. Mr. Speaker, I raise the question of consideration.

Mr. BANKHEAD. Mr. Speaker, I ask for a vote upon the question of consideration.

Mr. BUSBY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BUSBY. If objection is made to the immediate consideration of the rule, will it not have to be adopted by a two-thirds vote?

The SPEAKER. It requires a two-thirds vote to consider it. The question is, Shall the House consider the resolution?

The question was taken; and on a division (demanded by Mr. SNELL) there were—ayes 189, noes 71.

So (two thirds having voted in favor thereof) the House determined to consider the resolution.

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. RAMSPECK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 598) for the relief of unemployment through the performance of useful public work, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 598, with Mr. LOZIER in the chair.

The Clerk read the title of the bill.

Mr. RAMSPECK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RAMSPECK: Page 3, after line 21, insert the following:

"SEC. 4. For the purpose of carrying out the provisions of this act there is hereby authorized to be expended, under the direction of the President, out of any unobligated moneys heretofore appropriated for public works (except for projects on which actual construction has been commenced or may be commenced within 90 days, and except maintenance funds for river and harbor improvements already allocated), such sums as may be necessary; and an amount equal to the amount so expended is hereby authorized to be appropriated for the same purposes for which such moneys were originally appropriated."

Mr. COCHRAN of Missouri. Mr. Chairman, I offer an amendment to the amendment.

Mr. RAMSPECK. Mr. Chairman, this simply puts back in the bill section 4 exactly, which was ruled out on the point of order.

I move that all debate on this section do now close.

Mr. BLANTON. Well, Mr. Chairman, there are bona-fide amendments to be offered. I make the point of order that the gentleman cannot make such a motion until there has been the usual debate allowed under the rules. I rise in opposition to the amendment offered by the gentleman from Georgia. There has been no debate in opposition at all to the amendment.

The CHAIRMAN. Does the gentleman from Georgia insist on his motion?

Mr. RAMSPECK. No, Mr. Chairman. I will withdraw the motion temporarily.

Mr. COCHRAN of Missouri. Mr. Chairman, I offer an amendment to the amendment.

The CHAIRMAN. The gentleman from Texas [Mr. BLANTON] is recognized.

Mr. BLANTON. Mr. Chairman, I am glad that the Rules Committee brought in this rule. I voted for the rule. I am going to vote for the Ramspeck amendment. I am in favor of putting such a provision into this bill. But it ought to go into the bill in an orderly way, and now it is in the bill in an orderly way. It would have been a bad precedent if the Chair had not sustained the point of order that forced this rule brought in to make it in order. It would have been a precedent that would have given us great trouble until it had been set aside. But we ought to amend this provision.

There is a provision here that ought to be changed, and while I will not have an opportunity to discuss it at the time I offer my amendment, I want to mention it now. I am going to offer an amendment to the amendment offered by the gentleman from Georgia.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. BLANTON. In just a moment. Unless the amendment which I intend to offer is adopted, it is possible that there may be involved a number of post-office buildings which have been legally authorized for as long as a year ago, which have been duly allocated under the law, and for which private architects have been employed and have been working on same for months. They have drawn up plans and specifications under the direction of the Supervising Architect in the Treasury Department. Those plans and specifications during the last few months have been submitted to the various departments interested—to the Department of Justice, to the Navy Department, to the War Department, to the Civil Service Commission—all of which departments must pass on the plans and specifications for all buildings for post-office purposes and for court purposes. Now, construction possibly cannot be begun on those buildings within the 90 days provided for in this bill, and, to make them clearly come within the exceptions, I shall offer an amendment excepting the propositions which are now being drawn up under the departments' plans and specifications by private architects. Is that not a reasonable exception?

The committee thinks they would be protected anyway under the bill, and that their construction will not be stopped by this bill, and while that is likely the case I want to make it clear and beyond controversy, for it would do a great injustice in every part of the United States where there are such propositions now in the course of preparation. I shall offer such an amendment to the Ramspeck amendment. I will not be allowed to discuss it after it is offered, as debate has been limited, but I hope that when the amendment is read you will see the reason for and the application of it, and I hope you will adopt it. It would be a great injustice to the private architects who have spent months in making plans and drawings.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BLANTON. I yield to my colleague [Mr. McFARLANE].

Mr. McFARLANE. I have just communicated with the office of the Supervising Architect, and I am informed there are more than $90,000,000 available. It was stated there were $77,000,000 available. Does the gentleman not believe we ought to have more consideration on those post offices and different buildings?

Mr. BLANTON. I do not think we ought to take money that has been allocated already for a building where the architects have been employed for months, where they have had numerous employees in their office working under them, and allocate it to other work. It would do the people interested a great injustice.

Mr. GREEN. Why not have it reallocated under the new administration?

Mr. BLANTON. Oh, it has already been allocated and vested rights have been established.

I now offer my amendment to the amendment offered by the gentleman from Georgia, Mr. Chairman.

The Clerk read as follows:

Amendment offered by Mr. BLANTON to the amendment offered by Mr. RAMSPECK: After the word "days," in line 6 of the amendment, add the following: "or upon which private architects have already been employed and are now engaged in preparing drawings under the plans of the Acting Supervising Architect of the Treasury Department."

Mr. COCHRAN of Missouri. Mr. Chairman, I rise in favor of the amendment.

Mr. RAMSPECK. Will the gentleman yield to me to make a motion?

Mr. COCHRAN of Missouri. I yield.

Mr. RAMSPECK. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 10 minutes.

Mr. TREADWAY. Well, Mr. Chairman, I have not spoken on the bill. I would like to have a few minutes in connection with this item.

Mr. RAMSPECK. How much time will the gentleman need?

Mr. TREADWAY. Five minutes.

Mr. RAMSPECK. Mr. Chairman, I amend my motion to make it read 15 minutes.

The CHAIRMAN. The gentleman from Georgia moves that all debate upon the pending amendment and all amendments thereto close in 15 minutes.

The motion was agreed to.

Mr. COCHRAN of Missouri. Mr. Chairman, I disliked the economy bill. I disliked the farm bill. I do not like to see us go along on a project such as this, but I do like the way the President of the United States is trying to meet this emergency and I have gone along with him. I propose to continue to go along with him. [Applause.]

The gentleman from Texas, speaking on his amendment, states the facts. The buildings are practically on the market. In my own city the bids are to be received within 10 days. The contract will then be let, provided the project is not held up.

There are 120,000 people out of employment in the city of St. Louis, and there are thousands waiting to go to work on this building. The construction of this building should proceed, as should construction of other buildings in localities similarly situated. I realize the temper of the House, and I shall yield back the balance of my time, but I hope the amendment of the gentleman from Texas is adopted.

Mr. RAMSPECK. Mr. Chairman, I may say in reference to the amendment of the gentleman from Texas that I think it is totally unnecessary to have any such amendment to take care of any projects which may be close to consummation. If it is going to take more than 90 days to start construction, of course, they would be held up temporarily by this bill; but, as stated before, the President in his message asking for this bill stated he was going to bring to Congress a much larger public-works program, larger than anything we have had recently, and this program will take care of the cases that go beyond the 90-day period. I hope no such amendment will be adopted.

Mr. TREADWAY. Mr. Chairman, in spite of the late hour I think the House will be interested in information in relation to this construction program. I took pains this morning to have this list compiled, and I am certain it is accurate. This includes the status of the $700,000,000 building program. Under this appropriation there are in the hands of the Supervising Architect's Office, 7 projects totaling $1,083,000; in the hands of private architects, 10 projects, totaling $3,300,000.

I also have a list which I shall ask to have inserted in the RECORD but will not take the time of the House to read, of the number of sites pending, and so forth.

Then I should like to refer to the status of the $100,000,000 emergency program known as the "Rainey bill", supplementing the previous legislation. The total specific authorizations to date are $100,000,000.

Projects where sites have been selected, plans completed, projects approved, and in the specification stage, total 10, amounting to $843,000.

Projects in the drawing stage in the Supervising Architect's Office, 59, total $7,000,000.

Private architects' projects, 77, totaling $44,286,000.

Land owned, ready for drawings for projects, total limit, $3,666,000.

Sites selected, title not yet vested, 69, amounting to $9,000,000.

Sites advertised for, examined, and awaiting selection, 190 projects, total limit, $19,344,000.

Now, there is the difficulty we are going to run into in taking this large sum of money away from so many places where communities are ready and anxious to have the construction program carried out.

Mr. CLARKE of New York. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from New York.

Mr. CLARKE of New York. Is not the carrying out of the program covering these projects merely a deduction from the President's larger program spoken of by the gentleman from Georgia?

Mr. TREADWAY. It is, absolutely; that is all. Therefore it seems to me we can be rightly criticized by our constituents back home in agreeing to take this money away from communities where it has already been allocated, at least delaying their projects, in view of the fact this $100,000,000 appropriation, referred to as the "Rainey bill", was an emergency measure to relieve distress in the country.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Alabama.

Mr. OLIVER of Alabama. Does the vote on that side indicate that you feel that you have very favorable allocations in your districts?

Mr. TREADWAY. I do not think that question is involved here. It is the general situation throughout the country.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. VINSON of Kentucky. What was the position of the gentleman from Massachusetts when the relief bill was up in the last Congress, particularly with regard to that portion which dealt with public buildings and which some designated as "pork-barrel legislation"?

Mr. TREADWAY. I think it was entitled to that title, and at the same time, I will say to the gentleman, I sat in the conference that brought in this $100,000,000 project and stood right beside your Speaker [Mr. RAINEY], who was then leading the Democratic side.

Mr. VINSON of Kentucky. The gentleman was against pork then, but is for pork now.

Mr. TREADWAY. No. I never have advocated or supported so-called "pork-barrel legislation", but I believe in keeping agreements.

Mr. SWICK. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Pennsylvania.

Mr. SWICK. Will the gentleman indicate the number of men who would be kept at work provided we kept on with the program?

Mr. TREADWAY. Well, it is a question of whether you are going to pay men $1 a day or employ skilled artisans, who, I think, are entitled to just as much consideration as any other type of men. I will endeavor to secure detailed estimates of the number of men who would have been employed under the building program this legislation sets aside.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by including the complete figures to which I have referred.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The matter referred to follows:

PUBLIC-BUILDINGS PROGRAM

The present public buildings program is an extension of the original program provided for in the Public Buildings Act of 1926, under which an appropriation of $177,000,000 was authorized. The total authorizations have been increased from time to time until at present they amount to $633,296,794, plus $69,000,000 from the sale of obsolete buildings.

Specific authorizations or appropriations have been made to date to the extent of $492,682,000, or more than 70 percent of the total authorized program. The status of the program as of February 28, 1933, is shown on the attached sheets.

Of the $492,000,000 specifically authorized or appropriated as of February 28, $418,000,000 had been obligated to that date, of which nearly $293,000,000 had been expended.

Under the Emergency Relief and Construction Act of 1932, an additional $100,000,000 was appropriated for public buildings outside the District of Columbia, to be selected from the list in House Document No. 788, Seventy-first Congress. Up to the present time the Secretary of the Treasury and the Postmaster General have selected 410 public buildings from this list, with a cost limit of nearly $85,000,000.

The obligations incurred up to March 22 under this program amounted to $6,549,000, of which $1,317,865 had been expended.

Status of the $700,000,000 building program as of Feb. 28, 1933

Total specific authorization to date		$492,682,611.71
Projects completed (308), total limit	$109,669,069.28	
Projects under contract, in whole or in part (422), total limit	328,188,041.80	
Sites purchased in the District of Columbia	28,394,943.00	
Bids in, on market, or in specification stage (50 projects), total limit	12,767,200.90	
		479,019,254.98
Projects in drawing stage:		
Supervising Architect (7 projects), total limit	1,083,333.73	
Private architects (10 projects), total limit	3,300,475.00	
Projects where sites have been selected, but title has not yet vested (2), total limit	442,500.00	
Site advertised for, examined, and awaiting selection (1), total limit	337,500.00	
Held for amended legislation or for other reasons (14 projects), total limit	8,214,491.00	
Available for purchase of sites in the District of Columbia	285,057.00	
		13,663,356.73
		492,682,611.71

Status of the $100,000,000 emergency program as of Feb. 28, 1933 (Rainey bill)

Total specific authorization to date		$100,000,000.00
Projects where sites have been selected, plans completed, projects now in the specification stage or on the market for bids (10), total limit	$843,500.00	
Projects in drawing stage:		
Supervising Architect (59 projects), total limit	7,074,000.00	
Private architects (77 projects), total limit	44,286,000.00	
Land owned, ready for drawings (4 projects), total limit	3,666,000.00	
Sites selected, title not yet vested (69 projects), total limit	9,477,500.00	
Sites advertised for, examined, and awaiting selection (190 projects), total limit	19,344,500.00	
Held for amended legislation (1 project), total limit	90,000.00	
		84,781,500.00

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BLANTON].

The amendment was rejected.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment to the Ramspeck amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON to the amendment offered by Mr. RAMSPECK: In line 7 of the amendment, after the word "harbor", insert the words "and flood control."

Mr. WHITTINGTON. Mr. Chairman, I have no desire to detain the Committee except to say that the section under consideration provides that the unobligated funds heretofore appropriated for public works be expended for the purpose of carrying out the provisions of this act.

An amendment to the bill was adopted in the Senate in this language:

Except maintenance funds for river and harbor improvements.

By oversight, I am sure, the words "flood control", where maintenance is just as important as in river and harbor work, were overlooked and the amendment I offer simply inserts the words "flood control", affecting both the Sacramento River and the lower Mississippi River, where such maintenance is just as important as river and harbor work.

Mr. ELLZEY of Mississippi. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Mississippi.

Mr. ELLZEY of Mississippi. It is my understanding the gentleman has information that this was entirely an oversight and that "flood control" should have been included.

Mr. WHITTINGTON. I so understand, and I also understand the amendment is generally agreeable to the members of the committee.

Mr. McCLINTIC. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Oklahoma.

Mr. McCLINTIC. I notice this bill takes care of a lot of unexpended balances. Why make fish out of one and fowl out of another?

Mr. WHITTINGTON. That is not done. My amendment has to do with maintenance to protect work that has already been done by the Government. It is an emergency matter, and, as I understand it, the committee is satisfied with the amendment. In section 4, which I seek to amend, there is excepted from the provisions of the act "projects on which actual construction has been commenced or may be commenced within 90 days." This exception was in the bill as reported to the Senate and as reported to the House.

Maintenance funds are essential for both river and harbor improvements and flood-control work. It is assumed that out of the appropriations allocations for maintenance have already been made. The senior Senator from Massachusetts, Mr. WALSH, was in charge of the bill in the Senate. He stated, as shown by page 932 of the RECORD, on March 28, 1933, that he would not resist an amendment proposed by the Senator from Michigan [Mr. VANDENBERG] excepting funds for maintenance for river and harbor improvements already allocated. Senator WALSH stated he would not resist the amendment, because he thought it is already embodied in the bill. It is fair to say in this connection that the discussions of the bill and the debates in the Senate clearly indicate that it was not the purpose or intent to divert from flood control or from rivers and harbors any moneys needed for maintenance or any moneys needed for contracts that might be let or work that might be commenced within 90 days.

It is my view that section 4 will not interfere materially with flood-control work, inasmuch as contracts for flood-control work along the Mississippi River can be let and the work actually begun within 90 days. The section under consideration therefore will not authorize the diversion or transfer of appropriations previously made from flood control to forestation. It was intended to authorize the transfer and expenditure of unobligated funds where appropriations have been made and work has not been done for many months or for several years. The intent of the bill is to use such unobligated funds in forestation work in aid of unemployment. I agree that the so-called Vandenberg amendment excepting maintenance funds for river and harbor work was unnecessary. It was superfluous. I am merely trying to keep the record straight. If exemptions are to be made for river and harbor work, they should be made for flood-control work. I do not believe that any exemption is necessary, but to complete the exemption made by the Senator, even though superfluous and unnecessary, I propose to insert the words "flood control" following the words "river and harbor."

I am sure that the President would not under any circumstances divert any funds that are to be used in river and harbor and flood-control construction during the current year to forestation.

Highway construction and river and harbor work have been utilized during the present and all previous depressions in aid of unemployment. Fifty percent of every dollar expended for flood control goes directly to labor. The remaining 50 percent, except a small percentage for profits and materials, ultimately goes for labor.

Again, river and harbor maintenance are essential for commerce. Flood-control improvements are imperative to promote commerce along the lower Mississippi River. Moreover, these improvements protect both lives and property. It is estimated that $3,000,000 are required annually for maintenance of flood-control works along the lower Mississippi River. It is generally assumed that funds for maintenance are allocated or presumed to be allocated and would be exempt from any expenditure under the provisions of the pending bill. My amendment is really to make more definite an amendment adopted by the Senate, which I am frank to confess was unnecessary. Having been adopted, however, the amendment should be clarified by inserting the words "flood control" after the words "river and harbor."

I trust, therefore, that my amendment will be adopted or that the amendment of the Senate will be eliminated. I may also add that the words "already allocated" in the so-called Vandenberg amendment, to which I have referred, should also be eliminated. Maintenance is always an emergency matter. Funds will have to be allocated when the emergency arises. Prudence demands that sufficient funds be retained always for maintenance. The words "already allocated" are wholly unnecessary, and particularly in view of the fact that the section under consideration only authorizes the expenditures of unobligated moneys. There is no difference between obligated and allotted funds.

I know the hour is late and that the House is in no mood to consider amendments. I understand the situation fully. Nevertheless, I believe the bill should be perfected so that the language may correspond with the intent and purpose of the act.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi to the amendment offered by the gentleman from Georgia.

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. RAMSPECK].

The amendment was agreed to.

The Clerk, completing the reading of the bill, read as follows:

SEC. 6. The authority of the President under this act shall continue for the period of 2 years next after the date of the passage hereof and no longer.

Mr. GLOVER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 4, line 17, after the word "hereof", strike out the words "and no longer."

Mr. GLOVER. Mr. Chairman, ladies, and gentlemen, the bill now before us (S. 598) is a bill for the relief of unemployed through the performance of useful public work, and for other purposes.

It is estimated now that we have between twelve and fifteen million people out of employment with dependents on their hands and without any maintenance whatever of providing for themselves and families. When a condition of this kind prevails, the relief must be given if it is possible for the Government to do so.

This bill states that for the purpose of relieving the acute conditions of widespread distress and unemployment now existing in the United States and in order to provide for the restoration of the country's depleted natural resources and the advancement of an orderly program of useful public works that the President is authorized under such rules and regulations as he may prescribe and by utilizing such existing departments or agencies as he may designate to

provide for employing citizens of the United States who are unemployed in the construction, maintenance, and carrying on of works of a public nature in connection with the forestation of lands belonging to the United States or to the several States which are suitable for timber production, the prevention of forest fires, floods, and soil erosion, plant-pest and disease control, the construction and maintenance or repair of paths, trails, and fine lanes in the national parks and national forests, and such other work on the public domain, national and State, and Government reservations incidental to or necessary in connection with any projects of the character enumerated as the President may determine to be desirable.

It is estimated that this bill will employ 250,000 men and will relieve the suffering of many thousand more. The condition of the unemployed now is brought about by an unprecedented condition of nation and world affairs, the like of which has never been seen before and we hope will never have to be met again.

The wealth of our southland especially is largely in the growth and preservation of our timbered lands. My State was once covered with the finest pine timber that the world has ever seen. Much of this pine of a marketable value has been cut and removed, and there is now being grown a crop of this young pine that if cared for will be one of the most valuable assets of our State. It is easily destroyed by forest fires and should be prevented if possible to do so.

This bill seeks to systematically take care of that, and if proper attention is given to the preservation of this timber in a few years our State will be rich in the growth of this timber.

This bill provides first for the caring for Government-owned lands, for lands belonging to States which are suitable for timber production, but it further provides that the President may, in his discretion, extend provisions of this act to lands owned by counties and municipalities and lands in private ownership, only for the purpose of doing thereon such kinds of cooperative work as are now provided for by acts of Congress in preventing and controlling forest fires, and so forth.

This is not a bill to regulate wages, but is simply an emergency relief measure which extends for a period of only 2 years. It will require no additional appropriation, but provides for the use of unexpended balances that have been appropriated in the various departments of government, where the projects have been completed at a cost less than was first anticipated by reason of the saving in materials and labor and which fund now amounts to about $300,000,000. To take this amount of money that has been saved and use it for this most noble purpose could not be criticized in this time of emergency. Every dollar of this money expended will go to the various States, and after it is earned by those who are employed, it will go out into the various channels of trade and help that much toward restoring better conditions.

The bill further provides that for the purpose of carrying out the provisions of the act the President is authorized to enter into such contracts or agreements with States as may be necessary, including provisions for utilization of existing State administrative agencies.

Very little did we think 4 years ago, when this Nation was in a prosperous condition, that we would be reduced to the necessity of passing this class of legislation in this short period of time. The legislation proposed by the former administration failed to accomplish its purpose, and now the new administration is struggling to save the Government and to save the people in this time of distress.

It is to be hoped that in the very near future that our business relations with the world will be so adjusted that we can maintain trade agreements with foreign nations so that we may sell that which we produce, start our wheels of industry, and restore our agriculture to its proper place, and then the necessity for this character of legislation will be needed no more.

It is also to be hoped that with the legislation proposed by our new President the situation will be relieved. Industry cannot prosper unless agriculture is made profitable again, because one depends on the other. We believe and hope that the bill for the relief of agriculture which has passed the House and which is now pending in the Senate may soon become a law and that the effect of it will be to raise commodity prices to the pre-war level, which was the period between 1909 and 1914. [Applause.]

Mr. RAMSPECK. Mr. Chairman, I move that all debate on this section and all amendments thereto now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The question was taken, and the amendment was rejected.

Mr. RAMSPECK. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LOZIER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (S. 598) for the relief of unemployment through the performance of useful public work, and for other purposes, and had directed him to report the same back with sundry amendments, with the recommendation that the amendments be agreed to, and the bill as amended do pass.

Mr. RAMSPECK. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The motion was agreed to.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendment were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. CONNERY. Mr. Speaker, I offer the following motion to recommit, which I send to the desk and ask to have read.

The Clerk read as follows:

Mr. CONNERY moves to recommit the bill to the Committee on Labor with instructions to that committee to report it back to the House forthwith with the following amendment:

"Strike out all after the enacting clause and insert the following:

"'That the President of the United States be, and he is hereby, authorized to provide employment for those unemployed citizens of the United States who voluntarily enroll for the purposes of this act, as nearly as possible in proportion to the unemployment existing in the several States; such workers shall be enrolled for periods of 60 days unless sooner discharged. Such workers shall be paid at a rate of not less than $50 per month for single men without dependents and at the rate of not less than $80 per month for married men or men with dependents, and provided with quarters, subsistence, clothing, medical attendance and hospitalization, and transportation from and to their homes. An allotment of not less than $50 per month of his pay shall be paid directly to the wife of a married man and such amount as the President may request shall be allotted from the pay of men who have dependents under such rules and regulations as the President may prescribe. Each worker shall, at the time of enrollment, agree to abide by the provisions of this act and by all rules and regulations issued by the President of the United States hereunder, which shall not include any obligation to bear arms.

"'SEC. 2. The provisions of chapter 15, title 5, United States Code, are hereby extended to such workers. In case of the injury or death of such workers while employed the United States Employees' Compensation Committee is hereby authorized to pay such benefits as are provided for in case of the injury or death of a person working at his, or a similar, trade in the classified service of the United States.

"'SEC. 3. That the President is hereby authorized under such rules and regulations as he may prescribe and by utilizing such existing departments or agencies as he may designate, to provide for employing citizens of the United States who are unemployed, in the construction, maintenance, and carrying on of works of a public nature in connection with the forestation of lands belonging to the United States or to the several States which are suitable for timber production, the prevention of forest fires, soil erosion, plant-pest and disease control, the construction, maintenance, or repair of paths, trails, and fire lanes in the national parks and national forests: *Provided further*, That the President is herein authorized to enter into agreements with any of the States for the carrying on of work on State forests similar to that authorized in this bill and may utilize the services of these workers for such work without cost to those States.

"'SEC. 4. That whenever in the administration of this act it becomes necessary to secure the services of skilled artisans or other expert employees, whether or not available among such workers,

the President may authorize their employment at wages paid for similar work in the classified service of the United States.

"'SEC. 5. That to carry out the provisions of this act there is hereby authorized to be expended under the direction of the President, out of any unobligated moneys in the Treasury, such sums as may be necessary and available.

"'SEC. 6. That in the execution of this act the President, or the head of any department authorized by him to construct any project or to carry on any work, shall have the right to acquire real property by purchase, condemnation, or otherwise.

"'SEC. 7. The provisions of the Economy Act of 1933 shall not apply to any person employed under this act during such employment.

"'SEC. 8. This act shall take effect the day after its enactment.'"

The SPEAKER. The question is on the motion to recommit.

The question was taken.

Mr. CONNERY. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. As many as favor taking the vote by the yeas and nays will rise and stand until counted. [After counting.] Nine Members, not a sufficient number, and the yeas and nays are refused.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken.

Mr. PATMAN. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. As many as favor taking the vote by the yeas and nays will rise and stand until counted. [After counting.] Forty-one Members, not a sufficient number, and the yeas and nays are refused.

The question is on the passage of the bill.

The bill was passed.

On motion of Mr. RAMSPECK, a motion to reconsider the vote by which the bill was passed was laid on the table.

MEDICINAL LIQUOR

Mr. SABATH, from the Committee on Rules, reported the following resolution:

House Resolution 86

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 562, "An act relating to the prescribing of medicinal liquors."

That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SNELL. Mr. Speaker, is it intended to bring this rule up tomorrow?

Mr. BYRNS. The program tomorrow is to bring up the bill relating to medicinal liquor. So far as I know now, there is nothing to be taken up except that between now and next Monday. I understand that the Committee on Interstate and Foreign Commerce proposes to have hearings on a bill introduced today.

THE REFORESTATION BILL—EXTENSION OF REMARKS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to extend their own remarks on the reforestation bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. THOM. Mr. Speaker, a few days ago we legislated in regard to crop surpluses. Today we have to deal with a surplus of even greater moment—the surplus of human labor that for 2 or 3 years has gone to waste in a society where many pieces of useful work are awaiting accomplishment and where the wants of the masses of men are almost unlimited. No better characterization of this surplusage and no more hopeful view of its ultimate extinction as one of the evils of society has been uttered than is disclosed by a recent speech of Mr. Owen Young, wherein he said:

The most dangerous surplus that can exist in any country is the idleness of men who want to work. It is ridiculous to speak of unemployment as a necessary condition of human society; it is a blot on our intelligence; it is an indictment of society's machinery; it is a drain on our sympathy; it is a promoter of charity which affects disadvantageously both those who give and those who receive. Some day we shall learn to do better, but we must learn it soon.

Here is a just indictment of a society that, possessing the most unlimited resources in the world's history, condemns a large number of its citizenry for long periods of time to idleness and want. Here is the declaration of a great industrialist that unemployment is not an inescapable thing to be borne interminably without hope of relief. I have pondered many times these words. They constitute a philosphy that ought to burn itself into the mind and heart of every responsible legislator, and enlist his thinking and energy in the realization of its high purpose.

In this reforestation program we attack in a small way this monstrous evil of unemployment. In it, through farseeing social planning, there is the fusion of two needs. Long reckless with its natural resources, the United States Government tardily recognizes the necessity of renewing used-up resources and protecting what is left. There need be no word uttered about the soundness of such a policy, for that has been thoroughly demonstrated in the history of progressive European countries. Few Americans who have traveled in Germany have failed to note the well-kept government forests, and to wonder, concurrently, why the United States has not been equally thoughtful of the future. Against this need of replenishing our timberlands is the need of thousands upon thousands of Americans for jobs—any kind of a job that will enable them to hold their heads erect and save them from the blight of charity. To join and supply these needs is good statesmanship, and that is what this bill does.

I liked somewhat the idea of the original bill of President Roosevelt that came to us, with its proposal of a civilian army. Some men saw in this phraseology hideous fears of forced labor, as if President Roosevelt had overnight discarded his long record of liberalism and embraced antidemocratic tendencies. These critics but muddied the waters and gave comfort to the ultra conservatives who wish government to sit idly by for the natural return of prosperity, and who therefore think depreciatingly of this bill. As I read the first bill it occurred to me that there was no similar instance of a call from the United States Government for 250,000 men whose mission would be, not to deal out death and destruction but to create and to build, and thereby increase the blessings of future generations. Lowell's comment, that "progress rides on gun carriages", has oftentimes been true, yet how happy should be the volunteers of this army that their work will be divorced from violence.

Some have been critical about the proposed scale of pay for the army of volunteer woodsmen. Their employer, be it remembered, is to be your Uncle Sam. Financially, he too has been having his troubles in trying to make ends meet. If he were an ordinary person of flesh and bone and not a mythical figure, he would have had many sleepless nights lately over how to meet his pay roll. His contributing taxpayers have been "letting him down", so that his Treasury has been less filled each year, and his creditors have been exhibiting a bit of nervousness. Now, he is no greedy employer anxious to absorb the energies of these 250,000 volunteers for whom he is calling, and then profiting greatly by disposing of the fruit of their labors. Each man who plants a tree for him or cuts a trail through forest may perchance keep in mind that he is not only laborer but that he, or perhaps his children to come, will be part owner of the common wealth created by his own hand. With his diminishing income your Uncle Sam still feels that he can rake up a few dollars, by saving here and there, to give 250,000 men surfeited with idleness a chance to put their hands to useful work out in the open.

I, too, believe in high wages, for cheap wages make cheap men. Because all of the 12,000,000 unemployed are his children, your wise Uncle Sam will scale his wages down so that he may divide his wage fund among many instead of among just a few.

It is to be hoped that in the administration of the law no bars will be raised in the recruiting to the young men of the country who for 3 long years have stood aside for their fellow workers with families to support. The edict of factory jobs for married men only has probably been inescapable. Yet society by this rule has in effect turned the youths, the flower of its population, into the highways and byways to make their way as best they could, forgetting the dangers that beset them as they venture from home into strange parts in search of work. Thousands and thousands of dollars have been spent on the education of students graduating from public schools during the depression, whilst a short-sighted society has found nothing for them to set their hands to once they were released from their school discipline. I am reminded of the oft-repeated comment of a lawyer friend of mine in criminal trials, "An idle brain is the devil's workshop." It is a little thoughtless, to say the least, that not until now have we bestirred ourselves to preserve the character of these youths by giving them such an opportunity as the President offers in this bill.

Mr. ROGERS of Oklahoma. Mr. Speaker, ladies, and gentlemen, I come from Oklahoma, a State sovereign in its duties to its citizenship. I represent a great people who, by their perseverance, mental and physical fortitude, have pioneered and developed the great Southwest. I, like most of them, grew up as a farmer and was educated to labor. I am deeply in sympathy with their problems, profoundly concerned with their future, and acutely receptive to any solution of their difficulties.

I stand at this moment humbly before this great body of the representatives of the people a beneficiary of the suffrage of an eminent party that today is glorified in the spotlight of public approval. The Democratic Party is acclaimed throughout the length and breadth of America and the world for its speedy action in national emergency and for a leader who has shown himself to be human, conscious of, and responsive to the Nation's needs.

We are today considering a measure that a wrecked humanity is looking toward for its salvation from dangers that are real. We are today to pass judgment upon a measure which has for its purpose alleviation of the distress of the unemployed. We would today by the rejection of this proposition remove the last hope of these people and crush them to further adversity. There are some 15 millions of them who are looking to us to provide them employment whereby they may, as they want and as they have been accustomed, pay for their food, clothing, and shelter. They are depending upon us with an abiding faith. They have been patient in their hour of crushing distress. They have proved their mettle, their worth, and their citizenship. But even a stratum of humanity intrinsically patriotic can be goaded by misery and suffering to revolt against its government. And that is only natural. You cannot dispose of them with a gesture and a word. You cannot continue to show a destitution of mercy and expect them to remain quiet and peaceful citizens.

This is the opportunity of Democracy. To sustain a portion of these many millions by the adoption of the plan presented to this body here today is but the human thing to do. They ask for work. They are entitled to work. Our great leader, the President of the United States, in this proposal provides them with occupation and remuneration enough to respectably keep body and soul together. We are morally obligated to support this measure, which will restore the economic and social equilibrium of this crucified people.

Some have criticized; they have objected on the grounds that consummation of this plan will be an entering wedge to break down the wage structure of American industry. They have said that when the Government gives employment and pays a wage, industry will have a tendency to institute similar or identical schedules. In the study of the measure that I have made, I can see no such relation to the industrial set-up of this country. No clause of this measure causes me to feel alarm at the possibility of wage reduction in this field of endeavor.

Today there are thousands on the pay roll of the United States Government. Some are under civil service, others by political patronage, and thousands in the Army and Navy. This arrangement has been in vogue since the inception of our democracy. It has never competed with industry. This set-up has never been the cause of a low industrial wage scale. There is no vital reason why the employment of these thousands of hungry, ragged, and shelterless people will bring about such a condition.

Being an emergency measure it will not be of a permanent nature. When we have passed the crisis; when the avenues of commerce have reopened; when the thousands who are unemployed one by one drop out of this Government work, then the provisions of this bill will automatically come to an end.

This period through which the world is struggling is more than an economic crisis. It involves more than a study of strategic plans to ambuscade the dollars which fled. Humanity itself is on trial. If there is such a thing as brotherhood among men, now is the time for its manifestation. Ladies and gentlemen, no true American should be satisfied or cease his efforts to rectify a condition that permits millions of his fellow men to walk the streets of our cities and the highways of our country vainly looking for work that cannot be found. So long as we claim to be a progressive Christian nation, we are our brother's keeper and we cannot ignore the cries of suffering men, women, and children. From the sunny slopes of California to the shady palms of Florida, from Puget Sound to the distressed farmers and laborers of the Grain Belt, from the closed shafts of the mining sections to the poverty-stricken cotton fields of the South—from all over the Nation comes this cry of distress; comes the urgent appeal for food, clothing, and shelter; comes a righteous petition from those who would earn an honest living.

Ladies and gentlemen of this House, in this their hour of greatest need, let us answer that cry of distress; let us answer that urgent appeal; let us grant that righteous petition; let us pass this measure, which will regain the souls and rehabilitate the lives of half a million of our people. Let us be our brother's keeper.

Mr. DONDERO. Mr. Speaker, as a new Member of this House it was, indeed, a new and strange procedure to me to pass judgment and cast my vote on legislation which came before the House during this month without even having the opportunity of reading the bills, much less having time to study them. I realize that a great emergency exists in the Nation and that time is of essence in the emergency, and, therefore, like many other Members of the House and particularly the new Members, we have yielded a faithful cooperation to the President of the United States in the hope that it would benefit the people of the Nation. I have joined in that cooperation with the President in every instance except one.

The bill before the House today, known as the unemployment and reforestation bill, is a step intended to relieve many who are now in distress and at the same time to promulgate a program by which not only will the present generation benefit therefrom but posterity is to be enriched and the natural resources of our Nation to be increased. I do not deny that it is not a panacea for all of our ills, but it is a measure of a constructive nature intended to do good and revive the spirit of hope in our people.

There are now more than 12,000,000 men unemployed in our Nation. I come from a district, the Seventeenth Michigan, located partly in the metropolitan area of the dynamic and industrial city of Detroit. At least 1 out of every 7 persons, and possibly more, in my district is out of employment, is in great distress, and has been compelled out of necessity and without any fault on his part to yield to the inevitableness of obtaining public relief. No better or finer citizens exist anywhere in the United States. All they ask is the right to work that they may earn an honest living, but an economic condition such as we are now living in has denied them that opportunity.

In the hope, Mr. Speaker, that this bill will bring relief to at least a part of the people of my State and district, I shall support it and vote for it. Michigan once pointed with pride to her stately forests of pine, all of which have vanished beneath the woodman's ax. It yielded the lumber with which the homes of the Middle Western States were built, but nothing remains today where once this pride and wealth of the State existed but the charred remains and the slowly decaying stumps of those great forests. Pineland is unfit, to a very large extent, for agricultural purposes. It is fit for reforestation purposes.

Within the State of Michigan there is 2,300,000 acres of State-owned land in addition to vast areas still owned by the Federal Government. There are 20,000,000 acres of Michigan land on which work could be done under the provisions of this bill. This land mainly is where the pine of the State once stood. One million acres the State has under administration for forests, parks, and wild-life preserves. The State embraces nearly 800,000 acres of cut-over forest land, and of this amount 51 percent or more than 400,000 acres is available and needs reforestation. About 130,000 acres of this has seen an effort employed by the great State in which I live to return to succeeding generations the lordly pine forests of its previous grandeur. The State itself, within the limits of its financial ability, has undertaken a program of 2½ million dollars on forest and conservation activities, to put men to work. Under this bill before the House today, Mr. Speaker, the National Government can come to the aid of a great State and her people be augmented and supported in a program already commenced.

The bill is not meant to fix a standard of wage in the United States. It is intended as relief under the stress and strain of the present day. No other solution or better plan has been offered to the Members of this House than the one before it. We must do the best we can and the difference of opinion that might exist in different parts of the Nation where this bill might not apply must yield to the great necessity existing under present conditions.

This bill by appropriating unobligated moneys heretofore provided for public works may even halt, temporarily, some public work within my own district and may retard for a short time some employment in relation to that work, yet I believe that the interest of the great majority should be superior in the emergency now confronting the Nation. We know that the public work contemplated will go forward in any event.

I shall go along with the President on this measure.

Mr. MONAGHAN. Mr. Speaker, I felt the thrill of enthusiasm and confidence which swept across the country when those electric words of inspiration were broadcast throughout the country:

> In this dedication of a Nation we humbly ask the blessing of God. May He protect each and every one of us. May He guide me in the days to come.

Thus did President Roosevelt end a great speech which brought new courage, new hope, new life, as it were, to the millions who are now suffering throughout the country. I would not, therefore, challenge his patriotism or intent in the proposal which has been submitted to us for adoption; but I do challenge, and will always challenge, the reduction of the standards of living of the American people.

No amount of argumentation can justify opposition to the Connery amendments, which would at least in a measure make this bill somewhat less insidious, less dangerous. Falsely termed a relief measure, it is, as I see it, a step toward involuntary servitude, an invitation to employers to imitate its nefarious dollar-day doctrine.

Here we are undertaking a system of involuntary servitude. The enactment of this law would compel the citizen who desires employment to leave his home and join this army of involuntary slaves, who must labor for the mere pittance of $1 per day for a period of not less than a year.

The subject must enlist for 1 year. He is subject to military discipline and must submit to a medical examination of a military nature. In a nation where 12,000,000 people are unemployed and clamoring for work, freedom to accept or refuse is negatived. Where breadlines are numerous almost to the point of disgrace to a free nation, a man would naturally rather accept this system of involuntary servitude than be reduced to the other extreme and less desirable alternative of starvation. Consequently, while a technical freedom is apparent, economic necessity has banished this freedom and has created what someone has well termed a system of "chain-gang charity." I repeat, to compel these men to accept the small sum of $30 per month for which this plan provides is an outrage. Have we sunk so low that we should believe such a wage should provide for a family of 6 or 8 or 9, as is the case in many instances in the district which I represent, where thousands are on the public relief?

The slogan of my campaign for Congress, "Work, not words, for the jobless", meant employment to which the average American is accustomed, not Army wages that are paid those men who are willing to subject themselves to the military discipline of Army camps. I can see no good that can arise from the enactment of this measure, but the further creation of dissatisfaction in the hearts and minds of those people who merely desire the right to work, the right to earn a living wage.

If we desire to prevent revolution and riot in our country, if we desire to preserve the constitutional form of government intact, if we desire to make America safe for itself, it is time we return to the principle of a job for every man, a living wage to all without severance of family ties, without reducing people to abject, or almost abject, poverty. Let us increase rather than lower the standard of living and protect man against unjust bargaining on the part of employers.

It is argued by those supporting the measure in its present form that it is not a labor but an emergency measure. There are 12,000,000 people unemployed, and their unemployment was occasioned by the selfish greed of those who sought to foist upon this country a system of existence lowered through their unjust dividends and profits. This system was fostered by the very "hands off" policy of our Government, the refusal to step in and say to those selfish, vested interests who have benefited by the labor and toil, and in many instances degradation of these people: "It is up to you, even if it be at a loss, to restore employment to these people."

No sooner had we passed the Economy Act than certain eastern big-business corporations reduced the salaries of their employees.

> Happiness lies not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort—

Said the President in his great inaugural address—

> The joy and moral stimulation of work no longer must be forgotten in the mad chase of evanescent profits. These dark days will be worth all they cost us if they teach us that our true destiny is not to be ministered unto but to minister to ourselves and to our fellow men.

Applying this great principle to the economic structure of the day would bring more of prosperity, less of discontent; but no amount of destruction of self-respect nor the subjecting of both the minds and bodies of men to a cruel, heartless system can restore prosperity.

Until the light of a new economic day dawns, the peace and security of America are threatened. I hope that we will not wait until these millions of people rise in righteous wrath.

Mr. LUDLOW. Mr. Speaker, hanging over Congress and the country at the present time is a peril more menacing to American institutions than the shadow of any foreign foe. That peril may be described generically as the deadly nostrum.

The time is right and conditions are favorable for the invention of fantastic schemes to kill the depression and save the country. The inventors who are incubating these schemes appear to be legion. They are working overtime, and Members of Congress are being swamped with their suggestions.

The central thought of most of these forerunners and advance agents of prosperity is that Uncle Sam can lift him-

self out of the depression by his boot straps. The writers seem to think that Uncle is a mighty dumb old fellow, else he would reach his sinewy hands down to his boot straps and pull himself out of the mire. It is so simple that surely good old Uncle is not "all there" in the upper story, or he could see how easily he could pull himself by the boot straps out of the mud and land himself high, wide, and handsome on the plane of prosperity. There are more proposals of the boot-strap variety before Congress now than at any other time in the history of America. Representatives and Senators are flooded with them.

Ninety-nine percent of them are wild and impractical. Ninety-nine percent of them are unsound and dangerous. There are now before Members of Congress more schemes to repudiate debts, both public and private, more schemes to set aside the law of supply and demand, more schemes to violate all of the natural laws of economics that for a hundred years have been the Nation's strength and safeguard than could possibly be enumerated in the space of one speech.

Many of these are so extreme, so violative of what we have regarded for a century as sound principles, that they would almost seem to be burlesques if it were not for the fact that they are offered seriously and with insistence which tolerates no apologies or delay on the part of those of us who balk at such nostrums. The great flood of cure-alls that is now being forced upon the attention of Congress, while amazing in its scope and extent, is the natural and inevitable symptom of national distress.

Among the boot-strap proposals that have come to my office the one urged with greatest vigor is from an enthusiastic Indianian who insists that the cure of the depression is so simple and easily detected that it is surprising Congress has not seen it and applied it heretofore. The cure, he says, is for Congress to print $35,000,000,000 of paper money and put it in circulation. Cannot Congress see that the trouble is that people have no money? Put money in their hands and give them spending power and everything will right itself, according to this philosopher. His philosophy failed to take into account, however, that if Congress were to start the printing presses and were to print $35,000,000,000 of unsecured paper money the citizen would soon have to provide himself with a large basket to carry enough currency to pay for his dinner.

Another boot-strap proposal, intended to help the farmers, and incidentally the mortgage-holders, is that the United States Government should take over from the holders of farm mortgages all of the mortgages of that kind in the country and should then refinance those obligations on a low-interest and long-time basis. This proposal was going strong when the owners of town property heard about it and thereupon arose a mighty chorus of indignation.

"Why make fish of one and fowl of the other"? they exclaimed. "We are in as desperate a fix as the farmers. If the Government is to take over the farm mortgages, it must take over the town mortgages, too."

This proposed broadening of the basis of Government investment in mortgages would have made Uncle Sam a holding company for most of the bad debts in the country, which brought the proposal to a reductio ad absurdum end.

No less absurd is a suggestion, urged with great vehemence by one group of boot-strappers, that the Federal Government ought to furnish funds to reclaim the disreputable-looking sections of all of the cities in the country. The proponents of this nostrum ask if it is not true that every city in America has a section where the buildings and their approaches are run down and dilapidated and displeasing to the eye. Having triumphantly proven that to be a fact, they ask to what better use could Federal money be put than to rebuild those sections so that the homes and approaches would look pretty and would harmonize with the best cultural standards. The cost of such an undertaking, to be paid, of course, out of the sweat of the taxpayers, would make the proposal of $35,000,000,000 of fiat money look sick and insignificant.

Then there is still another boot-strap proposal which has crystallized into bills introduced in the House and Senate, which seeks to call a moratorium on the payment of municipal bonds. It is easy to picture the effect a moratorium of that kind would have on the holders of municipal bonds. Such a law would seriously handicap a great many life-insurance companies, educational institutions and hospitals, as well as individual investors, but that damage would be no more far-reaching or harmful than the damage to the credit of the cities which would supposedly benefit by such a moratorium.

Even the mere suggestion of such a moratorium is doing incalculable damage, as brokers are taking advantage of it to beat down the price of municipal bonds. A New York brokerage house is sending out a notice to life-insurance companies which says:

> In view of the proposed legislation, which may affect the interests of holders of defaulted municipal bonds, you may wish to sell these bonds. If so, we would like to offer our facilities to you.

If this legislation is passed the future of municipal bonds will be absolutely ruined.

Among the infinitely varied plans offered to bring about better times, one which proposes a blending of gasoline with grain alcohol is heralded as a sure shot. Why? It is all very simple; in fact, the descriptive literature sent to Members of Congress says, "this plan is childishly simple." By blending gasoline in proportion of 10 percent by volume with ethyl alcohol a great boom will be given to agricultural products, and the motorist will be propelled blissfully along, unperturbed by knocks. If you doubt it, read the florid literature.

Many of the nostrums that are proposed not only are violently contradictory to the old-fashioned principles of economy that made America great among the substantial and durable nations of the earth, but they are violative of moral standards, because they seek to change the relations between debtor and creditor. In some of the proposed measures this change takes the form of alteration and in others outright repudiation of debts incurred honestly and in good faith.

The besetting vice of most of the nostrums that are being urged upon Congress by a vast array of economic reformers is that they would project the Federal Government into businesses and activities which the Federal Government should stay clear of and would saddle onto the Federal Treasury charges amounting to untold billions of dollars.

President Roosevelt has won a place among the world's great statesmen by what he has accomplished since he came into office on March 4. By his matchless handling of the banking situation and his daring strokes for economy he has planted the seeds of recovery in this Republic. In my judgment he should adjourn Congress and give those seeds a chance to sprout and grow to full fruition. I do not know how many more measures he desires to present to Congress but in common, I believe, with countless others I am hoping that there will be no further legislative program that will in any degree nullify the enormously beneficial results which I am sure will flow from the part of the President's program which already has been crystallized into statutes. Personally, I have had misgivings as to the reforestation bill and I do not believe we should grant doles to States without in each instance accepting the State's IOU. So far the President has been able to hold Congress in leash, but with an enormous new Membership champing at the bit it is doubtful how much longer he will be able to do so. A thousand nostrums are boiling and dancing, eager to jump into the congressional frying pan. Every hour Congress remains in session beyond the time necessary to put through the President's essential program is a temptation to its Members to tinker and experiment. The country does not need experimentation. It needs sound thought and action. The President, his good work done, should adjourn Congress as speedily as possible, so that business may adjust itself to new legislation and new conditions, creative enterprise may

start, jobless men may find jobs, and we will then be on our way rejoicing.

PROTEST AGAINST CONSUMPTION TAX ON RICE IMPOSED BY CUBA

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a translation of the customs tariff and the preferential tariff and the consumption tariff in Cuba.

The SPEAKER. Is there objection?

There was no objection.

Mr. DEROUEN. Mr. Speaker, I wish to protest against the unfair and unjust imposition of the consumption tax placed on rice by the Cuban Government. I wish to include the gollowing letter from the Hon. José Baron, counselor of the Cuban Government here in Washington, together with translation received by him of chapter VI of the Law of January 22, 1932, pertaining to the import duty and the consumption tax on rice:

EMBAJADE DE CUBA,
Washington, D.C., April 5, 1932.

Hon. RENÉ L. DEROUEN,
House of Representatives, Washington, D.C.

MY DEAR MR. CONGRESSMAN: With reference to your telephone inquiries concerning the recent custom duties and taxes imposed on rice in Cuba, it affords me pleasure to enclose herewith a translation of chapter VI of the law of January 22, 1932, which deals with this subject.

I regret exceedingly the tardiness in replying to your inquiry, which I trust you will overlook, as it was unavoidable, the law having reached us with considerable delay.

I beg to remain,
Sincerely yours,

JOSÉ BARON, *Counselor.*

Enclosure.

TRANSLATION—LAW OF JANUARY 22, 1932—CHAPTER VI

Article I. The No. 253 of the custom tariff in force will hereafter read as follows:

No. 253—Rice

(a) In natural condition, with shell, gross weight, unity of assessment: 100 kilos, maximum tariff, $3; general tariff, $1.50; rebate to the United States, 40 percent; tariff for United States, 90 cents.

(b) Shelled, with shell removed totally or partially, gross weight, unity of assessment: 100 kilos. Maximum tariff, $4.60; general tariff, $2.30; rebate for United States, 40 percent; tariff for United States, $1.38.

(c) Totally prepared, ready for consumption, in whole or part, gross weight, unity of assessment: 100 kilos, maximum tariff, $6; general tariff, $3; rebate to United States, 40 percent; tariff for United States, $1.80.

A tax is established of half a cent for each pound of rice consumed in national territory.

This tax is to be levied as follows: When the rice is imported fully prepared the tax will be levied at the customhouses of the Republic, together with the corresponding custom duties.

Concerning domestic rice, or rice with shell or semishelled, the tax will be levied in the mills or preparing shops at the moment the rice is to be conveyed for consumption.

Twenty-five percent of the revenue resulting from this tax will go to the department of agriculture, commerce, and labor, to be used in the development and improvement of rice production and in farm relief.

This chapter is to be in force as soon as the President of the Republic will deem it convenient to enact it.

Mr. Speaker, the financial condition of the rice producers is very distressing, even though during the past 2 years they have been fortunate enough to reduce their acreage, make fair yields, and harvest the same under good conditions. Their implements and livestock are wearing, and there has not been any profit so as to renew them. Their taxes have increased manyfold and the bulk of these taxes fall upon the land.

There are approximately 117,000 persons engaged in or dependent on rice producing and rice milling for a livelihood, and in round figures there is approximately $220,000,000 capital invested in the producing, irrigating, and milling of rice. This, of course, does not include such allied interests as manufacturers of farm and power machinery, bag manufacturers, brokers, dealers, railroads and other carriers, cellulose factories, paper mills, and many others who are vitally concerned.

The rice industry developed in the United States from its introduction in 1694 at Charleston, S.C., first along the Atlantic seaboard, then about 1890 it became an important crop in Louisiana, spreading into east Texas in the late nineties, into Arkansas in 1906, and to California in 1916. The most recent expansion has been into Missouri and Illinois in 1925.

Unfortunately there are no reliable official statistics on the subject of the cost of producing rice either in the United States, India, Siam, or French Indo-China (Saigon) where our chief competitors live. With no official or even approximate cost figures available for rice producing in countries in southern Asia, no comparison of costs is possible. The figures for the Orient, however, do not influence, except to a slight extent, the prices at which Rangoon, Bassein, Burma, Saigon, and Siam rices sell for in the international rice trade. The tribal method of life in southern Asia creates a condition which makes rice production essential for food, hence sufficient lands are planted to insure, even under unfavorable conditions, a plentiful supply of staple diet. When conditions are normal or good there is a surplus produced, which, not needed for home consumption, is sold or bartered for other commodities. Its price, therefore, is not determined by the cost of production but largely by the price of such rice in the world trade. Such world prices are the basis of their competition with our products in our home markets.

On August 11, 1932, the Cuban Government increased the consumption tax on rice from one half to 1 cent per pound, and it increased the import duty on clean rice to $1.80 per 100 gross kilos. For some years there has existed a 40 percent preferential in favor of rice from the United States on the import duty; however, on the consumption tax placed on rice there is no differential in favor of the United States.

Last summer when notice of the consumption tax on rice was received, the Members of Congress from the rice-producing States attempted to secure for rice the same preferential on the consumption tax as has been applicable on the import duty. Protests were made both to the Department of State and to the Tariff Commission and their reply at that time was to the effect that the Cuban consumption tax on rice was not discriminatory since the tax applied to the domestic as well as to the imported article.

The fact that the President of Cuba by proclamation dated September 7, 1932, ordered a 30 percent preferential reduction on its tax on American wheat flour, the preferential to apply both to the import duty and to the consumption tax, was cited to the Tariff Commission and the Department of State. Upon citing this fact to them, they replied that the case of wheat was somewhat different from that of rice, as wheat flour is not produced in Cuba in commercial quantities. This argument, however, is without foundation of fact because Cuba's production of rice is infinitesimal and her importations are enormous.

With this history of the case before you, I desire now to present the following facts: The United States has been producing annually for a period of 3 years approximately 13,500,000 pockets (100-lb. bags) of cleaned rice. The annual consumption of rice in continental United States is approximately 6,600,000 pockets (100-lb. bags). Insular possessions consume approximately 2,900,000 pockets (100-lb. bags), making a total domestic consumption of approximately 9,500,000 pockets (100-lb. bags), which subtracted from the production of 13,500,000 leaves an exportable surplus of approximately 4,000,000 pockets (100-lb. bags). This surplus is a constant drug on the market and always a depressing factor on the entire crop.

The Southern States bordering on the Gulf of Mexico produce 80 per cent of the rice grown in the United States. Cuba is a very large consumer of rice, and this rice is right at Cuba's door.

I wish here to submit some very interesting data together with the source of information, and to be numbered tables 1, 2, 3, 4, and 5.

TABLE 1.—*Cuba, rice imports*

[Source of information: Department of Commerce, Bureau of Foreign and Domestic Commerce, Washington]

Year	Quantity	Value
	Pounds	
1921	255,014,054	$15,655,391
1922	386,199,589	12,145,583
1923	442,984,275	12,625,469
1924	444,706,801	12,314,883
1925	451,933,691	14,672,324
1926	475,701,279	15,989,202
1927	434,752,982	15,238,977
1928	512,243,059	15,709,257
1929	451,764,896	14,771,229
1930	441,469,519	14,337,716

TABLE 2.—*Cuban imports of rice without husk*

[Source of information: Commercio Exterior, Republica de Cuba]

Country	1927	1928	1929	1930	1931	Total, 5-year period
	1,000 lbs.	*1,000 lbs.*	*1,000 lbs.*	*1,000 lbs.*	*1,000 lbs.*	*Pounds*
British India	318,292	368,001	317,053	300,636	198,691	1,502,673,000
United Kingdom	48,365	63,972	57,293	72,178	49,707	291,515,000
Siam	11,203	16,964	21,986	22,585	37,231	109,979,000
United States	25,243	41,729	18,400	2,814	9,563	97,749,000
Spain	11,754	8,765	7,091	12,298	9,519	49,427,000
Germany	8,067	3,673	5,155	3,132	2,999	23,026,000
China	9,350	2,586	9,844	2,117	1,397	25,294,000
Total						2,099,663,000

	Percent of total
Imports from British India amount to approximately	74
Imports from United Kingdom amount to approximately	13
Imports from Siam amount to approximately	5
Imports from United States amount to approximately	4
Imports from Spain amount to approximately	2
Imports from Germany amount to approximately	1
Imports from China amount to approximately	1
	100

TABLE 3.—*Cuban rice imports—comparative table of quantity and amount of 10 principal sources of supply. Quantity in kilos (1 kilo equals 2.204 pounds), amounts in dollars*

	1931		1930	
	Kilos	Value	Kilos	Value
British India	90,415,730	4,335,808	136,367,965	9,699,545
Great Britian	22,547,284	1,030,306	32,740,013	2,227,382
Siam	16,598,296	889,749	10,244,522	793,740
Spain	4,318,082	241,744	5,578,633	359,984
United States	4,337,880	111,116	1,276,812	72,285
Indo China	1,258,301	60,354	2,786,937	175,488
Germany	1,360,697	64,111	1,421,096	127,084
China	633,844	31,681	960,438	65,467
Holland			1,179,658	59,363
Italy	10,070	339	350,047	20,044

TABLE 4.—*Quantity of rice grown in Cuba*

[Source of information: Cuban Department of Agriculture]

Year	Production, rough or paddy rice	Production or out-turn of clean rice
	Pounds	*Pounds*
1928	7,187,185	4,436,000
1929	50,000,000	30,864,000
1930	61,747,685	38,116,000
1931	100,000,000	61,728,080
1932	33,709,000	20,808,000

TABLE 5.—*Showing comparison of Cuban domestic production of rice, with her importations*

Year	Domestic production, clean rice	Importation, clean rice
	Pounds	*Pounds*
1928	4,436,000	507,752,537
1929	30,864,000	441,317,293
1930	38,116,000	425,867,161
1931	61,728,000	314,170,910
1932	20,808,000	[1] 450,000,000

[1] Estimated.

It will be seen from table 1 that during the past 5 years Cuba has imported on an average of 450,000,000 pounds of rice. It will be seen from table 2 that only approximately 4 percent of these importations are received from the United States. Notwithstanding that the United States rice-producing territory is closer than any other; and notwithstanding the further fact that Cuba annually imports 2½ to 3 times the volume of the American surplus the American rice industry is unable to merchandise to any extent in this market. In tables 2 and 3 are shown the 10 countries from which Cuba imports her principal supply of rice, table 2 showing the importation in pounds and the country from which imported for each year from 1927 to 1931, both inclusive. It will be observed that British India supplied about 74 percent of the rice, the United Kingdom about 13 percent, Siam about 5 percent, as against only 4 percent from the United States.

It is not possible for the American rice growers to compete with cheap labor of India or Siam, nor on rice from the United Kingdom, which is produced in British colonies in the Far East, since no rice is grown in England. Therefore, the only possibility of the American rice industry taking advantage of the excellent demand in Cuba depends entirely upon securing a preferential on the duty and consumption tax in Cuba.

As stated before, there is an import duty of $1.80 per 100 kilos (220.4 pounds). Rice from the United States has for considerable time enjoyed a 40 percent preferential on this general tariff; however, the benefits of this preferential were very materially decreased when the Cuban Government on August 12, 1932, instituted an additional tax, called a consumption tax, on rice of 1 cent per pound gross weight. On September 7, 1932, the President of Cuba by decree ordered a 30 percent preferential reduction on the consumption tax on American wheat flour, and the rice industry feel that they are entitled to the same reduction or preferential in the consumption tax as they have on the import duty, namely, 40 percent.

The statement made by the Tariff Commission and the Department of State that this consumption tax is not discriminatory to rice from the United States on the grounds that Cuba is a producer of rice and that the tax likewise applies to its domestic production is a mere subterfuge.

In table 4 is shown the quantity of rice produced in Cuba for each year, from 1928 to 1932, both inclusive, expressed in terms of both rough and clean rice. Table 5 shows the comparison of domestic production with importations of clean rice for each year from 1928 to 1932, both inclusive. From this table it will be observed that during the 5-year period shown and compared Cuba produced slightly better than 7 percent as much clean rice as imported. Cuba's local production, therefore, cannot be a factor, for it is conclusively shown that her domestic production is nothing as compared with her importations; and the statement made by the Tariff Commission and the Department of State and the reference made thereto by representatives of the Cuban Government assigning this small production as grounds for disallowing the same preferential on the consumption tax as on the import duty on rice from the United States is a mere evasion.

Mr. Speaker, I wish now to call your attention to just another of the many instances which in my opinion has caused the American rice industry to suffer untold hardships. Let us take the Republic of Colombia and see what becomes of its coffee. According to the annual report of the comptroller of the Republic in Bogota for the year 1931, the coffee crop of Colombia exported was distributed as follows—weight in kilos:

	Kilos
Germany	3,772,121
Argentina	4,313
Belgium	103,870
Cuba	1,237,616
Denmark	163,400
Spain	1,257,165
Finland	49,175
Great Britain	1,115,484
Italy	420,864

	Kilos
Panama	81,985
Other countries	9,845
Dutch Indies	3,680
Austria	4,360
Canada	1,096,507
Chile	4,452
Ecuador	40,020
United States	174,221,360
France	1,823,088
Holland	4,328,077
Norway	254,935
Sweden	408,519
Total	190,380,826

From the above you will note that the United States of America takes approximately 90 per cent of the Colombian coffee exported. Inasmuch as this country is the largest buyer of Colombian products, it should be favored with a preferential tariff on American food products imported into Colombia. The imports of rice into Colombia total approximately 800,000 bags, minimum of 100 pounds per bag, and a large part of this rice comes from the Orient. It appears to me only fair that when the United States is taking 90 percent of Colombia's coffee that some reciprocity could be arranged whereby the imports of American rice and other food products might be shipped to that country on a preferential duty basis. Two years ago I made a special study of our trouble with exports and at that time I learned the people of Colombia were very much dissatisfied with a 100 percent duty increase on most food commodities imported, and the President of Colombia and the congress were being urged at that time to abrogate same or decree a lower duty at least on these essential foodstuffs. I also obtained information at that time that the food control board in Bogota for rice and bread had fixed prices at which rice might be sold in Bogota, as follows:

In lots of 250 pounds:

First quality	$21
Second quality	19
Third quality	17

If sold by the arroba (25 pounds), $2.20, $2.10, and $1.80, respectively; and by the pound at 10 cents, 9 cents, and 8 cents.

Bread was sold by weight and prices fixed on weights of 32, 60, 150, and 270 grams for 1, 2, 5, and 10 cents, respectively. The President of the Chamber of Commerce of Baranquilla, who was at that time in Bogota, declared that the decree increasing the duty on food products was an error, and he said that in the matter of wheat the country was capable of producing not more than 44 per cent of what it requires, none of which is produced on the coast. Also, that the interior of the Republic could not supply the coastal country with food products because it did not produce enough for the interior. I feel sure that if this matter is approached through diplomatic channels, it would materially assist the export business of the United States in rice and other commodities.

The United States imports annually from Cuba better than $60,000,000 of sugar. The sugar and rice States of the United States are the same. If, then, on the one hand we are to permit Cuban sugar to come into the United States, by the same token Cuba should grant every preferential asked on rice from the United States, so that the farmers of the States which produce sugar might at least offset a part of their sugar losses by increasing their rice income.

The possibility of getting into the Cuban market with our rice is of vital importance to the rice industry of this country. That the rice industry needs help seems very obvious as rice is one of the commodities included in the administration's agricultural relief bill. I feel that the present administration is committed to farm relief, and I am firmly of the opinion that with proper representations to the Cuban Government, that the preferential would be granted on the consumption tax on American rice.

ABOLISHING THE ELECTORAL COLLEGE

Mr. LEA of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEA of California. Mr. Speaker, on the 2d day of March, the Committee on the Election of President, Vice President, and Representatives in Congress made a favorable report on House Joint Resolution 60 of the Seventy-second Congress, proposing an amendment to the Constitution for the election of the President.

This resolution was filed by me on the 8th of December 1931, and in substance is the same as resolutions filed by me in the Seventieth and Seventy-first Congresses, and in each of which hearings were held before this committee.

Today I have again filed this amendment (H.J.Res. 136), omitting a provision relating to procedure as reported by this committee.

PURPOSES OF PROPOSED AMENDMENT

Two main purposes have inspired the proposal of this amendment. One is to remove the manifest defects and objectionable features of the electoral-college system. The other purpose is to provide a certain and just method of electing our President.

The present method of electing the President is satisfactory to the extent that it ordinarily results in the selection of the choice of the people. It is unsatisfactory in that it gives no dependable guaranty of a certain or a just election. In other words, at times the electoral-college system will fail to elect and result in a deadlock, and at other times it will select the man not preferred by the electorate of the Nation.

Two elementary requirements of a satisfactory system of electing our President are that it shall always result in a certain election and by a method inherently just.

DEFECTS OF THE ELECTORAL-COLLEGE SYSTEM

The electoral-college system is crude and archaic. It has far outlived the purposes for which it was created.

Many reasons can be advanced for abolishing it, but there are three outstanding objections to the system.

In the first place, it still preserves presidential electors, notwithstanding the reason for their existence disappeared 132 years ago, when the adoption of the practice of pledging electors deprived them of any discretion as to how they should vote. Since that time the presidential elector has been a useless encumbrance of our election system.

Not only has the elector been a useless encumbrance but his human frailty is needlessly interjected to imperil or thwart a presidential election where his sudden incapacity, insanity, death, or other mishap might prevent his voting and thus prevent the necessary majority to elect in the electoral college.

THE UNIT VOTE

In the second place, and most objectionable of all its features, the electoral-college system has preserved the unit State vote by which the plurality candidate receives the whole electoral vote of the State, regardless of whether or not he receives a majority of its popular vote and regardless of how large may be the minority vote. All minority voters in the State are disregarded, disfranchised, and their votes not computed in determining the final result.

Notwithstanding the fact that under the Constitution electoral votes are allotted to the States, in the main, in proportion to their population, the people of the States are denied the right to have any of their support recorded in the electoral count for any but the plurality candidate. Votes given to represent the minority are counted exactly contrary to the way they are cast.

The State unit vote is an affront to common sense; it is an affront to wholesome politics. At no other place in our whole American scheme of elections are minority votes discarded in any political subdivision in the election area before the final count is made.

The unit-vote system gives part of the people of the State, those who vote for the plurality candidate, a political strength out of all proportion to their numbers, and denies to the rest of the people of the State any political strength whatever in the election of the President.

The only way the minority candidate can overcome this injustice of disfranchising his supporters is by securing a similar or greater advantage over his opponent in other

States. Thus the ultimate justice of the unit-voting system is dependent upon one injustice being remedied by another injustice.

The evil, if not the absurdity of this practice, is confirmed by numberless illustrations found in the statistics of our presidential elections. In two instances within 12 years the unit-voting system resulted in the election of minority candidates over the candidates who were the choice of the people as they had expressed themselves at the polls.

In the last election 48 percent of the popular vote was a plurality in one State and a minority vote in another. In the one State 48 percent of the popular vote carried the whole electoral vote of the State; in the other State 48 percent of the popular vote carried no electoral vote. Why should 48 percent of the votes be counted in one State and not in another?

The election of a President should be a Nation-wide contest. There can be no certain justice in the result unless each candidate is given his just proportion of the votes of every State and unless the election goes to the candidate receiving the greatest aggregate support.

The justice of the unit-voting system is blind when it disfranchises 10 percent of the voters in one State and 60 percent of them in another, with equal effect so far as affecting the final result is concerned. Thus chance may determine the result, where a rule of mathematical certainty and of inherent justice could be followed with equal convenience and happier results.

DEADLOCKS

In the third place, the electoral-college system is so designed that it needlessly creates deadlocks in the election of a President and provides an uncertain and inept method for breaking them.

If a deadlock in the electoral college throws the election in the House of Representatives, each State, regardless of population and the number of its Representatives, has but 1 vote. Each State is the equal of every other State—Ohio with her millions and Wyoming with her hundreds of thousands are equals. A majority of Representatives from each State cast the 1 vote of the State.

Notwithstanding the people at the polls may have clearly expressed their choice for President, the electoral college may be unable to register that choice; and the election in the House may, under this system, result in the selection of a candidate not desired by the people of the country as indicated by their votes at the polls.

The two elections of President that occurred in the House of Representatives were accompanied by scandals and efforts to traffic in votes for political advantage. The undesirability of the election of a President in the House of Representatives when any other practical method is available is recognized by every student of our Government. That opportunity, that temptation, for trading and trafficking in the Presidency of the United States and that obligation of selection should not exist between the Members of the House and the President.

The system of House election is doubly objectionable, because it may be made by a minority of the Members of the House and in disregard of its majority and in disregard of the will of the people as expressed at the polls.

PLAN OF ELECTION PROPOSED

The amendment proposed, if adopted, would accomplish the following results:

First. It would abolish the electoral-college system and substitute therefor a direct vote for the election of the President and Vice President.

Second. Each State would retain electoral votes as at present equal to the whole number of its Senators and Representatives.

In this way the relative strength of the States would be preserved as at present. The electoral vote based primarily upon population would remain as the common unit for expressing popular will as between the States in the election of a President. This would preserve what would otherwise be a violent change in the relative strength of the States in the election of a President.

Third. Each candidate for President would receive such proportion of the electoral votes of the State as he received of the popular vote therein.

Fourth. The candidate having the greatest number of electoral votes would be elected.

PRACTICAL EFFECT OF PLAN

In other words, the presidential electors would be eliminated, the people would vote directly for President, there would be no unit State vote, and the electoral vote of the State would be divided among the candidates in exact proportion to their popular vote in the State.

There would be no deadlocks. The resolution provides a certain method of election and of avoidance of deadlocks.

There would be no election in the House of Representatives. None would be necessary.

There would be no disfranchisement of minority votes. A vote cast any place in the Nation would count toward the election of the President and be given its relative weight for that purpose.

The contest, instead of being confined to a few "doubtful States", would be Nation-wide.

No candidate would receive electoral votes beyond those earned by his popular vote.

The question of "carrying" any particular State would be of relative unimportance. A shift of several thousand votes in any one State would amount to a difference of no more than a fraction of 1 electoral vote. Fraud or pressure to carry a "doubtful State" would largely lose its temptation, because it would be without the unearned reward of votes that now go to the plurality candidate because of the disfranchisement of the minority.

The people would be given a separate vote for President and Vice President.

REPORT OF COMMITTEE

The report of the Committee on the Election of President, Vice President, and Representatives in Congress recommending the adoption of this amendment is no. 2194 of the Seventy-second Congress, second session. In this report and in the hearings on House Joint Resolution 60, Members will find a full exposition of our electoral-college system and the proposals of this resolution.

The need of the reform of our system of electing the President has long been recognized. At periods when the Nation has been unconscious of any acute problem it has been indifferent. At times when bitter controversies have been aroused over the system partisan strife has prevented reform of the system. Now, when there is no partisan strife involved in the problem to confuse this issue, should be the time for action on this matter. The public spirit of the Nation should be sufficient to provide this reform and improvement so manifestly needed, even when no misfortune is in immediate view to impress its importance.

PROPOSED AMENDMENT

The substantive portions of the proposed amendment are as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two thirds of each House concurring therein), That an amendment is hereby proposed to the Constitution of the United States which shall be valid to all intents and purposes as part of the Constitution when ratified by three fourths of the legislatures of the several States. Said amendment shall be as follows:

"ARTICLE —

"SECTION 1. That the twelfth amendment of the Constitution of the United States be, and is hereby, amended to read as follows:

"'ARTICLE XII

"'The electoral-college system of electing the President and Vice President of the United States is hereby abolished. The President and Vice President shall be elected by the people of the several States. The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature. Congress shall determine the time of such election, which shall be the same throughout the United States. Until otherwise determined by the Congress, such election shall be held on the Tuesday next after the first Monday in November of the year preceding the year in which the regular term of the President is to begin. Each State shall be entitled to a number of electoral votes equal to the whole number of Senators and Representatives to which such State may be entitled in the Congress.

"'Within 45 days after such election, or at such time as the Congress shall direct, the official custodian of the election returns of each State shall make distinct lists of all persons for whom votes were cast for President and the number of votes for each, and the total vote of the electors of the State for all persons for President, which lists he shall sign and certify and transmit sealed to the seat of the Government of the United States, directed to the President of the Senate. The President of the Senate shall in the presence of the Senate and House of Representatives open all certificates and the votes shall then be counted. Each person for whom votes were cast for President in each State shall be credited with such proportion of the electoral votes thereof as he received of the total vote of the electors therein for President. In making the computations, fractional numbers less than one one-hundredth shall be disregarded unless a more detailed calculation would change the result of the election. The person having the greatest number of electoral votes for President shall be President. If two or more persons shall have an equal and the highest number of such votes, then the one for whom the greatest number of popular votes were cast shall be President.

"'The Vice President shall be likewise elected, at the same time and in the same manner and subject to the same provisions as the President, but no person constitutionally ineligible for the office of President shall be eligible to that of Vice President of the United States.'

"SEC. 2. Paragraphs 2 and 3 of section 1, article II of the Constitution are hereby repealed."

Mr. WEARIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein two resolutions in respect to the refinancing of farm mortgages.

Mr. O'CONNOR. Mr. Speaker, I ask the attention of the minority leader. In order to save this interminable delay which we have here all the time, I ask unanimous consent that any Member at any time may extend his own remarks in the RECORD without making a specific request.

Mr. SNELL. Mr. Speaker, I think that is going pretty far.

Mr. BLANTON. Mr. Speaker, I object.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. FITZGIBBONS, for 8 days, on account of important business.

ENROLLED JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J.Res. 121. Joint resolution to provide for the acceptance of sums donated for the construction of a swimming-exercise tank for the use of the President.

ECONOMIC REHABILITATION FOR PUERTO RICO—EXTENSION OF REMARKS

Mr. IGLESIAS. I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, ladies and gentlemen of the House, Congress will see the irresistible urgency to cover Puerto Rico in all these national measures of relief and rehabilitation.

Puerto Rico has prescribed social economic education as a remedy for the cure of our ills, but we cannot have effective cure without a human policy of economic rehabilitation within the same prescriptions used for the relief and rehabilitation of the States of the Union as may be enacted by this Congress.

The most vital problem requiring immediate attention is the economic and social condition prevailing among the masses of producers and workers in Puerto Rico. My work in Congress will be dedicated mainly to ask you for the rehabilitation of the people of the island. The economic program set forth for the people by the President should be extended fully to Puerto Rico.

I propose to work for the abolishing of the ills that the absent monopolies and financial combinations regulate, contract, and control—social, political, financial, and governmental conditions of life in the island.

One of our pressing and perplexing problems in Puerto Rico is unemployment. We increased our population tenfold in the last century and a quarter. The margin of subsistence is already dangerously narrow for the vast majority of the people. We want to intensify and diversify agriculture, promoting means of work and providing more practical education; we are, in the words of a distinguished continental American educator, "instilling the craving for better things and better days" to the people there.

Our problem of industrialization is very important in view of our 450 inhabitants per square mile. We have to diversify our occupations, open new industries and provide work the year round for our people. Right now if sugar should lose its protected American market it would utterly be a great economic collapse in the island. The needle trades could not survive without free access to the continental consumers; the same is true of our nascent agricultural industries.

We have the problem of immigrant capital and absentee ownership. The American dollar has been settling there during the last 33 years. If the protective and rehabilitation laws from the United States are to become more and more intimate and decisively apply to Puerto Rico, absenteeism losses will find a great remedy because we are sure it will cut out its worst evils.

The following resolution was unanimously approved by the National Labor Convention of 1932:

Whereas the American Federation of Labor was always ready at all times to give its worthy support to the cause of the people in general and labor in Puerto Rico and to help our island: Therefore, be it further

Resolved, That the president of the American Federation of Labor be authorized to earnestly urge and lend his moral support and help before the President and Congress of the United States, to every measure and plans of rehabilitation as set forth in previous reports and recommendations of the executive council and the resolutions passed by the last three conventions, 1929, 1930, 1931, of the American Federation of Labor.

THE ISLAND OF PUERTO RICO

As you all know, Puerto Rico stands literally at the crossroads of the world, at the entrance to the Caribbean region and on a direct line between east and west, north and south. San Juan, the capital and chief port, is but 1,000 miles away from the Panama Canal, 1,300 miles away from New York or Philadelphia, less than 1,000 miles away from Habana, and under 4,000 miles away from the great European markets.

Puerto Rico is American territory.

Puerto Rico has a population of 1,543,913, according to the official census of 1930, or 449 inhabitants to the square mile, as compared with 40 per square mile on the mainland.

Puerto Rico enjoys an abundance of labor at all times, with, unfortunately, low wage scales.

With the great part of the working population dependent directly or indirectly on agriculture for livelihood, the problem of steady employment is a complicated one. When the major crops—sugar, tobacco, coffee, and fruits—are being harvested, a large percentage of the working population finds employment. But when the crop seasons end, employment in the rural districts ends also, and there are very few other industries to which the workers can look for employment.

The population of Puerto Rico in 1930 exceeded the combined population of Nevada, Wyoming, New Mexico, Arizona, and Vermont, according to the latest figures released by the Census Bureau. These five States together have a total population less than Puerto Rico.

Nevertheless, Puerto Rico is now represented in Congress by only one Resident Commissioner, who has voice but can not vote even in matters effecting the island.

Also, the States of Colorado, Florida, Idaho, Maine, Montana, Nebraska, New Hampshire, North Dakota, Oregon, Rhode Island, South Dakota, and Utah have less population than Puerto Rico.

I desire that you bear in mind that Puerto Rico, not having the right to vote in Congress, cannot exercise the great influence as do the Representatives of the several States of the Union.

In the old monarchic regime Puerto Rico was represented in the Spanish Parliament by 16 representatives and 3 senators selected by a privileged class of people. These representatives and senators had voice and vote in the "Cortes" of Madrid.

For many years past honest and free elections were impossible in Puerto Rico. We have suffered under the domination and traditional political education of the old-time bosses. This conduct was maintained for over half a century. The elections of the year 1932 were the best held. Frauds and abuses diminished by 85 percent.

All leaders of parties see by themselves that a new era of reconstruction has come to the island to perfect our democratic institutions dedicated to social, political, and economic rehabilitation. Free and guaranteed vote of the people makes the island more progressive and gives opportunity to acquire greater capacity and progress.

Our coalition parties have affirmed—

that the influence of the people of the United States in the destiny of Puerto Rico has been, is, and will be civilizing, and the extension of the Constitution to Puerto Rico represents a positive guaranty of the public and political liberties convenient and favorable to the enjoyment of the individual rights.

We reject all formulas of a colonial government. We consider this formula disgraceful and not compatible with the civil dignity of our Nation, and therefore we proclaim the permanent union of the people of Puerto Rico with the people of the United States to maintain and consecrate socially, politically, and industrially a democratic community with the same rights and duties as any community of our Nation. We want and are willing to be recognized as an integral part of the States of the Union and lead our future in that line.

OUR STATUS

Puerto Rico is an integral part of the United States under the supreme authority of Congress. The Treaty of Paris, between United States and Spain, of 1899, in article II, provided that—

the civil rights and political status of the native inhabitants of the territories hereby ceded to the United States shall be determined by Congress.

The treaty contained no promise or declaration regarding the political status of the inhabitants of Puerto Rico affected by the cession, but left the matter entirely to be decided by Congress.

As an explanation of this provision the American representatives at the peace negotiations, leading to the Treaty of Paris, in replying to the representatives of the Spanish Kingdom, said:

The congress of a nation which never enacted a law oppressive or detrimental to the rights of residents within its dominion and whose laws guarantee the greatest liberty compatible with the conservation of property surely can be trusted not to depart from its well-established practice in dealing with the inhabitants of these islands.

Congress, as contemplated in the treaty of peace, granted American citizenship to Puerto Rico, and under the Jones Act, created a political body and a civil government, composed of American citizens in Puerto Rico, owing allegiance to and entitled to the protection of the United States. The island has now over 1,543,913 American citizens, and for nearly three generations our men, women, and children and the children of our children have been born under the American flag and have been taught the American ideals of government in the political forum, in our courts, and our schools.

POLITICAL PARTIES

The island's political parties in existence at this time are organized in four groups, as follows:

First. The Union Republican Party of Puerto Rico historically represents a true spirit of Americanization of the island and maintains the fundamental principle of permanent association with the United States within the high democratic ideals of our great Nation of equal rights to all loyal American citizens. This party strongly supports the ideal of the admission of Puerto Rico as a State of the Union, as recently stated in the platform of the National Democratic Party. The Union Republican Party advocates the adoption of our legislature and congress of a well-studied program for the complete rehabilitation of the island, which in cooperation with the national administration will involve the development of all agricultural and industrial resources of Puerto Rico. The total number of votes obtained by this party in November 1932 was 110,793. The president of the Union Republican Party is the president of the Senate of Puerto Rico, Mr. Rafael Martinez Nadal.

Second. The Liberal Party represents in the island the old political traditions and the old privileged school of government. The fundamental principle adopted lately by the Liberal Party in its platform is purely sentimental in character; the minority asking for independence and the organization of Puerto Rico as a free republic. They want also that the statehood be granted by Congress at once. The total number of votes obtained in November 1932 by this party was 170,162. The president of the Liberal Party is Senator Antonio R. Barceló.

Third. The Nationalistic Party is radically antagonistic to American institutions and advocates for the immediate constitution of Puerto Rico as a free republic with no connection whatsoever with the United States of America. The party obtained only 5,254 votes at the last election. The president of this party is Mr. Pedro Albizu Campos.

Fourth. The Socialist Party of Puerto Rico is a creation of the labor organization represented by the American Federation of Labor and has been struggling for many years for the betterment of the conditions among the working men and women and for the thorough preparation of the masses to exercise their civil rights as granted by the Constitution of the United States and Puerto Rico. Since its organization over 30 years ago as a political party it has also maintained and supported the fundamental principle and aim of our permanent association with the people of the United States of America.

The Socialist Party was never greatly concerned with the immediate need for raising the statehood-independence political issues. It was and is more interested in the island's economic problems. It has been opposed to the continued revival of that issue, considering it as purely a political scheme devised chiefly as a means of fomenting discord, fostering anti-American propaganda to enable the secessionists to capture, if they can, the island's government.

The Socialist Party is striving for such form of government as will guarantee equality, liberty, and justice for all citizens, but its fundamental goal is permanent association with the people of the United States.

The total number of votes obtained by this party in November 1932 was 97,433. The acting president of the Socialist Party is vice president of the house of representatives, Mr. Rafael Alonso.

THE COALITION

Both parties, the Union Republican and the Socialist Parties, having some common ideals, decided to form a coalition, whose main object is the establishment and organization in the island of a government capable of safeguarding the fundamental principles and ideals of a true American democratic and republican form of government in the island and which may be prepared to undertake the solution of the vital economic problems to bring about the complete rehabilitation of the island.

The coalition of these parties achieved complete victory at the November 8 election of 1932, gaining full control of the Puerto Rico Legislature, which will be constituted as follows:

House of representatives:	
Coalitionists	32
Liberals	7
Total	39
Senate:	
Coalitionists	14
Liberals	5
Total	19

The total votes cast by the four political groups for the Resident Commissioner of Puerto Rico in Washington were as follows:

Coalition:	
Union Republican	110,793
Socialist Party	97,433
	208,226
Liberal Party	170,162
Nationalist Party	5,254

The majority of the coalition for the Resident Commissioner was 38,064 against the Liberal Party.

PAST AND PRESENT

I want to deal again with the Americanization of Puerto Rico from a general political and administrative point of view. During the autonomous regime granted to Puerto Rico by Spain in 1897, the island had as income for itself the royal tariffs, taxes on personal "cedulas", disembarkment of voyagers, ecclesiastic bills, payments of periodicals, cedulas on privileges, and taxes on raffles and lotteries. The different classes of general taxes and others which were paid to the insular public treasury reached 29 divisions and numerous subdivisions.

The total budget of income of the Spanish autonomous regime reached the sum of $3,536,342.19. This total income of the insular treasury was spent in a great part for soldiers and marines, clergy, construction of and repair of churches, and pensions, up to the sum of $2,174,879.13. The other expenditures of the government, such as public education, public works, sanitation, and justice were assigned $1,361,963.06.

In those days we spent on public education, from the funds of the State, $30,000, and the municipalities spent in education through the Paulist Fathers, Jesuits, and Sisters of the Sacred Heart, $99,255. There were only 22,265 children in the schools throughout the island. The benefit of superior studies was granted to only 55 students every year.

Under our present American regime there are more than 220,000 children in the schools, and they are not restricted from reaching superior grades. More than $4,000,000 from a budget of over $10,000,000 are assigned for schools and teachers.

Under the first year of our American regime the construction of the first buildings for public schools was ordered. We have already organized an army of 4,000 teachers who teach English and Spanish, and we use at present more than 2,000 buildings constructed for grade and high schools, which are the property of the insular government.

When the old regime was changed for the American regime, there were 157.12 miles of constructed roads. Since June 30, 1900, to June 30, 1931, 1,859 kilometers of insular roads have been constructed and also numerous bridges and buildings at a great cost.

Sanitation was organized for the first time in the island during the present regime, and the installation of a modern system of public-health service was inaugurated.

The insular government is composed at present of the following employees in the public service, including the Governor, the legislature, and the departments, who receive the following compensation: 6,011 Puerto Rican-American employees, $6,579,748; and 233 employees continental Americans, $409,585.75. Of these total employees, over 4,000 are school teachers and over 800 police.

The judiciary system of Puerto Rico has only four continental Americans serving as judges and the attorney general. The police has only three continental Americans, and the executive government has at present three, including the Governor. The other continental Americans are mostly teachers and professors and scientific men.

In the series of decisions known as "the insular cases" the Supreme Court has clarified the present status of the people of Puerto Rico. We are an organized but not an incorporated territory.

We hope that at the earliest opportunity Congress, in considering the economic reconstruction of Puerto Rico, will make a declaration that the ultimate political status of the island will be to organize the people of Puerto Rico as a State of the Union. Having defined this objective Congress should give Puerto Rico economic cooperation by extending to the island all national measures with ample freedom of action to work out a program and reach the goal by the own efforts of its people. The words of hope and action of President Roosevelt should embrace Puerto Rico as an integral part of our Nation, and I believe he has in mind this thought.

The question of land possession and distribution is a social and economic problem in Puerto Rico. Large holdings of land exist in the island, some held by individuals and some by corporate interests. In times of acute economic depression as we are suffering now, or great disaster like the hurricane of 1928 and that of 1932, thousands of workers lost all that they had; and the small farmer has either lost his land owing to financial difficulties or has become discouraged and sold it. This condition is aggravated by increasing pressure of population and the steady growth of the towns and cities; therefore, we have to emphasize the necessity of employment for our great army of unemployed by creating and encouraging the small-farmer system and our homestead law. The insular government is actively engaged in urging a return to the country-work and land movement, offering aid by means of a homestead-loan plan.

The concentration of land into large holdings is partly responsible for a peculiar and deplorable condition with respect to the production of food crops. In the midst of a land fertile enough to provide the most nutritive and fresh foods, the Puerto Rican is largely dependent on imported foods from United States, his diet consisting mainly of rice, dried fish, and beans. The large holdings are devoted to sugar.

Puerto Rico, gentlemen, stands today as the fourth or fifth best buyer of American goods in Pan America. The fact that Puerto Rico has bought and is continuing to buy millions upon millions of dollars' worth of goods from continental United States is vitally interesting.

In 1931 the United States exported to all the world cotton manufactures to the value of $3,306,432, while in that same year Puerto Rico alone took $10,231,984 worth of cotton manufactures.

Plain statistical facts demonstrated that in 1931 Puerto Rico received from continental United States more than three times as much cotton manufactures as all the rest of the world put together. In 1931 the United States sold to all foreign countries of the globe $4,719,305 worth of wood and wood manufactures. In that same year it shipped to Puerto Rico $1,976,336 worth of the same commodity—in other words, little Puerto Rico.

Last year the United States sold to the entire foreign world $1,534,345 worth of paper and paper manufactures. At the same time, continental United States shipped little Puerto Rico $1,242,533 worth of the same commodities.

Gentlemen and friends, I request you to look into this great little Puerto Rico as an integral part of our Nation, that you may know more about it and cultivate more and more the best feeling, extending to the people of the island the benefits of every congressional Federal measure intended to relieve or rehabilitate the people.

Puerto Rico is American socially, politically; and its trade, its practices, and its industry pile and flourish under the American flag. Puerto Rico is proud of this, economically and sentimentally.

The plain facts of the case are that Puerto Rico has been American territory since 1898. Since 1917 all Puerto Ricans have been American citizens, and this citizenship is the same brand as that of New Yorkers, or Californians, or Minnesotans, or Down-in-Mainers.

ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 31 minutes p.m.) the House adjourned until tomorrow, Thursday, March 30, 1933, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

11. Under clause 2 of rule XXIV, a letter from the Secretary of State, transmitting a letter from the Secretary General of the International Parliamentary Conference on Commerce, extending to the Congress of the United States an invitation to be represented at the eighteenth plenary assembly of the above-mentioned organization, which is to take place in the capitol at Rome beginning April 19, 1933 (H.Doc. No. 11), was taken from the Speaker's table, referred to the Committee on Foreign Affairs, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H.R. 3754. A bill to amend sections 15a and 19a of the Interstate Commerce Act, as amended, and for other purposes; without amendment (Rept. No. 15). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H.R. 4222. A bill to amend section 5 of the Interstate Commerce Act, as amended, relating to the consolidation and acquisition of control of carriers by railroad, and for other purposes; without amendment (Rept. No. 16). Referred to the Committee of the Whole House on the state of the Union.

Mr. CELLER: Committee on the Judiciary. H.R. 1718. A bill relating to the prescribing of medicinal liquors; without amendment (Rept. No. 17). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 4220. A bill for the protection of Government records; with amendment (Rept. No. 18). Referred to the House Calendar.

Mr. BANKHEAD: Committee on Rules. House Resolution 85. A resolution relative to offering an amendment as in Committee of the Whole House on the state of the Union to the bill S. 598; without amendment (Rept. No. 20). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 86. A resolution providing for the consideration of S. 562, an act relating to the prescribing of medicinal liquors; without amendment (Rept. No. 21). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WARREN: Committee on Accounts. House Resolution 68. Resolution to pay to Irene Nicholson Linder, mother of Heath Linder, 6 months' compensation and not to exceed $250 funeral expenses (Rept. No. 14). Ordered to be printed.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H.R. 3853. A bill to authorize the Comptroller General to allow claim of district no. 13, Choctaw County, Okla., for payment of tuition for Indian pupils; without amendment (Rept. No. 19). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McLEOD: A bill (H.R. 4311) to amend the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended; to the Committee on the Judiciary.

By Mr. MARTIN of Massachusetts: A bill (H.R. 4312) to amend the Revenue Act of 1932 by repealing section 605; to the Committee on Ways and Means.

Also, a bill (H.R. 4313) to amend section 751 of the Revenue Act of 1932; to the Committee on Ways and Means.

By Mr. RAYBURN: A bill (H.R. 4314) to provide for the furnishing of information and the supervision of traffic in investment securities in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. SWANK: A bill (H.R. 4315) to provide for a program of emergency relief and permanent construction of public works; to the Committee on Labor.

By Mr. MAPES: A bill (H.R. 4316) to provide for the taxation of incomes in the District of Columbia, and to repeal certain provisions of law relating to the taxation of intangible personal property in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. KNUTE HILL: A bill (H.R. 4317) to authorize the Secretary of War to grant a right of way to The Dallas Bridge Co.; to the Committee on Military Affairs.

By Mr. McSWAIN: A bill (H.R. 4318) to provide for the common defense and general welfare of the United States; to the Committee on Expenditures in the Executive Departments.

By Mr. WITHROW: A bill (H.R. 4319) to amend an act entitled "An act defining butter, also imposing a tax upon and regulating the manufacture, sale, importation, and exportation of oleomargarine", approved August 2, 1886, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. MAPES: A bill (H.R. 4320) to require the registration of motor vehicles in the District of Columbia, to prescribe registration fees based upon the weight of such motor vehicles, and for other purposes; to the Committee on the District of Columbia.

Also, a bill (H.R. 4321) to increase the motor-vehicle fuel tax in the District of Columbia, and to provide for the better administration thereof; to the Committee on the District of Columbia.

By Mr. McKEOWN: A bill (H.R. 4322) to require every patentee, his assigns or legal representatives, of any labor-saving machine or device to obtain a license to use such labor-saving machine or device, and for other purposes; to the Committee on Patents.

By Mr. LOZIER: A bill (H.R. 4323) to provide for the sale of revenue stamps by the postmaster in each county seat in the United States; to the Committee on Ways and Means.

By Mrs. NORTON: A bill (H.R. 4324) to authorize the merger of the Georgetown Gaslight Co. with and into Washington Gas Light Co., and for other purposes; to the Committee on the District of Columbia.

By Mr. PEYSER: A bill (H.R. 4325) to provide a terminal aviation field at Governors Island, N.Y., and for other purposes; to the Committee on Military Affairs.

By Mr. GRANFIELD: A bill (H.R. 4326) providing that 100 percent of the annual gross receipts, including money-order fees, be credited for the annual classification of post offices; to the Committee on the Post Office and Post Roads.

By Mr. SABATH: A bill (H.R. 4327) to provide revenue from the short sales of shares of stock, grain, wheat, cotton, or other allied agricultural commodities; to the Committee on Ways and Means.

By Mr. COCHRAN of Missouri: A bill (H.R. 4328) to amend the Federal Home Loan Bank Act to provide for the making of loans by the banks to home owners; to the Committee on Banking and Currency.

Also, a bill (H. R. 4329) to provide for a 5-day week for certain Government employees; to the Committee on the Civil Service.

Also, a bill (H.R. 4330) to provide for the use of the U.S.S. *Olympia* as a memorial to the men and women who served the United States in the War with Spain; to the Committee on Naval Affairs.

Also, a bill (H.R. 4331) to regulate the construction of bridges over navigable waters of the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. COCHRAN of Pennsylvania: A bill (H.R. 4332) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at a point near the Forest-Venango county line, in Tionesta Township, and in the county of Forest and in the Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Virginia: A bill (H.R. 4333) authorizing the restoration and occupation of the houses and grounds known as "Belvoir" on the former Lord Fairfax estate upon the Fort Humphreys Military Reservation in Fairfax County, Va., appropriating $40,000 for such uses, and for other purposes; to the Committee on Military Affairs.

By Mr. KNUTSON: A bill (H.R. 4334) to authorize the Reconstruction Finance Corporation to make loans to public-school districts to aid in the maintenance of public schools, and for other purposes; to the Committee on Banking and Currency.

By Mrs. ROGERS of Massachusetts: A bill (H.R. 4335) authorizing the construction of a new hospital and diagnostic center at Boston, Mass.; to the Committee on World War Veterans' Legislation.

By Mr. BEAM: A bill (H.R. 4336) to amend section 726 of the Revenue Act of 1932 so as to decrease the stamp tax on sales of produce for future delivery; to the Committee on Ways and Means.

By Mr. MONTAGUE: A bill (H.R. 4337) to amend the Judicial Code by adding a new section to be numbered 274D; to the Committee on the Judiciary.

Also, a bill (H.R. 4338) to provide that the heads of the executive departments may occupy seats on the floor of the Senate and the House of Representatives; to the Committee on Rules.

Also, a bill (H.R. 4339) to foster American industry, promote education, and facilitate pursuit of the avocation of philately; to the Committee on the Post Office and Post Roads.

By Mr. WITHROW: A bill (H.R. 4340) to provide that any extension or expansion of the United States Military Academy shall be made and located on the Government property at Camp McCoy, Wis.; to the Committee on Military Affairs.

By Mr. O'CONNELL: A bill (H.R. 4341) to increase limitation of cost on Federal building at Wakefield, R.I.; to the Committee on Public Buildings and Grounds.

By Mr. MONTAGUE: A bill (H.R. 4342) to provide for the acquisition by the United States of the Studley estate where Patrick Henry was born; to the Committee on the Public Lands.

Also, a bill (H.R. 4343) authorizing and directing the Director of the Census to publish the names of the heads of families as returned by each Federal census from 1800 to 1840, inclusive; to the Committee on the Census.

By Mr. FREAR: A bill (H.R. 4344) to provide a tax on the transfers of estates of decedents; to the Committee on the District of Columbia.

By Mr. KVALE: A bill (H.R. 4345) to extend the Federal Corrupt Practices Act to primary elections of Senators and Representatives; to the Committee on the Judiciary.

Also, a bill (H.R. 4346) to provide funds for cooperation with the Minnesota State Board of Control in the extension of the Minnesota State Sanitarium at Ah-Gwah-Ching, Minn.; to the Committee on Indian Affairs.

Also, a bill (H.R. 4347) to prevent corrupt practices in the nomination and election of President and Vice President of the United States; to the Committee on the Judiciary.

Also, a bill (H.R. 4348) to assist by loans any person holding an honorable discharge from the military forces of the United States of America during the period of the World War; to the Committee on Ways and Means.

By Mr. LEA of California: A bill (H.R. 4349) to withdraw certain public lands from settlement and entry; to the Committee on the Public Lands.

By Mr. KRAMER: A bill (H.R. 4350) to provide revenue by increasing taxes on certain nonintoxicating vinous liquors; to remove the limitation of the prohibition laws upon their manufacture, transportation, and sale in certain cases; to prohibit the importation of vinous liquors not of domestic origin; and for other purposes; to the Committee on Ways and Means.

By Mr. KVALE: A bill (H.R. 4351) to extend the privileges of compensation and hospitalization to certain American citizens; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 4352) to amend sections 11 and 13 of the Immigration Act of 1924, as amended; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 4353) to abolish capital punishment in the District of Columbia; to the Committee on the District of Columbia.

Also, a bill (H.R. 4354) to repeal section 2 of Public Act No. 242, Sixty-fourth Congress, being an act making appropriations for the support of the Army, and approved August 29, 1916, and relating to the establishing of a Council of National Defense; to the Committee on Military Affairs.

Also, a bill (H.R. 4355) to amend section 20 of the act of June 10, 1922, as amended by the act of July 2, 1926; to the Committee on Military Affairs.

Also, a bill (H.R. 4356) to prevent the use of Federal official patronage in elections and prohibit Federal office-holders from misuse of positions of public trust for private and partisan ends; to the Committee on the Judiciary.

Also, a bill (H.R. 4357) to provide for the commemoration of the Battle of Birch Coulee, in the State of Minnesota; to the Committee on Military Affairs.

By Mr. McCORMACK: A bill (H.R. 4358) to provide relief to home owners, and for other purposes; to the Committee on Banking and Currency.

By Mr. MILLARD: A bill (H.R. 4359) to amend the law relating to the naturalization of children of naturalized citizens; to the Committee on Immigration and Naturalization.

By Mr. GRANFIELD: A bill (H.R. 4360) providing for a regular and fixed annual salary for substitute employees in the United States Postal Service; to the Committee on the Civil Service.

By Mr. DEEN: A bill (H.R. 4361) to provide for delivery of mail matter under contract in lieu of delivery by city, village, and rural carriers; to the Committee on the Post Office and Post Roads.

By Mr. TRAEGER: A bill (H.R. 4362) to extend the specially meritorious medal to certain officers and men of the Navy and Marine Corps who served during the World War; to the Committee on Naval Affairs.

By Mr. McSWAIN: A bill (H.R. 4363) to further promote national defense; to the Committee on Military Affairs.

By Mr. BUSBY: A bill (H.R. 4364) to provide for the issuance of United States bonds to be used as security for the issuance of Federal Reserve notes and to provide for the use of such notes; to the Committee on Ways and Means.

By Mr. KELLER: A bill (H.R. 4365) to prevent panics and their resulting depressions, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Oklahoma: A bill (H.R. 4366) to impose a tax on sales of stock on stock exchanges, and for other purposes; to the Committee on Ways and Means.

By Mr. HOEPPEL: A bill (H.R. 4367) to amend the act of April 27, 1916, establishing the Army and Navy Medal of Honor roll; to the Committee on Invalid Pensions.

By Mr. LANZETTA: A bill (H.R. 4368) to clarify the status of certain citizens who derived naturalization from parent or husband, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. SABATH: A bill (H.R. 4369) to prohibit communication of false information with respect to securities in certain cases; to the Committee on the Judiciary.

By Mr. CELLER: Resolution (H.Res. 77) providing for the consideration of an act relating to medicinal liquor; to the Committee on Rules.

By Mr. KVALE: Resolution (H.Res. 78) to provide for an investigation with respect to permitting certain national

banking associations to establish branch banks in the State of Minnesota; to the Committee on Rules.

Also, resolution (H.Res. 79) to request the Secretary of the Treasury to advise the House of Representatives on what authority certain national banking associations are permitted to establish branch banks in the State of Minnesota; to the Committee on Banking and Currency.

By Mr. SIROVICH: Resolution (H.Res. 80) for the investigation of financial operative and business irregularities and illegal actions by interests inside and outside the motion and sonant pictures industry; to the Committee on Rules.

By Mr. MANSFIELD: Resolution (H.Res. 81) to print as a House document the letter from the Secretary of War transmittting a report of the Chief of Engineers for the development of the White River, Mo. and Ark.; to the Committee on Printing.

Also, resolution (H.Res. 82) to print as a House document the letter from the Secretary of War transmitting a report of the Chief of Engineers for the development of the Potomac River and its tributaries, including Occoquan Creek; to the Committee on Printing.

Also, resolution (H.Res. 83) to print as a House document the letter from the Secretary of War transmitting a report of the Chief of Engineers for the development of the Columbia River and minor tributaries; to the Committee on Printing.

Also, resolution (H.Res. 84) to print as a House document the letter from the Secretary of War transmitting a report of the Chief of Engineers for the development of the Tombigbee River and tributaries, Ala. and Miss., and the Warrior River and tributaries, Ala.; to the Committee on Printing.

By Mr. SABATH: Resolution (H.Res. 86) providing for the consideration of S. 562, an act relating to the prescribing of medicinal liquors; to the Committee on Rules.

By Mr. HOIDALE: Joint resolution (H.J.Res. 124) to provide for the determination and payment of claims for damage sustained by the fluctuation of the water levels of the Lake of the Woods in certain cases, and for other purposes; to the Committee on Foreign Affairs.

By Mr. FREAR: Joint resolution (H.J.Res. 125) proposing an amendment of section 8, article I, of the Constitution; to the Committee on the Judiciary.

By Mr. WITHROW: Joint resolution (H.J.Res. 126) directing the Federal Trade Commission to investigate and report to the Senate the cause or causes for the high prices of agricultural implements and machinery; to the Committee on Interstate and Foreign Commerce.

By Mr. FREAR: Joint resolution (H.J.Res. 127) authorizing the President to call a conference of foreign governments; to the Committee on Foreign Affairs.

By Mr. COCHRAN of Missouri: Joint resolution (H.J.Res. 128) to reduce the appropriations made to the public-debt sinking fund for a period of 3 years; to the Committee on Ways and Means.

By Mr. SABATH: Joint resolution (H.J.Res. 129) authorizing the Interstate Commerce Commission and the Federal Trade Commission to secure and compile information showing the salaries, fees, and bonuses paid to the presidents, officers, and directors of large corporations; to the Committee on Interstate and Foreign Commerce.

By Mrs. ROGERS of Massachusetts: Joint resolution (H.J.Res. 130) to provide for teaching the Florence Barnard plan in the public-school system of the District of Columbia; to the Committee on the District of Columbia.

Also, joint resolution (H.J.Res. 131) to authorize the Commissioner of Education to make a study of the Florence Barnard plan of time and money management and to make the results of such study available to the schools and the people of the United States; to the Committee on Education.

By Mr. MORAN: Joint resolution (H.J.Res. 132) to provide for the use of granite and/or marble in the erection of certain memorials and public buildings; to the Committee on Public Buildings and Grounds.

By Mr. SCRUGHAM: Joint resolution (H.J.Res. 133) providing for the application of State laws within the Boulder Canyon project Federal reservation; to the Committee on Irrigation and Reclamation.

By Mr. ADAMS: Joint resolution (H.J.Res. 134) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

By Mr. JONES: Joint resolution (H.J.Res. 135) to amend section 2 of the act approved February 4, 1933, to provide for loans to farmers for crop production and harvesting during the year 1933, and for other purposes; to the Committee on Agriculture.

By Mr. LEA of California: Joint resolution (H.J.Res. 136) proposing an amendment to the Constitution of the United States providing for the election of President and Vice President; to the Committee on Election of President, Vice President, and Representatives in Congress.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of Wisconsin, memorializing Congress relative to agricultural relief; to the Committee on Agriculture.

Memorial of the Legislature of the State of California, memorializing Congress for a belated recognition of the people of the United States of the services rendered the Nation by volunteers who fought in the War with Spain, the Philippine insurrection, and the China relief expedition; to the Committee on Military Affairs.

Memorial of the Legislature of the State of Oregon, memorializing Congress to amend the Reconstruction Finance Corporation Act to authorize the Reconstruction Finance Corporation to loan moneys to boards, commissions, and departments of the several States, and the municipal corporations thereof, for the relief of trust, sinking, and other funds; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of Oregon, memorializing Congress to authorize an appropriation for Federal aid in highway construction; to the Committee on Roads.

Memorial of the Legislature of the State of Oregon, memorializing Congress to enact Senate bill 5263 of the Seventy-second Congress; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of Oregon, memorializing Congress to enact Senate bills 5417 and 5471 (72d Cong.); to the Committee on Irrigation and Reclamation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AUF DER HEIDE: A bill (H.R. 4370) for the relief of George Patterson; to the Committee on Military Affairs.

By Mr. BECK: A bill (H.R. 4371) for the relief of Jacob Steinberg, Bella Steinberg, Herman Steinberg, and Harry Steinberg; to the Committee on Claims.

By Mr. BOEHNE: A bill (H.R. 4372) granting an increase of pension to Maria Heilman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4373) for the relief of Martin E. Crowe; to the Committee on Military Affairs.

Also, a bill (H.R. 4374) granting an increase of pension to Kate Harris; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4375) granting an increase of pension to Martha Brown; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4376) granting an increase of pension to Mary Buchanan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4377) granting an increase of pension to Amanda A. Sibrel; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4378) granting an increase of pension to Eunice T. Brown; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4379) granting an increase of pension to Nancy A. Clark; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4380) granting an increase of pension to Eudora Kightly; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4381) granting an increase of pension to Susan A. Rice; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4382) granting a pension to Sallie Hutchens; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4383) granting a pension to Josie Siessly; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4384) granting an increase of pension to Wilhelmina Tonnemacher; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4385) granting an increase of pension to Rebecca Berry; to the Committee on Invalid Pensions.

By Mr. BROOKS: A bill (H.R. 4386) granting an increase of pension to Leah Jones; to the Committee on Invalid Pensions.

By Mr. CHRISTIANSON: A bill (H.R. 4387) for the relief of Mary A. Rockwell; to the Committee on Claims.

By Mr. CHURCH: A bill (H.R. 4388) for the relief of John H. D. Wherland, alias Henry Lowell; to the Committee on Military Affairs.

By Mr. COCHRAN of Missouri: A bill (H.R. 4389) for the relief of Sylvester T. Moriarty; to the Committee on Naval Affairs.

Also, a bill (H.R. 4390) to extend the benefits of the United States Employees' Compensation Act to R. W. Dickerson; to the Committee on Claims.

Also, a bill (H.R. 4391) for the relief of Julian Simon, Ira Simon, and Herbert Simon, doing business as J. Simon & Sons; to the Committee on Claims.

Also, a bill (H.R. 4392) for the relief of the Tevis Motor Co.; to the Committee on Claims.

Also, a bill (H.R. 4393) for the relief of the United States Bank of St. Louis, Mo.; to the Committee on Claims.

Also, a bill (H.R. 4394) for the relief of Arthur H. Lorenzen; to the Committee on Claims.

Also, a bill (H.R. 4395) for the relief of General Warehousing Co.; to the Committee on Claims.

Also, a bill (H.R. 4396) for the relief of Capt. W. B. Finney; to the Committee on War Claims.

Also, a bill (H.R. 4397) for the relief of John Costigan; to the Committee on Military Affairs.

Also, a bill (H.R. 4398) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claims of Edward F. Goltra against the United States arising out of the taking of certain vessels and unloading apparatus; to the Committee on the Judiciary.

By Mr. COLLINS of Mississippi: A bill (H.R. 4399) to refund to the Mississippi Fibre Co. income and profits taxes erroneously and illegally collected; to the Committee on Claims.

By Mr. CONDON: A bill (H.R. 4400) to authorize the payment of the sum of $2,500 to the dependents of the officers and men who lost their lives on the submarine *S–4;* to the Committee on Naval Affairs.

By Mr. CUMMINGS: A bill (H.R. 4401) granting a pension to Kate White; to the Committee on Pensions.

By Mr. EDMONDS: A bill (H.R. 4402) for the relief of Joseph M. McAleer; to the Committee on Military Affairs.

Also, a bill (H.R. 4403) to authorize Ensign Howard F. Hozey, United States Naval Reserve, to accept certain decorations from the British Government; to the Committee on Foreign Affairs.

By Mr. ELTSE of California: A bill (H.R. 4404) for the relief of E. M. Elliott; to the Committee on Claims.

By Mr. FISH: A bill (H.R. 4405) authorizing the Secretary of War, under the direction of the President, to order Joseph E. Myers, major, United States Army, retired, before a retiring board for a rehearing of his case, and upon the findings of such board either confirm his retirement under the provisions of section 24–b, act of Congress of June 4, 1920, or place him on the retired list, as provided by section 1251 of the Revised Statutes, for disability incurred in line of duty; to the Committee on Military Affairs.

By Mr. FLETCHER: A bill (H.R. 4406) granting a pension to Fannie Spigle; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4407) for the relief of George E. Moody; to the Committee on Claims.

By Mr. HIGGINS: A bill (H.R. 4408) for the relief of James J. Smith; to the Committee on Naval Affairs.

By Mr. HOPE: A bill (H.R. 4409) granting a pension to Ella Burlingham; to the Committee on Pensions.

By Mr. HUDDLESTON: A bill (H.R. 4410) granting a pension to Alice R. Zell; to the Committee on Pensions.

Also, a bill (H.R. 4411) granting a pension to Catherine I. Thomas; to the Committee on Pensions.

By Mr. JENKINS: A bill (H.R. 4412) granting an increase of pension to Violet S. Woodward; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4413) granting an increase of pension to Frank Butcher; to the Committee on Pensions.

Also, a bill (H.R. 4414) granting an increase of pension to Sophie M. Swigert; to the Committee on Invalid Pensions.

By Mrs. KAHN: A bill (H.R. 4415) to authorize the presentation to Robert A. Roos of a Distinguished Service Medal; to the Committee on Military Affairs.

By Mr. KVALE: A bill (H.R. 4416) for the relief of Charles Forsman; to the Committee on War Claims.

Also, a bill (H.R. 4417) for the relief of Maurice Phillips; to the Committee on War Claims.

Also, a bill (H.R. 4418) for the relief of William E. Crawford; to the Committee on Military Affairs.

Also, a bill (H.R. 4419) for the relief of Arthur W. DeFrate; to the Committee on Military Affairs.

Also, a bill (H.R. 4420) for the relief of Dalton Grain & Lumber Co.; to the Committee on Claims.

Also, a bill (H.R. 4421) for the relief of Robert J. Smith; to the Committee on Military Affairs.

Also, a bill (H.R. 4422) for the relief of Mable Nordlie Paulson, widow of Peter C. Paulson, and her two infant children; to the Committee on Claims.

Also, a bill (H.R. 4423) for the relief of Wilbur Rogers; to the Committee on Military Affairs.

Also, a bill (H.R. 4424) granting a pension to Della M. C. Rudolph; to the Committee on Pensions.

Also, a bill (H.R. 4425) providing compensation to M. J. Harbinson for injuries sustained while in the Government service at and on the Belknap Reservation, Mont., engaged as a moundsman; to the Committee on Claims.

Also, a bill (H.R. 4426) granting a pension to Baldis Henry Koenig; to the Committee on Pensions.

Also, a bill (H.R. 4427) granting a pension to Mary C. Miller; to the Committee on Invalid Pensions.

By Mr. LEA of California: A bill (H.R. 4428) for the relief of Henry Dinucci; to the Committee on Claims.

By Mr. LOZIER: A bill (H.R. 4429) for the relief of the estate of James N. Jones; to the Committee on Claims.

By Mr. McFARLANE: A bill (H.R. 4430) granting an increase of pension to David R. Majors; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4431) for the relief of Carl C. Baxter; to the Committee on Invalid Pensions.

By Mr. McKEOWN: A bill (H.R. 4432) granting a pension to Taylor Pinkston; to the Committee on Invalid Pensions.

By Mr. MAPES: A bill (H.R. 4433) for the relief of William Dean McCoy; to the Committee on Naval Affairs.

Also, a bill (H.R. 4434) for the relief of Samuel Hooper Lane, alias Samuel Foot; to the Committee on Military Affairs.

Also, a bill (H.R. 4435) for the relief of James J. McBarnes; to the Committee on Military Affairs.

Also, a bill (H.R. 4436) for the relief of William H. Estabrook; to the Committee on Military Affairs.

Also, a bill (H.R. 4437) to provide for the advancement on the retired list of the Navy of George Dewey Hilding; to the Committee on Naval Affairs.

Also, a bill (H.R. 4438) for the relief of Anthony Peter De Young; to the Committee on Naval Affairs.

Also, a bill (H.R. 4439) for the relief of Ernest Eppinga; to the Committee on Naval Affairs.

Also, a bill (H.R. 4440) to correct the records of the War Department to show that Guy Carlton Baker and Calton C. Baker or Carlton C. Baker is one and the same person; to the Committee on Military Affairs.

Also, a bill (H.R. 4441) for the relief of Stewart Lanier Cook; to the Committee on Military Affairs.

By Mr. MARSHALL: A bill (H.R. 4442) granting a pension to Jessie Bell McElroy; to the Committee on Invalid Pensions.

By Mr. MARTIN of Oregon: A bill (H.R. 4443) giving credit for water charges paid on damaged land; to the Committee on Irrigation and Reclamation.

By Mr. MONTAGUE: A bill (H.R. 4444) for the relief of Lt. James Floyd Terrell, Medical Corps, United States Navy; to the Committee on Claims.

Also, a bill (H.R. 4445) for the relief of John Worthington; to the Committee on Claims.

Also, a bill (H.R. 4446) for the relief of E. E. Hall; to the Committee on Claims.

Also, a bill (H.R. 4447) for the relief of Vertner Tate; to the Committee on Claims.

Also, a bill (H.R. 4448) for the relief of Charles J. Latimer; to the Committee on Military Affairs.

Also, a bill (H.R. 4449) for the relief of Charles R. Yarbrough; to the Committee on Military Affairs.

Also, a bill (H.R. 4450) for the relief of Douglas Solon Harmon; to the Committee on Naval Affairs.

Also, a bill (H.R. 4451) for the relief of Capt. Arthur S. Bell, Officers' Reserve Corps; to the Committee on Military Affairs.

Also, a bill (H.R. 4452) for the relief of the trustees of Ivey Memorial Chapel, Chesterfield County, Va.; to the Committee on War Claims.

Also, a bill (H.R. 4453) for the relief of N. W. Carrington and J. E. Mitchell; to the Committee on Claims.

Also, a bill (H.R. 4454) for the relief of Roscoe McKinley Meadows; to the Committee on Naval Affairs.

Also, a bill (H.R. 4455) for the relief of Garland Theodore Wilkerson; to the Committee on Naval Affairs.

Also, a bill (H.R. 4456) authorizing the President to issue an appropriate commission and honorable discharge to Landon Randolph Mason; to the Committee on Military Affairs.

Also, a bill (H.R. 4457) granting an increase of pension to Mary E. Stewart; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4458) to release the principal and surety on the bond executed by Robert T. Barton, Jr., general chairman of the Forty-second Annual Confederate Reunion; to the Committee on Military Affairs.

By Mr. MOTT: A bill (H.R. 4459) granting an increase of pension to Ida M. Van Natta; to the Committee on Invalid Pensions.

By Mr. MOYNIHAN: A bill (H.R. 4460) to provide for the payment of compensation to George E. Q. Johnson; to the Committee on Claims.

By Mr. MULDOWNEY: A bill (H.R. 4461) granting a pension to Mary Fogle; to the Committee on Invalid Pensions.

By Mr. MURDOCK: A bill (H.R. 4462) placing John A. McAlister, Jr., on the retired list of the Army as a lieutenant colonel; to the Committee on Military Affairs.

By Mr. MUSSELWHITE: A bill (H.R. 4463) for the relief of John S. Abbott; to the Committee on Military Affairs.

By Mr. PARKER of New York: A bill (H.R. 4464) for the relief of Ruth Relyea; to the Committee on Claims.

Also, a bill (H.R. 4465) for the relief of Delbert Miller; to the Committee on Claims.

By Mr. PETERSON: A bill (H.R. 4466) granting a pension to Lu M. Linscott; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4467) granting a pension to Frank H. Brown; to the Committee on Pensions.

Also, a bill (H.R. 4468) granting a pension to Della Bond; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4469) granting a pension to Benjamin Dobrosky; to the Committee on Pensions.

By Mr. REECE: A bill (H.R. 4470) granting a pension to Joke Campbell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4471) granting a pension to Charlie Campbell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4472) granting a pension to Hattie Campbell; to the Committee on Invalid Pensions.

By Mrs. ROGERS of Massachusetts: A bill (H.R. 4473) for the relief of Chellis T. Mooers; to the Committee on Claims.

Also, a bill (H.R. 4474) for the relief of Laban H. Davies; to the Committee on Claims.

By Mr. SMITH of West Virginia: A bill (H.R. 4475) for the relief of George L. Stone; to the Committee on Claims.

Also, a bill (H.R. 4476) for the relief of George W. Rhine, doing business under the name of Rhine & Co.; to the Committee on Claims.

By Mr. SUMNERS of Texas: A bill (H.R. 4477) for the relief of Ray McDonald; to the Committee on Military Affairs.

Also, a bill (H.R. 4478) granting a pension to Mary J. Cooley; to the Committee on Invalid Pensions.

By Mr. WITHROW: A bill (H.R. 4479) for the relief of Harold S. Morris; to the Committee on Military Affairs.

Also, a bill (H.R. 4480) for the relief of Charles A. Besch; to the Committee on Pensions.

Also, a bill (H.R. 4481) for the relief of Mueller Motor Co.; to the Committee on Claims.

Also, a bill (H.R. 4482) for the relief of Walter Manning; to the Committee on Naval Affairs.

Also, a bill (H.R. 4483) for the relief of Marcus Lee; to the Committee on Naval Affairs.

Also, a bill (H.R. 4484) for the relief of Leland Francis Olson; to the Committee on Naval Affairs.

Also, a bill (H.R. 4485) granting a pension to Maria E. Walker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4486) granting a pension to Josephine D. M. Nelson; to the Committee on Pensions.

Also, a bill (H.R. 4487) granting a pension to Mary Adams; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4488) granting a pension to Irene L. Davidson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4489) granting an increase of pension to Anna Sholts; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4490) to amend and correct the military record of Albert Kaman; to the Committee on Military Affairs.

By Mr. WOODRUFF: Resolution (H.Res. 76) for the relief of Delbert E. Libbey; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

204. By Mr. ARENS: Memorial of the House of Representatives of the State of Minnesota, memorializing the Congress of the United States immediately to carry out the obligation placed upon them by the Constitution to issue the money and establish the value thereof, and to make loans to States on security of the natural resources of such States; to the Committee on Banking and Currency.

205. By Mr. BLOOM: Petition of the Senate of the State of New York, protesting against the persecution under the direction and leadership of Chancellor Hitler and urging the Government of the United States through its Department of State to use its best diplomatic efforts in an attempt to persuade the German Government to desist from any further outrages and persecutions complained against in this resolution; to the Committee on Foreign Affairs.

206. Also, petition of the Banking Board of the State of New York, urging that the general amendment of the Federal banking laws provide that no national bank or branch thereof shall be established in any community served by a State bank or trust company without the approval of the State authorities, if and provided the State will provide by law that no State bank or trust company or branch thereof shall be established in any community served by a national bank without the approval of the Federal authorities as well

as of the proper State authority, and favoring the requirement as soon as practicable of compulsory membership in the Federal Reserve System of all banks and trust companies of New York State; to the Committee on Banking and Currency.

207. By Mr. BUCKBEE: Petition of the La Salle County Board of Supervisors, La Salle County, Ill., calling upon Congress to enact into law the so-called "Besher plan", providing for the use in motor fuels of alcohol manufactured from agricultural products grown in the United States; to the Committee on Ways and Means.

208. By Mr. CLARKE of New York: Petition from the congregation of Fleishmanns, N.Y., that Congress aid in bringing an end to the German pogroms on Jews; to the Committee on Foreign Affairs.

209. By Mr. COCHRAN of Missouri: A memorial submitted by John J. Golden, chairman of the Fifth Ward Dickman Club, of St. Louis, Mo., protesting the treatment of people of the Jewish faith in Germany, urging the Secretary of State and the Congress to take such action as deemed advisable toward protesting the alleged outrages in the hope that better conditions will prevail; to the Committee on Foreign Affairs.

210. By Mr. COCHRAN of Pennsylvania: Petition of House of Israel congregation, representing the Jewish population of Sharon, Pa., signed by Rabbi Maurice Moskowitz; Harry Routman, president; N. Routman, secretary; S. W. Epstein; A. Freyman; J. B. Goldberg; Louis Krieger; George Lurie; H. Mermelstein; and I. Zeff, protesting against the anti-Semitic activities and propaganda in Germany and urging that a protest be made by the United States against this racial discrimination; to the Committee on Foreign Affairs.

211. By Mr. FITZPATRICK: Petition of the Spirit of Israel of the City of Yonkers, N.Y., protesting against the treatment of Jews under the present German regime; to the Committee on Foreign Affairs.

212. By Mr. JOHNSON of Texas: Petition of Dr. W. R. Newton, of Cameron, Tex., urging legislation to extend Federal farm loans and reduce interest on such loans; to the Committee on Agriculture.

213. By Mr. JOHNSON of Minnesota: Petition of Walter Oby, president Detroit State Bank, Detroit Lakes, Minn., and member of council of administration of the Minnesota Bankers Association, favoring a plan to stabilize confidence in banks through the Postal Savings System; to the Committee on Banking and Currency.

214. By Mr. KELLY of Pennsylvania: Petition of citizens of McKeesport, Pa., protesting against persecution of Jews; to the Committee on Foreign Affairs.

215. By Mr. KVALE: Petition of Leo Carey Post, No. 56, American Legion, Albert Lea, Minn., favoring the extension of the economy program to defer the construction of the new post-office building at Albert Lea, and for other purposes; to the Committee on Public Buildings and Grounds.

216. Also, petition of Arnold Huisinieldt and 135 other citizens of Ghent, Minn., urging enactment of legislation providing that all petroleum products that may be used as fuel in internal-combustion engines be blended 10 percent by volume with ethyl alcohol made from agricultural products; to the Committee on Ways and Means.

217. Also, petition of citizens of St. Paul, Minn., urging enactment of legislation providing for the revaluation of the gold ounce; to the Committee on Coinage, Weights, and Measures.

218. Also, petition of northwest Minnesota farmers, urging enactment of the Shipstead refinancing plan; to the Committee on Agriculture.

219. Also, petition urging consultation of national officers and committees of veterans' organizations in preparing regulations under the new economy law; to the Committee on Economy.

220. Also, petition of Eidsvold Local of the Minnesota Farmers Union, Taunton, Minn., urging the enactment of a bill to provide for the use in motor fuels of alcohol manufactured from agricultural products grown in the United States; to the Committee on Agriculture.

221. Also, petition of Dent (Minn.) American Legion Post, No. 148, urging enactment of legislation to carry on the present Veterans' Administration provisions of disability compensation, disability allowance, hospitalization, and administration, and also in opposition to any Federal wage cut in salaries below $1,000; to the Committee on Ways and Means.

222. Also, petition of six voters of Beardsley, Minn., and three voters of Browns Valley, Minn., urging enactment of legislation providing for the revaluation of the gold ounce; to the Committee on Coinage, Weights, and Measure.

223. By Mr. LAMBERTSON: Petition of 29 citizens of Washington County, Kans., urging the passage of the Frazier bill for the refinancing of farm loans; to the Committee on Ways and Means.

224. By Mr. McCORMACK: Memorial of Massachusetts House of Representatives, memorializing Congress for the passage of legislation relative to the labeling of foreign-made goods; to the Committee on Ways and Means.

225. By Mr. MEAD: Petition of Mr. Mandelbaum re official objection to the persecution of Jews in Germany; to the Committee on Foreign Affairs.

226. Also, petition of Mr. McNaboe re opposition to the appointment of United States district court judges by bans in bankruptcy proceedings; to the Committee on the Judiciary.

227. By Mr. MILLARD: Resolution adopted by the Council of the City of New Rochelle, N.Y., protesting the continuance of religious persecutions and further violence or unfair discrimination; to the Committee on Foreign Affairs.

228. Also (by request), copy of resolution unanimously adopted by the Republican Village Committee of Peekskill, N.Y., protesting against harsh treatment of the Jewish citizens in Germany; to the Committee on Foreign Affairs.

229. Also (by request), resolution unanimously adopted by the Cooperative Conference on Social Insurance in Rockland County, N.Y., urging the establishment of compulsory systems of social insurance and the passage of the proposed "workers' rights amendment"; to the Committee on Labor.

230. By Mr. MOTT: Memorial of the Legislature of the State of Oregon, urging Congress to enact legislation to reduce agricultural surplus in certain commodities but requiring the inclusion in all gasoline and motor fuels subject to Federal taxation of at least 10 percent by volume of ethyl alcohol made from agricultural products made within the territorial limits of the United States; to the Committee on Agriculture.

231. Also, memorial of the Legislature of the State of Oregon, urging Congress to make early enactment of Senate bill 5417, providing for suspension in payment of charges due from Federal reclamation-project settlers, and Senate bill 5471, providing for a loan for the reclamation fund to replace the income thereto thus suspended; to the Committee on Irrigation and Reclamation.

232. Alro, memorial of the Legislature of the State of Oregon, urging Congress to enact legislation guaranteeing deposits in the banks of the United States; to the Committee on Banking and Currency.

233. Also, memorial of the Legislature of the State of Oregon, urging Congress to enact legislation permitting the Reconstruction Finance Corporation to make loans to boards, commissions, and departments of the several States, and the municipal corporations thereof, for the relief of trusts, sinking, and other funds; to the Committee on Banking and Currency.

234. Also, memorial of the Legislature of the State of Oregon, petitioning Congress to enact legislation permitting the Reconstruction Finance Corporation to make loans on approved security to States, counties, and municipalities and school districts; to the Committee on Banking and Currency.

235. Also, memorial of the Legislature of the State of Oregon, urging upon the Congress the immediate passage of a bill authorizing and providing Federal aid in highway construction for two years in advance in such amount, consistent with the Government Budget, as will afford maximum

unemployment relief during the coming biennial; to the Committee on Appropriations.

236. Also, memorial of the Legislature of the State of Oregon, urging the passage by Congress of a bill vesting in a Federal agency authority to investigate, control, and regulate the American Telephone & Telegraph Co., and providing that the information obtained by such agency be made available to the States to aid the latter in determining rates, charges, and services to be charged and collected from the ratepayer; to the Committee on Interstate and Foreign Commerce.

237. By Mr. O'CONNOR: Resolution of the Legislature of the State of New York, that it is the sense of the people of the State of New York, represented in senate and assembly, that the Government of the United States, through its Department of State, should use its best diplomatic efforts in an attempt to persuade the German Government to desist from any further outrages and persecutions against Jews and other minorities in Germany; to the Committee on Foreign Affairs.

238. Also, resolution of the Legislature of the State of New York, urging legislation to prohibit appointments of banking institutions as receivers in bankruptcy proceedings; to the Committee on the Judiciary.

239. By Mr. O'MALLEY: Memorial from the Legislature of the State of Wisconsin, urging the Congress of the United States to make immediate provision for the issuance of $13,000,000,000 in currency to finance necessary public works and to make loans to farmers and to liquidate frozen assets so as to restore economic recovery by providing work for unemployed, liquidating frozen assets, and freeing farmers, business men, and home owners from the imminent dangers of foreclosure and dispossession; to the Committee on Banking and Currency.

240. By Mr. REID of Illinois: Petition from about 400 persons residing in and near Aurora, Ill., opposing the ratification of the treaty between the United States and Canada for the construction of the St. Lawrence waterway; to the Committee on Rivers and Harbors.

241. By Mr. RUDD: Petition of Society of Park Engineers of New York, Brooklyn Chapter, favoring the passage of the Wagner bill (S. 5609—72d Cong.); to the Committee on Banking and Currency.

242. By Mr. SMITH of West Virginia: Memorial of the Legislature of West Virginia, memorializing Congress to pass a bill providing for the refinancing of farm mortgages; to the Committee on Banking and Currency.

243. Also, memorial of the Legislature of West Virginia, relating to apportionment of Federal funds to national forests in West Virginia; to the Committee on Agriculture.

244. By Mr. TAYLOR of Colorado: Memorial of Twenty-ninth General Assembly of the State of Colorado, requesting of the President of the United States the appointment of Hon. John T. Barnett, of Colorado, as Attorney General of the United States; to the Committee on the Judiciary.

245. By Mr. WOLVERTON: Petition of Jewish organizations in the city of Camden, N.J., protesting against the policy of Germany in establishing an anti-Jewish program; to the Committee on Foreign Affairs.

246. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States to issue $13,000,000,000 in currency to finance necessary public works and to make loans to farmers and to liquidate frozen assets; to the Committee on Banking and Currency.

247. By the SPEAKER: Petition of Samuel Lyman, requesting that the examiner of patents be required to fully set forth his reasons for not granting his design; to the Committee on Patents.

248. Also, petition of the Council of Milwaukee, advocating the issue of national currency to municipalities on the pledge of their bonds; to the Committee on Banking and Currency.

249. Also, petition of the Council of Laguna Beach, Calif., advocating the issue of national currency to municipalities on the pledge of their bonds; to the Committee on Banking and Currency.

250. Also, petition of Agnes Gliwa, relative to a seaway from the Great Lakes to the Chesapeake through Pittsburgh; to the Committee on Interstate and Foreign Commerce.

SENATE

THURSDAY, MARCH 30, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the bill (S. 598) for the relief of unemployment through the performance of useful public work, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H.J.Res. 121) to provide for the acceptance of sums donated for the construction of a swimming-exercise tank for the use of the President, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Keyes	Reynolds
Ashurst	Costigan	King	Robinson, Ark.
Austin	Couzens	La Follette	Robinson, Ind.
Bachman	Dickinson	Lewis	Russell
Bailey	Dieterich	Logan	Schall
Bankhead	Dill	Lonergan	Sheppard
Barbour	Duffy	Long	Shipstead
Barkley	Erickson	McAdoo	Smith
Black	Fess	McCarran	Steiwer
Bone	Fletcher	McGill	Stephens
Borah	Frazier	McKellar	Thomas, Okla.
Brown	George	McNary	Thomas, Utah
Bulkley	Goldsborough	Metcalf	Townsend
Bulow	Gore	Murphy	Trammell
Byrd	Hale	Neely	Tydings
Byrnes	Harrison	Norbeck	Vandenberg
Capper	Hatfield	Norris	Van Nuys
Caraway	Hayden	Nye	Wagner
Carey	Hebert	Overton	Walcott
Clark	Johnson	Patterson	Walsh
Connally	Kean	Pittman	Wheeler
Coolidge	Kendrick	Pope	White

Mr. BLACK. I desire to announce that the Senator from New Mexico [Mr. BRATTON] is necessarily absent.

Mr. HEBERT. I wish to announce that the junior Senator from Pennsylvania [Mr. DAVIS] is still detained from the Senate by illness.

I also desire to announce the necessary absence of the Senator from Vermont [Mr. DALE], the Senator from Pennsylvania [Mr. REED], the Senator from New Mexico [Mr. CUTTING], and the Senator from Delaware [Mr. HASTINGS].

Mr. BYRD. I wish to announce that my colleague the senior Senator from Virginia [Mr. GLASS] is unavoidably detained. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

RELIEF OF UNEMPLOYMENT

Mr. WALSH. I ask the Chair to lay before the Senate the amendments of the House of Representatives to Senate bill 598.

The VICE PRESIDENT laid before the Senate the amendments of the House to the bill (S. 598) for the relief of unemployment through the performance of useful public

work, and for other purposes, which were on page 2, line 25, after "employment", to insert "That in employing citizens for the purposes of this act no discrimination shall be made on account of race, color, or creed; and no person under conviction for crime and serving sentence therefor shall be employed under the provisions of this act"; on page 3, line 11, after "acquire", to insert "real property"; and on page 3, line 12, after "otherwise", to strike out down to and including "Government" in line 13.

Mr. WALSH. I move that the Senate concur in the House amendments.

Mr. VANDENBERG. Mr. President, may I inquire if a House amendment runs counter to the amendment submitted by my colleague the senior Senator from Michigan [Mr. COUZENS] in respect to the use of funds for the purchase of land?

Mr. WALSH. Yes; it does.

Mr. VANDENBERG. Can the Senator state whether that amendment has been brought to the attention of my colleague and whether he is satisfied with it?

Mr. WALSH. I have talked with the Senator's colleague, and he does not object to concurrence in the House amendments.

Mr. BLACK. I ask to have the amendments of the House again read.

The VICE PRESIDENT. They will be again read.

(The Chief Clerk again read the amendments of the House.)

The VICE PRESIDENT. The question is on agreeing to the amendments of the House.

The amendments were agreed to.

FUNCTIONS OF COLUMBIA INSTITUTION FOR THE DEAF (S.DOC. NO. 9)

The VICE PRESIDENT laid before the Senate a letter from the president of the Columbia Institution for the Deaf, reporting, in accordance with Senate Resolution 351, Seventy-second Congress, relative to the functions and activities conducted under the jurisdiction of the institution, the statutory authority therefor, and the total annual expenditures therein for the fiscal year ended June 30, 1932, which, with the accompanying papers, was ordered to lie on the table and to be printed.

TARIFF BARGAINING UNDER MOST-FAVORED-NATION TREATIES (S.DOC. NO. 7)

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the United States Tariff Commission, transmitting a report, in response to paragraphs 10 and 11 of Senate Resolution 325, Seventy-second Congress, dealing with tariff bargaining under conditional and unconditional most-favored-nation treaties, and containing an annotated list of the commercial treaties and agreements of the United States now in force, and also lists of all international treaties in force on January 1, 1933, pledging most-favored-nation treatment in the matter of customs, which, with the accompanying papers, was referred to the Committee on Finance and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by a mass meeting of citizens at Waco, McLennan County, Tex., pledging support to the President in this time of national emergency and favoring the cooperation of the State of Texas in the plan to raise revenue from the sale of beverages of alcoholic content within the constitutional limits fixed by the Congress, etc., which were ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Common Council of the City of Norwich, Conn., favoring the passage of legislation authorizing the Postmaster General to issue a special series of postage stamps of the denomination of 3 cents, commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment as brevet brigadier general of the Continental Army on October 13, 1783, of Thaddeus Kosciusko, which was referred to the Committee on Post Offices and Post Roads.

Mr. HALE presented a telegram embodying a resolution adopted by a mass meeting of over 500 Jews and Christians at Bangor, Me., protesting against intolerance directed against and the persecution of persons of Jewish faith in Germany, which was referred to the Committee on Foreign Relations.

Mr. COPELAND presented resolutions adopted by members of Court Independence, No. 123, Foresters of America, New York City, N.Y., endorsing the conservation and reforestation program sponsored by the President, which were ordered to lie on the table.

He also presented resolutions adopted by Bensonhurst Lodge, No. 509, Knights of Pythias, of Brooklyn; the Petofi Society, of New York; the Ferndale-Swan Lake Citizens League, of Ferndale; the West Bronx Democratic Club, of the Bronx; the rabbi, members, officers and trustees of the Congregation Shaari Israel of Brooklyn; the Nonpareil Social and Athletic Club, of Brooklyn; the board of governors of the Sixth Assembly District Republican Club, of Brooklyn; the Bensonhurst Board of Trade, of Brooklyn; the Men's Club of Temple Beth-El, of Rockaway Park; Monticello Lodge, No. 585, Knights of Pythias, of Monticello; the Criterion Club, of Yonkers; the First Independent Sick and Benevolent Association; and the First Independent Bikor Cholem, of Rockaway Beach, all in the State of New York, protesting against the intolerance directed against and the persecution of persons of Jewish faith in Germany, which were referred to the Committee on Foreign Relations.

TREATMENT OF THE JEWS IN GERMANY

Mr. McKELLAR. Mr. President, I present a resolution of the lower house of the Legislature of Tennessee, and I take pleasure in asking unanimous consent that it may be printed in the RECORD and appropriately referred. The resolution deals with the question of the treatment of Jews in Germany.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

House Resolution 40 (by Fletcher Cohn)

Whereas there has appeared in the daily press stories concerning the reprehensible conduct of the present German Government against members of the Jewish faith; and

Whereas Adolph Hitler, the present ruler of Germany, has announced on innumerable occasions that part of his program is to deny any rights of citizenship to members of the Jewish faith, and there is reliable information to the effect that Jewish professional men are not allowed to practice their professions; and

Whereas many of the outstanding men of Germany subscribe to the tenets of Judaism, and that through the genius displayed by such men as Albert Einstein, Leon Feuchtwanger, Dr. Wassermann, Emil Ludwig, Bruno Walther, and other Jews of world renown Germany has achieved a place among the leading nations of the world; and

Whereas the Constitution of the State of Tennessee, as well as the Constitution of the United States, demands religious freedom and prohibits any discrimination on account of religious beliefs; and

Whereas men of the Jewish faith have taken a leading part in the development of our country and have always shown themselves to be loyal citizens, and have filled high places with honor and distinction; and

Whereas we of Tennessee have always abhorred any form of oppression and injustice: Therefore be it

Resolved by the House of Representatives of the State of Tennessee, That it goes on record as protesting the improper and unjustifiable discrimination shown by Adolph Hitler and his government toward the Jewish people of Germany; be it further

Resolved, That the House of Representatives of Tennessee implores those in power in liberty-loving America to protest to the German Government its unfair attitude for those of its citizens who ascribe to the Jewish faith; be it further

Resolved, That a copy of this resolution be spread upon the journal of this house and that copies of it likewise be sent to the two United States Senators representing the State of Tennessee in the Congress of the United States.

Adopted March 27, 1933.

FRANK MOORE,
Speaker of the House of Representatives.

AGRICULTURAL RELIEF

Mr. SCHALL. Mr. President, I ask leave to have published in the RECORD and referred to the Committee on Agriculture and Forestry a wire which I have received from

the Farmers' Elevator Association of Minnesota in reference to the farm relief bill.

There being no objection, the telegram was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

MINNEAPOLIS, MINN.

Hon. THOMAS D. SCHALL,
United States Senator:

Believe rank and file of dirt farmers, who were ignored in preparation pending farm relief bill, are opposed to this kind of legislation. Farm-organization officers who inspired measure do not speak for agriculture as whole. Same men supported Agricultural Marketing Act, which proved ruinous to farmers, and several of their organizations still owe tremendous sums borrowed from Farm Board. Yet these men are still permitted to shape legislation to the exclusion of several organizations of farmers with long and successful experience in marketing. This association, composed of farmers' cooperative elevators with approximately 90,000 farmer stockholders and patrons, has repeatedly condemned legislation of this type. This year resolutions included the following:

"*Resolved*, That Congress be requested to desist from further interference with the marketing of our agricultural products."

At same time association resolved in favor of refinancing farm mortgages at low interest. Believe majority of farmers favor legislation of this kind but oppose sweeping and experimental measures such as that now pending. Farmers tired of experiments. We feel it unfair and unjust to adopt this or any other farm measure without giving all worthy farm leaders opportunity to speak, and respectfully ask this privilege. Also respectfully ask that this telegram be read on the floor of Senate and House and placed in CONGRESSIONAL RECORD.

FARMERS' ELEVATOR ASSOCIATION OF MINNESOTA,
By A. F. NELSON, *Secretary*.

MORATORIUM ON FORECLOSURES

Mr. SCHALL. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a letter which I have received in reference to a moratorium on the foreclosure of mortgages on small homes and farms.

There being no objection, the letter was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

MINNEAPOLIS, MINN., *March 20, 1933.*

Senators SCHALL and SHIPSTEAD,
Washington, D.C.

GENTLEMEN: I am writing you in regard to a notice which I saw in one of our local newspapers. This notice states that Representative WILLIAM T. SCHULTE, of Indiana, is preparing a bill for a 2-year moratorium on foreclosures of small home and farm mortgages with the object in view of giving such home and farm owners a chance to recover from the depression and save their property.

I wish to call your attention to another class of home and farm buyers who have bought on "contract for deed" and who in many cases have a good-sized interest in their prospective homes which should not be allowed to be wiped out simply because the buyer is hard pressed for a short time.

I am one of the intended victims in this class of home buyers. Three years ago I bought a small farm by the contract method. I made a substantial down payment and was to pay the balance at the rate of $40 per month. Shortly after buying the place the cesspool filled up, so I put in a septic sewage system; then the roof leaked, so I put on a new roof; then I built a barn and poultry house and cleared some acreage of stumps and got it ready to crop. All told, I put in about $1,800 in improvements of this kind, including fencing of the land.

About a year ago I lost my job in the city, from which I was getting the money to make these improvements and meet payments. During the time I was out of work the man I bought from kept saying to not worry about payments but to keep on with the place, that he was willing to wait for his pay until I got work again. Now I have recently started working at a much lower wage and the seller is now demanding that I pay up all arrears immediately.

He has another party who wants the place with the improvements that I have put on it, and I believe his plan is to force me off by cancellation of the contract and sell to this other party.

I am only about $250 behind in my payments and would pay it up within a year or so if given a chance, but if he is allowed to cancel now I am not in position to raise even the $250, and for that reason would lose about $3,000 to $3,500 which I have already put into the place, and my family will be forced out, with no home.

There are undoubtedly thousands of others in just the same predicament that I am in. We are willing to do our best, and in nearly every case we can and will pay for our places if given a little time, but if the sellers of these small homes and farms are to be allowed to force us out and take all we have, they will undoubtedly do it, no matter how morally wrong such an act would be. All the seller can see is his own personal gain. He sees in my case the $3,000 which I have in here as just so much added profit for himself regardless of what may become of us.

I am writing to you in hopes that you will immediately use all your power to include the contract buyers and put through this 2-year moratorium on contracts and mortgages so that those of us who are in this trouble can have time enough to save our homes. We can save them if given 2 years, but I am sure most of us will lose them if cancellations and foreclosures are allowed to proceed unhindered.

Thanking you most kindly for any assistance you can proffer, I beg to remain,

Respectfully yours,

S. A. TWITCHELL.

REPORTS OF COMMITTEES

Mr. TYDINGS, from the Committee on the District of Columbia, to which was referred the bill (H.R. 3342) to provide revenue for the District of Columbia by the taxation of beverages, and for other purposes, reported it with an amendment and submitted a report (No. 12) thereon.

Mr. HAYDEN, from the Committee on Mines and Mining, to which was referred the bill (S. 7) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, reported it with an amendment and submitted a report (No. 13) thereon.

Mr. BLACK, from the Committee on the Judiciary, to which was referred the bill (S. 158) to prevent interstate commerce in certain commodities and articles produced or manufactured in industrial activities in which persons are employed more than 5 days per week or 6 hours per day, reported it with amendments and submitted a report (No. 14) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. LA FOLLETTE:

A bill (S. 881) granting a pension to Marcella Kostermann (with accompanying papers); to the Committee on Pensions.

By Mr. TRAMMELL:

A bill (S. 883) for the relief of Lyman D. Drake, Jr.; to the Committee on Claims.

A bill (S. 884) to authorize the Secretary of the Navy to proceed with the construction of certain public works; to the Committee on Naval Affairs.

By Mr. COPELAND:

A bill (S. 885) to regulate commerce in firearms; to the Committee on Commerce.

By Mr. DILL and Mr. BONE:

A bill (S. 886) to provide for the construction, operation, and maintenance of the Columbia Basin project in Washington, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. BONE:

A bill (S. 887) for the relief of Lucy B. Hertz and J. W. Hertz; and

A bill (S. 888) for the relief of Grant A. McNeal; to the Committee on Claims.

A bill (S. 889) granting a pension to Ida R. Haynes; and

A bill (S. 890) extending the provisions of the pension laws relating to Indian war veterans to Capt. H. M. Hodgis' company, and for other purposes; to the Committee on Pensions.

By Mr. ROBINSON of Indiana:

A bill (S. 891) granting compensation to the widow and minor children of Francis C. Oxley; and

A bill (S. 892) granting compensation to the widow and minor children of Lloyd B. Tupper; to the Committee on Finance.

A bill (S. 893) for the relief of James M. Blankenship;

A bill (S. 894) for the relief of Charles E. Dern;

A bill (S. 895) for the relief of Thomas J. Gardner;

A bill (S. 896) for the relief of James Tulley Hazel;

A bill (S. 897) for the relief of Michael Marley;

A bill (S. 898) for the relief of Louis Martin;

A bill (S. 899) for the relief of Frederick Sparks;

A bill (S. 900) for the relief of Willard Thompson, deceased; and

A bill (S. 901) for the relief of James W. True; to the Committee on Military Affairs.

A bill (S. 902) granting a pension to Mary Jane Adams;

A bill (S. 903) granting a pension to Martha E. Atcheson;
A bill (S. 904) granting a pension to Jane Baile;
A bill (S. 905) granting a pension to Ellen Mullis Baker;
A bill (S. 906) granting a pension to Mary E. Beitzell;
A bill (S. 907) granting a pension to Mary Bothwell;
A bill (S. 908) granting a pension to James O. Boylan;
A bill (S. 909) granting a pension to Lucinda J. Bright;
A bill (S. 910) granting a pension to Mary J. Brooks;
A bill (S. 911) granting a pension to Lewis C. Brookshire;
A bill (S. 912) granting a pension to Frank Burcham;
A bill (S. 913) granting a pension to Elizabeth Burris;
A bill (S. 914) granting a pension to Armanella Caylor;
A bill (S. 915) granting a pension to Agatha Cook;
A bill (S. 916) granting a pension to Maggie Crist;
A bill (S. 917) granting a pension to Mary B. Crumrine;
A bill (S. 918) granting a pension to William A. Culiver;
A bill (S. 919) granting a pension to John A. Davis;
A bill (S. 920) granting a pension to Roberta Davis (with accompanying papers);
A bill (S. 921) granting a pension to Cyrus N. Deffendall;
A bill (S. 922) granting a pension to Emma C. Fisher;
A bill (S. 923) granting a pension to Harry Ross Foley;
A bill (S. 924) granting a pension to Martha Foley;
A bill (S. 925) granting a pension to Martha E. Goble;
A bill (S. 926) granting a pension to Emma Grunden;
A bill (S. 927) granting a pension to Charles E. Gulledge;
A bill (S. 928) granting a pension to Sarah Hamilton;
A bill (S. 929) granting a pension to Carter Hayes;
A bill (S. 930) granting a pension to Mary C. Heck;
A bill (S. 931) granting a pension to Mary C. Heck;
A bill (S. 932) granting a pension to Keturah P. Holt;
A bill (S. 933) granting a pension to Elva A. Houk;
A bill (S. 934) granting a pension to Fannie Howell;
A bill (S. 935) granting a pension to Lincoln Hubster;
A bill (S. 936) granting a pension to Sarah Hunter;
A bill (S. 937) granting a pension to Lee Jordan;
A bill (S. 938) granting a pension to Michael Kanyuch;
A bill (S. 939) granting a pension to Martha J. McDowell;
A bill (S. 940) granting a pension to Daniel J. McGrath;
A bill (S. 941) granting a pension to James A. McMasters;
A bill (S. 942) granting a pension to Nellie C. Manning;
A bill (S. 943) granting a pension to Sarah E. Mattingly;
A bill (S. 944) granting a pension to Albert R. Meeker;
A bill (S. 945) granting a pension to Maud Melville;
A bill (S. 946) granting a pension to Anna M. Mendel;
A bill (S. 947) granting a pension to Edward Morgan;
A bill (S. 948) granting a pension to Byron E. Murphy;
A bill (S. 949) granting a pension to John Porter Naanes;
A bill (S. 950) granting a pension to Lot Noe;
A bill (S. 951) granting a pension to Laura A. Norman;
A bill (S. 952) granting a pension to Grover C. Oberle;
A bill (S. 953) granting a pension to Walter O'Connor;
A bill (S. 954) granting a pension to Ellen J. Owen;
A bill (S. 955) granting a pension to Ora Owens;
A bill (S. 956) granting a pension to Elmer E. Oxendine;
A bill (S. 957) granting a pension to Flora B. Parker;
A bill (S. 958) granting a pension to Carrie D. Patton;
A bill (S. 959) granting a pension to Amos B. Poling;
A bill (S. 960) granting a pension to Jennie Pool;
A bill (S. 961) granting a pension to Clarence Price;
A bill (S. 962) granting a pension to Paul A. Randall;
A bill (S. 963) granting a pension to Emily Rather;
A bill (S. 964) granting a pension to Sarah A. Redens;
A bill (S. 965) granting a pension to William H. Revelle;
A bill (S. 966) granting a pension to John Reynolds;
A bill (S. 967) granting a pension to Malissa J. Richey;
A bill (S. 968) granting a pension to Mary J. Rosenbaum;
A bill (S. 969) granting a pension to Lizzie Sarver;
A bill (S. 970) granting a pension to Annie B. Schubert;
A bill (S. 971) granting a pension to Mary E. Singer (with accompanying papers);
A bill (S. 972) granting a pension to Roy Smith;
A bill (S. 973) granting a pension to Stephen Sowinski;
A bill (S. 974) granting a pension to Laura A. Spanswick (with accompanying papers);
A bill (S. 975) granting a pension to William A. Spores;
A bill (S. 976) granting a pension to Blanch T. Stephenson;
A bill (S. 977) granting a pension to Mertena Swaidner;
A bill (S. 978) granting a pension to Blanche Walker;
A bill (S. 979) granting a pension to Josephine Ward;
A bill (S. 980) granting a pension to Ella White;
A bill (S. 981) granting a pension to Frank White;
A bill (S. 982) granting a pension to Mary Wilkins;
A bill (S. 983) granting a pension to Rosa A. Woodrum;
A bill (S. 984) granting a pension to Lona Wright;
A bill (S. 985) granting an increase of pension to Nathan Ain;
A bill (S. 986) granting an increase of pension to Nancy Jane Albright;
A bill (S. 987) granting an increase of pension to Rhoda A. Atkinson;
A bill (S. 988) granting an increase of pension to Lucretia E. Aydelotte;
A bill (S. 989) granting an increase of pension to Cynthia E. Ball;
A bill (S. 990) granting an increase of pension to Armilda Banta;
A bill (S. 991) granting an increase of pension to Hattie E. Barnett;
A bill (S. 992) granting an increase of pension to Catharine Beach;
A bill (S. 993) granting an increase of pension to Sara B. Brammer (with accompanying papers);
A bill (S. 994) granting an increase of pension to Lucy T. Burns;
A bill (S. 995) granting an increase of pension to Eliza A. Caster;
A bill (S. 996) granting an increase of pension to Ann M. Cook;
A bill (S. 997) granting an increase of pension to Gertrude Cox;
A bill (S. 998) granting an increase of pension to Fanny Cunningham;
A bill (S. 999) granting an increase of pension to Charlotte A. David;
A bill (S. 1000) granting an increase of pension to Mahalia Davison;
A bill (S. 1001) granting an increase of pension to Viola Dickinson (with accompanying papers);
A bill (S. 1002) granting an increase of pension to Mary E. Doggett (with accompanying papers);
A bill (S. 1003) granting an increase of pension to Sylvia Ann Dunn;
A bill (S. 1004) granting an increase of pension to Rachel Ann Faris;
A bill (S. 1005) granting an increase of pension to Mary Ferrell;
A bill (S. 1006) granting an increase of pension to Amanda Fess;
A bill (S. 1007) granting an increase of pension to Catharine Godby;
A bill (S. 1008) granting an increase of pension to Samantha Haiston;
A bill (S. 1009) granting an increase of pension to Rebecca H. Hall;
A bill (S. 1010) granting an increase of pension to Alice Hamilton;
A bill (S. 1011) granting an increase of pension to Elizabeth Hippenheimer;
A bill (S. 1012) granting an increase of pension to Barbara Horine;
A bill (S. 1013) granting an increase of pension to Elizabeth C. Hunter;
A bill (S. 1014) granting an increase of pension to Rachel J. Johnson;
A bill (S. 1015) granting an increase of pension to Rosanna Kellogg;
A bill (S. 1016) granting an increase of pension to Lucy S. Kemp;
A bill (S. 1017) granting an increase of pension to Anna O. Kirkpatrick;

A bill (S. 1018) granting an increase of pension to Dora Klinger;

A bill (S. 1019) granting an increase of pension to Athelia P. Land;

A bill (S. 1020) granting an increase of pension to Eliza Landers;

A bill (S. 1021) granting an increase of pension to Mahala Leazenby;

A bill (S. 1022) granting an increase of pension to Elizabeth J. Lister;

A bill (S. 1023) granting an increase of pension to Permelia J. Long;

A bill (S. 1024) granting an increase of pension to Sarah A. Long;

A bill (S. 1025) granting an increase of pension to Lucinda Luse;

A bill (S. 1026) granting an increase of pension to Neta Lyle;

A bill (S. 1027) granting an increase of pension to Ida A. McDowell;

A bill (S. 1028) granting an increase of pension to Robert J. McPherson;

A bill (S. 1029) granting an increase of pension to Margaret McWilliams;

A bill (S. 1030) granting an increase of pension to Celia J. McKinley;

A bill (S. 1031) granting an increase of pension to Catharine D. Manning;

A bill (S. 1032) granting an increase of pension to Amanda E. Martin;

A bill (S. 1033) granting an increase of pension to Rachel N. Martin;

A bill (S. 1034) granting an increase of pension to Nancy Maskel;

A bill (S. 1035) granting an increase of pension to Mary S. Miller (with accompanying papers);

A bill (S. 1036) granting an increase of pension to Thomas Miller;

A bill (S. 1037) granting an increase of pension to Emily J. Moore;

A bill (S. 1038) granting an increase of pension to Mira B. Morse;

A bill (S. 1039) granting an increase of pension to Mary P. Noble;

A bill (S. 1040) granting an increase of pension to Virginia Parker;

A bill (S. 1041) granting an increase of pension to Georgeanna Phillinger;

A bill (S. 1042) granting an increase of pension to Lena E. Powell;

A bill (S. 1043) granting an increase of pension to Rosa G. Presnell;

A bill (S. 1044) granting an increase of pension to Martha A. Pyle;

A bill (S. 1045) granting an increase of pension to Marion B. Ridgate;

A bill (S. 1046) granting an increase of pension to Frances M. Robinson;

A bill (S. 1047) granting an increase of pension to Edith Ross;

A bill (S. 1048) granting an increase of pension to Harry G. Ross;

A bill (S. 1049) granting an increase of pension to Reuben Samson;

A bill (S. 1050) granting an increase of pension to Cad W. Savage;

A bill (S. 1051) granting an increase of pension to Sarah E. Saxton;

A bill (S. 1052) granting an increase of pension to Nancy J. Sebring;

A bill (S. 1053) granting an increase of pension to Margaret J. Shaw;

A bill (S. 1054) granting an increase of pension to Amelia Sheets;

A bill (S. 1055) granting an increase of pension to Nancy M. Smith;

A bill (S. 1056) granting an increase of pension to Malinda Sprague;

A bill (S. 1057) granting an increase of pension to Olleatha Stites;

A bill (S. 1058) granting an increase of pension to Mary A. Templeton;

A bill (S. 1059) granting an increase of pension to Elzena Troxell;

A bill (S. 1060) granting an increase of pension to Achsa Tyler;

A bill (S. 1061) granting an increase of pension to Louisa J. Wagner;

A bill (S. 1062) granting an increase of pension to Sarah J. Washburn;

A bill (S. 1063) granting an increase of pension to Ella F. Webster;

A bill (S. 1064) granting an increase of pension to Elizabeth Wesley; and

A bill (S. 1065) granting an increase of pension to Ada F. Williams; to the Committee on Pensions.

By Mr. BARBOUR:

A bill (S. 1066) relating to contracts for the erection or alteration of public buildings; to the Committee on the District of Columbia.

By Mr. BAILEY:

A bill (S. 1067) authorizing adjustment of the claim of the Adelphia Bank & Trust Co.;

A bill (S. 1068) authorizing adjustment of the claim of the B. & O. Manufacturing Co.;

A bill (S. 1069) authorizing adjustment of the claim of the Chicago, North Shore & Milwaukee Railroad Co.;

A bill (S. 1070) for the relief of J. R. Collie and Eleanor Y. Collie;

A bill (S. 1071) for the relief of Lawrence S. Copeland;

A bill (S. 1072) for the relief of Rufus J. Davis;

A bill (S. 1073) for the relief of E. Walter Edwards;

A bill (S. 1074) authorizing adjustment of the claims of John T. Lennon and George T. Flora;

A bill (S. 1075) for the relief of Walter Thomas Foreman;

A bill (S. 1076) authorizing adjustment of the claim of the Franklin Surety Co.;

A bill (S. 1077) for the relief of Lueco R. Gooch;

A bill (S. 1078) for the relief of Mrs. Asa Caswell Hawkins;

A bill (S. 1079) authorizing adjustment of the claim of Francis B. Kennedy;

A bill (S. 1080) for the relief of Charles L. Kee;

A bill (S. 1081) for the relief of McKimmon & McKee, Inc.;

A bill (S. 1082) authorizing adjustment of the claim of the Pennsylvania Railroad Co.;

A bill (S. 1083) authorizing adjustment of the claim of the Potomac Electric Power Co., of Washington, D.C.;

A bill (S. 1084) authorizing adjustment of the claim of the Public Service Coordinated Transport, of Newark, N.J.;

A bill (S. 1085) authorizing adjustment of the claim of Schutte & Koerting Co.;

A bill (S. 1086) authorizing adjustment of the claim of Frank Spector;

A bill (S. 1087) authorizing adjustment of the claim of William T. Stiles;

A bill (S. 1088) authorizing adjustment of the claim of White Bros. & Co. (with accompanying papers); and

A bill (S. 1089) for the relief of James R. Young; to the Committee on Claims.

By Mr. PATTERSON:

A bill (S. 1090) granting a pension to Gertrude Storck; to the Committee on Pensions.

A bill (S. 1091) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claims of Edward F. Goltra against the United States arising out of the taking of certain vessels and unloading apparatus; to the Committee on the Judiciary.

REGULATION OF SALE OF FOREIGN SECURITIES

Mr. JOHNSON. Mr. President, I ask unanimous consent to introduce a bill for reference to the Judiciary Committee.

I wish to say in connection with it that the bill relates to the endeavor to protect American citizens from the sale of foreign securities under circumstances where those securities could not be sold in our country. There is no design in its presentation to interfere in the slightest degree with the bill that yesterday was introduced by the Senator from Arizona [Mr. ASHURST], because I am very enthusiastically in favor of that measure. However, I want to have before the Judiciary Committee, when the bill of the Senator from Arizona is there pending, this measure which in detail concerns a cognate subject. So I introduce the bill and ask its reference to the Judiciary Committee.

The bill (S. 882) to provide for the more effective supervision of foreign commercial transactions, and for other purposes, was read twice by its title and referred to the Committee on the Judiciary.

REVENUE FROM BEVERAGES IN THE DISTRICT—AMENDMENT

Mr. WALSH submitted an amendment intended to be proposed by him to the bill (H.R. 3342) to provide revenue for the District of Columbia by the taxation of beverages, and for other purposes, which was ordered to lie on the table and to be printed.

THE WORLD COURT—RESERVATION PERTAINING TO INEQUALITIES BASED ON SEX

Mr. NYE submitted a proposed reservation to the resolution of adherence on the part of the United States to the protocol of signature of the statute for the Permanent Court of International Justice, which was referred to the Committee on Foreign Relations and ordered to be printed.

HEARINGS BEFORE THE COMMITTEE ON NAVAL AFFAIRS

Mr. TRAMMELL submitted the following resolution (S.Res. 50), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Naval Affairs, or any subcommittee thereof, is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost of not exceeding 25 cents per 100 words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE THE COMMITTEE ON RULES

Mr. COPELAND submitted the following resolution (S.Res. 51), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Rules, or any subcommittee thereof, is authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

HEARINGS BEFORE COMMITTEE ON PRIVILEGES AND ELECTIONS

Mr. GEORGE submitted the following resolution (S.Res. 52), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Privileges and Elections, or any subcommittee thereof, be, and hereby is, authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of Senate.

HEARINGS BEFORE COMMITTEE ON MINES AND MINING

Mr. LOGAN submitted the following resolution (S.Res. 53), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Mines and Mining, or any subcommittee thereof, hereby is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

Mr. CONNALLY submitted the following resolution (S.Res. 54), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Public Buildings and Grounds, or any subcommittee thereof, is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

A NATIONAL PLAN FOR AMERICAN FORESTRY

Mr. COPELAND. Mr. President, I ask that the Chair may lay before the Senate a report which has been received from the Secretary of Agriculture.

The PRESIDING OFFICER (Mr. RUSSELL in the chair) laid before the Senate a letter signed by the Secretary and the Assistant Secretary of Agriculture, transmitting, in response to Senate Resolution 175, Seventy-second Congress, relative to the practicability of Federal aid to States in utilization of lands suitable for forestation, a national plan for American forestry—in five volumes.

Mr. COPELAND. Mr. President, a year ago the Senate adopted a resolution, which I presented, asking the Bureau of Forestry to make an elaborate report on what could be accomplished in the way of reforestation. In response to that resolution the Chief of the Bureau of Forestry has sent a report to the Presiding Officer of the Senate. I ask unanimous consent that the report may be referred to the Committee on Printing. I make this request in the hope that the committee will find out what the cost may be of printing the report as a public document. In my opinion, it is very important now, in view of what we have done by the passage of the reforestation bill, that the material which has been collected with such care and which is so valuable should be made available. Therefore I ask unanimous consent that the report may be referred to the Committee on Printing, with the request of the Senate that an estimate be made as to the cost of printing the report as a public document.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the report will be referred to the Committee on Printing.

RELIEF OF DESTITUTION

Mr. WAGNER. Mr. President, I move that the Senate proceed to the consideration of Senate bill 812, providing for the relief of destitution.

The motion was agreed to, and the Senate proceeded to consider the bill (S. 812) to provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes, which had been reported from the Committee on Banking and Currency with amendments.

The VICE PRESIDENT. The bill will be read for action on the amendments of the committee.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Banking and Currency was, on page 5, line 1, after the word "monthly", to strike out the words "for public distribution", so as to make the clause read:

(d) The administrator shall print monthly, and shall submit to the President and to the Senate and the House of Representatives (or to the Secretary of the Senate and the Clerk of the House of Representatives, if those bodies are not in session), a report of his activities and expenditures under this act. Such reports shall, when submitted, be printed as public documents.

The amendment was agreed to.

The next amendment was, in section 4, page 5, line 20, after the word "State", to strike out the words "or by" and insert the word "including", so as to read:

(b) Of the amounts made available by this act not to exceed $200,000,000 shall be granted to the several States applying there-

for, in the following manner: Each State shall be entitled to receive grants equal to one third of the amount expended by such State, including the civil subdivisions thereof, out of public moneys from all sources for the purposes set forth in subsection (a) of this section; and such grants shall be made quarterly, beginning with the second quarter in the calendar year 1933, and shall be made during any quarter upon the basis of such expenditures certified by the States to have been made during the preceding quarter.

The amendment was agreed to.

Mr. BORAH. Mr. President, I wish some Senators who is familiar with this bill would explain subdivision (b) of section 4, relating to distribution to the States.

Mr. LA FOLLETTE. Mr. President, the total sum provided by this bill is divided and is to be distributed in two ways in accordance with the provisions, respectively, of subsection (b) and subsection (c). Under subsection (b) an amount not to exceed $200,000,000 is provided for the purpose of making grants to States upon the basis of one third of the expenditures which they have made from public moneys from all sources for relief purposes within the States during the preceding quarter. In other words, the State of Idaho, for instance, making application for assistance from the Federal Government under section (b) would furnish a statement showing the amount of money spent for relief in that State during the first quarter of this year from all public sources. Upon that basis the State of Idaho would be entitled to receive from the fund created under paragraph (b) one third of the amount so expended.

Mr. BORAH. In other words, it requires a State to spend two thirds, while the Federal Government furnishes one third of the amount?

Mr. LA FOLLETTE. Yes; excepting that, of course, in the first quarter of this year Idaho has received money from the Reconstruction Finance Corporation, which would be included in estimating the total expenditures from all public sources.

Mr. VANDENBERG. Mr. President, will the Senator from Wisconsin yield to a further question?

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. As I understand, pursuing the exhibit in respect to the State of Idaho, if that State has spent nothing during the previous quarter—a rather extreme hypothesis, but it will illustrate the question I want to ask—it may come in, then, under paragraph (c) and qualify for a share of the balance of the fund? Is that correct?

Mr. LA FOLLETTE. It may on the basis of a demonstrated need for unemployment relief within the State. In other words, there is provided in paragraph (b) a means of making grants to States which the authors of the bill hope will act as a stimulus in securing additional funds from resources within the State; but, recognizing the fact that there are some States which are not in a position to provide sufficient money to meet the problem, we have created a fund under paragraph (c) where, in the discretion of the administrator, he may make funds available without regard to expenditures which the State or its civil subdivisions have been able to make.

Mr. VANDENBERG. At that point the certification under paragraph (c) does not require a showing of inability to get the money. It merely requires a certification of an insufficiency of funds? Is that correct?

Mr. LA FOLLETTE. It provides that the certification made to the administrator shall show that the combined moneys available within the State from all sources, supplemented by any moneys made available under paragraph (b)—that is the $200,000,000 matching provision—will fall below the estimated needs within the State for the purposes specified in paragraph (a).

Mr. VANDENBERG. In other words, that the funds are insufficient?

Mr. LA FOLLETTE. Yes; but of course it remains entirely within the discretion of the administrator as to whether he finds that the State is unable or that its civil subdivisions are unable to provide sufficient money.

Mr. VANDENBERG. Would the Senator say that it was the obligation of the administrator under subsection (c) to determine that a State had exhausted its own resources and could not proceed to raise its own funds before it could qualify?

Mr. LA FOLLETTE. It is my interpretation of these two subsections, Mr. President, that a wide discretion is, of necessity, given to the relief administrator; but these two subsections are not dissimilar from the provisions of the State relief act in New York, under which the State government matches a certain percentage of funds provided by the civil subdivisions. There is also in that act a separate fund provided for which is in the nature of a free fund.

Now what happens in practical administration is this: The relief administrator endeavors to secure from the communities asking for relief in that State as large a contribution as they are able to make. When, however, he comes to the conclusion that the localities in the State have exhausted their resources and are unable to provide sufficient money, then, in order to prevent unemployment relief from breaking down altogether, a distribution is made to that particular community from the free fund.

We must recognize, Mr. President, in determining upon the legislative set-up of the relief administration that there are today varying degrees of financial ability in the United States. Some States, due to their constitutional provisions, are unable readily to readjust their fiscal and taxation machinery to meet the extraordinary burden of this emergency. I believe that we have in this bill a workable program which, under careful administration, will result in the expenditure on the part of the States and localities able to do so of a larger sum of money than is now being provided.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. LA FOLLETTE. I yield.

REGULATION OF SECURITY ISSUES—CHANGE OF REFERENCE

Mr. ROBINSON of Arkansas. Yesterday, Mr. President, I introduced for myself and the Senator from Arizona [Mr. ASHURST] Senate bill 875, to provide for the furnishing of information and the supervision of traffic in investment securities in interstate commerce. At my request the bill was referred to the Committee on the Judiciary, some other bills having relation to the subject having gone to that committee. I am advised, indeed, it is well known that the Committee on Banking and Currency under a resolution heretofore adopted by the Senate has conducted a prolonged investigation into the subject matter of the bill to which my remarks have reference. I, therefore, ask that the Committee on the Judiciary be discharged from the further consideration of the bill and that it be referred to the Committee on Banking and Currency.

I have consulted with the chairman of the Committee on the Judiciary, with the Senator from California [Mr. JOHNSON], and with the chairman of the Committee on Banking and Currency, and others, and believe that this reference should be changed.

The VICE PRESIDENT. Is there objection?

Mr. NORRIS. Mr. President, I should like to get a further explanation from the Senator in regard to the bill, the reference of which it is proposed to change. What bill is it?

Mr. ROBINSON of Arkansas. It is the bill having relationship to investment securities in interstate commerce, the regulation of the sale of investment securities.

Mr. NORRIS. Is that the bill which was introduced yesterday?

Mr. ROBINSON of Arkansas. Yes; that is the bill.

Mr. NORRIS. Mr. President, I am particularly interested in it, because I have been working on a bill which covers some of the subjects embraced in the proposed legislation, and it never occurred to me that the bill on which I was working ought to go to the Interstate Commerce Committee. I intended to offer it as an amendment to this bill. Does the Senator think that the subject matter of this bill is such that the Interstate Commerce Committee, rather than the Judiciary Committee, should have jurisdiction of it?

Mr. ROBINSON of Arkansas. No; I have not even suggested that the bill be referred to the Interstate Commerce Committee.

Mr. NORRIS. Then I did not understand the Senator.

Mr. ROBINSON of Arkansas. My suggestion was that the bill be referred to the Committee on Banking and Currency.

Mr. NORRIS. I mean the Committee on Banking and Currency.

Mr. ROBINSON of Arkansas. Yes; I think it is true that the bill could be referred to any one of the three committees mentioned; Banking and Currency, Judiciary, or Interstate Commerce, could properly take jurisdiction. I base the suggestion for a change of reference on two facts: First, that the Committee on Banking and Currency, as the Senator will recall, has had under investigation for several months the subject matter of the bill, in part; and, in the second place, the committee feels that it should, in view of the work that has already been done with reference to the subject, be authorized to proceed with the legislation, and is ready to do so.

Mr. NORRIS. Now, let me ask the Senator, is that agreeable to the chairman of the Committee on Banking and Currency and also to the chairman of the Committee on the Judiciary?

Mr. ROBINSON of Arkansas. I have already stated that it is agreeable to both chairmen.

Mr. NORRIS. I should like to inquire of the Senator from Arizona, if the Senator from Arkansas will yield for that purpose, whether the Senator from Arizona has looked into it and feels that the bill ought to go to the Banking and Currency Committee?

Mr. ASHURST. Mr. President, during my unavoidable absence from the Chamber for a half an hour yesterday my friend, the senior Senator from Arkansas [Mr. ROBINSON], introduced the bill for me, and it was referred to the Committee on the Judiciary, of which I happen to be the chairman. The committee met this morning and set the hour of 10 o'clock tomorrow morning as a time when we would hear the proponents of the bill, and grant its opponents, if any, another day, and we expected to report the bill to the Senate not later than Monday.

Some inquiry was made as to what opposition there might be to the bill. I said in reply, "There may be some opposition, but it will be secret, silent, subterranean opposition that will never come to the surface. If you explore the sources of opposition, you will probably find that the opposition comes from organizations and promoters that have sold "fake" securities throughout this country to the tune of billions of dollars, and have sunk their fangs into the pocketbooks of the innocent investors with greater rapacity than a school of sharks ever sank teeth into human flesh.

I am indifferent as to the particular committee to which the bill may be sent, but I confess to that natural pride which I think is becoming to me and does me no discredit, by saying I should like to have managed the bill and to have had the able committee over which I preside manage a bill of such transcendant importance. But, Mr. President, the question is too important for a moment of precious time to be consumed over a peccadillo. Certainly if the judgment of the Senate is that the bill should go to the Banking and Currency Committee, the bill should go there. Doubtless my fellow members on the Judiciary Committee would feel the same way.

The Senator from California [Mr. JOHNSON] has introduced three bills which our committee intends to consider at a very early date. Indeed, this morning he has introduced another important bill relating to this subject, which I understand has been referred to the Judiciary Committee. I assure him and all others that we will give immediate attention to the bill.

So far as I am able to commit my own committee, certainly if it will save one hour of time in passing this bill, we cheerfully yield jurisdiction.

Mr. KING. Mr. President, will the Senator yield a moment?

Mr. NORRIS. Just a moment.

I stated at the beginning the reason why I happened to be interested in the reference to the proper committee of this particular bill. I think, from what little information I have in regard to it, that instead of introducing the bill I had contemplated, covering corporations in a little more general way than they are covered in this bill, I will offer it in the form of amendments to this bill. There is not a thing in any of the amendments that I have, or that I will propose, that is of such a nature that anybody would question that jurisdiction of the subject ought to be in the Judiciary Committee.

The action that is proposed may make it necessary for me to change my plans somewhat. I have no desire to interfere with the reference of this bill if the chairmen of the various committees think it ought to go to the Banking and Currency Committee. Certainly I will make no objection to it.

Mr. ASHURST. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield to the Senator.

Mr. ASHURST. I think, however, that I should be lacking in candor and frankness if I failed to say that from my examination of the bill under discussion, S. 875, there are some questions of law that must be considered in connection with it. I have faith, however, that there is sufficient legal and literary talent in the Banking and Currency Committee to take care of those questions over which we are surrendering jurisdiction, hence we feel composed, as we know that the able Committee on Banking and Currency will consider those questions.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas? The Chair hears none.

Without objection, the President's message will also be referred to the Committee on Banking and Currency.

Mr. ROBINSON of Arkansas. Mr. President, I should merely like to say that it was upon the basis of the position just announced by the Senator from Arizona [Mr. ASHURST] that I at first suggested the reference of the bill to the Judiciary Committee. I do feel, however, upon consideration of the subject, since the jurisdiction of the subject matter was recognized as in the Committee on Banking and Currency, and that committee has already proceeded at length to deal with the matter, that it is right and just that it be given jurisdiction of this bill.

Mr. FLETCHER. Mr. President, I have not said anything about this matter on behalf of the Banking and Currency Committee. Everybody has been talking except the members of the Banking and Currency Committee, and I think it is time for me to say this: That committee, under Senate Resolution 84, Seventy-second Congress, has been actively engaged for months in investigating this very subject. We have already taken pages and pages of testimony. We are now proceeding with further investigations. We have a general counsel. He is equipped and prepared and organized to pursue the investigation to a finish.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Louisiana?

Mr. FLETCHER. No; not now. I will ask the Senator to excuse me. I want to say this and be through with it: The Banking and Currency Committee have jurisdiction, under instructions from the Senate, to investigate this very problem. We have been actively engaged in doing so. We have developed the important testimony now of record. There is other testimony to be gathered within our view now, and we feel that the Senate either ought to dismiss us entirely and let us quit where we are or else we ought to go and finish this very subject.

Mr. LONG. Mr. President——

Mr. FLETCHER. We are doing that in good faith, effectively and energetically. After the Senate has instructed us to look into this very subject by resolution of the Senate

passed sometime ago, and we have been actively engaged in it, there is no reason in the world why we should quit unless the Senate wants to take the matter out of our hands.

That is the situation. This bill belongs to the Banking and Currency Committee, beyond any question, in pursuance of the Senate's action, and in pursuance of the work of the committee, and in view of the fact that we have been diligently engaged in going to the bottom of it. We propose later to submit legislation covering this and other matters involved in that resolution, but especially including this; and we shall be glad to have any other suggestions or any other bills referred to the committee to be considered in due course, and as soon as we can we propose to report upon this investigation well-considered legislation covering the whole subject we are now investigating, including the handling of securities.

Mr. LONG. Mr. President, will the Senator permit me to ask him a question?

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Louisiana?

Mr. FLETCHER. I yield to the Senator.

Mr. LONG. I understood the Senator from Arkansas to say on the floor yesterday that this bill had been referred to the Committee on the Judiciary at the request of someone. Perhaps I misunderstood what was said.

Mr. FLETCHER. I do not think that statement was made.

Mr. LONG. I was thinking that the Banking and Currency Committee, which at this time is having the help of the Treasury Department—which means the help of Mr. S. Parker Gilbert, one of J. P. Morgan's firm, and other members of the Morgan house—in the preparation of legislation, might be a little inconvenienced or embarrassed in examining the helpers and the progenitors of our present-day potential legislation. I thought, therefore, that it would possibly relieve the committee of some embarrassment if the bill went to the Judiciary Committee. In other words, I thought the committee probably would hate to be sitting one day with S. Parker Gilbert drawing the laws that they are proposing to the Senate for enactment and the same day be turning around to investigate the gentleman who is very kindly, as a matter of help to the Government, volunteering his time here. I do not want embarrassment to come up between the committees.

Mr. FLETCHER. The Senator is mistaken. Neither Mr. S. Parker Gilbert nor any member of J. P. Morgan & Co. has appeared before the Banking and Currency Committee. Moreover, the committee has not had anything to do with any person connected with that company.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me?

Mr. FLETCHER. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. In view of the remarks just made by the Senator from Louisiana, I think it appropriate to say that I am convinced that the Committee on Banking and Currency will perform its duty, and do it promptly, in connection with this bill.

The reasons that I gave on the floor yesterday for referring the bill to the Judiciary Committee were that the bill involves some questions of law and perhaps some question of constitutional authority. I repeat now that in view of the study made by the Committee on Banking and Currency of the subject matter of the bill, I think it is proper to refer it to that committee.

The VICE PRESIDENT. The bill has been referred to the Committee on Banking and Currency.

Mr. KING. Mr. President——

Mr. FLETCHER. Just a minute; I have not yielded the floor. With reference to the Judiciary Committee I desire to say that I have perfect confidence in them. I know the ability of the members of that committee. It is perfectly proper to refer to them measures which involve the Constitution, and perhaps legal questions; and I am glad they have charge of the bills introduced by the Senator from California [Mr. JOHNSON]. They are very important bills, and I hope they will be reported out and acted on.

I may modestly suggest that there are a few good lawyers on the Banking and Currency Committee, and I think we have some material there that can quite well consider the question of the legality and the constitutionality of the legislation submitted to that committee. I am not hunting for any more work, but I resent the suggestion that the committee ought to stop where it is when it has been instructed to do a certain work and has not finished it.

Mr. NORRIS. Mr. President, will the Senator permit a question there?

Mr. FLETCHER. I yield.

Mr. NORRIS. I have not heard any such suggestion. Will the Senator be more explicit? He says he resents the suggestion that the Committee on Banking and Currency ought to quit. I do not believe there is a Member of this body who wants it to quit. The only thing that worried us was that the Committee on Banking and Currency was going too slowly. It employed a certain lawyer this week and discharged him and got another one the next week. It discharged him and hired another one.

Mr. FLETCHER. That is a mistake, Mr. President.

Mr. NORRIS. We thought the committee was going too slowly; and we are tickled to death that at last the Banking and Currency Committee has gotten down to work and is getting some real investigating work done and is exposing some of the evils that it seemed to me ought to have been exposed long ago.

So far as I am concerned, in raising the question, if the Senator has any reference to me, I was moved by the desire to add some other amendments to the bill referred to that I believed, and still believe, came within the scope of the Judiciary Committee. I would just as soon go with those amendments to the Banking and Currency Committee as to any other committee; but I anticipate, when I get there with them, that members of the Banking and Currency Committee will say, "You have no business here; you ought to go before the Judiciary Committee with these matters." I was only interested to find out what procedure I ought to take in order to get proper consideration of those amendments.

Mr. FLETCHER. I understood the Senator's motive, and I had no reference whatever to him or any other person in referring to the suggestion. The idea was that this particular subject was under consideration and investigation by our committee——

Mr. NORRIS. I agree with the Senator.

Mr. FLETCHER. And I thought to refer a bill on that subject which we have been preparing to another committee was rather indicative that there was some lack of good attention on the part of the Banking and Currency Committee. However, I attach no such intention to anyone. The Senator from Arkansas has acted perfectly right and he very appropriately does justice to both committees, and in view of the circumstances asks to have the bill go to the Banking and Currency Committee.

I think I may say that the Senator is a little in error about the change of counsel. The committee had one attorney engaged to begin with, and up to the recess he performed very excellent service and ended his engagement. We have quite a full report from him, which is in the shape of a document, which the Senator, I know, will be interested in reading. After some little time elapsed, during the recess, the committee met again and determined to go further with the investigation and engaged another counsel, because it could not make arrangements with the former counsel. That is all. We have had only two counsels—first Mr. Gray and now Mr. Pecora. Mr. Pecora is in charge of the work now.

Mr. KING. Mr. President, before passing to the consideration of other business I desire to submit a few observations concerning the matters referred to by the Senator from Arkansas and the Senator from Nebraska.

In my opinion S. 875, introduced by the Senator from Arkansas for the Senator from Arizona [Mr. ASHURST] on the 29th instant, should have been referred to the Committee on Banking and Currency, and I am in accord with the action just taken by the Senate in having such reference

made. Indirectly there are questions involved in the consideration of the bill which the Committee on the Judiciary of the Senate should perhaps have opportunity to consider. Perhaps if the propositions involved in S. 875 had just been brought to the attention of the Senate the Committee on the Judiciary would have been the more appropriate committee for the consideration of the same, but the Committee on Banking and Currency for some time has been considering important questions dealing with our banking system, with stock exchanges, the sale of securities, investment trusts, and relevant and pertinent matters. It has also conducted a rather extensive investigation concerning these matters and is still engaged in further investigations of the questions dealt with in the bill just referred to.

Several years ago I gave considerable attention to the banking situation, including chain and branch banking, group banking, and the operations of the stock exchange, and the loans made by the Federal Reserve banks to stock brokers and others for speculative purposes. I made similar investigations a number of years ago in regard to the transactions upon the stock exchanges, and ascertained the proportion of transactions that were of a marginal character. As a result of my investigations of these questions, several years ago I submitted a resolution calling for an investigation of these matters and introduced in the Senate several bills which I hoped would prevent much of the gambling in stocks and the utilization of the Federal Reserve System in promoting stock-gambling transactions. One of the measures which I offered forbade any bank within the Federal Reserve System from loaning money for stock-gambling or stock-speculation purposes.

In 1925 I offered a bill to prevent the use of the mails and of telegraph and telephone facilities in furtherance of fraudulent transactions on stock exchanges. That bill defined the words "stock exchange, securities, marginal transactions, and bucket-shop transactions", and declared unmailable any written, printed, or engraved or photographic matter which was connected with transactions condemned in the bill. The use of interstate commerce instrumentalities was forbidden to aid in any of the activities or transactions condemned in the bill. Similar measures were offered in successive Congresses and referred to the Committee on Banking and Currency. In the first session of the Seventy-second Congress I offered a bill known as S. 4647 which elaborated the provisions of some of the preceding measures which I had introduced, and which was designed to prevent fraudulent and harmful transactions in connection with the sale of stocks and securities. In this bill are found some provisions similar to those in S. 875, offered by the Senator from Arkansas. The bill which I offered required various steps to be taken before the United States mails or interstate instrumentalities could be used in connection with the sale of stocks and other forms of securities. The bill provided that before interstate commerce instrumentalities might be so used in stock-exchange transactions, such stock exchanges must be incorporated under the laws of the State or Territory in which its business was conducted, and further required that the charter and bylaws of the exchange or the laws under which such stock exchange was incorporated should contain regulations and prohibitions with respect to the transactions upon such exchanges, and including full information concerning the character of the securities dealt in, the genuineness of the quotations thereof, and so forth. The bill also contained provisions that before the securities of any corporation shall be listed, quoted, or dealt in upon stock exchanges, a statement must be filed with the secretary of the exchange, formally approved by resolutions of the board of directors of such corporation and verified by the oath of an officer thereof, setting forth separately and in detail the nature, amount, and value of the tangible and other property, assets, and effects of said corporation, its actual and contingent liabilities and obligations, the volume of its business and net earnings year by year for at least 3 years next preceding the filing of such statement, or for such lesser time as the corporation shall have been engaged in business, and also a like statement with respect to every subsidiary or controlled corporation in which the corporation was interested.

The bill further required that every copy of contract or agreement must be made in writing, and a full statement and description of the term of every other contract, agreement, or understanding connected with the transaction or sale or disposition of the sale of securities admitted or sought to be admitted to the official list of the said exchange and quoted and dealt in thereon, accompanied by a full disclosure and recital of all fees, profits, charges, commissions, or compensation paid or agreed to be paid or reserved to bankers, brokers, middlemen, or others in connection with the authorization, issue, sale, or disposition of such securities and the net amount that ought to be realized by such corporation therefor. The bill also contained a provision that every such corporation shall, so long as any of its securities were listed on the exchange, file at least once in each year and at such other times as the regulations of the exchange required, with the secretary of the exchange and with the Postmaster General for public inspection and use, a detailed statement of any and all agreements and transactions made or entered into directly or indirectly between the corporation and any of its officers or directors, or with any partnership, association, or corporation in which any such officer or director was interested, and of the profits in volume of salaries and commissions or other benefits derived, assured, or agreed to be paid by such officers or directors to any such partnership, association, or corporation in which such officer or director is interested. The bill also declared that the manipulation of securities or of prices thereof or of transactions therein and all fictitious purchases and sales of securities—including matched orders and wash sales—and all other dealings or transactions intended to or the effect of which is to deceive or mislead the public shall be prohibited. The members of the exchange were forbidden, under penalty of expulsion as well as other penalties, from hypothecating securities belonging to customers or others for any amount in excess of the sum at the time owing such members thereon, or from entering into any agreement with customers or others for such use of their securities, or from lending securities pledged with them or making any agreement with their customers with respect thereto. The members of the exchange were required to keep full and accurate books and accounts of all transactions conducted by them upon the exchange, containing the actual names and transactions of all their customers and the serial numbers of all their securities or of the certificates representing purchases that had been made by them.

The bill provided that the books of account and all records of the members of the exchange at all times were to be opened to the inspection and examination by the officers of the exchange or by such examiners or other persons as they may designate, or by the Postmaster General, or by such persons as he may designate. The bill further provided that no securities of other corporations could be listed, quoted, or dealt in on the exchange unless the charter or bylaws of a corporation contained an express prohibition against the sale by any officer or director thereof of any security of which he is not the owner at the time of such sale, and against the purchase or sale, directly or indirectly, by any such officer of any security of such corporation or any interest therein unless and until previous written notice of such intended action shall have been given to the directors of the corporation and entered upon the minutes of the meeting of the directors, nor unless all such transactions shall be reported in writing to the secretary of the exchange within 5 days after the same are made and shall be entered upon the minutes of the next succeeding meeting of the directors of the board of exchange.

Further provisions are found in the bill for the purpose of making the bill effective and preventing transactions, information concerning which has been brought to the attention of the public by the investigations carried on by the Committee on Banking and Currency of the Senate. I might add in passing that if this bill had been enacted into

law several years ago it would have prevented many of the stock transactions, the revelations concerning which have shocked the American people and brought condemnation upon the stock exchange in many of its practices. At the beginning of the present session I introduced a bill containing the same provisions as those found in S. 4647.

Mr. President, a number of years ago I offered a resolution in the Senate calling for a complete investigation of our banking system, including investment trusts, stock exchanges, and relevant and cognate matters. Unfortunately, I was unable to secure action by the Committee on Banking and Currency, to which it was referred. I offered a similar resolution in succeeding Congresses. On the calendar day of May 24, 1929, I offered Senate Resolution No. 71, which was referred to the same committee.

This resolution declared that in order to provide for a more effective operation of the Federal Reserve System and to inform the Senate of the facts in connection with the use of the reserve funds of the banks and improving the trading of securities and to remedy such defects in our banking system as were deemed advisable, the committee was directed to make a full and complete investigation and to report the same to the Senate with recommendations for necessary legislation. Among the matters which the resolution directed the committee to investigate were the defects found to exist in the Federal Reserve System; whether the facilities of the Federal Reserve banks had been utilized in loans for trading in and carrying securities; whether member banks had afforded unduly large accommodations to brokers; whether the banking laws should be amended to restrict the use of general bank credits for speculative purposes or to limit the volume of loans made for the purpose of carrying on marginal transactions in stocks and other transactions of a speculative character; the classification of loans to brokers by members of the Federal Reserve System and the purposes for which the loans were to be used particularly in connection with new issues; the various types of trading on the stock exchanges and the scope of each, as well as the extent of so-called "short sales" and the relative degree of concentration in pooled stocks; the effect of the operations of the Federal Reserve System in contributing to the high rate of interest on call money and the drawing of money from rural districts to financial centers for speculative purposes; the basis for the acceptance policy of the Federal Reserve System and the extent to which mergers were taking place between member banks and the Federal Reserve System; whether or not chain banking and branch banking were being developed and the effect and quality of such types of banking; the extent to which investment or security trusts were being formed by or in connection with member banks of the Federal Reserve System and the extent, character, and effect of their operations; the extent of the loans to such trusts by member banks and the loans made by them at call and otherwise, the dividends paid by such trusts and the effects of such trusts upon fluctuations in the market values of stock; whether or not usury laws were evaded by investment or security trusts; whether the member banks of the Federal Reserve System should be prohibited from forming or being concerned with investment or security trusts; the extent and power of Congress to regulate the business of stockholders or others engaged in the business of issuing, negotiating, or trading in securities; whether the effect of the direct discounting of member-bank notes by reserve banks has proven harmful; whether Federal bank charters should be granted where the capital stock was less than a thousand dollars; the effect of mergers and consolidations of large financial institutions or whether such mergers should be consolidated.

There are other provisions in the resolution not necessary to mention at this time. This resolution was modified and reported favorably April 21, 1930, and thereafter adopted. Under this resolution the Committee on Banking and Currency has been proceeding with the investigations which it has been carrying on for nearly 2 years. Information obtained by the committee covers all of the matters referred to in my resolution and in the various bills which I have offered and which have been before the Committee on Banking and Currency. Following the investigations made by the committee under the resolution the so-called "Glass bank bill" was reported, as well as other measures which have been acted upon by the Senate. The Banking and Currency Committee is still engaged in its investigation under the resolution referred to. It has obtained important information concerning the practices of the stock exchange and other transactions, some of which have been universally condemned as illegitimate, unethical, and highly improper.

In my investigations of the matter referred to in the resolution which I offered, some question was raised in my mind as to the authority of Congress to control the stock exchanges of the United States, particularly the Stock Exchange of New York. Some lawyers of ability with whom I conferred doubted the power of Congress to control stock and grain exchanges, investment trusts, and corporations engaged in buying and selling of stocks, bonds, and securities. I prepared a number of bills to which I have referred, and particularly the ones to prevent the use of the mails and of telegraph and of telephone facilities in furtherance of fraudulent and harmful transactions on stock exchanges. I had no doubt when I prepared the bill, and have no doubt now, as to its constitutionality.

I sincerely hope that the Committee on Banking and Currency, which is conducting its investigations under my resolution as modified, will promptly consider the bill which I have offered, as well as the one now referred to it, with a view to recommending such legislation as will prevent a repetition of many of the practices of the stock exchange which have aroused so much indignation and brought a flood of criticism and condemnation upon the stock exchanges of our country. All admit that stock exchanges can serve an important purpose in our economic and business life; if they limit their activities to legitimate and proper transactions, they can be beneficial to business and to the people.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the bill (S. 562) relating to the prescribing of medicinal liquors.

RELIEF OF DESTITUTION

The Senate resumed the consideration of the bill (S. 812) to provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes.

Mr. GOLDSBOROUGH. Mr. President, I have always held to the belief that no emergency has existed or, up to the present time, has the situation ever reached a point where it was impossible for municipalities and States to adequately care for their own destitute and unemployed citizens. For this reason I have consistently opposed legislation for loans or grants to States for such purposes, as it has never yet, to my mind, been clearly demonstrated that the full resources of States have been exhausted in meeting these demands.

During the past few months, under authorization of law, the Reconstruction Finance Corporation has advanced approximately a quarter of a billion dollars to 40 of the 48 States for the relief of destitute citizens of those States. It has been a matter of great satisfaction to me that my own State, passing through perhaps as stressful a period of unemployment and depreciation in value of farm products as any other State of the Union, has not yet come to the Federal Government for assistance.

However, the unemployment relief bill now being proposed makes direct grants to the States for such relief, instead of loans. Of course, this additional half billion of dollars authorized for such grants can only be raised in one way, through taxes. The inevitable result of the passage of this bill will be to force these remaining eight States, which up to the present time have been desirous of

caring for their own unemployed, to go to the Federal Government for such assistance. For if they do not do so, they will be bearing their share of the cost of the Federal Government of these direct loans to other States at the very moment they are doing their utmost to care for their own unemployed. It would certainly be unfair to Maryland, Delaware, New Jersey, Connecticut, Massachusetts, Nebraska, Vermont, and Wyoming, which have carried their relief burden without Federal help, to be penalized because in addition to taking care of their own distress they would be required to pay in Federal taxes sufficient to make up the sums which have gone and will go to the borrowing States.

In fact, only yesterday the Governor of Maryland revealed that he is preparing to ask the Reconstruction Finance Corporation for relief funds; for while the State has always been anxious to take care of its own relief problem without Federal aid and has done so up to this time, it certainly could not be criticized for attempting to escape from the penalty which this bill would impose upon it unless it also became a beneficiary.

I do not care to amplify my statements at this time but wish to have inserted in the RECORD a brief editorial from the Baltimore Sun of March 26, which I am now sending to the desk, developing clearly and concisely the point which I am making, and would ask unanimous consent that the editorial be printed.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Sun, Baltimore, Md., March 26, 1933]

BAD

Mr. Essary reports from Washington that President Roosevelt has practically made up his mind to make direct grants to the States for unemployment relief instead of loans. This is unwise and should not be done. Before the President finally makes up his mind he should give the closest attention to all the consequences of such a change in policy.

Direct grants will mean that every State must go to the Federal Government, even though it still is in position to care for its own unemployed. Else a State will be bearing its share of the cost to the Federal Government of these direct grants to other States at the very moment it is moving heaven and earth to care for its own unemployed. That is too much to ask of any State, even the proudest and most self-reliant. And that is not all. Direct grants now will inevitably lead to the wiping out of all obligation to the Federal Government for loans obtained in the past 12 months by many of the States. And if that is done, the States which have sought to meet their own responsibilities without appeal to the Federal Government will be entitled to call upon Washington for funds equal to those "borrowed" by the States which were unwilling to scrape the bottom of their own pot. Maryland certainly could not be expected to turn its back on new grants or fail to put in its claim for old "loans" that really were gifts.

The end of it all would be that the Federal Government would be saddled with more and more and yet more of the cost of unemployment relief. It would mean not merely that States would relax their efforts to help themselves; local communities also would do so, and so would the individuals who maintain social and relief agencies in the communities. With that change would come relaxation, too, of the invaluable labor that has been given by thousands of patriotic men and women to keep relief work on a sound and sane basis, to reduce waste and abuse to the minimum, and to foster the greatest possible degree of self-help among the unfortunate. The values—financial, social, and moral—that inhere in the efforts of leaders of a community to use their intimate knowledge of local conditions in dealing with unemployment would assuredly tend toward dissipation. In other words, assumption of the whole burden by Washington means greater cost and less results.

It ought to be kept in mind that the Federal Government headed by Mr. Roosevelt has no wealth other than the aggregate wealth of these 48 States. When Washington assumes the burden of unemployment relief, as it will when direct grants are made, there is no miraculous escape from the costs of the work—although it is probable that some States will get more relief than they are entitled to and others will pay for more than they ought to. What the Federal Government should do is to use its credit to provide loans for the benefit of States that find themselves embarrassed in their own credit conditions, as it has been doing. And it should insist that loans are loans, to be met out of funds due the States under various appropriations, such as roads aid. Otherwise, Mr. Roosevelt had as well make up his mind that the Federal Treasury will become a grab-bag.

Mr. WAGNER. Mr. President, I want to ask the Senator whether it is his view that Congress should make no provision at all by way of supplementing the legislation it has heretofore enacted for relief purposes.

Mr. GOLDSBOROUGH. I can only repeat my statement to the distinguished Senator from New York that I still believe it to be within the taxing powers of the States and the municipality to look out for their own.

Mr. LA FOLLETTE. Mr. President, I just wish to explain a sentence which was left hanging in the air when I was interrupted sometime ago. I was about to state, if I remember correctly, that a similar provision of the New York law has proven very successful in stimulating additional activities of the local governments into providing more money for relief than they were providing before the act was passed.

Mr. President, in that connection may I say that at the time the law was proposed predictions were made that its enactment would result in the local communities' throwing the whole burden onto the State governments. Such has not been the case. In fact, a much larger sum of money has been provided for relief purposes by the local divisions of government as a result of the States' affording an opportunity to them to provide a certain proportion of the money which they made available.

I hope I have answered the question which the Senator from Michigan directed to me.

Mr. VANDENBERG. Mr. President, the Senator has answered the question, and I think our objectives are entirely common. I continue to feel that the language of subsection (c) could more pointedly direct the administrator to test the question whether the State or its subdivision had actually exhausted its own resources. Therefore I am going to ask the Senator whether he would resist an amendment in line 7, after the word "moneys", to insert the words "which can be made", so that the sentence would read, "the administrator finds that the combined moneys which can be made available within the State from all sources", and so forth.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LA FOLLETTE. I yield.

Mr. BORAH. Does the Senator from Michigan want to leave to the administrator the power to determine whether the States shall have any funds at all or not? That is to say, does he want to leave to the administrator the sole authority on the question of whether the State has done all that it can possibly do?

Mr. VANDENBERG. Mr. President, the Senator from Wisconsin indicates that that is to be the rule, and it is my feeling that so long as there are two different methods of contribution—the one automatic, the other not automatic, except as the rule may be made more accurate and definite—every State will be driven from subsection (b), which requires contribution, into subsection (c), which does not require contribution.

Mr. BORAH. Mr. President, it may be that the Senator's suggestion that it should be more definite and certain is a good suggestion; but what I should like to know before we finally dispose of this matter is, What are the powers of the administrator under this bill to be? I should like to know more about what his powers would be. It seems to me that in the last analysis everything is to be left to the administrator.

Mr. WAGNER. Mr. President, the question of determining the need for relief in a State must be lodged somewhere, based upon certain information which the proposed bill requires to be ascertained. Finally the question of the need must be based upon the ascertainment of certain facts, and the amount of the need must be determined in accordance with those facts. There is no other way of distributing the funds for purposes of relief that I know of.

Mr. BORAH. Mr. President, what I have in mind is this, that we are asked to set up an administrator who will be in no sense responsible to the Congress, or the President, which will provide the money.

Mr. WAGNER. He would be required to make reports monthly to Congress of his activities.

Mr. BORAH. He would make reports, but that is all there is to it. There would be no review of his judgment by either President or Congress.

Mr. WAGNER. I do not see how we can set up machinery for the purpose of determining this question without giving the authority to some individual or some board to determine the question of the requirements of a State.

Mr. BORAH. It may be, as a practical proposition, that that is necessary; but it does seem to me that the appropriating body ought to have some voice over the final judgment of the party who is distributing the funds. No appeal from the State to anyone except the administrator is provided for. It may be that that is necessary. But is that the bill? That is what I want to know.

Mr. WAGNER. Or the appeal may be to the President.

Mr. BORAH. That is the bill?

Mr. WAGNER. Yes. None of this money could be used until after the President approved the application for issuance of debentures. This $500,000,000 is to be earmarked, and it is to be provided for by the issuance of debentures by the Reconstruction Finance Corporation. Those debentures could not be used until after the President approved their issuance. So that the President would be directly responsible, really, for the administration of the fund.

Mr. BORAH. Not necessarily in the way of opposition, but for the purpose of obtaining information, let me ask, that, then, is the bill—that the administrator's judgment is to be final in this matter?

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Wisconsin yield to me?

Mr. LA FOLLETTE. I yield.

Mr. ROBINSON of Arkansas. A statement recently made by the Senator from Idaho is interesting, and perhaps important. He was impressed, he said, with the desirability of the appropriating authority; that is, the Congress, having some final control over the decision of the administrator. I should like to inquire of the Senator from Idaho whether it is his thought that in each instance when the administrator recommends a grant his recommendation should be subject to the approval of the legislative authority, rather than be final, or made subject to the approval of the Executive authority?

Mr. BORAH. Mr. President, I did not mean to be understood that I had made up my mind as to which was the better course. What I was seeking to ascertain was whether or not that really was the bill. It just occurred to me it might be practicable to have a checking power somewhere.

Mr. ROBINSON of Arkansas. I think clearly under the language employed here that the administrator's decision as to the grant is final. It could, of course, be made advisory, and jurisdiction vested in some other executive or administrative agency to approve his recommendation. But I do not see how it would be at all practicable to make it subject to the decision of the Congress unless we desire to legislate every time a grant is to be made.

Mr. WAGNER. May I not suggest to the Senator, however, that there is an added precaution, if we may call it such, because the bill provides that no debentures, as I said, may be issued for the purpose of securing the money without the approval of the President.

Mr. ROBINSON of Arkansas. That is entirely true, but it is also true that debentures might be sold at any time and the fund made available; and when that has been done, then any grant made by the administrator would be conclusively binding on all authorities.

Mr. LA FOLLETTE. Mr. President, I wish to say in response to the suggestion made by the Senator from Idaho that it would be impossible to provide any machinery that would work as a practical matter of administration whereby the administrator would have to submit his recommendations to the legislative branch of the Government. We will be in adjournment during part of the time the bill is in operation. It is absolutely impossible, as I see it, to draw a bill which would give the legislative branch of the Government the final approval over the detailed acts of the administrator. All of the bills which have been considered for this purpose have set up an administrative agency. True, in some of the other bills a board of three members was provided, but it seems to me as a matter of practical working out of the provisions of the bill that it is absolutely necessary and essential to its successful operation that discretion and power must be lodged in the authority made responsible for the operation of the bill.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LA FOLLETTE. Certainly.

Mr. BORAH. May I ask if the President has any supervisory power over the administrator? Must he approve or disapprove of what the administrator finally determines a State may be entitled to receive?

Mr. LA FOLLETTE. He has no authority other than to act in connection with the time and the amount of debentures of the Reconstruction Finance Corporation which are made available for the purposes of relief of destitution under the bill. Of course, he has the power of appointment and removal, and the Senate acts as a body to confirm or reject the man appointed to carry out the bill.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. LA FOLLETTE. I yield.

Mr. ROBINSON of Arkansas. I do not see how it is practicable to give the legislative department the power to supervise these grants. Of course, if the Congress desired to do so, it could make the administrator's findings not final but advisory and give some executive authority the power to approve or reject.

Mr. BORAH. I understood when the bill was being prepared that the administrator was really the representative of the President——

Mr. ROBINSON of Arkansas. That is true.

Mr. BORAH. And that the President was to secure the information through his administrator, and that the President was to make the final approval.

Mr. ROBINSON of Arkansas. For my part, I would not object to modifying the language so as to make it subject to the approval of the President. The mere fact that the issuance of debentures and the sale of debentures must be approved by the President does not give him legal control over the grants. As a practical matter, however, I think the difference would be very slight. The administrator is, of course, the President's agent.

Mr. LA FOLLETTE. Exactly.

Mr. ROBINSON of Arkansas. I think that the practical result would not be different if we required express approval of the grant by the President.

Mr. LA FOLLETTE. The same thing would be true if there was a board created. It is an agency of the executive arm of the Government. So far as I know in matters of this kind we have to repose a certain amount of administrative discretion in order that the provisions of the bill, or the provisions of any other bill to accomplish this purpose, may be carried out.

Mr. ROBINSON of Arkansas. It would seem to me to be so impracticable as to be almost impossible to require Congress to review grants made under the bill before they shall become effective. It might result in such contests and delays as to thwart the very purposes of the bill.

Mr. LA FOLLETTE. May I say a word in reference to the amendment suggested a moment ago by the Senator from Michigan [Mr. VANDENBERG]. My own construction of the language is that the administrator has power to determine the question of whether or not a State or its civil subdivisions have made reasonable effort to raise the money needed for the purpose, but I do think that the language suggested by the Senator from Michigan emphasizes and sharpens that authority. So far as I am personally concerned I would interpose no objection to his proposed amendment.

Mr. VANDENBERG. Mr. President, may I ask the Senator from New York if he has any objection to the amendment which I propose?

Mr. WAGNER. May I have the Senator's amendment stated again?

Mr. VANDENBERG. On page 6, line 7, after the word "moneys", I propose to insert the words "which can be made", so that it will read, "the administrator finds that the combined moneys which can be made available within the State from all sources", and so forth.

Mr. WAGNER. I think that, perhaps, improves and more definitely expresses the purposes of the section.

Mr. VANDENBERG. May I ask the Senator from Colorado [Mr. COSTIGAN] if the amendment would be agreeable to him?

Mr. COSTIGAN. It would gratify me if the able Senator from Michigan would explain the purpose of the language which he is asking to have inserted. In my judgment, as at present advised, it does no harm.

Mr. VANDENBERG. The sole purpose, I repeat, is to emphasize the fact that the State must have made a good-faith effort to exhaust its own resources, and that that shall be one of the elements within the purview of the administrator in determining the eligibility of a State for relief under subsection (c) of section 4.

Mr. COSTIGAN. The Senator from Michigan does not intend that a State shall have actually exhausted its resources, but would leave the ultimate decision to the administrator?

Mr. VANDENBERG. It must be a discretionary decision sooner or later.

Mr. COSTIGAN. In that case there is no objection on my part.

Mr. VANDENBERG. Inasmuch as we are on the subject and it will save time, I ask unanimous consent to be permitted to offer the amendment at the present moment.

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Is there objection to the request of the Senator from Michigan? The Chair hears none.

Mr. VANDENBERG. I move to amend, on page 6, line 7, after the word "moneys", by inserting the words "which can be made."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. WAGNER. Mr. President, I move that subsection (d) of section 2, beginning in line 9, page 3, be stricken from the bill. A similar provision was inserted in the reforestation measure that was passed the other day. This would simply strike from the act of 1932, which provided for a $300,000,000 fund for relief of the destitute, the limitation of 15 percent. We struck it out in order to provide funds for the State of Illinois pending the passage of the legislation which we are now considering.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, beginning in line 9, the Senator from New York proposes to strike out the following:

(d) Effective upon the date of the enactment of this act, so much of title I of the Emergency Relief and Construction Act of 1932 as limits the amounts available to any one State or Territory to 15 percent of the total funds available under such title is hereby repealed.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New York.

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, there is one further committee amendment which has not been disposed of. May we conclude with that before we take up any more individual amendments?

Mr. FESS. Mr. President, before we leave the particular section under discussion I want to ask the Senator from Wisconsin a further question. I refer to subsection (b) on page 5, in section 4, where it is said:

Each State shall be entitled to receive grants equal to one third of the amount expended by such State, including the civil subdivisions thereof.

What would "civil subdivisions" include?

Mr. LA FOLLETTE. My understanding is that that is a term which is all-inclusive of various entities of the local government, taking in municipalities, counties, townships, parishes, however the State is divided up, from the smallest unit of government up to the State itself. I have always understood that the proper term to use is "political subdivisions."

Mr. FESS. So have I, and that is why I raised the question.

Mr. LA FOLLETTE. But my understanding is that the word "civil" is recommended in that it is more embracing and more inclusive.

Mr. FESS. How shall we differentiate public money from private money?

Mr. LA FOLLETTE. The term "public moneys" was selected because it was felt that it defined the moneys appropriated from all units of government for relief purposes.

Mr. FESS. Any money that is raised by taxation would be "public"?

Mr. LA FOLLETTE. Yes; any money that comes out of any public treasury or activity or any unit of government for relief purposes. If a State levied special taxation for relief and used it for that purpose, that would be included. If a county had a special tax, that would be included. If a township had a special appropriation, that would be included. If a State had made a State appropriation for relief purposes, that would be included.

Mr. FESS. So there would be a record of all such moneys and it would not make any practical discrimination between what a city has done as a public function and what it has done through its private agencies?

Mr. LA FOLLETTE. Moneys raised from private sources for relief are eliminated from this calculation, but of course they would come under the calculation under section (c) because the language there used is "within the State from all sources." In other words, if a State complains that it cannot raise money under subsection (b) and comes to the Administrator and asks for moneys under subsection (c), it would have to show that the moneys from all sources, public and private, that can be made available are inadequate to meet the actual needs to relieve human suffering.

Mr. FESS. That is considerably broader than I understood from the reading of the bill. I assumed that "from all sources" meant public moneys only.

Mr. LA FOLLETTE. No; it means all sources. So, Mr. President, to recapitulate, under subsection (b) the only moneys which a State can include in its estimate, in order to secure from the Federal Government a sum equal to one third of the amount it has expended are moneys from public sources, from all the civil subdivisions of the State; but if another State claims that it cannot provide sufficient money and comes to the administrator and asks for funds under subsection (c), it will have to show that all the combined moneys that can be made available from public and private sources within the State are insufficient to prevent human suffering before it can get money under subsection (c).

Mr. FESS. That strengthens the subsection; but when I first read it, I had the same idea that I think the Senator from Michigan had, that there might arise a situation where the whole $500,000,000, or nearly all of it, might be applied under subsection (c).

Mr. LA FOLLETTE. Our whole effort here is, first of all, to meet more adequately the appalling burden of human need and, secondly, do all that we can to stimulate all the various governmental entities to the utmost activity.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the committee.

The CHIEF CLERK. At the top of page 7 it is proposed to insert:

(f) The amount available to any one State under this act shall not exceed 15 percent of the total amount made available by this act.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. VANDENBERG. Mr. President, I should like to ask the authors of the bill whether there would be any wisdom in applying the 15 percent to the two subdivisions instead of to the total? Let me make that a little plainer. We have two groups of appropriations—$200,000,000 in one place and $300,000,000 in another place. It is proposed to permit a State to take its entire 15 percent out of either one or both. Would it not be safer to apply the limit to each of the two funds?

Mr. WAGNER. No, Mr. President. I think we have always considered the total amount which a particular State could get out of the funds that are available. Both the $200,000,000 fund and the $300,000,000 fund are available for need, to be distributed, as the Senator appreciates, according to varying conditions; but the total to be given to each State ought to be limited, and that is the limitation the bill imposes. It is a very large limitation.

Mr. VANDENBERG. I agree that it ought to be limited. My thought is that it ought to be still more limited. I do not think I have made myself plain. It seems to me, Mr. President, if a State has not made the initial appropriations which are to be matched under subsection (b), but takes all of its money under subsection (c), it is in a much easier financial situation than the State which undertakes to live under subsection (b); and it seems to me, if we permit a State to take its full maximum under subsection (c), that we have eliminated one more incentive to make it proceed so far as it can under subsection (b). I wonder if I have made that plain.

Mr. WAGNER rose.

Mr. LA FOLLETTE. Mr. President, may I interrupt?

Mr. WAGNER. Certainly.

Mr. LA FOLLETTE. Mr. President, on the other hand I should like to ask the Senator to consider this: I am sure that all of us hope that everything possible that can be done will be done under subsection (b) in order that we may have a situation where the State is providing two thirds of the money.

Mr. VANDENBERG. I agree to that.

Mr. LA FOLLETTE. If the Senator were to make his suggestion apply to subsections (b) and (c) separately, might not this occur, that 1 or 2 or 3 or 4 of the larger and richer States might be able to get their entire fund, if it were not limited to this specific section, from subsection (b), and, therefore, we would be cutting them off at a time when we want to stimulate them to further effort and forcing them under subsection (c)?

Mr. VANDENBERG. That might be true; but might it not also work in the reverse?

Mr. LA FOLLETTE. It could work the other way, but I am going to say again that we will have to rely upon the administrator to do what he can to keep the States under subsection (b); and I hope he is going to have backbone enough to do it.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield, if I have the floor.

Mr. BARKLEY. I had in mind the possibility indicated by the suggestion which has been made. A State which does not take advantage of subsection (b), by reason of its laws or for any other reason, to put up two thirds of the amount it may need, if it were allowed to draw the total 15 percent of the whole $500,000,000 out of subsection (c), might draw $75,000,000 out of the $300,000,000, which is one fourth of the entire amount.

Mr. VANDENBERG. That is precisely the thing I am talking about.

Mr. BARKLEY. I do not see really any objection to the sort of limitation that has been suggested. I do not think it could work any harm.

Mr. WAGNER. The Senator means to provide a limit in each instance of 15 percent?

Mr. BARKLEY. Yes; to each fund; that is, to provide a total limitation on each.

Mr. WAGNER. I do not see any objection to that.

Mr. VANDENBERG. In other words, the provision would then read as follows:

> The amount available to any one State under subsections (b) and (c) of this section shall not exceed 15 percent of the amount made available by such subsections.

Mr. BARKLEY. In other words, it does not seem to me that any one State ought to be allowed to take the whole 15 percent out of one fund so as to deplete it to such an extent as to make it difficult for other States to obtain fair amounts.

Mr. WAGNER. There is the possibility of permitting one State to draw the full 15 percent if we impose such a limitation. However, I think we are talking about things that are more or less academic and which do not matter at all.

Mr. BARKLEY. Of course, it may never occur.

Mr. WAGNER. I have no objection to the amendment proposed by the Senator from Michigan.

Mr. VANDENBERG. Then, Mr. President, I move to amend the amendment so that it will read as follows:

> The amount available to any one State under subsections (b) and (c) of this section shall not exceed 15 percent of the amount made available by such subsections.

Mr. WAGNER. I have no objection to that amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment. If no further amendment be proposed——

Mr. FESS. Mr. President, I think the Senator from Alabama [Mr. BANKHEAD] has an amendment he desires to offer.

Mr. BANKHEAD. I have. It is my understanding, Mr. President, that all other amendments have been disposed of.

The PRESIDING OFFICER. The Chair will state that all committee amendments have been disposed of and the bill is before the Senate and still open to amendment.

Mr. BANKHEAD. I wish to bring up the amendment of which I gave notice and had printed and which I think is on the desks of Senators.

Mr. VANDENBERG. Mr. President, will the Senator from Alabama yield to me?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Michigan?

Mr. BANKHEAD. I yield.

Mr. VANDENBERG. I should like to submit one further inquiry to the Senator from New York respecting the bill.

Mr. BANKHEAD. I yield.

Mr. VANDENBERG. I want to inquire why these nonliquidating advances are to be made from the Reconstruction Finance Corporation instead of from the Treasury?

Mr. WAGNER. It is an emergency expenditure; it does not really belong in what we call the Budget for current expenses.

Mr. VANDENBERG. I am inclined to agree that that is correct.

Mr. WAGNER. If we finance this measure in that way, being an emergency expenditure, we thought we had better separate it from the Budget, dealing only with current expenditures.

Mr. VANDENBERG. I think the separation is justified, but I want to be sure that I understand the situation. This will be the first time, will it not, when we have put an obligation upon the Reconstruction Finance Corporation for which it will have no funds to pay? That is correct, is it not?

Mr. WAGNER. The Senator is accurate about that.

Mr. VANDENBERG. In other words, it is a convenience to charge this to the Reconstruction Finance Corporation, but sooner or later it has to be charged to the taxpayers, because the Reconstruction Finance Corporation can not liquidate it?

Mr. WAGNER. Unquestionably.

Mr. CONNALLY. Mr. President, will the Senator yield there?

Mr. VANDENBERG. I yield, if I have the floor.

Mr. CONNALLY. Let me say to the Senator from Michigan that all money of the Reconstruction Finance Corporation comes out of the Treasury; it never has sold a dollar of its own debentures; so it does not make any difference whether it comes out of the Treasury or the Reconstruction Finance Corporation.

Mr. VANDENBERG. The Senator has totally misconstrued the thing I am trying to say.

Mr. CONNALLY. I understand the Senator.

Mr. VANDENBERG. At least in theory, we have proposed heretofore that the Reconstruction Finance Corporation shall pay its own way, but now we are departing from that theory. I am not raising the question whether it is not justified; I am just making it plain that we are changing the former theory.

Mr. CONNALLY. It is only pure theory; it is not a fact at all.

Mr. WAGNER. This is the first time that the Reconstruction Finance Corporation has been dealing with a pure grant; heretofore they have dealt only with loans.

Mr. LA FOLLETTE. Mr. President, may I interject one other reason at this point for employing this method, which is that there is objection to the issuance of a further series of distinctive types of bonds? It has been the experience not only of the States and municipalities but also of the Federal Government that it makes financial operations unwieldy if there are a large number of different kinds of obligations outstanding. Therefore that was another consideration which suggested this means of providing the money rather than the issuance of another series of bonds for this purpose.

Mr. BARKLEY. Mr. President, I might also suggest that probably by this provision we are being honest with ourselves and not fooling ourselves, as we have been heretofore, into the belief that we are ever going to get any of this money back.

Mr. LA FOLLETTE. I think there is a lot in what the Senator says.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. COSTIGAN. It is also true, is it not, that the charge against the Reconstruction Finance Corporation need not be treated as a budgetary item?

Mr. LA FOLLETTE. That is correct.

Mr. COSTIGAN. The problem of balancing the Budget is not involved in this proposed legislation.

Mr. LA FOLLETTE. The Senator from New York emphasized that point.

The PRESIDING OFFICER. The amendment offered by the Senator from Alabama [Mr. BANKHEAD] will now be stated.

The CHIEF CLERK. At the end of the bill it is proposed to insert the following:

SEC. 9. That the Secretary of the Treasury shall cause to be engraved and printed currency of the United States in the form of stamp-money certificates. Said certificates shall be in the denomination of $1 each, and the issue shall be limited to $1,000,000,000. Said certificates shall be of a suitable size to provide space on the backs thereof for affixing 52 postage stamps. The backs of said certificates shall be prepared in such manner as to indicate clearly the proper place for affixing each stamp contemplated herein to the end that on the second Wednesday after the issuance of said certificates from the Treasury the first stamp shall be affixed, and thereafter on each Wednesday until a total of 52 stamps shall be affixed and said certificates in the spaces designated for affixing said stamps shall set forth the day of the month and year when each such stamp shall be affixed, as for example:

"On April 5, 1933, affix 2-cent stamp here."

The face of said certificates shall set forth substantially the following:

"This certificate is legal tender for $1 for payment of all debts and dues, public and private, customs, duties, and taxes: *Provided*, That on the date of its transfer there shall be affixed 2-cent postage stamps for all dates prior to such date of transfer, as set forth in the schedule on the back hereof. When fifty-two 2-cent postage stamps shall have been affixed this certificate shall be redeemable at any post office for $1 lawful money of the United States."

SEC. 10. The Secretary of the Treasury is authorized in his discretion to issue the certificates directed to be issued hereunder in monthly or semimonthly installments, all of like tenor and effect except that the schedule for the affixing of the stamps on the back of said certificate shall bear dates for the affixing of stamps appropriate to the date of the issue of each such installment of certificates.

SEC. 11. When such certificates appropriately stamped in full shall be presented to the Secretary of the Treasury for redemption he shall certify to the Postmaster General from time to time the amount of certificates so presented for redemption, and the Postmaster General shall thereupon pay to the Secretary of the Treasury out of the funds arising from the sale of stamps the sum of $1 for each such certificate so redeemed, whereupon said certificates shall be destroyed.

SEC. 12. Prior to the issuance of the first installment of certificates hereunder the Secretary of the Treasury is directed, by posters to be hung in post offices and other public places, and by advertising in newspapers and magazines, to advise the public of the contemplated issue of these certificates, with appropriate directions to the public with reference to the affixing of stamps, the legal-tender quality of the certificates, their redemption feature, and all such similar information. There is hereby appropriated for the use of the Secretary of the Treasury to defray the cost of such advertising the sum of $100,000.

SEC. 13. When such certificates shall have been issued by the Secretary of the Treasury the person holding the same, on and after 12:01 o'clock antemeridian of the first Wednesday set forth in the schedule on the back of said certificates, shall affix in the space therein provided a 2-cent postage stamp of the United States. Prior to such time said certificates in the hands of all holders shall be legal tender for the payment of all debts for the sum of $1. After affixing the first stamp said certificate shall be legal tender as aforesaid for the payment of all debts until the following Wednesday, when another 2-cent postage stamp of the United States shall be affixed by the person holding the same prior to 12:01 o'clock antemeridian of such Wednesday, and thereafter for 50 consecutive additional Wednesdays like postage stamps shall be affixed by the holders. At all times when there shall be affixed all such postage stamps as are required to be affixed on the back of such certificates prior to the date of transfer, such certificates shall be legal tender as aforesaid for the sum of $1. When fifty-two 2-cent stamps shall have been affixed on the back thereof the holder may present the same to any post office in the United States for redemption, and the same shall be redeemed by such post office in any present lawful money of the United States. All post offices in the United States are hereby charged with the duty of making such redemption and of forwarding such certificates for cancelation to the Secretary of the Treasury.

SEC. 14. With respect to such certificates as shall become unfit, through use, for further circulation, the Secretary of the Treasury and the Postmaster General are authorized and directed to provide for the exchange of such worn-out certificates for new certificates, and to make all regulations required for that purpose.

SEC. 15. It is declared to be against the public policy of the United States to provide in any contract executed subsequent to the date of this act that the certificates to be issued under this act, or any like issue, shall not be received in the discharge of such contract, and all such provisions in such contracts are hereby declared null and void.

SEC. 16. Said certificates, when accepted by the Government, shall be promptly reissued by any Department or agency of the Government receiving the same.

SEC. 17. In transactions of less than $1 such certificates are not legal tender unless stamped by the person tendering the same for 1 additional week after tender.

SEC. 18. Banks of deposit receiving such certificates as deposits may charge 2 cents for each certificate so deposited as a service charge.

SEC. 19. The Secretary of the Treasury and the Postmaster General are authorized to promulgate regulations for carrying out the provisions of this act.

SEC. 20. If and when the wholesale commodity price level of all commodities included by the Bureau of Labor Statistics in computing index numbers of wholesale prices shall equal 80 percent of the average index number for the year 1926, then, anything to the contrary herein notwithstanding, the Secretary of the Treasury is directed to discontinue the issuance of certificates hereunder, and such certificates as are then outstanding shall be retired as the same are presented for redemption or replacement of worn-out certificates.

SEC. 21. The entire amount available under this act shall be apportioned among the States on the basis of population according to the Fifteenth Decennial Census. The amount apportioned to the States shall be delivered to the Governor of the State applying for the apportionment made to his State upon application being made therefor by the Governor to the Secretary of the Treasury. The amount apportioned to a State shall be administered within the State under rules and regulations adopted by the Governor thereof and through such agencies as he may establish. The amount apportioned to a State may be, by the Governor thereof, apportioned to the counties and/or to the municipalities of said State in such way as may be decided by the Governor.

SEC. 22. If the Governor of any State does not within 3 months after the passage of this act make application to the Secretary of the Treasury for the amount apportioned to his State, then said amount shall be reapportioned to the States making applica-

tion therefor, said apportionment being made on the basis of population according to the Fifteenth Decennial Census.

SEC. 23. The stamped money herein made available shall be used in payment for services, and/or materials and supplies rendered or furnished in any construction, improvement, or other work of a public nature, or in furnishing relief and work relief in the form of money, service, materials, and/or commodities to provide the necessities of life to persons in need as a result of the present emergency, and/or to their dependents, whether resident, transient, or homeless.

SEC. 24. When certificates are received by the Secretary of the Treasury for cancelation he shall issue new certificates in lieu of the canceled certificates and put them in circulation in such manner as he deems best.

Certificates as herein provided for shall be continued in circulation until price levels shall reach the level stated in section 20 and thereafter until the Secretary announces that they shall be finally retired.

SEC. 25. The money made available under section 2 of this act shall be used only in the event that the President ascertains that stamp money made available under this act is not suitable and effective to provide the relief intended to be provided by this act. The President may, if he deems best, order the use of a part of the money made available by section 2 of this act and a part or all of the money made available by this section.

Mr. BANKHEAD. Mr. President——

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Texas?

Mr. BANKHEAD. I do.

Mr. CONNALLY. I make the point that there is no quorum present.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	King	Robinson, Ark.
Ashurst	Couzens	La Follette	Robinson, Ind.
Austin	Dickinson	Lewis	Russell
Bachman	Dieterich	Logan	Schall
Bailey	Dill	Lonergan	Sheppard
Bankhead	Duffy	Long	Shipstead
Barkley	Erickson	McAdoo	Smith
Black	Fess	McCarran	Steiwer
Bone	Fletcher	McGill	Stephens
Borah	Frazier	McKellar	Thomas, Okla.
Brown	George	McNary	Thomas, Utah
Bulkley	Goldsborough	Metcalf	Townsend
Bulow	Gore	Murphy	Trammell
Byrd	Hale	Neely	Tydings
Byrnes	Harrison	Norbeck	Vandenberg
Capper	Hatfield	Norris	Van Nuys
Caraway	Hayden	Nye	Wagner
Carey	Hebert	Overton	Walcott
Clark	Johnson	Patterson	Walsh
Connally	Kean	Pittman	Wheeler
Coolidge	Kendrick	Pope	White
Copeland	Keyes	Reynolds	

Mr. LEWIS. Mr. President, permit me to announce that the senior Senator from New Mexico [Mr. BRATTON] is necessarily detained from the Senate.

Mr. BYRD. My colleague, the senior Senator from Virginia [Mr. GLASS], is unavoidably detained.

The PRESIDING OFFICER. Eighty-seven Senators have answered to their names. A quorum is present.

Mr. BANKHEAD. Mr. President, before the quorum call I stated that I was calling up the amendment which I have proposed, and which is printed and on the desks of Senators, providing an additional method of financing this bill.

For the last 3 years we have been besieged from all quarters of this country, and justly so, I think, with demands that we should balance our Budget. Recently we took very heroic action to bring about that result. Now, within 2 weeks, we are presented with a bill which, in effect, to the extent that our economy bill tended to balance the Budget, will have exactly the opposite result, and to the same extent.

We voted here—and I voted that way—to bring about a saving of $500,000,000, taking the money from the soldiers and the Federal employees and out of our own pockets. The bill now before us provides for an expenditure of approximately the amount of the savings contained in that bill.

I have no reluctance in voting for any measure that is necessary to prevent suffering and distress in this country. I have no reluctance in voting for this bill in its original form; but it does seem to me that if we have or can find some reasonable method of providing the finances, rather than directly neutralizing the effect of our economy program, it is the part of good judgment and patriotism and courage to do so.

I have heretofore addressed the Senate on the subject of stamp money. I made a speech on that subject during the last session. Many Members of the Senate are familiar with my views and with this plan. Every informed man knows that it is not of my origin. It has recently been sponsored by two of the great economists of the country—Prof. Irving Fisher and Prof. John R. Commons, of the University of Wisconsin. So I have not any reluctance in presenting this plan to the Senate with the backing and real sponsorship of great economists of the type I have named.

I further point out to the Members of the Senate—because I know it is within their knowledge—that people in all sections of this country, in municipalities beyond counting, have been considering, in recent months, the establishment of a system similar to this—a stamped-certificate program for voluntary circulation, and without the character of legal tender.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. BANKHEAD. I shall be glad to yield.

Mr. LONG. What has become of the inflation that we were going to have?

Mr. BANKHEAD. I have not seen any yet, Mr. President. I have heard a good deal of talk by Senators who favored some form of inflation. For the last two years I have been one who has believed that some controlled expansion of the currency—not a wild expansion, but a controlled expansion of the currency—was an essential to bring commodity prices in this country up to a level where debtors could ever hope to pay the debts that they owe. But, Mr. President, this is not a direct form of permanent inflation. This is a form of expansion which in itself, and by its very terms and limitations, is self-liquidating, and expires and is retired when it has served its purpose. Therefore the old gold-standard worshippers, who always shiver when some suggestion is made about some form of circulating medium that is not backed by 100 percent of gold, need have really no fear about the effect upon the gold standard of the enactment of this proposal.

For the information of those who are not familiar with the mechanics of the plan permit me to say that the amendment provides for the issuance of $1,000,000,000 in 1-dollar bills. This money is to be a legal tender for the payment of all debts, public and private, customs and dues, just as is any other money issued by the Treasury. It is to be stamped on each Wednesday with a 2-cent postage stamp; and that process is to continue until 52 stamps have been attached, thereby placing in the Federal Treasury $1.04 for the redemption of each dollar issued. There is a blank space upon the back of the certificate dated each Wednesday; and when Wednesday arrives, that stamp—a 2-cent postage stamp—must be attached before the dollar can be transferred or further circulated.

Mr. President, let us look briefly at the effect of the issuance of that type and volume of money.

I have just stated that it in no way constitutes a burden upon the gold standard. It has no gold coverage. It is paid for by postage stamps bought by those who own it as it travels from time to time in circulation.

Everybody recognizes that one of our great difficulties is not really the amount of money, if bank credits were otherwise normal. We have more money outstanding from the Treasury, in theoretical circulation, than we have had for many years. Everybody recognizes that the difficulty is the velocity of circulation. The money in theoretical circulation, or outstanding from the Treasury, is not in actual use and circulation.

The argument has been made by bankers, by financiers, by those who are interested in having no change in our currency system that the whole difficulty is that the velocity of circulation has slowed down to such an extent that it has brought about the paralysis of business.

If that is a correct diagnosis of the situation, why is it not the practical thing, the sensible thing, to seek a cure for that specific trouble? If the worst difficulty we have now in our business affairs is the failure of money to move in circulation, a lack of velocity of circulation, then what diagnostician would not immediately inquire, How may the velocity of circulation be accelerated?

Here is a form of money which must circulate, which bears a penalty if hoarded, which must move or lose its value, exactly the opposite of the type of hoarded, hidden money which now constitutes the only medium of exchange between the people of this country.

Mr. President, who can deny that money which costs 2 percent a week to hold will move with great rapidity? Everyone who comes into possession of one of those dollars will immediately dispose of it, or as quickly as he can, for fear that Wednesday may come and find him still holding that dollar.

Mr. NYE. Mr. President, will the Senator yield?

Mr. BANKHEAD. I gladly yield.

Mr. NYE. With others, I am very anxious to know what the Senator's plan is of putting this money into circulation. Can he explain that for us?

Mr. BANKHEAD. I will be delighted to explain it to the Senator. The bill makes available $500,000,000 for use as specified in the bill, for unemployment relief purposes. I will read, as a more concrete answer to the Senator, section 23, page 7, of my amendment:

SEC. 23. The stamped money herein made available shall be used in payment for services and/or materials and supplies rendered or furnished in any construction, improvement, or other work of a public nature, or in furnishing relief and work relief in the form of money, service, materials, and/or commodities to provide the necessities of life to persons in need as a result of the present emergency, and/or to their dependents, whether resident, transient, or homeless.

In short, the latter half of that statement is a copy from the pending bill, setting forth how the money, the $500,000,000 herein appropriated, is to be used, for exactly the same purpose, using exactly the language of the bill.

Mr. NYE. Mr. President, that provides for only half of the amount of issue the Senator proposes in his amendment.

Mr. BANKHEAD. Yes. I am extending the amount for at least two reasons. In the first place, with money of this kind, which is not a burden upon the taxpayer, the Government can certainly be more liberal in the amount it pays for daily wages to the unemployed. It can well afford to pay $2 of this money, which does not come out of the pockets of the taxpayers, where it contemplates, forsooth, paying $1 out of the $500,000,000.

It can well afford to elevate the standards of relief which, according to statements of many of our friends, needs so much to be done, without putting any additional burden upon the taxpayers of this country. Then it would have, in my judgment, as well as in the judgment of some of our outstanding economists, the effect of stimulating purchasing in this country.

It would provide a new source of income, which is not now available. It would provide a type of income, as I have just stated, which would move as fast as the owner got it. So that it would go into the channels of trade; it would create an additional purchasing power, which would stimulate, in the stores, a great volume of business.

It would be used for the payment of debts wherever owed, and doubtless most of those who collected it on a debt owe debts of their own, and from them it would move on to others, creating not only a new current of exchange and of currency but one moving with that rapidity and swiftness which characterizes water moving down a precipice. So that, instead of having $500,000,000, as contemplated in the bill, I have deliberately put the amount at $1,000,000,000, because it would go so much farther in the matter of aiding the distress of the unemployed, without any additional burden upon the Treasury, and at the same time would give that one essential need of the time, that is, a rapidly circulating currency in the channels of trade which would stimulate buying, flutter up prices, and bring about additional labor and additional employment.

Mr. NYE. Mr. President, then we are to understand that where the Government, under this relief bill, would aid to the extent of half a billion dollars, the Senator is going to double, through his method, the amount of aid that would be carried directly to the people?

Mr. BANKHEAD. I am glad the Senator has asked me that question. I want to make a special appeal to Senators on the very point the Senator has developed. The amendment does not make the use of this money compulsory upon the Government in lieu of the $500,000,000 provided in the bill. The amendment in the last section contains this provision:

The money available under section 2—

The $500,000,000—

The money made available under section 2 of this act shall be used only in the event that the President ascertains that stamp money made available under this act is not suitable and effective to provide the relief intended to be provided by this act. The President may, if he deems best, order the use of a part of the money made available by section 2 of this act and a part or all of the money made available by this section.

I want to submit to the Members of the Senate who are interested—and most of us are—in an adequate relief program to protect the suffering that the adoption of this amendment would not in any way imperil the adequate carrying out of that program as contemplated by the authors of the bill. If in his investigation the President finds that this money is not suitable and will not be adequate for this purpose, then, of course, under the terms of the bill, none of it will be used. On the contrary, if he finds that it will serve that purpose, then he has available not only the original appropriation, if he wants to use it, but, if he does find it suitable and effective for that purpose, he can close the door of the Treasury and keep impounded there the $500,000,000 which we have taken recently in the economy bill from the soldiers and Federal employees of the Government, and at the same time, assuming that the President finds it effective and suitable, render a correct degree of relief service with this money by itself.

Mr. President, in the discussion of this question I have found but one objection anyone has raised to it, except the old, old claim that we ought not to venture into any new matter that touches or involves in any way the circulating medium of the country, that we ought not to disturb the long-established banking technique, that we ought to follow for an indefinite time the formulas proclaimed by the financiers of this country, notwithstanding the deplorable plight to which it has brought our country.

Aside from that general conservatism, that lack of courage and vision, as I deem it, to venture out upon a new road, when we must move somewhere, the only objection I have heard to it is that it is in the nature of a sales tax. I submit, in the first place, that it is not a sales tax; it is a tax upon new income, in the form of an income tax, because but for this money those who pay the taxes would not have that money and that income. But if it should be a sales tax, if it circulates four or five times a week, as is estimated by Professor Fisher and others, it will constitute on an average of less than one half of 1 percent. What merchant with his store empty of customers, with no trade, would not readily accept this money when he can pass it on to his jobber, or his grocer, or his landlord, or the telephone company, or the tax collector? What creditor would not accept this money from his debtors, who are now totally unable to pay him?

Mr. NYE. Mr. President, will the Senator yield further?

Mr. BANKHEAD. I yield.

Mr. NYE. In answer to the question the Senator propounds to himself, is not the answer this, that the only people who would object to receiving that kind of money would be the people whose sole intent in receiving money is to hoard it away, stuff it away somewhere, where it does themselves or no one else any service?

Mr. BANKHEAD. I think very largely the Senator has described the class who would object to receiving it. But

the great mass of business people in this country, big and little, can use this money and would be glad to get it on obligations owing to them or in exchange for goods for which they now have no purchasers.

Mr. President, in 1929, a year of great prosperity and business activity in this country, the volume of the store sales was only $50,000,000,000 a year. We proposed to put in circulation a billion dollars, which, when all is in circulation, will turn over once a week at least, but by the most conservative estimates three times a week. But if it turns over on an average but once a week during the 52 weeks of the year, in this money alone, if other money went into hiding, there would be the basis for transactions as great a volume of purchases as took place in 1929 in all the stores of America.

Who can be afraid that here is involved an uncontrolled inflation of currency? The money is self-liquidating. It provides for a limited amount and it costs $1.04, as I stated, in the movement and circulation of each dollar during the year. There is no danger to our present money system.

I call attention to the fact that under the banking situation we have recently contracted credit in this country to the extent at least of $4,000,000,000, frozen in closed banks. No one seems to be alarmed about a mere matter of contraction of credit even to the extent of $4,000,000,000. But when the other side of the picture is presented, when the suggestion is made merely for a liberalization of the circulating medium, notwithstanding it is self-liquidating and only for $1,000,000,000 to neutralize the contraction of $4,000,000,000 in the closed banks, we find growing out of that old banking spirit that has pervaded the country great indifference and opposition to any plan that looks to or has any tendency toward a liberalization, to a reasonable and limited extent, of the circulating medium, a type of medium that will move in trade and commerce like a runaway horse.

That is the thing we need, gentlemen of the Senate. We need money that people will not put into a sock or a safe-deposit box somewhere or, forsooth, keep it in their pockets for some future distant day. We need a movement of money. If we can bring that about, if we can start active trading, if we can start active business, the payment of debts, then who can not visualize the relief to debtors in the reduction and payment of their debts by the turnover? If this money turns over only three times a week, it would mean the payment of $150,000,000,000 worth of debts in a year. It may have the appearance to some of doing too much, but I challenge any man upon the floor of the Senate in his reason, in his disinterested investigation of the subject, to point out why it will not have the effect I have indicated.

The difficulty here as I find it—and I know other Senators recognize it—is that we are all engrossed in matters in which we or our constituents are interested or in some special phase of legislation to the point that we have not the time or the disposition to go fully and carefully and deeply into subjects which have not been pressed upon us. I recognize the situation that prevails here with reference to any plan that may be proposed. I recognize the difficulty of the situation. I hope to have a vote, if we can get it on this program, which offers, if it is effective, a tremendous amount of aid and relief not only to the unemployed, not only to the business interests of the country, but to the taxpayers.

In view of the importance of the program, whether Senators agree to it or do not agree to it, we find here a mere handful of Senators giving attention to the discussion of a program involving the issuance of $1,000,000,000 of currency and a saving to the Treasury of $500,000,000. We find indifference, closed minds, unwillingness upon the part of most Senators, who are now absent from the Chamber to think about subjects of this kind, to labor with them, to investigate them, to deal with them in accordance with whatever little or no merit they have.

I merely mention that to point out the difficulty of getting action by the Senate on any program that has not been agitated throughout the country for a long season and as a result a fire built up back home such as is done by propagandists in connection with various measures pending before the Congress. It is difficult to get consideration and, I might say, real thoughtful action. I know that Senators differ. I welcome any difference. I always admire the open-mindedness and the fixed conviction of any man here upon any subject. The thing of which I complain is so much indifference upon the part of so many Senators, not alone with reference to this measure but others. We have had before us all day a bill proposing to appropriate $500,000,000, with only a handful of Senators in attendance.

Mr. President, I hope the matter will be given the consideration which it deserves. If anyone wishes to ask me any question about the operation of the proposed amendment I should be glad to undertake to explain it the best I can.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. BANKHEAD. I yield.

Mr. LONG. I do not know that I want to ask the Senator about the operation of the amendment so much as I want to get the benefit of the Senator's advice and information on the present-day situation generally regarding money. I had understood that we were going to have what the Senator from Alabama describes as a controlled expansion of the currency. Has the Senator investigated lately to see about how much expansion we have had since the special session began?

Mr. BANKHEAD. I have made no specific investigation. It is currently understood, however, that there has been put into circulation practically none of the new money provided. That, of course, is a happy result, not because it did not get into circulation, but because the reason that avoided it going into circulation was the reestablishment, under the leadership and advice of our great President, of confidence throughout the country by the people in the banks that were reopened. As a result of that practically none of the new money went into circulation. But, as I have indicated, on the other hand there is a contraction, no expansion, but a contraction of about $4,000,000,000 as a result of the unopened banks, so that instead of having an expansion we have had exactly the opposite, a contraction.

Mr. LONG. I think the Senator and I are two of the Senators here who have more or less supported every effort to bring about an expansion of the currency. The Senator has answered that there has really been a contraction. Does not the Senator think that our real crying need, regardless of what may be necessary to keep certain banks open, is a substantial and immediate expansion?

Mr. BANKHEAD. It has been my judgment for more than 2 years that we must have some elevation of prices by an expansion, or else a liquidation that is too horrible to think of. I do not see any relief in sight now.

Mr. REYNOLDS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. BANKHEAD. I yield.

Mr. REYNOLDS. Is it not true that a plan similar to the one the Senator has suggested has been very successfully operated in several of the foreign countries?

Mr. BANKHEAD. Yes. The plan first started in Germany and operated there with such success, according to the information given me by Prof. Irving Fisher, that it was regarded by the bankers and financial institutions as elevating prices too fast for the good of the country. As a result of that, although it was voluntary, they induced the Government to intercede and stop it because of the effect on prices. They have been operating under inflation in Austria for more than a year. Professor Fisher furnished me with a report sent to him by one of his agents who went there to investigate. The report indicates that the plan is working with entire success and with satisfaction to the entire business interests, including the bankers, and that their deposits have increased materially since the plan was put into effect.

Mr. REYNOLDS. Is it not true that if the Senator's plan were put into operation and should operate as eminently successfully as similar plans have operated in other countries, it would develop a profit of millions of dollars annually for this Government?

Mr. BANKHEAD. I think there can be no doubt about it.

Mr. NYE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Dakota?

Mr. BANKHEAD. I am glad to yield.

Mr. NYE. In line with the question asked and suggestion made by the Senator from North Carolina, may I not suggest that if the experience in Germany were a true experience we ought not to fear it here in the United States. I mean by that, should we be at all fearful of inflating prices in the United States? Is not that precisely what we have been striving to do for years?

Mr. BANKHEAD. It would have the best possible results for the welfare of our country, in my judgment. It is the thing for which the Committee on Agriculture and Forestry has been laboring for the last few weeks in an earnest and sincere effort to increase prices, especially farm-commodity prices, in this country.

Mr. NYE. There is at least one more point I should like to hear the Senator discuss, even though it might be but briefly. Let us presume his plan would be made effective and were to operate for a year and were to work out as successfully as the Senator thinks, and, I am sure, I believe it would work out, would not the effect straightway be one of encouraging the further use of this kind of money, a people's money rather than a bankers' money? Is not that perhaps the reason why we find our banking fraternity in the United States so much opposed to the least consideration of proposals of this kind?

Mr. BANKHEAD. I agree with the Senator so far as I have information. Certainly we all know that the bankers are opposed to anything that appears to conflict or interfere with or limit their monopoly of money.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Texas?

Mr. BANKHEAD. I yield.

Mr. CONNALLY. The Senator has studied the question more extensively than I have, and I am sure he can give me the information I seek. I want to ask the Senator this question: Here is a certificate of currency, or whatever it may be called. The man who holds it undertakes to pass it, and puts a 2-cent stamp on the back of it.

Mr. BANKHEAD. He does, if he holds it until Wednesday after he gets it. If he gets rid of it on Thursday or Friday or Monday or Tuesday, he does not do so.

Mr. CONNALLY. He will not hold it any longer than he has to; in other words, he will get rid of it as soon as he can, will he not?

Mr. BANKHEAD. No; not necessarily.

Mr. CONNALLY. If he can find anybody that will take it, of course, he will get rid of it as soon as he can.

Mr. BANKHEAD. He can find somebody who will take it, if he owes them something.

Mr. CONNALLY. Here is a man with a certificate. He puts a 2-cent stamp on it and goes down to the store to buy a dollar's worth of goods. How are we going to force the merchants to sell him a dollar's worth of goods for a piece of paper that he cannot get anything out of until he puts 98 cents more on the back of it? That is the mechanics of the operation. How are we going to make the merchant accept that kind of money?

Mr. BANKHEAD. I will say to the Senator with perfect frankness that we could not do it.

Mr. CONNALLY. Then what good would it do?

Mr. BANKHEAD. One cannot make a man sell him goods for gold if he does not want to do it.

Mr. CONNALLY. The question I ask is, What good would it do to have a certificate if the holder could not get anybody to take it?

Mr. BANKHEAD. The point is that it will be taken.

Mr. CONNALLY. I am frank to say to the Senator that I would not take it.

Mr. BANKHEAD. Would not the Senator take it from a man who owed him if the Senator thought he could not collect in any other way? The Senator could pay someone he owed with it.

Mr. CONNALLY. He certainly could not. I have some debts owing me, but I hope to get more than 2 percent on them.

Mr. BANKHEAD. Does the Senator mean more than 98 percent?

Mr. CONNALLY. No; I mean a certificate with 2 cents in stamps on the back of it. I would not want to take that for a dollar's worth of goods. I would rather "cuss" the one offering it for not paying me and let him go.

Mr. BANKHEAD. If the Senator could find somebody he owed before the next Wednesday, it would be worth a dollar to him on that day.

Mr. CONNALLY. How?

Mr. BANKHEAD. Because it is made a legal tender.

Mr. CONNALLY. I am in sympathy with the Senator——

Mr. BANKHEAD. Mr. President, I want to explain further, because I know the Senator from Texas is making his inquiries in good faith.

Mr. CONNALLY. How could the Senator say that we could make a man take one of these certificates unless a surgical operation were performed to open him up and it was inserted inside him and then he was sewed up again?

Mr. BANKHEAD. I want to explain to the Senator because I know his good faith in this matter and that the questions are asked for the purpose of eliciting information. In that spirit I want to undertake to answer the questions.

Mr. CONNALLY. I hope the Senator will not regard my questions as frivolous.

Mr. BANKHEAD. No. I say I will undertake to answer them in the same spirit in which the Senator asks them.

Mr. OVERTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. BANKHEAD. I yield.

Mr. OVERTON. The amendment the Senator proposes provides that the certificate shall be legal tender, and so it would have to be accepted in payment of a debt, and it would have to be accepted, as I understand, for the payment of any purchases made. Is not that correct?

Mr. BANKHEAD. It would have to be accepted in payment of purchases on credit. You cannot make a man exchange with you unless he wants to; but if he credits you and puts you on his books, that is a different matter.

Mr. OVERTON. One could go in a store, buy $5 worth of goods, have the goods delivered to him, and the debt thus credited to his account could be paid with one of these certificates.

Mr. BANKHEAD. I think a merchant could post a notice that he would not take this money, or any other money for that matter; he could do that with gold.

Let me, however, explain the matter further. The proposition suggested by the Senator from Texas is the difficulty in, and obstruction to, the movement of this money, because one cannot force a merchant or any other tradesman to exchange goods for this particular money. As I said in the beginning, that is clearly true; one cannot force him to do it. As I have said, one cannot force him to take gold. One cannot force him to exchange his goods for anything. That is a matter of agreement, of course, and of consent. But now let us revert to the question of whether the merchant would do it, and let us see why he would do it or why he would not do it. Without diverting, I want to say to the Senator that at least in one place about which I am informed, Hawarden, Iowa, they have had this plan in voluntary operation for a number of months, and, although the money thus issued is not legal tender, the merchants have agreed to accept it, and the money, I am informed—and I had a letter about it from that point a few days ago—has

circulated freely and has greatly benefited trade in that community.

The association that inaugurated the movement out there wrote me that they had inquiries from nearly 2,000 cities in America requesting information about the plan for the purpose of putting it in operation in those communities.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Texas?

Mr. BANKHEAD. I yield.

Mr. CONNALLY. I do not want to divert the Senator.

Mr. BANKHEAD. That is all right.

Mr. CONNALLY. But speaking about the legal-tender character of the proposed money, I can understand how when the Government emits money, which it has power to do under the Constitution, and says, "This is a dollar", it has the incidental power, according to decisions of the Supreme Court, of making that money legal tender for the payment of debts, but in the case of the Senator's proposal he does not make it money of the Government; he is providing a certificate, which is not money and is not even redeemable in money until there have been $1.02, or is it $1.04——

Mr. BANKHEAD. One dollar and four cents.

Mr. CONNALLY. Of stamps placed on it. How can you make money out of something that is not money and you do not claim that it is money until the conditions have been fulfilled, and even then it is not money, and is not redeemable in money. How can you make that kind of thing legal tender for the payment of debts? I am sincere, I will say to the Senator, in this matter.

Mr. BANKHEAD. I do not see really any legal difficulty on the point raised by the Senator. Greenbacks are nothing but paper.

Mr. CONNALLY. A greenback is a promise to pay.

Mr. BANKHEAD. Yes; it is a promise to pay, and so is this a promise to pay upon the conditions set forth. A greenback has no intrinsic value. It does not even provide a method of liquidating itself, as does the money I propose. The greenback is nothing but a green slip of paper on which there is some printing. Its value, Mr. President, and its efficacy do not rest upon the intrinsic value of the currency thus issued; they do not rest entirely upon the promise of the Government to pay, though, of course, that is what inherently gives it its value; but it rests upon the power granted to Congress under the Constitution to create legal-tender money, and whatever form of money Congress specifies for that purpose is constitutional and legally effective. It is simply an exercise under a direct grant of the Constitution to the Congress, and it has been exercised, as we all know, heretofore by the issuance of a mere greenback or piece of paper, not redeemable in gold, not redeemable in silver, not redeemable in the receipts from postage stamps, but being nothing but a certificate issued under the authorization of Congress and which has been made by the declaration of the law legal tender in payment of debts, public and private. The Supreme Court of the United States sustained the validity of that act and the legal-tender effect of that paper, which had no redemption of any kind behind it except the promise of the Government to pay.

Mr. NYE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Dakota?

Mr. BANKHEAD. I yield.

Mr. NYE. Does not the Senator from Alabama propose to make this new money legal tender from the time of its issue, from the time it is put in circulation?

Mr. BANKHEAD. That is the proposal.

Mr. NYE. Then, does that not answer the query raised by the Senator from Texas?

Mr. BANKHEAD. I think it does. I have great confidence in the judgment of the Senator from Texas and am anxious to convince him, for I know he is one Senator who is anxious to bring about relief from the present money situation, and I wanted to suggest to him that the money from the time it is issued, without waiting for a 2-cent stamp on it, as he seems to think—and I can readily understand that because he has not given study as yet to the mechanics of the proposal—but from the time it is put into the hands of some laborer or is paid out for the purchase of supplies or material, however it goes out, from that moment it is legal tender under the authorization of Congress and the Constitution in the payment of debts of every character. It is true that a self-liquidating feature is attached to that legal-tender money, instead of relying solely upon the unsupported promise of the Government, backed by gold or silver or anything else as the greenback is. The proposed money has the additional force and strength of having provision made by which it will automatically be redeemed. I think the discussion of that subject disposes of it, at least to my satisfaction. Now I want to discuss another feature.

Mr. CONNALLY. Mr. President, may I ask the Senator another question?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Texas?

Mr. BANKHEAD. Do not let me forget to come back to the suggestion regarding the merchant which the Senator made. I want to discuss that.

Mr. ADAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield; and, if so, to whom?

Mr. BANKHEAD. I yield to the Senator from Colorado.

Mr. ADAMS. I was trying to work out a sympathetic attitude toward this proposal, but here is the inquiry that occurs to me: If my debtor comes to me owing me a dollar, if I am compelled to accept the certificate for a dollar as it has just been issued, there being no stamp on it, and it is legal tender in the payment of the dollar of indebtedness to me——

Mr. BANKHEAD. Just like the old greenback was.

Mr. ADAMS. If for any reason I am unable to transfer it and it remains in my possession for a year, in order to get my dollar back I have got to put $1.04 in stamps on it in addition, do I not?

Mr. BANKHEAD. That is exactly the object of it, to keep you from holding it for a year.

Mr. ADAMS. So that it would cost me $1.04; it would cost me 104 percent to get back my own money.

Mr. BANKHEAD. Undoubtedly that would be so if the Senator wanted to hoard a dollar. This provision is made to prevent one from hoarding it, and what the Senator has suggested would be the effect of hoarding it for a year. However, it is inconceivable to me that a man cannot within a year find some way to use a dollar. Surely, if he is like most of us, he owes some debts—whether a funded debt, or a rent obligation, or a grocery bill, or a telephone bill, or taxes. In whatever form obligations exist—and they are current all the time—it is almost impossible for any of us to escape current obligations to which this character of money could be applied.

Mr. ADAMS. There must be contributed somewhere along the course before redemption an additional $1.04, either in 2-cent installments or in other installments.

Mr. BANKHEAD. That is right.

Mr. ADAMS. Sooner or later, before the certificate can be cashed, there must be $1.04 contributed, either by the one who holds it or by intermediate holders.

Mr. BANKHEAD. And that is the very heart of the plan, because the prescription is made to cure a definite ailment, and that ailment is the paralysis of the medium of circulation, either on account of deliberate hoarding or on account of lack of confidence, as a result of which people either hoard the money, put it in savings accounts, or leave it somewhere inactive and out of use. This prescription is made to find a circulating medium which can be used in that way, unless the person who holds it will neither spend it for goods nor spend it in the payment of his debts. We know that every man can find some way of spending it; but if he does not want to spend it, then he is destroying the purpose and the object of this form of money, that ob-

ject being to have money that will move with great velocity of circulation.

Mr. ADAMS. May I ask one further question?

Mr. BANKHEAD. To be sure.

Mr. ADAMS. I desire to ask the Senator how the certificates will operate in the case of bank deposits. If I have some of these certificates, and I take them to a bank, is the bank able to carry them in any way, or must the bank move them on?

Mr. BANKHEAD. I may say to the Senator that the amendment provides that where a deposit is made in a bank, the bank may charge 2 percent as a service charge. The object is to encourage the banks to handle deposits of this kind; but it puts them in position to keep the certificates longer than the ordinary holder can keep them before passing them out.

Mr. ADAMS. But the certificates would not be available for cash reserves for any extended period of time?

Mr. BANKHEAD. No; the amendment does not provide that at all.

Mr. REYNOLDS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. BANKHEAD. I am glad to yield.

Mr. REYNOLDS. As I understand the Senator's plan, it is for the purpose of putting these certificates into circulation.

Mr. BANKHEAD. Exactly.

Mr. REYNOLDS. In that particular connection, I recall that this morning, in my Committee on Banking and Currency, it was brought out by one of our Cabinet Members that there are now in the closed banks of this country $4,000,000,000, $3,000,000,000 of which are to be found in the State banks that are closed and $1,000,000,000 in the member banks. It is my understanding that if America were today the possessor of all the gold in the world, and if, upon that gold, certificates of exchange like this were not issued, we would not be any better off than we are today.

I hold in my hand a $10 bill that was issued by the Federal Reserve bank; and that is backed up by what? By exactly what it says on the face of this note—by "United States bonds and other securities." I do not know what those "other securities" are. The Senator doubtless does not know what they are.

Mr. NYE. Mr. President, may I correct the Senator from North Carolina? This $10 bill does not say, on its face, that it is backed by "United States bonds *and* other securities", but by "United States bonds *or* other securities."

Mr. REYNOLDS. Yes—"or other securities."

The Senator's plan, as I understand, is to place in circulation the people's money.

Mr. BANKHEAD. That is correct.

Mr. REYNOLDS. And as a result thereof the bankers do not want that done, because they do not want their money substituted. That is correct, is it not?

Mr. BANKHEAD. That is right. We want a form of money that will not run into the banks and stay there. Our problem has been, all the time, to get money out of the banks.

Mr. BARKLEY. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. BANKHEAD. I am glad to yield.

Mr. BARKLEY. Let me ask the Senator, for instance, how I would get hold of one of these certificates, so that I could begin putting these stamps on the back of it?

Mr. BANKHEAD. How does the Senator get a dollar under the pending relief bill?

Mr. BARKLEY. Any kind of dollar that I get I usually get by selling something, or performing some service.

Mr. BANKHEAD. All right. The Senator was not here, of course, when I began the discussion, or he would not ask that question.

Mr. BARKLEY. No; I am frank to say that I was called out, and I did not hear the Senator's first statement.

Mr. BANKHEAD. Let me repeat it for the benefit of the Senator. The object of offering this bill as an amendment at this time—and I gave notice to the Banking and Currency Committee that I would do it—is to provide an alternative method of financing the money appropriated under this bill.

The bill, as the Senator knows, provides $500,000,000. This amendment is not compulsory. I hope the Senator will get that clear. It provides that unless the President finds that this money is not suitable and will not be effective to provide the relief for which this bill is intended, this money shall then be used in part or in whole, or he may use a part of the original appropriation and a part or all of this. If this amendment is adopted and the money is found to be effective by the President and his Secretary of the Treasury upon investigation, he then has the opportunity to use it, and keep in the Treasury without any additional burden the $500,000,000 that we took from the soldiers and the Federal employees. If he finds that this money is not suitable for this purpose, no injury is done; merely the opportunity is afforded to save the $500,000,000.

The Senator wants to know how this money will get into circulation.

Mr. BARKLEY. Just a minute on that point. The Senator is offering this proposal as an amendment to this bill; but originally it was offered, not as an amendment to any bill but as a substantive measure, without regard to any relief.

Mr. BANKHEAD. Yes.

Mr. BARKLEY. It authorizes the issue of a billion dollars' worth of these stamps, providing that on the back of them there is room enough for 52 other stamps of a different kind.

I do not contemplate, and I do not suppose the Senator contemplates, that this billion dollars, or any portion of it, shall just be printed by the Treasury and passed out to the public. There must be something that passes from the public to the Treasury, I imagine, in order to get one of them, because the Senator provides that from the time these certificates are issued they are legal tender for a dollar. Even before a stamp is put on the back of one of them it is legal tender for a dollar.

Mr. BANKHEAD. I understand the Senator's question, if he will let me answer it.

Mr. BARKLEY. All right, that is what I am trying to get.

Mr. BANKHEAD. I will answer the question by reading again, as I read while the Senator was out of the Chamber, the method provided in the bill for getting this stamped money into circulation.

Mr. BARKLEY. What page is it on?

Mr. BANKHEAD. It is section 23, on page 7. This stamped money is made available in payment—not as a gift—

for services, and/or material and supplies rendered or furnished in any construction, improvement, or other work of a public nature, or—

And here we use language that is in the bill now under consideration—

or in furnishing relief and work relief in the form of money, service, materials, and/or commodities to provide the necessities of life to persons in need as a result of the present emergency—

And so forth.

It is gotten into circulation exactly in the same way that the money appropriated by the provisions of the original bill is paid out.

Mr. BARKLEY. Let me illustrate by using myself again—a very poor illustration.

Could the Government decide, if it desired to do so, to pay me my salary next month in this money that the Senator is providing for here?

Mr. BANKHEAD. Not originally, no; because I assume the Senator is not putting himself in the destitute class.

Mr. BARKLEY. Well, I am not so sure about that.

Mr. BANKHEAD. At least, the Senator has not yet gotten on the list.

Mr. BARKLEY. But if this money is legal tender——

Mr. BANKHEAD. It could, ultimately, be paid to the Senator in payment of his salary.

Mr. BARKLEY. If it is to be legal tender from the time it is issued, I presume the Treasury could pay it to anybody that the Government might owe, in the payment of a debt.

Mr. BANKHEAD. Originally it cannot do that, because the method is provided here.

Mr. BARKLEY. Well, assuming that the Government does, under this bill, pay me my month's salary in these stamps——

Mr. BANKHEAD. All right; maybe it could.

Mr. BARKLEY. Then I have to put a 2-cent stamp on each dollar's worth of it every Wednesday.

Mr. BANKHEAD. If the Senator holds it.

Mr. BARKLEY. If I hold it; or, if I transfer it to somebody else, either I or the person to whom it is transferred must put on it that 2-cent stamp.

Mr. BANKHEAD. Yes.

Mr. BARKLEY. And either I, or a group of us who handle these certificates, over a period of 52 weeks, which is a year, will have bought 52 stamps at 2 cents apiece, which is $1.04.

Frankly, I cannot get through my thick head just the mechanics of this situation. The Government has paid me a dollar's worth of money for a dollar's worth of service, we will assume. If I keep that money a year, I have to put $1.04 worth of stamps on it; or, if I transfer it to somebody for something that I owe or something that I buy, among the total number of men who handle this certificate there must be $1.04 stamped on the back of it. Now, where do those of us come out who have kept this money a year when we have received it in payment of a dollar's worth of service that we have rendered to the Government, and we have to put $1.04 worth of stamps on it in order to make it worth a dollar at the end of the year?

I just do not get that through my head. Probably I am very obtuse.

Mr. BANKHEAD. I very greatly regret that the Senator did not have the benefit of a really clear explanation of that subject.

Mr. BARKLEY. I am assuming that the explanation which the Senator made was clear, and I shall read it in the RECORD tomorrow. I shall have plenty of time to read it, I presume, before I get one of these certificates.

Mr. BANKHEAD. I will say now that the intention is to prevent the Senator from holding this certificate for a year; and if the Senator either has the hoarding spirit strongly enough, or if he is too contrary to pass it off and pay somebody he owes, then he will have to pay the penalty.

Mr. BARKLEY. But, anyhow, if there are 52 of us who handle this money once a week, among us we have to put $1.04 on it in the course of a year to make it worth a dollar.

Mr. BANKHEAD. Oh, no; you do not put it on except every Wednesday.

Mr. BARKLEY. I know; but at the end of the 52 weeks 52 of us have put on $1.04 worth of stamps to make a piece of paper worth a dollar that was paid to me a year before as being worth a dollar.

Mr. BANKHEAD. What is any paper worth when you get it? What is a greenback worth when you get it? If we are talking about its inherent value, what is a greenback worth?

Mr. BARKLEY. It is worth a dollar; but I do not have to peddle it around over the country and put a stamp on the back of it every week in order to make it worth a dollar. It is always worth a dollar, and it will be worth a dollar a hundred years from now.

It appears to me that those who handle these certificates are going to lose, and nobody is going to gain but the Government that issues the certificate and pays me what purports to be a dollar's worth of money in return for a dollar's worth of service. All the rest of us will have to put on it something that is worth a dollar in order to make it worth a dollar in a year.

Mr. BANKHEAD. I very greatly regret the philosophy of my friend from Kentucky.

Mr. BARKLEY. I do not pretend to have any philosophy.

Mr. BANKHEAD. I deeply regret that one cannot see the benefits in a program, notwithstanding its value to the various users of money, simply because it has a 2 percent effect upon one in the list of users. I regret that the Senator has not taken into account the fact that this money is to be used primarily for the benefit of the unemployed; that it is intended to stimulate employment, to stimulate trade, to increase income, as it inevitably will in its rapid circulation.

Mr. BARKLEY. If the Senator will yield there, I am just as much concerned for the unemployed, I think, as anybody in the Senate; and in the Banking and Currency Committee I have helped to frame every bill that has been proposed for the benefit of the unemployed.

Mr. BANKHEAD. I am trying to give them a billion dollars here instead of $500,000,000.

Mr. BARKLEY. I am in good faith trying to find out how this measure is going to work; but I want the unemployed, that I am going to try to help, to get a dollar that is worth a dollar when they get it and will always be worth a dollar, and that they will not have to put a 2-cent stamp on every Wednesday in order to make it worth a dollar.

Mr. BANKHEAD: I am providing the unemployed man here with $2 when the Senator gives him one. Surely he can take a discount of 2 cents out of the extra dollar.

Mr. BARKLEY. And at the end of a year he has to put $1.04 of stamps on it, and yet it is only worth a dollar.

Mr. BANKHEAD. Oh, well, it is absurd to talk about a laboring man keeping a dollar a year. Of course, he will not keep it. It will move on as fast as he gets it, doubtless without his ever having to put a single stamp on it.

Mr. BARKLEY. Somebody—either he or 52 other laboring men—is presumed to put $1.04 worth of stamps on it in the course of a year.

Mr. BANKHEAD. It is not going to be confined to laboring men. It is going to stores, to telephone companies, to taxcollectors. It will go everywhere that every form of money goes, because it is a legal tender; and whenever a man gets one of these certificates he can dispose of it, either in trade or in payment of a debt.

Of course, no new plan of any sort is ever proposed here without there being a degree of conservatism, of objection, of difficulty in understanding how a new plan will work. That has made it almost impossible for Congress to work out any more than mere palliatives. It has made it impossible for us to provide any real, substantial, fundamental relief to business and economic conditions in this country. I know, as many other Senators here know, that so long as the viewpoint, the attitude, the technic, and the formulas of the controlling bankers of this country prevail we have nothing ahead of us except a slow drying-up process of liquidation.

So far as I am concerned, I am willing to enter upon some new road. I am willing to venture somewhere if what is proposed holds out any reasonable hope of relief to the distressed people of this country; and no one has presented here any reason why this money will not circulate with rapidity, both in the purchase of supplies and in the payment of debts of all kinds.

Mr. REYNOLDS. Mr. President, will the Senator yield to me?

Mr. BANKHEAD. I yield.

Mr. REYNOLDS. Interested as I am in the Senator's plan, which I think is commendable, I am naturally interested in what would be the cost to our Government of placing this plan initially in operation.

Mr. BANKHEAD. Mr. President, it would be a nominal cost.

Mr. REYNOLDS. It would be very small, would it not?

Mr. BANKHEAD. Nothing but the cost of printing the paper.

Mr. REYNOLDS. Very small?

Mr. BANKHEAD. Practically nothing, and in the long run there would be a profit in the Treasury of $40,000,000 as a result of the operation of the plan. So that it would be a money-making plan for the Government, instead of one creating an additional burden upon the taxpayers.

Mr. REYNOLDS. At least the Government could not lose anything by it?

Mr. BANKHEAD. It would be impossible for it to lose.

Mr. REYNOLDS. Every single bit of legislation we are enacting here, we are enacting with the hope and the prayer that it will bring relief to the distressed Nation. That is true, is it not?

Mr. BANKHEAD. That is what we are all trying to do.

Mr. REYNOLDS. I agree with the Senator from Alabama that his plan would be of great assistance to the Nation in this hour.

Mr. LONG. Mr. President, we could not fall much further short than in our other experiments, if we tried the Senator's scheme, could we?

Mr. BANKHEAD. We have made some mistakes, I concede, but my frank judgment is that we have made more mistakes by not trying more things than we have tried. I think that if we ought to be criticized for anything, it is not because of action taken but for inaction, when the times cry aloud for some leadership, for some movement, for some action, to bring relief to the people.

Mr. President, I am not going to take any more of the time of the Senate. I discussed this question on a former occasion. In conclusion I merely want to point out that I am earnestly and ardently in sympathy with the program to provide relief for the destitute and the unemployed. I have voted consistently for that program since I came here, as it is one form of appropriations that has appealed to me, notwithstanding the fact that I am eligible 100 percent for admission to the ranks of those favoring reduction of the costs of government, having voted consistently for every proposed reduction; but I have never had any hesitancy about voting money to prevent our men, women, and children from starving in this country; and if I keep my present frame of mind I shall recognize that obligation as a Federal obligation so long as our present distressing economic condition prevails.

Mr. President, instead of being opposed to the purpose of the pending bill, I hope that I have made it clear that my object is to go a step farther, to include all that is proposed in the bill and then, in addition to that, to provide, not by mandatory, positive order of Congress but after the President has conferred with his advisers, after he has consulted the public opinion of this country upon this subject, after by due inquiry he finds or fails to find a desire in most of the municipalities of this country for a circulating medium of this kind, after he makes all sorts of inquiries and investigations, then the amendment provides that it is left solely in his judgment as to whether or not this money shall be used either in lieu of the tax money or in addition to the tax money.

Mr. President, I hope that the Senate will see fit to grant that option to the President, that opportunity, without cost to the taxpayers of this country, if he decides it suitable and effective, that would put him in position to give twice the aid to the unemployed and the distressed, and without burden to the taxpayers, that is covered by the original bill here.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. BANKHEAD].

The amendment was rejected.

Mr. FESS. Mr. President, I voted against the amendment offered by the Senator from Alabama [Mr. BANKHEAD], first, because it is rather a chimerical procedure. It has been tried in some places; has even been tried in some of the States of our Union.

Since the amendment has been offered and a vote has been taken and it has been rejected, it is not necessary for me to make any comment on it further than to make this statement. My vote against the pending measure, the relief bill, will not be because I have no sympathy with the unemployed but because it does not present the logical method under which to proceed in relieving unemployment. The only possible way by which we will safely remove unemployment is by opening the way for employment, and until we have a situation where the idle money of the country can be put to work there will be no real relief from unemployment.

The sort of legislation we are now going to pass is a type which increases the lack of confidence. The only thing we lack, as I have stated before on this floor, is confidence that business can safely take the risk of employing the money that is not now at work.

Any proposal to increase the currency, such as the amendment which has just been rejected, or to inflate the currency in any way, will not relieve the situation. As has been stated over and over, the difficulty is not a want of currency but it is a want of employment of currency.

When we passed the Glass-Steagall bill, it was misinterpreted to mean that it was to increase the currency of the country. It was not for such a purpose, and, of course, it did not increase the currency of the country. It was simply to relieve the gold that was being impounded as a basis for the issuance of Federal reserve notes by the increase of the gold deposits, and a decrease of the other securities in the form of commercial paper.

Commercial paper represents business, and if there is no business, commercial paper as security for the issuance of these notes will be wanting, and in the degree that they are wanting, we will have to increase the gold stock. So that instead of its being but 40 percent that will satisfy the law, it may be, as it was at one time, 80 percent gold and only 20 percent commercial paper. In order to relieve the gold, by the Glass-Steagall bill we substituted United States bonds, and in the degree that we substituted them we could release the gold for other purposes. It never was intended to increase the currency, and, of course, it did not increase the currency. But the amendment known as the Borah amendment to the home loan bank bill was intended to increase the currency by adding the authority to purchase the 3½ percent bonds, in addition to the 2 percent, and provide that such purchase should carry the privilege of circulation.

Mr. President, it was stated at the time that the Borah amendment, designed to increase the currency in circulation, would not increase the currency in circulation, because currency does not increase unless business increases. We might authorize an increase as much as we pleased, but unless there were business to take up the increased currency there would be no increase in circulation. So, when the Senator just a moment ago referred to the recent act, under this administration, which authorizes the issuance to the amount of $2,000,000,000 of Federal Reserve bank notes, if necessary, I call attention to the fact that it was stated on the floor within the last half hour that under that authority the currency did not increase, but fear was expressed that it had been contracted. Of course, it will not increase unless business increases, for there is no measure of the use of currency except business. But those who are criticizing the ineffectiveness of the recent enactment to permit the issuance of Federal Reserve bank notes, which never was done except during the war, and was discontinued in a very short time, ought to realize that while it has not increased the circulation in great degree, it has, in a measure, restored confidence in the banks, and in that degree depositors are not withdrawing their deposits. That act, although it may not increase the currency in circulation, will have, as it has had, a very substantial effect in partially restoring confidence in the banks of the country. That is the reason why it was passed.

The Federal Reserve Board is permitted to issue to member banks Federal Reserve bank notes upon security that is satisfactory to them, and, under the amendment offered a few days ago, to State banks which can qualify. But the Federal Reserve Board is not going to engage in the issue of such notes if the member banks do not borrow, and the member banks will not borrow unless there is business to which they can lend the money which they borrow. The mere fact that there is authority that a bank may get money from this fund gives confidence to the depositors in banks to such a degree that they will not make a run on the

banks, and in that degree the legislation was sound and will have a very salutary effect. But nobody should criticize the legislation on the ground that it has not increased the circulation. Evidently many people thought that if we authorized the issuance of $2,000,000,000 of Federal Reserve bank notes at once we would have that much more in circulation than we have now. It will not be in circulation except as business calls it into circulation.

Mr. President, there is my fear with regard to this legislation. The one determining factor in a return of confidence in America is the ability of business to be restored and to reemploy the labor that is now out of employment. Labor will not be employed unless there is business to justify its employment. If we continue to increase the obligations of the Government to the point where there is no possibility of our living within our income by the most drastic reductions in the costs of Government, if we cannot live within our income except by increasing taxation, that moment we will destroy all the confidence that otherwise would be restored by legislation.

What I fear, because I know it is coming, as every other Senator must know it is coming, is that instead of making it easier to live within our income without inaugurating new and burdensome taxation, there will be no confidence that will enable a business corporation to launch any expansion of business justifying the reemployment of labor or the creating of new business. Business is going to take risks only when it knows there is some chance for a profit that will not be absorbed by a terrific deficit which the Government has to meet through taxation.

It is true that the pending bill does not make a direct appropriation from the Treasury, but that it is an authorization for borrowing. But our public debt is now nearly $20,000,000,000. Mark my words, if we continue to go as we are going, our public debt will be beyond what it was at the close of the World War. The interest on the public debt now, the annual charge, amounts to $900,000,000. We cannot repudiate. If we do, we ruin the national credit and then everything goes down in a smash. The thing that concerns me is how we can avoid creating such deficits so that business can be assured there is some chance for business to keep its head above water and not be destroyed by an increased burden of taxation. Every step we are now taking is tending to increase that burden.

I note a statement by the Speaker of the House of Representatives that we will not need to have additional taxation, but I cannot for the life of me interpret the facts in that way. We are certain to be forced to increase taxation unless we are willing to borrow money to pay the current expenses of the Government, which no one I think would consider to be a wise thing to do. I cannot see how we can avoid an increased burden of taxation. It is coming, and inevitably coming, and here is the widest open door to expenditure that has yet been opened by the Government.

Mr. President, I am not disillusioned. When we take the step proposed in this bill, it will be the first step. We have not taken such a step before. Here is a direct call, in the form of a charge upon the Treasury of the United States, to take care of the unfortunate unemployed. If we set out to do it as a function, we will never close that door. I know the bill limits its operations to 2 years; but the door will be opened, and at the end of 2 years it will be reopened just as it is now being opened. I am altruistic. I have a heart as well as other people have, but in this legislation we are permitting our hearts to overcome our judgment. This is not the way to proceed to bring about a return of confidence, the basis and the sine qua non of reemployment of labor. When we set out with a direct appropriation out of the Treasury, supplied by a loan, we have started something that will vary with the degree every State will seek to fill its obligations, and the calls which will come to Washington whenever there is unemployment will be beyond count.

Mr. President, the very serious situation, to which I think no Senator can close his mind, is that there is positively no limit to the danger of setting out on a policy that the Government is responsible for unemployment in localities. How is it that Washington is to be held responsible for unemployment in Georgia or in Ohio or in New York? How is it that the Government, held responsible, can avoid, if it recognizes it, establishing the principle of a dole to be a permanent institution? We are starting on a scheme in this bill that we will never be able to stop, and we are doing what, in my judgment, is the very opposite to what we really desire in the way of a return of confidence that is necessary before we can start business anew and continue the employment of the now unemployed.

Mr. DICKINSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Iowa?

Mr. FESS. I yield.

Mr. DICKINSON. It has been my understanding that in order to finance the operations of the Reconstruction Finance Corporation from time to time, they have been authorized to draw against the United States Treasury, which just makes advances to the Reconstruction Finance Corporation. In other words, in order to get money the Government must borrow the money on bonds and place it to the credit of the Reconstruction Finance Corporation. There is no difference then so far as creating a deficiency is concerned whether we operate this way or by direct appropriation, is there?

Mr. FESS. Not a bit. The thing that concerns me most deeply is the frank and honest statement of the Senator from New York [Mr. WAGNER] on yesterday to the effect that this is only the beginning, that we all know it is only the beginning, and that other similar legislation will follow. The difficulty is that it will follow not only at this session but in the next session and every session, and will continue indefinitely. I warn my colleagues that they are starting on a policy which they will never be able to abandon, and the time will come when most people will rue the inauguration of the policy that the Federal Government is responsible for unemployment and therefore should supply the wherewithal to take the place of unemployment.

Mr. WAGNER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from New York?

Mr. FESS. Certainly.

Mr. WAGNER. I know the Senator does not intend to misrepresent what I said yesterday.

Mr. FESS. Certainly I do not.

Mr. WAGNER. I did say this is not the only thing we should do in order to relieve unemployment. This is an emergency measure to prevent starvation and to provide shelter, but we cannot regard this as a remedy. We must do other things in the nature of a remedy so that we can start on our way back to a better day by providing employment.

Mr. FESS. I am glad to have the Senator's comment. I thought he meant that this is only the beginning of this sort of legislation, to be followed by more legislation of the same character.

Mr. WAGNER. I am hopeful that it will be the end so far as requiring provision for these people. However, whatever the Senator's view may be, I am sure that the majority view of Congress is that the American people, through Congress or any State legislative body, will never see their fellow citizens starve or go unsheltered, but that provision must be made for them.

Mr. FESS. Mr. President, I do not want the Senator from New York or anyone else to think that I would be willing to see people starve.

Mr. WAGNER. I did not mean to intimate any such thing, but I see no other way of preventing it except by legislation of this character.

Mr. FESS. I think there has never been a time in the history of the world when private contributions to relieve suffering have been so obvious as during the past 2 years. It has been really a romance in the expenditure of money. What I meant to say is we not only start out here with a loan, but the loans we have already made to States and

municipalities are going to be asked to be canceled. I have letter after letter from Ohio from municipalities that have issued bonds to care for their unemployed asking this question, which it seems to me is the result of propaganda that has been started somewhere: "Will not the Government supply the money in order to cancel these obligations that were issued to take care of our unemployed?" I never have had any intimation that that was in the air until these letters began to come to me.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. FESS. I yield.

Mr. ROBINSON of Arkansas. I thank the Senator for yielding. First, with respect to his statement that the passage of the pending bill implies the remission of the debts assumed by the States in connection with advances heretofore made for destitution relief, I do not think that is true at all. It is not a sound argument against the pending legislation. The presentation of the argument here by the Senator, under present conditions, will do more to prompt requests for remission of the obligations already assumed by the States in this connection than anything that is involved in the passage of this bill.

Secondly, with respect to the statement by the Senator from Ohio that the pending measure involves a departure from precedent and may involve new policies which in the end are calculated to embarrass the Treasury of the United States. I recognize the forcefulness of that argument. If it had not been made apparent in the hearings before the committee and in the evidence submitted—the overwhelming evidence, if I may say so—that has been presented that a condition has arisen under which the Federal Government itself must make these grants or permit thousands, perhaps hundreds of thousands of citizens of the country to endure indescribable suffering, I would myself insist upon a continuance of the policy advocated by the Senator. But having been assured, from the evidence to which I have referred, that there is such a situation in many of the municipalities that unless the Federal Government does meet it, it will not be met at all, and that thousands of persons will endure great suffering, privation, and distress I give my consent and approval to the passage of the bill.

Assuming the facts which I have stated to be correct, let me ask the Senator from Ohio what he proposes to do? In the absence of ability on the part of communities and individuals to meet conditions demanding contributions for the sustenance of citizens who are in distress, does he insist that no provision shall be made, but that we shall simply leave the situation undealt with and not attempt to render any assistance? I know the tender sympathies of the Senator from Ohio, and I know, too, that it is impossible for each individual Senator, charged as he is with responsibilities of the gravest kind, weighted with burdens difficult to be borne, to keep himself acquainted with changing conditions throughout the Nation. If it be true that the cities such as Chicago and States such as Illinois have exhausted their local resources and their credit and are unable to provide funds that are imperatively required in order to meet the immediate necessities of citizens, what is to be done about it?

Mr. FESS. Mr. President——

Mr. ROBINSON of Arkansas. I thank the Senator from Ohio for yielding.

Mr. FESS. Mr. President, the Senator from Arkansas knows as well as I do that the motive that actuates me is the same as his own. I was surprised, however, when the Senator from Arkansas gave his assent to this kind of legislation, because I know how he thinks on these subjects, and, of course, there must have been an overwhelming array of some sort of evidence or he would not lend himself to support this character of legislation.

Mr. ROBINSON of Indiana. Mr. President, will the Senator from Ohio yield for a question?

The PRESIDING OFFICER (Mr. BAILEY in the chair). Does the Senator from Ohio yield to the Senator from Indiana?

Mr. FESS. I yield.

Mr. ROBINSON of Indiana. Assuming conditions to be just as bad as the Senator suggests, that we would have to raise more money by taxes; if people are starving to death in the country, what would the Senator from Ohio do, let them continue to starve?

Mr. FESS. I was about to answer that question which had been propounded by the Senator from Arkansas, and the Senator from Indiana may take the answer as a reply to his question also. I stated that I was surprised that the Senator from Arkansas had given his assent to this sort of legislation. I am surprised that a great number of Senators in this body have done so. I am not surprised at the attitude of another type of Senator, who thinks in a different way. I am perfectly willing to accept the explanation of the Senator from Arkansas as to why this legislation, from his standpoint, ought to be enacted. He seems to think, as the Senator from Indiana evidently thinks, that people are going to starve if recourse to the Federal Government is not had. I wonder if those Senators forget that there is not a dollar in the Treasury that does not come from the people of the States? Are Illinois and Chicago in such condition that that great State and that rich city cannot take care of their unemployed? If that be true, to whom are they going to apply? Will they apply to New York? Is New York unable to take care of her unemployed? If she is, how can she help Chicago? If Ohio is unable to take care of her unemployed, how can Ohio help Chicago? I repeat, there is not a dollar in the Treasury that does not come from the people of the various States. If it were not that Uncle Sam is looked upon as a Santa Claus to give alms, there would never be presented such a proposal as this; but every State would take care of its own citizens.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. FESS. I yield.

Mr. ROBINSON of Arkansas. The declaration of the Senator from Ohio that there is not a dollar in the Treasury of the United States that does not come from the people applies with equal force to the treasuries of the States and municipalities.

Mr. FESS. Certainly.

Mr. ROBINSON of Arkansas. So that, with all due respect to the Senator, I think that his statement does not rise to the level of an argument. I recognize that primarily the obligation devolves upon the localities, the local governments, to meet the requirements of their citizens when the citizens are in distress, but this proposed legislation is based on the assumption that the power of those localities to meet their obligations has been exhausted. I stated that with all the emphasis at my command a few moments ago; and now the Senator from Ohio replies with the suggestion that public moneys are acquired by taxation, just as if the same rule did not apply to public moneys which are collected by the local governments as well as to public moneys collected by the General Government.

It is also admitted that so long as the localities can raise the funds necessary to meet the necessities of their citizens and prevent great suffering and distress, they should be required to do so, but the evidence that has been presented to committees of the Senate discloses that the time has passed when some of the localities and some of the States can meet the emergency. If those facts be true, I again ask the Senator from Ohio why he resorts to general arguments which are assumed not to be applicable when we make the admission that some of the States are unable to provide for their citizens who are in distress?

Mr. FESS. The argument——

Mr. ROBINSON of Arkansas. Just a moment. Of course, if there is no emergency, if the facts which have been assumed here do not exist, if the conditions described do

not exist, then the contention of the Senator from Ohio is correct; but I am told that among the millions—multiplied millions—of American men and women who are walking the streets of the great industrial cities seeking an opportunity to earn their living by toil there are hundreds of thousands of them who can make no provision for themselves and their dependents for tomorrow. If that be a fact, then technicalities, technical arguments, have little weight or force with me in reaching a conclusion as to whether I shall support this bill.

Mr. FESS. Mr. President, I do not think it is up to the standard of the Senator from Arkansas to talk about technical arguments. This is the most fundamental proposition that has come before this Congress. We are starting on a new policy, the end of which no man now living will ever see. Everyone knows that. For that reason to say that what I am saying should have no effect because it is technical does not rise to the level usually occupied by the great leader of the other side of this body.

Mr. ROBINSON of Arkansas. I suppose we are on the same level now by mutual consent.

Mr. FESS. I hope the Senator will take it in that way. I am satisfied to vote against this measure, and in the future I shall call the attention of those who are now insisting that this is an emergency, without realizing that the emergency of unemployment is always with us, to the fact that if a State can get rid of the problem and any municipality can get rid of it by coming to Washington, there will be no more of local self-help but the various communities will always be ready to come to Washington, for here is the place to get help. That is what has happened in the case of sudden floods, hurricanes, and fires ever since we started on the program by assisting a stricken city in Massachusetts, and it has all happened since I have been a Member of the Congress, which has not been so very many years. Now it has become a fixed policy. Even last week people who do not live in the Ohio Valley wrote to me to know why the Federal Government did not come to the relief of the people in that valley. I stated when the people in the Ohio Valley made application to Congress, then it would be time for us to consider a problem which is Federal, namely, flood control. Probably that is rightly a Federal problem rather than a State problem, but here is a local problem; and I state again that if the Federal Government was not regarded as a source of relief, there would be nothing heard of such a proposal as the one now pending, but every State would take care of its own people. Cannot New York take care of conditions within her borders? Cannot Chicago take care of conditions within her limits? I can hardly find parliamentary language to describe the statement that the States and cities cannot take care of conditions in which they find themselves but must come to the Federal Government for aid.

Mr. ROBINSON of Indiana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Indiana?

Mr. FESS. I yield.

Mr. ROBINSON of Indiana. I should like to invite the attention of the Senator from Ohio to the fact that the township trustees all over the country have been supplying baskets of food for the hungry and feeding them, as rapidly as they could, until they have gotten to the point where they have not sufficient food longer to go around. The counties cannot collect their taxes, a fact that is utterly patent—everybody knows it. Therefore, no further relief can come from the counties. Municipalities cannot sell their bonds. The States have reached the end of their resources; but, thank God, the credit of the United States is still good, and the first duty of any government is to keep its people from starvation. If people die, there can be no government. People are not made for the government, but, trying to be reverent and not irreverent in the slightest degree, to paraphrase the statement of the great Carpenter of Nazareth, the government is made for the people and not the people for the government. So, if all other governmental units have reached the end of their resources and people still starve, the Federal Government, with unlimited credit, should go to the relief of its suffering citizens and prevent starvation. I think there can be no question in the world about that.

This is not a matter of unemployment, though it is true the condition grows out of unemployment, but this is a question of relieving the suffering, and I hold that is the first duty of government. The Senator from Ohio fears it may increase taxes. Well, God save the mark, suppose it does. Let us increase taxes and get money into the Treasury with which to feed the people who are starving to death. [Manifestations of applause in the galleries.]

The PRESIDING OFFICER. The occupants of the galleries will preserve order.

Mr. FESS. Mr. President, the Senator from Indiana allows his heart to overcome his judgment. In his view there is only one way to proceed, and that is to collect public moneys from the people of the various States, impound them in the Treasury, and then, when anyone is suffering for want of employment, no matter where he may live, and the statement comes that he cannot find employment and the locality will not assist him, the Federal Government must be the almoner. I am perfectly willing for the Senator from Indiana to take that view. It is not my view and it is not a sound view. I will content myself by voting against this measure, which I know does not have the approval of a considerable number of Senators in this body who are voting for it simply because of the use of the term "emergency", thinking that probably when the action is taken it will not need to be repeated. I warn every man who sits here, however, that he is starting now on a policy that will never end.

HOPE FOR A NEW DEAL

Mr. LONG. Mr. President, there is no harmonizing this bill with the economy bill nor with the administration of the banking bill. I am voting for this bill because it is out of harmony with what we have been doing rather than because it is in harmony with what we have been doing.

The economy bill took about $500,000,000 away from people who need it. This bill proposes to give about $500,000,000 to people who need it. We ought not to have passed the economy bill; but, now that we have passed it, it is all the more reason why we should pass this bill.

The Senator from Ohio [Mr. FESS], I hope, is a follower of Abraham Lincoln. At least, he is a follower of Theodore Roosevelt. I think I have heard him say so. If he is, he believes in the funds being drained from the top and dispensed to the people at the bottom. We are going to get this money in due time. I do not think we are going to have to tax the ordinary citizen to get it. We are going to rake the top off some day.

Mr. FESS. Mr. President, will the Senator yield?

Mr. LONG. Yes; I will yield.

Mr. FESS. I think I agree with the Senator in reference to getting the money where it can be gotten. I am in favor of a graduated principle of taxation, making the man pay in accordance with his ability to pay; but I always keep this signal of warning out: Do not go to the extent at the top where you dry up all sources of revenue.

I think the Senator and I disagree on that point. In our effort to get the tax from the top I am willing to do it on a graduated principle. The Senator knows what I mean. I do not want that to go to the extent or to the degree where we get no revenue because we kill the goose that lays the golden egg.

Mr. LONG. I am very happy to hear the Senator make the statement that he believes in going to the top. There is more joy in heaven over one lost soul that returns than over the million that are already there. [Laughter in the galleries.]

I think, Mr. President, that many more of us are having to come to this view. We are going to have to take care of the people at the bottom. The reason why the people at the bottom are suffering is because the entire wealth is at the top. There would be no need of appropriating $500,000,000 to feed the people at the bottom if their life's blood had not been drained off and allowed to accumulate

at the top. Eighty-five percent of our wealth is in the hands of 5 percent of our people, those who have the large fortunes of the country; and the only way that the money can be gotten out of that 85 percent of accumulated wealth is by the United States Government taxing from the top and distributing it to the bottom.

We are going to have to follow that course sooner or later. I hope the Senator from Ohio is correct that this is a departure on a new order and on a new line. I hope it marks the beginning of the Democratic Party keeping its promise to the people to decentralize wealth and to distribute the wealth of this country among the people. If this is a guidepost in that direction, it is a wholesome thing that ought to create joy and gladness and overcome the great suffering that is already in sight as a result of the administration of the banking bill and the so-called "Economy Act".

Mr. GEORGE. Mr. President, I have voted for all of the relief bills so far considered by the Congress. I have stated on other occasions and desire to state again that I have opposed the extension of the powers originally given in the Reconstruction Finance Corporation Act. I think if we stand by the Reconstruction Finance Corporation Act—which on the whole has been well administered—and continue to extend its powers, we may find it necessary to grant larger and larger relief to the people of the United States.

I assume that there is an emergency, and that many cities and even some States in all probability are unable to take care of the actual distress within those cities and States. Assuming that that emergency actually exists, I have no difficulty in supporting any program looking to the relief of the people.

I quite agree with what the Senator from Ohio [Mr. FESS] says, if I interpret his statement correctly, to this extent: It is true that we are very largely responsible for the inability of the States to meet this very condition. Unquestionably the Federal Government and the philosophy which has dominated it for many years are responsible for the inability of the State governments to meet this responsibility.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GEORGE. Just a minute. The truth is that we have gone on the senseless theory that our resources were inexhaustible; that we have duplicated government and every conceivable function of government here in Washington; and consequently we have dried up, not the power of the States to raise revenue but the sources of revenue in the States, so that the American city and the American State, having to support through Federal taxation of one kind and another duplicating functions here in Washington, find themselves unable, in a great crisis like this, actually to care for their own people.

To that extent I am in thorough accord with what the Senator from Ohio [Mr. FESS] has said. Undoubtedly one of the primary causes of our suffering is the heavy burden of taxation which is literally exhausting the American city, the American State, and the Nation as well. The same senseless philosophy that we can stand anything, and that we have an inexhaustible credit, whether you think of the State or of the Nation, will one day make it impossible for the Federal Government to meet the responsibility that it is now called upon to meet, and, in my opinion, justly.

What is the condition in the United States today? The State cannot collect the taxes due it; the cities cannot collect the taxes due them, because the property has become worthless; and one of the reasons why it is worthless is that it will not earn enough to pay the taxes. That is undoubtedly so; but the Federal Government at Washington is more responsible for this condition than the governments of the States.

We have duplicated every conceivable service. The only real service that the Department of Agriculture is rendering the people of this country is being rendered through the State departments of agriculture. I am not speaking of those services that we have placed under the Department of Agriculture which might as well have been placed under some other department; but of what value to the people of the United States are all the research and all the pamphlets and publications and all the findings and all the services of the Department of Agriculture, unless they reach the people through their own State institutions and their own State agencies?

Have we not departments of government that are little more than mere political machines? Is not that one of the primary reasons upon which one can justify some of our executive branches of government—that they furnish jobs, that they are political machines? And we constantly extend the power of particular departments just as we constantly spread out, taking in all of the functions of government, absorbing all of the legitimate activities of the State, consequently exhausting all of the sources of revenue within the State, so that the State in this emergency is not able to meet its responsibility and is not able to care for the want and suffering within that State.

I like to be consistent; and, of course, there is not a great deal of consistency, if we are simply considering a system of philosophy, in taking some $420,000,000 from the veterans one day and appropriating the next day $500,000,000 to feed the hungry and the poor and to care for those who are in want. But one may be a sound philosophy and the other, the present duty and obligation, may be an obligation and a duty that as a Federal Government we ought to be willing to meet today.

I am happy to think that the present Chief Executive understands that we have been duplicating the services of government here in Washington; that we have been needlessly extending the activities of the Federal Government; that we have been needlessly consuming the substance of the people of the States; that he proposes to reorganize the Government in the interest of real economy; and that he proposes so to restrict the Federal activities under normal conditions as to make it possible for the States hereafter, in all ordinary emergencies at least, to meet and discharge their responsibility to their own suffering citizens.

I know that it may not be a case of absolute necessity in all instances, but I must assume that the case of actual necessity does exist in some American cities, perhaps in large sections of some of the States, for help and succor which those cities and those States are not in a position immediately to render. Therefore I have no hesitancy in voting for this measure. I think that the time is ripe, and overripe, for the Congress to exercise some common sense and put a stop to lending the money of the taxpayer to various sorts of enterprises, even if we are providing a little work here and there throughout the country for a small part of our unemployed.

I think I was 1 of the 3 or 4 Senators on this side who voted for a $5,000,000 work program—and no other sort is worth the cost to the American people except an adequate program.

Anything less than adequate is a mere waste of the taxpayers' money. It does not reach the situation. It has been about a year, I think, since a few of us over here voted for a real, worth-while work program; but if we continue to lend money to the railways, if we continue to lend money to the banking institutions, if we continue to lend money to various sorts of enterprises, even though some of those enterprises do put to work a relatively few people, we will bankrupt the Government. The Government here will be precisely in the same condition as the governments of certain American cities and certain American States. There is no escape. There is no source of income that is available to the Federal Government which is not, with some minor exceptions, available also to the States, and if we continue our program of actually drying up the sources of revenue to the States and getting nowhere in meeting the actual problem that is presented in this period of widespread unemployment, certainly we are going to find ourselves practically in the same condition in which the cities and the States find themselves at the present time.

Mr. President, I wished to make this statement because when we had heretofore before us a proposal for a $300,-

000,000 appropriation for relief, coupled with a lot of other things, I voted for the entire bill, because I believed that we should recognize our obligation to take care of the people in the States, and when we had another relief program before us, proposing relief similar to the relief proposed here, or identical with it, although the method of distribution is different, I voted for that, although it had coupled with it provisions for the further exhaustion of the credit of the taxpayers for the United States, not for relief purposes but for the purpose of sustaining institutions and enterprises in the United States. I believe those provisions to be unsound, have always believed them to be unsound, and I believe experience is demonstrating their unsoundness. But I shall vote for the pending bill, because it comes to us stripped of any of those objectionable features which have hitherto accompanied relief proposals considered by the Congress.

Mr. President, the former relief bill did not provide a direct gift, it is true, in form, but the relief was in the form of advances to the States, to be repaid by the States out of future Federal appropriations to the States. I was laboring under no misapprehension in voting for that form of relief. We were merely preserving the letter, but the spirit was not very different from the express purpose of the pending bill. It is true that this particular relief fund might be administered directly through the States, or it might well be administered through the machinery set up in the bill. I do not think that is highly important. In principle, the relief already granted to the States, in the form of advances to the States, to be repaid as I have just indicated, is, to my way of thinking, no different from the relief which we are now called upon to grant.

Mr. President, I know that before men can be put to work the dollar must go to work. I appreciate that fact. The distinguished Senator from Ohio has said that the dollar is not going to work until there is some profitable business in which it can be invested. I do not go that far. I want to say to my friend from Ohio that is the philosophy of the American banker of this present hour. He wants a profitable place in which to invest his money, whatever the Government of the United States may have done for him, when we here did not believe that we were making a very profitable investment, if the sole purpose of the investment was merely to place the banker in a condition of liquidity or solvency.

I think that there will be no real return to a normal, prosperous condition in the United States until we somehow find a banker who has the sense to see that the character of the merchant, the character of the small manufacturer, the character of the professional man, is yet good security if banking is carried on in a sensible, normal way.

When one goes to the bank for money now the banker is likely to say, "We are anxious to make loans, but we cannot make a loan unless the enterprise in which we are asked to put our money is profitable." How will that enterprise become profitable unless the banker helps to make it profitable? Does he not owe some obligation to the business of this country? Is there not some responsibility on the American banker?

Mr. FESS. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. FESS. The Senator stated that he would not go as far as the statement that business must be profitable in order to employ labor. That may be the wrong thing for business to do, but, unfortunately, that is precisely what business does, and unless there is some promise of profit I do not think, whether it is right or wrong, there is going to be very much employment of labor.

Mr. GEORGE. The Senator is quite right; that is precisely what business is doing, and that is precisely what our bankers are doing. I am not, of course, including within the term "banker" all of the bankers of this country, but I do contemplate those bankers who control our system very largely. There is but one form of credit, and the Federal Reserve System is largely responsible for that psychology in this country today. If a man has securities of the Government, he is entitled to credit; but whatever his character, his industry, his initiative, his enterprise, his courage, there can be no investment by the banking group, because, as the Senator correctly says, they must first find a profitable business before they are willing to meet the ordinary and legitimate and reasonable and conservative demands of business.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. BARKLEY. Not by way of defending the bankers, but simply as a matter of fact, is it not true that every banker who is approached by anybody in the community for a loan must not simply consider what he would do with his own money but primarily must consider what he is going to do with other people's money?

Mr. GEORGE. Yes.

Mr. BARKLEY. Because, after all, it is other people's money he is lending; and in order to induce him to invest other people's money in a loan, must he not exercise sufficient caution to reach a reasonable determination that the loan will be repaid, and that the enterprise in which the money is to be put to work will be sufficiently profitable to guarantee repayment, so that he may meet his obligations to the depositors? And does not that bring us to the point where we must in some way, whether by legislation or by Executive policy, or by some combination of both, together with the cooperation of the public, bring about a revival of confidence among the people, so that they will feel that their business enterprises will be sufficiently profitable to enable them to repay what they borrow from the banks?

Mr. GEORGE. Of course, what the Senator says is quite right; but that is the philosophy also of Mr. Mitchell, one of the New York banking group, that he is handling not alone the money of himself but that he is handling the money of his depositors.

I have no objection to caution, and I have no objection to care in banking; on the contrary, I think we have had too much loose banking, and in that respect I agree with the Senator. But to lay it down as a hypothesis that the enterprise must first be profitable before the banks can afford to make a loan to it, that is, profitable beyond all question of doubt, that is to say, can offer the only form of security upon which credit can be placed, and we have come to that, practically, that is, the security of the Government itself, is simply to stop the wheels of progress, and is to make it impossible to have a profitable business again in the United States.

Mr. BARKLEY. I agree with the Senator, but I know he does not mean to condemn the banking fraternity of this country by hurling at them the name "Mitchell". Mitchell's transactions were not in the field or realm of legitimate banking. He used other people's money in a way not permitted by sound banking, and in order that he himself might profit out of it, and he has to come to a very deserved fall in the estimation of the American people. But the Senator, I am sure, does not need to imply that the caution of bankers in this emergency, in looking over the prospects of any borrower, is to be in any way compared with the illegal transactions of Charles E. Mitchell.

Mr. GEORGE. Oh, no; I do not.

Mr. BARKLEY. The Senator did not want to leave that impression, I am sure.

Mr. GEORGE. No; I did not, and I said in prefacing what I had to say about the banks, that I did not include all the bankers in the United States, not by any means; but I do refer to those bankers who control our system of banking.

I want to make another statement now. Since we are on the subject, we might as well discuss it. This Government has done very nearly everything that can be done for our banks. Certainly it has done everything that can be done with safety for our banks. We have granted almost any power that seemed to be reasonable and defensible in order to help the banks in this emergency. We have said that the

banks are again open. Are they open for the single purpose of drawing through the pipe lines we have constructed the balance of the money of the American taxpayer, or are they also open to meet the legitimate and conservative demands of honest and courageous Americans?

This question of banking does not involve the mere lending of money upon the one form of security, to wit, Federal bonds or securities, to which despicable doctrine we have come, largely under the domination of the Federal Reserve banks as they have been controlled; and unless we can break away from it we may do something very much more radical than we have yet attempted in this Congress.

Mr. President, we have had in the United States banking by junior vice presidents, literally so. They have speculated; they have indulged in the manipulation of securities; they have departed from legitimate banking. All that is true, but there is something different now. We have the banking system with every privilege extended to it which a conservative government can legitimately give to that system. But we have that system today restricting credit to but one form of security, with minor exceptions, and that cannot go on. Not only will we grant relief in those States which have been exhausted of their resources through the improper duplication of functions of government and encroachment by the Federal Government upon the legitimate field of State activity, but the people of the United States will be served by some form of banking.

I do not go away from Washington often to make speeches, but I did go up into the State of New York some 4 or 5 years ago to speak to a group of New York bankers. I said to them what I am now saying, that if they did not understand the imperative necessity of furnishing credit not alone in the first commercial and industrial centers, but back in the communities where the raw wealth of the Nation is created, the people of the United States would make Government do it. The next morning some of the papers in New York intimated that I was exceedingly radical. The things they said were not altogether complimentary.

I want to repeat that statement: If the banking system which we have built up does not understand and appreciate the necessity of furnishing credit where credit may be legitimately extended and upon security which is safe, not alone upon a Government bond or some form of Government security, not only in the great industrial centers—whatever may be said about a unified system of banking—our banks must be prepared to accept the decision of the American people to have some form of credit and some form of service. The Government will go further and further into business. We may regret it, we may all deplore it, but nevertheless we will not escape it.

Mr. FESS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Ohio?

Mr. GEORGE. I yield.

Mr. FESS. I think there is an enormous amount of force in the last statement the Senator made. Every movement that has been made in either House in reference to assisting the banks has been in the interest of the depositor. After the Government assists the banks, if the management takes the view that the depositor is to have no relief, we will be forced ultimately, unless we abandon the whole banking idea, to the point where the Government must either make some guaranty of deposits or else go into the banking itself for the protection of the depositors.

Mr. GEORGE. The Senator is thinking of protecting the depositors and I quite agree with him in his general statement. I think there is no question that we may be driven into some very unsound practices. But the point I am trying to make and what I am trying to say is that if a condition of actual want and suffering exists in any State which cannot be met, that the State is not alone responsible for that condition and we cannot discharge our obligation by asserting that relief is a State function. I have tried to point out some of the reasons which I think have a legitimate bearing upon that general statement.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Kentucky?

Mr. GEORGE. Certainly.

Mr. BARKLEY. Of course on the surface it looks as though we are in an anomalous situation where we are compelled to admit that practically all of the 48 States are incapable of meeting the demands upon them for relief while at the same time the Federal Government is called upon to raise from those 48 States the necessary funds to do that same thing. The Federal Government has no place to raise money except from the people in the States. Of course we realize that necessity, and we realize also that under the form of government in some of the States, by reason of constitutional provisions and restrictions and inhibitions that have been thrown around the expenditure of money and the power of legislatures over a period of many years, many of them are legally and constitutionally unable to do what financially probably they could do if they were able to act. This emergency has no doubt brought to the attention of the country the necessity for probably liberalizing the laws of some of the States in order that they may hereafter take advantage of their power to do locally what we are enabling them to do by our own provisions for raising money. Has the Senator given any thought to that matter?

Mr. GEORGE. No; I have not, except in a very general way.

Mr. BARKLEY. Of course it does not meet or solve our present situation to talk about it.

Mr. GEORGE. Of course I know some States are hampered by constitutional provisions and restrictions without which they probably would be enabled more easily to meet their obligations to their citizens. But I think those restrictions in the long run have been helpful. I do not include all of them, of course, but on the whole they have been helpful to the people of the States.

Mr. BARKLEY. I agree with the Senator.

Mr. GEORGE. I think the primary responsibility is in the senseless assumption that we can extend and constantly extend Federal functions, drying up the resources of the States to the point where property ceases to be of value in an emergency like this, because it will not earn taxes, and I think that is certainly a reason why we should be glad to meet our obligations and take care of an actual condition of need when it is found to exist in a State, whatever may have been the cause of the need.

Mr. BARKLEY. Of course, we all realize also that in spite of those constitutional and statutory inhibitions many of the local governments have gone so very far in the extension of their indebtedness and in the increase of their expenses as to contribute very materially to their inability now to take care of the existing situation.

Mr. GEORGE. Undoubtedly. The bad example of the Federal Government has been followed in all of the States and a great many municipalities. There is no question about that.

Mr. President, I expected to say only what I said in the beginning, that I would gladly vote for the relief proposal, particularly because it is stripped of other proposals which I believe to be essentially unsound. I have no difficulty at least in finding reasons which I believe to be consistent with sound policies of government upon which to base my vote in support of the bill as a relief measure in this emergency.

The PRESIDING OFFICER. The bill is still open to amendment. If there be no further amendment, the question is, Shall the bill be engrossed and read a third time?

Mr. McNARY. Mr. President, I desire to suggest the absence of a quorum before the final vote is taken.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Barkley	Bulkley	Carey
Austin	Black	Bulow	Connally
Bachman	Bone	Byrnes	Coolidge
Bailey	Borah	Capper	Copeland
Bankhead	Brown	Caraway	Costigan

Couzens	Hayden	Murphy	Shipstead
Dickinson	Hebert	Neely	Smith
Dieterich	Johnson	Norris	Steiwer
Dill	Kean	Nye	Stephens
Duffy	Keyes	Overton	Thomas, Utah
Fess	La Follette	Patterson	Trammell
Frazier	Lonergan	Pope	Tydings
George	Long	Reynolds	Vandenberg
Goldsborough	McCarran	Robinson, Ark.	Van Nuys
Gore	McGill	Robinson, Ind.	Wagner
Hale	McKellar	Russell	Walcott
Harrison	McNary	Schall	Walsh
Hatfield	Metcalf	Sheppard	White

Mr. BLACK. I wish to repeat my announcement that the Senator from New Mexico [Mr. BRATTON] is necessarily absent.

I also announce that the senior Senator from Virginia [Mr. GLASS] is unavoidably detained.

The VICE PRESIDENT. Seventy-two Senators having answered to their names, a quorum is present. The question is, Shall the bill be engrossed and read a third time?

The bill was ordered to be engrossed and to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

Mr. McNARY. Let us have the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. LA FOLLETTE (when Mr. CUTTING's name was called). I desire to announce the unavoidable absence of the junior Senator from New Mexico [Mr. CUTTING]. If present, he would vote "yea."

Mr. BARKLEY (when Mr. LOGAN's name was called). My colleague the junior Senator from Kentucky [Mr. LOGAN] is unavoidably detained on account of official business. He is paired with the junior Senator from Pennsylvania [Mr. DAVIS], who is absent on account of illness. If my colleague were present and permitted to vote, he would vote "yea."

Mr. DIETERICH (when Mr. LEWIS' name was called). My colleague the senior Senator from Illinois [Mr. LEWIS] is detained on account of illness. If present and voting, he would vote "yea."

Mr. McKELLAR (when his name was called). On this vote I have a general pair with the junior Senator from Delaware [Mr. TOWNSEND]. I transfer that pair to the junior Senator from Missouri [Mr. CLARK] and vote "yea."

Mr. ROBINSON of Arkansas (when his name was called). I have a pair with the Senator from Pennsylvania [Mr. REED], which I transfer to the Senator from Illinois [Mr. LEWIS], who is unavoidably absent, and will vote. I vote "yea."

The roll call was concluded.

Mr. BANKHEAD. I have a general pair with the senior Senator from Vermont [Mr. DALE]. I transfer that pair to the senior Senator from Virginia [Mr. GLASS] and vote "yea."

Mr. HEBERT. I desire to announce that the junior Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness.

I wish also to announce that the Senator from Delaware [Mr. TOWNSEND] has been called from the Senate on official business. If present, on this question he would vote "nay."

I desire further to announce the absence of the senior Senator from Delaware [Mr. HASTINGS]. I am informed that he has a pair with the senior Senator from Florida [Mr. FLETCHER], and that if he were present the senior Senator from Delaware would vote "nay" on the passage of the bill, and the Senator from Florida [Mr. FLETCHER] would vote "yea."

I wish also to announce that the Senator from Vermont [Mr. DALE] and the Senator from Pennsylvania [Mr. REED] are necessarily absent.

I also desire to announce that the Senator from New Jersey [Mr. BARBOUR] is paired with the Senator from California [Mr. McADOO]. If present, the Senator from New Jersey would vote "nay", and I am advised that the Senator from California would vote "yea."

Mr. STEIWER (after having voted in the affirmative). Upon this vote I have a pair with the senior Senator from New Mexico [Mr. BRATTON]. I understand, however, that had he been present he would have voted as I have voted, and I will therefore permit my vote to stand.

Mr. BLACK. I desire to announce that the Senator from Nevada [Mr. PITTMAN], the Senator from Utah [Mr. KING], the Senator from Missouri [Mr. CLARK], the senior Senator from Montana [Mr. WHEELER], the junior Senator from Montana [Mr. ERICKSON], the Senator from Wyoming [Mr. KENDRICK], the Senator from Virginia [Mr. BYRD], the Senator from Arizona [Mr. ASHURST], the Senator from Oklahoma [Mr. THOMAS], the Senator from Florida [Mr. FLETCHER], the Senator from Illinois [Mr. LEWIS], the Senator from Kentucky [Mr. LOGAN], and the Senator from California [Mr. McADOO] are detained from the Senate on official business.

The result was announced—yeas 55, nays 17, as follows:

YEAS—55

Adams	Coolidge	Long	Schall
Bachman	Copeland	McCarran	Sheppard
Bankhead	Costigan	McGill	Shipstead
Barkley	Couzens	McKellar	Smith
Black	Dieterich	Murphy	Steiwer
Bone	Dill	Neely	Stephens
Borah	Duffy	Norris	Thomas, Utah
Brown	Frazier	Nye	Trammell
Bulkley	George	Overton	Tydings
Bulow	Harrison	Pope	Vandenberg
Byrnes	Hayden	Reynolds	Van Nuys
Capper	Johnson	Robinson, Ark.	Wagner
Caraway	La Follette	Robinson, Ind.	Walsh
Connally	Lonergan	Russell	

NAYS—17

Austin	Goldsborough	Kean	Walcott
Bailey	Gore	Keyes	White
Carey	Hale	McNary	
Dickinson	Hatfield	Metcalf	
Fess	Hebert	Patterson	

NOT VOTING—23

Ashurst	Dale	Kendrick	Pittman
Barbour	Davis	King	Reed
Bratton	Erickson	Lewis	Thomas, Okla.
Byrd	Fletcher	Logan	Townsend
Clark	Glass	McAdoo	Wheeler
Cutting	Hastings	Norbeck	

So the bill was passed.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to.

REPORTS OF COMMITTEES

The VICE PRESIDENT. Reports of committees are in order.

Mr. GORE. From the Committee on Interoceanic Canals, I report favorably the nomination of Lt. Col. Julian L. Schley, Corps of Engineers, United States Army, to be Governor of the Panama Canal.

The VICE PRESIDENT. Are there further reports of committees?

HOME LOAN BANK BOARD—C. B. MERRIAM

Mr. BULKLEY. From the Committee on Banking and Currency, I report favorably the nomination of C. B. Merriam, of Kansas, to be a member of the Home Loan Bank Board, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection?

Mr. McGILL. Mr. President, I do not object to the consideration of the nomination, but I merely want to make a brief statement.

The VICE PRESIDENT. The Chair recognizes the Senator from Kansas for that purpose.

Mr. McGILL. It appears, Mr. President, that some of the members of the Democratic Party in my State have a misunderstanding with reference to this nomination by the President; in other words, it appears that some of them are of the opinion that this is an appointment peculiarly belonging to the State of Kansas and that a Democrat rather than a Republican should have been appointed. This nomination is one that might have gone to any State in the

Union, as I understand, and, under the law, it was necessary that a Republican should be appointed.

I should like on this occasion, for the purposes of the record, and in order to make my position clear, to read a telegram which I have received from a prominent member of the Democratic Party in the State of Kansas, which is as follows:

Leading Democrats here resent the appointment of C. B. Merriam, of Topeka, to important position under Democratic administration. Wish to know reason for handing the first good position to prominent Republican when so many qualified Democrats are available.

I will now read my answer to that message. But first let me say that I am not reading this correspondence in order to advise the Senate but in order that the record may be clear, from my standpoint, with the members of my party in my State. My answer to that telegram was as follows:

The Federal Home Loan Bank here in Washington is a bipartisan board and is not Kansas State patronage, the President being under no obligation to appoint anyone from Kansas. I therefore have no way of controlling the matter of which State shall be accorded either the Republican or Democratic appointments on this National Board. Mr. Merriam was appointed to fill a Republican vacancy on the Board. I did not recommend Mr. Merriam, and his appointment was made without consultation with me.

So far as I am concerned, Mr. President, and so far as are concerned the members of the Democratic Party residing in Kansas with whom I have conferred who are acquainted with Mr. Merriam, there is no objection to his appointment or confirmation to this position as a Republican member of the Board.

I merely wanted to put this statement in the RECORD in order that citizens of the State of Kansas might be made aware of my position and attitude concerning the matter.

The VICE PRESIDENT. Is there objection to the present consideration of the nomination? The Chair hears none, and without objection, the nomination is confirmed.

Mr. BULKLEY. Mr. President, until this confirmation shall be completed the Home Loan Bank Board will be without a quorum. I therefore ask unanimous consent that the President may be notified of the confirmation of the nomination.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the President will be notified.

THE CALENDAR

The VICE PRESIDENT. The calendar is in order. The clerk will state the first business on the calendar.

The CHIEF CLERK. Treaty (Ex. C, 72d Cong., 3d sess.) between the United States and the Dominion of Canada for the completion of the Great Lakes-St. Lawrence deep waterway, signed on July 18, 1932.

Mr. ROBINSON of Arkansas. I ask that the treaty go over.

The VICE PRESIDENT. The treaty will be passed over.

GOVERNOR OF ALASKA

The Chief Clerk read the nomination of John W. Troy, of Alaska, to be Governor of Alaska.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of Robert G. McGregor, Jr., to be secretary in the Diplomatic and Foreign Service.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Peter H. A. Flood to be secretary in the Diplomatic and Foreign Service.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of George M. Graves to be secretary in the Diplomatic and Foreign Service.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Robert Lacy Smyth to be secretary in the Diplomatic and Foreign Service.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Harold B. Quarton to be consul general.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Ernest L. Ives to be consul general.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

FEDERAL RADIO COMMISSION

The Chief Clerk read the nomination of James H. Hanley to be a member of the Federal Radio Commission for the unexpired term of 6 years from February 24, 1930.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nomination is confirmed.

Mr. DILL. Mr. President, I ask unanimous consent that the President be notified of the confirmation of Mr. Troy as Governor of Alaska, and of Mr. Hanley as a member of the Federal Radio Commission.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the President will be notified. That completes the calendar.

MESSAGE FROM THE HOUSE

The Senate resumed legislative business.

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 598) for the relief of unemployment through the performance of useful public work, and for other purposes, and it was signed by the Vice President.

VALUATION OF THE GREENBACK

Mr. ROBINSON of Arkansas obtained the floor.

Mr. FESS. Mr. President, will the Senator yield to me for a moment?

Mr. ROBINSON of Arkansas. I yield.

Mr. FESS. Mr. President, several inquiries have come to me from various sources as to how low the greenback dollar fell in value and when it reached par. I have a statement from the Treasury Department giving the range of values of the greenback dollar from 1862 to 1878, including the day before specie payments were resumed. The lowest point reached was 38.7 cents and the highest was 99.9 cents. The day before specie payments were resumed the value was within one tenth of 1 cent of a dollar. I ask to have this table prepared by the Treasury Department inserted in the RECORD for general information.

The VICE PRESIDENT. Is there objection?

Mr. NORRIS. Mr. President, we were unable to hear what the Senator's request was. I wish he would turn around and repeat it so that we may hear it.

Mr. FESS. I was stating to the Senate the value of the greenback dollar from 1862 to 1878, and I ask to have the table put in the RECORD.

Mr. NORRIS. Has the Senator got the figures showing also variation in the gold dollar during that time?

Mr. FESS. I have, but I did not ask for that.

Mr. NORRIS. I ask the Senator to include in his request the range of the gold dollar as well as of the greenback dollar. If he will do that I have no objection.

Mr. FESS. If the Senator objects I will not make the request.

Mr. NORRIS. I ask unanimous consent to put them both in the RECORD—both the variation of the gold dollar and the variation of the greenback dollar as well.

The VICE PRESIDENT. Is there objection?

Mr. FESS. Reserving the right to object, I should like to know who has the figures as to the range of the gold dollar.

Mr. NORRIS. The Senator said he had, and I am taking him at his word.

Mr. FESS. No, no; I have the currency value of gold.

Mr. NORRIS. The Senator said he had it there, but he was not offering it.

Mr. FESS. Oh, no; I have not it. I have simply the range of the value of the greenback dollar.

Mr. NORRIS. I asked the Senator that question, and I thought he answered it in the affirmative.

Mr. FESS. I misunderstood the Senator.

Mr. NORRIS. If the Senator has not anything else there, I will withdraw my objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Ohio? The Chair hears none.

The matter referred to is as follows:

Table showing the average value in gold of $100 in currency in the New York market, by months, from Jan. 1, 1862, to Dec. 31, 1878, both inclusive

Periods	1862	1863	1864	1865	1866	1867	1868	1869	1870	1871	1872	1873	1874	1875	1876	1877	1878
January	97.6	68.9	64.3	46.3	71.4	74.3	72.2	73.7	82.4	90.3	91.7	88.7	89.7	88.9	88.6	94.0	97.9
February	96.6	62.3	63.1	48.7	72.3	72.8	70.7	74.4	83.7	89.7	90.7	87.6	89.1	87.3	88.2	94.8	98.0
March	98.2	64.7	61.4	57.5	76.6	74.1	71.7	76.2	88.8	90.1	90.8	86.6	89.2	86.6	87.5	91.4	98.8
April	98.5	66.0	57.9	67.3	78.6	73.7	72.1	75.2	88.4	90.4	90.0	84.9	88.2	87.1	88.5	94.2	99.4
May	96.8	67.2	56.7	73.7	75.9	73.0	71.6	71.8	87.2	89.7	88.0	85.0	89.9	86.3	88.8	93.5	99.3
June	93.9	69.2	47.5	71.4	67.2	72.7	71.4	72.4	88.6	89.0	87.8	85.8	90.0	85.4	88.9	94.9	99.2
July	86.6	76.6	38.7	70.4	66.0	71.7	70.1	73.5	85.6	89.0	87.5	86.4	91.0	87.2	89.4	94.8	99.5
August	87.3	79.5	39.4	69.7	67.2	71.0	68.7	74.5	84.8	89.0	87.4	86.7	91.2	88.1	89.9	95.2	99.5
September	84.4	74.5	44.9	69.5	68.7	69.7	69.6	73.1	87.1	87.3	88.1	88.7	91.2	88.4	90.9	96.8	99.6
October	77.8	67.7	48.3	68.7	67.4	69.7	72.9	76.8	88.7	88.3	88.3	91.8	91.0	85.9	91.2	97.3	99.5
November	76.3	67.6	42.8	66.0	69.5	71.6	74.4	79.2	89.8	89.9	88.6	92.1	90.2	87.2	91.7	97.3	99.8
December	75.6	66.2	44.0	68.4	73.2	74.2	74.0	82.3	90.3	91.5	89.1	90.9	89.6	87.8	92.6	97.3	99.9

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 4 o'clock and 31 minutes p.m.) the Senate took a recess until tomorrow, Friday, March 31, 1933, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 30 (legislative day of Mar. 13), 1933

FOREIGN SERVICE

SECRETARIES IN THE DIPLOMATIC SERVICE

Robert G. McGregor, Jr. George M. Graves.
Peter H. A. Flood. Robert Lacy Smyth.

CONSUL GENERALS

Harold B. Quarton.
Ernest L. Ives.

MEMBER OF THE FEDERAL RADIO COMMISSION

James H. Hanley to be a member of the Federal Radio Commission.

MEMBER OF THE FEDERAL HOME LOAN BANK BOARD

C. B. Merriam to be a member of the Federal Home Loan Bank Board.

GOVERNOR OF ALASKA

John W. Troy to be Governor of Alaska.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 30, 1933

The House met at 12 o'clock noon.

The Reverend Clifford H. Jope, pastor, Ninth Street Christian Church, offered the following prayer:

Gracious Father, we are thankful for that sense which drives us to seek Thy favor in every important undertaking. Today, at the opening of significant deliberation in this Chamber, we implore Thy divine leadership, as unmistakable and definite as "the pillar of cloud by day and the pillar of fire by night." May Thy presence be our guide, giving us inward calm, when we are to tread in an unfamiliar road. Give us holy courage, that we may not be daunted by any foe or turn aside from our appointed task. May we find our delight in such things as please Thee. Keep us from excess of fear, doubt, and love of self; and by Thy love and pardon let us abide in peace. May Thy choicest favor rest upon the executive, legislative, and judicial leaders of this Nation and all those who labor for the people's highest good. Keep us every day till Thou shalt keep us evermore. In the Master's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

PERMISSION OF COMMITTEE ON THE JUDICIARY TO SIT DURING THE SESSION OF THE HOUSE

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have permission to sit today during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

There was no objection.

APPOINTMENT OF MEMBERS TO COMMITTEES

Mr. SNELL. Mr. Speaker, I offer a resolution (H.Res. 87) and ask for its consideration.

The Clerk read the resolution, as follows:

House Resolution 87

Resolved, That CHARLES M. BAKEWELL, of Connecticut, be, and is hereby, elected a member of the standing Committee on Education of the House of Representatives.

The resolution was agreed to.

Mr. DOUGHTON. Mr. Speaker, I offer a privileged resolution (H.Res. 88) and ask its immediate consideration.

The Clerk read as follows:

House Resolution 88

Resolved, That the following Members be, and they are hereby, elected members of the following standing committees of the House of Representatives, to wit:

Foreign Affairs: MARTIN A. BRENNAN, Illinois; LAWRENCE E. IMHOFF, Ohio.

Agriculture: SANTIAGO IGLESIAS, Puerto Rico.

Insular Affairs: WILLIAM H. LARRABEE, Indiana; SANTIAGO IGLESIAS, Puerto Rico.

Education: KATHRYN O'LOUGHLIN MCCARTHY, Kansas; FRANK GILLESPIE, Illinois.

District of Columbia: THEO. B. WERNER, South Dakota; JAMES G. SCRUGHAM, Nevada.

Roads: FRANK GILLESPIE, Illinois.

The resolution was agreed to.

GRAIN, STRAW, ETC., AS SUBSTITUTE FOR MOTOR FUEL

Mr. ADAMS. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes, not to make a speech, but to present a resolution.

The SPEAKER. Is there objection to the request of the gentleman from Delaware [Mr. ADAMS]?

There was no objection.

Mr. ADAMS. Mr. Speaker, I have asked for this time to present a resolution passed by the State of Delaware, which embraces the district which I have the honor to represent. The resolution is as follows:

Whereas science has recently developed a process by which grain, straw, and other similar agricultural products may be utilized to produce a substitute or ingredient for a motor fuel; and

Whereas if such process is given wide-spread use it will tend to alleviate in measure the distress which is prevalent at the present time with our farmers, inasmuch as our farmers will be able to dispose of their excess and surplus crops thereby, all of which will help to give the agricultural sections greater purchasing power, and thereby help to end the depression; and

Whereas it appears that the problem is one of national scope and one that properly belongs in the jurisdiction of the National Congress: Now, therefore, be it

Resolved by the Senate and House of Representatives of the State of Delaware in General Assembly met, That the National Congress

be, and it is hereby, memorialized to give such aid and impetus as is necessary and fitting to promote the use of the process which utilizes the grain, straw, and other agricultural products in producing a substitute or ingredient for gasoline or motor fuel.

MEDICINAL LIQUORS

Mr. SABATH. Mr. Speaker, I call up the resolution (H.Res. 86) and ask its immediate consideration.

The Clerk read as follows:

House Resolution 86

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 562, an act relating to the prescribing of medicinal liquors.

That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. BLANTON. Mr. Speaker, this rule that is called up is certainly in the hands of its friends. All of the 1 hour of time on the rule is controlled by the strong wet advocates of this bill. That is not a fair division of time.

Mr. SABATH. Mr. Speaker, I yielded for a question but not for a statement.

Mr. BLANTON. I want to ask my friend if he does not think under those circumstances at least one half of the time for general debate that is to be devoted to this bill in the Committee of the Whole House on the state of the Union should be controlled by somebody who is against it?

Mr. SABATH. I have no objection, if the opposition desires to utilize half of the time.

Mr. BLANTON. Will not the gentlemen have the rule changed so that the time in opposition to the bill shall be controlled by those who are against the bill and not by those who are for it?

Mr. SABATH. I feel there will be no objection on the part of the gentleman on the other side to yielding to those who are opposed to the bill.

Mr. BLANTON. Oh, but there ought to be an equal division of time controlled by those who are opposed to the bill, to be yielded at will to opponents of the bill, under the fair rules of debate. I want to go along with the gentleman, as far as I can consistently, to expedite the time of the House. I know there is no reason on earth why any of us who oppose this bill should think we could stop the passage of this whisky measure, but those of us who are against it, who are unalterably opposed to putting the Government into the liquor business, want to be heard before doctors and drug stores are allowed to furnish whisky in unlimited quantities to everybody who is financially able to pay cash for it.

Mr. CELLER. Mr. Speaker, the regular order.

Mr. BLANTON. Oh, the gentleman from New York cannot rush things by calling for the regular order. We must have an understanding. Will the gentleman from Chicago see that I get some time?

Mr. SABATH. I will see that the gentleman gets such reasonable time as he may desire.

Mr. BLANTON. That is all I ask.

Mr. MARTIN of Massachusetts. Will the gentleman from Texas tell us how much time he wants?

Mr. BLANTON. I desire 10 minutes on the rule.

Mr. MARTIN of Massachusetts. I will give the gentleman from Texas 10 minutes on the rule.

Mr. SABATH. Does the gentleman from Massachusetts desire some time on the rule?

Mr. MARTIN of Massachusetts. All the time we require on the rule is enough to satisfy the needs of the gentleman from Texas.

Mr. BLANTON. I want 10 minutes on this rule. Before doctors are authorized by this bill to sell unlimited prescriptions for whisky at $3 per, and before drug stores are allowed to sell whisky at $4 per pint in unlimited quantities, I want time to register my protest against it.

Mr. SABATH. Mr. Speaker, I myself do not desire to take up much time. This is a liberal rule, something unusual for these times, unlike some of the other rules we have been obliged to bring in.

This bill makes in order Senate bill 562, which was unanimously passed by that body yesterday, and which is identical to the bill passed by the House in the last session of Congress.

This rule permits the bill to be taken up under the 5-minute rule, and 30 minutes a side is allowed for general debate. While the bill is being taken up under the 5-minute rule, those Members desiring to offer amendments will have the opportunity to do so. Members have complained bitterly that heretofore they have had no opportunity to offer amendments. This rule permits amendment.

As I stated, this bill was unanimously passed by the Senate and passed by the House in the last session by a tremendous vote.

This bill is intended to accomplish three purposes:

First. To enable a person in need of liquor because of disease, injury, or other disability, to obtain it in such quantities as are medically indicated.

Second. To insure to patients for whom medicinal liquor is needed secrecy concerning the ailments from which they suffer.

Third. To simplify prescribing, thereby saving approximately $110,000 a year to the Government.

The ends named are to be accomplished without weakening the control of medicinal liquor by the Government.

To enable patients to obtain necessary medicinal liquor the bill proposes to strike out of the National Prohibition Act as supplemented and amended all statutory limits on the quantity of liquor that may be prescribed and the number of prescriptions that may be issued, and to insert in lieu thereof, "no more liquor shall be prescribed to any person than is necessary to supply his medicinal needs."

An estimated saving of approximately $110,000 a year is to be effected by discontinuing the use of the present official prescription blanks, which cost the Government about $125,000 a year, and substituting for them stamps, to be used in authenticating physicians' lawful prescriptions, which will cost the Government from $10,000 to $15,000 a year.

With the exception of the gentleman from Texas [Mr. BLANTON] I do not know of anyone who is opposed to it. Therefore, I shall not take up the time of the House, especially since the day is so beautiful and since some of the Members have very important appointments out of doors. I feel that after these days of struggle and strife they are entitled to a little rest and to an opportunity to inhale some of the invigorating air.

I yield to the gentleman from Texas [Mr. BLANTON] the 10 minutes that have been agreed upon by the gentleman from Massachusetts.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 562. An act relating to the prescribing of medicinal liquors.

Mr. BLANTON. Mr. Speaker, this message from the Senate has just brought over the bill from the other end of the Capitol.

Mr. SABATH. That is the reason I took up the time.

Mr. BLANTON. Under a special rule from the Rules Committee we are to take up a bill—in fact, we already had taken up a bill—that had not yet been messaged over from the Senate. That is some speed for our wet friends. This bill passed the Senate yesterday without even the floor leader knowing what was going on. It was called up by consent and passed without debate in the twinkling of an eye. After it had passed, the floor leader demanded that someone

should make a brief explanation of the bill, and he was informed that the bill had already passed. No such bill is going to pass this House without the people's knowing about it.

We have a rule here under which all the time on the rule is controlled by those in favor of this bill, and if it were not for the generous courtesy of my good friend from Illinois [Mr. SABATH], whom, in spite of his wet ideas, all of us drys love, if it were not for his kindness we would not have any time.

Under the rule all the time on our Democratic side is to be controlled by our friend from New York [Mr. CELLER], who is sponsoring the bill. Not a dry can yield 1 minute of time on this rule to a dry; not one. Is this fair?

Mr. BOYLAN. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. BOYLAN. The gentleman has his time. What is he hollering about?

Mr. BLANTON. Oh, well, I want fairness. I want an equitable division of time in debate.

I want fairness in the great House of Representatives. There should always in debate here be a fair division of time.

Mr. MARTIN of Massachusetts. Does not the gentleman know that the gentleman from Pennsylvania [Mr. KURTZ], who is to control the time on our side, is a dry?

Mr. BLANTON. Certainly he is, and with it he is a splendid gentleman; but he has no time on this rule.

There ought to be somebody here to oppose the bill in charge of half the time on this rule on the dry side who has half of the time to yield.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Just one minute; I want to use myself what little time the gentleman so generously gave me.

This is not a question of alcoholic content over which there might be some scientific diversity of opinion. This is a question of hard liquor. This is a question of rye whisky. This is a question of liquor about the intoxicating effect of which there is no controversy. This is about liquor that will intoxicate, and you are providing that it can be handed out in drug stores by wet doctors in every dry State of this Union. There is not a single dry State in this Union that is protected under this bill. There has been a terrible scandal in the States already under the old law.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. BANKHEAD. Does the gentleman think he is accurate in stating this bill will give unrestricted power to physicians to issue prescriptions in dry States?

Mr. BLANTON. Why will it not do just that?

Mr. CELLER. Mr. Speaker, will the gentleman yield to permit me to answer his question?

Mr. BLANTON. Yes.

Mr. CELLER. The States have a perfect right to pass their own enactments precluding the issuance of prescriptions. More than 12 States now preclude them.

Mr. BLANTON. It is ridiculous to say that we will pass a bill that will put liquor in every single corner of every dry State, and then let the Government force the people of the States to the extra expense of calling the legislatures into session to pass laws to stop the effects of such a bill. We ought to protect them in this bill.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I am afraid I cannot yield.

Mr. O'CONNOR. We will get the gentleman some more time.

Mr. BLANTON. Get me 10 minutes more and I will answer every question you wet Members want to ask me. Get me 3 minutes more and I will yield. Otherwise, I want to use my own time.

I want to ask you this: Are you in favor of nullifying the Constitution?

Under the old law, even in my own dry State, physicians have signed prescriptions in blank and left them in drug stores and men have gone there and gotten them without even seeing a physician simply by paying $3 for the prescription and $3 to $4 for the pint of whisky. It has been a scandal. This has been true in many of the dry States in this Nation; and you know what will happen under this bill. Prescriptions will be granted to the sons of the idle rich; they will get their whisky whenever they want it, having the money to pay for it. They will pay their doctor $3 a prescription and they will pay $4 and $5 a pint for it at the drug stores; they will stick it in their hip pockets and have it at every social function in the United States, and you know it. Why do you want to pass this bill?

Mr. KNUTSON. It only costs $2.

Mr. BLANTON. It sells higher than $2 in certain portions of the country.

Mr. KNUTSON. In Minnesota it is only $2.

Mr. BLANTON. Oh, everything is cheap in Minnesota. [Laughter.]

Mr. McFARLANE. Will the gentleman yield?

Mr. BLANTON. I yield to my friend.

Mr. McFARLANE. Dr. Rosser, past president of the State Medical Association of Texas, in January of this year in substance made the statement before a large gathering of people in Dallas that liquor is not necessary in the treatment of any of the human ailments.

Mr. BLANTON. Oh, but you cannot make our thirsty friends here in the House admit that. What would Dr. O'CONNOR do if he were prescribing and the thirsty were to go to him for liquor? He would prescribe a dozen bottles every few hours. What would Dr. SABATH do? You could get all the liquor you wanted from Dr. SABATH. You could get every single pint of liquor you wanted from Dr. CELLER. They would not hesitate to let you have barrels of it if you needed it. And if you were thirsty, they would say you needed it.

Mr. SABATH. What about Dr. SIROVICH?

Mr. BLANTON. Dr. SIROVICH would bathe you in it. He would feed it to the American babies instead of milk.

Mr. SIROVICH. Will the gentleman yield for a question?

Mr. BLANTON. Certainly.

Mr. SIROVICH. I want to tell my distinguished friend that while I have been a physician for 25 years, since the prohibition law went into effect——

Mr. BLANTON. Look out; you are going to make a dangerous admission.

Mr. SIROVICH. While I have the right to fill out 100 prescriptions every month, as has every physician in the United States, I never gave one in my life, and the records of the Prohibition Department will show that Dr. SIROVICH'S name has never appeared once on any liquor prescription.

Mr. BLANTON. That proves my statement that it is not necessary. [Laughter and applause.] You are passing a bill here that is absolutely unnecessary except to nullify the Constitution. I showed this by the statement of our good friend from Washington, Dr. Summers.

Mr. SIROVICH. The gentleman made the statement——

Mr. BLANTON. I do not yield further. I am not going to let you capitulate on your statement.

Dr. Summers, who served here for years, stated when this bill was up before that he had been a physician and had medals from lots of hospitals and from foreign countries, that he did not believe it was necessary for a physician to prescribe liquor. I had another doctor get up here and make the statement that it is not necessary.

We all know it is not necessary, but this is a bill to nullify the Constitution and make it easy for people who have the money to get hard liquor in every State in the Nation. You wets had better look out. You who want to repeal the eighteenth amendment are going to make conditions so bad and indecent that you are going to find out that the American people are going to rise up in their might and tell you that "you cannot pass", and they will refuse to repeal the eighteenth amendment. When they do change, they will force you to repeal this iniquitous law that puts plenty of hard liquor in every dry State of the Nation for all who can pay for it. [Applause.]

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. SIROVICH].

Mr. SIROVICH. Mr. Speaker, when I interrogated my dear friend, TOM BLANTON, I wanted to call his attention to the fact that since prohibition has gone into effect I have been doing surgical work. As a surgeon it was absolutely unnecessary for me to prescribe liquor for patients before going upon the operating table. That is why I have never prescribed liquor to any patient entrusted to my care. The records in the Prohibition Department will confirm my statement. However, most of the physicians of our country have used medicinal alcohol in the form of cognac, whisky, brandy, wine, and champagne to bridge over the distressing period of infectious and contagious diseases and during the period of convalescence.

Alcohol should only be used in an emergency. It should be a temporary remedy, used in crisis in pneumonia and in other infectious diseases to stimulate the heart, or occasionally to be utilized as a sedative to induce sleep. The heart reacts quickly and effectively and responds at once to the use of medicinal alcohol.

In the past alcohol was used mainly in the treatment of acute infections. In such infections large amounts of alcohol could be tolerated without becoming intoxicated. In these infectious diseases alcohol acted as a food, tending to spare the tissues of the body. It permitted the retention of fluids in the body, a matter of great importance in fevers, particularly because the loss of water through perspiration is great and serious under these conditions. Under such conditions, when the patient is suffering from an infectious disease, the utilization of alcohol creates a feeling of artificial well-being. Alcohol judiciously given in small doses under such conditions is more beneficial to the patient than the ingestion of opiates, which depress him more.

Alcohol in moderate doses in pneumonia, influenza, typhoid fever stimulates the respiration, dilates the blood vessels, and helps to modify the circulation.

The great virtue of using alcohol during the period of convalescence, or during the height of acute infectious and contagious diseases, is the fact that alcohol is burned in the body and thus serves as a great source of energy. Its chief utilization under such conditions is not only as a medicine but as a food. Its value consists in the fact that it is not nitrogenous. It cannot replace protein substances that are broken down in the body, but it acts as a substitute for some of the carbohydrates or starches in the body. Medicinal alcohol has also been used in the treatment of diabetes. Professor Duclaux, of the Pasteur Institute of France, was so greatly impressed with the evidence on this question that he boldly asserted that alcohol as a medicine, and particularly as a food, surpasses starch and sugar in value, since weight for weight it contains more energy and heat. As a matter of fact, alcohol is completely oxidized in the stomach, absorbed in the tissues, immediately creates heat and energy and leaves no refuse behind, with the exception of carbon dioxide and water.

When alcohol is taken in moderation, Professor Dixon contends no injurious effects could be proven. The people who create the great alcohol problem of our country are heavy drinkers. They constitute the psychopathic constitutional inferior group. The reason they drink so much medicinal alcohol is to help them feel like normal human beings.

The American Medical Association of the United States has repeatedly contended that alcohol is helpful in the treatment of disease and is being used by some of the greatest men in our profession.

Mr. Speaker, ladies, and gentlemen, at a meeting of the Medical Society of New York our affable and distinguished Surgeon General of the United States Public Health Service, Dr. Hugh Cumming, in discussing the treatment of influenza, after I had introduced him to the membership of that society, said that one of the most important drugs that could be utilized to relieve the victims of this influenza condition was none other than medicinal alcohol. No one, therefore, will deny that medicinal alcohol, when used in moderation as a drink, medicine, and food, has been instrumental in preserving the lives of thousands of people who have had the privilege of using it. [Applause.]

The Copeland-Celler bill should be passed immediately, as it will bring back to the medical profession the rights, privileges, and prerogatives of the doctor, which he should never have been deprived of through legislation in the past. [Applause.]

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin, Dr. HENNEY.

Mr. HENNEY. Mr. Speaker and my fellow colleagues, I should be recreant in the loyalty that I owe to my medical confreres throughout the United States were I not to add my voice in approval of this bill. The American Medical Association, representing as it does the most scientific group of men in the medical profession and voicing the highest ideals of that profession in exactly the same manner as the American Federation of Labor, went on record years ago against the Volstead Act. As I have stated, our best intellects, our most scientific, cultured, and ethical physicians and surgeons, are members, and the leaders of the American Medical Association, and, if I may digress, if I may be pardoned for group praise, for community adulation, I should say that practically every advance that has been made and every scientific life-saving discovery that has been advanced has come from the regular medical profession represented in the country by the American Medical Association. I need only mention the control of diphtheria, scarlet fever, smallpox, typhoid fever, yellow fever, tetanus or lockjaw, spinal meningitis, infantile paralysis, pernicious anemia, diabetes, Asiatic cholera, leprosy, and scores of other devastating diseases, most of which but a few short years ago were simply treated by physicians, handled by the incantations of the religious, and, as a matter of finality, they were given transportation by the kindly sexton to that uncertain and uncherished great beyond. Today it is different, thanks to the scientists, many of whom have lost their lives from the very diseases that they were investigating in order that others might live.

I have prefaced my remarks in this way in order to show "what manner of men they were."

The group of educated men, skilled as they are in the pathology and diagnosis of diseases and trained by long experience and experimental study in the application of serums, drugs, and remedies in the treatment of maladies, are the best equipped and the only ones authoritatively capable of passing upon the efficacy or worthiness of such remedies. Certainly it is not the janitor, the minister, the professional reformer, nor Mother Grundy who shall set himself up as the court of last appeals in the modus operandi of the humble physician. As early as 1922 the American Medical Association, through a resolution by the house of delegates at the St. Louis convention, went on record as being opposed to the Volstead law. They were the best equipped and in the best position of any group of men, professional or otherwise, to pass sober judgment on this experiment. Insofar as I know, they were the only large group of professional men for several years who fearlessly so expressed themselves. In the July 1922 issues of the Journal of the American Medical Association it was stated:

> The vote of the house of delegates is interesting as an exhibit of professional opinion, but points out that Congress is its own medical authority, just as it is its own economic and financial authority. It has ordered, in effect, that whisky is not necessary in medical practice, and, having rejected the testimony of the doctors as incompetent, it is immaterial how large a percentage of practicing physicians regard the use of whisky as beneficial.

On April 30, 1922, Dr. Lambert, dean emeritus of Columbia University, New York City, who had won a case in the lower courts of New York as to the constitutionality of the Volstead Act, defended his case in the Supreme Court. The American Medical Association filed a brief on the one hand in behalf of Dr. Lambert and the Anti-Saloon League on the other filed one against him. The case was finally decided, upholding the constitutionality of the Volstead Act by a vote of 5 to 4.

Beginning in January 1922, the American Medical Association, being aware of the fact that they would be accused of being partisan and of having ulterior motives in the matter, and being cognizant that the argument would be used against them that the leaders were the hierarchy of the organization and in nowise represented the medical "hoi polloi", set about to conduct a referendum of the physicians of the entire United States. To be absolutely fair, they decided to send questionnaires to every alternate subscriber to the Journal throughout the United States. In the villages where there was but one physician he was sent a blank, and if there were two the one whose name ranked nearest to the "A" end of the alphabet was sent this questionnaire. Besides these there were sent out 10,000 questionnaires to the physicians who were not members of the American Medical Association. The following questions in substance were asked:

(1) Do you believe that whisky is necessary in the treatment of disease?

(2) Do you believe that wine is necessary in the treatment of disease?

(3) Do you believe that beer is necessary in the treatment of disease?

(4) Have you had any patients die or suffer harmful results because of the lack of liquors, wine, or beer in the treatment of disease?

(5) Do you hold a permit to prescribe or dispense liquors?

(6) What is your opinion of the Volstead law?

About 58 percent of the physicians answered the questionnaire, which is a very large return on such a referendum, and the percentage of answers was practically the same from all sections of the United States—North, East, South, and West—and I might add that the percentages of "no" and "yes" from the several sections held very much the same relation on all of these questions.

Mind you, this was early in 1922, when people were still worshiping at the shrine of Volsteadean idealism, and the psychological reaction against this quintessence of congressional folly had not as yet begun to assert itself; still at that time nearly 50 percent of the physicians of the country were partial to liquor as a necessary remedy in therapeutics. About 33⅓ percent answered "yes" for wine, and about 25 percent were in favor of beer as a remedial agent. About 50 percent of those who answered had not made application for permits to dispense or prescribe liquors. About 5 percent stated that patients had suffered or died because of the need for alcoholic stimulants, and many of them who, in replying to the question asking for their opinion of the Volstead law, stated that there was absolutely no need for liquor or any other alcoholic beverage and that all diseases were better treated in some other way, there were an equal number of others who were honest, we must assume, in their praises of the merits of whisky and other alcoholic liquors in medicine. Comments were made at that time of the observations of a large number of physicians from Iowa, Kansas, Nebraska, Maine, and other traditionally dry States, who stated that law observance was breaking down and that young people were becoming addicted to the use of intoxicants.

Again in June 1923 the house of delegates condemned the Volstead Act and passed a resolution requesting Congress to remove the restrictions on physicians' prescriptions, and again on June 24, 1924, the house of delegates of the American Medical Association went on record thus, adopting a resolution calling for repeal of certain sections of the Prohibition Act, as they might interfere with the proper relation existing between physician and patient. Each year since 1922 the association has gone on record and memorialized the higher-ups to repeal the Volstead Act, and particularly that part of it in which the Prohibition Bureau sets itself up with Esculapian erudition, telling the lowly physician how much, how often, where, and when he may be permitted to prescribe a drug, to apply a remedy, that he, or at least a large percentage of physicians, has believed to be a necessary adjunct to his therapeutic armamentarium.

The stimulating effect of a small dose of whisky does not last over 1 or 2 hours, as it is promptly excreted. If 2 teaspoonfuls, which is a small dose, as used in pneumonia or flu were dispensed every hour, it would be equal to 1 ounce every 4 hours, or 6 ounces per day. The pint of 16 ounces allowed by Dr. Volstead would be entirely used up in 3 days and 2 ounces extra shall have to be borrowed from the hired man's "hipper". Every physician will admit that if liquor has any beneficial result it must be used this way, and also that this dose is small. Then, again, other cases would not require more than a pint of liquor in 3 weeks, namely, senile patients with weak hearts.

The placing of this restriction, the attempting to apply their therapeutic yardstick to all cases is an illogical and unreasonable restriction. It is an injustice to the conscientious and honest physician. If a remedy has value, a physician should be allowed to use his judgment as to why, when, where, and how it should be administered. If you employ him as your physician, no doubt you think you need him, and you have confidence in him. Why, then, the silly limitations as to what drug and how much you should allow him to administer? Better consult Gunn's family doctorbook and take Lydia Pinkham's universal remedy, or the famed cough drops with the whiskers. I am for this bill and I hope it passes this House. [Applause.]

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. CELLER. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill S. 562, an act relating to the prescribing of medicinal liquors.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. GOLDSBOROUGH in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of a bill, which the Clerk will report.

The Clerk read the bill, as follows:

S. 562

An act relating to the prescribing of medicinal liquors

Be it enacted, etc., That (a) the third sentence of section 7 of title II of the National Prohibition Act, as amended, is amended to read as follows: "no more liquor shall be prescribed to any person than is necessary to supply his medicinal needs, and no prescription shall be refilled. No person shall by any statement or representation that he knows is false, or could by reasonable diligence ascertain to be false, induce any physician to prescribe liquor for medicinal use (1) when there is no medicinal need for such liquor or (2) in excess of the amount of medicinal liquor needed."

(b) Section 7 of title II of such act, as amended, is further amended by inserting before the period at the end thereof a semicolon and the following: "but no physician shall be called upon to file any statement of such ailment in the Department of Justice or the Department of the Treasury or in any other office of the Government, or to keep his records in such a way as to lead to the disclosure of any such ailment, except as he may be lawfully required (1) to make such disclosure in any court in the course of a hearing under authority of section 9, title II, of this act, or (2) to make such disclosure to any duly qualified person engaged in the execution or enforcement of this act or any act supplementary hereto."

SEC. 2. Strike out section 8 of title II of the National Prohibition Act, and insert in lieu thereof the following:

"SEC. 8. The Commissioner shall cause stamps to be printed, the design of which shall be prescribed by regulations in accordance with the provisions of this act, and he shall furnish the same free of cost to physicians holding permits to prescribe. Each such physician shall affix one of said stamps to each such prescription written by him and shall cancel same under regulations to be prescribed in accordance with the provisions of this act. No physician shall prescribe and no pharmacist shall fill any prescription for liquor unless such stamp is affixed thereto. Every person who, otherwise than is authorized by this act, uses or who falsely makes, forges, alters, counterfeits, or re-uses any stamp made or used under any provision of this act, or with such intent uses, sells, or has in his possession any such forged, altered, or counterfeited stamp, or any plate or die used or which may be used in the manufacture thereof, or who shall make, use, sell, or have in his possession any paper in imitation of the paper used

in the manufacture of any stamp required by this act, shall, on conviction, be punished by a fine not exceeding $1,000 or by imprisonment at hard labor not exceeding 2 years. The effective date of this section 2 shall be not earlier than January 1, 1934."

SEC. 3. Strike out the first paragraph of section 2 of the act entitled "An act supplemental to the National Prohibition Act", approved November 23, 1921, and insert in lieu thereof the following:

"SEC. 2. Only spirituous and vinous liquor may be prescribed for medicinal purposes. All prescriptions for any other liquor shall be void. But this provision shall not be construed to limit the sale of any article the manufacture of which is authorized under section 4, title II, of the National Prohibition Act."

SEC. 4. Strike out subdivision (a) of section 5 of the Prohibition Reorganization Act of 1930, and insert in lieu thereof the following: "(a) The Attorney General and the Secretary of the Treasury shall jointly prescribe all regulations under this act and the National Prohibition Act relating to permits and prescriptions for liquor for medicinal purposes, and the quantities of spirituous and vinous liquor that may be prescribed for medicinal purposes, and the form of all applications, bonds, permits, records, and reports under such acts: *Provided*, That all regulations relating to the Bureau of Prohibition in the Department of Justice shall be made by the Attorney General."

GEORGE M. COHAN

Mr. PEYSER. Mr. Chairman, as a Representative from New York, I should like to announce that a great American, who happens to be a resident of the city that I represent, has honored us by a visit. I refer to a man who has put the American flag before the public in as large a way as any private citizen that I know of. He is the man that wrote the Grand Old Flag during the days of peace, and who composed that thrilling march Over There during the days of strife. I refer to that Yankee-Doodle American, George M. Cohan, who is now in the gallery. [Applause.]

MEDICINAL LIQUOR

Mr. CELLER. Mr. Chairman, I yield myself 5 minutes. Mr. Chairman and members of the Committee, this bill seeks to liberalize the rules now applicable to physicians in their prescriptions of medicinal liquor. The bill had its genesis in the recommendations made by the Wickersham Commission, and that commission recommended to the country as follows—and the bill incidentally follows exactly these recommendations:

1. Removal of the causes of irritation and resentment on the part of the medical profession by—

(a) Doing away with the statutory fixing of the amount which may be prescribed and the number of prescriptions.

(b) Abolition of the requirement of specifying the ailment for which liquor is prescribed upon a blank to go into the public files.

(c) Leaving as much as possible to regulations rather than fixing details by statute.

These recommendations were concurred in by President Hoover. They have been concurred in by Dr. Doran, who is the head of the Prohibition Enforcement Bureau of the Treasury Department, who appeared before the Judiciary Committee and advocated this measure. These recommendations were approved by Colonel Woodcock, in charge of the enforcement division of the Attorney General's office, and he advocates this measure and asks you to pass it. There was no dry organization, as far as I know, with one exception, the Woman's Christian Temperance Union, that opposed the bill either in the Senate or in the House. The Anti-Saloon League had its legal representative present at the Senate hearings. He voiced no opposition to the bill. The inference therefore to be drawn is that the militant dry organizations, with the one exception, are unopposed to the bill. I say that advisedly. Mr. Dunford, counsel to the Anti-Saloon League, might well be consulted upon the subject.

This bill does not mean that all restrictions are taken from doctors in their prescribing. The bill is reasonable in the sense that it leaves all the restrictions not to inflexible statute but to flexible regulations; regulations which shall control the number of prescriptions that the doctor may use, the quantity that he may prescribe, the kind of liquor that he may prescribe, and the duration within which he may prescribe it, and those regulations must be adopted as a condition precedent to any changes in the present arrangement. They must be promulgated by the Attorney General and by the Secretary of the Treasury. The burden thus is upon the medical profession to prove that the present limitations as to quantity and time and number of prescriptions are necessary. Medical science may so advance that they will want the regulations in some way modified. Otherwise, the regulations that exist today will exist tomorrow and the day after and next month. The burden is placed upon the medical profession to indicate to the Departments in question that medical science requires the changes.

At present, if an epidemic breaks out, the Department cannot permit a doctor to write more than 100 prescriptions every 90 days. He might easily justify 1,000. But he and the Department cannot increase the number even to save human life. Under my bill the Department may change the regulations and increase the number.

The gentleman from Texas [Mr. BLANTON] was in error when he said that there would be undue interference with the local laws of States. That is utterly fallacious. Each State can determine for itself, under its police powers, what it may do relative to doctors' prescribing liquor. A State can abolish the practice—can be stricter than the Federal Government. If the gentleman will look at page 23 of the hearings, he will find set forth 21 States which at the time of the hearings, by their local statutes, precluded doctors from prescribing liquor. Since that time some six States, I believe, have changed their statutes so that they are allowing prescriptions at the present time. I have not checked up recently to be absolutely accurate, but I think we may say safely that today, at this moment, no less than 15 States prohibit doctors from prescribing a drop of medical liquor whatsoever. There is no interference with local laws so far as the bill is concerned.

The president of the American Medical Association comes from the gentleman's State. He is Dr. Carey, from the city of Dallas, Tex. He is president of that organization and controls the deliberations of the house of delegates of the American Medical Association, and he has come out foursquare for the bill. The organization has some 125,000 members. Its members are the cream of the profession—all influential members of their communities. Its recommendations must compel attention and enlist profound respect.

There are sufficient safeguards in the bill—I have not the time to go into them in detail—which will prevent diversion of alcohol for beverage purposes. The doctor must continue to keep his records, he must indicate the name of his patient on the stub of his prescription book, and must indicate the nature of the ailment. This requirement is not eliminated. These data must be open to the scrutiny of the Federal agents.

But we do not make it incumbent in this bill upon the doctor to send to the prohibition office, subject to public gaze as it were, the files that the doctor must keep. We do not place under the gaze of the curious and the wicked who may be in the prohibition office the nature of the ailment of the individual suffering in the various communities, so that the patient may be blackmailed. There are cases on record where there has been blackmail and extortion because of the knowledge obtained by minor clerks and irresponsible underlings in the prohibition offices concerning the ailments suffered by people in various communities.

Lastly, Mr. Chairman, there is a saving in this bill, and in this day of economy it is worth while considering that. We save $110,000 per year because we do away with the necessity of having the Government supply the doctors with prescription blanks, which must be issued in triplicate, and which are printed on fine Government bond paper to prevent counterfeiting. Instead of that we allow the doctor to use his own prescription blank upon which he must affix and cancel appropriately a small stamp which the Government will furnish the doctor. Dr. Doran, Colonel Woodcock, and the Treasury Department have all approved of that change. They are gratified at the change because it does away with much of the red tape now binding the doctor and at the same time saves $110,000 a year, the cost of printing the prescription blanks.

The present severe limitations on the quantities of liquor obtainable on prescription and the requirement of records disclosing the patient's ailment discourage many doctors from qualifying to prescribe, and makes it impossible in many instances for doctors who have thus qualified to prescribe sufficient quantities for their patients. Many doctors who have thus qualified nevertheless are loathe to involve themselves in the irritating intricacies of the prescription procedure. Thus patients are often driven to illicit channels for their supply of medicinal liquors. The record shows that only a very small amount of pure legitimate medicinal liquors are diverted to beverage use, while the amount of illicit liquor used for medicinal purposes is believed to be large.

All that this bill does is to permit the physician to treat the diseases of his patients and to promote their physical well-being, according to the exercise of his best skill and scientifically trained judgment subject to such regulations as are found by the administrative officers to be necessary to prevent diversion of medicinal liquors to beverage use.

This bill, therefore, has the following advantages:

First. It will aid in enforcement.

Second. It is in the interest of economy, as it involves a saving of $110,000 per annum in Government printing costs.

Third. It removes the irritations which now harass and cause resentment of an honorable profession.

Fourth. It will encourage the procuring of pure medicinal liquors by the sick from legitimate sources.

Fifth. It will not in any way adversely affect the enforcement of the prohibition on the beverage-liquor traffic.

Permit me to submit the statement of Dr. William C. Woodward, legislative counsel, American Medical Association:

> The passage of the Celler-Copeland bill, as it has been designated in the medical press, is the result of many years of effort on the part of the medical profession to obtain legislation to enable patients in need of medicinal liquor to have their physicians prescribe it for them in such quantities as are medically necessary.
>
> A physician's right to prescribe liquor has heretofore been limited by arbitrary quantitative limits laid down in the statute, and based on no known medical principle.
>
> The Celler-Copeland bill will enable patients to obtain what is medically necessary. The bill does away with none of the safeguards against the diversion of medicinal liquor to beverage purposes, for the Attorney General and the Secretary of the Treasury are fully authorized to make regulations limiting the quantity to be prescribed at any one time and the manner of prescribing, although the patient is always entitled to have prescribed for him what is medically necessary.
>
> The physician, too, is still required to keep in his office a book record showing the nature of the ailments for which prescriptions are given, open to inspection by accredited officers of the law. Moreover, no physician can prescribe for a patient except after physical examination and when he believes in good faith that liquor is necessary for the relief and cure of the patient's ailments.

Mr. KURTZ. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I want only sufficient time to correct an erroneous impression given by our good friend from New York [Mr. CELLER]. He cannot name a dry organization in the United States that is in favor of this bill. Oh, because they do not come to his committee and fight any more is just for the same reason that you do not find any more Members now getting up here and opposing this bill. They realize that just now it is useless. This wet sentiment that now pervades the House must run its course. You have got to give this wet movement plenty of rope and let it go as far as it will before the reaction takes place.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I regret that I have not the time. They are waiting for the reaction. Soon the pendulum will start on its reverse swing, and then you may not expect such apathy.

We are going to have a division vote on this bill. That will show that there are yet some men in this House who do not stand up and favor a measure that will let doctors prescribe liquor for every thirsty person who has the money to pay the doctor and the drug store. That is what will be done. As far as I am concerned, I am not going to ask for a roll-call vote, because I know that no matter how a man votes here now it will hurt him. If he votes dry, the wets will hammer the life out of him. If he votes wet, probably some drys will hammer him. I do not want to cause any trouble to colleagues on either side of the aisle. Just now is no time to create sentiment against men in Congress, so I am not going to ask for a roll call. Unless someone else asks for it, there will not be a roll call.

I want to say that every dry organization in the United States is against this bill; every one of them. Just as my friend from New York was mistaken when he was asked by the gentleman from Maine if the Department of Justice was in favor of this bill said, "Yes; both the Treasury Department and the Department of Justice are in favor of it," but he did not at that time qualify that. He in another instance said that he meant Dr. Doran and Colonel Woodcock had passed on it.

Mr. CELLER. Oh, no.

Mr. BLANTON. Now, just wait a moment. He said Dr. Doran had passed on it for the Treasury Department and he said Mr. Woodcock had passed on it for the Department of Justice.

Mr. CELLER. Will the gentleman yield in the interest of accuracy?

Mr. BLANTON. I am going to put in the question and answer just exactly as it occurred.

Mr. CELLER. The record speaks for itself, and I brought with me the letter of the Acting Secretary of the Treasury, Mr. Ballantine, dated January 9, wherein he indicates he is in favor of it.

Mr. BLANTON. Wait a moment. I only asked for 5 minutes. The gentleman kindly offered me 10 minutes, but I only took 5 minutes. I am going to put in the RECORD the exact question which the gentleman from Maine asked my friend. He asked:

> Are these two Departments in favor of it?

And my friend said:

> Yes; both the Department of the Treasury and the Justice Department are in favor of it.

Mr. CELLER. That is correct.

Mr. BLANTON. He said he meant Dr. Doran and Mr. Woodcock, but I have positive evidence that the Attorney General of the United States never saw this bill. Attorney General Mitchell never did approve it, and I have positive evidence in my file to that effect.

diated Colonel Woodcock?

Mr. BLANTON. I am not now talking about underlings. I am talking about Departments. When the gentleman refers to the Department of Justice, he does not mean some underling, but he means the head of the Department. The Attorney General is the head of the Department of Justice, and he did not approve the bill.

Mr. Chairman, that is the correction I wanted to make.

Now, you will pass this bill. My friend says the States are protected. The States which do not have laws against it are not protected. They will remain unprotected until they can call their legislatures together. There is not a State now among the 48 States of this Nation, whose legislature is not in session, which is financially able to call the legislature into session to pass a bill to stop this unlimited whisky-selling by doctors and drug stores. You know the depression has struck the States. They have been overmanned like the Federal Government. They must retrench. They are hard up financially. Most of them now are borrowing money from the Federal Government. They are not able to have the legislature meet to pass a law to stop this. The responsibility for it will not be on my shoulders. You wet brothers are doing more to help keep the eighteenth amendment from being repealed by passing this bill than could be done by any drys. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CELLER. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Chairman, I simply arose to say that this question of making the Congress the wet nurse of the country is the cause of a lot of our present trouble. Everything that we eat is supposed to be regulated by Congress; everything we drink is regulated; everything we do is to be regulated by Congress. We are the great regulators. Therefore all the States come to us and lean on us for help and support. No matter what the occasion or necessity is, the cry is heard, "Oh, let the Congress do it."

Under the Prohibition Act and under the act restricting the amount of medicinal liquor to be prescribed by physicians Congress has set itself up as doctors; medical doctors. Dr. TOM BLANTON gets up and says to the medical profession of this country, "Now, let the doctors of Congress tell you what to do. All of your experience and all of your training amounts to nothing in the light of what we order you to do." Those men have spent long years in training not only in the elementary schools but in the medical schools, in post-graduate work and interne work in hospitals. We say to them, "You may only prescribe a certain amount of liquor within 10 days." Why not say, "You can only prescribe so many doses of castor oil within 10 days; so many doses of Coca-Cola; so many doses of digitalis, and so on"? If we are competent to prescribe as to alcohol, why not prescribe as to all of the other drugs in the pharmacopœia? Surely, Dr. TOM BLANTON, from Texas, and the other congressional doctors are not going to say to the medical profession of the United States, "You are restricted in this manner and you are restricted in that manner."

The CHAIRMAN. The time of the gentleman from New York [Mr. BOYLAN] has expired.

Mr. CELLAR. I yield the gentleman 2 additional minutes, Mr. Chairman.

Mr. BOYLAN. All I wanted to say principally was to pay a tribute to the medical profession of America; to the hundred thousand or more noble men and women of our country who have devoted themselves to the medical profession, a profession that requires many years of arduous study and work; a profession that is one of the most poorly compensated in the United States.

Yet, to my mind, a profession that does more real good for humanity than any other profession in the world. Let us say to these efficient men and women who have given their lives to this splendid and noble work: "Your hands are unfettered; you are permitted by the Congress to prescribe what you may see fit to prescribe for your patients in the light of the education and experience you have received."

To my mind the medical profession has been long-suffering for submitting during all these years to these regulations of the Congress. I am glad to see the dawn of a new day, when a new slant upon questions is taken by our people; and in that particular view we are going to hold it is unnecessary for the Congress to restrict our people as to what they should eat, what they should drink, or to regulate this noble profession as to what it should prescribe for the ills of a suffering people. [Applause.]

[Here the gavel fell.]

Mr. KURTZ. Mr. Chairman, I yield back the remainder of the time on this side.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Chairman, I am surprised to hear the gentleman from Texas [Mr. BLANTON] characterize Dr. Doran as "a little underling." I do not think he meant to and certainly he is not justified in characterizing Dr. Doran in that manner. My experience with Dr. Doran has convinced me that he is a very high type of public official, performing his duty in accordance with his oath of office, and enforcing in a reasonable and proper way the laws which devolve upon his Bureau to enforce.

Mr. CELLER. I think the gentleman from Texas said Colonel Woodcock, not Dr. Doran.

Mr. BLANTON. Without reflecting on either, I said they were underlings in that they were not heads of Departments.

Mr. MCCORMACK. With reference to this bill, its passage will remove a legislative insult to the great medical profession. That is the outstanding aspect of the bill which appeals to me. Hundreds of thousands of men throughout the Republic, members of an honored profession, trying to render service to the country and to their patients, as a result of the existing law, are limited in prescribing as their sound conscientious judgment and medical discretion dictate. By the passage of this bill we will remove this stigma from the medical profession.

It is hard for me to understand where there is any prohibition question involved in the bill before the House today. It is difficult for me to understand how the distinguished gentleman from Texas [Mr. BLANTON] is going to answer to the members of this honored profession in his district when he tries to keep in the law this limitation, which is nothing more nor less than an insult to the profession. It casts suspicion upon the entire membership of the medical profession throughout the country.

It is true a small percentage will violate the ethics of their profession; it is true a small percentage of the medical profession, like a small percentage of any other profession, calling, or class, will do something they ought not to do, but that is no reason for indicating or casting suspicion upon the entire profession. The unethical or illegal acts of a very small percentage of one of the most honored professions of the world ought not to indict the entire profession; and because this bill removes a legislative insult to a great profession, removes an indictment against the great profession, which indictment has existed for 13 years, I am going to support it. There is no prohibition question involved in this bill; its purpose is to emancipate a great profession from the stigma of suspicion. No matter what their views are on prohibition, Members should support this legislation upon the theory that we are giving back to the medical profession the sound and proper right to exercise their sound medical knowledge. By passing this bill we are removing a law from the statute books of this country, a limitation imposed 13 years ago in the nature of a direct insult to one of the greatest professions of all time.

Mr. BLANTON. Mr. Chairman, will the gentleman yield for a question?

Mr. MCCORMACK. Certainly.

Mr. BLANTON. It is not an insult to the physicians of my home city. Every one of them is my friend.

Mr. MCCORMACK. That is a matter between the gentleman from Texas and the physicians in his district.

Mr. BLANTON. They are my personal friends.

Mr. MCCORMACK. I have no doubt that doctors of the gentleman's district have their own opinions. Of course, I would not ask any doctor in his district to vote against the gentleman because of one vote he may cast here. That would not be fair. A man's general legislative career should be viewed by the people of his district. So I am not trying to send a message to the doctors of the gentleman's district because of the gentleman's position today. They should view his general record and not vote for or against him on account of his stand on one measure. [Applause.] But I do say this limitation constitutes an insult to a great profession. The gentleman from Texas and I honestly differ. It is my opinion that 13 years ago this legislative insult was imposed as the result of the irrationalism that then prevailed with reference to the prohibition question. We are going today to remove it from the statute books and bring back to an honored profession respect and dignity in the exercise of medical judgment and knowledge and remove this legislative insult; and we are removing it as the result of a wave of normal, sane, tolerant rationalism that is running throughout the country today. [Applause.]

This bill is simply another step in the wave of rationalism which is spreading throughout the country on prohibition and related questions. Public opinion has awakened to the realization that prohibition of use is not the method or policy to pursue to regulate or control abuse. Pending the repeal of the eighteenth amendment this bill aims to correct an unreasonable, illogical, unnecessary, and unwise limita-

tion placed upon the practice of an honorable profession. The medical profession for years has advocated the passage of this bill; to obtain legislation to enable patients in need of medicinal liquor to have their physicians prescribe it for them in such quantities as are medically necessary. This bill does away with none of the safeguards against the diversion of medicinal liquor to beverage purposes. It establishes again the right of a physician to prescribe in accordance with known medical principle, not to have the right limited by arbitrary quantitative limits laid down by statute based on no known medical principle. [Applause.]

[Here the gavel fell.]

Mr. CELLER. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. PEYSER].

Mr. PEYSER. Mr. Chairman, referring to the measure before the House, I may say that during the campaign I referred to the statute restricting the issuance of prescriptions for liquor as an insult to the medical profession, as has the gentleman from Massachusetts, who preceded me. I see in this bill a measure which will be in part only an apology for the insult to which they, the medical profession, have been subjected for the past 12 or 13 years.

A phase of the bill that I feel should appeal to any person is that you are putting in as a diagnostician, to determine the need of a prescription, a doctor instead of a governmental department, which is now prescribing instead of the physician, and for the persons it never sees. Who better than the doctor consulted should know the need of a patient? If present limitations are such as not to fill the bill, the patient is forced to resort to cheaper liquor procured in a manner not legitimate. This measure at least will open up the channel through which they may secure the liquor for their necessary needs, liquor of the proper grade, and they no longer will be forced to use the cheap alcohol they have had to use in the past. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. CELLER. Mr. Chairman, at the request of the gentleman from Pennsylvania, the ranking minority member, Mr. KURTZ, I yield 3 minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, I fully realize that the steamroller is in full functioning order and that this bill and all administration bills will pass. But, my friends, I am amazed that someone here has not come in contact with some of the conditions that previously arose under this system of dealing out hard liquor throughout the United States. As has been said, under this bill you can deal it out in any State, whether it be a prohibition State or a wet State, and in unlimited quantities.

I am not so radically opposed to the use of liquor for medicinal purposes. The fact of the matter is my brother, who was a surgeon in the Army, prescribed whisky for 50 years with efficacy, especially in cases of pneumonia. I had a nephew who served in the World War, and another nephew now practicing medicine. All of them prescribed liquor in certain cases.

Under the provisions of this bill are you really making this medicinal liquor available to the poor people who need it when they are sick and distressed, who need it to fight the after effects of pneumonia?

Why do you not put some regulatory provisions in the bill as to the quality of liquor that these men are going to sell, and also as to the price they are going to charge these poor people? [Applause.] You give here unlimited power to the doctor. You say that they are great men and that you believe in the ethics of their profession and believe that the doctor is beyond such a thing as being a bootlegger. Most of them are, but some of them are not. Why not put a limitation on the power of those who are not beyond doing this and see that the poor, sick people for whom this bill is being sponsored by the Democratic Party get pure liquor and are not outrageously charged $4.50 a pint for liquor that does not cost 50 cents a gallon to make?

I say with respect to this entire liquor business, Mr. Chairman, that it is not so much a question of the American people wanting to drink rum. I challenge any such statement. The people who want to sell this liquor for a profit are the ones who have brought this about, and must be responsible for failure to provide the regulations I have suggested; that is, limit the quantity, prescribe the quality, and set a reasonable price.

Mr. CELLER. Will the gentleman yield?

Mr. FOCHT. Yes; I yield to all of you at any time.

Mr. CELLER. I understood the gentleman to say that his brother is a physician. Would it not be an insult to say that your brother charges for a prescription? He charges for his services and for his medical advice and not for the prescription.

Mr. FOCHT. The charge is a dollar for the prescription and $3.50 for the whisky, and we know about the cost of whisky, because they have made enough of it in my district, and there is plenty of it made in the gentleman's district, and the gentleman knows, if he knows anything about it at all, that it does not cost 50 cents a gallon to make liquor. This whole business is to stimulate the sale of rum, and this is going to be the biggest unrestricted wholesaling of poor and high-priced rum ever let loose upon the American people.

As to my brother, he needs no apology. He practiced medicine for 50 years, served as surgeon major in the Spanish-American War, gave a fortune to charity while he lived, willed one away when he died, and left orders that all accounts due him be canceled, which was done. [Applause.]

Mr. CELLER. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, I do not propose to stand here and talk about the merits of this bill, because it is pretty generally known what merit there is to the measure. The only reason I am here is because last year I presented a similar bill and had hearings on it before the Judiciary Committee.

I simply want to call the attention of the committee to the fact that many times it has been said in the House that it is unnecessary to prescribe liquor for medicinal purposes. Allow me to picture for 1 minute the men who work in the coal mines in the district I represent. These men go down into the bowels of the earth and blast off dynamite for the purpose of getting down the coal, and, naturally, the various gases get into their lungs and cause what is called "miner's asthma"; and although I am not familiar with the benefits of liquor in any way, I have been told by doctors there that the only medicine or the only thing worth while to help a man with miner's asthma is the prescribing of liquor, because it will cut the gases and the fumes out of the lungs and make it possible to offset the effects of this terrible disease.

Therefore, I am pleading with the Congress today to pass this bill for the benefit it will be to at least the miners whom I represent in the Scranton district.

Mr. MEAD. Will the gentleman yield?

Mr. BOLAND. I yield.

Mr. MEAD. The gentleman's colleague from Pennsylvania made the argument that this would increase the cost of liquor. Does not the gentleman believe that liberalizing the dispensation of liquor, as we are doing by this bill, will have a tendency to reduce, rather than increase, the cost of liquor?

Mr. BOLAND. There is not any question about it.

I should also like to make the statement that the gentleman referred to has stated that the doctors charge for these prescriptions. I know many doctors in my district who are issuing such prescriptions now and do not charge a cent for them.

Mr. BLANTON. Will the gentleman yield?

Mr. BOLAND. Yes.

Mr. BLANTON. Outside of the cities of Pittsburgh and Philadelphia, is it not a fact that the great Keystone State of Pennsylvania is dry?

Mr. BOLAND. No.

Mr. BLANTON. I mean outside of these two cities.

Mr. BOLAND. No; I will not concede that at all, because the district I represent is the Lackawanna district, and I came down here with all the nominations on two occasions and the only advertisement I had was that I would vote to repeal the eighteenth amendment.

Mr. BLANTON. That was due to the gentleman's personal popularity, and was in spite of his views on this question. The genial disposition of our good friend is so magnetic that naturally all of his constituents like him, and are willing to overlook his stand on a few questions.

Mr. BOLAND. The purpose of this bill is to accomplish three things:

First. Repeal the limitation on the number of prescriptions that may be issued during any certain period of time by any one physician.

Second. Repeal the restrictions on the method of writing prescriptions for liquors of all kinds so that a physician may write a prescription for liquor the same as he would write any other prescription.

Third. Repeal the limitation on the quantity of liquor of any kind that may be prescribed so that the sound discretion of the physician may be exercised in fixing the amount of liquor needed.

Surely a physician should not be restricted in using his best judgment as to whether a certain amount of liquor should be prescribed or not. Allow me to state that the doctors in Pennsylvania are among the highest-type gentlemen that we can boast of, and I rather feel that we can trust our physicians to prescribe what they think is useful; and personally I am in favor of whatever they would recommend.

It has always seemed arbitrary to me to limit the physicians to a certain amount of permits in a certain number of days, and if additional permits were necessary they would have to have the support of the health authorities stating that an epidemic was prevalent. It is plain to be seen that in the case of an emergency the physician might be without prescription blanks for some time before he could get an additional supply.

How embarrassing it must be to the profession to have a doctor go to see a patient whom he can relieve through a certain prescription and for whom he is restricted from prescribing the remedy. I believe today that Congress will relieve this arbitrary condition by passing this much-needed legislation, and I feel very much honored in having some little part in the passing of it.

Mr. CELLER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That (a) the third sentence of section 7 of title II of the National Prohibition Act, as amended, is amended to read as follows: "no more liquor shall be prescribed to any person than is necessary to supply his medicinal needs, and no prescription shall be refilled. No person shall by any statement or representation that he knows is false, or could by reasonable diligence ascertain to be false, induce any physician to prescribe liquor for medicinal use (1) when there is no medicinal need for such liquor or (2) in excess of the amount of medicinal liquor needed."

(b) Section 7 of title II of such act, as amended, is further amended by inserting before the period at the end thereof a semicolon and the following: "but no physician shall be called upon to file any statement of such ailment in the Department of Justice or the Department of the Treasury or in any other office of the Government, or to keep his records in such a way as to lead to the disclosure of any such ailment, except as he may be lawfully required (1) to make such disclosure in any court in the course of a hearing under authority of section 9, title II, of this act, or (2) to make such disclosure to any duly qualified person engaged in the execution or enforcement of this act or any act supplementary hereto."

Mr. BLANTON. Mr. Chairman, I submit the preferential motion that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The Clerk read as follows:

Mr. BLANTON moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. BLANTON. Mr. Chairman, I realize that this is a futile motion. I make it just for one purpose. I simply want to get a rising vote on a division to see how many men still in the House of Representatives will vote to kill this kind of bill. This is my sole purpose.

My friend the gentleman from New York [Mr. CELLER] spoke of this being a recommendation of the Wickersham Commission. I want to remind you again that that great Wickersham Commission was composed of 11 men and women, and 10 out of the 11 over their own signatures signed certain conclusions and recommendations. They were signed by 10 out of the 11 members, everyone signing them except Mr. Monte Lehman.

The first four conclusions signed over their 10 signatures were:

No. 1. The Commission is opposed to repeal of the eighteenth amendment.

No. 2. The Commission is opposed to a restoration in any manner to the legalized saloon.

No. 3. The Commission is opposed to the Federal or State Governments, as such, going into the liquor business.

No. 4. The Commission is opposed to the proposal to modify the National Prohibition Act so as to permit manufacture and sale of light wines and beer.

If he is going to follow the Wickersham Commission, why does not he follow it?—he has been voting against the recommendations of the Wickersham Commission ever since they have been made public.

I am assured by many good citizens in Pennsylvania that outside of Pittsburgh and Philadelphia, the great Keystone State of Pennsylvania stands against the repeal of the eighteenth amendment, and stands against beer and light wines, and they are going to make a fight in that great State that will shake it to its foundations before they get through.

Mr. BOLAND. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. BOLAND. I wish to state that when the convention is in session the gentleman will find out that his prediction is entirely without foundation.

Mr. BLANTON. Oh, possibly, because they have some of the biggest and slickest political machines in both Pittsburgh and Philadelphia you ever dreamed of. They have machines there that will thwart the will of the people. They have been thwarting the will of the people for many years. I have been assured that they have a law-and-order league there and that they are going to look after elections hereafter.

I know that my good friend from Pennsylvania [Mr. BOLAND] is very popular, and a valuable Representative, and that he came here notwithstanding his wet views. His friends elect him without regard to his vote on the liquor question.

I want to say this in closing. You will pass this bill with only a handful of votes, comparatively, against it. There will be only a handful of votes in favor of my motion to strike out the enacting clause. But there is going to be a dry fight in this country that eventually will win, as sure as you are listening to my voice. There is going to be a reaction. [Applause.]

The CHAIRMAN. The question is on the motion of the gentleman from Texas to strike out the enacting clause.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 17 ayes and 86 noes.

So the motion was rejected.

The Clerk completed the reading of the bill.

The CHAIRMAN. Under the rule, the Committee will now rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GOLDSBOROUGH, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee had had under consideration the bill S. 562, an act relating to pressribing of medicinal liquors, and, under House Resolution 86, he reported the same back to the House without amendment.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 153 ayes and 59 noes.

So the bill was passed.

On motion of Mr. CELLER, a motion to reconsider the vote whereby the bill was passed was laid on the table.

A similar House bill was laid on the table.

AUTHORITY OF SPEAKER TO SIGN ENROLLED BILLS

Mr. BYRNS. Mr. Speaker, I offer the following resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 89

Resolved, That the Speaker be, and he hereby is, authorized to sign the enrolled bills of the Senate, S. 562 and S. 598, notwithstanding the adjournment or recess of the House.

The resolution was agreed to.

ADJOURNMENT OVER UNTIL MONDAY

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next, April 3, 1933.

The SPEAKER. Is there objection?

There was no objection.

RELIEF WORK IN CALIFORNIA

Mr. KRAMER. Mr. Speaker, I offer the following resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 90

Resolved, That Congress in session extends to the Red Cross, the Army, Navy, and Marine Corps, regular and special officers, ex-service men, and civilians its sincere appreciation for the splendid relief work done by all these agencies during and after the recent tragic earthquake in California; be it further

Resolved, That copies of this resolution be sent by the Clerk of the House to the mayors of each of the cities of southern California, to the heads of the organizations involved, and to the Young Democratic Clubs of California, whose members rendered such valuable services individually and in coordinating the work of all volunteer relief agencies.

Mr. SNELL. Mr. Speaker, I did not quite get the full purport of the resolution, but it seems to me that such a resolution is entirely against the precedents of the House. I do not know how far we have gone in these matters, but I think such a resolution should first go to a committee.

Mr. CLARKE of New York. Have we not already expressed our thanks by permitting the Reconstruction Finance Corporation to loan the people out there $5,000,000? It seems to me that this is a lot of political bunk.

Mr. SNELL. I think the resolution should be looked over very carefully to see how far we go in it. I think it is a mistake to offer a resolution of that kind from the House without consideration by a committee.

Mr. KRAMER. Mr. Speaker, I withdraw the resolution for the time being.

LEAVE TO ADDRESS THE HOUSE

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes on the subject of the Territory of Alaska and its development.

The SPEAKER. The Delegate from Alaska asks unanimous consent to address the House for 10 minutes. Is there objection?

There was no objection.

Mr. DIMOND. Mr. Speaker, today is the sixty-sixth birthday of the Territory of Alaska as a part of the United States. The history of Alaska goes back a long time, but only in the year 1867 was this great, this vast territory annexed to the United States by a treaty with Russia. On the evening of the 29th of March 1867 the then Secretary of State, Mr. Seward, was sitting in his house, situated down where the Belasco Theater now stands, playing whist. During the evening the Russian Ambassador was announced. He said to Secretary Seward:

Mr. Secretary, I am authorized by my Government to comply with the terms of sale by my Government to the Government of the United States of Russian America. Tomorrow, if it suits you, Mr. Secretary, I shall come to the State Department, and we can then draw up the treaty and sign it.

Secretary Seward said:

Why wait until tomorrow. Let's make the treaty tonight.

The secretaries were called in, together with the experts, and they drew the treaty, and at 4 o'clock on the morning of March 30, 1867, the treaty was signed and the Government of the United States obligated itself to pay $7,200,000 to the Government of Russia for this Territory of Alaska, and Alaska became part of the United States. The treaty was denounced, the Secretary of State was denounced, because it was said that we would never get $7,200,000 out of Alaska, that it was not there, that it was simply an ice box. Some people said that it was like buying the North Pole. However, in spite of all the objections the Senate confirmed the treaty, and the money was paid.

What do we now find? Mr. Speaker, within the last 66 years the Territory of Alaska has produced appreciable wealth for the United States Government, so that the original purchase price, when compared with the wealth poured out of Alaska, seems like a drop in the bucket.

We have produced in these 66 years furs of the value of approximately $120,000,000. We have produced in gold $410,000,000 and upward during that time, and that is very important in this time of stress, when the burning question in the minds of the members of this body and of the Senate and of the administration is the currency. And in that connection let me say this: There is now in sight, using a mining engineer's term, in the Territory of Alaska, and there will be produced with the next 40 years, and possibly within the next 20 years, another $410,000,000 of gold to go into the currency system of the country and to help us get out of this depression.

We have produced in other metals $240,000,000, mostly in copper. One mine alone, up on the mountainside at Kennicott, has poured out this red metal to the value of almost $200,000,000.

Now we come to the most important industry of Alaska and the most important product that comes out of Alaska; that is, fish, principally salmon. I would not be far wrong if I said the value of the fish exported to the United States from Alaska is very close to $1,000,000,000 since 1866. Putting it in round numbers, the total is $930,000,000. In a couple of years more, with normal prices for fish products, it will be close to a billion dollars.

In connection with the fisheries industry there is one thing I should like to bring to the attention of this House, and that is that the industry is threatened with extinction. It is threatened with bankruptcy by the depreciated currencies of foreign countries, particularly that of Japan.

The cost of putting up a case of fish in the Territory of Alaska will run between $2.50 and $6, dependent upon the location and dependent upon the quality and kind of the fish. The Japanese, with a 60-percent-depreciated currency, can take fish from the Soviet Government, can take their own fish, and put it on the market and get $2 a case for it, and when they bring the money home to Japan it is around $4.50, when they translate the gold into their own currency. Therefore they can undersell, and they have undersold, the American producer. The thing has just started. Unless something is done to remedy the situation with respect to Alaska, unless such a bill as the Hill bill is passed, I fear that next year the fishing industry in Alaska will be out of the picture. If anybody does try to operate he will be bankrupt, because the market is broken under them. That, of course, affects not only the people of Alaska, it affects not only the men engaged in the fishing industry, but it affects many people on both coasts and in the interior of the country.

I read an article not long ago about Texas. I have ridden across that great State. Of course I became a little wearied at times, but it is a great State. It is great in area. It is great in population. It is great in the genius of its people, and it is great in wealth; but in area I heard it compared once to one of the big Texas steers, and the lady who made

the comparison said you can imagine a steer with his fore feet in the Mississippi River, his hind feet between the Cascades and the Rockies, taking a drink out of the Atlantic Ocean, and his tail swishing the tall trees that border the Pacific coast; yet, after all, in size, great as it is, Texas is only a pigmy compared to Alaska. We do not have in Alaska all the glaciers that it was said covered the entire peninsula in Seward's time. When New York and New England were covered by glaciers in the last glacial age, when all the country to the north, and as far as we know, to the North Pole, was buried in ice, there was one place that was not buried in ice, and that was the lower valley of the Yukon River. There was no ice there. The climate was such that the ice would not form there.

Therefore in Alaska we find great mountains, we find a glacier a hundred miles long; but we find valleys hundreds of miles long. We find vast farm lands. We find wheat growing where people have taken the trouble to plow the ground and plant it. We can grow any garden vegetable in Alaska that can be grown in the northern tier of States of the United States. We can grow wheat and oats without any difficulty. The only trouble is that in these times there is too much of those things, and, therefore, what use to try to grow it in Alaska and export it to the United States when the farmers of Nebraska, Illinois, and Kansas are almost starving because they cannot get a fair price for their products? So far as the Territory is concerned, Alaska has not only great possibilities, it has not only great promise, but it has the assurance of the future, when people will go there, when they can go there under proper conditions, when they can develop not only its mineral resources but its agricultural resources.

I do not want to boast, but we do not pride ourselves alone any more than do the people of other States about our vast area, about our climate, and our products; but we pride ourselves to some extent, Mr. Speaker, upon the spirit of the people; upon the character of the population that has gone to Alaska and that lived in Alaska when the white man came there.

The SPEAKER. The time of the Delegate from Alaska has expired.

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. BANKHEAD]?

There was no objection.

Mr. DIMOND. I am reminded here of a thing that I read when I was a boy. I think it was written by Ruskin. He said:

> I trust that in the times to come England will cast all thoughts of possessive wealth back to the barbarous nations among which they rose, and while the sands of the Indus and the adamant of the Golconda yet glisten to the housings of the charger and flash from the turban of the slave, England will lead forth her sons and say, "These are my jewels."

So, Mr. Speaker, I would say for Alaska that while the sands of the Indus and the adamant of Golconda yet glisten to the housings of the charger and flash from the turban of the slave, while men in other places outside of our own country are consumed only with a burning desire to pile up more of this world's wealth, that they must leave in the end, Alaska will, I trust, lead forth her sons and say, "These are my principal jewels."

Mr. Speaker, there is one great project I hope during my lifetime to see accomplished for the Territory of Alaska to aid in its material and spiritual development. We all know that at the very foundation of any civilized life lie means of ready travel. There have been some great dreams, and I hope you will not call me a dreamer although it may be that I am, and if so, I am not ashamed of it, because if we go back in our own history or in the history of this country, all great things that were worth while, all great things that led to the colonization and development of the country, came from dreams in the minds of men. Therefore the man who confers the greatest benefit upon his fellowmen is he who can dream wisely, he who has vision, and he who can make his dreams come true. I have had a dream—not I first, but others have had it, too, and before I leave Congress I shall ask you to help make this dream come true—and that is the building of a highway from the United States to Alaska.

The gentleman from Colorado has been to Alaska, and I know he will understand the need, because he sympathizes with the aspirations of the people of Alaska; but unless you have been in Alaska you cannot imagine what a benefit and boon it would be to our people and the people of the United States to have a highway starting in the United States—in the State of Washington, I suppose—and running north through British Columbia and the Yukon territory into the Territory of Alaska. Then we would see people come in there; then it would be easy for them to come; and in these tough times, Mr. Speaker, it is very important to have a ready means and a cheap means of access to any territory if it is to be developed.

I was struck with one thing in the President's inaugural message. Without pretending to quote it exactly, the President said, "Where there is no vision the people perish." We of Alaska hope this vision can be made to come true.

Mr. Speaker, if there is one project more than another that ought to stir the imaginations of the American people and appeal at once to their desire for the betterment of economic conditions and to the love of adventure traditional in the race, it is the project of building a highway from the United States through the Dominion of Canada to Alaska. Of course, it is already built far up into British Columbia, but there remains to be constructed a considerable portion of it through northern British Columbia, through the Yukon territory, and into Alaska to connect with the internal road system of Alaska. After all, we know by experience and by history that all great things of this nature have been the accomplishment of men of broad vision, of far-reaching mental grasp; men who dreamed greatly and who made their dreams come true. This can be said of those who crossed the Appalachian Mountains, who settled the Mississippi Valley, who built the great transcontinental railroads, and who discovered and developed Alaska. This spirit was manifested in the building of the Alaska Railroad. But one thing further at this time is particularly needed, and that is a great highway open to all direct from the United States to Alaska.

The father of this idea in the Territory of Alaska, a man who has spent his waking and, I almost believe, his sleeping moments in promoting it, is my friend, Donald MacDonald, of Fairbanks. He has recently prepared a statement of the benefits of the road, and transmitted this statement to the Territorial legislature with the suggestion that it be incorporated in a legislative memorial urging the construction of the road. Mr. MacDonald suggests the following:

First. Expanding frontier markets have been a chief factor in the continuing prosperity of North America. Only in Alaska and the Canadian north does the opportunity for the development of such a market exist at present. In this connection it is worthy of note that the per capita consumption of goods is greater in Alaska than in any other country in the world.

Second. In all previous periods of depression an increase in gold production has helped materially to provide the stimulus which restored normal conditions. A mineral zone, highly auriferous, parallels the route of the proposed highway throughout British Columbia, Yukon territory, and Alaska, and this zone only awaits transportation to become productive. Alaska at the present time produces approximately $150 in gold per annum for every man, woman, and child in the Territory. There are 400,000 acres of known gold-bearing gravels and quartz within the Territory of Alaska alone.

Third. The situation of the unemployed in all previous depressions has been relieved by the natural employment furnished by free land and free natural opportunity in connection with the land and the development thereof. The proposed Pacific-Yukon highway, or, as it is frequently called, the "International Highway", renders accessible a vast region of free opportunity.

Fourth. Disturbed, turbulent conditions exist in the Far East, the consequences of which no man can foresee. Alaska is in a highly critical and strategic position as an air base and thus the proposed projection of the Pacific-Yukon highway and airway is of transcendent importance. The "ribbon" of the highway not only furnishes an accurate guide; its series of connected air fields that will be built along it will not only be essential in the development of aerial traffic, but in the event of an emergency, the speed of surface transport—cutting the travel time in half between the supply depots of the United States and Alaska—may well be a deciding factor.

Fifth. This project will afford an immediate stimulus to the greatest producing and manufacturing interests of North America, the automotive, gas, oil, rubber, and accessory business, which exert very great economic influence. This is evidenced not only by the appeal of the mineral and agricultural resources of an undeveloped country, but by the stirring attraction of those resources of scenery and game. The highway stretches north through the last frontier to the Land of the Midnight Sun, passing back of the greatest mountain ranges on the North American Continent, peak after peak of transcendent beauty, tremendous glaciers still grinding out the Creator's work, smoking volcanoes still attesting that this is literally a land in the making; the game everywhere existing in its primitive abundance; caribou, moose, and sheep by the uncounted thousands; myriads of lakes that are full of fish and have never known the touch of an artificial lure—all this would stir the minds of the adventurous and mobile population of the United States. Not only would the Alaskan problem be solved by bringing such a market to the country, but a great stimulus would be given the interests aforementioned.

Sixth. As early as 1907, E. H. Harriman, the American financier, proposed the construction of the Trans-Alaska-Siberian Railway Co., which contemplated the construction of a railroad through Canada, Alaska, and Siberia, with a tunnel under the Bering Strait. The justly famous J. A. L. Waddell, originator of the modern steel railway bridge, was chief engineer. This project was defeated not because of the lack of economic resource but because of international complications. It is submitted that there are many times the reasons for such a project now than there were at that early date. It is further submitted that the evolution of automotive traffic will continue. It is probable that in 10 years such transportation means will be as economically efficient as a railroad and that for a fraction of the expense such high form of transportation will result over the proposed highway. It is not to be forgotten that the international highway and airway contemplates the ultimate development of a world's highway.

Seventh. The total cost of this projected enterprise has been carefully estimated from reliable data to be $14,000,000. Of its total length of 2,000 miles, more than half is already built. Of this unconstructed length, less than 200 miles lie in Alaska. It is also apparent that Alaska would benefit out of all proportion to the length of line within her boundaries. It is also apparent that the financial requirement, when all the potentialities of the project are considered, does not constitute an obstacle. The obstacle arises in the distribution of the costs. The greatest length of line lies within the boundaries of the weakest member in point of financial resource.

I rely upon Mr. MacDonald's statement, for he has made an intensive study of the whole project. The construction of this highway would dovetail with the present plans of the administration for the relief of unemployment in Alaska and elsewhere by great public works. The building of this road would be the same sort of step for the development of our last great frontier empire as the building of the transcontinental railroads was for the development of the great regions west of the Mississippi River. The President has truly said: "Without vision the people perish." The building of the Pacific-Yukon Highway is a great vision. The opportunity is at hand to make this vision come true.

Sixty-six years ago Secretary Seward said: "Why wait until tomorrow? Let us make the treaty tonight." So today I may properly say: "Why wait until next year, or the next decade, or the next century? Let us go now."

Mr. GILCHRIST. Mr. Speaker, will the gentleman yield?

Mr. DIMOND. Certainly.

Mr. GILCHRIST. Can the gentleman tell us something about the economic condition of the Indians of Alaska?

Mr. DIMOND. Yes.

Mr. GILCHRIST. I should like to know the gentleman's opinion and views upon this subject, either now or by way of an extension of remarks in the RECORD.

Mr. DIMOND. I have not got it in written form, Mr. Speaker. Mr. Speaker, I ask unanimous consent to at this point revise and extend my remarks, and I shall include therein an answer to the gentleman's question.

The SPEAKER. Is there objection to the request of the Delegate from Alaska?

There was no objection.

[Here the gavel fell.]

Mr. GILCHRIST. Mr. Speaker, I ask that the gentleman's time be extended 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. DIMOND. I am glad to answer the question of the gentleman from Iowa, because the condition of the Indians in Alaska at the present time is very pitiable in spite of the efforts of the people of the Territory with their limited funds and in the face of the depression to relieve the conditions.

The condition has been getting worse and worse; and this ties up, Mr. Speaker, with the matter to which I adverted a moment ago. The fishing industry in Alaska is in a bad way, partly, of course, on account of the depression, but largely, I may say, on account of the threat of depreciated currencies of other countries.

If the Indian is to make a living, it must be in the fishing industry. The majority of them earn their bread and butter in this industry. There is no other possible avenue open to them. It is true they can catch fish and live on a straight fish diet. I have lived in Alaska for many years. I have done almost every kind of labor there, including prospecting. I have lived on a straight fish diet for days—yes; for weeks—but it is not a very palatable diet. We have educated the Indians to the extent that they do not like to have a straight fish diet day after day and month after month. The only thing they can do is to find employment in the fishing industry, and employment is not available to the extent it should be. It is not available, Mr. Speaker, because the fishing companies, driven by this terrible competition, have brought into the Territory of Alaska many thousands of orientals to fill jobs that might be filled by the local inhabitants; yet there is nothing we in Alaska can do about it. In spite of this, nearly every packer, with two exceptions known to me, every salmon packer in Alaska lost money last year, lost it on account of low prices, and these low prices are partly caused by the depreciated foreign currencies. The Indians cannot find employment.

I received a heartbreaking telegram the other day from Kodiak. I know those villages down along Kodiak Island. Bancroft says that at one time Kodiak Island had 5,000 inhabitants, before the Russians came there. I do not believe there are 1,000 there now. I am informed by an honorable, upright man, Mr. W. J. Erskine, that their condition is pitiable.

I have gone to the Bureau of Indian Affairs but they inform me they have no funds, and I know the little funds appropriated for this purpose are exhausted.

Mr. WOODRUFF. Mr. Speaker, will the gentleman yield?

Mr. DIMOND. Certainly.

Mr. WOODRUFF. Can the gentleman give the House any specific information as to the present economic condition of the Metlakatlans?

Mr. DIMOND. I will in just a moment. No appropriations are available. Alaska, of course, is hard up. Eighty-

one percent of our taxes come from the fishing industry, and the fishing industry is in terrible shape. We have no resources left to tax. The people are not wealthy, as is shown by the picture I have given you.

The wealth of Alaska has been poured into the United States. We find that there has come out of Alaska, been exported from Alaska, wealth to the value of $1,700,000,000 since 1886, and there has gone back into Alaska from the United States, which has been of great benefit to the United States because it provided a market for the industries of the United States, merchandise to the value of $900,000,000.

Mr. Speaker, it would take too long to go into this question of the Alaskan Indians. I have taken the matter up with the Bureau of Indian Affairs. It was considered this morning by the Committee on Indian Affairs of this House, and I now urge that a committee of this House or of the Congress be sent to Alaska this coming summer to study the entire situation with respect to the Indians in Alaska, and this program will tie up with the fishing industry. But I am deeply interested in the welfare of the native population of Alaska. They are my constituents. More than that they are my friends, and many of them are in desperate economic plight. The Territory is not able to take care of them all. They need help, they need it badly, and they need it without delay. I should like to take time here to paint for you the entire picture, but I know that you cannot give it to me now. I, therefore, urge with all the force at my command that a committee of this House or of the Congress be sent to Alaska this summer to study the situation and report back here so that at the coming regular session Congress will be in position to pass upon the legislation which I shall present for the relief of the native inhabitants of Alaska—indeed, Mr. Speaker, for the relief of all of the residents of Alaska. This will not be a pleasure jaunt for the committee. It will mean discomfort; it will mean hard work; but the results are certain to be of great service to Alaska. And more, Mr. Speaker, it will result in real economy, not only in money but in the lives and happiness of the great people of this great Territory.

I shall be very glad to write this whole thing out and present it either upon the floor or to the gentleman who inquired about it.

Now, to answer the other question with respect to the Metlakatla Indians, I think they are probably better off economically than any other Indians in Alaska, and I shall tell the gentleman why. A great reservation has been made for them, and they have been given this island. The island was taken away from other Indians and given to the Metlakatlans, who come from British Columbia. I am not criticizing the Government of the United States for doing this. The thing has been done, and I am glad to see the Metlakatlans there, and I am glad to say they are intelligent and self-respecting and industrious and are making a home for themselves; but if they were subject to unlimited competition, they could not survive. They would be in just the same condition as the other Indians in Alaska, because the Indians in Alaska cannot any more survive the fierce competition than the Indians in the United States.

[Here the gavel fell.]

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 2 additional minutes, because I should like to inquire further in regard to the Metlakatla Indians.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOODRUFF. Is it the gentleman's opinion that the fisheries on the island of the Metlakatlans, which I presume belong to the Indians themselves because of the fact that they own the island——

Mr. DIMOND. They belong to the United States, but the Indians have exclusive use of everything.

Mr. WOODRUFF. And that includes the fisheries, does it not?

Mr. DIMOND. Yes.

Mr. WOODRUFF. Is it the gentleman's opinion that the contracts that the Government has entered into in the years gone by with outsiders to carry on the fishing industry have been for the best interests of the Indians themselves?

Mr. DIMOND. I can only answer that, Mr. Speaker, by saying that I have never heard any complaint from the Metlakatla Indians. I had an opportunity to hear any complaints, because before coming down here I served for quite a number of years in the upper house of the Alaska Legislature, and if any serious complaint had been made I believe it would have come, sooner or later, to the attention of the legislature. Since coming to Washington one man, who forbade my using his name, said something about contracts—past, present, or future—and expressed some dissatisfaction, but since he would not let me use his name and would not let me do anything about it, it is like these anonymous letters that come to us. We cannot pay much attention to them. I have never made any investigation, but I spent some little time at Metlakatla during the last campaign—not very much time, only being there one evening—and no complaint was made to me by anybody there, either officials in the Indian community or others, with relation to the contracts.

Since I have started to speak I do recall now, because it has come to my memory in the last second, that a good many years ago——

[Here the gavel fell.]

Mr. BRIGGS. Mr. Speaker, I ask unanimous consent that the gentleman may have 5 minutes more.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DIMOND. I heard a good many years ago there was some dissatisfaction, but it is so vague and dim in my mind that I cannot recall precisely what it was. I know it was very ancient, indeed, because I have heard nothing since at least 1923, that being the year I first entered the legislature.

Mr. BRIGGS. Will the gentleman yield for a question?

Mr. DIMOND. Certainly.

Mr. BRIGGS. Has there been any increase in the settlement of Alaska in the last few years?

Mr. DIMOND. Yes.

Mr. BRIGGS. Has there been any tendency toward an increase, so far as the gentleman knows, in the settlement throughout this great area, where I believe the population statistics show there are perhaps less than 75,000 people, including both whites and Indians, in an area of over 500,000 square miles?

Mr. DIMOND. The area is 589,000 square miles, and the population of Alaska between 1920 and 1930, according to the census, increased 7.7 percent.

I want to explain one thing to the gentleman and to the House. The thing that put Alaska definitely upon the back trail with relation to population was the Great War. Alaska, necessarily, as any frontier country would be, was populated by single men, most of them being adventurers, more or less. They were men who went into the hills, and when the call to arms came, of course, they enlisted. Alaska did not get credit for many of them. Many of them would not enlist in Alaska, because it meant they could not get to France fast enough. Some of them went to Maryland to enlist, because there was a camp there, while others went to Long Island, N.Y. Most of them went out of Alaska, and they went out by the thousands. According to the records we have, Alaska furnished a greater proportion of its population to the American military and naval forces than any State, and, of course, this is to be expected, considering the character of the population. And remember that they would not take many Indians, although they are counted in the population. An arbitrary order was issued that no Indian could be taken, although many of them tried to enlist, and some succeeded. They were as patriotic as any of the people.

When these men got to France, and most of them did get to France, their minds were changed about many things. They had seen a new field of adventure, and I think I am

correct in saying that not over one fourth of them came back to the Territory of Alaska.

My own opinion is that the increase in the population of Alaska for the last decade, between 1920 and 1930, is due largely to the increase of births over deaths.

Mr. RANKIN. Is it not a fact that when the young men did come back they found the canning industry had reserved all the fishing grounds and they had to go somewhere else?

Mr. DIMOND. That is probably true in some cases.

Mr. RANKIN. I know it is true in some. We had up a case where two young men enlisted, laid aside their fishing tackle, and went to war, and when they came back they found that the waters in which they had been fishing had been allotted to one canning company that had been prosecuted for selling decayed or spoiled salmon to the Government during the war for our soldiers, and these two young men were forced to go elsewhere to make a living.

Mr. DIMOND. I have not any particular knowledge of the instance to which the gentleman from Mississippi refers. I think, however, it probably arose under some orders creating fishing reservations, made when Mr. Hoover was Secretary of Commerce. It is true at that time reservations were created in the waters of Alaska. They were parceled out, distributed among the cannery companies, and all others were excluded from these reservations.

But that did not last long. The reservations were abolished.

Mr. RANKIN. The law was changed, but the regulations were not materially changed. Is it not a fact that the same discrimination prevails as before?

[Here the gavel fell.]

Mr. RANKIN. I ask unanimous consent that the gentleman may have 5 minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Is it not a fact that in Alaskan waters today the same discriminations are in force that were in force when Mr. Hoover was Secretary of Commerce?

Mr. DIMOND. I want to answer the gentleman's question by going a little further than he has gone. I think in some respects the regulations are worse.

Mr. RANKIN. I agree with the gentleman.

Mr. DIMOND. There are fishing traps used, and I want to say that that is one of the reasons for the bad economic conditions of the Indians and others. These conditions are partly caused by the unrestricted use of these fishtraps. I have no doubt the honorable Commissioner of Fisheries will say that the use of traps is not unrestricted. Technically that is true, but practically it is not true, because the seiners under the regulations cannot compete with the fishtraps, and the canners will not take fish from the seines when they can get fish from the traps cheaper.

I am opposed to the unrestricted operation of the fishtraps in the waters of Alaska, and I am going to try and have this administration change it.

Mr. RANKIN. Will the gentleman yield further?

Mr. DIMOND. I yield gladly.

Mr. RANKIN. The gentleman from Alaska has put his finger on the trouble. In my opinion, the use of these traps not only excludes the Indians from the use of these streams that their fathers have had the use of for thousands of years but they are responsible for the very conditions he has described in the falling off in population.

Is it not a fact that if we had in force in Alaska the same fishing regulations they have in British Columbia, the traps would be removed and the individual would be permitted to earn his living by fishing as they do everywhere else in the world except in Alaska, and that the Indians would be taken care of and the white population of Alaska would considerably increase, and that many people would go there to make it their permanent home?

Mr. DIMOND. Answering the gentleman, I would say that I concur in his views. I am not intimately familiar in every detail with the fishing regulations in force in the waters of British Columbia; but from the knowledge that I have of them I think they are much better in the interest of the local population than are the fishing regulations that now are, and for some years past have been, in effect with respect to the waters of Alaska.

Mr. PARSONS. Mr. Speaker, will the gentleman yield?

Mr. DIMOND. Yes.

Mr. PARSONS. What is the gentleman's opinion with reference to the future production of the fisheries in those waters if the same regulations are followed there as have been the last 10 years? Will the fisheries not be destroyed?

Mr. DIMOND. I am not able to say that. The production of fish in the waters of Alaska has not varied greatly in the last 10 years. Occasionally the pack runs up as high as 6,000,000 cases, and sometimes down as low as 4,000,000 cases. I have not the exact figures at hand. Last year I think was an average yield—and I am speaking now solely of salmon—when the total product was somewhere around 5,000,000 cases. I think the regulations are such as not to imperil the future of the fisheries in Alaska. I am not complaining of the regulations on that account, though there may be some places where the regulations ought to be changed, but I do not claim to be an expert on that particular point. I want to answer the gentleman further by saying there is a cure for all this.

Give the Alaska Legislature the power to legislate with respect to the fisheries of Alaska, and we will take care of it up there ourselves. We do not need any help down here to make laws and regulations concerning fisheries, and I say that with the utmost deference to the Members of this body who have been so kind and sympathetic to me and to my predecessors.

The SPEAKER. The time of the gentleman from Alaska has again expired.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that his time be extended for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. DIMOND. It is almost impossible to put the situation before the Members of this body and of the other House and before the administration so that it can be fully understood. The trouble lies in trying to show you the exact picture. I only hope that a committee can go up to Alaska this summer and study the fishing industry. I also think they should look into the condition of affairs in respect to the Indians. This putting the power in the hands of the legislature is almost a religion with me—it is a political religion—for I believe in home rule. The people up there are just as honorable and honest and intelligent as the people of any other place, including the Indians. Give the Alaska Legislature the power to legislate with respect to the fisheries of Alaska, and they will take care of them, and they will settle the difficulties of the local population and at the same time protect the industry, because they have got to protect it. Congress will still have supervisory power over the legislation of Alaska; and if it thinks that any law passed by the Alaska Legislature is foolish or confiscatory, it can be changed by Congress.

Mr. EDMONDS. Mr. Speaker, will the gentleman yield?

Mr. DIMOND. I yield.

Mr. EDMONDS. Has the gentleman taken any action at all in regard to Japanese competition?

Mr. DIMOND. I have not, except to discuss it with quite a number of Members in this body. I particularly took up the matter and discussed it with Representative HILL, the gentleman from Washington, the author of the bill, and he suggested that I see the Secretary of State and the President. I do not know whether I can see the Secretary of State and the President or not. They may not have time to talk to me about the matter. However, it is vital to the fisheries of Alaska, and it is also vital to the fisheries of Washington and of Oregon and of California; and if something is not done to correct the situation, you are going to see the salmon-packing industry wiped out.

Mr. EDMONDS. I received a letter from California in which it is stated that 350,000 people are out of work now because of the encouragement given to Japanese canned

goods coming into this country. I am wondering whether the provisions of the tariff bill which allow the President to declare an embargo have ever been tried.

Mr. DIMOND. I was informed here by somebody that the provisions of the tariff bill would not apply. I do not know. I know little about the tariff.

Mr. EDMONDS. I think a little study of the section of the tariff bill would show that the President has a right, if undue competition is exhibited, to declare an embargo if he so desires, and that would give 350,000 people work on the Pacific coast.

Mr. DIMOND. One reason I did not pursue that proposition is because I knew the Representatives in this body and in the Senate from Washington and Oregon and California were undoubtedly working on it, and they have much more power than I can hope to possess. If they, with their influence and experience and votes, could not persuade this House and the other House to pass some remedial legislation, I do not know how the Delegate from Alaska could do it. I do not know how the Delegate from Alaska could ever be able to persuade the President it was necessary to be done.

Mr. EDMONDS. We would not have to spend any money in reforestation in Alaska or on that coast if you could get your canned-goods people back to work.

Mr. RANKIN. Will the gentleman yield?

Mr. DIMOND. Surely.

Mr. RANKIN. The tariff is one thing that has wrecked the country now. The provision which the gentleman from Pennsylvania referred to might help the canning industry a little, but it would not do any good to the working people of Alaska.

The gentleman from Alaska [Mr. DIMOND] is trying to do something for the people who are entitled to work in those fisheries trying to make a living. Now, with reference to his proposition to turn this over to the Territory of Alaska, I may say I am more or less in sympathy with that proposition. As I understand it, the United States Government gets no revenue from those fisheries, except from income and inheritance taxes. That is right, is it not?

Mr. DIMOND. That is correct.

Mr. RANKIN. Then it would take no revenue from the United States Government to give the Territory of Alaska complete control over the fisheries, or approximately complete control. Is that correct?

Mr. DIMOND. That is correct.

Mr. RANKIN. Now, I want to ask the gentleman this question: This is one thing that to me is important. All up and down those streams I get complaints almost every month from the Indians saying that they are driven from the fishing grounds and that many of them are on starvation because they are denied an opportunity to fish for a living in the very waters that their people have fished in for hundreds of years. If this power were turned over to the Territory of Alaska, I want to know what assurance we would have that those Indians would be taken care of and their ancient fishing rights restored to them and protected?

Mr. DIMOND. Mr. Speaker, nobody can give any legally enforceable assurance to the gentleman or to this body. You must rely upon the good sense and patriotism of the people of Alaska, and you must rely upon their selfishness, because enlightened selfishness alone will impel them to take care of the Indians. If you want to go into the political sphere, the Indians are all citizens and nearly all of them are entitled to vote. The Indians are in the majority in population. So if they are not treated fairly by the people of Alaska, you will have another legislature, and there will be some changes whereby the Indians will be treated fairly. But the trouble is not in Alaska. The trouble is not in the non-Indian population of Alaska. I have never seen any substantial disposition on the part of any of the people of Alaska to deal unfairly with the Indians. It is true there are some exceptions. There are some people who are prejudiced. There are some who simply hate the natives. They absolutely hate and despise them. They do not want to have anything to do with them. But that is not the sentiment on the part of the people generally. The people of Alaska are fair; they are generous.

Mr. BLANCHARD. Will the gentleman yield?

Mr. DIMOND. I yield.

Mr. BLANCHARD. Just as a matter of information, may I ask in whom the control of the fisheries is now vested? Is it entirely a departmental matter?

Mr. DIMOND. It is entirely a departmental matter, and it is in the Bureau of Fisheries. The present head of the Fisheries Bureau is Mr. Henry O'Malley, and he has been the head of it during the last administration and for some time before that, I think.

Mr. ROGERS of Oklahoma. Will the gentleman yield?

Mr. DIMOND. I yield.

Mr. ROGERS of Oklahoma. Who is it that owns and operates these concerns? Are they local people or are they from other countries, using the traps and bleeding the people, not only the Indians but the poor white people also?

Mr. DIMOND. The canneries are owned by various people. Mostly they are corporations, the stockholders of which live outside of Alaska.

Mr. ROGERS of Oklahoma. And the traps are owned by the canneries?

Mr. DIMOND. Not all of them. Most of them are. Some of them are owned by independent people. This may be of interest: In 1929 I introduced a memorial in the legislature. That is about all we could do with respect to the fisheries in the Alaskan Legislature—memorialize Congress. I introduced a memorial to limit each cannery to two traps for every line of machinery operated. I do not have time to explain what a line of machinery is, but this memorial, if followed, would have cut out more than half the traps in Alaska. Unfortunately at that time some people were enamored of traps. What I am now about to say is not politically partisan, because I realize that politics does not cut much figure with respect to Alaska. But the Democrats in the senate of the Territorial legislature voted for this memorial and the Republicans all voted against it, so it failed. Since then I have made representation to the Bureau of Fisheries, but after all I was only one man in the Territory of Alaska, and I was not listened to. Or if I was listened to, nothing was done along the line I suggested.

Mr. EDMONDS. Will the gentleman yield further?

Mr. DIMOND. I yield.

Mr. EDMONDS. Are there any dragnets used now?

Mr. DIMOND. There are seines used. You might call them dragnets. That is a term that is not used in the fishing industry.

Mr. EDMONDS. What is the term used?

Mr. DIMOND. There are purse seines, which simply surround a school of fish and scoop them all up. Then they use gillnets.

Mr. EDMONDS. A purse seine is the thing I meant. Do they use those now?

Mr. DIMOND. They use them in places; yes.

Mr. EDMONDS. Are they allowed to use them under the law?

Mr. DIMOND. Yes; in places.

Mr. EDMONDS. But that is not operated by steam?

Mr. DIMOND. No. That is not operated by steam.

The SPEAKER. The time of the Delegate from Alaska has again expired.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the gentleman may have 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

Mr. RANKIN. I will ask the Delegate from Alaska if he is satisfied with the administration of Mr. O'Malley?

Mr. DIMOND. No, I am not; to answer the gentleman.

Mr. RANKIN. I agree with the Delegate from Alaska on that also.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. DIMOND. Yes.

Mr. SIROVICH. Does the gentleman realize that in Bristol Bay for 6 weeks of every year during the months of July and August, as I understand, 35,000,000 red salmon come in, and that along the shores of Bristol Bay the land is owned by the canneries, that the California and Alaska packers have never permitted any other organization, group, or individual to own land there but monopolize completely, or at least to the extent of 70 percent, this great resource for themselves? It not this right?

Mr. DIMOND. To answer the gentleman I must say that I do not know.

Mr. SIROVICH. For the benefit of my friend I may tell him that this is the testimony given before the Committee on Merchant Marine, Radio, and Fisheries.

Mr. DIMOND. Yes. I have read very carefully, several times, the report of the hearings before this committee, and I wish to thank the gentleman for his position there in support of the Alaskan fishermen. But there are no fish-traps in Bristol Bay and this is a great help.

Mr. Speaker, it would not be fair to some of the packers of Alaska to say they are all trying to gouge, and get the most out of the people of Alaska. Some of them are really high-minded and want to be fair. Some of them even would be generous, if they could, but the trouble with this industry, as with many others, is that there are some people who will not play the game. There are some good canners there, too. [Applause.]

[Here the gavel fell.]

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. McCORMACK. Mr. Speaker, to understand the application of the Act of March 22, 1933, to the possessions of the United States it is necessary to refer, first, to the National Prohibition Act, and to the act supplemental thereto, approved November 23, 1921, known as the Willis-Campbell Act.

The first paragraph of section 20, title III, of the National Prohibition Act is as follows:

> That it shall be unlawful to import or introduce into the Canal Zone, or to manufacture, sell, give away, dispose of, transport, or have in one's possession or under one's control within the Canal Zone any alcoholic, fermented, brewed, distilled, vinous, malt, or spirituous liquors, except for sacramental, scientific, pharmaceutical, industrial, or medicinal purposes, under regulations to be made by the President, and any such liquors within the Canal Zone in violation hereof shall be forfeited to the United States and seized: *Provided*, That this section shall not apply to liquor in transit through the Panama Canal or on the Panama Railroad.

It will be noted that this section does not fix any limitation as to the alcoholic contents of the beverages dealt with therein. By Executive order promulgated January 7, 1920, President Wilson adopted—section 2—the definition of section 1, title II, of the National Prohibition Act, including the one half of 1 percent limitation. The Willis-Campbell Act (see below) subsequently extended to the Canal Zone the National Prohibition Act, including, of course, the definition of intoxicating liquors in section 1, title II, thereof.

The National Prohibition Act was amended on November 23, 1921 (42 Stat. 222), this act being known as the Willis-Campbell Act. Section 3 thereof provided:

> That this act and the National Prohibition Act shall apply not only to the United States but to all territory subject to its jurisdiction, including the Territory of Hawaii and the Virgin Islands; and jurisdiction is conferred on the courts of the Territory of Hawaii and the Virgin Islands to enforce this act and the National Prohibition Act in such Territory and islands.

The effect of this legislation is to extend the provisions of the National Prohibition Act, as amended and supplemented, to all the possessions of the United States, including Guam, Tutuila, and so forth, with the exception of the Philippine Islands. The Organization Act of the Philippine Islands provides in this regard (39 Stat. 547):

> That the statutory laws of the United States hereafter enacted shall not apply to the Philippine Islands, except when they specifically so provide, or it is so provided in this act.

The act of March 22, 1933, provides in section 3 (a):

> Nothing in the National Prohibition Act, as amended and supplemented, shall apply to any of the following, or to any act or failure to act in respect of any of the following, containing not more than 3.2 percent of alcohol by weight: Beer, ale, porter, wine, similar fermented malt or vinous liquor, or fruit juice; but the National Prohibition Act, as amended and supplemented, shall apply to any of the foregoing, or to any act or failure to act in respect of any of the foregoing, contained in bottles, casks, barrels, kegs, or other containers, not labeled and sealed as may be prescribed by regulations.

Section 4 (c) of the act of March 22, 1933, also provides for certain penalties for engaging in the manufacture for sale of beer, ale, porter, wine, similar fermented malt or vinous liquor, or fruit juice, without a permit or in violation of the terms of a permit; and section 4 (d) states:

> This section shall have the same geographical application as the National Prohibition Act, as amended and supplemented.

It is apparent, therefore, that in all the possessions of the United States, with the exception of the Philippine Islands, the provisions of the National Prohibition Act relating to beer, ale, porter, wine, similar fermented malt or vinous liquor, or fruit juice, containing not more than 3.2 percent of alcohol by weight, are repealed, provided the containers thereof are labeled and sealed as required by regulations. This would seem to leave, in effect, the local laws of those possessions, if any, on this subject, with the exception of those made subject to a like limitation by section 3 (b) of the act of March 22, 1933, and subject to the further requirement of section 4 (b) (1) of that act as to the alcoholic limitation to be authorized by permit in accordance with the local laws.

In many of the possessions dealt with herein the internal revenue laws of the United States are not in force; consequently, in paragraph (a), section 1, of the act of March 22, 1933, the application of that section is confined to the States, the Territories of Alaska and Hawaii, and the District of Columbia. This leaves the matter of the imposition of the occupational and commodity taxes in such possessions to the local laws, if any, or to the enactment of laws on that subject.

Mr. MEAD. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, very happily for the people of this country, and by reason of the courageous leadership of our President and the cooperation given to him by the House and the Senate, confidence has been restored in our country. By the prompt passage of a program of legislation we have now begun to stimulate and resuscitate business in America. There is in my judgment a number of important matters still to be considered before business becomes normal again. The Post Office Department will have to change its system, revise its rates, and give to the people of this country that high standard of service which they enjoyed prior to the depression.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MEAD. Certainly.

Mr. RANKIN. Can the gentleman from New York inform the House whether anything has been done with reference to reducing first-class postage to 2 cents?

Mr. MEAD. I am glad the gentleman asked that question. On the very day this session convened I introduced a bill, H.R. 2, calling for a return to 2-cent postage, amending the Revenue Act of 1932 by restoring the former rate of postage. It was referred to the Committee on Ways and Means. The distinguished chairman of that committee has also presented a bill, H.R. 3753, which not only restores 2-cent postage but repeals the tax on bank checks and continues the gasoline tax for 1 year. It is a meritorious measure, and in my judgment cannot be reported to the House too quickly.

Right at this time, when we have restored confidence and begun again to build up the business of the country, the

Post Office Department can do a great service by increasing its facilities and decreasing its first-class rates.

Mr. PARSONS. Mr. Speaker, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. PARSONS. Is anything being done with reference to preparing a bill to raise rates on those classes of mail which are carried at a loss, so that they will be made to pay their way?

Mr. MEAD. Answering the gentleman from Illinois, I may say that we have a Cost Ascertainment Commission. This Commission, after investigation, arrives at what it believes to be a proper and reasonable cost for handling the various classes of mail. The method pursued by this Commission, of necessity, produces conclusions that are not always accurate. It is almost impossible to ascertain the accurate cost of carrying a letter from New York to San Francisco, considering all the changes and transfers that it may have to go through. It is equally difficult to levy an equal and just charge upon parcels carried by parcel post, which may be handled by a slower and less expensive method. At the best these figures are but estimates.

The Post Office Department, in my judgment, would suffer no deficit, there would be no loss, if we could continue the normal increased volume of business, which in some measure was diminished when we increased postage rates. What we should do is to reduce postage rates and increase postage volume. This would decrease measurably the cost of distributing mail and would enable us to handle each classification of mail at a lower figure than is now the case.

[Here the gavel fell.]

Mr. MEAD. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PARSONS. Will the gentleman yield for a brief question?

Mr. MEAD. Yes; I yield.

Mr. PARSONS. Does the gentleman believe that all classes of mail should pay their way?

Mr. MEAD. I certainly do; but before I would make any increases I would reduce the rates on mail in such classes as warrant a reduction, which would increase the volume and thereby increase the revenue.

Mr. ELLZEY of Mississippi. Is it not a fact that the revenue from the 3-cent postage rate is considerably less for the same period of time than from the former rate of 2 cents?

Mr. MEAD. I will say that the gentleman is right by about $50,000,000. I believe we have suffered a loss of $50,000,000 by raising the rate.

Mr. BLANCHARD. If the gentleman will permit, I should be pleased to have the gentleman state what those figures are.

Mr. MEAD. I will come to that in just a moment.

Mr. RAGON. If the gentleman will permit, let me interrupt just to get this straight, because someone is wrong about the matter. As I understood the gentleman from Mississippi, he asked if the amount of revenue derived from 3-cent postage is less than what was formerly derived from 2-cent postage, and I understood the gentleman to say that the gentleman from Mississippi was right by $50,000,000.

Mr. MEAD. I will say to the gentleman that I estimate we have suffered a loss of at least $50,000,000 by increasing the rate from 2 cents to 3 cents.

Mr. RAGON. I took this matter up, I may say to the gentleman, the other day with the Treasury Department, and they told me there that the postal receipts were greater this year than they were last year, and that if you took into consideration the reasonable loss in postal revenue that would be expected from the depression, then the fact that they had more revenue this year than they had the year before would indicate that the 3-cent postage rate is a paying one.

Mr. MEAD. Of course they are trying to defend the action taken a year ago.

Mr. RAGON. It strikes me, however, there is a great deal of force in what they say. The chairman of the Ways and Means Committee is trying to get the facts about this matter and so far we have been unable to find anyone who could tell us about the actual productivity of the 3-cent postal rate; but it seems to me that if they had more postal revenue this year than last year, this would indicate that the 3-cent postage rate has brought in more money.

Mr. MEAD. Let me develop the argument I was making a moment ago and I will show that, as a matter of fact, the figures for 1933 will indicate a reduction in revenue amounting to $50,000,000.

In 1932 there were approximately 13,000,000,000 pieces of first-class mail matter handled by the Post Office Department, and from figures furnished by the department there will be about 8,000,000,000 pieces handled in 1933. This means a loss of 5,000,000,000 pieces of first-class mail and a loss of 5,000,000,000 pieces of first-class mail at the 2-cent rate is $100,000,000; the revenues from all first-class mail in 1932 amounted to $310,000,000. That was 9 percent less than in 1931. That was the normal decrease due to our economic situation. If the same normal reduction had occurred for 1933, due to the depression, the revenue would have been $292,000,000. That is considering the normal drop resulting from the depression. However, figuring the 8,000,000,000 pieces of first-class mail, which include 1-cent postal cards, as well as 3-cent letters, at the full rate of 3 cents each the revenue will be but $240,000,000, rather than $292,000,000. So from these figures we find that the loss due to the increased postage rate is approximately $52,000,000.

Mr. RANKIN. Will the gentleman yield?

Mr. MEAD. I shall be pleased to yield.

Mr. RANKIN. Is it not a fact that even at 2 cents the Government makes a profit on first-class mail and it is the only mail that the Government does make a profit on?

Mr. MEAD. It is the only mail, according to the Cost Ascertainment Commission, which shows a profit, and in the good business years it produced as much as $75,000,000 in revenue.

[Here the gavel fell.]

Mr. MEAD. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN rose.

Mr. MEAD. If the gentleman will just withhold his question for a moment, I want to develop the argument I am trying to make a little further by explaining the attitude of the Postmaster General during the administration of President Grover Cleveland, when an economic depression set in to grip the Nation. Here is the position Mr. Bissell, the Postmaster General, took at that time. Contrast it, if you will, with the attitude taken by the last Postmaster General, who, from the very time he assumed office, advocated, even before the depression, an increase in first-class postage rates from 2 cents to 2½ cents. Here is the recommendation made by Postmaster General Bissell in 1893:

> When adverse business conditions prevail, an ordinary business establishment may overcome them in part by economies of management and retrenchment of expenditure. Not so with the Post Office. It cannot and should not stop to consider little economies. Its duties and obligations to the public become at once intensified and enlarged. It must exert itself to the utmost to secure the best possible results in the way of celerity, accuracy, and security in the dispatch of mail and without sparing any reasonable expense in that behalf.

We reduced the number of employees in the department, curtailed the service, and increased the rates to the public, just the contrary to the action taken by Postmaster General Bissell. We increase the cost, diminishing the service, and add to the deficit.

Our committee made somewhat of an investigation of this subject; we addressed inquiries to many post offices in the United States. You would be surprised and amazed to know how the postage saving thought has gripped the country.

Every known device and scheme is attempted in order to divert mail from the post office. Systems have been instituted as the result of the increased cost that will take years to offset. It will be a long time before we can get some of this business into the Department again.

I have here the postal receipts from 50 industrial offices for February 1932. For February 1932 these offices show revenues of $2,831,000; for February 1933, $2,659,000. I have also a statement here from 50 selected cities, all different from the ones I have just given. In February 1932 the revenues from those offices were $24,060,692.27. February 1933 it was $22,559,000. These figures show a loss in the total gross revenues, even though we raised rates 50 percent.

Mr. HOEPPEL. Will the gentleman yield?

Mr. MEAD. Yes.

Mr. HOEPPEL. Will the gentleman explain how much revenue is lost per year by the free distribution of newspapers?

Mr. MEAD. I do not have those figures here.

Mr. PATMAN. I have it here, and I should like to give the information.

According to the annual report of the Post Office Department for 1932, the daily newspapers cost the Government $36,409,577.82 more than they paid in postage; other newspapers and magazines cost $40,000,000 more than they paid the Government; ocean mail contracts, $21,666,103; aircraft, $20,586,107; and parcel post (mail-order houses), $33,000,000 more than the Government received from these services.

The gentleman from New York [Mr. MEAD] is rendering the country a great favor through his services as chairman of the Committee on the Post Office and Post Roads. The Members of the House of Representatives feel indebted to him.

Mr. MEAD. The figures presented by the gentleman from Texas are taken from the cost ascertainment report. They are the official figures of the Department. Unfortunately, the second-, third-, and fourth-class postage all contribute toward the postal deficit. The ocean and air mail subsidies also contribute to the postal deficit, but all of these services have been allowed to continue without change, while an increase has been placed on the first-class postage, an increase that taxes every home and individual in the country, and this class was the only one that was paying its way. For that reason I say it is unfair and unjust and should be repealed. [Applause.]

Mr. BLACK. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLACK. Mr. Speaker, the Hitler dictatorship fouls the senses of the civilized world. Religious persecution is the most violent form of fraud. Under the guise of religion, whose main relation is to the future, material harm is done in the present. Before mankind this country has erected itself a live and strong monument to toleration. Our State Department is well within the best American tradition to assert our disfavor to a government that has forgotten the equality of men under a God we all profess.

Mr. THOMASON of Texas. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. THOMASON of Texas. Mr. Speaker, ladies and gentlemen of the House, I wish first to read a resolution that was passed a few days ago by the unanimous vote of the Legislature of the State of Texas, which I think is self-explanatory:

Senate Concurrent Resolution 27

Whereas for some 14 years the War Department of the United States maintained Fort D. A. Russell, a military outpost of considerable importance, because of its strategic location as a protection for many miles of territory bordering the Republic of Mexico; and

Whereas the climate of the area in the Davis Mountains in which was located this historic fort is such as to provide all-year-round facilities for the training of soldiers in the service of our country, who perform a duty the value of which is unlimited; and

Whereas with the beginning of this year, 1933, the said Fort D. A. Russell at Marfa, Tex., was abandoned and deserted by the War Department by transferring its personnel, which was composed of a Cavalry unit, to Kentucky, for the purpose of having it motorized; and

Whereas there now remain on the site of this fort sufficient equipment and buildings to reestablish to good effect the military post which for so long so ably protected from invasion by neighboring foreigners many miles of valuable property; and

Whereas since the 1st of January 1933 five raids of such magnitude as to create much fear and unrest among residents of the border section adjacent to Mexico have been made upon the property herewith enumerated: The Chinate Ranch, January 22; the Jake Baldwin Ranch, February 8; the Jack Rawls Ranch, February 25; the J. L. Subletz Ranch, March 2; and the L. C. Brite Ranch, March 3; all of which is confined within the bounds of Presidio County, which in territorial extent embodies an area comparable in size to the combined States of Rhode Island and Delaware; and

Whereas with the abandonment of Fort D. A. Russell the protecting buffer for huge distances along the Mexican border has been removed and hundreds of miles of territory are now without protection, and, as a direct result, this portion of Texas—the southwestern boundary of the United States—is in a state of considerable demoralization because of the absence of the influence exerted by a unit of the military sufficient in size to adequately protect the life and property of its citizens: Now, therefore, be it

Resolved by the Senate of the State of Texas (the house of representatives concurring), That the Honorable George H. Dern, Secretary of War, Washington, D.C., be petitioned to restore and to reestablish this most important military post at Marfa, Tex.; be it further

Resolved, That a copy of these resolutions be sent to the Honorable George H. Dern, Secretary of War, and the Honorable John Nance Garner, Vice President of the United States.

Mr. Speaker, our distinguished friend, the Delegate from Alaska [Mr. DIMOND], who I am sure impressed all of us with the fact that he is going to most ably represent that great Territory, referred to the size of the State of Texas. I represent in area the largest district in the United States. It may be news to some of you new Members, and those of you who have not traveled in Texas, that it is more than 1,000 miles by the meanderings of the river from El Paso, the city where I live, to Brownsville, at the mouth of the Rio Grande.

So that those of you who may not have heard me before upon this subject may know something about the history of this particular transaction, I might say about the War Department what the gentleman from New York [Mr. MEAD] so ably said the other day about the Post Office Department: No economy has been brought about, national defense has been weakened, and, in addition to that, a rank injustice has been done.

Mr. GOSS. Mr. Speaker, will the gentleman yield?

Mr. THOMASON of Texas. Yes.

Mr. GOSS. Was not that a Cavalry post?

Mr. THOMASON of Texas. Yes.

Mr. GOSS. Of course the gentleman is well acquainted with the attitude of the chairman of the subcommittee of the Appropriations Committee having in charge the War Department bill toward Cavalry. Is not that one of the reasons that fort was dispensed with?

Mr. THOMASON of Texas. Yes; I think so, and may I say that I am absolutely out of accord with that position.

Mr. GOSS. I am also.

Mr. THOMASON of Texas. I think a majority of the Members of the House are, as would be shown if the House could express itself on questions of legislation affecting national defense.

Mr. MARTIN of Oregon. Mr. Speaker, will the gentleman yield?

Mr. THOMASON of Texas. Yes.

Mr. MARTIN of Oregon. We had very serious discussions last year about the Army, about maintaining the size of the Army and about the morale of it, and yet all the Members from Texas did not support the Army as you and your friend from Texas [Mr. KLEBERG].

Mr. THOMASON of Texas. I am sure the distinguished general does not include me among those who were against the Army.

Mr. MARTIN of Oregon. No; and that does not include the gentleman sitting beside me [Mr. KLEBERG]. You both proved yourselves to be friends of adequate national defense.

Mr. THOMASON of Texas. I no more speak for all the members of my delegation than does the gentleman speak for all the Members from Oregon. May I say a word or two in order that some of you who may not be acquainted with the facts may know what this situation is? It will be recalled that a good many years ago the noted Pancho Villa, of Mexico, made a raid at Columbus, N.Mex., on our Army. While the Army was asleep in their tents, Villa succeeded in killing a good many American soldiers and citizens, burned the town, stole some Army horses, and escaped back into Mexico. General Pershing chased him a good ways into Mexico, but without success. As I have said before on the floor of this House, I think perhaps that is the blackest page in the history of our great Army. Nevertheless, following the raid, there were other raids along the Texas-Mexican border, and particularly what was known as "Brite ranch", in the Big Bend of Texas, and after the Columbus raid and the Brite-ranch raid and several minor raids the War Department of the United States voluntarily, without solicitation or request on the part of anybody, established a post at Marfa, Tex., and temporarily named it Camp Marfa.

May I say that section of the Texas-Mexico border is a rendezvous for a good many outlaws, both Americans and Mexicans? That post was established and a regiment of Cavalry sent there, but later, realizing the importance and the strategic location of that post, the War Department on December 11, 1928, by general order of the War Department, order No. 20, which appears of record, said:

Camp Marfa announced as a permanent military post and designated as Fort D. A. Russell. Under the provisions of 3 p. A.R. 170–10 the reservation now known as Camp Marfa, Marfa, Tex., is hereby announced as a permanent military post and will on and after January 1, 1930, be designated as Fort D. A. Russell, in honor of Brig. Gen. D. A. Russell, United States Volunteers, who was killed at the Battle of Winchester, September 19, 1864.

I cite that, my friends, so that you may know that by order of the War Department it was then and there made a permanent post of the United States Army. The little town of Marfa, relying upon the good faith of Uncle Sam, paved the roads and streets, built a fine, new, modern hotel, and extended water and sewer lines. After the post was established there was never another raid, never the slightest disturbance along that great stretch of the meandering Rio Grande, but, on the contrary, that regiment of Cavalry at Marfa was a stabilizing influence for friendship between the two countries. The nearest post west was more than 200 miles at El Paso. The nearest post east was about 300 miles.

The SPEAKER. The time of the gentleman from Texas [Mr. THOMASON] has expired.

Mr. THOMASON of Texas. Mr. Speaker, I ask unanimous consent to proceed for 5 aditional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMASON of Texas. Through my relations as a public official in El Paso with the Mexican people, particularly in the city of Juarez and the city of Chihuahua, and to some extent in Mexico City, I found most of their officials to be high-class men who wanted to get along amicably with the people of this country. That post was established at Marfa in order that they might not only protect American lives and property but that they might also build up this spirit of international good will and friendship that ought to exist between the two nations.

Mr. KLEBERG. Will the gentleman yield?

Mr. THOMASON of Texas. I yield.

Mr. KLEBERG. The gentleman knows that refugees from law and order congregate when they go from this side to the Mexican side of the border, and vice versa, in Mexico those who try to escape the penalties due them there come to this side. The gentleman is aware of the fact that during the location of Fort D. A. Russell, properly equipped with its Cavalry unit there, much was done to bring law and order to that great strip on the border between Brownsville and El Paso. Now, in that connection I wish the gentleman would give us the benefit of his experience. The gentleman comes from that district and lives there. I have been on the Brite ranch and the other ranches in that neighborhood. Just for the sake of clarifying the situation as to the relative efficiency of a motorized unit as compared with the same number of men on good horses, will the gentleman please give his opinion? How far would a motorized unit get in that territory?

Mr. THOMASON of Texas. A motorized unit in the Big Bend of Texas could not go 1 mile off the highway, and the highways are few and rough. Neither could an airplane land. It takes horses to chase and fight Mexican bandits who are on horses.

Mr. MANSFIELD. Motor trucks would be about as useful as a navy.

Mr. THOMASON of Texas. Not as good as a navy.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. THOMASON of Texas. I yield.

Mr. MARTIN of Oregon. Yet this House voted not for a single horse in the Army this year.

Mr. THOMASON of Texas. You and I voted for horses, but the majority did not.

Mr. MARTIN of Oregon. I am glad the gentleman is bringing out these things.

Mr. THOMASON of Texas. May I say to the gentleman from Oregon just how I feel about this? He is a retired major general of the United States Army and knows what an army ought to be. The Military Affairs Committee of the House, in my judgment, is one of the great legislative committees of this House, yet, as the gentleman from Oregon, Mr. MARTIN, and my colleague from Texas, Mr. KLEBERG, and also my other colleague, Judge MANSFIELD, said, in the last session of Congress you saw a certain amount of money taken away from one part of an appropriation bill and added to another, which, in effect, was legislation, for this reason: The House denied a single cent of appropriation to the Cavalry of the United States—that is, for the purchase of additional horses—yet in the very next paragraph of that bill the House appropriated $435,000 for mechanization, in an effort by some Members of the House completely to mechanize the Army. I say that is a question of policy that involves national defense, and this House should have an opportunity to express itself as to whether or not it wants to do away with cavalry and mechanize the entire Army, when those of us on the Mexican border know that we must have cavalry in order to protect the border. My colleague, Mr. KLEBERG, is a successful rancher on the Mexican border and he knows conditions there. He is a friend of the Army, and I know he agrees with me when I say the removal of those troops was an outrage.

Mr. KLEBERG. Will the gentleman yield for another question?

Mr. THOMASON of Texas. I yield.

Mr. KLEBERG. The gentleman is aware of the fact that the equipment, the housing facilities, the barns, and so forth, at Marfa, Tex., were in good shape when they were abandoned; were they not?

Mr. THOMASON of Texas. Of course they were. There are 180 permanent buildings there, and yet in these days of economic stress they will all be junked unless this Congress stops it.

Mr. KLEBERG. And they represented considerable expense to our Government?

Mr. THOMASON of Texas. Yes; at least a million dollars.

Mr. KLEBERG. The gentleman will also note that that particular section is peculiarly adapted to the perfection of cavalry. It is the finest country on earth for horse raising.

Taking it for granted that cavalry is necessary, my friend will admit that if this country is to be served by this particular branch of national defense it could not be better located than it was at Fort D. A. Russell.

Mr. THOMASON of Texas. There is none better.

Mr. KLEBERG. How much money did it cost?

Mr. THOMASON of Texas. The Government has spent $1,000,000, and owns 476 acres of land. The people of the town of Marfa will provide additional land if needed. They moved the troops out almost over night, and wrecked or severely injured nearly every business in the town. They were moved to Kentucky, where they were not needed, and at heavy cost. I suppose they are all riding around now in automobiles and shouting for technocracy. In my judgment, this machine age is largely responsible for our present troubles.

[Here the gavel fell.]

Mr. THOMASON of Texas. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER pro tempore (Mr. PATMAN). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HART. Mr. Speaker, will the gentleman find out from the gentleman from Connecticut or the gentleman from Oregon how many horses they now have in the Army and where they are?

Mr. THOMASON of Texas. The records of the Department will show where the horses are. I know there are not enough, to say nothing of the fact that the industry ought to be encouraged. Farmers and stockmen would be benefited.

Mr. HART. We should like to have this information from these gentlemen who have had so much experience with the Army.

Mr. THOMASON of Texas. I cannot give you the exact figures.

Mr. HART. The generals can.

Mr. THOMASON of Texas. The records of the War Department will show how many horses they now have.

As a part of the military policy of this country, hearings should be had before the House Committee on Military Affairs to determine what is best for national defense. If the Army needs cavalry, I do not see why the question of how much cavalry the Army is to have should be determined by the Committee on Appropriations. The units composing the Army as well as the location of permanent posts should be decided by Congress, acting on the recommendation of the Military Affairs Committees of the Senate and House.

Mr. BLANCHARD. Mr. Speaker, will the gentleman yield?

Mr. THOMASON of Texas. Certainly.

Mr. BLANCHARD. Does the gentleman charge the War Department or the Congress with this responsibility?

Mr. THOMASON of Texas. The War Department issued the order. It seems that Congress has not much to do with it. I had a resolution pending in this House, which had been referred to the Committee on Military Affairs and was pending when the removal order was made. All I want is just and fair treatment. I realize there are a lot of Army posts throughout the country that ought to be abandoned, but let the matter be determined by a fair and impartial hearing. In this instance the War Department, at an expense of about $75,000, moved a regiment of Cavalry from the Mexican border, where it was needed, nearly 2,000 miles inland to Kentucky, where it was not needed.

Within the last 3 days I have read in the newspapers with regret that there are demonstrations in the city of Mexico against our distinguished Ambassador, Hon. Josephus Daniels, who is about to represent us in that country. We want peace and friendship, and one of the best ways to insure it is to preserve law and order along that thousand miles of wild border.

Mr. BLANCHARD. Is there any other place where this arm of our national defense is more needed?

Mr. THOMASON of Texas. No, indeed. If there is anywhere that soldiers are needed in time of peace it is upon the Mexican border. The law-abiding people of Mexico are our friends. Mexico patrols its side of the border. Mexican officials have told me they welcomed our Army along the border. Our Army officers at Fort D. A. Russell engaged frequently in polo games with the Mexican Army officers from Chihuahua. The finest feeling of friendship existed.

Mr. TERRELL. Mr. Speaker, will the gentleman yield?

Mr. THOMASON of Texas. I yield.

Mr. TERRELL. I have two questions to ask of the gentleman from Texas. How much would it cost to motorize this arm of the service; and, is there any place anywhere along the Mexican border that is more in need of this protection than that wild strip of country?

Mr. THOMASON of Texas. It would cost millions of dollars. We have had our raids. I have affidavits in my office stating what the conditions have been since the 1st day of January. I can verify every statement in that resolution passed by the Texas Legislature.

They have taken protection away from these people. It is not right to subject the American citizens living along the Mexican border to the dangers and hazards of outlaws from Mexico. We had our experience at Columbus. We had our experience at the Brite ranch. You cannot tell me that simply to please the whim and fancy of some man who thinks utr Army ought to be on wheels the Cavalry should be abandoned. Great army experts the world over have testified to the value of cavalry. The horse has played a big part in every war throughout the centuries. Infantry, artillery, air forces, and motors are necessary, but cavalry is the only force that can operate over rought and wet ground where there are no hard-surfaced roads. Motorized equipment could not operate a mile off the road in the Big Bend of Texas. They are not built to chase bandits who are always on horses themselves.

And so, my friends, I hope as time wears along sentiment will develop in this House to the extent that the Secretary of War and those in charge of our military affairs will see to it that before drastic action of this kind is taken there will be a hearing in the matter and that justice will be done to all parties in interest as well as protection given to American lives and property along the Mexican border. [Applause.] I am not a prophet, but I predict that if soldiers are not returned to Fort D. A. Russell, conditions will grow worse along the Mexican border. I sincerely hope that no American lives will be lost, as happened in previous raids. The Texas Senators and Congressmen expect to ask our new Secretary of War to return those soldiers from Kentucky to Fort D. A. Russell, where they belong and where they are needed. Knowing him to be a just man I have faith that he will do it. I am sure that is the sentiment of the majority of this House, and I want to assure you of my appreciation for the interest you have manifested in the matter. [Applause.]

Mr. LEMKE. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes on the Frazier bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. LEMKE. Mr. Speaker, this Nation is in agony; it is hungry; millions are starving in the midst of plenty, in the midst of the so-called "surplus" of food, and yet for some strange reason the hungry cannot get any of this surplus. Unthinking people call it overproduction; reasoning and intelligent people know that the trouble is underconsumption. They know that the law of supply and demand still exists; they know that the supply is here and that the demand is here, but that for some reason the law of supply and demand does not function.

World depression, starving millions, corruption, and misgovernment are today threatening the very foundation of scores of governments, including our own, a situation which arrests our attention and challenges our ingenuity and patriotism. Surely the American people will arise to the occasion and analyze the causes that brought about this condition and then with a determination equivalent to a devotion set about to find a remedy.

What, then, is the cause of this catastrophe that has befallen all the governments since the war? It is caused by the monopolization, not of the wealth of the world but of the medium of exchange, the monopolization in the hands of a few financial monarchs of the money of the

world. This was brought about by a skillful manipulation of the currency of the various nations, by monopolistic tariffs, by gambling in stocks and bonds and the necessities of life, and by the ill-considered, revengeful, and ignorant reparation policy following the war.

In our own country it was brought about, first, by virtually doubling the money in circulation and then by a cruel, brutal, and inhuman deflation, by virtually cutting the money in circulation in two.

When we entered the World War our financiers had already bet on the wrong horse over in Europe to the extent of billions of dollars—they had given the Allied Governments credit for war materials, food, and clothing to that extent. President Wilson realized that in order to win the war, the Government—in other words, the people of this Nation—you men and women—would have to assume that indebtedness for which our financiers had given credit in the way of war materials, food, and clothing to the Allied Governments. That is how our foreign indebtedness arose. Our Government never loaned a dollar directly to the Allied Governments. It merely gave them credit, and the international bankers manipulated that credit in such a way that they got billions of dollars out of the $22,000,000,000 of Liberty bonds we bought, and the United States Government, which means us, was substituted as the creditor of the Allied Governments in place of the international racketeers that had bet on the wrong horse. If these international gamblers had not bet on the wrong horse to that extent, this Government never would have gotten into the World War. It would have been over before we got started.

President Wilson knew that in order to win the war our Government would have to sell billions of dollars of bonds. He knew that there was not enough money in circulation among the people to enable them to buy these bonds, so he suggested to the heads of the Federal Reserve bank that they increase the money by issuing Federal Reserve notes and put them in circulation among the people.

Thereupon the local banks throughout this Nation took your note and my note and Tom, Dick, and Harry's note, stamped on the back of them "Payment guaranteed", put them in a nice bundle, sent them to a Federal Reserve bank, and received Federal Reserve notes, dollar for dollar, in exchange.

At the time we entered the war there was in circulation in the United States approximately $4,000,000,000. It is estimated that 1 billion of this was in foreign nations, that another 500 million has been lost since the Government began to make money some 156 years ago, lost in the fields, destroyed in homes and buildings that have burned, leaving about 2½ billion dollars in actual circulation. This was increased during the war to approximately $5,700,000,000. In round numbers, the increase or inflation was approximately $2,000,000,000—the circulating medium, money actually in the United States, was more than doubled by the issuing of Federal Reserve notes.

With this additional money, with this extra $2,000,000,000 as a revolving fund, we bought billions of dollars of Liberty bonds, bought new farms, new homes, and made countless improvements. There was plenty of money with which to measure the muscular and brain energy of our people. Prosperity was almost universal in this land of ours, and we had the highest standard of living of any nation.

But disaster was awaiting us. In 1920, while Woodrow Wilson was a sick man, the international bankers stole the Federal Reserve bank. Suddenly and without warning, the Federal Reserve bank began its deflation policy. It suddenly and without warning called upon your local bank, my local bank, and Tom, Dick, and Harry's local bank throughout this Nation to pay those notes they had guaranteed. It was at that time that your local bank was compelled to call upon Tom, Dick, and Harry to pay those notes it had guaranteed, and it was at that time that the prosperity of this Nation was wrecked.

It was at that time that the price of the farmer's wheat went down from 2 and 3 dwollars a bushel to 80 cents; it was at that time that the farmer's steers went down from $125 apiece to $25. By the end of 1921 the Federal Reserve bank had called in approximately a billion dollars of the Federal Reserve notes that it had issued in exchange for your note, my note, and Tom, Dick, and Harry's note.

The first industry to feel the effects of this deflation was American agriculture. The farmer, being unorganized, was the first to fall victim to the deflation. He was virtually slaughtered. He was made the shock absorber of deflation, and had he been able to carry the burden, the entire cost of the war would have been thrown upon his shoulders. But, as usual, greed knew no limit; the load it placed upon the farmer became intolerable, and he broke down under it.

Most of the farm indebtedness was created during the World War, during the period of inflation when there was plenty of money to measure the muscular and brain energy of our people, when everybody was at work, and when prices were high. Before the price-fixing act became effective, and prior to deflation, the farmers were getting as high as $3.89 per bushel for No. 1 Dark Northern wheat in Minneapolis, and other agricultural products were selling accordingly. At that time a thousand bushels of wheat would have paid an indebtedness of $3,890. Today 1,000,000, 2,000,000, or 3,000,000 bushels of wheat will not pay that same indebtedness, because the farmers are selling it far below the cost of production. What is true of wheat is true of practically all agricultural products. The selling price of practically all agricultural products since 1922 has been below the cost of production.

As a result, one may start from the Canadian line in the State of North Dakota and travel south to the Gulf of Mexico, crossing the States of North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, and Texas, and all along the line he will see deserted farm homes, broken fences, tumbled-down barns, unpainted houses in sad need of repairs—the very surroundings bespeak poverty and despair where once there was prosperity, hope, and plenty. He will learn of hundreds and thousands of mortgage foreclosures, past and pending. He will meet hundreds of thousands of fathers and mothers whose sons and daughters have gone into the already overcrowded cities. He will hear from their lips that before the period of deflation they were worth from $25,000 to $50,000, happy, prosperous, and contented, and now have either become tenants or are about to be evicted, with no place to go.

Such a condition affects not only the farmers but the Nation as a whole. It is a national calamity; it is a disgrace to the twentieth century and can only be explained by a complete breakdown—no; by a complete bankruptcy—of political and economical leadership. We have an overproduction of just one thing in the United States, and that is an overproduction, a superabundance, of ignorance on fundamental issues. We have heard of short selling, but one thing is sure—as a nation in this depression we are long on short thinking.

We have at our fingers' tips all that is necessary to bring about the greatest prosperity and happiness that this Nation has ever seen. We have too much to eat, so much that one half the farmers of this Nation have lost their homes and the other half are about to lose them in producing it. Again, we have so much raw material of every kind and description that we do not know what to do with it, and yet we have millions and millions and billions of human wants. There is hardly a man, woman, or child in this land that does not need some new clothing or other necessities, and then there are 15,000 men and women out of employment who are eager and willing to take this raw material and make it into finished products for us, and yet the great American engine is stalling.

Then what is the trouble in this Nation? The trouble is we have not enough money in actual circulation to measure the muscle and brain energy of our people, and we have done nothing in this Congress up to this time to remedy the situation.

Oh, yes; some of my friends have said we have just inflated the currency. Yes; we have just printed two billions

of paper money in addition to the four billions of Federal Reserve notes and given it to the banks of this Nation, but that is not inflation.

Mr. PATMAN. Will the gentleman yield for a question?

Mr. LEMKE. Certainly.

Mr. PATMAN. I presume the gentleman knows that the banks have refused to take this $2,000,000,000 that was printed for them because they are required by the Government to pay one half of 1 percent annual tax on it; and since the banks have refused to take it and have only used $9,000,000 of it, does not the gentleman think the Government should use this $2,000,000,000 for another purpose that would put it in circulation all over the country?

Mr. LEMKE. It should, absolutely; and that brings me to the Frazier bill and the Patman bill that I am going to explain here if I get the time to do it.

Mr. McFADDEN. Will the gentleman yield?

Mr. LEMKE. Yes.

Mr. McFADDEN. In connection with what the gentleman has just stated, the gentleman is aware of the fact that the Federal Reserve retired over $500,000,000 of Federal Reserve notes last week.

Mr. LEMKE. I am, and will state that all that we have had has been deflation. There can be no inflation unless the money is distributed among the people. If the Government printed $100,000,000,000 and gave it to me, and I put it in my pocket and kept it there, there would be no inflation. If we want inflation, we must put the money—the medium of exchange—in the hands of the people so that they can use it and spend it.

I now come to the Frazier bill. I am told that during the last campaign, someone asked our friend Raskob what he thought of the Frazier bill, and he got very much excited and said, "Hell, I thought that bill was paid," but it has not been paid; it is yet to be paid. The Frazier farm relief bill provides that the United States Government shall refinance the existing farm indebtedness at 1½ percent interest and 1½ per cent principal on the amortization plan, not by issuing bonds, but by issuing Federal Reserve notes, secured by first mortgages on farms—the best security on earth—better than foreign bonds, and far better than the security put up for Federal Reserve notes by the international bankers and Wall Street, for whose benefit the Federal Reserve bank has been functioning ever since they kidnaped it. This bill asks the Government to do for the farmer what it is doing for the large banks, insurance, and railroad companies through the Reconstruction Finance Corporation.

When this bill becomes a law it will put from two to three billion dollars new money in circulation among the people; it will loosen the frozen assets; the unemployed will again be able to get work and eat; the price of agricultural products will go up; the starving of millions will end; business will again be general. Even at 1½ percent interest, if the Government will refinance the entire farm indebtedness, it will make a gross profit of over $6,345,000,000 out of the transaction in 47 years.

Nineteen State legislatures have memorialized Congress requesting and demanding that it pass the Frazier bill without delay. They are Arizona, California, Colorado, Idaho, Iowa, Illinois, Indiana, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Wisconsin, Kansas, and South Carolina.

Give us the Frazier bill—the Patman bill, pay the soldiers their compensation in cash, not by issuing bonds, but by issuing full legal-tender Treasury notes—give us the Swank bill, guaranteeing the farmer the cost of production for that part of his products which is consumed or used within the United States—give us the Wheeler bill, remonetize silver. Give us these four bills, the Frazier bill, the Patman bill, the Swank bill, the Wheeler bill, and then we can go home and in less than 3 months you will not have to feed any starving people. There will be enough money in circulation, units of exchange to measure the muscular and brain energy of our people. We will have fulfilled our campaign and platform pledges, and we will have met the demands, the hopes, and the aspirations of the people of this Nation—not only of the farmers but of all the men and women of this Nation—and unless we do this permit me to suggest that there will be a sad disappointment. The conditions are getting worse, not better. The time has come for intelligent action—the time has come for courage. Let us forget the bygone days of legislating for the bankers only and legislate for all the people of the United States of America.

I shall not take any more of your time. I thank you. [Applause.]

Mr. GOSS. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. Will the gentleman withhold that a moment?

Mr. GOSS. I withhold it, Mr. Speaker.

RESIGNATIONS

The SPEAKER laid before the House the following communication:

The Hon. HENRY T. RAINEY,
Speaker of the House of Representatives, Washington, D.C.

MY DEAR MR. SPEAKER: I have been advised by the Honorable R. L. DOUGHTON, chairman of the Committee on Ways and Means, that I have been designated a member of the Foreign Affairs Committee.

As this appointment necessitates my resigning from the Committees on Census, Education, Elections No. 1, and Roads, I hereby tender my resignation as a member of the last-named committees and respectfully ask that my resignations be accepted.

Sincerely yours,

MARTIN A. BRENNAN.

The resignation was accepted.

The SPEAKER also laid before the House the following communication:

Hon. HENRY T. RAINEY,
The Speaker House of Representatives, Washington, D.C.

MY DEAR MR. SPEAKER: Due to the enormous amount of work as chairman of the Committee on the District of Columbia, as well as my duties on the Labor Committee, I find it impossible to give the required time to the Committee on World War Legislation, which time I gave freely and with a great deal of pleasure and satisfaction during the past several years.

For this reason, as well as the fact that there are many new Members of Congress who are desirous of being named on this committee who could give their full time to this worthy cause, I regretfully tender my resignation, to take effect at once.

In tendering my resignation to you, I should like to express my appreciation of the treatment I have been accorded during my 8 years of service on the Committee on World War Legislation.

Very sincerely yours,

MARY T. NORTON.

The resignation was accepted.

The SPEAKER also laid before the House the following communication:

Hon. HENRY T. RAINEY,
Speaker House of Representatives, Washington, D.C.

MY DEAR MR. SPEAKER: I hereby resign from the Committee on Mines and Mining and the Committee on War Claims.

Very truly yours,

FRANK GILLESPIE.

The resignation was accepted.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H.J.Res. 121. To provide for the acceptance of sums donated for the construction of a swimming-exercise tank for the use of the President.

ADJOURNMENT

Mr. COOPER of Tennessee. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 12 minutes p.m.) the House, under its previous order, adjourned until Monday, April 3, 1933, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McREYNOLDS: Committee on Foreign Affairs. House Joint Resolution 93. Joint resolution to prohibit the

exportation of arms or munitions of war from the United States under certain conditions; without amendment (Rept. No. 22). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COOPER of Ohio: A bill (H.R. 4491) granting the consent of Congress to the Board of County Commissioners of Mahoning County, Ohio, to construct a free overhead viaduct across the Mahoning River at Struthers, Mahoning County, Ohio; to the Committee on Interstate and Foreign Commerce.

By Mr. SIROVICH: A bill (H.R. 4492) amending the Civil Service Retirement Act; to the Committee on the Civil Service.

By Mr. EDMONDS: A bill (H.R. 4493) to prevent discrimination against American ships and ports, and for other purposes; to the Committee on Ways and Means.

By Mr. BOILEAU: A bill (H.R. 4494) authorizing a per capita payment of $100 to the members of the Menominee Tribe of Indians of Wisconsin from funds on deposit to their credit in the Treasury of the United States; to the Committee on Indian Affairs.

By Mr. HARLAN: A bill (H.R. 4495) to repeal, as obsolete, Revised Statutes 1132, as amended; to the Committee on Revision of the Laws.

By Mr. BURKE of California: A bill (H.R. 4496) to regulate commerce between the United States and foreign countries in crude petroleum and fuel oil and all distillates obtained from petroleum, including kerosene, benzine, naphtha, gasoline, paraffin, and paraffin oil; to the Committee on Ways and Means.

By Mr. BURNHAM: A bill (H.R. 4497) establishing a naval record for certain officers and enlisted men of the Naval Militia of California who performed active duty on the U.S.S. *Marion* or *Pinta* during the War with Spain; to the Committee on Naval Affairs.

By Mr. MEAD: A bill (H.R. 4498) to authorize the delivery of surplus forfeited vessels of the Treasury Department to the Boy Scouts of America for use in sea-scout training; to the Committee on the Judiciary.

By Mr. McLEOD: A bill (H.R. 4499) to confer additional jurisdiction on the United States Board of Tax Appeals, and for other purposes; to the Committee on Ways and Means.

By Mr. MOTT: A bill (H.R. 4500) to regulate the sale of securities in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. DOCKWEILER: A bill (H.R. 4501) to regulate commerce between the United States and foreign countries in crude petroleum and fuel oil and all distillates obtained from petroleum, including kerosene, benzine, naphtha, gasoline, paraffin, and praffin oil; to the Committee on Ways and Means.

Also, a bill (H.R. 4502) to regulate commerce between the United States and foreign countries in crude petroleum and fuel oil and all distillates obtained from petroleum, including kerosene, benzine, naphtha, gasoline, paraffin, and paraffin oil; to the Committee on Ways and Means.

By Mr. DISNEY: A bill (H.R. 4503) to confer jurisdiction on the Court of Claims to hear and determine certain claims of the Pawnee Indians against the United States, and for other purposes; to the Committee on Indian Affairs.

By Mr. BUCHANAN: A bill (H.R. 4504) to enable the Secretary of Agriculture to assist in effecting voluntary reduction in farm mortgages and readjustment of farm-mortgage terms and conditions; to cooperate with the Governor of the Farm Credit Administration and other Government agencies in refinancing farm-mortgage indebtedness, delinquent interest, and tax payments; and to provide facilities for refinancing such indebtedness; and for other purposes; to the Committee on Banking and Currency.

By Mr. O'MALLEY: Joint resolution (H.J.Res. 137) relating to the creation of a joint committee for the investigation of the activities of mortgage, bond, debenture, shareholder, and insolvency committees, and to authorize the Secretary of the Treasury to prescribe regulations for the liquidation of assets and the reorganization of enterprises through the reissuance of bonds, stocks, and notes on reliquidated assets; to the Committee on Rules.

By Mr. McFADDEN: Concurrent resolution (H.Con.Res. 12) to make an audit of the Treasury Department; to the Committee on Rules.

Also, concurrent resolution (H.Con.Res. 13) to authorize expenses of House Concurrent Resolution 12, to make an audit of the Treasury Department; to the Committee on Accounts.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By Mr. GAVAGAN: Memorial of the Legislature of the State of New York, urging that the United States, through its Department of State, use its best efforts to persuade the German Government to desist against any further outrages and persecutions against Jews; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM: A bill (H.R. 4505) for the relief of the Washington Beef Co.; to the Committee on Claims.

By Mr. BURKE of California: A bill (H.R. 4506) granting an increase of pension to Eleanor Ady; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4507) for the relief of Bogustas De Kartowski; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4508) for the relief of Thomas Francis Burke; to the Committee on Naval Affairs.

Also, a bill (H.R. 4509) for the relief of George Henry Clayberger; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4510) granting a pension to Emma C. Relf; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4511) for the relief of Seymour H. Dotson, otherwise known as William Dodson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4512) granting a pension to Harry C. Spring; to the Committee on Invalid Pensions.

By Mr. BURNHAM: A bill (H.R. 4513) for the relief of George Bingham; to the Committee on Military Affairs.

Also, a bill (H.R. 4514) for the relief of Rossetta Laws; to the Committee on Military Affairs.

By Mr. CANNON of Wisconsin: A bill (H.R. 4515) for the relief of Peter Karampelis; to the Committee on Claims.

By Mr. COOPER of Ohio: A bill (H.R. 4516) for the relief of B. Edward Westwood; to the Committee on Claims.

By Mr. DISNEY: A bill (H.R. 4517) for the relief of Jim German; to the Committee on Military Affairs.

Also, a bill (H.R. 4518) for the relief of James C. Bearskin; to the Committee on Claims.

Also, a bill (H.R. 4519) for the relief of C. W. Moonery; to the Committee on Claims.

Also, a bill (H.R. 4520) for the relief of Walter P. Hagen; to the Committee on Military Affairs.

By Mr. FORD: A bill (H.R. 4521) for the relief of Edwin Senior; to the Committee on Military Affairs.

Also, a bill (H.R. 4522) for the relief of Arthur L. Hawtrey; to the Committee on Naval Affairs.

Also, a bill (H.R. 4523) for the relief of Sam B. Lewis; to the Committee on Military Affairs.

Also, a bill (H.R. 4524) for the relief of Carl Siele; to the Committee on Naval Affairs.

Also, a bill (H.R. 4525) for the relief of Bernard Gallagher; to the Committee on Military Affairs.

Also, a bill (H.R. 4526) for the relief of George F. Campbell; to the Committee on Military Affairs.

Also, a bill (H.R. 4527) granting a pension to Mary A. Thomas; to the Committee on Invalid Pensions.

By Mr. HASTINGS: A bill (H.R. 4528) for the relief of Cooper E. Davis; to the Committee on Claims.

By Mr. HENNEY: A bill (H.R. 4529) granting an increase of pension to Jennie C. Brewster; to the Committee on Invalid Pensions.

By Mr. HOEPPEL: A bill (H.R. 4530) granting a pension to Ricketts J. Oder; to the Committee on Pensions.

By Mr. JONES: A bill (H.R. 4531) for the relief of Dan King; to the Committee on Military Affairs.

By Mr. KLEBERG: A bill (H.R. 4532) for the relief of William H. Little; to the Committee on Claims.

By Mr. LUCE: A bill (H.R. 4533) to reimburse D. W. Tanner for expense of purchasing an artificial limb; to the Committee on Claims.

By Mr. McCLINTIC: A bill (H.R. 4534) granting a pension to Charley W. Lanford; to the Committee on Pensions.

By Mr. McFADDEN: A bill (H.R. 4535) for the relief of Wilfred J. Drey; to the Committee on Claims.

By Mr. McLEOD: A bill (H.R. 4536) granting an increase of pension to Gustav F. Breiter; to the Committee on Pensions.

By Mr. PARKER of New York: A bill (H.R. 4537) for the relief of Ettie A. Shepard; to the Committee on Claims.

By Mr. RAMSPECK: A bill (H.R. 4538) authorizing and directing the Secretary of War to appoint Master Sgt. Elmer Edward Wilson a warrant officer of the Regular Army; to the Committee on Military Affairs.

Also, a bill (H.R. 4539) granting a pension to Lilla Tarpley Bright; to the Committee on Pensions.

Also, a bill (H.R. 4540) granting a pension to Berta Herbert; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4541) for the relief of George Dacas; to the Committee on Claims.

Also, a bill (H.R. 4542) for the relief of Frank Wilkins; to the Committee on Claims.

By Mr. SHALLENBERGER: A bill (H.R. 4543) granting an increase of pension to Julia A. Jones; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

251. By Mr. ANDREW of Massachusetts: Petition adopted by the Massachusetts Legislature, urging the enactment of appropriate legislation providing for the labeling of goods imported into the United States for sale therein, in such manner as to apprise the purchaser and consumer of the place of origin of such goods; to the Committee on Ways and Means.

252. By Mr. ARENS: Petition of Joseph Veilleux, North Como Improvement and Protective Association, North Chatsworth and Hoyt Streets, St. Paul, Minn., petitioning the Government to provide financial means of saving our homes from confiscation through foreclosure of mortgages; to the Committee on Banking and Currency.

253. Also, petition of Elmer F. Hillner, district commander, American Legion, Minneapolis, Minn., requesting that the President and Congress be respectfully asked to withhold passage of the said economy bill so that national committees of veterans' organizations shall have an opportunity to avail Congress of their advice and counsel in the preparation of a new bill; to the Committee on Ways and Means.

254. Also, petition of Gust Hallberg, Wheaton Cooperative Association, of Wheaton, Minn., favoring a law that will make tariff effective on farm products, condemning the action of packers, milling interests, and textile-mill operators for their efforts against the allotment plan; to the Committee on Ways and Means.

255. Also, petition of E. J. Harrell, secretary Central Council of District Clubs, St. Paul, Minn., concerning the remonetization of silver; to the Committee on Coinage, Weights, and Measures.

256. Also, petition of F. C. Marpe, commander, and certain members of the Leo Carey Post, No. 56, American Legion, of Albert Lea, Minn., opposing the construction of the post-office building in the city of Albert Lea, and requesting that the postmastership of Albert Lea be discontinued; to the Committee on the Post Office and Post Roads.

257. Also, petition of Albert E. Bickford, city clerk of the city of Virginia, county of St. Louis, State of Minnesota, and the mayor and city council of the city, speaking for citizens of the city, heartily endorsing and approving President Roosevelt's reforestation project, especially as it relates to the development of the Superior National Forest; to the Committee on Labor.

258. Also, petition of John Kobi, secretary, 208 South Sixty-second Avenue West, Duluth Minn., requesting Congress to investigate the war price of coal in the region of the Head of the Lakes; to the Committee on Interstate and Foreign Commerce.

259. By Mr. CARTER of Wyoming: Memorial of Local Union 1307, United Mine Workers of America, Elkol, Wyo.; to the Committee on Labor.

260. By Mr. CONNOLLY: Petition of renderers located in Philadelphia, Pa., and vicinity, praying for a duty of 5 cents per pound on all imports of animal, marine, and vegetable oils and fats and upon the oil content of imported raw materials from which such oils are processed in the United States; to the Committee on Ways and Means.

261. By Mr. FITZPATRICK: Petition of the Jewish citizens of Bronx County, protesting against the hostile and uncivilized policies, and to the general denunciation by all who hold human brotherhood sacred, of the occurrences recently affecting the Jews of Germany; to the Committee on Foreign Affairs.

262. By Mr. GAVAGAN: Petition of Dyckman Street Business Men's Association, urging that Congress do all in its power to assure fair and equal treatment of all persons insofar as the people of Germany are concerned; to the Committee on Foreign Affairs.

263. By Mr. HOLMES: Resolution of the members of the ward assembly, Worcester, Mass.; to the Committee on Interstate and Foreign Commerce.

264. By Mr. JOHNSON of Minnesota: Petition of the Duluth, Winnipeg, and Pacific System Federation, No. 148, Duluth, Minn., concerning the high price of coal at the Head of the Lakes region, unemployment insurance, tax-exempt securities (tax on), and revising the tariff law between the United States and Canada; to the Committee on Ways and Means.

265. Also, petition of E. J. Harrel, secretary the Central Council of District Clubs, St. Paul, Minn., concerning the remonetization of silver; to the Committee on Coinage, Weights, and Measures.

266. Also, petition of J. H. Biesiot, clerk, township of Potamo, Lake of the Woods County, Minn., opposing the settlement of the European debt and unloading of these debts upon American labor and farmers, abolition of privilege in finance, repeal of certain charters of certain national banks, and invoking of the Federal Constitution which provides for Congress to coin money and regulate the value thereof; to the Committee on Foreign Affairs.

267. Also, a resolution by the local club of the Socialist Party of America, Askov, Minn.; to the Committee on Foreign Affairs.

268. By Mr. LINDSAY: Petition of Robert Gair Co., Inc., New York City, urging the passage of House bills 3754 and 3755; to the Committee on Interstate and Foreign Commerce.

269. Also, petition of Society of Park Engineers of New York, Brooklyn, N.Y., urging support of Senate bill 5609, introduced by Senator WAGNER; to the Committee on Banking and Currency.

270. Also, petition of Amalgamated Paint Co., New York City, favoring the passage of House bill 235, the Shannon bill; to the Committee on Expenditures in the Executive Departments.

271. By Mr. REID of Illinois: A resolution adopted at a mass meeting held at Aurora, of citizens of Aurora, Joliet, and Elgin, Ill., protesting against reported abuses and discriminations shown against German Jewish citizens, and urging that the Government of the United States should exert its power and influence to discourage and prevent by all lawful means possible a further continuance of such cruel

and inhuman acts unjustly committed against the people of the Jewish faith now residing in Germany; to the Committee on Foreign Affairs.

272. By Mr. RUDD: Petition of Amalgamated Paint Co., New York City, opposing the manufacture of paint and varnish in Government-owned navy yards; to the Committee on Expenditures in the Executive Departments.

273. Also, petition of Robert Gair Co., Inc., New York City, favoring the passage of House bill 3754, providing for the repeal of section 15–A of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

274. By Mr. SUTPHIN: Petition of Tecumseh Tribe, No. 60, Improved Order of Red Men, Asbury Park, N.J., pledging whole-hearted support to our President, Franklin D. Roosevelt; to the Committee on Foreign Affairs.

275. By Mr. WILLFORD: Memorial of the Legislature of the State of Iowa, favoring the passage of Senate bill 1197, for the liquidating and refinancing of agricultural indebtedness and providing for a reduced rate of interest for the same through the Federal farm loan system and the Federal Reserve Bank System; to the Committee on Banking and Currency.

276. Also, memorial of the Legislature of the State of Iowa, requesting the Iowa Representatives in Congress to uphold the President of the United States in action proposed by him for the solution of this emergency, particularly with regard to those measures which may apply to or affect agriculture; to the Committee on Agriculture.

277. Also, memorial of the Legislature of the State of Iowa, favoring legislation tending to promote and develop the production of grain or ethyl alcohol to be used as a blend with petroleum products for motor-vehicle fuel, and then an import duty be placed on blackstrap molasses entering the United States, etc.; to the Committee on Ways and Means.

278. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, relating to the importance of maintaining and developing the work of the United States Forest Products Laboratory; to the Committee on Labor.

SENATE

FRIDAY, MARCH 31, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

BRONSON CUTTING, a Senator from the State of New Mexico, appeared in his seat today.

The VICE PRESIDENT. The Senate will receive a message from the President of the United States.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States, submitting several nominations, were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that on March 28, 1933, the President approved and signed the following acts:

S. 148. An act for the relief of Agnes M. Angle;

S. 149. An act for the relief of Daisy Anderson;

S. 150. An act for the relief of W. H. Hendrickson; and

S. 155. An act for the relief of A. Y. Martin.

CALL OF THE ROLL

Mr. LEWIS. Mr. President, I note the absence of a quorum, and I move a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Bulkley	Costigan	George
Ashurst	Bulow	Couzens	Gore
Austin	Byrd	Cutting	Hale
Bachman	Byrnes	Dickinson	Harrison
Bailey	Capper	Dieterich	Hatfield
Bankhead	Caraway	Dill	Hayden
Barbour	Carey	Duffy	Hebert
Barkley	Clark	Erickson	Johnson
Black	Connally	Fess	Kean
Bone	Coolidge	Fletcher	Kendrick
Borah	Copeland	Frazier	Keyes
King	McNary	Robinson, Ark.	Thomas, Utah
La Follette	Murphy	Robinson, Ind.	Trammell
Lewis	Neely	Russell	Tydings
Logan	Norris	Sobali	Vandenberg
Lonergan	Nye	Sheppard	Van Nuys
Long	Overton	Shipstead	Wagner
McAdoo	Patterson	Smith	Walcott
McCarran	Pittman	Steiwer	Walsh
McGill	Pope	Stephens	Wheeler
McKellar	Reynolds	Thomas, Okla.	White

Mr. LEWIS. Mr. President, may I announce the necessary absence of the Senator from New Mexico [Mr. BRATTON] and of the Senator from New Hampshire [Mr. BROWN]. The announcement may stand for the day.

Mr. BYRD. I wish to announce that my colleague the senior Senator from Virginia [Mr. GLASS] *is* necessarily detained from the Senate.

Mr. HEBERT. I desire to announce that the junior Senator from Pennsylvania [Mr. DAVIS] is still detained from the Senate by illness.

I also wish to announce the necessary absence of the senior Senator from Pennsylvania [Mr. REED], the senior Senator from Vermont [Mr. DALE], the senior Senator from Delaware [Mr. HASTINGS], and the junior Senator from Delaware [Mr. TOWNSEND].

The VICE PRESIDENT. Eighty-four Senators having answered to their names, a quorum is present.

THE JOURNAL

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar days of Tuesday, Wednesday, and Thursday, March 28, 29, and 30, 1933.

The VICE PRESIDENT. Is there objection? The Chair hears none.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the Territory of Alaska, which was referred to the Committee on Finance:

Senate Joint Memorial 1 (by Mr. Walker)

IN THE LEGISLATURE OF THE TERRITORY OF ALASKA, ELEVENTH SESSION.

To the honorable the Congress of the United States:

Your memorialist, the Legislature of the Territory of Alaska, in regular session assembled, respectfully reports that—

Whereas the inhabitants of the coastal regions of southeastern and southwestern Alaska have heretofore derived their livelihood almost solely from the taking and selling of salmon and halibut and the manufacture of fish products; and

Whereas the inhabitants of this region are suffering from severe adverse economic conditions to such an extent that want and destitution are common; and

Whereas the care and sustenance of the destitute and needy inhabitants of said regions has and is placing a staggering burden on the Territory of Alaska, the municipal governments, and the property owners of said region; and

Whereas want and destitution are particularly prevalent among the native wards of the United States inhabiting said regions; and

Whereas this condition of want and suffering is traceable directly to the unstable condition of the salmon- and halibut-fishing industry in said region; and

Whereas said industry is practically paralyzed and unable to operate, thereby creating unemployment among those dependent upon it; and

Whereas the chaotic condition of said halibut and salmon industry has been created by the demoralization of its market by reason of the importation of halibut and salmon products from foreign countries, now off the gold standard and whose currencies are greatly depreciated on the foreign exchange; and

Whereas by reason of such depreciated currencies Japanese importers can sell pink salmon at greatly reduced prices on the American market and realize a substantial profit from their operation, due to the fact that the value of the American funds received in payment of their product is greatly enhanced in Japan because of the great depreciation of Japanese currency; and

Whereas producers of canned salmon in the Territory of Alaska by use of the most modern methods and by payment of a low and insufficient wage scale and an extremely low and insufficient price for the raw product, have been placing their product on the wholesale market at a price below the cost of production; which said price leaves no margin or profit, and in some instances results in a substantial operating deficit, even when fixed charges such as interest payments, depreciation, etc., are disregarded; and

Whereas this same situation exists with reference to the halibut industry, Alaskan halibut fishermen being thrown in direct competition with Canadian halibut fishermen, who outfit their vessels and maintain their homes in the Province of British Columbia, where Canadian currency is accepted at face value and has a purchasing power equal to or greater than American currency expended in the Territory of Alaska; and

Whereas said Canadian halibut fishermen import their catches into the United States and receive in payment therefor American funds, the value of which is enhanced greatly upon the same being transferred into the Province of British Columbia; and

Whereas not only the volume of Canadian and Japanese imports of halibut and salmon have demoralized the American market, but said market is further demoralized by the potential menace of imports in greatly increased volume; and

Whereas because of the condition above set forth, those interested in the halibut and salmon industry, particularly the latter, are unwilling and afraid to make the costly investments necessary to prepare for operation during the season of 1933; and

Whereas it appears certain that the salmon canneries of southeastern and southwestern Alaska, or a major portion of them, will not operate during the coming season, unless the owners of such plants receive some assurance of future protection from unfair competition by the importation of canned salmon from Japan or other countries operating with depreciated currency; and

Whereas in the event of failure of such plants to operate, want and destitution will be greatly increased and whole communities will be left to face a long and severe winter entirely without resources: Now, therefore,

Your memorialist, the Legislature of Alaska, respectfully prays that immediate steps be taken to enact emergency legislation along the lines set forth in the depreciated currency bill, sometimes called the Hill bill (H.R. 13999), to meet this condition, asking only that the competitive status prevailing prior to the injection of the depreciated-currency element, be restored.

And your memorialist will ever pray.

Passed by the senate March 9, 1933.

ALLEN SHATTUCK, *President of the Senate.*

Attest:

AGNES F. ADSIT, *Secretary of the Senate.*

Passed by the house March 15, 1933.

JOE MCDONALD, *Speaker of the House.*

Attest:

C. H. HELGESEN, *Chief Clerk of the House.*

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Agriculture and Forestry:

STATE OF WISCONSIN.

Joint resolution relating to the importance of maintaining and developing the work of the United States Forest Products Laboratory

Whereas the Legislature of Wisconsin has just completed an inspection of the forest products laboratory of the Forest Service, United States Department of Agriculture; and

Whereas the work of this laboratory in helping to protect and enhance the value and marketability of forest products is of great significance to the economic returns from forestry expenditures and the amount of employment that can be extended to workers in the forest and wood-using industries; and

Whereas, to secure the largest self-liquidating values from President Roosevelt's plan for greatly enlarged reforestation, it is imperative that the uses and markets for forest products be strengthened and developed through such work as the forest products laboratory is conducting; and

Whereas Wisconsin is peculiarly interested in the United States Forest Products Laboratory not only because it is located within this State, but because so many of Wisconsin wage earners are dependent upon forest and wood-using industries, and nearly one third of the land area of the State is better suited for forestry than any other use: Therefore be it

Resolved by the assembly (the senate concurring), That the Legislature of Wisconsin respectfully memorializes the Congress of the United States to maintain the present scope of the forest products laboratory and to extend its activities commensurate with any Federal program projected for emergency reforestation developments; be it further

Resolved, That properly attested copies of this resolution be sent to the President and to both Houses of the Congress of the United States, to the Secretary of the United States Department of Agriculure, and to each Wisconsin Member of Congress of the United States.

THOMAS J. O'MALLEY,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.
CORNELIUS YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.

Mr. MURPHY presented the following concurrent resolutions of the Legislature of the State of Iowa, which were referred to the Committee on Agriculture and Forestry:

Senate Concurrent Resolution 16 (by senate committee on agriculture)

Concurrent resolution memorializing Congress that it is the sense of the members of the Iowa General Assembly, the senate and house concurring, that the Government of the United States should perform its solemn promise and place American agriculture on the basis of equality with other industries by providing an adequate system of credit, and that adequate legislation to that end should be adopted at the earliest possible date

Whereas unless immediate relief is given, hundreds of thousands of farmers will lose their farms and their homes and millions more will be forced into cities and villages, and the army of unemployed will necessarily increase to alarming proportions; and

Whereas the price of agricultural products during the past year has in fact been far below the cost of production; and

Whereas there is no adequate way of refinancing existing agricultural indebtedness and the farmers are at the mercy of their mortgagees and creditors throughout this State and Nation; and

Whereas Senate bill No. 1197, introduced in the Senate of the United States by Senator LYNN J. FRAZIER, of North Dakota, provides for the liquidating and refinancing of agricultural indebtedness and provides for a reduced rate of interest for the same through the Federal Farm Loan System and the Federal Reserve Bank System; and

Whereas the provisions of this bill will have a vital effect upon the agricultural industry of the State of Iowa; and

Whereas at the present time many loans relating to the agricultural industry should bear a reduced rate of interest; and

Whereas agriculture is the basic industry of this country and there can be no sound business prosperity until agriculture is put on an equality with other industries: Now, therefore, be it

Resolved, That it is the sense of your memorialists, the members of the Iowa General Assembly, the senate and house concurring, that the Congress of the United States should enact the provisions of the said Senate bill No. 1197; and be it further

Resolved, That a copy of this memorial, duly authenticated, be sent by the secretary of the Iowa Senate to the Senate and House of Representatives of the United States and to each of the Senators and Representatives of Iowa in Congress, and to United States Senator LYNN J. FRAZIER, the Senator who introduced the bill.

I hereby certify that this resolution was adopted by the Iowa State Senate March 15 and by the house of representatives March 21, 1933.

BYRON G. ALLEN,
Secretary of the Senate.

Senate Concurrent Resolution 20

Whereas this Nation is confronted with an emergency, successfully to meet which requires the united and unselfish cooperation of every citizen without regard to political beliefs; and

Whereas the President of the United States, Franklin D. Roosevelt, has moved courageously to meet such emergency and offers the leadership to all citizens who are interested in the well-being of their country and the future happiness of its people: Therefore be it

Resolved by the senate (the house concurring), That the Forty-fifth General Assembly of Iowa and its members pledge their full cooperation to the President of the United States in his efforts to meet this present emergency, insofar as they by their action may contribute to that end; and be it further

Resolved, That this general assembly, representing the people of Iowa, in their behalf and its behalf, call upon the members of the Iowa delegation in Congress unanimously to support and uphold the President of the United States in action proposed by him for the solution of this emergency, particularly with regard to those measures which may apply to or affect agriculture; and be it further

Resolved, That this resolution be transmitted to the President of the United States and to the United States Congress and the Members of the Congress from the State of Iowa.

I hereby certify that the foregoing resolution was duly adopted by the Forty-fifth General Assembly of Iowa on March 21, 1933.

BYRON G. ALLEN,
Secretary of the Senate.

Mr. MURPHY also presented the following concurrent resolution of the Legislature of the State of Iowa, which was referred to the Committee on Manufactures:

Senate Concurrent Resolution 21

Whereas we have from time to time existing surpluses of grain production throughout the various grain-production areas of the United States; and

Whereas such existing surpluses have always reacted to the disadvantage and direct loss of the producer; and

Whereas these surpluses have been created, at least in part, through the transition from horse-drawn vehicles and machinery to motor-propelled vehicles and machinery, and that said transition has displaced the consumption throughout the Nation of 30,000,000 acres of agricultural products; and

Whereas the solution of the grain-surplus situation can best be solved by devising new methods of consumption; and

Whereas the manufacture of grain alcohol as a blend for motor-vehicle fuel offers the best potential field for increased consumption of grain surpluses; and

Whereas practical tests have established the efficiency and superiority of alcohol-gasoline blends for motor-vehicle fuel; and

Whereas vast imports of blackstrap molasses are now permitted, duty-free, to enter into competition with domestic agricultural products in the manufacture of alcohol for industrial purposes; and

Whereas an emergency now exists wherein agricultural products are selling at a price below cost of production: Now, therefore, be it

Resolved by the Senate of the State of Iowa (the house of representatives concurring), That we memorialize the Congress of the United States to give serious consideration to the enactment of legislation tending to promote and develop the production of grain or ethyl alcohol to be used as a blend with petroleum products for motor-vehicle fuel; and that an import duty be placed on blackstrap molasses entering the United States for the manufacture of ethyl or industrial alcohol in competition with agricultural products grown within the continental United States, said import duty to make the price of molasses comparable to a price of 55 cents per bushel on corn at Chicago and a relative value on other cereals; be it further

Resolved, That a copy of this resolution be forwarded by the secretary of the senate to the Secretary of the United States Senate and the Chief Clerk of the House of Representatives, and that copies be sent to each Iowa Member of Congress; be it further

Resolved, That copies of this resolution be sent to the secretary and chief clerk, respectively, of the General Assemblies of Minnesota, Illinois, Missouri, Kansas, South Dakota, and Nebraska, asking that similar action be taken by the general assemblies of the above-mentioned States.

I hereby certify that the foregoing resolution was duly adopted by the Forty-fifth General Assembly of Iowa on March 22, 1933.

BYRON J. ALLEN,
Secretary of the Senate.

Mr. COPELAND presented resolutions adopted by the Jamie Kelly Association and the People's Regular Democratic Organization, both of Brooklyn, and a meeting of Jews and non-Jews of Staten Island, in the State of New York, protesting against the intolerance directed against and the persecution of the Jews in Germany, which were referred to the Committee on Foreign Relations.

UNIFORM BANKING SYSTEM

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a newspaper article embodying resolutions adopted by the New York State Banking Board, of which Joseph A. Broderick, the State superintendent of banks, is chairman, memorializing Congress for the passage of legislation providing for a uniform banking system.

There being no objection, the matter was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

ASKS STATE BANKS BE PUT IN RESERVE—NEW YORK BOARD MEMORIALIZES CONGRESS, PRESSING FOR A UNIFORM SYSTEM—WANTS STEP COMPULSORY—BRODERICK GROUP ALSO MAKES SUGGESTION FOR NATIONALIZATION OF ALL FACILITIES

The New York State Banking Board, of which Joseph A. Broderick, State banking superintendent, is chairman, has memorialized Congress in favor of compulsory membership of all banks and trust companies in this State in the Federal Reserve System, it was learned yesterday.

The banking board adopted resolutions to that effect on March 23 and sent them to Washington, where they were read into the CONGRESSIONAL RECORD by one of the New York Representatives.

In adopting resolutions it is understood that members of the board held that a uniform banking system, to be brought about either through compulsory inclusions of all State banks and trust companies in the Federal Reserve System or through nationalization of all banking facilities was necessary; also that stable banking must be founded on uniformity.

TEXT OF RESOLUTIONS

The resolutions were as follows:

"Whereas it is generally recognized that one of the principal weaknesses of the banking system of this country has been the over-establishment and the competitive establishment as between Federal and State authorities of unit banks; and

"Whereas the potential dangers of the overestablishment of branches in any system of branch banking which may be established is equally great; and

"Whereas it is desirable to have some degree of uniformity in banking practices and a further unification of our credit facilities; and

"Whereas Congress now has under consideration a general amendment of the Federal banking laws: Now, therefore, be it

"*Resolved*, That this board memorialize Congress to incorporate in any new legislation with respect to branch banking adequate safeguards against this evil; and further

"*Resolved*, That it is the sense of the board that such legislation should provide that no national bank or branch thereof shall be established in any community served by a State bank or trust company without the approval of the State authorities, if and provided the State will provide by law that no State bank or trust company or branch thereof shall be established in any community served by a national bank without the approval of the Federal authorities as well as of the proper State authority; and it is further

"*Resolved*, That we favor the requirement as soon as practicable of compulsory membership in the Federal Reserve System of all banks and trust companies of this State."

INVESTIGATION OF SECURITY EXCHANGES—UNLISTED DEPARTMENTS

Mr. WALSH. Mr. President, I ask to have printed in the RECORD and referred to the Committee on Banking and Currency a communication from John C. Hull, director of the securities division of the Department of Public Utilities of the Commonwealth of Massachusetts and also a communication from Waldo S. Kendall, vice president of Minot, Kendall & Co., Inc., a leading broker in the city of Boston. Both of these communications urge that this committee attempt to deal with the most flagrant abuse on the part of stock exchanges against the public, namely, the unlisted department.

There being no objection, the letters were referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

THE COMMONWEALTH OF MASSACHUSETTS,
DEPARTMENT OF PUBLIC UTILITIES,
Boston, March 29, 1933.

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D.C.

DEAR SENATOR WALSH: I hope that in considering the matter of protecting the public in its investments the Senate will turn its serious attention to the unlisted department of the various stock exchanges.

Probably no phase of the relations between these and their clientele is so much in need of reform. No work that Congress can do in this field would prove, in my opinion, more beneficial to the investing public than in formulating requirements that the unlisted department shall be done away with and that listing statements set up according to the best practice and then only at the request of the issuing company under an agreement to furnish periodical, independently audited reports to the exchange shall be a sine qua non of admission to or continuation of dealings on the stock exchanges.

The Senate, I believe, made an investigation of this matter either under the Pujo or Owens Committee in consequence of which the New York Stock Exchange did away with its unlisted department.

The (Charles E.) Hughes Committee on Speculation in Securities and Commodities reported on page 9, June 7, 1909, as follows:

"Listing requirements: Before securities can be bought and sold on the exchange they must be examined. The committee on stock list is one of the most important parts of the organization, since public confidence depends upon the honesty, impartiality, and thoroughness of its work. While the exchange does not guarantee the character of any securities, or affirm that the statements filed by the promoters are true, it certifies that due diligence and caution have been used by experienced men in examining them. Admission to list, therefore, establishes a presumption in favor of the soundness of the security so admitted. Any securities authorized to be bought and sold on the exchange which have not been subjected to such scrutiny are said to be in the unlisted department, and traders who deal in them do so at their own risk. We have given consideration to the subject of verifying the statements of fact contained in the papers filed with the application for listing, but we do not recommend that either the State or the exchange take such responsibility. Any attempts to do so would undoubtedly give the securities a standing in the eyes of the public which would not in all cases be justified. In our judgment, the exchange should, however, adopt methods to compel the filing of frequent statements of the financial condition of the companies whose securities are listed, including balance sheets, income and expense accounts, etc., and should notify the public that these are open to examination under proper rules and regulations. The exchange should also require that there be filed with future applications for listing a statement of what the capital stock of the company has been issued for, showing how much has been issued for cash, how much for property, with a description of the property, etc., and also showing what commissions, if any, have been paid to promoters or vendors. Furthermore, means should be adopted for holding those making the statements responsible for the truth thereof. The unlisted department, except for temporary issues, should be abolished."

Mr. Richard Whitney has this to say about listing in his recent annual report:

"Listing on this or any other stock exchange does not and cannot constitute any guaranty against the possibility of default, nor is it the function of a stock exchange to make predictions or guaranties of any sort in respect to the security issues which it lists. The stock exchange, however, can and does require that the facts relative to the actual and prospective value of the securities it lists be made available to the investing public. It remains for the individual investor to inform himself concerning the securities into which he will put his money. For such study and thought there is no mechanical or automatic substitute."

By implication he condemns the lack of such facts.

I notice that Mr. Frank Vanderlip, in his article on investments in the Saturday Evening Post of January 4, praises highly the safeguards afforded by listing statements, and that Mr. Samuel Untermyer in a recent speech spoke about abolishing "the vicious swindling practice of listing so-called 'unlisted' stocks with nothing more than an asterisk prefix to indicate that no statements of the accounts or affairs were made or required to be made by them." He added that such stocks had for years been the "pawns in a gambling game more crooked than that of any criminal den with stacked cards, by which the public had been swindled to the extent of hundreds upon hundreds of millions of dollars."

It may surprise you as, I must confess, it has surprised me, to learn that probably more than 90 percent of the entire business of the New York Curb Exchange is carried on in its unlisted department. About 99 percent of the bonds are unlisted and 1 percent listed. It would appear that about 20 percent of the dealings in stocks were in listed securities and about 80 percent, including practically all the well-known issues like Electric Bond & Share, Cities Service, Atlas Corporation, American Super-Power, and Aluminum Co. of America, were unlisted. I append an interesting tabulation.

This exchange is the second largest in size in America according to its own statements, and the existence of so huge a preponderance of trading in unlisted securities becomes therefore a matter of real public importance.

In the light of the above figures the practice of this exchange is extraordinarily at variance with its protestations in regard to "adequate and dependable information" which Mr. Sykes, president of the New York Curb Exchange, said in his recent annual report "must be the basis of sound investment policies."

The Norbeck Committee investigation, it seems to me, discloses a flagrant disregard of proper protection for the public in the revelations about the Boeing Air & Transport Co. In a paragraph in the New York Times of March 3, I notice that Mr. Saperstein, assistant of Mr. Pecora, pointed out that although the stock was considered by the National City Co. to be "too speculative" for public offering it was listed (admitted to trading privileges) on the New York Curb Exchange on October 29, 1928, the company having been incorporated on October 28. (Application for admission to trading privileges may be made only through a member of the exchange.)

In a statement as of December 31, 1928, brought out many months later, this company showed $4,879,268 assets represented by cash and call loans. At the market price of 57 on the outstanding common shares at the opening of trading on the curb the equity was selling for about $28,475,000. Deducting these cash items and their equivalent from the total assets given as $8,656,674.26 from this market value it appears that the public was paying for the balance, amounting to less than $4,000,000 in other assets than cash, at the rate of over $23,000,000.

I am impressed also with the Pennroad Corporation situation. This was incorporated in Delaware April 21, 1929. Admitted to "unlisted trading privileges" April 25, 1929. Voting trust certificates for not to exceed 5,800,000 shares common stock, no par, when, as, and if issued. The following proviso is interesting in the light of the above statements in Mr. Sykes' report in regard to "dependable and adequate information."

"ISSUANCE OF REPORTS

"Except as may be required by law, the corporation shall not be required to make public in any manner, to its stockholders or otherwise, any statement concerning its assets or liabilities or earnings; and any such statement which the corporation may elect to make may subject to any requirements of law, be in such form and contain such information as the board in its controlled discretion may determine." (Philadelphia Financial Journal, May 3, 1929, p. 1.)

I notice on page 47 of a voluminous pamphlet put out by the publicity department of this exchange the following: "The unlisted securities have, prior to admission, stood the test of experience. They represent interests in approved concerns. No security is admitted unless its financial condition and history are reported in Poor's or Moody's or the Standard Statistics Co., or an authoritative statement is before the committee." How can any such statement be true in the face of such examples as I have cited above?

Much more could be written in regard to many other phases, but I think that I have shown by what precedes sufficient to raise emphatically the question of the public policy involved—whether an exchange, be it the New York Curb Exchange or any other, shall continue to be allowed to throw open its facilities for public business with nothing in the way of substantial information coming directly from the issuing company itself available in the exchange's records; or whether the idea set forth in Mr. Hughes' report, and implicitly approved in Mr. Whitney's in regard to the rigid examination by discriminating investigators and the binding of the issuing company to furnish to the exchange adequate information from time to time should not be made a condition precedent to public trading.

I should appreciate, if you so will, your transmitting my views set forth in this letter to Senator FLETCHER or to whomever it may appear proper.

Very truly yours,

JOHN C. HULL.

P.S.—On March 21 the Chicago Stock Exchange voted new and drastic requirements for security listings under which application must be signed and sworn to by a duly authorized officer of the corporation issuing the securities. The statement says further that the exchange has for many years had no so-called "unlisted department" and that it does not list securities upon data or application filed by its own members or any persons other than the company itself. (New York Times, Mar. 21.)

[New York Curb Exchange, publicity department, fifth edition, Dec. 2, 1929]

"To provide a market for carefully investigated securities is a service rendered corporations and the investing public alike by the New York Curb Exchange, the second largest stock exchange in America" (p. 1).

"Records established on New York Curb Exchange in 1929:

"Daily record, October 29, 7,096,300 shares.

"Weekly record, October 21–26, 17,450,730 shares.

"Monthly record, October, 62,658,100 shares.

"Record of volume dealings in one security, October 24, 1,151,910 shares, viz, Cities Service, unlisted.

"June 14, 1,032,400 shares Commonwealth & Southern.

"Estimated total transactions, 1929, 500,000,000 shares.

"Par value, $20,000,000,000.

"Plus 700,000,000 shares, no par.

"Total, 1928, 236,043,682 shares.

"Number of securities admitted to trading privileges, 2,100 issues.

"Total number of domestic bonds as of December 2, 350 issues.

"Total number of foreign stocks, 98 issues.

"Total number of foreign bonds, 102 issues" (p. 5).

QUOTATIONS

"The New York Curb Exchange is the second largest stock market in America" (p. 7).

"Within a comparatively short time the ticker system of the New York Curb Exchange will extend the length and breadth of the land" (p. 20).

"Referring to sales—October 24, 1929, 1,151,910 shares Cities Service; June 14, 1929, 1,032,400 shares Commonwealth & Southern, both unlisted—it says: 'So far as the records go, no other securities dealt in on any stock exchange in this country ever presented such tremendous turnover during a full day's trading'" (p. 23).

Total volume

Years	New York Stock Exchange bonds	New York curb bonds	New York Stock Exchange stocks	New York curb stocks
			Shares	*Shares*
1931	$3,050,006,850	$979,895,000	576,818,359	110,349,385
1932	2,710,608,800	952,630,100	425,228,894	56,975,777

Of the curb volume in bonds, 1932, about $8,100,000 were listed, about nine tenths of 1 percent. They comprised 17 issues only, of which 1 issue, Pacific Gas & Electric 4½'s, afforded about $3,500,000.

The following figures were taken from the Wall Street Journal. The first column below represents sales of listed stocks on the New York curb on respective dates. The second column the total volume for the corresponding days which were taken by mere chance to find out what percentage of stocks were listed to the total volume. It works out almost exactly 20 percent listed.

	Sales of listed stocks	Total volume
Feb. 25, 1933	200,000	36,800
Feb. 28, 1933	160,000	27,350
Mar. 3, 1933	160,000	24,000
Mar. 18, 1933	220,000	46,764
Mar. 21, 1933	100,000	29,025
	840,000	163,939

MINOT, KENDALL & CO., INC.,
Boston, Mass., March 24, 1933.

Hon. ROBERT LUCE,
House Office Building, Washington, D.C.

DEAR MR. LUCE: It is to be hoped that the Senate in its consideration of stock exchanges will not neglect to take up the source of the most flagrant abuse on the part of stock exchanges against the public, namely, the unlisted department.

It is an astonishing thing that the New York Curb Exchange does about 99 percent of its bond trading in the unlisted department. In looking up this matter I find that of the approximately $950,000,000 of bonds traded in there in the year 1932, only about $8,000,000 were actually listed, or less than 1 percent. My attention was drawn to this remarkable discrepancy by my reading of the Wall Street Journal, which differentiates between the listed and the unlisted departments. A typical copy is enclosed.

On examining further I found that in the stock department the percentage of listed stocks ran somewhere between 18 percent and 25 percent.

Now, it should be appreciated that this is the second largest stock exchange in the country. The potential damage to the investing public through lack of proper listing requirements is

almost incalculable. The Curb Exchange itself says with reference to sales of 1,151,910 shares of Cities Service (unlisted), "So far as the records go no other security dealt in on any stock exchange in this country ever presented such tremendous turn-over during a full day's trading" (Oct. 29, 1929).

On that same day they state that 7,096,300 shares were traded in; and that of 2,100 issues of securities admitted to trading privileges, there was a par value of $20,000,000,000, plus 700,000,000 shares of no par value.

I am enclosing herewith clipping from the New York Times of March 21, which recites what they have done and what everywhere thinking persons believe should be done to protect the public. Please note under heading 1 that it says, "The Chicago Stock Exchange for many years had had no so-called 'unlisted department', nor does it list securities upon data or application filed by its own members or any person other than the company itself."

The New York curb requirements for admission to unlisted trading privileges simply amount to this—an application by one of the curb members who must be a shareholder (one share?) and a payment of $100, and such information as is contained in Moody's or Poor's or some other authoritative (?) source.

I wonder how all of these conditions were covered in the case of Pennroad Corporation?

This was incorporated in Delaware on April 12, 1929, admitted to unlisted trading privileges when, as, and if issued on April 25, 1929, voting trust certificates for not to exceed 5,800,000 shares, no par. One of the provisions of which I find in Poor's Cumulative Index, second volume, 1929, to have been as follows:

"Issuance of reports: Except as may be required by law, the corporation shall not be required to make public in any manner, to its stockholders or otherwise, any statement concerning its assets or liabilities or earnings; and any such statement which the corporation may elect to make may subject to any requirements of law, be in such form and contain such information as the board in its controlled discretion may determine."

If all the exchanges which invite public trading could be made to accord with the standards set up by the New York Stock Exchange and the new requirements of the Chicago Stock Exchange, there would be a great big wall of protection thrown about the investing public which is now sorely lacking.

I should be pleased to have you present this viewpoint to proper authorities for their serious consideration.

Very truly yours,

WALDO KENDALL.

[From the Chicago American, Mar. 20, 1933]

NEW YORK CURB TABLES—THE UNLISTED DEPARTMENTS—NO PLACE UNDER NEW DEAL—AMERICAN READERS WILL KNOW

By R. P. Vanderpoel, financial editor

The Chicago American today takes one more forward step in furtherance of its determination that its financial pages shall be the best in the city and in its efforts to guard the interests of security-holders.

Beginning today the tables of stocks and bonds traded on the New York Curb Exchange printed in the Chicago American will clearly indicate which of such securities are actually listed.

The New York Stock Exchange has adopted many rules and regulations in connection with the listing of securities for the protection of the owners of same. Almost invariably the New York Curb Exchange announces that it has taken similar action.

A MISCONCEPTION

It is not surprising, therefore, that the public should believe that it has this type of protection on securities dealt in on the curb exchange.

A large part of the public does not appreciate that the greater portion of the securities which are dealt in on the curb exchange has not been formally listed and consequently that the many rules of the exchange do not apply in any way to the corporations which have issued such securities.

The New York Curb Exchange, for example, announced—following similar action by the New York Stock Exchange—that it would require all corporations listing securities with it to furnish periodic, independently audited financial statements. We called attention in this column to the "joker" in such action, but elsewhere the ruling was accepted at its face value.

SHOULD GO

We are of the opinion that as part of the "new deal" there should be no more unlisted departments of stock exchanges. For a long period of years the New York Stock Exchange has required that all securities traded thereon be formally listed. For many years the Chicago Stock Exchange has had the same requirements.

The New York Curb Exchange, on the other hand, has had the very loosest sort of policy. A member has merely to state that he owns a given security and wishes to make a market in it to have it admitted to unlisted trading privileges.

It is clear that the public should know this, know that the corporations issuing such securities have not complied with the listing requirements of the exchange and that the exchange may know nothing about the financial condition of such corporation and makes no effort to enforce the rules promulgated (by the New York Stock Exchange and later announced as having been adopted also by the curb exchange) for the protection of security holders.

LISTED ISSUES MARKED

The Chicago American proposes that its readers shall have this knowledge. Consequently its New York curb tables will carry the little prefix before such issues as have been actually listed thereon. It will be noted that particularly among the bonds the listed issues are greatly in the minority.

We are told that very often unscrupulous distributors of securities use the New York Curb Exchange as a means of aiding them in their sales campaign. They will take a security which does not enjoy a real market on the curb, arrange a sale at a price well above the market, and then point to this quotation in their efforts to sell the security to the unwary.

AN INSULL TRICK

The curb, of course, does not have a monopoly of such tactics. The old Insull organization did the same thing with an inactive stock listed on the New York Stock Exchange—People's Gas. But the very fact that the curb does not have any control over so many issuing corporations and does not look into even the distribution of securities in its unlisted department makes this practice relatively easy and more common in connection with curb securities.

We hope the readers of the Chicago American will be glad of the innovation in the New York curb tables. We hope, too, that it will mark the beginning of a movement that will lead eventually to the discontinuance of unlisted departments. If the New York Curb Exchange does not take action in this respect, its failure to do so will be a powerful argument in the hands of those who are working for public control of stock exchanges.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that that committee presented to the President of the United States the following enrolled bills:

On March 30, 1933:

S. 598. An act for the relief of unemployment through the performance of useful public work, and for other purposes.

On March 31, 1933:

S. 562. An act relating to the prescribing of medicinal liquors.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NEELY:

A bill (S. 1092) granting a pension to James C. Neff; to the Committee on Pensions.

By Mr. DILL:

A bill (S. 1093) to provide for the refunding of farm and home mortgages, making loans to farmers, issuance of agricultural bonds, the deposit of Government funds, and for other purposes; to the Committee on Agriculture and Forestry.

(Mr. FLETCHER introduced Senate bill 1094, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. KEYES:

A bill (S. 1095) for the refund of customs duty paid by Salvatore Lascari on an importation of mosaic paintings for the Moody Currier Art Gallery in Manchester, N.H.; to the Committee on Finance.

By Mr. OVERTON:

A bill (S. 1096) to provide for the erection of a memorial to James B. Eads at New Orleans, La.; to the Committee on the Library.

By Mr. ROBINSON of Indiana:

A bill (S. 1097) for the relief of Joseph P. Boyle; to the Committee on Military Affairs.

A bill (S. 1098) granting a pension to Christena Aikin (with accompanying papers); and

A bill (S. 1099) for the relief of William Jennings Coon; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 1100) to require the furnishing of heat in living quarters in the District of Columbia; to the Committee on the District of Columbia.

By Mr. BYRD:

A bill (S. 1101) for the relief of the Virginia Engineering Co., Inc.; to the Committee on Claims.

By Mr. TRAMMELL:

A bill (S. 1102) to authorize the Secretary of the Navy to proceed with certain public works at the Naval Radio Compass Station, Jupiter, Fla.;

A bill (S. 1103) to authorize the Secretary of the Navy to proceed with certain public works at the Naval Air Station, Pensacola, Fla.; and

A bill (S. 1104) to authorize the Secretary of the Navy to proceed with certain public works at the Naval Air Station, Pensacola (Corry Field), Fla.; to the Committee on Naval Affairs.

By Mr. THOMAS of Oklahoma:

A bill (S. 1105) to provide for a further extension of the time for the payment of certain income-tax deficiencies; to the Committee on Finance.

By Mr. BONE:

A bill (S. 1106) to restore the 2-cent postage rate on first-class mail matter; to the Committee on Finance.

By Mr. ROBINSON of Indiana:

A joint resolution (S.J.Res. 36) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

PURCHASE OF STOCK, BONDS, ETC., OF INSURANCE COMPANIES

Mr. FLETCHER. I desire to introduce a bill to provide for the purchase by the Reconstruction Finance Corporation of preferred stock, bonds, and debentures of insurance companies, and ask its reference to the Banking and Currency Committee. I will add that I expect to have the bill taken up by the committee and reported by tomorrow.

The VICE PRESIDENT. The bill will be received and referred, as requested.

The bill (S. 1094) to provide for the purchase by the Reconstruction Finance Corporation of preferred stock and/or bonds and/or debentures of insurance companies, was read twice by its title and referred to the Committee on Banking and Currency.

THE HARRIMAN NATIONAL BANK OF NEW YORK

Mr. COSTIGAN. Mr. President, I send to the desk and ask to have printed in the RECORD and referred to the Committee on the Judiciary a resolution which calls for an investigation by that committee of the reported failure of the Department of Justice under a previous Attorney General to prosecute one or more officers or directors of the Harriman National Bank in New York for alleged violations of the law.

The resolution (S.Res. 55) was read and referred to the Committee on the Judiciary, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to investigate the reported failure on the part of the Department of Justice to prosecute promptly alleged violations of law by the Harriman National Bank, New York City, or the officers or directors thereof. The committee shall report to the Senate, at the earliest practicable date, the result of its investigations, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-third Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

INVESTIGATION OF BANKING BUSINESS AND SECURITY EXCHANGES

Mr. FLETCHER submitted the following resolution (S.Res. 56), which was referred to the Committee on Banking and Currency:

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, in addition to the authority granted under Senate Resolution 84, Seventy-second Congress, agreed to March 4, 1932, and continued in force by Senate Resolution 239, Seventy-second Congress, agreed to June 21, 1932, and further continued by Senate Resolution 371, Seventy-second Congress, agreed to February 25, 1933, shall have authority and hereby is directed—

1. To make a thorough and complete investigation of the operation by any person, firm, copartnership, company, association, corporation, or other entity, of the business of banking, financing, and extending credit; and of the business of issuing, offering, or selling securities;

2. To make a thorough and complete investigation of the business conduct and practices of security exchanges and of the members thereof;

3. To make a thorough and complete investigation of the practices with respect to the buying and selling and the borrowing and lending of securities which are traded in upon the various security exchanges, or on the over-the-counter market, or on any other market, and of the values of such securities; and

4. To make a thorough and complete investigation of the effect of all such business operations and practices upon interstate and foreign commerce, upon the industrial and commercial credit structure of the United States, upon the operation of the national banking system and the Federal Reserve System, and upon the market for securities of the United States Government, and the desirability of the exercise of the taxing power of the United States with respect to any such business and any such securities, and the desirability of limiting or prohibiting the use of the mails, the telegraph, the telephone, and any other facilities of interstate commerce or communication with respect to any such operations and practices deemed fraudulent or contrary to the public interest.

For the purpose of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, either in the District of Columbia or elsewhere, during the first session of the Seventy-third Congress or any recess thereof, and until the beginning of the second session thereof; to employ such experts and clerical, stenographic, and other assistants; to require by subpena or otherwise the attendance of such witnesses and the production and impounding of such books, papers, and documents; to administer such oaths and to take such testimony and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 562) relating to the prescribing of medicinal liquors, and it was signed by the President pro tempore.

HOLYOKE (MASS.) MUNICIPAL GAS AND ELECTRIC PLANTS

Mr. DILL. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in Public Ownership of the issue of March 1933 in regard to the municipal gas and electric light and power plant of Holyoke, Mass., the article being by John J. Kirkpatrick, manager.

There being no objection, the article was ordered printed in the RECORD, as follows:

[From the Holyoke Daily Transcript and Telegram, Dec. 15, 1932]

HOLYOKE'S PRIDE AND POWER—MUNICIPAL GAS AND ELECTRIC PLANTS CELEBRATE THIRTIETH BIRTHDAY—$5,300,000 PROJECTS WITH LOWEST RATES IN EAST WHOLLY PAID FOR OUT OF EARNINGS—NOT A SINGLE DOLLAR OF TAXES—EARNING $1,190,000 ANNUALLY

By John J. Kirkpatrick, manager

Thirty years ago today, on December 15, 1902, the city of Holyoke began the operation of the municipal gas and electric department by taking over the gas and electric business of the Holyoke Water Power Co. To finance the undertaking the department borrowed $720,000 on bonds payable in 30 years and bearing interest at the rate of 3½ percent.

PAID FOR OUT OF EARNINGS

On December 1 of this year the final payment of these original gas and electric department bonds was made, vindicating the courage and the vision of those citizens of Holyoke who 30 years ago undertook this municipal venture. Every dollar of this original investment has been paid out of the earnings of the department, together with several bond issues in the meantime, thus providing groundless the fears held by some in the beginning that public ownership of the gas and electric business in the city would be a great burden on the taxpayers.

The record at the date of maturity of the first purchase bonds discloses that the operation of the gas and electric department has not cost the taxpayers of Holyoke a single dollar. The department has paid its own way all the time, and sells light and power to its customers at the lowest rates obtainable not only in New England but throughout the East.

LOANS CITY $227,000—WITHOUT INTEREST

The cost of the gas and electric plants as of December 15, 1902, was $815,458. There has been invested in the plants since that date, to meet increased demands for service, $3,302,935.30 out of earnings; $2,271,000 additional has been invested in the plants from loans, and of this last sum $1,927,000 has been repaid from earnings, leaving a balance of unpaid bonds at $1,054,000. As of today, the statement of the department shows assets of $4,309,185.82, and after deducting the liabilities the department has a surplus of $1,253,198.47. Of this surplus, there is approximately $227,000 in cash. This $227,000 has been in the hands of the city treasurer for use in the general operations of the city government

as a loan without interest during the past year, when other loans from banks, corporations, and individuals have been made at 6 percent.

HOW PLANT HAS GROWN

The number of electric customers in the first year of operation (1903) was 273, as against 15,933 in 1932; there were but 44 electric meters in 1903 and now there are 16,731; in 1903 there were 72 miles of wires in the streets, today there are 544 miles of wires in the streets and 58 miles of wire underground; there were 263 arc street lamps in 1903, today there are 939 incandescent street lamps, 17 traffic lights, and 661 lamps of other description. The annual gas consumption has increased from 99,000,000 cubic feet in 1903 to more than 376,000,000 cubic feet in 1931; the output of electricity has increased from 1¼ million kilowatts in 1903 to 25½ million kilowatts in 1932. The capacity of the electric station has been increased from 500 horsepower to 18,666 horsepower.

FROM OIL LAMP TO POWER

Above, in figures, is a story of the birth, the growth, and the present status of the municipal gas and electric department of the city of Holyoke. But, of course, it is not the whole story.

When, at the turn of the century, the people of Holyoke were establishing their own municipal lighting department, electricity was not in general use, nor was there such a demand for gas. The oil lamp was then doing service, and the kitchen coal stove was the heating and cooking plant in the home. Such devices as the electric iron, the vacuum cleaner, the washing machine, and other gas and electric utensils too numerous to mention that now relieve the drudgery of housework were then unknown. The mills obtained their power by the direct fall of water, and there was no such demand for electric power as exists today.

PRIVATE OWNERSHIP FAILS

In 1896 such gas and electricity as was used in Holyoke was furnished by the Holyoke Water Power Co. and the city was the largest customer of the private company, for street lighting. It was in that year that a dispute arose between the city and the company relative to the price of electricity, and out of that dispute there came a determination on the part of many citizens to sever negotiations with the company and to operate the gas and electric utilities under public management.

CITY BUILDS A RAILROAD

The city already owned and operated its own water system. Some years before, because the manufacturers of the community were at the mercy of a single railroad line, the citizens built, at public expense, a municipal railroad from this city to Westfield to connect at that point with another line and leased the municipal railroad, thereby obtaining the advantages of competitive rates and service. So it was not an altogether revolutionary step the citizens took in securing public management of such additional public utilities as gas and electricity.

THE PEOPLE VOTE

The law provided that a city could not acquire a lighting plant until the city government voted in favor of the acquisition in 2 successive years, and the action was ratified by a majority of the voters at an annual or special election. On January 15, 1897, the second favorable vote was passed by the board of aldermen, and on December 14, 1897, the voters ratified the action of the city government.

The law further provided that in the event of a favorable vote the city must purchase the existing private plants if the private company elected to sell. The Holyoke Water Power Co. elected to sell and set its price at $1,000,000. This price was rejected and a commission was appointed by the Supreme Judicial Court of Massachusetts to determine the value of the property. After a lengthy trial of the case the purchase price was set at $805,547.40, of which $432,295.38 was for the gas plant and $377,252.02 for the electric plant. There were additional litigation expenses, bringing the total to $815,458.

FIVE YEARS' DELAY

Five years had elapsed from the time the purchase of the plants was authorized until the city began operations. During those 5 years several attempts were made on the part of the company to have the citizens reconsider their action, but to no avail.

The purchase of the gas and electric plants included certain water rights, known as "mill powers", and also the franchises of the Holyoke Water Power Co. By the transfer of the franchises the Holyoke Water Power Co. was excluded from the business of selling gas and electricity in this city.

TREACHERY OF THE COMPANY

Within 5 months from the time of the sale of its plants and franchises the Holyoke Water Power Co. went to the legislature and asked for a renewal of its franchise, and a bill was drafted and passed which gave the power company authority to manufacture electricity for power (but not light) in quantities of not less than 100 horsepower, and to sell such power in any of the cities and towns of Hampden or Hampshire Counties. The city officials of that time did not object to the reentry of the power company into the power field. There were but few users of more than 100 horsepower of electricity. In fact, according to a statement signed by President Robert E. Barrett, of the company, on September 20, 1922, with reference to the franchise of the company, "it was impossible to procure takers of said power in Holyoke, although the amendment to the charter provided that unless the company should install a plant and furnish electricity under the provisions of said act within 3 years after its passage all rights granted therein should cease."

"At the very last moment," continued Mr. Barrett's statement, "a few days before the expiration of said time, J. L. Perkins agreed to take electricity for the operation of 2 miles in South Hadley and the current was turned on and the charter saved through his friendly cooperation."

Thus, although the city paid over $800,000 for the gas and electric business, which purchase excluded the Holyoke Water Power Co. from the field, the act of 1903 nullified the city's purchase of an exclusive power field.

CITY OWNERSHIP SUCCEEDS

At first the business of the municipal department was small, but as the years went by the demands for gas and electricity increased, gradually for a time, and later more rapidly. Oil lamps gave way to gas jets and gas jets gave way to electric lights. The coal stove was replaced by the gas range and more recently the electric range. Electrical household appliances for ironing, cooking, washing, and refrigeration, to mention but the most important items, came into general use. Manufacturers turned more and more to electrical power; and all the time the municipal gas and electric department kept pace with the increased demands. The plants were expanded and improved and lines were extended to the limits of the city. Every demand for power, light, and heat was and is met.

A service branch was established, not the least valuable of the department's assets. Twenty-four hours every day service men are on call to take care of any kind of trouble.

RECENT EXTENSIONS

The most recent acquisition of the department has been the old Hadley division property. This property adjoins the gas works and the purchase enables the department to expand the gas plant. Further plans include the building of a gas container on the site. The purchase included the mill buildings, which had been idle for some time. Due to the enterprise of the gas and electric department management there are now several tenants in the mill buildings, paying rent, buying gas and power and light, and, more important, employing 500 to 600 men and women. The investment is proving a profitable one.

COMPANY KEEPS UP THE FIGHT

There has been some controversy, particularly of late years, between the gas and electric department and the Holyoke Water Power Co. Such disputes as have arisen, or are likely to arise in the future, date back to 1903, when the Water Power Co., after selling its business, obtained the privilege of reentering the power field. Although there were few, if any, customers for 100 horsepower or more in 1903, there are many today.

In spite of the fact that the city made all the necessary extensions to supply all industrial demands that might arise, the private company made a plea for an extension of its power franchise on the ground that it would be able to attract industries to the city. This appealed to the citizens and the franchise was extended.

However, the promised industries did not come and 4 of the 5 customers the company had discontinued operations.

CITY LOSES $180,000 ANNUALLY

Having failed to build up a market for its power under the plan proposed, the Water Power Co. has been seeking the customers of the municipal plant, and since 1922 the city has lost to the power company 29 power customers, using over 9,000,000 kilowatt-hours of electricity, representing a loss to the municipal department of $180,000 annually.

It is the apparent aim of the Holyoke Water Power Co. to obtain all of the power business in the city, leaving the municipal department only the lighting business, with the further desire on the part of the company to sell to the municipal department the electricity needed for lighting current; in other words, to make the municipal department only a distribution agent, as in South Hadley, Chicopee, and other cities and towns.

CITY MUST GENERATE ITS OWN POWER

As long as the city maintains its own electricity-generating plant, just so long will it be able to continue its high standard of service and its extremely low rates. If the manufacture of electricity should be discontinued, then the city department would be dependent upon private power companies for its supply, and would be compelled to bargain for it. It would mean a return to the situation in which the citizens of Holyoke found themselves in 1896, when they could not strike a satisfactory bargain, and decided to own and operate their own plant.

Whether the city of Holyoke shall continue to manufacture and sell its own electricity, or be driven to a position where it must buy electricity from private sources is the fundamental issue at stake in all the controversies between the municipal gas and electric department and the Holyoke Water Power Co. It was the issue in 1896, and in 1902, and now after 30 years it remains the issue. The manufacture and sale of electricity by the city as a municipal business was only an experiment in Holyoke in 1902 when the plants began operations. Now, after 30 years, there is sufficient proof that so far as Holyoke is concerned the municipal manufacture and sale of electricity is the successful method.

THE FALLACY OF BUYING CURRENT

It is claimed that the municipal department could buy power from the Holyoke Water Power Co. cheaper than it costs to manu-

facture it. It costs the municipal department now about 1 cent a kilowatt to produce power. Lately there has been an offer from the power company to sell certain power to the city for 4 mills a kilowatt, or less than half a cent. But this offer is not for permanent power, that is, a certain guaranteed quantity from day to day. It is what is known as "dump power", or power that would go to waste when not used by the Water Power Co. And the Water Power Co. can shut off its "dump power" at short notice. Therefore, the price charged the city by the company for "dump power" is not such a bargain. Furthermore, the records of the department of public utilities disclose that this "dump power" has been sold by the Holyoke Water Power Co. to another private company at less than 2 mills a kilowatt, or less than half of what it would charge the municipal department.

COSTS MORE TO BUY THAN TO GENERATE

If further proof is necessary that it is more advantageous to the city to manufacture its own power than to purchase it, a reference to the records will show that the town of South Hadley purchasing its entire supply from the Holyoke Water Power Co., pays more per kilowatt than it costs the municipal department of Holyoke to manufacture it. Moreover, there are several cities and towns in Massachusetts having distribution systems only, that purchase power from private sources, and in none of these places are they able to sell electricity as cheaply as the municipal department sells its own manufactured electricity.

WHY TAX OUR UTILITIES?

Some criticism is made because the gas and electric department does not pay taxes. The statutes of the Commonwealth provide that the city cannot tax its municipal plant; instead, the department must furnish electricity to the city at cost. On its real estate, apart from the plants, the gas and electric department does pay taxes to the city.

It is pointed out that the water department pays taxes by special legislation. Prior to this legislation the water department was in the same position as the gas and electric department; it paid no taxes and sold water to the city at cost. Now, it pays taxes but charges the city the same rate for water as other customers in the same classification.

The gas and electric management feels that its present arrangement, which is the general law of the Commonwealth, is the more equitable one, and that the city obtains a greater benefit thereby. However, the management has expressed a willingness to study both plans, and to accept whichever is beneficial to the city government. But the proponents of direct taxation of the gas and electric department have always suggested confiscatory taxation, aimed to destroy the department's financial stability, and this the management refuses to consider.

The operation of a municipal electric station is the yardstick by which the cost of the electricity and its selling price can be measured against the cost of electricity and the selling price of private companies.

LOWEST RATES IN STATE

In Holyoke the price charged for electricity for lighting is 4 cents a kilowatt. No private company in Massachusetts has a price as low. In some places the rate is as high as 16 cents a kilowatt. The average price throughout the State is 7½ cents a kilowatt, nearly twice the price in Holyoke. Our top rate is 4 cents for the first 100 kilowatt-hours and 3½ cents thereafter. Our power rates run from 2½ cents down to 1 cent per kilowatt-hour.

Because we have this successful municipal department in Holyoke, local power users obtain uniformly low rates from public or private sources. That alone proves the value of the municipal department. But, strip it of its power customers entirely, and force it to discontinue its electric station, and this value will be lost.

Anyone who reads the record cannot doubt that it was the intention of the people, when they established this department, to obtain for themselves the exclusive business of furnishing gas and electricity for power, light, and heat. No one can deny that the courts accepted this intention in fixing the value of the properties and franchises sold to the city by the Holyoke Water Power Co. The investment price has been fully paid. Other millions of dollars of earnings have been put into the plants and equipment. The consumers of power and light have saved several millions of dollars in 30 years of consistently low rates. Surely no one can expect more; some dared not hope for as much.

On its thirtieth birthday the Holyoke gas and electric department is physically and financially healthy. The people of Holyoke, from the smallest user of light, to the largest users of power, will benefit only so long as this municipal department retains its physical and financial strength.

PROSPECTING, EXPLORATION, AND DEVELOPMENT ARMY

Mr. DILL. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to me by Prof. Albert L. Seeman, of the University of Washington, proposing a prospecting, exploration, and development army to search for gold, together with a summary attached to the letter.

There being no objection, the letter and summary were ordered to be printed in the RECORD, as follows:

UNIVERSITY OF WASHINGTON,
Seattle, Wash., March 27, 1933.

Senator C. C. DILL,
Washington, D.C.

DEAR SENATOR DILL: Members of Congress have been advised through President Franklin D. Roosevelt that employment must be found for 200,000 men within a short time and that twice that number will be put to work within 6 months. It is with the hope of aiding the administration and the Members of Congress in this gigantic task of securing employment for these men that the following program is presented for your consideration. The plan that we are here suggesting is one of rehabilitation rather than mere relief and is not in conflict with any of the plans already suggested by Congress or the administration.

This program for rehabilitation is the prospecting of Alaska for gold by an organized army to be known as the "prospecting, exploration, and development army." The purposes back of this program of rehabilitation are, first, to give aid to the unemployed of the entire Nation; second, to increase the gold supply of the Nation and thereby stabilize industry in general and the banking and monetary system in particular; and, third, as a result of this exploration to colonize Alaska. Any one of these aims is sufficient to demand the attention of all those who are interested in rehabilitation.

The Territory of Alaska is about one fifth the size of the United States of America. This Territory contains large unprospected auriferous deposits, as well as large areas which contain mineralized gold-bearing quartz. These areas have been partially mapped by the United States Geological Survey. Such areas offer a great field for a profitable noncompetitive industry. The Territory of Alaska would be today the greatest producer of gold in the world were it not for its inaccessibility except along the coasts and navigable streams. High wages in the States in recent years and the cost and difficulty of transportation in Alaska have checked gold production. The development of the airplane has made it possible to reach places in 2 or 3 hours that would have required months under previous conditions. Actual practice has shown that flying conditions are ideal in the entire Territory and landing safe and practical in winter and in summer. Yet there are thousands of square miles in the more accessible regions that have never been prospected because of the difficulty and cost of transportation.

Prospectors are usually men of small means, and they cannot afford to buy supplies and pay for air transportation to places they wish to prospect, to say nothing of their lack of means to assure being picked up and taken to the place from which they started if they find nothing. The result is that only a very few go out.

Modern prospecting equipment is too expensive for men of small means, so that many who go out are confronted by conditions they cannot overcome, and they give up, when they might be very near to a large gold deposit. In spite of this fact, gold is at the present time the only outstanding product that comes out of Alaska, with the exception of fish caught along the coasts. Prospecting and development is not a poor man's game, and while there are always a few courageous men scattered throughout the Territory, real developments will not come to Alaska until sufficient capital is furnished.

Many other countries have already carried out the suggestion that is being made here. Canada at the present time is increasing her gold supply tremendously by giving aid to the prospectors and by furnishing them airplane transportation.

Many of the rehabilitation programs involving construction work are meritorious and will accomplish much, but they provide only a temporary livelihood for the men employed. When the project is completed the employment ends. The plan here presented provides the men not only with a livelihood but also a working interest as a shareholder, which we believe will pay large dividends.

All who are familiar with Alaska will realize that just one new discovery such as Iditarod, Nome, Circle, Forty Mile, or Fairbanks would not only pay the entire cost of an army of many thousand men but would provide a good start for every member of that army. There is no reason to doubt that the vast sections as yet unprospected will produce many such camps as above named.

Nothing could be of more benefit to the entire country than the discovery and development of new and extensive gold fields in the Territory.

An organized army in Alaska, competently officered by men from the United States Geological Survey and financed by the Federal Government and furnished airplane transportation, will no doubt accomplish the results indicated above.

The "prospecting, exploration, and development army" is to be recruited from unemployed American citizens between the ages of 18 and 40. The number shall consist of from 20,000 to 50,000 men. Enlistment will be upon what is known in mining circles as a "grubstake" basis. The usual grubstake basis is 50–50. This would mean that the army personnel would own 50 percent (or a percentage of the same figured on a certain number of years as a basis) and the Government, or grubstake, would own the other 50 percent. The Government's 50 percent could be used as a revolving fund to carry on and enlarge the scope of the enterprise or it could be used to retire the money invested. Enlistments would be for a period of at least 2 years. Advancements of $5 to $15 per month could be made as and when dividends are declared from the operations. These advancements are to be deductions from the dividends when finally paid. While most of the enlisted men will be prospecting, there will be those men who will be assigned to hunting and fishing to provide a portion of the maintenance required. Others will be enlisted as cooks, clerks, and such other aids as will be necessary to maintain the army. These men not engaged in prospecting will share in the returns the same as the others.

This army will be officered by competent miners. The United States Geological Survey, Alaska Division, would have the supervision of this work. The Alaska Division of the United States Geological Survey already have first-hand information relative to Alaska, and since they are interested in the field work of mining they are the logical department to head this enterprise.

The Federal Government would detail for this "army" all of the airplanes necessary to carry on this work. Airplane transportation is the crux of this entire plan, for unless they can be detailed from the Army and Navy forces this plan cannot be carried out. At the present time only a few of the military or naval aviators know flying conditions in Alaska, which is our nearest approach to the Orient. The present conditions in the Orient make it feasible for the United States to know flying conditions in Alaska and to establish airplane stations. The aviators while assigned to this task would still remain as part of their respective military or naval corps. They would coordinate with the "prospecting army" by providing the required transportation of the men and equipment. Maintenance of a portion of its flying corps in Alaska would cost the Federal Government no more than maintaining them in the States and would increase the scope of its military program.

As an emergency measure the President of these United States can use funds already appropriated for relief measures, or sufficient money shall be appropriated by Congress to enlist, transport, and maintain these men in Alaska. Since the season in Alaska in which work should be started is short, it is urged that Congress take immediate steps to bring about this additional means of employment.

Very truly yours,

ALBERT L. SEEMAN.

SUMMARY OF "PROSPECTING, EXPLORATION, AND DEVELOPMENT ARMY"

1. This "army" is to be composed of from 20,000 to 50,000 men.

2. This "army" is to be recruited from unemployed American citizens who can pass the physical examination and for a period of 2 years.

3. Members of the "army" shall be fed, clothed, and housed.

4. There shall be at least one recruiting station in each State for enlistments. These recruiting stations shall be at designated places.

5. These recruits are to be placed on a 50–50 grubstake basis. The Federal Government—the grubstake—is to receive 50 percent of the returns. The other 50 percent is to be given to the "army." A certificate of participation will be issued to each member of the "army" showing his proportional share of the proceeds. These certificates will be honored by any national bank, and shall become payable upon the expiration of enlistment. From $5 to $15 per month can be borrowed on these certificates and up to 75 percent of the face value of the certificates. These certificates of participation shall be proportionate to the number of men in the "army" and to the length of service of the individual at the time the certificate is issued.

6. If a member of the "army" does not serve his full period of the enlistment, he cannot mine in Alaska for a period of 10 years and he cannot be interested in mining in Alaska for a similar period.

7. Leaving the "army" without permission shall be considered the same as not serving his entire enlistment.

8. Transportation shall be furnished all members of the "army" from the place of enlistment to the mobilization camp at Seattle, Wash. They shall be furnished transportation to their place of enlistment upon the termination of their enlistment. Those who do not complete their enlistments shall not be furnished with the return transportation.

9. The officers of this "army" shall be under the jurisdiction of the Alaska Division, United States Geological Survey. They shall be competent miners capable of directing the work in the field. These officers shall be detailed by the United States Geological Survey.

10. The officer in charge shall be the Chief of the Alaska Division, United States Geological Survey. He shall be assisted by practical miners.

11. The officers of the "army" shall receive certificates of participation on the same basis as the enlisted men.

12. Officers shall keep a record of all prospecting squads and all development as it takes place.

13. Each district shall be inspected by a superior officer before any area is abandoned as nonproductive. The abandonment can take place only after such inspection.

14. All records kept by the officers of the various districts shall be inspected periodically by a superior officer.

15. Transportation from the mobilization camp at Seattle, Wash., shall be by commercial steamers at reasonable rates or by military transports.

16. The determination of adequate planes for prospecting shall be determined by the officer in charge. He shall designate the number of planes needed.

17. A medical corps shall be attached to the "army" to be composed of volunteers from accepted surgeons and physicians or from the Medical Corps of the Army. They shall be classed as officers assigned to special duty.

18. Cooks, clerks, hunters, and fishermen and special duties of this class shall be from the enlisted personnel and assigned to special duty.

19. The various States, as governmental limits, may organize and finance units on the same basis as the Federal Government.

20. It is estimated that the cost of maintaining a man per year, exclusive of mining equipment and transportation, is $350.

IDEALS OF PRESIDENT WILSON—ADDRESS BY HON. JOSEPHUS DANIELS

Mr. BAILEY. Mr. President, I send to the desk an address delivered by the Honorable Josephus Daniels, now Ambassador to Mexico, at the tomb of Woodrow Wilson, Washington Cathedral, Washington, D.C., March 5, 1933, on the subject of Woodrow Wilson's Ideals, and request its publication in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

[From the News and Observer, Raleigh, N.C., Mar. 6, 1933]

WILSON'S IDEALS NEEDED TODAY

Under this stone lies all that is mortal of Woodrow Wilson. It is dust. But there is more than dust here. There is the eternal life of an ideal. Not the man but the spirit that the man was has brought us here. We have come up to this hilltop and to this quiet chamber to capture again if we can something of his teaching, something of his courage and faith, to guide us in a period of uncertain drifting and certain doubt. We come here hungry for some portion of the high vision of Woodrow Wilson.

Here in this room of shadow and quietness we may stand for a little while apart from the crisis that faces the world at the foot of this hill and at the same time take new strength from the spirit of the man who in every crisis—and he met the greatest which shook the world—never hesitated to propose the way of solution nor in every period of distress to offer the remedy essential to restoration.

Does America stand today looking for the safe path to follow to regain the heights of the days of Woodrow Wilson? Do its people grope in darkness for a light for their feet? Do they yearn for confidence and a return to security? Do they look through a glass darkly for light? Do they come distracted from distracted councils? If so, here at the tomb of the greatest prophet of our times and the supreme optimist of our history, they can find the way by following in the footsteps of the noble war President, himself the greatest casualty of that conflict.

First of all we must rid ourselves of the notion that all the calamities that have befallen us have grown from the war in which he led us. Certainly it was a struggle, entered with consideration of its consequences, which took its toll of our best manhood and levied money burdens grievous to bear. But war had little to do with the debacle that has since broken our hopes and destroyed our prosperity. It was not America's consecrated use of the sword that brought us to the ills we bear today. It was the failure after the war to keep faith with the "indomitable spirit and ungrudging sacrifice of our incomparable soldiers" which lies at the bottom of our troubles.

When Mr. Wilson returned from Paris with the covenant of peace the Nation was weary of war and ready not only to put down the sword but also to be lulled into laying aside the high conscience with which the sword had been lifted. It was more pleasant to listen to the promises that if this country would refrain from alliance or association with other nations we could stand apart and reap unheard-of material gain. This Midas touch to the American heart made us for a time oblivious "to the proud recollection that it was our precept and example which had in those early days of the never-to-be-forgotten November lifted the nations of the world to the lofty levels of vision and achievement upon which the great war for democracy and right was fought and won."

In the growth of this material spirit he saw not only the immediate defeat of his own ideals. He looked forward like a prophet to the catastrophe it must certainly bring even upon the material-minded world. Ten years ago he wrote and pointed The Road Away from Revolution, the road away from the economic collapse which now engulfs us. The world he said had been made safe from the assault upon democracy of an insolent and ignorant Hohenzollern, but democracy remained to be made safe from the insolent and ignorant capitalists who "seemed to regard the men whom they used as mere instruments of profit."

"The nature of men and of organized society," he said, 10 years ago, "dictates the maintenance in every field of action of justice and of right dealing; and it is essential to efficacious thinking in this critical matter that we should not entertain a narrow or technical conception of justice. By justice the lawyer generally means the prompt, fair, and open application of impartial rules; but we call ours a Christian civilization, and a Christian conception of justice must be much higher. It must include sympathy and helpfulness and a willingness to forego self-interest in order to promote the welfare, happiness, and contentment of others and of the community as a whole. This is what our age is blindly feeling in its reaction against what it deems the too great selfishness of the capitalistic system."

We can look back today and see that here was prophecy, and we can look back and see, too, that it was received by a world bent upon material gain with no more consideration than is usually accorded to prophets. The blind, the insolent, and ignorant selfishness which had succeeded the idealism of the war rushed on without hesitation to its own ruin.

Is it surprising that the great man who lies here should have cried on the eve of Armistice Day, 1923, when he saw this dark

future that "the stimulating memories of that happy time of triumph are marred and embittered for us by the shameful fact that when the victory was won we turned our backs on our associates, refused to bear any responsible part in the administration of peace on the firm and permanent establishment of the results of war won at so fearful a cost of life and treasure, and withdrew into a sullen and selfish isolation which is deeply ignoble because manifestly dishonorable."

He would not have been the Woodrow Wilson we honor if he had not cried out his indignation at this betrayal of the world. But his was not a spirit long to be fettered by bitterness and hopelessness. From them he came to a serene faith in the victory of his ideals. To the crowd of friends gathered on the same Armistice Day before his residence, he said: "I am not one of those that have the least anxiety about the triumph of the principles I have stood for. That we shall prevail is as sure as that God reigns." That assurance gave him joy in his last days.

On the occasion of my last visit to my beloved chief, I spoke my own bitterness that the American people had forgotten the sacred promises of 1917 and 1918. Mr. Wilson laid his good hand on my arm and said: "Do not trouble about the things we have fought for. They are sure to prevail. They are only delayed." Then, with the quaintness of expression which gave charm to all he said, he added: "And I will make this concession to Providence—it may come in a better way than we proposed."

He who saw so very clearly never lost his faith. He beheld as few men are ever forced to see his ideals torn down. He looked ahead along the dark road to revolution. Yet he never lost his faith. If we who gather here today to do him honor may find a little of his noble confidence we can go back from the quietness of this tomb more able to serve our country and our countrymen. We who followed him when he led us into war can fight today for peace and security under the standards of justice and unselfishness which he never let fall. Today for all America and for all the world hope lies in the ideals of Woodrow Wilson, which were never more alive nor more needed than today.

REVENUE FROM BEVERAGES IN THE DISTRICT

Mr. TYDINGS. Mr. President, I move that the Senate proceed to the consideration of H.R. 3342, the beer bill for the District of Columbia.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 3342) to provide revenue for the District of Columbia by the taxation of beverages, and for other purposes, which had been reported from the Committee on the District of Columbia with an amendment to strike out all after the enacting clause and to insert:

Be it enacted, etc., That the term "beverage" as used in this act means beer, lager beer, ale, porter, wine, similar fermented malt or vinous liquor, and fruit juice, containing one half of 1 percent or more of alcohol by volume, and not more than 3.2 percent of alcohol by weight.

SEC. 2. (a) No individual, partnership, association, or corporation shall within the District of Columbia manufacture for sale or sell any beverage without having first obtained a permit under this act for such manufacture or sale.

(b) No individual shall within the District of Columbia offer for sale, or solicit any order for the sale of, within the District of Columbia, any beverage unless—

(1) Such individual has first obtained a permit of the character described in section 4(a)(5); and

(2) The vendor is the holder of a permit issued under this act authorizing such sale.

Nothing in this subsection shall apply to any offer for sale or solicitation made upon the premises designated in the permit of the vendor.

SEC. 3. The Commissioners of the District of Columbia are authorized to issue permits to individuals, partnerships, or corporations, but not to unincorporated associations, on application duly made therefor for the manufacture, sale, offer for sale, or solicitation of orders for sale, of beverages within the District of Columbia, subject, however, to the limitations and restrictions imposed by this act. The Commissioners shall keep a full record of all applications for permits, of all recommendations for and remonstrances against the granting of permits, and of the action taken thereon.

SEC. 4. (a) Permits issued under authority of this act shall be of 5 kinds.

(1) "On sale" permits, which shall be issued only for bona fide restaurants or hotels, or for bona fide incorporated clubs with annual dues of at least $6. Such permits shall authorize the permittee to sell beverages for consumption on the premises designated in the permit, (A) in the case of restaurants, at public tables or in vehicles parked entirely upon the premises designated in the permit, but no beverage shall be sold or served in any room not used primarily for the serving and consumption of food; except that beverages may be sold or served to assemblages of more than 6 individuals in private rooms or at private tables when expressly authorized by the Commissioners, or (B) in the case of hotels or clubs, at tables or in the rooms of guests or members. No such permit shall be issued for any restaurant which has not been established and doing business for at least six months immediately prior to the application for such permit;

(2) "Off sale" permits, which shall authorize the permittee to sell beverages for consumption only off the premises designated in the permit, and not to other permittees for resale, but such sale shall be made only in the immediate container in which the beverage was received by the "off sale" permittee, except that in the case of an "off sale" permit held by the holder of a manufacturer's or wholesaler's permit beverages may be sold only in such barrels, bottles, or other closed containers as the Commissioners may by regulation prescribe; but no "off sale" permit shall be issued or remain in force in respect of any premises for which an "on sale" permit is in force;

(3) Manufacturers' permits, which shall authorize the permittee to manufacture beverages and to sell the same in barrels, bottles, or other closed containers to other permittees for resale only;

(4) Wholesalers' permits, which shall authorize the permittee to sell beverages in barrels, bottles, or other closed containers to other permittees for resale only; and

(5) Solicitors' permits, which shall authorize the permittee within the District of Columbia to offer for sale, or solicit orders for the sale of, within the District of Columbia, any beverage if the vendor of such beverage is the holder of a permit issued under this act authorizing such sale. Solicitor's permits shall not be issued without the recommendation of the vendor whom the solicitor represents. Nothing in this act shall be construed as repealing any portion of section 7 of the District of Columbia Appropriation Act for the fiscal year ending June 30, 1903, approved July 1, 1902, as amended.

(b) The holder of a manufacturer's or wholesaler's permit shall not be entitled to hold an "on sale" permit and may hold only one "off sale" permit, which shall be issued only in respect of the premises designated in his permit as a manufacturer or wholesaler.

SEC. 5. (a) Any individual, partnership, or corporation desiring a permit under this act shall file with the commissioners an application therefor in such form as the commissioners may prescribe, and such application shall contain such information as the commissioners may require, and (except in the case of an application for a solicitor's permit) shall contain a statement setting forth the name and address of the true and actual owner of the premises upon which the business to be permitted is to be conducted. Before a permit is issued the commissioners shall satisfy themselves (1) that the applicant is financially responsible and generally fit for the trust to be in him reposed; (2) that the applicant, if an individual, or if a partnership, each of the members of the partnership, or if a corporation, each of its principal officers and directors, is of good moral character; (3) that the applicant, if an individual, or if a partnership, each of the members of the partnership, or if a corporation, each of its principal officers, is a citizen of the United States not less than 21 years of age, and has never been convicted of a felony; (4) except in the case of an application for a solicitor's permit, that the applicant intends to carry on the business authorized by the permit for himself and not as the agent of any individual, partnership, association, or corporation, and that he intends to superintend in person the management of the business permitted, or intends to have some other person to be approved by the commissioners manage the business for him; (5) that, in the case of an applicant for an "on sale" or an "off sale" permit, no manufacturer or wholesaler of beverages (other than the applicant) has a substantial financial interest, direct or indirect, in the business for which the permit is requested or in the premises in respect of which such permit is to be issued, and that such business will not be conducted with any money, equipment, furniture, fixtures, or property rented from or loaned or given by any manufacturer or wholesaler; and (6) except in the case of an application for a solicitor's permit, that the proposed location of the business is an appropriate one, taking into consideration its surroundings and the number of similar permits already issued in the neighborhood where the applicant's business is to be conducted. Not more than five "on sale" permits shall be issued to any one individual, partnership, or corporation, and a separate application shall be filed with respect to each place of business.

(b) Any such application shall be verified by the affidavit of the applicant, if an individual, or by all the members of a partnership, or by the proper officer of a corporation. If any false statement is knowingly made in such application or in any accompanying statements under oath which may be required by the Commissioners, the person making the same shall be deemed guilty of perjury. The making of a false statement in any such application or in any such accompanying statements, whether made with or without the knowledge or consent of the applicant, shall, in the discretion of the Commissioners, constitute sufficient cause for the revocation of the permit.

SEC. 6. The fees required for permits issued pursuant to the provisions of this act shall be as follows: For each "on sale" permit, $100 per annum; for each "off sale" permit, $50 per annum; for each manufacturer's permit, $1,000 per annum; for each wholesaler's permit, $250 per annum; and for each solicitor's permit, $1 per annum. The required permit fee shall accompany the application required by section 5 of this act. A permit shall be good for 1 year from the date of its issue, unless sooner revoked for cause by the Commissioners, and may, with the approval of the Commissioners, be renewed upon payment of the required fee. Permits shall not be transferred except with the consent of the Commissioners, and each permit (except a solicitor's permit) shall designate the place of business for which it is issued.

SEC. 7. In the event a permittee has designated a person to manage the business for him, and the employment of such man-

ager shall terminate, such permittee shall forthwith notify the Commissioners of such termination, and shall within a reasonable time thereafter designate a new manager, and such new manager shall be subject to the approval of the Commissioners. If no manager acceptable to the Commissioners is designated within a reasonable time after the employment of the former manager has terminated, the permit shall, in the discretion of the Commissioners, be revoked.

SEC. 8. If any manufacturer or wholesaler of beverages shall have any substantial financial interest, either direct or indirect, in the business of any other "on sale" or "off sale" permittee, or in the premises on which said business is conducted, the Commissioners shall, in their discretion, revoke the permit issued in respect of the business in which such manufacturer or wholesaler is so interested. No manufacturer or wholesaler of beverages shall rent, lend, or give to any "on sale" or "off sale" permittee or to the owner of the premises on which the business of any "on sale" or "off sale" permittee is to be conducted any money, equipment, fixtures, or property with which the business of said permittee is to be conducted.

SEC. 9. Each manufacturer and wholesaler of beverages within the District of Columbia shall, on or before the 10th day of each month, furnish to the assessor of the District of Columbia, on a form to be prescribed by the Commissioners, a statement under oath showing the quantity of beverages sold for resale during the preceding calendar month to each "on sale" and "off sale" permittee within the District of Columbia. Each "on sale" and "off sale" permittee shall, on or before the 10th day of each month, furnish to the assessor of the District of Columbia, on a form to be prescribed by the Commissioners, a statement under oath showing the quantity of all beverages sold by him during the preceding calendar month.

SEC. 10. No "on sale" or "off sale" permittee shall purchase any beverage from any manufacturer or wholesaler doing business outside of the District of Columbia and not holding a permit issued under the provisions of this act, and transport or cause the same to be transported into the District of Columbia for resale, unless such manufacturer or wholesaler has obtained from the Commissioners a certificate of approval, which certificate shall not be granted unless and until such manufacturer or wholesaler shall have agreed with the Commissioners to furnish to the assessor of the District of Columbia, on or before the 10th day of each month, a report under oath, on a form to be prescribed by the Commissioners, showing the quantity of beverages sold or delivered to each "on sale" or "off sale" permittee during the preceding calendar month. If any such manufacturer or wholesaler shall, after obtaining such certificate, fail to submit any such report, the Commissioners shall, in their discretion, revoke such certificate.

SEC. 11. There shall be levied and collected by the District of Columbia on all beverages sold by any "on sale" or "off sale" permittee within the District of Columbia a tax of $1 for every barrel of beverages containing not more than 31 gallons, and at a like rate for any other quantity, or for the fractional parts thereof. The tax imposed by this section shall be paid by the "on sale" or "off sale" permittee to the collector of taxes of the District of Columbia on or before the 10th day of each month for beverages sold by the permittee during the preceding calendar month.

SEC. 12. The act entitled "An act to prohibit the manufacture and sale of alcoholic liquors in the District of Columbia, and for other purposes", approved March 3, 1917, with the exception of sections 11 and 20 thereof, is hereby repealed; except that the term "alcoholic liquor" used in said section 11 of such act shall not be construed to include beverages authorized to be manufactured and sold by this act.

SEC. 13. No "off sale" permittee shall give or sell, and no "on sale" permittee shall give, sell, or serve, any beverage to any person under 18 years of age. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not more than $100, or be imprisoned not longer than 6 months, or be subject to both such fine and imprisonment.

SEC. 14. The Commissioners are hereby authorized to prescribe such rules and regulations not inconsistent with law, as they may deem necessary, for the issuance of permits, and for the manufacture, sale, offer for sale, or solicitation of orders for sale, of beverages, and the operation of the business of permittees. Such regulations may be altered or amended from time to time as the Commissioners may deem desirable.

SEC. 15. It shall be the duty of the Commissioners to cause frequent inspections to be made of all premises with respect to which any permit shall have been issued under this act. If any permittee violates any of the provisions of this act or any of the rules and regulations of the Commissioners promulgated pursuant thereto, or fails to superintend in person or through a manager approved by the Commissioners the business for which the permit was issued, or allows the premises with respect to which the permit of such permittee was issued to be used for any unlawful, disorderly, or immoral purposes, or knowingly employs in the sale or distribution of beverages any person who has been convicted of a felony, or otherwise fails to carry out in good faith the purposes of this act, the permit of such permittee may be revoked by the Commissioners after the permittee has been given an opportunity to be heard in his defense.

SEC. 16. Whoever violates any of the provisions of this act (except sec. 13 thereof) or any of the rules and regulations promulgated pursuant thereto shall, upon conviction thereof by a court of competent jurisdiction, be punished by a fine of not more than $500 or by imprisonment for not longer than 6 months, or by both such fine and imprisonment, in the discretion of the court. If any permittee is convicted of a violation of the provisions of this act or any of the rules and regulations promulgated pursuant thereto, the court shall immediately declare his permit revoked and notify the Commissioners accordingly, and no permit shall thereafter be granted to him within the period of 3 years thereafter. Any permittee who shall sell or permit the sale on his premises or in connection with his business or otherwise, of any alcoholic beverages not authorized under the terms of this act, unless otherwise permitted by law, shall, upon conviction thereof, forfeit his permit in addition to any punishment imposed by law for such offense.

SEC. 17. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

SEC. 18. It shall be unlawful to sell or offer for sale any beverage within the District of Columbia prior to April 7, 1933.

The VICE PRESIDENT. Without objection, the committee amendment is agreed to, and, without objection, the bill will be considered ordered engrossed for a third reading, read the third time, and passed.

Mr. ROBINSON of Arkansas. Mr. President, I think the Senator in charge of the bill should make an explanation of its provisions.

Mr. TYDINGS. I shall be glad to do so.

Mr. COUZENS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Michigan will state it.

Mr. COUZENS. Did I understand the Chair to say that the District beer bill had been passed?

The VICE PRESIDENT. Yes. The Chair stated that, without objection, the committee amendment would be agreed to. There was no objection. Then the Chair said——

Mr. ROBINSON of Arkansas. Mr. President, this is a bill of importance, and there is not the slightest occasion to take snap judgment in the matter. If the committee amendment has been agreed to and the bill has been passed, I ask unanimous consent that the votes whereby the amendment was agreed to and the bill was passed may be reconsidered.

The VICE PRESIDENT. Without objection, the votes whereby the bill was ordered to be engrossed for a third reading, read the third time, and passed will be reconsidered, and, without objection, the vote whereby the committee amendment was agreed to will be reconsidered. The amendment reported by the Senate committee is now pending, and the Senator from Maryland [Mr. TYDINGS] is entitled to the floor.

Mr. ROBINSON of Arkansas. Mr. President, before the Senator begins his remarks let me say that I should like to have, during the course of his discussion of the bill, an analysis of the distinction between the bill as passed by the House and the Senate committee bill. Probably the Senator would give such an analysis anyway; but it seems to me there should be an explanation of the differences between the two bills.

Mr. TYDINGS. Mr. President, the Senate Committee on the District of Columbia, in considering the bill passed by the House, sought as far as possible to keep the general philosophy of the House bill. That was to permit the sale of 3.2-percent beer by weight and to throw around its sale all the restrictions which good sense and good judgment seemed to indicate were necessary.

In reading over the House bill we found that there were some ambiguities and some contradictions and some omissions. Primarily, the Senate amendments seek to cure these defects in the House bill.

The bill provides for five kinds of licenses, or permits, as they are called in the Senate bill. They are called licenses in the House bill. Those five kinds of licenses are as follows:

First, a brewer's license, which authorizes the brewer to make beer; but he cannot sell it for consumption on the premises, nor to anyone except the holder of an off-sale or an on-sale permit.

The second permit is that which we call an on-sale permit. That means that a man can sell this beer to be consumed on the premises designated in the permit.

An off-sale permit is also made available under this bill; and the permittee can sell beverages in original containers, not to be consumed on the premises where the beverages are sold. That would apply to delivering a case of beer to the house of an individual, or to a club, or to a restaurant, or to anyone else.

Then the bill provides for wholesale permits, because many of the brewers will not make beer in the District, and they will have wholesale houses through which their product will be dispensed; but the holder of a wholesale permit cannot sell beer for the purpose of having it consumed on the premises of the permittee. He can sell it to other permittees—that is, to on-sale and off-sale permittees.

Finally, there is a solicitor's permit. That provision was added by the Senate committee—it was not in the House bill—for the reason that it was thought that those who solicit from door to door for the sale of the beverages provided for in this bill should register with the District of Columbia Commissioners, so that only authorized persons holding permits might make these solicitations. Otherwise, the public might be subjected to fraudulent solicitations, and might be mulcted through paying solicitors for beer which the purchasers would never get.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. McADOO in the chair). Does the Senator from Maryland yield to the Senator from Nebraska?

Mr. TYDINGS. I yield to the Senator.

Mr. NORRIS. When the Senator reached the subject of solicitors' permits I was just reading the report, which, so far as I have read it, seems to me to be a very illuminating, fair statement; but I do not understand why there should be such a thing as a solicitor's permit. Is it the theory that the solicitors who will get these permits will go from house to house trying to sell beer?

Mr. TYDINGS. Let me explain to the Senator why we put in that provision.

As the Senator will see in the bill, neither a brewer nor a wholesaler can sell except to other permittees. That means that if the Senator wanted to buy a case of beer he would be unable to get it except through an off-sale permittee. Now, suppose one of the brewing companies of America should want to do business in the District of Columbia. They would get, I suppose, a wholesale permit. That wholesale permit would allow them to bottle their beer within the District of Columbia. They might ship it in barrels and transfer it to bottles here, but there would be no provision as to sale between the wholesale permit holder and the individual who wanted to purchase the beer.

For example, I might go to that wholesale permit holder and say, "I should like to represent your concern here." He would say, "All right; you can go ahead and push the sale of my product." Then when I knocked on a man's door he would not know whether I was an authorized representative of the wholesaler or an unauthorized representative. We thought that every person connected with every phase of the sale and delivery of beer should be licensed by the governing authorities of the District of Columbia.

Mr. NORRIS. Mr. President, will the Senator permit a further interruption?

Mr. TYDINGS. Will the Senator let me go on for just a second more?

Mr. NORRIS. Yes.

Mr. TYDINGS. We were afraid that there might be some part of the general control over the sale of beer which would not be under the District Commissioners; and we therefore authorized the solicitor's permit, more for the purpose of knowing who was furnishing the outlet for the beer than from any desire for revenue, or for any other purpose.

Mr. NORRIS. Why would it not meet the situation to have an individual who wanted to buy beer go to a place where there was a legal licensee who had authority to sell it, and buy it of him?

Mr. TYDINGS. He can do that, may I say to the Senator.

Mr. NORRIS. I cannot see the use of adding to that a provision that it seems to me would result in a wholesale number of people going around from house to house trying to sell beer.

Mr. TYDINGS. That was the thing we had in mind. May I point out to the Senator that if we strike out of the bill the solicitor's-permit provision, then anybody can go and solicit for the sale of beer. They could knock on the Senator's door and say, "I represent such and such a company, and would like to sell you some beer."

Mr. NORRIS. In "the good old days" we did not have anything of that kind, when it was free to anybody. No permits of this kind were issued then. I have never heard, at least, of a complaint being made of people canvassing, like a lot of book agents, the people of the community for the purpose of selling beer. There were certain persons who had a legal right to sell beer, and were licensed to sell it; and purchasers had to go there.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Arkansas?

Mr. TYDINGS. I yield to the Senator.

Mr. ROBINSON of Arkansas. I imagine that one of the purposes of the provision is to safeguard against the bootlegging of beer having an alcoholic content in excess of that authorized by law. It is readily conceivable to my mind that with no person permitted to solicit for beer manufacturers or beer sellers except those who are authorized or permitted by law to do so, responsibility for violations of the law can much more easily be located and violations prevented.

Mr. TYDINGS. The Senator is exactly right, because, having put the permit system in this bill, the consumer knows that the beverage which he is buying, is, first of all, a legal beverage; secondly, that it has been cleanly manufactured under the rules which govern the manufacture of beverages. Without the permit I might be solicited, but I would not know whether I was getting the real beer from the company from which I wished to purchase it or whether it was some home-manufactured beer.

May I say to the Senator from Nebraska that we were afraid that if we did not provide for the issuance of these solicitors' permits to those who wanted to sell beer directly to the consumer, but not to be consumed on the premises where sold, there would be a hiatus between the manufacturer of the beer and the ultimate consumer which would lead to violations by bootleggers, by fraudulent solicitors, and that many people who were entitled to protection might be taken in. We did not have this provision in the bill at our first committee meeting. It came up subsequently; and I think, after looking into the matter, the committee were unanimous—both those opposed to the bill, as a matter of principle, and those who were for it—in believing that the public would be safeguarded rather than hurt by this provision.

I myself think that without the provision solicitations will go on, and they will be for products which are not authorized by this bill. I believe that the public welfare will be served by this provision.

Mr. NORRIS. Of course, I want the Senator to understand that I am not questioning the good faith of the Senator or of the committee.

Mr. TYDINGS. I understand.

Mr. NORRIS. I do not yet see, however, why such a provision should be made. Would it not be just as possible and just as easy with this provision as without it for someone who did not have a permit to go around and canvass and sell beer?

Mr. TYDINGS. If there were no permit provision, what the Senator says is true.

Mr. NORRIS. In the operation under the license system that prevailed prior to prohibition, there never has been,

so far as I know, a claim anywhere that the business was such that we ought to authorize these dealers to send agents around to sell their products.

Mr. TYDINGS. Yes; I think I can say to the Senator with substantial accuracy that that was the case, even in the days when saloons were plentiful—that agents did go around to clubs and to homes and solicit business.

Mr. NORRIS. To private individuals?

Mr. TYDINGS. Yes, sir.

Mr. NORRIS. I never knew that there was such a thing.

Mr. TYDINGS. I think it is only fair to add that there was not much of it, however; because in the "wet" communities there were so many outlets that it was unnecessary.

Mr. NORRIS. I cannot see the necessity of it. These solicitors have to pay a license fee of only $1.

Mr. TYDINGS. That is all.

Mr. NORRIS. So that it would be mostly a matter of form to become an agent for some permittee or licensee to go around and canvass the people of the community.

Mr. TYDINGS. That is right; but a permit could not be obtained without the approval of a man who held some other license.

Mr. NORRIS. The person who issued the permit would be a licensee, would he not?

Mr. TYDINGS. No; it would be the District Commissioners who would issue the permit, but upon the approval of the principal for whom the solicitor was to work. The idea was that in this bill we sought to keep track of all beer from the brewer to the ultimate consumer, so that every phase of the business could be controlled. We were afraid that if we did not have these permits for solicitors there might be one phase of the matter which would be uncontrolled which had best be controlled.

Mr. NORRIS. Is there any reason to think that if this part of the bill were stricken out, people would come in and bootleg, as the Senator says, some product, and ship it into some other place?

Mr. TYDINGS. Yes, sir.

Mr. NORRIS. Certainly everybody would know that certain people were licensed to sell this product. I do not understand why it would be necessary or why a community would care to be bothered with people coming to their houses continually from the various licensees of the city, trying to sell them something to drink, when they would all know that if they wanted it they could telephone to the licensee and have it delivered, if they cared to buy it in that way.

Mr. TYDINGS. I think there is something in what the Senator says. May I say, however, that we put in this provision as the lesser of two evils. We did not want the public annoyed; but we were afraid that the public would be more injured if this provision were left out than if we inserted it. In that we may be wrong; but we had the public welfare in mind in inserting this particular provision. If it does not work out as we hope it will, I shall be one of the first, when opportunity arises in the future, to strike the provision from the bill.

Mr. COUZENS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Michigan?

Mr. TYDINGS. I yield to the Senator.

Mr. COUZENS. The Senator will recall that in the District Committee I raised some objection to the language on page 11, whereby restaurants, and so forth, may sell this beer to persons in parked vehicles. I should like to see the Senate go on record as to whether they want that language in the bill or not.

Mr. TYDINGS. The Senator refers to parked vehicles on private property?

Mr. COUZENS. Yes. The Senator will observe, on page 11, line 4——

Mr. TYDINGS. If the Senator will permit me to interrupt him a moment, for the benefit of those who may be listening and who do not understand what we are speaking of, as well as the Senator from Michigan and myself, who are both on the committee, may I say that some question arose as to when one could sell the beverage provided for in this bill to persons in an automobile. There are many barbecue stands and restaurants where a man might want to drive up and get a bottle of beer, and therefore the question of whether he should be able to get it or not was brought to our attention. We provided that he could not get it in an automobile under any conditions unless he was on the private property of the licensee selling it.

Mr. COUZENS. Mr. President, if the Senator will yield, I want to point out that that is perhaps one of the most vicious provisions of the bill. In other words, if we are to restrict the sale of this beer to people over 18 years of age, how can the licensees know who is in the vehicles? Four or five people may be in a parked vehicle on the premises where the beer is sold. This provision is wholly inconsistent with the provision limiting the sale to those over 18 years of age. I should like to have the Senator agree to take that language out.

Mr. TYDINGS. May I say to the Senator that I am not unsympathetic with the very point he makes. He will recall that in the committee I questioned the wisdom of this provision; but the committee saw fit to put it in, and I do not feel that I can, in justice, consent to the amendment.

Mr. COUZENS. The Senator will not object to my making a motion to amend?

Mr. BARKLEY. Mr. President——

Mr. TYDINGS. I will yield, if the Senator from Kentucky will bear with me a moment.

The committee had this problem in dealing with the proposition: There are some barbecue stands—in the outlying parts of the city, particularly—which serve as many as three or four or five thousand people a day, particularly in the summertime, when people are driving about. They really serve what we might call a poor man's lunch, or dinner, to a man who cannot afford to go to a hotel. To that class of people these barbecue stands are regular restaurants serving food, and the committee was rather inclined to be liberal. But, as the Senator says, there are a number of places which are not conducted along that line, and it was difficult for us to draw the line between the poor man's dinner with his bottle of beer, or his lunch with his bottle of beer, and the night-club barbecue-stand affair.

Mr. COUZENS. Will the Senator yield further at that point?

Mr. TYDINGS. I yield.

Mr. COUZENS. I would have no objection to these places which the Senator describes if they would have tables; but permitting people to sit and drink in automobiles—drinking that stuff, with a lot of young girls in the automobiles, and all below 18 years of age—is wholly inconsistent with limiting sales to those above 18 years of age.

Mr. TYDINGS. I am bound to say there is a great deal of force in what the Senator says. I cannot agree to the amendment and shall vote against it, but I can understand why others would vote for it.

Mr. BARKLEY and Mr. JOHNSON addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I yield first to the Senator from Kentucky, who was on his feet first, and then I will yield to the Senator from California.

Mr. BARKLEY. I would like to have the attention of the Senator from Maryland and also the attention of the Senator from Michigan. It strikes me, on first blush, that this language holds out some discrimination as between stores, or "hot-dog joints", or whatever you call them, which are on the sidewalk, flush up with the street, and those which sit back far enough so that one can drive in. Under the language here anybody who had a store that came up to the edge of the street would not be able to sell to a man or anybody else who drove up in an automobile and stopped and would like to get some of the beverage; but if the house is back from the street far enough so that the automobile can drive in and be on private property, those in the automobile can buy the beverage. I do not really see any particular reason for that discrimination. I am not advocating that the licensees be allowed to sell to anybody in an automobile;

but if they are to be allowed to sell to people in cars, I see no reason why there should be any discrimination against the people who drive up on the street and sit in front of a place, where there is no private parking ground, if it is allowed at all.

Mr. TYDINGS. As I pointed out a moment ago, we had in mind primarily the outlying barbecue stands, which are really run on a restaurant basis. I do not mean to say that much of what the Senator says is not well grounded and sound.

Now I yield to the Senator from California.

Mr. JOHNSON. I wanted to ask upon what theory the committee inserted the word "wine" in line 16, page 9, in this measure?

Mr. TYDINGS. As I recall, that was put in to make the language conform exactly with the language of the national beer bill.

Mr. JOHNSON. That is quite true; the expression does occur in the national beer bill, I grant you, but there is no such thing as 3.2 percent wine, and what in the world is the use of burdening this bill and burdening the wine people, who are appealing to the Congress of the United States for relief at the present time, by sticking in here a provision as to wine containing not more than 3.2 percent alcohol by weight?

It is a perfectly absurd thing, which is objectionable to those who are engaged in wine manufacture and to those engaged in grape culture in the State of California, for instance. I speak for them by the book, I think.

Mr. TYDINGS. I think what the Senator says is very fair comment on this bill, but I know the Senator will appreciate that the committee had only the motive of making the bill conform exactly with the national beer bill, so that we would not be accused of trying to write in or leave out matters which had been embraced within the definition of the national beer bill.

Mr. JOHNSON. I think the Senator gives a reasonable explanation as to why this provision is in the bill, but at the appropriate time I am going to ask the Senate to strike it out. If it is of no use and if it is absurd and if there is no such thing, why put it in the bill?

Mr. TYDINGS. As I said to the Senator, I think it would be best to stick to the national law. If the language were not in the national law, then I think we could leave it out here; but, inasmuch as it is in the national law, I feel that we, as a committee acting under that law, should make our definition exactly in conformity with the national law.

Mr. BARKLEY. Mr. President, will the Senator yield again?

Mr. TYDINGS. I yield.

Mr. BARKLEY. It does not strike me that the grape-growers or winemakers have any real reason for complaint here because, if with the present limitation of one half of 1 percent they are selling wine containing 22 percent of alcohol, if we increase the permissible content to 3 percent they can increase their wine to one containing 120 proof of alcohol or wine almost totally alcohol. So if the limit of one half of 1 percent has not prevented them from selling real wine, certainly the provision as to 3.2 percent will not.

Mr. JOHNSON. Mr. President, will the Senator from Maryland yield?

Mr. TYDINGS. I yield.

Mr. JOHNSON. Do I understand the Senator to say that under the Volstead Act they have been selling wine with that alcoholic content?

Mr. BARKLEY. I have been told that there is a certain product issued by United Fruits, Ltd., which is well known in this country, and whose representative in Washington is well known indeed, and that they are selling that beverage in bottles on which it is stated that it contains 22 percent alcohol, and I was wondering, if a limitation of one half of 1 percent has not prevented them from selling a beverage containing 22 percent of alcohol, what complaint they have against a provision as to 3.2 percent, if they can multiply it in proportion.

Mr. JOHNSON. If that is the Senator's reason for the insertion in this bill——

Mr. BARKLEY. I did not insert it, and I am not expressing any reason. I am just wondering whether any complaint is justified.

Mr. JOHNSON. In order that the practice may be continued of selling in violation of the Volstead Act, perhaps we can accept it. But I am not aware of the sales to which the Senator refers.

Mr. BARKLEY. There is a certain beverage known as "Virginia Dare"——

Mr. JOHNSON. Is it good?

Mr. BARKLEY. Which is sold in drug stores as a tonic, the label on which states that it contains 22 percent of alcohol, although they are limited to one half of 1 percent.

Mr. SMITH. What effect does it have?

Mr. BARKLEY. "It is good for what ails you", it is said. It is so advertised.

Mr. JOHNSON. It might be possible, Mr. President, to accept with equanimity and philosophy a description of this sort if the purpose were to permit the sale of California wines, or wines manufactured elsewhere, with an alcoholic content of 10 percent, or 12 percent, or 18 percent, or 22 percent, as the case may be. But if, speaking seriously, we are dealing with a subject here which holds out the hope of the sale of wine, we ought to deal with it, I think, as the facts exist. There cannot be any such thing as wine containing 3.2 percent of alcohol by weight. There is no such thing. Nature does not ferment nature's juices so that the alcoholic content is 3.2 percent. It is a very much greater percentage than that, and the fear that is upon the wine producers is that by a designation of that sort we would preclude them from what is their desire, of having passed a bill which is now pending in the House of Representatives, under which the alcoholic content is fixed, I think, in Representative LEA's measure, at 10 percent, and which they claim they will be able constitutionally to maintain. That is their attitude.

Mr. BARKLEY. Mr. President, seriously speaking, of course we all know, regardless of whether we are connoisseurs of wine or any other beverage—and I do not claim to be, and protest that I am not—we all know that naturally fermented wine requires 10 or 12 percent in order to preserve it.

Mr. JOHNSON. Quite so.

Mr. BARKLEY. There is no question about that as a matter of fact. I do not know what the testimony was before the committee which handled the pending bill, but when we had up the other bill before the Committee on Finance there was some testimony, and there were some letters and telegrams, presented to us indicating that there was a certain type of wine, or vinous liquor, as we call it in my State, which could be manufactured and maintained with an alcoholic content of 3.2 percent.

I do not know just the nature of that beverage, whether it is naturally fermented or whether it is artificially treated; but when the matter came up in the committee and was presented, there was some testimony to the effect that there was probably an artificially manufactured wine of some kind which was possible with 3.2 percent of alcohol, and it was not understood that this increase in the alcoholic content permitted under the pending bill, or under the other bill, would really have any effect upon those who were actually manufacturing, either for home consumption or otherwise, wine with more alcohol in it than was permitted under any law we might enact under the Constitution. I do not know whether the Senator is familiar with that type of beverage or not.

Mr. JOHNSON. No; the only type of such beverage I recall is some soda pop, or something of the kind, into which they will put a small portion of wine and claim that the beverage thus presented contains only the alcoholic content that is inserted in the bill. I do not think there is anything else than that, unless they claim that they, by a "dealcoholing" process, do something that is not yet by any means demonstrated.

Mr. BARKLEY. Do something which nature never intended.

Mr. JOHNSON. Exactly. So far as I am concerned, if it be possible to do so, in deference to the wishes merely of my constituents, who object to being put in that attitude, I would like to strike the word "wine" out.

Mr. TYDINGS. Mr. President, if the bill to which the Senator refers is coming over, I hope that perhaps on that bill we can take care of the situation by an amendment rather than amending the pending bill. I believe that bill will come over, and I shall be very glad to join with the Senator then in taking care of the matter which he has presented; but as long as we have the national law, I hope the Senator will not push his amendment now, and that we can keep the definition that is written. I am sure that most of us who are for this bill will be glad to correct that matter, perhaps, when it comes over in the wine bill proper.

Mr. JOHNSON. Just an instant, if the Senator will yield again.

Mr. TYDINGS. I yield.

Mr. JOHNSON. The Senator is entirely correct; the way in which it should be dealt with is in a measure such as that presented by Representative LEA of California, which is pending in the other House, by which the alcoholic content is fixed at such a point that it will permit the manufacture of wine, as wine is manufactured today under section 29 of the Prohibition Act.

I am very glad to hear the Senator's statement, because of his familiarity with the subject and his standing in this body, that if Congressman C. F. LEA's bill comes over here he will aid in its presentation and in its passage.

Mr. TYDINGS. Mr. President, may I say by way of the subject which has just been discussed, which has nothing to do with the bill now before us, that it has always been a thought of mine that the ultradrys—that is, those who are sincerely in favor of prohibition and believe there should be no alcoholic content in beverages—have made a mistake during the time we have had national prohibition in not permitting the lighter beverages to be sold under proper conditions. I do not believe that as a general rule beer and wine under proper sale would do very much harm, but I do believe that if we had had the right to buy and sell them during the last 5 or 6 years the harm would have been less than has resulted from the bootlegging of stronger beverages and teaching many people to drink them. However, that is not before us now.

I do not want to see the old liquor conditions come back, even though I am classed as an ardent wet. I think there were some things in the prohibition plan which were well intended, but I believe the extreme viewpoint of not having any alcohol at all has really done the cause of temperance a great deal more harm than good in the light of the experiences of the last 13 years. For that reason, if wine can legally be manufactured under the eighteenth amendment, I believe it would be conducive to temperance rather than injurious to it.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Michigan?

Mr. TYDINGS. Certainly.

Mr. VANDENBERG. Will the Senator address himself briefly to this question: A number of Senators have been discussing whether or not there would be an opportunity for the uncontrolled sale of beer in the District if this legislation is not enacted?

Mr. TYDINGS. Yes; I see the Senator's point.

Mr. VANDENBERG. Will the Senator discuss that question?

Mr. TYDINGS. The Senator means does the beer bill override the old act which applied to the District of Columbia on the subject?

Mr. VANDENBERG. Yes; and if no legislation of this character were enacted, would that permit the uncontrolled sale of beer in the District?

Mr. TYDINGS. The committee went into that question, and I went into it myself a little more thoroughly, perhaps, than other members of the committee. The corporation counsel, Mr. Bride, seems to be of the opinion that the national beer bill which we passed the other day makes the sale of beer in the District of Columbia legal after the 7th of April, even without this bill. However, there are other attorneys who have looked into the matter who think the national beer bill did not give that authority to the District of Columbia. There is no place where that matter can now be defined. Such authority as we can appeal to, namely, the corporation counsel, seems to feel this bill would not be necessary. Therefore we thought it wise, in the event that the corporation counsel's view was correct, namely, that beer could be sold without this bill, to take time by the forelock, and, if it is going to be sold, to have a bill similar to this, so it could be properly dispensed to those who want to buy it.

Mr. President, there are no other amendments which the committee has to offer, and unless there are some other questions, I see no need of prolonging the discussion. I would like to say in closing that, so far as possible, it is my intention—and I am sure I speak for the other members of the committee—to throw around the bill every safeguard that we can possibly devise. I do not say it with any pride of authorship, but I believe it will be the strictest bill for the sale of beverages in the United States—that is, beverages of this character—if I may judge from what I have seen of other acts. It may have imperfections in it, of course, but I hope we can cure those when I find out what they are.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Nebraska?

Mr. TYDINGS. Certainly.

Mr. NORRIS. Simply as a matter of clarification, I am wondering why the two methods of measurement of alcohol are used in the bill, one by volume and one by weight?

Mr. TYDINGS. Where does that occur?

Mr. NORRIS. On page 9, lines 17, 18, and 19, "containing one half of 1 percent or more of alcohol by volume, and not more than 3.2 percent of alcohol by weight."

Mr. TYDINGS. I may say to the Senator that the reason why that occurs is that one half of 1 percent of alcohol by volume makes a very odd fraction by weight. Furthermore, one half of 1 percent of alcohol by volume was the language of the old Volstead Act. Rather than have a figure—I do not have it exactly in mind, but let me suppose—like 0.425 by weight, we kept the volume content as a means of simplification of our real intent.

Mr. WALSH. Mr. President, I offer the following amendment. On page 11, line 5, after the word "but", insert the words "except in the case of a drug store holding a restaurant license." I understand that the language on page 11, which I shall quote, was for the purpose of eliminating the sale of this beverage in drug stores and delicatessen stores. I quote the language:

> But no beverage shall be sold or served in any room not used primarily for the serving and consumption of food.

Mr. TYDINGS. No; that is not true. What we wanted to do was to limit the sale of this beverage to only those places which make a business of serving food to their customers.

Mr. WALSH. The Senator will agree, of course, that a large number of drug stores make the sale of food a very important feature of their business.

Mr. TYDINGS. That is true.

Mr. WALSH. My amendment proposes to allow them to get permits to sell this beverage in the case of those drug stores which hold a restaurant license, and in no other class of drug stores except those which hold restaurant licenses.

Mr. TYDINGS. May I say to the Senator from Massachusetts that a great many druggists have asked me to see if a provision of that kind could be placed in the bill. There are no doubt a great many cases where a pretty strong argument can be made in support of what they wish to obtain. The committee, however, felt that to throw the

doors open too widely would bring the sale of beer into disrepute. The committee also felt that perhaps in drug stores where soda fountains are in use a great many persons under 18 years of age might want to go and buy a bottle of beer, and that abuses would be very likely to creep into sales on the premises of drug stores that would not happen in the case of bona fide hotels and restaurants per se.

If the Senate desires to include drug stores, I do not think the committee has taken any very strong position in opposition; but, nevertheless, we should face the facts. It is letting down the bars. It cannot be held to hotels and restaurants and incorporated clubs where the beverage will be sold for consumption on the premises, but it will be in places like drug stores. I can see no reason why a hardware merchant should not get a restaurant permit and have the privilege also. I see no reason why Woodward & Lothrop should not get a permit to sell on the premises. They have a tearoom where food is served.

Mr. WALSH. Why should they not do so if this is in fact a nonintoxicating beverage?

Mr. TYDINGS. Why write any restriction at all in the law? Why not let it be sold by anybody and everybody?

Mr. WALSH. I think there should be permits issued to sell this nonintoxicating beverage, but that the limitations on permits should not exclude drug stores that sell food.

Mr. TYDINGS. I take the position, and I am going to be perfectly frank about it, that if 3.2 percent beer by weight is drunk by a child 8 or 9 or 10 years of age, it would probably make such a child drunk—that is, assuming he drinks enough of it.

Mr. WALSH. There is a provision in the bill against the sale of it to anyone under 18 years of age. Drug stores like restaurants should be assumed to obey this restriction.

Mr. TYDINGS. I am assuming that we are passing this bill to permit this beverage to be sold to adults. I think except in the most extreme cases, where there are weak physical characters, this type of beer will not make anyone drunk, but the committee is anxious to keep away from children under 18 years of age even the possibility of a sale, because we do not want to bring it into disrepute again so soon after it had been legislated out of business by the eighteenth amendment.

Mr. WALSH. Of course children frequent so-called "restaurants", do they not, with their parents and sit at tables with their parents and, therefore, will be in a position to see served these nonintoxicating beverages?

Mr. TYDINGS. Yes; but children do not frequent drug stores with their parents, and that is one of the reasons why drug stores were not included. Personally, I shall vote against any such provision.

Mr. WALSH. May I inquire, if such an amendment was incorporated in the bill, whether the issuing of the permit would be permissive?

Mr. TYDINGS. No; it would be mandatory.

Mr. WALSH. They would not have to issue a permit to everyone applying, would they?

Mr. TYDINGS. Oh, yes. The number of permits is not limited except insofar as limited by qualification.

Mr. WALSH. What establishments can receive permits through the mandatory provisions of the bill?

Mr. TYDINGS. Only bona fide hotels and restaurants which have been in business 6 months before making application for a license. They are the only public agencies that can have beer sold and consumed on the premises.

Mr. WALSH. And they have the right to have such a permit regardless of their reputation or standing in the community?

Mr. TYDINGS. Oh, no; that is not true.

Mr. WALSH. I thought the Senator said there is no discretion in the issuing of permits.

Mr. TYDINGS. Of course there is discretion left with the Commissioners. If a man has committed a felony, for instance, he may not have a permit.

Mr. WALSH. Who has the discretion?

Mr. TYDINGS. The Commissioners of the District of Columbia.

Mr. WALSH. Then, if I understand it, the Commissioners of the District of Columbia can refuse a hotel keeper or restaurant owner a permit?

Mr. TYDINGS. Yes; but if he was qualified under the act, he could go into court and get the permit, notwithstanding the refusal of the Commissioners.

Mr. WALSH. What are the disqualifications named?

Mr. TYDINGS. They are all set forth in the bill and cover 2 or 3 pages. I read them once.

Mr. WALSH. I have been out of the Chamber and did not hear them read.

Mr. COPELAND. Mr. President, will the Senator from Massachusetts yield to me?

Mr. WALSH. If I have the floor, I yield to the Senator from New York.

The PRESIDENT pro tempore. The Senator from Massachusetts has the floor.

Mr. COPELAND. May I suggest to the Senator that he insert the language he proposes in line 4, page 11, after the word "restaurants"? The Senator has proposed to insert it in line 5, but I would suggest to the Senator that he put it after the word "restaurants", in line 4, so it would read:

In the case of restaurants, or drug stores with restaurant licenses, at public tables—

And so forth.

Mr. WALSH. The experts who drafted this bill inform me that it would not accomplish the purpose I seek if inserted in that place. They inform me that I have designated the proper place to insert it.

Mr. COPELAND. The proper place is where the Senator proposes it?

Mr. WALSH. Yes.

Mr. COPELAND. We discussed this matter in the committee and thought it wise to have the beverage served only at public tables. The Senator is accomplishing what he has in mind by permitting the sales in drug stores and by permitting the beverage to be served at public tables?

Mr. WALSH. So it would read:

In the case of restaurants and drug stores holding restaurant licenses, at public tables—

And so forth.

Mr. TYDINGS. That would be very much better, it seems to me.

Mr. WALSH. The experts inform me that the place named in my amendment would be preferable.

Mr. COPELAND. In line 12, after the word "restaurant", the words "or drug stores" should be added, so we will not have any "fly-by-night" drug stores. Then it would read:

No such permit shall be issued for any restaurant or drug store which has not been established and doing business at least 6 months immediately prior to the application for such permit.

Mr. TYDINGS. Mr. President, may I point out to the Senator from New York and the Senator from Massachusetts that I have no basic objection to his proposal? May I say we have now pending before the country a proposition known as the repeal of the eighteenth amendment, and I feel that we would be very short-sighted, indeed, if we did not surround whatever sale of liquor or beer or wine is permitted pending action upon the repeal of the eighteenth amendment by the States with all the possible safeguards we can. If we do not watch out, we are going to do exactly what the brewers and distillers did, which helped to bring on prohibition. They had so many outlets for their products that a great many people who normally would have been opposed to prohibition became disgusted with the inordinate greed and avarice of those who were trying to sell these beverages.

Mr. WALSH. Mr. President, I am not out of sympathy with the suggestions of the Senator, as he knows.

Mr. TYDINGS. I know the Senator is not, and for that reason I am appealing to him, as a coworker in the cause of temperance and the repeal of the eighteenth amendment.

Mr. WALSH. I am informed that there is a quarrel between the restaurant owners and the drug stores that have

engaged in certain branches of the restaurant business and that the committee is not united upon the proposition of whether drug stores that are conducting restaurants should or should not be included.

Mr. TYDINGS. May I say to the Senator that, of course, a drug store could get an "off sale" license and it could sell to anybody in the neighborhood the beverages covered by the bill, but not to be consumed on the premises. Suppose wine should be legalized, should we then permit wine to be sold in drug stores along with restaurants; and suppose liquor should finally be legalized, should we permit liquor and wine to be sold in drug stores, as the Senator would permit beer to be sold?

Mr. WALSH. Of course, when the Senator refers to wine he is describing an intoxicant.

Mr. TYDINGS. Oh, no; we have a bill coming over which defines wine containing 10 percent of alcohol by weight or volume—I do not know which—as a nonintoxicating beverage.

Mr. WALSH. I understand the Senator has taken that position in previous debates here on the floor. I do not agree with him. I think any beverage which contains over 3.2 percent alcoholic content is intoxicating and therefore in violation of the eighteenth amendment. The Senator is alone in his contention that wine is not liquor and therefore is not forbidden by the eighteenth amendment, which forbids the sale of all intoxicating liquors.

Mr. TYDINGS. Suppose that contention should be overridden, and suppose wine should be legalized, having established the precedent for the sale of beer in drug stores, would we then not have to permit drug stores, as well as restaurants, to sell the legal wine?

Mr. WALSH. I do not think there is any possibility of any such enactment by the Congress.

Mr. TYDINGS. I assure the Senator there is a great possibility of it.

Mr. WALSH. Does the Senator mean to indicate that Congress will pass a bill attempting to define wine that contains 10 percent of alcoholic content as nonintoxicating?

Mr. TYDINGS. I do not claim to be a prophet, but may I say it is not without the realm of possibility by any means?

Mr. WALSH. That wine is nonintoxicating liquor cannot be successfully established. If it were so, we would have found it out during the last 13 years. Anyway we are not dealing with that question now.

Mr. TYDINGS. But we will be dealing with it.

Mr. WALSH. May I ask the Senator to state his position on my amendment? I understand the Senator thinks that the amendment should not be incorporated in this bill?

Mr. TYDINGS. I think at the present time it might be wise to withhold the permission which the amendment proposes to give. Although a splendid case may be made out by the druggist, for the time being I think we ought to confine the sales as narrowly as possible, and later on, if we find we have been a little too strict as to the outlets we have permitted under this bill, I can see no reason then why we could not include others; but I would rather at the start guard too well the outlets than to be too lavish in providing facilities for the sale of this beverage.

Mr. WALSH. Mr. President, I do not desire to press the proposal unduly, but I have been informed that there is an internal quarrel between certain groups of restaurant owners and certain groups of drug stores that are engaged in the restaurant business; that there is some jealousy and envy between these two groups; and I do not think, in view of the fact that we are dealing with a nonintoxicating beverage, that we ought to distinguish between a restaurant that has a restaurant license and a drug store that has the same kind of a license. It seems to me that it ought to be possible for a customer to enter a drug store and buy a sandwich and have a glass of beer, if it is nonintoxicating, just as well as in a restaurant; in fact drug stores are more open; there is less likelihood in drug stores of there being drinking to excess even of this beverage. Everyone can see who goes in and who comes out; their sales and operations are wide open. It seems to me it is preferable to have the beverage sold in drug stores which supply food even to having it sold in restaurants. Many drug stores in this city are doing a very extensive business in supplying food. In such instances it seems to me it ought to be possible to buy a glass of this nonintoxicating beverage. I have not any doubt about it being nonintoxicant; evidently the Senator from Maryland has a little doubt about it; but I have no doubt about it; and I do not see why a customer should not get a glass of beer as well as a glass of ginger ale in a drugstore.

Mr. BARKLEY. Mr. President——

Mr. WALSH. I yield to the Senator from Kentucky.

Mr. BARKLEY. I merely want to observe that I am not concerned about the quarrel between the restaurant keepers and the druggists of Washington, and I do not think we ought to frame this bill on that basis. I realize that there is such a condition; I do not know who is responsible for it, except probably that the restaurant keepers did not like it when the drug stores began to sell sandwiches and coffee and other articles of food, because that practice infringes upon some of their business. However, according to its language the amendment of the Senator from Massachusetts would include every drug store in the District of Columbia where even a sandwich is sold, because they all take——

Mr. WALSH. A drug store which has a license to carry on a restaurant in connection with the drug business.

Mr. BARKLEY. They have to have a restaurant license in order to sell any amount of food at all?

Mr. WALSH. That is true.

Mr. BARKLEY. But they do not have to have tables in order to get such a license. If they sell at their soda-water stands coffee or chocolate or sandwiches, or any other kind of food, then they are required to have a restaurant license. If we are going to allow them to sell beer, I do not think their right to obtain such a license ought to depend upon whether or not there are tables in the drug store.

Mr. WALSH. The Senator understands that under my amendment they have got to sell this beverage at tables as in restaurants and not at the counter.

Mr. BARKLEY. Suppose they have not any tables?

Mr. WALSH. Then they cannot sell this kind of beer.

Mr. BARKLEY. They could put in tables.

Mr. WALSH. Then the conditions would be the same as in a restaurant.

Mr. BARKLEY. They could put tables in, and then could get licenses?

Mr. WALSH. They would be required to have tables.

Mr. BARKLEY. What I am trying to point out is that all of them might qualify and we would have practically all the drug stores in the District of Columbia selling this beverage.

Mr. WALSH. They all sell ginger ale now. Why not all drug stores as well as all restaurants that sell food at tables?

Mr. BARKLEY. The drug business has gotten to be a side business; there is no such a thing any more as a drug store pure and simple. They all sell toilet articles; they sell food; they have soda-water stands; and probably they sell automobile tires and all sorts of other things, out of which they make a profit.

I am in sympathy with the attitude of the Senator from Maryland. I do not like to see the drug stores in Washington, at least at this stage of the new operations in the District, licensed to sell this beverage. We all know that in restaurants, properly speaking, the patrons are largely adults. Children do not frequent restaurants; they do not frequent hotels; but, on the way from school and to moving pictures the small children of all types are running into drug stores and climbing up on high chairs and getting soda water or chocolate malted milk, a sandwich, or something else.

It seems to me there is a difference between licensing that sort of an institution, where the patrons are largely of a different type from those who go to restaurants. For that

reason and other reasons I have indicated, I hope that the amendment offered by the Senator will not be pressed, and if it is pressed that it will not be adopted.

Mr. WALSH. Does the Senator think that any more children frequent drug stores where food is dispensed than frequent restaurants where food is dispensed? Do not numbers of mothers with their children go to restaurants downtown in the middle of the day and take luncheon, and is their environment any different from that of the average drug store where food is dispensed?

Mr. BARKLEY. The mothers do not always bring their children with them to the restaurants, but the children without their mothers are constantly running into drug stores in the neighborhood of the schoolhouses. Close to the Western High School there is a drug store where nearly all the high-school students and others who are not students of the high school run in to get their noon luncheon, a sandwich, a glass of milk, or something of that kind. That drug store could qualify to sell beer under the Senator's amendment.

Mr. WALSH. There are other things in drug stores, some of which, under the law, druggists are forbidden to sell; but the children go in and out of the drug stores just the same. Indeed, children go in and out of drug stores now where wines of large alcohol content are sold under the guise of medicine.

Mr. BARKLEY. But they may not be interested in those particular things.

Mr. WALSH. I do not care to prolong the matter. I thought it was of sufficient importance to have action upon this question by the Senate. I can well appreciate, with the opposition of such an ardent "dry" as the Senator from Kentucky and such an ardent "wet" as the Senator from Maryland, that my amendment has not very much prospect of being adopted. I am sure, however, that there are some Senators here who still believe that the beverage which has been authorized is nonintoxicating; and if that be so, we ought to be liberal in permitting the distribution of it to those who want to buy it for consumption with food. I ask for a vote on my amendment.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Massachusetts to the amendment reported by the committee. [Putting the question.]

Mr. SHEPPARD. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The noes have it. The amendment is rejected.

Mr. CONNALLY. Mr. President, the Senator from Texas [Mr. SHEPPARD] was on his feet, suggesting the absence of a quorum. I do not think the Chair is justified in proceeding with the vote in that situation.

The PRESIDENT pro tempore. The Chair did not understand the Senator from Texas to call for a quorum.

Mr. SHEPPARD. I suggested the absence of a quorum before the negative was put.

The PRESIDENT pro tempore. The Secretary will call the roll.

Mr. WALSH. Mr. President, I inquire if my amendment has been disposed of and if the Senator from Texas is satisfied with the decision of the Chair?

Mr. SHEPPARD. I want the regular order. I suggested the absence of a quorum, and I think we ought to have a quorum before we act on the Senator's amendment.

The PRESIDENT pro tempore. May the Chair ask the Senator from Texas if he desires that the vote be again taken?

Mr. SHEPPARD. I inquire what was the result as announced by the Chair?

The PRESIDENT pro tempore. The Chair held that the amendment was not agreed to.

Mr. SHEPPARD. I want a quorum, anyway.

Mr. TYDINGS. Mr. President, I hope the Senator from Texas will not ask for a quorum. This is the only business I understand to be transacted today, and a number of Senators want to get away. Unless there is some point in making the suggestion, it would accommodate the committee very much if he would withdraw his request for a quorum.

Mr. SHEPPARD. Well, I am going to make a speech.

Mr. TYDINGS. I shall not insist on my suggestion.

Mr. WALSH. Is the Senator from Texas going to speak on the bill or on the amendment?

Mr. SHEPPARD. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Texas suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk (Emery L. Frazier) called the roll, and the following Senators answered to their names:

Adams	Costigan	Keyes	Robinson, Ark.
Ashurst	Couzens	King	Robinson, Ind.
Austin	Cutting	La Follette	Russell
Bachman	Dickinson	Lewis	Schall
Bailey	Dieterich	Logan	Sheppard
Bankhead	Dill	Lonergan	Shipstead
Barbour	Duffy	Long	Smith
Barkley	Erickson	McAdoo	Steiwer
Black	Fess	McCarran	Stephens
Bone	Fletcher	McGill	Thomas, Okla.
Borah	Frazier	McKellar	Thomas, Utah
Bulkley	George	McNary	Trammell
Bulow	Gore	Murphy	Tydings
Byrd	Hale	Neely	Vandenberg
Byrnes	Harrison	Norris	Van Nuys
Capper	Hatfield	Nye	Wagner
Caraway	Hayden	Overton	Walcott
Clark	Hebert	Patterson	Walsh
Connally	Johnson	Pittman	Wheeler
Coolidge	Kean	Pope	White
Copeland	Kendrick	Reynolds	

Mr. BYRD. I desire to announce that my colleague the senior Senator from Virginia [Mr. GLASS] is unavoidably detained.

Mr. LEWIS. Mr. President, I wish to announce that the Senator from New Mexico [Mr. BRATTON] and the Senator from New Hampshire [Mr. BROWN] are necessarily detained from the Senate.

The PRESIDENT pro tempore. Eighty-four Senators having answered to their names, a quorum is present.

Mr. SHEPPARD. Mr. President, the Senator from Michigan [Mr. COUZENS] had an amendment which I understood he intended to offer. One of the reasons for my call for a quorum was to enable him to reach the Chamber. I do not see him. I hope he arrives before I conclude my remarks.

Mr. President, I do not propose to permit this bill to pass without expressing my protest and my opposition. I wish to direct the attention of the Senate to excerpts from an appeal to the Senate by a committee in this District representing a body of citizens opposed to the return of beer in the District. The committee is composed of Everett M. Ellison, M.D., William S. Abernethy, D.D., and Mrs. Nash M. Pollock. The first sentence of that excerpt is as follows:

> We remind the Senate that on the final vote in the Senate upon the Harrison-Cullen beer bill 36 Senators considered the bill unconstitutional.

Let me say here, Mr. President, that the Senator from Maryland [Mr. TYDINGS] virtually admitted the unconstitutionality of this bill when he said a few moments ago that this 3.2 percent beer would intoxicate a child 9 to 10 years old. The eighteenth amendment prohibits intoxicating liquors, regardless of whether the consumers are adults or children.

The excerpt continues:

> The controlling facts which will largely influence the Supreme Court in deciding the question as to the constitutionality of the act will be whether Congress has acted reasonably and within the sphere of its legislative discretion and duty to enforce the eighteenth amendment with appropriate legislation, or whether it has transcended its sphere of authority in enacting a law which nullifies the Prohibition Act and with the purpose of thwarting and preventing its enforcement.
>
> The meaning of the words "intoxicating liquors" is made clear by the use of those words by the 46 of the 48 States which ratified the eighteenth amendment.
>
> Mr. Justice Brandeis in *Ruppert* v. *Caffey* (251 U.S. 264–289) said:
>
> "A survey of the liquor laws of the States reveals that in 17 States the test is either a list of enumerated beverages without regard to whether they contain any alcohol or the presence of any alcohol in a beverage, regardless of quantity; in 18 States it is the presence of as much as or more than one half of 1 percent of alcohol; in 16 States 1 percent of alcohol; in 1 State the presence of the 'alcoholic principle'; and in 1 State 2 percent of alcohol."

Former Chief Justice Taft in a letter to the Chicago Tribune (from American issue, May 13, 1922) wrote:

"I am not in favor of amending the Volstead Act in respect to the amount of permissible alcohol in beverages. I am not in favor of allowing light wines and beer to be sold under the eighteenth amendment. I believe it would defeat the purpose of the amendment. No such distinction as that between wines and beer on the one hand and spirituous liquors on the other is practicable as a police measure. * * * Any such loophole as light wines and beer would make the amendment a laughing stock."

The line between intoxicating and nonintoxicating liquors in Great Britain is fixed by the finance law of 1910. It is not what it was stated to be in the Senate Judiciary Report No. 1105, but ninety eight one hundredths of 1 percent. (See p. 65 of the Minutes of the British Royal Commission of Nov. 19, 1929.) What is above ninety-eight one hundredths percent requires a license because it is intoxicating.

So it will be seen that in accordance with this statement Great Britain fixes the minimum point of intoxication at ninety-eight one hundredths of 1 percent of alcohol.

If you are urged to enact the law as a revenue measure, more than double the amount of revenue can be secured to balance the Budget by repealing that section of the national prohibition law which declares industrial alcohol to be free from taxes. This alcohol, denatured, should not be freed from taxation. No one of the Senate would lay a tax on a breach of the Ten Commandments. At common law the retailing of intoxicating liquor is regarded a public nuisance. It has no right to exist except as it is licensed by the Government.

There is great danger in this time of economic depression that the Government shall endeavor to raise revenue by taxing the vices of the people. Gladstone once said: "The question of revenue must never stand in the way of needed reforms. With a sober population, not wasting their earnings, I shall know where to obtain our revenue." Samuel Johnson says: "To support Government by propagating vice is to support it by means which destroy the end for which it was originally established and for which its continuance is to be desired."

The committee then quotes from Matthew 27:6:

It is not lawful to put them (the 30 pieces of silver to Judas) into the treasury because it is the price of blood.

I commend these statements to the Senate of the United States before it votes again to violate the American Constitution.

The remarks I made some days ago in opposition to the general beer bill, Mr. President, are also applicable to the pending bill. The pending bill is equally unconstitutional, equally objectionable, and equally vicious.

Everything that may be said against alcoholic liquor as a beverage may be said against a bill legitimizing beer. I want to deliver a few parting shots against beverage alcohol, which is returning to this Capital and to the Nation through this bill and the general beer bill—and that with a solemn prohibition against alcoholic liquors in the Constitution of the United States.

It was the conservation of human values that did more to write prohibition into the supreme law of this Nation than any other thing. It is the conservation of human values that will cause us to wage unceasing war against the whole brood of alcoholic liquors, no matter what laws or what resistance may confront us. The contest is a perpetual and an unending one. My good friend the Senator from Maryland [Mr. TYDINGS], and other Senators on the wet side of this question, may not console themselves with any thought that the fight has ended by any means.

The struggle with beverage alcohol began on an intensive basis when increased population, increased production, increased capital, increased chances for gain, made possible by the machine age united to bring about the manufacture of intoxicants to an extent that threatened to engulf our civilization.

A nation with a citizenship debauched by drink cannot tie itself to the eternal and cannot be saved from barbarism and decay, although its physical assets and material splendor may seem for the moment to challenge all the dreams of men. The vast majority of those who make a practice of drinking will inevitably reach the point where they are always in a more or less toxic state, with the fibers of normal existence undermined, with ideals that have fallen from the celestial to the bestial. A nation which tolerates and legalizes alcoholic liquor writes its own moral death warrant.

The mission of beverage alcohol does not end with destruction of the moral power of nations and individuals. It does not end with the wreck of moral impulses. It does not end with the perversion of intellect and will. It enfeebles the lines of communication between brain and muscle, weakens all the processes of nutrition, and reduces or destroys the physical strength and skill on which by far the greater number of men and women, and, therefore, on which society itself, must depend for existence. It drags humanity down into inhumanity—to cruelty, viciousness, poverty, ignorance, disease, and criminality. It converts an article which in commercial, nondrinkable form is of tremendous benefit into a beverage which works tremendous harm. By virtue of its influence great numbers of women and children are beaten and starved and killed, sanity is abandoned, ambition and self-respect are forgotten, and the man is merged in numerous instances into the beast. It annihilates to an appalling degree the normal sentiments and emotions and unsettles the foundations of prosperity and progress. It is a scourge of the human race, an enemy of civilization. To say that it should not be forbidden by law as well as education and persuasion, to say that it should not be fought by every weapon at our command is to surrender order to anarchy and right to wrong.

Prohibition is worthy to live for and to die for. Its object is to sweep from the path of every life an influence that would debauch and degrade it; and that is the true doctrine, after all, of freedom, of opportunity, in this Republic. The obligation to protect and guard all human life by every agency at our command cannot be questioned, because we are told that as we fail to do it unto the least of these so fail we to do it unto Him. Clearly the loftiest standard of conduct is the accomplishment on earth of the will and purpose of the Creator. Assuredly nothing could better serve that will and purpose than to improve the condition of human beings, God's culminating handiwork; and what more genuinely promotes the vital interests of us all, the welfare of the church, the home, the family, the mother, and the child than war to extermination against an evil that wastes the substance of society and lures the race to ruin?

The wet propagandists set up a wail about what they call the "freedom of man", meaning freedom to drink alcoholic poison. They never take this attitude in reference to opium, which has slain its thousands, while beverage alcohol has slain its hundreds of thousands. The wets are entitled to all they can get out of a defense of the right to gratify the appetite for a habit-forming, soul-destroying, body-wrecking, poverty-producing, law-defying, society-menacing drug like alcohol. Believers in prohibition stand for the right of humanity to the highest civilization it is possible to establish, for the rights of women and children to be free from the terror, the pauperism, the physical torture, and the shame that come with liquor, be it beer or wine or whisky.

Let the wets defend the right to take the drink that intoxicates, that absorbs earnings, and dislodges reason and the moral sense; let them uphold the privilege of debauchery. Above such right and privilege the drys place, the eighteenth amendment and the Volstead Act place, and the vast majority of the American people I believe in the end will place, especially when they take action on the eighteenth amendment itself, the rights of women and children to decent homes, decent clothing, adequate education, a decent, healthful, and hopeful standard of existence above what may be called the right of appetite.

The wet leaders and propagandists have so completely confused indulgence in alcohol with true freedom that many of them seem to think that Patrick Henry ought to have said, "Give me liquor or give me death"; that Daniel Webster ought to have concluded his famous peroration by saying, "Liquor and Union, now and forevermore"; and that we ought to have a new national anthem entitled "Hand Me Down That Bottle of Corn." [Laughter.] They seem to think that all the great documents of English and American freedom, from the Magna Charta to the American Declaration of Independence, were written for the express benefit of consumers and would-be consumers of liquor in

the United States. They seem to think that among the inalienable rights mentioned in the Declaration of Independence are the rights to get drunk, to stay drunk, or to die drunk, to become a menace to home and country. These liquor champions attribute to prohibition practically all the ills that occur anywhere at any time in this Republic, including the waves of lawlessness and disorder that have swept this country and the world during its recovery from the horror and the strain of war, the inevitable aftermath of every great conflict of recorded time. If liquor had been legalized during the prevalence of these evils and during the present period of restlessness and economic distress, the imagination could not picture the social and moral chaos that would have ensued, and neither can it picture what the country is now about to confront in connection with legalized alcohol.

Before prohibition, whenever public order was threatened the authorities closed all drinking places. Fortunately, the eighteenth amendment and the Volstead Act had already closed them when the postwar and recent calamities came upon us. Fortunately the savings and freedom from general dissipation made possible by Nation-wide prohibition gave the American people a vantage ground from which to attack the disasters that now surround them. Fortunately the American people, before these evils came, had been emancipated from the legalized traffic in intoxicating drink, a traffic which was menacing the American home, making paupers, criminals, and wrecks of men, fostering prostitution, drunkenness, disorder, profligacy, and disease, degrading womanhood, crushing childhood, poisoning manhood, tainting posterity, and debauching government, and now we are to have the same tragic program again. Only refusal to repeal the eighteenth amendment will rescue us.

Prohibition destroyed the open saloon, with its corrupting influence on government, its alliances with immorality and crime, and has marked an advance for civilization such as probably never before has been recorded; and now the open saloon is to return. It makes no difference whether we call it a licensed restaurant, a soft-drink parlor, a curb service, or a barbecue stand or a dining room, wherever the liquor is sold there will be found the equivalent of the saloon.

As beverage alcohol tears down the body and the soul, so it attempts to tear down law, whether the law licenses or prohibits it. Make with it the slightest compromise, suspend or modify in the smallest degree the provisions against it, and it will take advantage of the concession to neutralize whatever legal attempt at regulation or control is left. It is hard enough to fight this scourge with the law completely prohibiting it. Let the law tolerate it in any respect and the law will become as lifeless as the letters of which it is composed.

The only effective way to fight beverage alcohol is through unqualified Nation-wide prohibition.

Mr. President, the city of Pompeii was one of the recreation centers of ancient Italy. It stood near the Bay of Naples on a slope that gently rose from a beautiful shore to the base of Mount Vesuvius. Nothing was more restful to the mortal eye than to turn from the sleeping waters to the crest of the volcano whose fires were supposed to have forever cooled in prehistoric ages. Never did this resort of the favorites of fortune and of genius repose more confidingly in the shadow of Vesuvius than on the morning of August 24, A.D. 79, more than 1,800 years ago. Emperors, poets, generals, governors, families of wealth and standing had erected near and within its limits palaces befitting the magnificence of the age. The frescoed walls, the fluted columns, the mosaics of richest hue, the temples, the statues, the colonnades, the forum, the theater reflected the imperial art and luxury of the time.

During the morning a Roman soldier took up his station at one of the public places with orders to remain until he was relieved. About 2 o'clock in the afternoon those who were looking toward the summit of Vesuvius saw an immense column of black smoke rise suddenly from the crater and ascend in an instant to an incredible height. There it spread out in every direction, ceasing the upward movement, and then rolled in avalanches of darkness, accompanied by torrents of lava, down the mountainside. Day was blotted out and the night of universal destruction seemed to have arrived. Convulsions shook the earth; walls and columns rocked and trembled. The soldier stood unmoved.

At length immense masses of flame would leap from the mountain's mouth, revealing a scene of terror in the ghastly glare. Streets and roads were packed with fleeing thousands, choked with the living and the dead. Torrents of ashes, stones, and cinders began to fall. The soldier, true to his orders, remained where he had been stationed.

As the lava continued to descend, burying the city from the sight of man, sobs and moans grew fainter until at length the silence of universal death ensued. The following morning broke to find the happy metropolis of but a few hours before engulfed and shrouded in volcanic dust.

A thousand years elapsed, and the very locality of the submerged city seemed to have been forgotten. Five hundred years more, and still no sign that it had ever existed. At length, about 1,700 years after the catastrophe, scholars began the work of excavation. Soon Pompeii stood revealed almost as it was on the day of its destruction, the most remarkable survival of antiquity known to man.

The scholars, continuing the work of recovery, came at length upon the form and figure of that soldier, still at the post where he had perished, face to the front, faithful unto death. The head still bore the helmet, while the spear was grasped so firmly in the fleshless fingers that it could with difficulty be wrested from them.

Oh, with similar courage, fidelity, and determination, may believers in prohibition today renew their devotion to the cause. May they resolve to omit no effort, to relax no energy, until its banners shall have again been planted upon the heights of victory, until every American home shall have become a tongue to speak with more than mortal eloquence the glories of a saloonless republic, a drinkless nation, and a stainless flag.

The PRESIDING OFFICER (Mr. CONNALLY in the chair). The question is on the committee amendment in the nature of a substitute.

Mr. SMITH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SMITH. What is the pending question?

The PRESIDING OFFICER. The question is on the committee amendment in the nature of a substitute for the whole bill.

Mr. SHEPPARD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SHEPPARD. The adoption of the amendment does not mean the passage of the bill?

The PRESIDING OFFICER. It does not.

Mr. SHEPPARD. There will be a final vote on the bill?

The PRESIDING OFFICER. There will be a final vote on the bill as amended. The question is on agreeing to the amendment of the committee in the nature of a substitute.

The amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on the passage of the bill as amended.

Mr. CAPPER. Mr. President, I want to record my uncompromising opposition to the pending bill. I should like to have inserted in the RECORD a portion of the statement of Mr. Andrew Wilson, in which he called the attention of the Committee on the District of Columbia during the hearings on the bill to the findings of a committee of the United States Senate, of which former Senator Overman, of North Carolina, was chairman, dealing with the activities of the brewing interests of the country. It is very illuminating and well worth preserving as a part of the RECORD.

The PRESIDING OFFICER. The Senator from Kansas asks unanimous consent that there be incorporated in the RECORD the material which he offers. Is there objection? The Chair hears none.

The matter is as follows:

Mr. WILSON. Mr. Chairman, as long as we are talking about the brewers, there was a committee of the Senate of the United States which investigated the brewers of this country, and those

documents, three volumes, are exceedingly interesting to me, and probably would be to any others who cared to make a study of this question and examine them. These documents, Senate Document No. 62 of the first session Sixty-sixth Congress, entitled, "Brewing and Liquor Interests and German and Bolshevik Propaganda Report and Hearing of the Subcommittee on the Judiciary, United States Senate, 1919." There are three volumes in this immense document containing 4,240 pages. I am not going to read the document; it would take rather more than 20 minutes; but there were 12 conclusions reached by that Senate Committee of the United States, after these extensive hearings, very careful hearings, of which Senator Overman was the chairman, and these are the facts that they stated, and I copied them from their report.

With regard to the conduct and activities of the brewing and liquor interests, the committee is of the opinion that the record clearly establishes the following facts:

(a) That they have furnished large sums of money for the purpose of secretly controlling newspapers and periodicals.

(b) That they have undertaken to and have frequently succeeded in controlling primaries, elections, and political organizations.

(c) That they have contributed enormous sums of money to political campaigns in violation of the Federal statutes and the statutes of several of the States.

(d) That they have exacted pledges from candidates for public office prior to the election.

(e) That for the purpose of influencing public opinion they have attempted and partly succeeded in subsidizing the public press.

(f) That to suppress and coerce persons hostile to and to compel support for them they have resorted to an extensive system of boycotting unfriendly American manufacturing and mercantile concerns.

(g) That they have created their own political organization in many States and in similar political units for the purpose of carrying into effect their own political will and have financed the same with large contributions and assessments.

(h) That with a view of using it for their own political purposes they have contributed large sums to the German-American Alliance, many of the membership of which were disloyal and unpatriotic.

(i) That they organized clubs, leagues, and corporations of various kinds for the purpose of secretly carrying on their political activities without having their interest known to the public.

(j) That they improperly treated the funds expended for political purposes as a proper expenditure of their business and consequently failed to return the same for taxation under the revenue laws of the United States.

(k) They undertook through a cunningly conceived plan of advertising and subsidation to control and dominate the foreign-language press of the United States.

(l) That they have subsidized authors of recognized standing in literary circles to write articles of their selection for many standard periodicals.

(m) That for many years a working agreement existed between the brewing and distilling interests of the country by the terms of which the brewing interests contributed two thirds and the distilling inerests one third of the political expenditures made by the joint interests.

I think that is almost a finding that the brewers are guilty of two thirds of the acts condemned.

Mr. GORE. Mr. President, I send to the desk an amendment which I offer.

The PRESIDING OFFICER. The Chair will state to the Senator from Oklahoma that the amendment is not in order unless we reconsider the vote by which the substitute was adopted. Does the Senator make that request?

Mr. GORE. No; I should not care to do that. I will merely ask to have the proposed amendment read, and let it go at that.

The PRESIDING OFFICER. Is there objection to the reading of the proposed amendment? The Chair hears none, and the clerk will read as requested.

The CHIEF CLERK. The Senator from Oklahoma offers the following amendment in the nature of a proviso to be inserted in the proper place in the bill:

Provided, That no license shall be issued for the sale of any such beverage in any building owned or leased by the United States and used for the transaction of public business.

Mr. GORE. Mr. President, I would merely say that there is a large and respectable body of public opinion in this country that is opposed to the pending legislation, that is opposed to the sale of beer in any form at any time in any place. The amendment was designed to pay at least limited deference to that public opinion. It would have forbidden the sale of these beverages in any public building owned by the United States. It would have prohibited the sale of these beverages here in the Capitol or in the lunch room in the Interior Department, for instance, or in any other public building owned by the United States.

The PRESIDING OFFICER. The Chair will again advise the Senator from Oklahoma that the amendment cannot be considered unless the vote by which the substitute of the committee was adopted is reconsidered.

Mr. SHEPPARD. Mr. President, the Senator from Oklahoma is entitled to have his amendment considered. I ask unanimous consent for that purpose.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. Mr. President, I do not object to the unanimous consent to consider the amendment, but I do object to reconsidering the vote by which the committee amendment was adopted.

The PRESIDING OFFICER. Objection is made. The Senator from Louisiana objects.

Mr. LONG. No; I do not mean to object to the amendment of the Senator from Oklahoma's being considered. I just do not want to go over the committee amendment again.

Mr. SHEPPARD. The sole purpose of the request is to permit the amendment of the Senator from Oklahoma to be considered.

Mr. LONG. I make no objection to that.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote whereby the committee substitute was agreed to is reconsidered.

Mr. GORE. I now tender the amendment just read.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Oklahoma to the amendment of the committee.

Mr. LONG. Mr. President, I should like to find out what the amendment is.

The PRESIDING OFFICER. Without objection, the amendment to the amendment will again be reported.

The CHIEF CLERK. The Senator from Oklahoma offers the following amendment in the nature of a proviso, to be inserted at the proper place in the substitute bill:

Provided, That no license shall be issued for the sale of any such beverages in any building owned or leased by the United States and used for the transaction of public business.

Mr. LONG. Mr. President, inasmuch as some of the Senators who have sponsored the bill, including the Senator from Maryland [Mr. TYDINGS], are not here, I shall have to ask for a quorum before any such amendment of as wide-spreading effect as this shall be considered. I feel that the Senator from Maryland ought to be here.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor. Does he yield for the purpose of calling a quorum?

Mr. GORE. O Mr. President, the amendment will probably be voted down, and I do not care to obstruct the desired early adjournment.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Oklahoma to the amendment of the committee. [Putting the question.] The Chair is in doubt. Those in favor of the amendment of the Senator from Oklahoma to the amendment of the committee will rise and stand while being counted.

Mr. LONG. I ask for the yeas and nays on the amendment to the amendment.

The PRESIDING OFFICER. Is the demand for the yeas and nays seconded? [After a pause.] The demand apparently is not sufficiently seconded. [Putting the question.] The amendment of the Senator from Oklahoma to the amendment of the committee is rejected.

Mr. BARKLEY. O Mr. President, the Chair must not have counted, because there were only 2 votes against it and at least 18 or 20 for it.

The PRESIDING OFFICER. The Chair will state that his ruling was based on the information given him by the clerks.

Mr. BARKLEY. I ask unanimous consent that the vote by division be taken again.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Louisiana demands a quorum. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Keyes	Robinson, Ark.
Ashurst	Costigan	King	Robinson, Ind.
Austin	Cousens	La Follette	Russell
Bachman	Cutting	Lewis	Schall
Bailey	Dickinson	Logan	Sheppard
Bankhead	Dieterich	Lonergan	Shipstead
Barbour	Dill	Long	Smith
Barkley	Duffy	McAdoo	Steiwer
Black	Erickson	McCarran	Stephens
Bone	Fess	McGill	Thomas, Okla.
Borah	Fletcher	McKellar	Trammell
Bulkley	Frazier	McNary	Tydings
Bulow	George	Murphy	Vandenberg
Byrd	Gore	Neely	Van Nuys
Byrnes	Hale	Norris	Wagner
Capper	Harrison	Nye	Walcott
Caraway	Hatfield	Overton	Walsh
Carey	Hayden	Patterson	Wheeler
Clark	Johnson	Pittman	White
Connally	Kean	Pope	
Coolidge	Kendrick	Reynolds	

Mr. LEWIS. I desire to announce that the senior Senator from New Mexico [Mr. BRATTON], the junior Senator from New Hampshire [Mr. BROWN], and the junior Senator from Utah [Mr. THOMAS] are necessarily detained from the Senate.

Mr. BYRD. I desire to state that my colleague the senior Senator from Virginia [Mr. GLASS] is unavoidably detained.

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from Oklahoma [Mr. GORE] to the amendment reported by the committee.

Mr. TYDINGS. Mr. President, there is much to be said for the amendment offered by the Senator from Oklahoma; but may I point out to him——

Mr. NORRIS. Mr. President, may we not have the amendment again read?

The PRESIDING OFFICER. Without objection, the amendment will be again read.

The CHIEF CLERK. The Senator from Oklahoma proposes the following amendment, to be inserted at the proper place:

Provided, That no license shall be issued for the sale of any such beverages in any building owned or leased by the United States and used for the transaction of public business.

Mr. TYDINGS. I think the amendment speaks for itself; but may I point out to the Senate that all of these buildings are under the jurisdiction of the respective members of the Cabinet in which the work of the various departments is transacted, and, of course, if the Cabinet officers do not give permission, I do not see how this beverage could be sold even under a license; but, in addition to that, the granting of licenses is in the hands of the District Commissioners. I do not believe this amendment ought to be inserted in the bill.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Tennessee?

Mr. TYDINGS. I yield.

Mr. McKELLAR. If such an amendment is not incorporated in the bill, would it be possible for beer to be sold here in the Capitol?

Mr. TYDINGS. Not unless the Rules Committee permitted it to be sold.

Mr. McKELLAR. Ought we not to provide that these liquors shall not be sold in the Capitol of the United States?

Mr. TYDINGS. I feel, Mr. President, in answer to that question, that if the Senate, in the regulation of its own restaurant, wants beer to be sold there, it should be sold; and if the Senate does not want beer to be sold there, it should not be sold. I can see no reason, if there is a bona-fide restaurant, why those who have that restaurant in charge should be discriminated against. If it is not desired that beer be sold in the restaurant in the Commerce Department Building, all the Secretary of Commerce has to do is to say it cannot be sold there, and that ends it.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Kentucky?

Mr. TYDINGS. I yield.

Mr. BARKLEY. I am not familiar with all the details of this matter, but what about the roving licensees who are permitted to go around and peddle it by hand, not to be consumed on the premises? Would they be allowed to walk through the Capitol or the Senate Office Building or the House Office Building and the Congressional Library or any other public building and ply their trade?

Mr. TYDINGS. No; they would not, because we have a rule under which all solicitors are barred from the Capitol and the Office Buildings.

Mr. BARKLEY. That is merely a rule of the Rules Committee, and it can be repealed at any time.

Mr. TYDINGS. It is just as good as law, so far as it goes, and if our own policemen, appointed by the Senate itself, of whom there are about 25 or 30, cannot enforce that rule, I do not think we can look to the local police of the District of Columbia to enforce it.

Mr. BARKLEY. As a matter of fact, it is not enforced, because I frequently find people in the Office Building trying to sell me things—not beer [laughter] but other things—and soliciting contributions and funds, and all sorts of things, although they are supposed to be barred there.

Mr. TYDINGS. I think this question can readily be handled, but it should be handled without this amendment, and if we put this amendment in the bill we will be discriminating against the class of restaurants that may be or may not be licensed.

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Louisiana?

Mr. TYDINGS. I yield.

Mr. LONG. I want to ask the Senator from Maryland a question. We have scientifically decided that the beer about which we are talking is a nonintoxicant, but if we begin to make an exception of it, that is not made in the case of ham sandwiches and various other things, is not that the same as confessing that this is something that is more dangerous?

Mr. TYDINGS. I think our position will be somewhat equivocal if we vote for this amendment and then vote for the bill. There is no use making any pretense about that. However, may I point out that there may be in the Bureau of Engraving and Printing or at the navy yard a restaurant conducted by the employees who work there. Why should they not have the right, in their own restaurant, if they want to, to have beer sold in connection with their meals? What distinction is there to be drawn there that does not apply to the hotel which they may visit during the evening? It seems to me that we will be in a ludicrous position if we vote for this amendment and then vote for the bill. If we are going to say that the beer shall not be sold anywhere except off Government property, we are saying, in effect, that we are authorizing the sale of intoxicating liquor. I am not going to be a party to that kind of hyprocrisy. I hope the amendment will be voted down.

Mr. SHEPPARD. Mr. President, I merely want to point out that in 1902 or 1903, nearly 20 years before national prohibition, Congress stopped the sale of liquor within the Capitol Building. I certainly hope that the amendment will be adopted and that we shall be spared this last measure of degradation.

Mr. LONG. Mr. President, it is not liquor that we are now undertaking to allow to be sold. The Senator from Texas knows nothing about the subject matter anyway. [Laughter.] This is simply allowing the sale of a nonintoxicant which we have voted to legalize. Now, if we declare that this is a dangerous article, every one of us is saying we violated our oath, in the first place, or else in this particular instance we are undertaking to correct our previous action, because if we have voted for a nonintoxicant to be sold, the restaurants in the various departments, as the

Commissioners of the District of Columbia may see fit to grant licenses for the sale of beer, certainly should not be discriminated against. I thought we were voting to permit the sale of a nonintoxicant.

Mr. TYDINGS. Mr. President, there is just one more thing that ought to be said. Under this amendment beer could not be sold in any Army post. There may be a large reservation, embracing hundreds of acres or thousands of acres, with an Army post located on it, having an enlisted men's mess, but under this amendment, that being Government property, and the buildings being Government buildings, the soldiers there could not get a bottle of beer. They may fight for their country but they may not enjoy the privileges of peace.

Mr. GORE. Mr. President, the amendment is intended to be limited to the District of Columbia, and it is also limited to buildings. At first, I thought it should apply to property or premises, but I decided in the last instance to limit it to buildings alone. I had primarily in mind the Capitol Building here.

I do not mean to enter into the question as to whether 3.2 percent beer is intoxicating; I do not think the amendment turns on that point, but to me it sins against a sense of propriety to have this beverage sold here in the Capitol of the United States. We must not "seethe the kid" in its mother's milk.

I think this amendment is not unwise; it certainly is not unwise from the standpoint of strategy. I will say to those who concern themselves with strategy and with public psychology and its reactions, whether this beer be intoxicating or not, there are a great many respectable people in this country who think it is, a great many respectable people who are opposed to the sale of beer; and I think in the Capitol of the United States, on property belonging to the United States, which these people own, share and share alike, the proponents of this measure might at least pay that much deference to their wishes and to their feelings.

I will say to the Senator from Maryland that nothing did more to precipitate the abolition of slavery in this country than the refusal of the slave power of the South to abolish slavery and the slave trade in the District of Columbia. People coming to this Capital from every State, particularly those from the free States, saw slaves dragging their chains here in the Capital of the United States, in a country consecrated to freedom. They went back to their several homes with that concrete object lesson in their minds, and it accelerated the crusade against slavery, which may have been an advantage in the long run at that. I will say to the Senator, if we permit the sale of beer in the Capitol Building with the eyes of the Nation upon us, mark the reaction against it, the swift, the sudden reaction against it.

SEVERAL SENATORS. Vote!

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Oklahoma [Mr. GORE] to the amendment of the committee.

Mr. FESS. I call for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. MCNARY (when his name was called). On this question I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. ROBINSON of Arkansas (when his name was called). I have a pair with the Senator from Pennsylvania [Mr. REED], which I transfer to the Senator from Utah [Mr. THOMAS], and will vote. I vote "nay."

Mr. STEIWER (when his name was called). On this question I am paired with the senior Senator from New Mexico [Mr. BRATTON], who is unavoidably detained from the Chamber. Not knowing how he would vote on this particular question, I withhold my vote. If at liberty to vote, I should vote "yea."

The roll call was concluded.

Mr. BANKHEAD. I have a general pair with the senior Senator from Vermont [Mr. DALE], and therefore withhold my vote.

Mr. MCKELLAR (after having voted in the affirmative). I have a general pair with the junior Senator from Delaware [Mr. TOWNSEND]. I understand, however, that if that Senator were present he would vote as I have voted, so I will allow my vote to stand.

Mr. LOGAN. I have a general pair with the junior Senator from Pennsylvania [Mr. DAVIS], who is absent. I do not know how he would vote on this question. Therefore I withhold my vote.

Mr. LEWIS. I desire to announce that the Senator from Washington [Mr. BONE], the Senator from Florida [Mr. FLETCHER], the Senator from Mississippi [Mr. HARRISON], and the Senator from Mississippi [Mr. STEPHENS] are necessarily detained from the Senate on official business.

I also desire to announce that the Senator from New Mexico [Mr. BRATTON], the Senator from New Hampshire [Mr. BROWN], the Senator from Utah [Mr. THOMAS], and the Senator from Virginia [Mr. GLASS] are necessarily detained from the Senate.

Mr. FESS. I desire to announce that the Senator from Michigan [Mr. VANDENBERG] is detained on official business. If present, he would vote "yea."

I also desire to announce the following general pairs:

The Senator from Rhode Island [Mr. METCALF] with the Senator from Virginia [Mr. GLASS];

The Senator from Delaware [Mr. HASTINGS] with the Senator from New Hampshire [Mr. BROWN];

The Senator from Michigan [Mr. VANDENBERG] with the Senator from Florida [Mr. FLETCHER];

The Senator from Maryland [Mr. GOLDSBOROUGH] with the Senator from Washington [Mr. BONE]; and

The Senator from Rhode Island [Mr. HEBERT] with the Senator from Mississippi [Mr. STEPHENS].

On this particular question I am not advised as to how any of these Senators would vote.

I also wish to announce that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness and that the Senator from Connecticut [Mr. WALCOTT] is detained on official business.

I also desire to announce that the Senator from Rhode Island [Mr. METCALF], the Senator from Delaware [Mr. HASTINGS], the Senator from Maryland [Mr. GOLDSBOROUGH], the Senator from Rhode Island [Mr. HEBERT], and the Senator from Pennsylvania [Mr. REED] are necessarily absent.

The result was announced—yeas 44, nays 28, as follows:

YEAS—44

Adams	Connally	Hayden	Patterson
Ashurst	Costigan	Kendrick	Pittman
Austin	Dickinson	Keyes	Pope
Bailey	Dill	King	Robinson, Ind.
Barkley	Erickson	Lonergan	Russell
Black	Fess	McAdoo	Schall
Borah	Frazier	McGill	Sheppard
Byrd	George	McKellar	Smith
Capper	Gore	Neely	Thomas, Okla.
Caraway	Hale	Norris	Trammell
Carey	Hatfield	Nye	White

NAYS—28

Bachman	Copeland	La Follette	Robinson, Ark.
Barbour	Couzens	Lewis	Shipstead
Bulkley	Cutting	Long	Tydings
Bulow	Dieterich	McCarran	Van Nuys
Byrnes	Duffy	Murphy	Wagner
Clark	Johnson	Overton	Walsh
Coolidge	Kean	Reynolds	Wheeler

NOT VOTING—23

Bankhead	Fletcher	Logan	Stephens
Bone	Glass	McNary	Thomas, Utah
Bratton	Goldsborough	Metcalf	Townsend
Brown	Harrison	Norbeck	Vandenberg
Dale	Hastings	Reed	Walcott
Davis	Hebert	Steiwer	

So Mr. GORE's amendment to the amendment of the committee was agreed to.

Mr. CAPPER. Mr. President, I offer an amendment, on page 11, lines 4 and 5, eliminating the words "or in vehicles parked entirely upon the premises designated in the permit." I have had many protests against that clause.

Mr. TYDINGS. Mr. President, I shall be glad to take that amendment to conference if the Senator wants me to. I will accept it with that understanding.

The PRESIDENT pro tempore. Without objection, the amendment to the amendment is agreed to.

The question is on the amendment of the committee in the nature of a substitute as amended.

The amendment as amended was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

FARM RELIEF

Mr. CLARK. Mr. President, I ask unanimous consent to insert in the RECORD a letter addressed to me by Mr. William Hirth, publisher of the Missouri Farmer, on the subject of the pending farm bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Hon. BENNETT CHAMP CLARK,
Washington, D.C.

MY DEAR SENATOR: I have your wire asking my views of the new Wallace farm-relief plan, and knowing that this matter will come to an immediate showdown in Congress, the following comment is written without the care which I would otherwise give to such an important matter. And if my attitude toward this proposal is disappointing to you, I cannot help it—I am simply giving you the plain facts as I see them.

In order to get the proper perspective of the tremendous part which farm legislation is destined to play in the success or failure of the new administration, I shall briefly revert to the issues of the recent President contest, for I feel that now is the time when Congress should look upon these issues and the part they played as veritable lighthouses to guide its action. Why, during the last several years, has our country witnessed the astounding spectacle of vast food surpluses which have gone begging for a song on the one hand, and millions who are idle and hungry through no fault of their own upon the other? I am putting it this way because in my opinion this was the outstanding question mark of the campaign, and because this is the problem which the new administration must solve and solve successfully if we would rescue our collapsed farm industry and get our idle millions back to work in the cities—the new administration faces other great and difficult problems, but if it meets all of the latter successfully and fails on the farm question, it will fall far short of fulfilling the solemn pledges which the President made to the people, and toward the achievement of which he is bending his magnificent energies with such commendable zeal and success at this time.

During the campaign the President said again and again that we could not hope to get the Nation headed back toward sound prosperity unless the buying power of the 32,000,000 who live upon the farm and the other 20,000,000 who live in our thousands of rural towns and villages, and who are directly dependent upon agriculture, is restored, and in proof he pointed out that in normal times these 52,000,000 people consume approximately 50 percent of the output of the Nation's mills and factories; and if the President was right in this diagnosis—and no one has dared to challenge his conclusion—then a sound solution of the farm question not only involves common justice to the millions of the farm, but likewise it will very largely determine the success or failure of the Roosevelt administration.

In a brief 2 weeks after he entered the White House the President succeeded in quieting in a manner that is little short of miraculous a banking situation which had become profoundly perilous, and in all other respects he has given a demonstration of "action, and action now" that is delighting the American people as they have not been delighted in a long while. But now as he faces the troubled farm question he is, to use the language of the street, confronted by the "real thing", and Congress must share the responsibility with him—as we contemplate the great economic issues with which Congress has struggled in the past, it is no exaggeration to say that the farm question stands out as the grizzly bear of all of them, and therefore we may well approach it with fear and trembling, and he who counsels breakneck speed in these premises is permitting his zeal to get the best of his caution. The mere fact that within the space of a few short weeks Secretary Wallace and his advisers have thrown the domestic-allotment plan into the discard for an entirely new plan this within itself invites the grave questioning of both the President and the Congress, for manifestly these gentlemen got off on the wrong foot in one instance or the other. Also when in a recent newspaper statement Secretary Wallace said, "It may be true that the things which this bill strives to attain here and now may be brought about 10 or 15 years hence by the slow working of economic law"—this view is not only wholly out of accord with the promises President Roosevelt made to our farmers but if it should prove true then agriculture is permanently and hopelessly doomed.

A SOOTHING-SIRUP PROPOSAL

Of course "an adequate and sound currency" and tearing down our indefensible tariff walls and softening the farm-mortgage debt—all these things will substantially help not only the farmer but the country generally—but if we would make it possible for our 6,500,000 farmers to buy the billions of dollars' worth of new merchandise of which they stand in such distressing need and thus start the Nation's mills and factories to roaring once more, then addressing myself directly to the first phase of the new proposed Wallace farm bill, I want to say to you with the deepest conviction that this end cannot be achieved with 90-cent wheat, 7-cent hogs, and 12-cent cotton in our domestic markets—in these premises the proposed bill is nothing more than a weak gesture, and a glance at the existing farm picture will confirm this conclusion.

If we could go back a few years, the restoration of the pre-war farm dollar might enable our farmers to begin beating back, but under present conditions this hope is futile. Back in 1928, after an exhaustive survey of agriculture, Dr. Virgil Jordan, of the National Industrial Conference Board, stated that if at that time the farmers of the country had received a return upon their plant investment equal to the average interest on Government bonds, and had been rewarded for their toil on the basis of unskilled labor, that in this case it would have been necessary to have increased the then yearly national farm income to the extent of $5,000,000,000; meanwhile, in 1929, our gross farm income was $11,911,000,000; in 1930, $9,347,000,000; in 1931, $6,656,000,000; while in 1932 it dropped to approximately $5,000,000,000, and in view of these facts the "gradual" and shadowy price increases which Secretary Wallace proposes are little short of pusillanimous; in fact, they fall far short of even a respectable gesture. Let us remember that since the World War the farm debt of the country has increased some $10,000,000,000, while the farmer's costs of production, as expressed in interest, taxes, transportation charges, etc., have either increased or remained stationary; and thus the idea that a pre-war farm dollar will restore the farmer's buying power, and even this dollar achieved by a "gradual" process, this is an utterly futile hope and wholly out of accord (so far as agriculture is concerned) with the President's ultimatum of "action, and action now."

In my opinion, if we would really restore the farmer's buying punch, so far as our domestic markets are concerned, we must force no. 2 wheat to not less than $1.50 per bushel at Chicago, cotton to 14 or 15 cents per pound, and hogs to 8 or 10 cents per pound; and failing to do this, and adopting Secretary Wallace's "gradual" gesture, what will be the inevitable result? In the latter case our farmers will use these slim price advances to pay up their back interest and taxes, for their first thought will be to assure the safety of their homes, and under the proposed advances they cannot do this and help to get the idle millions in our industrial centers back to work at the same time! And is not the latter conclusion self-evident? If our farmers were on a fast-sinking ship back in 1929, when their gross income was nearly $12,000,000,000, is it not absurd to talk of restoring their buying power by merely adding a billion or two dollars to their miserable $5,000,000,000 income of 1932? Believing that the final success of the new administration depends upon a sound solution of this question, for what it may be worth I here and now warn President Roosevelt and the Democratic leaders of Congress against mere soothing-sirup relief for agriculture. The American farmer is not unlike a patient who has been and is now desperately ill, and to expect him to recover on a few harmless pink pills is not only absurd but tragic.

DEALING HONESTLY WITH CONSUMERS

And why should Secretary Wallace seek to put salt on the tails of our city consumers and so solicitously assure them that a square deal to the farmer will be largely painless so far as they are concerned? Why not deal honestly with these consumers and frankly tell them that if they want the farmer to help get the Nation's mills and factories to moving that then they must henceforth be willing to pay a fair price for the food and raw materials of the farm, and thus let them take their choice? Why gloss over the cold fact that since the World War our farmers have been feeding and clothing the people of the cities at an actual loss of billions per year? And in clarifying the atmosphere in this respect why not put the issue squarely up to President Green, of the American Federation of Labor, and other labor spokesmen, and let these men tell Congress where they stand—whether they want a degree of farm relief that will enable the farmer to start the cash registers of the country to clicking or whether they want to take chances with a mere shot-in-the-arm remedy? Under existing conditions what good does it do the millions who are idle that the food of the farmer can be had for a song when they haven't the song? Meanwhile does a square deal to the farmer necessarily mean hardship on the city consumer? The retail price of bread and other food products since the World War does not warrant such a conclusion—with 60 loaves of bread in a bushel of wheat and with less than 3 cents worth of cotton in the average shirt, if the processors and distributors will be content with a fair profit is a fair price to the farmer of any great consequence to the consumer? However, in the final analysis it is a crime to beat the devil around the stump in this matter; for a dozen or more years our farmers have been compelled to feed and clothe those who live in the cities, at a loss of billions of dollars annually, and as a result the whole Nation is staggering on the brink of collapse; and the hour has come when the cities must choose, and this choice lies between soup houses and a fair farm price. And the sooner the cities are made to realize this the better. If, as Secretary Wallace says, the bread lines grow longer in New York City as surplus wheat increases in Nebraska, why doesn't he frankly tell them the reason?

DECLARING WAR ON THE SURPLUS

And now I come to the proposal that the Secretary of Agriculture shall lease some 50,000,000 acres of so-called "marginal land" at a cost of something like $200,000,000 per annum, and in order

that the latter funds may be assured, it is further proposed that a tax shall be levied against the processors and distributors of the country, and I am unalterably opposed to this idea because I think it is unnecessary and unsound. Before we reach the definite conclusion that our various farm surpluses have become an economic pestilence, why not do two things? First, why not see how these surpluses will look when our 120,000,000 consumers are once more eating three square meals per day? I make this suggestion because I think the existing surpluses are almost as much the result of marginal workers as they are of marginal acres, in other words, that underconsumption is as much of a factor as overproduction. Second, again before we declare war on our farm surpluses which were a veritable godsend to the Nation in the form of favorable trade balances for nearly 150 years, why not likewise wait to see how the picture will look after we have broken down our indefensible tariff walls, and when thus we have placed ourselves in position to exchange our surplus wheat, cotton, pork, etc., for desirable European merchandise that is not seriously competitive with our own industries, and which latter development should substantially raise the general world price level? Also why not proceed upon the theory that the great nations of Europe will sooner or later get their oxen out of the ditch and that this will greatly increase their consumptive and buying power? Finally, if the worst comes to the worst, and if we are eventually driven to the conclusion that these farm surpluses have become an economic pestilence, then why not place our farmers in position to help to control them without getting them in the habit of expecting several hundred million dollars per year in the form of "easy" lease money? Just as certain as Congress initiates this practice it will rue the day—it will be another pension system, and one that can very easily become a fixture in congressional elections for years to come, and I hope that this phase of the matter will not escape you and other Senators.

I am further opposed to the leasing proposal because it will involve the employment of a horde of "agents" and "inspectors" who in point of numbers promise to rival the size of General Meade's army at Gettysburg, and this at a time when the President and Congress are struggling desperately to balance the Federal Budget and when the Nation's taxpayers are already burdened beyond endurance. And finally, why place our vast processing system and our still vaster food-distributing system in a straitjacket unless there is absolutely no way around it? That in bringing hog prices under control we may be compelled to impose certain regulations and enforced cooperation upon the packers is entirely possible, but surely we should go no farther in this direction than is necessary.

If we produced only as much wheat, cotton, pork, etc., as our home markets consume, then the problem would be very simple; then, in order to assure $1.50 wheat, 14-cent cotton, and 10-cent hogs, Congress would merely need to fence in our home markets through the tariff up to these prices; in this case there would be no need of nationalizing agriculture and proposing the payment of several hundred million dollars per annum for leased lands, no need of employing a vast army of agents and inspectors, and no need of placing the processors and distributors of the country in a strait-jacket, and therefore, before we fasten all these ills upon our necks, should we not take a little time and see whether we cannot so segregate and isolate our various farm surpluses that they will become harmless? I think we can, and that where there is a will there is a way.

MAKING OUR SURPLUSES HARMLESS

To this end, suppose that Congress should authorize the Secretary of Agriculture to determine the amount of wheat needed for home consumption from year to year, and to license the mills and elevators of the country and to prescribe ways and means by which they shall be required to segregate the surplus wheat as it is offered for sale; could not the latter be placed in bond or so otherwise surrounded under heavy penalties that no one would dare offer it for sale in the home markets, and in this case could not the mills and elevators safely pay the wheat growers the domestic price for that part of their wheat needed for home consumption and the world price for the remainder? And, likewise, could not the Secretary be authorized to determine the amount of cotton needed for home consumption from year to year, and then by licensing the gins and other processors in the manner which I have indicated for wheat prevent the surplus cotton from being offered for sale in the home markets? If we are driven to it, could not the wheat and cotton growers well afford to contribute enough out of a fair domestic price to build new storage facilities (if sufficient existing storage space could not be leased) to house our yearly wheat and cotton surpluses, and thus render these surpluses absolutely foolproof, and feed them into the world markets as the latter can absorb them, and at infinitely less expense than the complicated plan which is now proposed?

If we can render each particular surplus harmless—if we can so segregate it that it cannot be bootlegged in the home markets—then will not the so-called "marginal acres" soon take care of themselves? For instance, if the Secretary of Agriculture should declare at the beginning of a given wheat-marketing season that 70 percent of the crop is needed for home consumption, and if thus a farmer had produced 1,000 bushels of wheat and was offered $1.50 per bushel basis Chicago for 700 bushels, while under the world price he was offered only 50 cents or 60 cents for his 300 bushels of surplus, in this case would not this grower very likely say to himself, "I'll sow fewer acres next year"? And so, if a cotton grower should receive 14 cents per pound for 40 percent of his crop and only 6 cents per pound for a 60 percent surplus, would he not also trim his sails to the wind, and would not other farmers do likewise with reference to other surplus commodities? Of course, in estimating the amount needed of a given commodity for domestic consumption the Secretary would need to be extremely conservative—he would need to somewhat underestimate this demand and then later draw on the surplus to make up the deficiency. Also, as growers offer a surplus commodity for sale to buyers they should be required to sign an affidavit as to the quantity produced, amount of acreage, etc., and substantial penalties should be provided for falsification—in this way the Secretary could provide future regulations that are necessary, and they could be enforced through the Nation's buyers without the employment of a horde of agents and inspectors.

A REVOLUTIONARY PROPOSAL

That the above idea involves some hard thinking I do not deny, but should we not be willing to sweat over it before we embark headlong upon the Wallace plan, which involves more authority than was ever placed in the hands of one man in the history of our Nation, and which seeks to destroy our farm surpluses which have brought us billions of dollars in wealth in years gone by, and with reference to which the picture may completely change in a year or two? Verily it is a situation where angels may fear to tread. Surely before we nationalize American agriculture and swallow the rest of Secretary Wallace's revolutionary ideas hook, line, and sinker we will do well to see if a simpler solution is not possible. Under existing conditions except with reference to cotton, if our farmers were assured of a fair price in the domestic markets they would be many millions of dollars ahead if each year they dumped the various surpluses into the sea or otherwise destroyed them, and surely some comparatively simple means can be provided by which these surpluses will become harmless and through which they can be moved into the world markets at whatever they are worth.

If we would adequately supply our domestic markets from year to year we must continue to produce farm surpluses, and the uncertainty of the seasons, floods, droughts, pestilence, etc., must ever remain in the picture. Suppose that in making war on surplus wheat Secretary Wallace should resolve to reduce the yearly surplus to 50,000,000 bushels. In this case would there not be poor years, when we would be forced to import 100,000,000 bushels or more to supply our home needs? Also, if he should succeed in reducing the various surpluses to a minimum, could not his proposed costs of operation very easily amount to twice as much as the surpluses themselves would be worth? For fear of making myself tiresome, I want to repeat that he who advocates making war upon our various farm surpluses is indeed a daring man, and this because, as I have said, the next year or two may entirely change the picture in this respect; and when the chief proponent of such a perilous adventure smilingly dismisses the subject by referring to it as "a major social experiment" I am all the more constrained to look for a cyclone cellar. In God's good name, have not the farmers of this country had enough experiments tried out on them during the last 4 years and, also, should the idle and hungry millions of the cities who are inextricably involved in this situation be subjected to mere laboratory processes? As we contemplate the astounding power which the new bill proposes to lodge in the hands of the Secretary may we not with propriety ask whether a young man who has just left the quiet editorial sanctum of a farm paper is capable of exercising such vast power, even though within itself it be sound?

I sympathize deeply with the President's desire for "action, and action now" on this great question, and yet, considering the tremendous forces that are involved and the miserable failure which the Hoover administration made in these premises, would it not be wise to proceed with at least ordinary caution? There is still plenty of time to tackle wheat and cotton—and as the third commodity I would suggest hogs. First, I would see if we cannot so segregate our wheat and cotton surpluses that they will be foolproof, and then, because hogs present a different and more complicated problem, I would see if a plan cannot be worked out with the packers of the country through which the domestic hog consumption can be forced to 8 cents or 10 cents, using Chicago as the basic point.

If we can get control of these three great commodities, then as speedily as possible we can tackle tobacco, dairy products, rice, etc., using the experience we have gained. With reference to cotton, so far as reducing this year's acreage is concerned, I consider Senator SMITH'S cotton option plan both effective and sound. While the farmers of the country want price relief at the earliest possible moment, above all they do not want any more flashes in the pan—let us remember that we are approaching the farm problem for the last time, and that if we fail agriculture will be beyond help.

Returning for a moment to wheat, in a letter which I wrote to President Roosevelt shortly after the election, I suggested that he propose that the United States, Canada, Argentina, and Australia, which are the leading surplus wheat-producing nations of the world, join in creating a yearly world pool, and I see no reason why this is not practical—if such a pool had existed during the last several years, there is no reason why the world wheat price should not have been held at a dollar per bushel, and since the leading nations of Europe are enforcing a domestic price of approximately $1.75 per bushel, they could not have complained. And if such common-sense action can be brought about, then would we still want to make war on our marginal wheat acres?

Much has been said about the "national" farm leaders who are sponsoring the new Wallace plan, and the impression has

been created that organized agriculture is speaking with one voice in these premises, but this is not true. For the most part this group is the same bunch of "yes" men who fronted for the Agricultural Marketing Act, and for Mr. Hoover's ill-fated Farm Board. Then, as now, these men whooped it up, and said everything would be lovely. For reasons best known to himself, Secretary Wallace did not see fit to invite to his recent conferences such men as Frank W. Murphy, Thomas E. Cashman, and A. W. Ricker, of Minnesota; C. C. Talbot, of North Dakota; Milo Reno, of Iowa; H. G. Keeney, of Nebraska; Cal Ward, of Kansas; or myself; and not only do these men speak for the most powerful farm cooperatives of the mighty Corn Belt, but the most of them fought early and late for the nomination and election of Roosevelt. In my own case, as you know, I built and am the official head of the Missouri Farmers Association, which is the most powerful farm organization in any State in the Union, with millions of dollars invested in its hundreds of marketing agencies, and with its own sales offices in Chicago and New York. Even though the Secretary may not consider the above men "economically sound", the most of them bear the scars of the McNary-Haugen battles, and in any case will not their support of whatever farm legislation is enacted be extremely important?

OTHER IMPORTANT SIDELIGHTS

And here let me say that while I hope Congress will take immediate steps to soften the farm debt situation, I do not think that it should go so far as to issue billions of dollars' worth of new tax-free bonds to achieve this end, for already this class of securities largely nullify our Federal income tax law. That our huge farm debts should be refinanced on a long-time basis, and at as low an interest rate as is possible on the above basis, this is undoubtedly true. To state the matter in another way, however desperate the situation of our farmers may be, they have no right to demand the Frazier bill and a fair price in our domestic markets at the same time; and of the two the latter is infinitely more important—what the farmers of America need is such a price for the products of their bitter toil as will enable them to eventually pay off their mortgages and bring back at least a substantial part of the billions of dollars which they have lost since the World War in depreciated land values.

In conclusion, I fondly hope that the "new day" which President Roosevelt promised during the campaign will become very real, so far as agriculture is concerned; and I say this not only on behalf of the distressed millions of the farm but for the future well-being of our great common country. With each passing day the progress of the heartless man-displacing machine becomes more menacing to the Nation's industrial workers, and unless these workers can find sanctuary upon small farms, where with their own hands they can produce the things that hold body and soul together, what is to become of them? Already this movement is very definitely under way, and is this not another reason why we should approach our "marginal acres" with caution, for may they not soon be absorbed in modest homesteads? I pray that during the next decade a preponderance of our population may once more shift to the rural districts because here lies our pathway to greatest security in the years to come—given a contended husbandry, communism and all other isms may assault our institutions with all the venom of which they are capable, and yet their efforts will be as futile as the anger of the billows of the sea that dash themselves against the everlasting crags of the shore. If I were in President Roosevelt's place, I would grimly resolve to make agriculture the safest and most contented industry in the Nation; and I would do this under the firm conviction that in no other way could I more certainly safeguard the dreams of Washington, Jefferson, and Lincoln.

WILLIAM HIRTH.

UNEMPLOYMENT

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting communication which I have received from one of my constituents, Mr. W. B. Smith, of Asheville, N.C., relative to the unemployment situation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ASHEVILLE, N.C., *March 31, 1933.*

Senator R. R. REYNOLDS,
Washington, D.C.

MY DEAR SENATOR: I herewith submit a plan that is designed to provide means for relieving the want, need, and hunger of a large percentage of our people brought about by the unemployment of millions of our citizenry while the amount proposed herein is very meager indeed, still it will suffice to allay hunger and start our brothers on the road to progress by diverting their minds from the slough of despond and despair, thereby making life more worth living than leaving.

This plan is free from ambiguity and is designed to reach the greatest number at the earliest possible moment. It does not take into account the locality nor the percentage of population. This is no time to quibble over the question of responsibility and duty of the Federal and State Governments. These unfortunate people are victims of circumstances over which they have no apparent control. They are citizens of the United States and as such are entitled to life, liberty, and the pursuit of happiness.

What is life on this plane of existence, without its material basis, and how can people be free when they are compelled to beg for a living? Surely this is no part of the Creator's plan.

Our flag should be held at half mast so long as any honorable citizen of our beloved country suffers unnecessarily from need and hunger. The call has gone forth; it is the duty of our National Government to respond to the call.

Touching upon the financial and currency question, I am advised that approximately 85 percent of the business of the country, in normal times, is done on credit. The withdrawal of this credit always has and always will precipitate a crisis and depression.

Before normalcy can again become a reality, it is imperative that some form of currency shall be issued by the United States Government to take the place of the credit destroyed.

Certainly an emergency currency issued by our Government, under the authority of the law of eminent domain, would be as safe, sane, and sound as any form of currency now in existence. The whole resources of our Government, which is the people, would be behind it, including all the gold and silver bullion in the bowels of the earth. Any individual who would refuse to accept this currency at its face value would be unworthy of the protection of the United States Government.

The law of supply and demand cover the whole ground of economic ills. They are in truth the keystone of the arch of the structure upon which our whole social and economic system is builded. In fact, I see it as a law of God.

Owing to the manipulation of the moneychangers, the law of supply and demand is not properly functioning. It has been negated by the inaction of the dollar. The supply is bounteous, and the demand is abnormal. Notwithstanding this, millions of our people are on the very verge of starvation. Our farmers are in a distressed economic condition, caused by the withdrawal of the medium of exchange from between the supply and the demand. As a result thereof we find our leaders running hither and thither trying to find a cogwheel that will again gear the supply to the demand.

By way of suggestion as to a means of overcoming our unemployment situation, why not issue, say, $1,000,000,000 of emergency currency, as suggested above, and put all able-bodied providers who are unemployed and in need of sustenance to work at, say, $1.25 per day upon public works that would prove an asset to the people, the proceeds of said labor to be paid to the families of those who have been furnished work. Two hundred million dollars of said $1,000,000,000 shall be set aside to care for the destitute who have no able-bodied providers.

This money would be allocated to each and every county throughout the States of the Union and prorated in accordance with the number of destitute in each county. The disposition of this money would be at the determination of the county commissioners of the various counties throughout these United States, to be expended to the best advantage for additional permanent improvements. These county commissioners to serve without pay, provided they are on a stated salary basis.

This plan can be set in operation at once without delay and without additional organization or waste of funds.

The law of supply and demand should in no wise be annulled so long as there are those in need. The paramount question as I see it is to provide a means whereby the inhuman wall that now separates supply from demand may be removed.

The problem of caring for the unemployed who are in need is not a question of maintaining wages. "It is a question of feeding the hungry that they may have life, and have it more abundantly."

These unfortunate people shall be employed upon public work in the locality where they reside, said work to consist of widening, grading, and draining the public streets, roads, and thoroughfares; but under no circumstances shall this money be expended for paving material or the laying of same.

Six hours of actual labor upon the job shall constitute a day's work. It is further understood that this labor shall not be employed upon construction work where organized labor is now employed or engaged.

This is purely an emergency undertaking, designed to assist those families which have been less fortunate in fighting the battles of life than have the more successful. Surely these people can render "value received" unto the public in general. In fact, it would be by far more advantageous to the public to have the work done under this plan, as neither interests nor profits figure in the cost of construction.

Our whole economic and social system is out of balance and must be changed, else our Government will perish. Already the changes have been too long delayed. Chaos reigns throughout the length and breadth of our land. Our moneychangers and bankers have run us upon the rocks. Can we afford to trust them further? Prudence forbids our doing so. "We must break the Money Trust or the Money Trust will break us." Thus writes Louis D. Brandeis, now of the Supreme Court of the United States, in Other People's Money and How the Bankers Use It.

W. B. SMITH.

NOMINATIONS IN THE ARMY

Mr. ROBINSON of Arkansas. Mr. President, as in executive session, and for the Senator from Texas [Mr. SHEPPARD], I report back favorably from the Committee on Military Affairs certain nominations for the Executive Calendar.

The PRESIDENT pro tempore. Without objection, the report will be received.

The nominations were ordered to be placed on the Executive Calendar, as follows:

The following-named officers for appointment, by transfer, in the Regular Army of the United States:

TO JUDGE ADVOCATE GENERAL'S DEPARTMENT

Capt. Neal Dow Franklin, Infantry (detailed in Judge Advocate General's Department), with rank from July 1, 1932.

TO QUARTERMASTER CORPS

Lt. Col. Hugo Ernest Pitz, Coast Artillery Corps (assigned to duty with Quartermaster Corps), with rank from November 10, 1932.

Capt. Roy Crawford Moore, Field Artillery (detailed in Quartermaster Corps), with rank from July 1, 1920.

Capt. Andrew Daniel Hopping, Infantry (detailed in Quartermaster Corps), with rank from August 1, 1932.

First Lt. Ira Kenneth Evans, Infantry (detailed in Quartermaster Corps), with rank from March 1, 1931.

TO AIR CORPS

Second Lt. Herbert Charles Gibner, Jr., Field Artillery (detailed in Air Corps), with rank from June 12, 1930.

Second Lt. Merrick Hector Truly, Infantry (detailed in Air Corps), with rank from June 11, 1931.

The following-named officers for promotion in the Regular Army of the United States:

MEDICAL CORPS

To be captain

First. Lt. Cleveland Rex Steward, Medical Corps, from March 5, 1933.

CHAPLAINS

To be chaplains with the rank of lieutenant colonel

Chaplain Alva Jennings Brasted (major), United States Army, from March 3, 1933.

Chaplain William Andrew Aiken (major), United States Army, from March 3, 1933.

Chaplain Ernest Wetherill Wood (major), United States Army, from March 3, 1933.

To be chaplain with the rank of major

Chaplain Herbert Adron Rinard (captain), United States Army, from March 10, 1933.

The officer named herein for appointment in the Officers' Reserve Corps of the Army of the United States under the provisions of sections 37 and 38 of the National Defense Act, as amended:

GENERAL OFFICER

To be brigadier general, Reserve

Brig. Gen. George Henderson Wark, Kansas National Guard, from March 24, 1933.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore, as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

RECESS

Mr. ROBINSON of Arkansas. Mr. President, if there be no further business to come before the Senate, I move that the Senate take a recess until 12 o'clock noon on Monday.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 2 o'clock and 40 minutes p.m.) the Senate took a recess until Monday, April 3, 1933, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 31 (legislative day of Mar. 13), 1933

ASSISTANT SECRETARY OF WAR

Harry H. Woodring, of Kansas, for appointment as Assistant Secretary of War, vice Frederick H. Payne, resigned.

COMMISSIONER GENERAL OF IMMIGRATION

Daniel W. MacCormack, of New York, to be Commissioner General of Immigration, Department of Labor.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Second Lt. Donald Ralph Neil, Field Artillery (detailed in Quartermaster Corps), with rank from June 12, 1930.

Second Lt. Robert Edwin Cron, Jr., Coast Artillery Corps (detailed in Quartermaster Corps), with rank from June 12, 1930.

TO CAVALRY

Second Lt. Harry Winston Candler, Infantry, effective June 11, 1933, with rank from June 11, 1931.

PROMOTIONS IN THE REGULAR ARMY

DENTAL CORPS

To be colonel

Lt. Col. Raymond Eugene Ingalls, Dental Corps, from March 25, 1933.

CHAPLAIN

To be chaplain with the rank of captain

Chaplain Joseph Richard Koch (first lieutenant), United States Army, from March 27, 1933.

SENATE

MONDAY, APRIL 3, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. LEWIS. Mr. President, I note the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Keyes	Reynolds
Ashurst	Costigan	King	Robinson, Ark.
Austin	Couzens	La Follette	Robinson, Ind.
Bachman	Cutting	Lewis	Russell
Bailey	Dickinson	Logan	Schall
Bankhead	Dieterich	Lonergan	Sheppard
Barbour	Dill	Long	Shipstead
Barkley	Duffy	McAdoo	Smith
Black	Erickson	McCarran	Steiwer
Bone	Fess	McGill	Stephens
Borah	Fletcher	McKellar	Thomas, Okla.
Brown	Frazier	McNary	Thomas, Utah
Bulkley	George	Murphy	Townsend
Bulow	Goldsborough	Neely	Trammell
Byrd	Gore	Norbeck	Tydings
Byrnes	Hale	Norris	Vandenberg
Capper	Harrison	Nye	Van Nuys
Caraway	Hastings	Overton	Wagner
Carey	Hatfield	Patterson	Walcott
Clark	Hayden	Pittman	Walsh
Connally	Johnson	Pope	Wheeler
Coolidge	Kendrick	Reed	White

Mr. REED. I announce the absence of my colleague [Mr. DAVIS] on account of illness.

Mr. FESS. I announce the necessary absence of the Senator from Vermont [Mr. DALE], the Senators from Rhode Island [Mr. METCALF and Mr. HEBERT], and the Senator from New Jersey [Mr. KEAN].

Mr. LEWIS. The senior Senator from New Mexico [Mr. BRATTON] is necessarily detained from the Senate. I beg to announce the fact for the remainder of the day.

Mr. BYRD. I desire to announce that my colleague [Mr. GLASS] is unavoidably detained from the Senate.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. There is a quorum present.

THE LATE SENATOR WALSH, OF MONTANA

The VICE PRESIDENT laid before the Senate a resolution adopted by the House of Representatives of the State of Pennsylvania as a tribute to the memory of Hon. Thomas J. Walsh, late a Senator from the State of Montana, which was ordered to lie on the table and to be printed in the RECORD, as follows:

COMMONWEALTH OF PENNSYLVANIA,
IN THE HOUSE OF REPRESENTATIVES,
March 29, 1933.

Presented by Hon. Charles Melchiorre, Philadelphia County

As he was about to undertake the greatest task his busy life had known, to enjoy the reward of many years of national service, Senator Thomas J. Walsh, of Montana, quietly and peacefully passed into the Great Unknown.

Before he had yet begun to enjoy and appreciate the companionship that had come to crown the sunset of his life, death called to him and she was left alone.

His selection by President Roosevelt, from scores of able and competent attorneys, for the important post of Attorney General of the United States, was a deserved recognition of his ability, his rectitude, and his courage: Therefore be it

Resolved, That in the death of Senator Walsh the Nation has been deprived of the service of one who had frequently shown his ability as a public prosecutor, whose worth as an adviser had often been demonstrated, and whose standing as a leader of thought was established.

That his native State has lost its most illustrious son, and the wife, who had known him so short a time, had not yet glimpsed the inner greatness of this outstanding American.

That although his ability and courage will be greatly missed, his career of distinguished service to his country needed not this last crowning honor to make his fame lasting and his place in the minds and hearts of his countrymen secure.

That this resolution be spread upon the journal of the house and a copy thereof be forwarded by the chief clerk of the house to the President of the Senate of the United States.

The foregoing is a true and correct copy of the resolution adopted by the house of representatives the 29th day of March 1933.

E. F. WHITE,
Chief Clerk House of Representatives.
GROVER C. TALBOT,
Speaker House of Representatives.

CHANGE IN DATE OF THE INAUGURATION

The VICE PRESIDENT laid before the Senate a letter from the secretary of state of Maryland, together with certified copy of a joint resolution adopted by the General Assembly of Maryland, ratifying the twentieth amendment to the Constitution, which were ordered to lie on the table, as follows:

EXECUTIVE DEPARTMENT,
Annapolis, Md., March 31, 1933.

Hon. JOHN N. GARNER,
President of the Senate, Washington, D.C.

MY DEAR MR. PRESIDENT: At the request of Governor Ritchie I have the honor to transmit herewith a certified copy of Joint Resolution No. 3, adopted by the General Assembly of Maryland, ratifying the twentieth amendment to the Constitution of the United States.

With kindest regards, I am, respectfully yours,
DAVID C. WINEBRENNER 3D,
Secretary of State.

THE STATE OF MARYLAND,
EXECUTIVE DEPARTMENT.

I, Albert C. Ritchie, Governor of the State of Maryland, and having control of the great seal thereof, do hereby certify, that the attached is a true and correct copy of Joint Resolution No. 3, being Senate Resolution No. 1, of the acts of the General Assembly of Maryland of 1933.

In testimony whereof, I have hereunto set my hand and have caused to be hereto affixed the great seal of the State of Maryland at Annapolis, Md., this 31st day of March 1933.

ALBERT C. RITCHIE.

By the Governor.
[SEAL]
DAVID C. WINEBRENNER 3D,
Secretary of State.

Joint Resolution 3

A joint resolution ratifying the proposed amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress, and fixing the time of the assembling of Congress.

Whereas at the first session of the Seventy-second Congress of the United States of America it was—

Resolved by the Senate and House of Representatives of the United States in Congress assembled (two thirds of each House concurring therein), That the following article be proposed as an amendment to the Constitution of the United States, which, when ratified by the legislatures of three fourths of the several States, shall be valid to all intents and purposes as part of the Constitution, viz:

"ARTICLE —

"SECTION 1. The terms of the President and Vice President shall end at noon on the 20th day of January and the terms of Senators and Representatives at noon on the 3d day of January of the years in which such terms would have ended if this article had not been ratified, and the terms of their successors shall then begin.

"SEC. 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January, unless they shall by law appoint a different day.

"SEC. 3. If, at the time fixed for the beginning of the term of the President, the President-elect shall have died, the Vice-President-elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term or if the President-elect shall have failed to qualify, then the Vice-President-elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President-elect nor a Vice-President-elect shall have qualified, declaring who shall then act as President or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

"SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice may have devolved upon them.

"SEC. 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

"SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three fourths of the several States within 7 years from the date of its submission": Therefore be it

Resolved by the General Assembly of the State of Maryland:

1. That the foregoing amendment to the Constitution of the United States be and the same is hereby ratified to all intents and purposes as a part of the Constitution of the United States.

2. That the Governor of the State of Maryland be and he is hereby requested to forward to the Secretary of State and to the Presiding Officer of the United States Senate and to the Speaker of the House of Representatives of the United States an authentic copy of the foregoing resolution.

Approved.

The VICE PRESIDENT also laid before the Senate a letter from the Governor of New Mexico, together with a joint resolution adopted by the Legislature of New Mexico, ratifying the twentieth amendment to the Constitution, which were ordered to lie on the table and to be printed in the RECORD, as follows:

EXECUTIVE OFFICE,
Santa Fe, N.Mex., March 28, 1933.

Hon. JOHN N. GARNER,
President of the Senate, Washington, D.C.

MY DEAR MR. PRESIDENT: I have the honor to transmit herewith certified copy of Senate Joint Resolution No. 1, being "joint resolution ratifying the proposed amendment to the Constitution of the United States, fixing the commencement of the terms of President and Vice President and Members of Congress, and fixing the time of the assembling of Congress", approved January 30, 1933.

I am, sir, respectfully yours,
ARTHUR SELIGMAN,
Governor of New Mexico.

STATE OF NEW MEXICO,
OFFICE OF THE SECRETARY OF STATE.

Certificate

I, Mrs. Marguerite P. Baca, secretary of state of the State of New Mexico, do hereby certify that the following is a full, true, and correct copy of Senate Joint Resolution No. 1 of the Eleventh Legislature of the State of New Mexico: Senate Joint Resolution No. 1, joint resolution ratifying the proposed amendment to the Constitution of the United States, fixing the commencement of the terms of President and Vice President and Members of Congress, and fixing the time of the assembling of Congress.

Given under my hand and the great seal of the State of New Mexico, at the city of Santa Fe, the capital, on this 28th day of March A.D. 1933.

[SEAL]
JOSÉ A. BACA,
Assistant Secretary of State.

Senate Joint Resolution 1 (introduced by Senator Fred E. Wilson)

Joint resolution ratifying the proposed amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress

Whereas at the first session of the Seventy-second Congress of the United States of America it was—

Resolved by the Senate and House of Representatives of the United States in Congress assembled (two thirds of each house concurring therein), That the following article be proposed as an amendment to the Constitution of the United States, which when ratified by the legislatures of three fourths of the several States shall be valid to all intents and purposes as part of the Constitution, viz:

"ARTICLE —

"SECTION 1. The terms of the President and Vice President shall end at noon on the 20th day of January, and the terms of Senators and Representatives at noon on the 3d day of January, of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.

"SEC. 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January, unless they shall by law appoint a different day.

"SEC. 3. If, at the time fixed for the beginning of the term of the President, the President-elect shall have died, the Vice-President-elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President-elect shall have failed to qualify, then the Vice-President-elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President-elect nor a Vice-President-elect shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

"SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

"SEC. 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

"SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the Legislatures of three fourths of the several States within 7 years from the date of its submission." And

Whereas said proposed amendment has been duly certified to the Governor of this State, and by him placed before the legislature for consideration: Now, therefore, be it

Resolved by the Legislature of the State of New Mexico, duly convened, That the foregoing proposed amendment to the Constitution of the United States of America be, and the same hereby is, ratified by the Legislature of the State of New Mexico; and be it further

Resolved, That certified copies of this joint resolution be forwarded by the governor of this State to the Secretary of State of the United States of America, to the presiding officer of the Senate of the United States, and to the Speaker of the House of Representatives of the United States.

A. W. HOCKENHULL,
President of the Senate.

Attest:

F. E. MCCULLOCH,
Chief Clerk of the Senate.

ALVAN N. WHITE,
Speaker of the House of Representatives.

Attest:

GEO. W. ARMIJO,
Chief Clerk of the House of Representatives.

Approved by me this 30th day of January, 1933.

ARTHUR SELIGMAN,
Governor of New Mexico.

Filed in office of secretary of state of New Mexico, January 30, 1933.

MRS. M. P. BACA, *Secretary.*

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted at a conference of the New Jersey Federation of Young Men's Hebrew Associations and Young Women's Hebrew Associations held in Newark, N.J., protesting against the intolerance directed against and the persecution of the Jews in Germany, and requesting the President to use his good offices in the premises with the German Government, which were referred to the Committee on Foreign Relations.

Mr. FESS presented a resolution adopted by the Common Council of the City of Akron, Ohio, favoring the passage of legislation authorizing the Postmaster General to issue a special series of postage stamps of the denomination of 3 cents commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment as brevet brigadier general of the Continental Army on October 13, 1783, of Thaddeus Kosciusko, which was referred to the Committee on Post Offices and Post Roads.

Mr. COPELAND presented a resolution adopted by the Rockaway Civic Club, Inc., of Rockaway Park, N.Y., favoring the passage of legislation to modify certain contractual rights to prohibit the foreclosure of mortgages on small homes and to provide that mortgage interest payments above 4 percent and amortization payments be waived and deficiency judgments be abrogated, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted at a conference of several labor groups in Rockland County, N.Y., favoring the passage of legislation establishing compulsory Government systems of unemployment insurance and also the so-called "workers' rights" amendment to the Constitution, which was referred to the Committee on Education and Labor.

He also presented resolutions of the Elmira (N.Y.) Branch of the American Association of University Women, favoring the prohibition of tax exemption on future issues of Federal securities and the levying of a tax on present exempt securities, which were referred to the Committee on Finance.

He also presented resolutions adopted by the Merchants and Salesmen Club of Brooklyn, by representatives of certain churches, temples, and organizations of Niagara Falls, and by citizens of Nassau County, all in the State of New York, protesting against the intolerance directed against and the persecution of the Jews in Germany, which were referred to the Committee on Foreign Relations.

He also presented a resolution adopted by Carrington-Fuller Post, No. 800, American Legion Auxiliary, of Groton, N.Y., favoring the maintenance of the land, sea, and air forces and the carrying out of the provisions of the National Defense Act, which was referred to the Committee on Military Affairs.

He also presented a petition of sundry citizens of Seneca Falls, N.Y., praying for the passage of legislation for the relief of unemployment, which was ordered to lie on the table.

Mr. JOHNSON presented the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Irrigation and Reclamation:

Senate Joint Resolution 16, relative to memorializing Congress to enact legislation providing for the suspension in payment of charges due from Federal reclamation-project settlers to the United States and providing for a loan to the reclamation fund to replace the income thereto thus suspended

Whereas there have been introduced into the United States Senate for passage Senate bills 5417 and 5607, which are complementary one to the other, the first providing for a suspension in payment of charges due from the Federal reclamation-project settlers to the United States and in the amount of which charges and for like period of time the principal source of income to the reclamation fund is likewise delayed; and the second providing for a loan to the reclamation fund to replace the income thereto thus suspended; and

Whereas such suspension of construction charges has become necessary on account of the extreme low prices affecting all agricultural communities; and

Whereas unless the loan above referred to is made to the reclamation fund the activities of the Bureau in carrying out the long-established governmental policies relating to reclamation must stop; and

Whereas there has already been authorized by the Congress of the United States the construction of irrigation projects under the provision of the Reclamation Act; and

Whereas many of said Federal projects are now only partially completed, and therefore incapable of performing the service for which they were intended, or of any substantial self-liquidation of their present costs until the same are completed; and

Whereas the settlers upon numerous privately initiated irrigation districts of the Western States are on the verge of being forced out of their homes—to swell the throng of urban unemployed—because of an inadequate water supply due to lack of storage and necessity for repair of distribution facilities, and a supplemental water supply can be made most readily available by the Federal Reclamation Bureau upon a sound engineering and economic set-up; and

Whereas delays in completion of projects already begun and the commencement of those projects designed to rehabilitate worthy existent enterprises will result in serious loss to the United States generally and to the Western States particularly in (a) direct increase in unemployment through cessation of work on projects and consequent laying-off of workers, and indirect increase of unemployment in all of those industries supplying materials for the projects; (b) depreciation of works already constructed in such incomplete projects, and of idle money therein invested; and (c) the crushing blow to those under said projects (with their dependent communities) having inadequate water supply and having staked all in faith upon the Federal Government's completing that which it has undertaken and in commencing needed construction to supplement the water supply of those worthy private projects; and failure to enact said bills, or similar legislation, will result in the discharge of thousands of men now employed and the consequent loss in purchasing power for consumption of both farm and industrial projects and add to the depression prevailing in all markets; and

Whereas we understand that the program of the Reclamation Bureau, if the aforementioned legislation is enacted, is to be confined strictly during the period provided for in the loan to doing those things necessary to place existent projects on a sound and workable basis, and does not contemplate initiating work on any projects, either Federal or otherwise, not now developed to a material extent, and therefore does not propose the bringing under

irrigation of any appreciable areas of land not now irrigated: Therefore be it

Resolved by the Senate and the Assembly of the State of California, jointly, That the Congress of the United States, in furtherance of established national policies of reconstruction and reclamation, should enact, without delay, United States Senate bills 5417 and 5607 into laws; and be it further

Resolved, That the secretary of the Senate of the State of California be, and he is hereby, directed forthwith to transmit a copy of this memorial to each, the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and to the California delegation in Congress, with a request that they expeditiously promote the enactment into law of United States Senate bills 5417 and 5607.

Mr. JOHNSON also presented a joint resolution of the Legislature of the State of California, memorializing Congress to enact legislation to subsidize the production of gold by issuing to every producer of 200 ounces or less of primary gold per month a bond of the value of $5 for each ounce thereof, etc., which was referred to the Committee on Mines and Mining.

(See joint resolution printed in full when laid before the Senate by the Vice President on March 28, 1933, p. 895 CONGRESSIONAL RECORD.)

Mr. JOHNSON also presented a joint resolution of the Legislature of the State of California, extending a most cordial welcome to the delegates and visitors of the United Spanish War Veterans, their auxiliaries and affiliated organizations, in attendance at the thirty-fifth national encampment, etc., which was referred to the Committee on Pensions.

(See joint resolution printed in full when laid before the Senate by the Vice President on March 28, 1933, pp. 903–904 CONGRESSIONAL RECORD.)

Mr. WHEELER presented resolutions adopted by the Board of Trade of Wallace, Idaho; the Chamber of Mines of Seattle; and Canniwai Grange, of Govan, both in the State of Washington, favoring the passage of legislation known as the Wheeler silver bill, providing for the remonetization of silver, which were referred to the Committee on Banking and Currency.

He also presented petitions of J. R. Crow and 575 other citizens, and the Pohlman Investment Co., by J. C. Pohlman, all of Spokane, Wash., praying for the passage of legislation known as the Wheeler silver bill, providing for the remonetization of silver, which were referred to the Committee on Banking and Currency.

On request of Mr. WHEELER, the body of one of the petitions was ordered to be printed in the RECORD, and it is as follows:

SILVER REMONETIZATION—A PETITION

To the honorable Congress of the United States of America:

Whereas chaos prevails throughout the world. Millions of willing workers are walking the streets of every city and hamlet in almost every civilized nation seeking employment without success; and

Whereas this universal unemployment situation has been a prime factor in bringing about a general stagnation in business by reason of the destruction of the unlimited purchasing power represented by this great army of intelligent laborers and patriotic citizens when they are on the pay roll, but now idle; and

Whereas as a result of this condition the hideous ghost of bankruptcy stalks in the shadow of nearly every home, on the farm, in the factory, among business and professional men, to such an extent that but few are escaping the appalling consequences of an economic system that has well-nigh destroyed civilization; and

Whereas the available resources of every community in the United States have been exhausted by supplying necessary relief to the increasing army of unemployed, as evidenced by the fact the Reconstruction Finance Corporation has had to extend aid to every State in the Union to be parceled out locally; and

Whereas developments from day to day in commercial circles and in general business activities emphasize the fact there is a scarcity of money in circulation due to the contraction of currency in the interest of the money-changers and to the detriment of the business welfare of the Nation as a whole: Therefore be it

Resolved, That we, the undersigned citizens of the United States of America, demand that the Congress of the United States repeal the act of February 12, 1873 (known as the "crime of 1873"), by which silver was demonetized through corruption, fraud, and trickery; that silver may be restored to its former time-honored place in our monetary system as provided by the Wheeler bill, sponsored by Hon. BURTON K. WHEELER, of Montana, and thus we will ever pray with the hope that relief will be provided through immediate adoption of this meritorious measure.

THE FEDERAL RESERVE SYSTEM

Mr. WALSH. Mr. President, I present a communication in the nature of a petition urging the correction of certain weaknesses in the Federal Reserve System, and ask that it be printed in the RECORD and referred to the Committee on Banking and Currency.

The communication was ordered to be referred to the Committee on Banking and Currency and printed in the RECORD, as follows:

BOSTON, *March 27, 1933.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D.C.

DEAR SENATOR WALSH: I assume from the reports which come from Washington that there will presently be presented to the Congress a bill to strengthen the Federal Reserve System and to correct certain weaknesses in the members thereof. I have followed with some care during the past year and a half the criticisms of the Federal Reserve System and national banks, but there is one phase of the activities of national banks which ought to be corrected which I have never seen mentioned. I refer to the so-called "savings departments" of national banks.

Leaving out the Federal Reserve banks, our banking system has developed three types of banks: commercial, savings, and cooperative, or, as the last are called in other sections of the country, "home-loan banks" or "building and loan associations." Each type serves a useful purpose in the community.

The depositor in a commercial bank intends to use his deposit for commercial purposes and it is not intended to be what we might term "a permanent deposit." It fluctuates from day to day, week to week, and month to month. He wants his money available on demand, and for that reason commercial banks must of necessity keep themselves in a far more liquid condition than savings banks or cooperative banks.

Savings deposits in savings banks and savings departments of trust companies are, generally speaking, intended to be savings accounts. The depositor is saving up money for a particular purpose, such as the building of a home, the payment of a mortgage on his home, the education of his children, provisions for old age. Such a deposit as a rule does not fluctuate. It is usually built up and the depositor does not expect to need his deposit all at once. He is primarily interested in safety.

Massachusetts, long ago recognizing the difference between commercial deposits and savings deposits, has by law restricted savings banks in the type of investment into which their deposits may be put, and these restrictions apply also to the savings departments of trust companies.

The cooperative bank stands in a different position from either the commercial or the savings bank, being primarily intended to aid in the building of homes.

A mutual savings bank under our law is run for the benefit of depositors, and such profit or income from investments as the bank makes after provision for certain reserves belongs to the depositors. Trust companies having savings departments, while restricted in the securities in which they may invest the deposits of their savings department, nevertheless, after certain provision for reserves, are entitled to profits from their savings department.

Under our State law, if a trust company having a savings department is closed, the savings depositors are protected. All the assets of the savings department, which must be kept segregated in the operation of the bank when a going concern, are liquidated and the savings department depositors are entitled to 100 percent of the proceeds of their assets, and if the proceeds of those assets do not pay the savings department depositors 100 cents on the dollar of their deposits, then the savings depositors come in as general creditors on the assets of the commercial department.

I think it is fair to say that most of the depositors in our savings banks and in the savings departments of our trust companies realize that they have by virtue of the laws governing savings investments a protection which is not given to the depositors in the commercial departments of our trust companies.

When we come to examine the conditions and laws surrounding the savings departments of national banks we find a very different situation. The so-called "savings department" of a national bank is not a savings department in any true sense of the word. It is merely a higher-interest department. A depositor in the savings department of a national bank is not surrounded by safeguards like a depositor in our mutual savings bank or a depositor in the savings departments of our trust companies. There is no segregation of assets available for the depositor in the savings department of a national bank when the bank fails. On the contrary, the savings-department depositor merely shares with the commercial depositors in the pro rata distribution of the assets. In other words, the savings depositor in the savings department of a national bank takes the same risk as the depositor in the commercial department. Although his deposit is intended by him to be a very different type of deposit from a deposit in a commercial bank, I doubt if there are many, if any, depositors in the so-called "savings department" of a national bank in Massachusetts who realize that they have no protection at all when compared with the protection they get in the State savings banks and trust companies, and I have never seen any effort made on the part of the Government or any national bank to tell them that their deposits in the savings departments of national banks are not savings deposits in any true sense of the word, which is not to be wondered at.

It requires no argument to prove that savings deposits are entirely different from commercial deposits, made for a different purpose, and that they should be safeguarded and not submitted to the business risks that commercial deposits are. To hold out to people that national banks have savings departments is—at least so far as Massachusetts is concerned—a misrepresentation countenanced by the Government, because our people have, in a vague way at least, the knowledge that under our laws a deposit in a savings bank or in a savings department of a commercial bank is entirely different from a deposit in a commercial bank. It is true that in some other States—I believe in New York—under the State law a savings-department depositor in a State commercial bank stands no better than a savings depositor in a national bank—in other words, he merely comes in as a general creditor if the bank fails—but there must be other States in which the laws protecting savings depositors are similar to the laws of the State of Massachusetts.

But even if Massachusetts were the only State safeguarding savings deposits, that is no excuse for not making a distinction between savings deposits and commercial deposits. I am firmly of the opinion that no commercial bank ought to have a savings department, and I would divorce the savings departments of our trust companies, because there is too much incentive in certain trust companies to make a profit out of the savings department for the benefit of the trust companies, and therefore there is always an urge in certain trust companies not properly run to accept certain loans for the savings department, paying a high rate of interest or a bonus, solely to make a profit for the trust companies.

I also believe that in the strengthening of the Federal Reserve System and the correction of certain abuses that have crept into some of our banks this obviously unfair position in which savings depositors in national banks are placed should be corrected. If national banks are going to be allowed in the future to have savings departments, thus permitting them to compete with our mutual savings banks, restrictions and safeguards should be thrown around those savings departments and the national banks should be strictly restricted as to the securities in which they may invest their savings deposits, and in the event of the failure of a national bank having a savings department, the savings depositors should be entitled to the securities of the savings department, which should at all times be kept segregated as trust funds are kept segregated.

I realize that in strengthening our banking system and in stopping certain abuses that have crept into some of our banks the question of the protection of the savings depositors in national banks may appear to be a minor matter, but from the point of view of the savings depositors in national banks it is a very important matter. I hope that you will agree with me that this condition should be corrected and that you will do what you can to see that it is corrected.

It may be that you will think that I should have written direct to Senator GLASS, who, I understand, has the banking bill in charge in the Senate, but I felt that he was doubtless thoroughly engrossed in what we might call the major phases of the bill. It may seem wise to you to send a copy of this letter to him. Therefore, realizing that you and your office force are probably overwhelmed with work, I am enclosing a copy of this letter so that if you decide to send him a copy I may to that extent, at least, relieve your office force from the burden of making a copy.

Very truly yours,

HENRY F. HURLBURT, Jr.

ACCOMPLISHMENTS OF DEER LODGE (MONT.) FUTURE FARMERS

Mr. WHEELER. Mr. President, I present and ask to have inserted in the RECORD and appropriately referred an article from the California Future Farmer, in its issue of January 1933, showing the wonderful accomplishments of the Deer Lodge (Mont.) Chapter of the Future Farmers.

There being no objection, the article was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

ADVISER TELLS HOW CHAPTER WON NATIONAL COMPETITION

By A. W. Johnson, agriculture instructor, Deer Lodge, Mont.

In response to a request from the California Future Farmer magazine, I have listed some of the accomplishments of the Deer Lodge (Mont.) Future Farmer chapter, which were considered in awarding this chapter first place in the national chapter contest:

In 1931 the Deer Lodge chapter submitted a report in the national contest and received honorable mention in competition with the outstanding chapters in the United States. Encouraged by this recognition the local members became inspired to great endeavors with the purpose of competing in the contest of 1932. The report of activities submitted by the Deer Lodge chapter in the recent contest contained seven books of prepared records covering home farm projects, cooperative activities, fair exhibits, community activities, and leadership activities. One large volume contained photographs of the various activities; two beautiful placques received for the distinction of winning first place in the State chapter contests of 1930 and 1931 also made up a part of the report. The record was shipped in a beautiful, neatly constructed cedar chest encased in a shipping box painted in the national colors, blue and gold.

Following are some of the accomplishments and activities carried out by the 34 members of the local chapter the past year. These boys owned and kept records on 580 head of dairy cattle, swine, beef cattle, and sheep; 367 head of poultry, and 10 acres of certified seed potatoes. Thirty-seven offices in class organizations, student organizations, national honorary society, State Future Farmer of America Association, letter club, De Molay organization, booster organization, and local Future Farmers of America organization were held by these farm boys. Deer Lodge Future Farmers took part in the Future Farmer Pacific international livestock-judging contest at Portland and in the American royal livestock-judging contest at Kansas City, Mo. In the State contests Deer Lodge won first place in both the oratorical contest and chapter contest and ninth place in livestock-judging contests. The members held interchapter contests of basketball, farm, shop, marksmanship, and livestock-judging contests; 4,000 pounds of gopher poison was mixed and distributed at cost; county exhibits were collected and transported to the State fair; a boys' and girls' industrial day fair was sponsored by the local chapter. One summer camp; 1 fathers, mothers, and sons' banquet; 2 community programs; and 3 interchapter stock-judging contests were a part of the recreational activities carried out.

Many improved farm practices were carried out by the boys, such as use of commercial fertilizers, certified seed, seed treatment, livestock vaccination, and use of purebred livestock. A farmers' news letter was prepared and sent to 350 farmers each month.

A total investment of $7,622.70 in farming with an average investment of $224 per boy in farming was the farming record of the 34 young farmers. One hundred and seventy-six dollars and eighty-two cents was deposited by the members in the local Future Farmers of America thrift account, and $236 was earned and used for expenses of the chapter.

Other items are:

The State Future Farmers of America president and the State Future Farmers of America reporter are Deer Lodge chapter members.

Three local Future Farmers were raised to the State farmer degree in 1932.

Ninety-four percent of projects are owned by the boys.

One hundred percent of members planted and cared for a garden in 1932 and organized a county garden club for relief work, with a membership of 80.

A Deer Lodge Future Farmer gave the State report at the Pacific International, 1931.

A Deer Lodge Future Farmer gave the State report at the convention at Kansas City in 1931.

One hundred percent of membership cooperated in mixing gopher poison for distribution to county farmers.

A member won second in the Western States essay contest in 1931.

Members cooperatively bought 32 head of purebred Duroc Jersey swine.

Members cooperatively bought 9,000 pounds of certified seed potatoes.

TWO-CENT POSTAGE

Mr. HALE. Mr. President, I present a memorial of the legislature of my State asking for the restoration of the 2-cent postal rate, which I request may be printed in the RECORD and appropriately referred.

The memorial was referred to the Committee on Finance, and it is as follows:

STATE OF MAINE, *1933*.

Memorial to the Congress of the United States urging it to restore the 2-cent postage rate

Whereas the Eighty-sixth Legislature of the State of Maine, believing that the present postage rate has and will seriously affect the use of the mails and that the present rate has increased the overhead of business concerns to a large degree, makes the following recommendation:

Resolved by the Senate and House of Representatives of the State of Maine in legislature assembled, That we urge the Congress of the United States to provide for the restoration of the postal rate to the former 2-cent basis; and be it further

Resolved, That certified copies of this resolution duly certified by the secretary of state be forwarded to the President of the Senate and to the Speaker of the House of Representatives at Washington and to each of the several Senators and Representatives from the State of Maine in the Congress of the United States.

HOUSE OF REPRESENTATIVES.

Read and adopted; sent up for concurrence March 29, 1933.

HARVEY R. PEASE, *Clerk*.

IN SENATE CHAMBER, *March 29, 1933*.

Read and adopted in concurrence.

ROYDEN V. BROWN, *Secretary*.

STATE OF MAINE,
OFFICE OF SECRETARY OF STATE.

I, Robinson C. Tobey, secretary of state of the State of Maine, and custodian of the seal of said State, do hereby certify:

That I have carefully compared the annexed copy of the memorial to the Congress of the United States, of the Senate and House of Representatives of the State of Maine in legislature assembled, with the original thereof, and that it is a full, true, and complete transcript therefrom and of the whole thereof.

In testimony whereof I have caused the seal of the State to be hereunto affixed. Given under my hand at Augusta, this 29th day of March, A.D. 1933, and in the one hundred and fifty-seventh year of the independence of the United States of America.

[SEAL] ROBINSON C. TOBEY,
Secretary of State.

MEMORIAL TO THE LATE MAYOR CERMAK

Mr. THOMAS of Oklahoma. Mr. President, the House of Representatives of the State of Oklahoma has passed resolutions memorializing Congress to create a memorial to the late Mayor Cermak, of Chicago, Ill. I ask that these resolutions may be printed in the RECORD and referred to the Committee on the Library.

The resolutions were referred to the Committee on the Library, and they are as follows:

Engrossed House Resolution (by Kight)

A resolution memorializing the President of the United States and the Congress to create a Cermak memorial; making appropriation for its operation, defining the construction of the same; providing for the handling of the same; naming the agencies through which it shall be carried on, and providing its work

Be it resolved by the House of Representatives of the Fourteenth Legislature of the State of Oklahoma:

Whereas we are advised on the best of authority that "Greater love can no man have than this, that he lay down his life for his friend"; and

Whereas Mayor Anton Cermak, of Chicago, recently exemplified the greatest love for his friend; and

Whereas his friend happened to be one who is now the Chief Executive of the United States; and

Whereas the loss of Mayor Cermak's friend at that time would have in all probability under existing conditions proven a calamity if not a fatality to our Nation; and

Whereas we believe that it would be fitting at this time to institute some kind of a movement to put in operation a "save a life" movement, as a memorial to one who acclaimed, "I am glad it was I and not you, Mr. President," and who gladly and proudly made the supreme sacrifice for the saving of the life of another: Now, therefore, be it

Resolved, by the House of Representatives of the Fourteenth Legislature of the State of Oklahoma, That the President of the United States and the Congress thereof, be and they are hereby memorialized to create the Cermak memorial, and to appropriate a sufficient sum to carry on a lasting, living memorial to the man who gave his life for the President of the United States, and the same to have for its purpose saving the lives of under-privileged children of our Nation, and to carry on a campaign, through the various health departments of the States of the Union, to be in charge of such health departments to set the standard and define the program; and since in every time of the Nation's distress, whether it be for war or economic measures, it has been the womanhood of the Nation that has rallied to the distress cry of the unfortunate, and never in the history of the Nation has there been a greater peril than at this time, we believe it fitting that the Federation of Women's Clubs should be allied together for the purpose of the health and welfare of the children of the Nation, and should be joined with the various health departments in this great philanthropic work. This work shall be divided into units now provided for by the Federated Clubs of Women, known as districts, and the district president making the greatest number of points in the promotion of the outlined health program, as set up by her State health department, shall receive a medal of honor from the President of the United States, to be designed by him, and on one side to present a likeness of the martyred mayor, and on the other side the face of a child.

The definite plan and outline of work and activities shall be planned by the health department of each State, and to cover: Standards of sanitation, child health examinations, tabulation of children's defects, correction of defects, children under treatment for defects, dental examination and correction of mouth defects, immunization against communicable diseases, typhoid, dyphtheria, and smallpox, plans for the prevention of malnutrition, food conservation, free lunches and milk, tubercular and bacillus abortis of cows, clean dairies, health certificates for all those who handle milk and milk products, health certificates for all school officials, rural sanitation, safe water supply at schools, homes, and churches, sanitary toilets, fly-protected buildings and dwellings, campaigns against malaria, control of mosquito breeding places, adequate screening, education in prenatal care, the care of indigent mothers, maternity beds in hospitals, the donation of wearable and usable articles of clothing, program for social improvement of the unfortunate children of the community, some form of social activity for the wives and mothers of the R.F.O. workers, reclaiming delinquent children, finding homes for orphan children, community and rural contracts reaching the remote districts and communities, and finding the hidden talent in children; be it

Resolved, further, That an engrossed copy of this resolution be forwarded to the President of the United States, a copy to each Senator and Representative from the State of Oklahoma, and a copy to the family of Mayor Cermak.

Adopted by the house of representatives the 28th day of March, 1933.

TOM ANGLER,
Speaker of the House of Representatives.

LIVESTOCK MARKETING CHARGES

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a copy of House Concurrent Resolution No. 31, adopted by the Kansas Legislature, requesting the Secretary of Agriculture to exercise the powers granted him under the Packers and Stockyards Act of 1922, to procure a reduction in marketing charges for livestock.

Mr. President, it is highly necessary, as well as eminently fair and right, that these charges should be reduced. Livestock prices have been cut in two, in some instances more than cut in two. But marketing charges and transportation charges are still at the inflated level. And they are too high. There is no question about that.

Livestock prices have been deflated. Charges have not. This country cannot continue to do business—I should rather say it cannot begin to resume business—with agriculture deflated and transportation and marketing costs not deflated also. I am aware that the matter of transportation charges are not mentioned in this resolution, but it also is true that freight charges must come down.

While I believe that the Secretary of Agriculture has power under existing law to make these reductions in marketing charges effective, I want to say that if he has not it is the duty of Congress to enact further legislation giving him that power; and I will gladly introduce needed legislation along that line and endeavor to secure its passage. I send the resolution to the desk.

The concurrent resolution was referred to the Committee on Agriculture and Forestry, and it is as follows:

House Concurrent Resolution No. 31

A resolution relating to livestock marketing charges and urging a reduction of such charges

Whereas the prices of cattle, hogs, sheep, and other livestock are now the lowest they have been within the last century; and

Whereas the yardage, commission, and feed charges imposed upon the livestock raiser in marketing his livestock are but slightly lower than the highest level in history; and

Whereas the combination of low market prices and high marketing charges results in enormous losses to the raisers of livestock and has caused and is causing financial ruin to them: Now, therefore, be it

Resolved by the House of Representatives of the State of Kansas (the senate concurring therein), That this legislature takes cognizance of the vast disparity between market prices and the marketing charges now imposed by the various purchasing agencies upon raisers of livestock and of the unfairness therein to the livestock raisers; be it further

Resolved, That the agencies controlling the charges for marketing livestock are urged to voluntarily reduce such charges commensurate with the reduction in prices and costs made in other industries, to the end that some measure of relief may be given to distressed raisers of livestock; be it further

Resolved, That the Secretary of the United States Department of Agriculture is hereby requested and urged to secure the cooperation of the purchasing agencies in reducing such marketing charges, and to exercise the authority vested in him under the Packers and Stockyards Act of 1922 to bring about an adjustment of such charges; be it further

Resolved, That a copy of this resolution be sent by the secretary of state to the presidents of the stockyards companies and livestock exchanges at Wichita, Kans.; Kansas City, Mo.; St. Joseph, Mo.; Omaha, Nebr.; St. Louis, Mo.; and Chicago, Ill., and to the Secretary of the United States Department of Agriculture and to the Chief of the Packers and Stockyards Division in the United States Department of Agriculture, and to each of the Kansas Members in Congress.

I hereby certify that the above concurrent resolution originated in the house and passed that body March 10, 1933.

W. H. VERNON,
Speaker of the House.
W. T. BISHOP,
Chief Clerk of the House.

Passed the senate March 17, 1933.

CHAS. W. THOMPSON,
President of the Senate.
RAY H. WELDEN,
Assistant Secretary of the Senate.

PURCHASE OF SECURITIES OF INSURANCE COMPANIES

Mr. FLETCHER, from the Committee on Banking and Currency, to which was referred the bill (S. 1094) to provide

for the purchase by the Reconstruction Finance Corporation of preferred stock and/or bonds and/or debentures of insurance companies, reported it with amendments and submitted a report (No. 15) thereon.

INVESTIGATION OF BANKING BUSINESS AND SECURITY EXCHANGES

Mr. FLETCHER. Mr. President, from the Committee on Banking and Currency, I report back favorably, with an amendment, Senate Resolution 56, to enlarge the authority of that committee, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read Senate Resolution 56, submitted by Mr. FLETCHER March 31, 1933, as follows:

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, in addition to the authority granted under Senate Resolution 84, Seventy-second Congress, agreed to March 4, 1932, and continued in force by Senate Resolution 239, Seventy-second Congress, agreed to June 21, 1932, and further continued by Senate Resolution 371, Seventy-second Congress, agreed to February 28, 1933, shall have authority and hereby is directed—

1. To make a thorough and complete investigation of the operation by any person, firm, copartnership, company, association, corporation, or other entity, of the business of banking, financing, and extending credit; and of the business of issuing, offering, or selling securities;

2. To make a thorough and complete investigation of the business conduct and practices of security exchanges and of the members thereof;

3. To make a thorough and complete investigation of the practices with respect to the buying and selling and the borrowing and lending of securities which are traded in upon the various security exchanges, or on the over-the-counter markets, or on any other market, and of the values of such securities; and

4. To make a thorough and complete investigation of the effect of all such business operations and practices upon interstate and foreign commerce, upon the industrial and commercial credit structure of the United States, upon the operation of the national banking system and the Federal Reserve System, and upon the market for securities of the United States Government, and the desirability of the exercise of the taxing power of the United States with respect to any such business and any such securities, and the desirability of limiting or prohibiting the use of the mails, the telegraph, the telephone, and any other facilities of interstate commerce or communication with respect to any such operations and practices deemed fraudulent or contrary to the public interest.

For the purpose of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, either in the District of Columbia or elsewhere, during the first session of the Seventy-third Congress or any recess thereof, and until the beginning of the second session thereof; to employ such experts and clerical, stenographic, and other assistants; to require by subpena or otherwise the attendance of such witnesses and the production and impounding of such books, papers, and documents; to administer such oaths and to take such testimony and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words.

The VICE PRESIDENT. The amendment of the committee will be stated.

The CHIEF CLERK. After the word "telephone" in line 20 it is proposed to insert the word "radio."

The VICE PRESIDENT. The Senator from Florida requests unanimous consent for the present consideration of the resolution.

Mr. McNARY. Mr. President, under the rule and practice of the Senate, a resolution of this character must necessarily go to the Committee to Audit and Control the Contingent Expenses of the Senate. I ask that the resolution be so referred.

The VICE PRESIDENT. That is the rule of the Senate.

Mr. COUZENS. Mr. President, before the Senator objects, let me say to him that this is not a new appropriation of money. The committee will carry on the investigation under an appropriation already approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. ROBINSON of Arkansas. May I inquire if the resolution contemplates any additional expense?

Mr. COUZENS. It does not contemplate any additional expense over and above what has already been approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. ROBINSON of Arkansas. Then the rule referred to by the Senator from Oregon does not apply.

Mr. FLETCHER. Mr. President, I will say to the Senator that this resolution is supplementary to a resolution already adopted by the Senate. It is in the nature of an amendment to a resolution which has already been adopted.

Mr. McNARY. It is my conviction that it does imply an additional expenditure of public funds, and I shall ask that it go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. FLETCHER. I think that is wholly unnecessary. The Senator from Michigan has pointed out that the appropriation has already been made, and it does not call for any new appropriation.

Mr. COUZENS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. COUZENS. Under the rule, is an amendment to a resolution heretofore adopted by the Senate and carrying no additional appropriation required to go to the Committee to Audit and Control the Contingent Expenses of the Senate?

The VICE PRESIDENT. The parliamentary clerk advises the Chair that the precedents are that it is subject to the rule in that it makes a charge on the contingent fund.

Mr. ROBINSON of Arkansas. Mr. President, it should not be subject to the rule unless it imposes an additional expenditure, a cost in addition to that which has already been authorized. If the resolution does not impose a charge, it would not necessarily go to the Committee to Audit and Control the Contingent Expenses of the Senate. Of course, any report from a committee, if objection is made, must lie over; but the objection which has been made that this amendment to a resolution heretofore adopted must go over because it must be referred to the Committee to Audit and Control the Contingent Expenses of the Senate is apparently incorrect.

Mr. FESS. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from Ohio.

Mr. FESS. There is a provision in the resolution which imposes the usual limitation we always write in original resolutions limiting the amount that may be paid to stenographers, and so on. I think that, under a strict interpretation of the rule, it would have to go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. ROBINSON of Arkansas. If the resolution does not contemplate any additional expenditure, there is no reason for referring it to the Committee to Audit and Control the Contingent Expenses of the Senate. The object of that committee and of referring resolutions to it is to keep the expenditures of the Senate within proper limits. If the resolution does not add any additional expense, it ought not of necessity to go to the Committee to Audit and Control the Contingent Expenses of the Senate. Of course, as I have already said, an objection would carry over the report on other grounds and under other provisions of the rule; but why should anyone insist on sending this resolution to the Committee to Audit and Control the Contingent Expenses of the Senate if it does not involve an additional expenditure? Let any Senator answer me that question, and I shall have nothing further to say.

Mr. BORAH. Mr. President——

Mr. ROBINSON of Arkansas. I yield.

Mr. BORAH. May I ask what change the amendment makes in the original resolution in the way of an additional authority? What is the purport of the amendment?

Mr. FLETCHER. It gives the committee somewhat larger jurisdiction. It extends that jurisdiction so as to enable the committee to make some inquiries it is desirous of making. The resolution is broadened so that there can be no objection to our making the investigation which we have been directed to make.

Mr. BORAH. I know it broadens it, but what is undertaken to be covered by broadening it?

Mr. COUZENS. Mr. President, may I answer the Senator's question?

Mr. FLETCHER. I yield to the Senator from Michigan.

Mr. COUZENS. May I point out that Mr. Pecora, the counsel for the Committee on Banking and Currency, asked

the Morgan house to answer 23 questions? The Morgan house agreed to answer 17 of them; they distinctly refused to answer 1; and as to the other questions, they said they would take them under consideration. One of the questions, as I recall, that the counsel asked Morgan & Co. was how much they divided among the partners, and, as I understood, Mr. John W. Davis advised the Morgan house that they need not answer that question. This resolution extends the power of the Banking and Currency Committee so that they may require an answer to that question. That is just one of the elements which we thought necessitated the reporting of this resolution.

Mr. BORAH. What I should like to know is, by what language or terms is it undertaken to compel them to answer that question? It presents a rather interesting point.

Mr. FLETCHER. In large part this resolution is simply a repetition of the resolution heretofore adopted.

Mr. BORAH. I understand that.

Mr. FLETCHER. It enlarges the previous resolution so as to go into private banking or investment security concerns which raise some question about our authority to inquire into their affairs.

Mr. BORAH. The resolution, then, includes private banking, and so forth?

Mr. FLETCHER. I will say to the Senator that there are private bankers, for instance, in the city of New York—and there may be others elsewhere; but in New York, we will say—who are exempt from any supervision or control or suggestion from the bank commissioner of the State; they operate without any sort of supervision or regulation on the part of any State or National authority.

Mr. BORAH. Have the committee been advised that they have the legal authority or right to make this additional inquiry?

Mr. FLETCHER. Yes; we think beyond any doubt we have that authority. I will say, Mr. President, that this resolution was submitted last Friday; it has been printed, so that the substance of it is not entirely new. It was considered by the Banking and Currency Committee on Saturday and was reported out unanimously with only one amendment, and that was adding the word "radio" after the word "telephone." The resolution is here with the unanimous report of the committee. We feel that we ought to have this authority in order to proceed with the investigation.

The VICE PRESIDENT. The Senator from Oregon objects and the resolution will go over under the rule. However, may the Chair say with reference to the point of order made by the Senator from Oregon that the reasoning of the rule seems to be this: That any resolution making an original charge or an additional charge on the contingent fund of the Senate must go to the Committee to Audit and Control the Contingent Expenses of the Senate. This resolution requires additional labors on the part of the Committee on Banking and Currency, and it seems logical that if it does require additional labors, the Banking and Currency Committee might incur additional expenses to come from the contingent fund of the Senate. However, it is not necessary for the Chair to pass upon that question, for the reason that the Senator from Oregon has objected to the consideration of the resolution today.

Mr. FLETCHER. May I ask the Senator from Oregon if he will not now have the resolution referred to the committee, so that there will be no delay?

Mr. McNARY. I think the Chair misunderstands my attitude. I believe, from the knowledge that I have of the rules and precedents, that this resolution should go to the Committee to Audit and Control the Contingent Expenses of the Senate. It certainly enlarges the authority of the committee.

The VICE PRESIDENT. The Chair so held in the beginning.

Mr. McNARY. The Chair holds that it goes to the Committee to Audit and Control the Contingent Expenses of the Senate. Otherwise, I should invoke the rule. I am content to have it go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. FLETCHER. That is what I am asking; that the Senator from Oregon now permit the resolution to go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. ROBINSON of Arkansas. It goes automatically to that committee.

Mr. McNARY. I said that I thought it should go to the Committee to Audit and Control the Contingent Expenses of the Senate. I insist on that disposition, and that is what was ruled by the Chair, and so it goes there.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that on March 31, 1933, the President approved and signed the following acts:

S. 562. An act relating to the prescribing of medicinal liquors; and

S. 598. An act for the relief of unemployment through the performance of useful public work, and for other purposes.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON of Indiana:

A bill (S. 1107) for the relief of Joseph W. Thompson; to the Committee on Civil Service.

A bill (S. 1108) for the relief of Thomas F. Fitzgibbon; to the Committee on Military Affairs.

A bill (S. 1109) granting a pension to Grace B. Lawrence; to the Committee on Pensions.

By Mr. REED:

A bill (S. 1112) amending section 1 of the act of March 3, 1893 (27 Stat.L. 751), providing for the method of selling real estate under an order or decree of any United States court; to the Committee on the Judiciary.

A bill (S. 1113) authorizing adjustment of the claim of Schutte & Koerting Co.;

A bill (S. 1114) for the relief of the estate of Harry F. Stern; and

A bill (S. 1115) to authorize the Department of Agriculture to issue a duplicate check in favor of Department of Forests and Waters, Commonwealth of Pennsylvania, the original check having been lost; to the Committee on Claims.

A bill (S. 1116) granting an increase of pension to Elizabeth Craven; and

A bill (S. 1117) granting an increase of pension to Annie Holliday; to the Committee on Pensions.

By Mr. DICKINSON:

A bill (S. 1118) for the relief of George J. Bloxham; and

A bill (S. 1119) for the relief of Fred A. Robinson; to the Committee on Claims.

By Mr. NEELY:

A bill (S. 1120) granting compensation to Ella R. Trussell; to the Committee on Finance.

A bill (S. 1121) for the relief of Burk W. Burns; to the Committee on Claims.

A bill (S. 1122) granting a pension to Golda Stump Darr;

A bill (S. 1123) granting a pension to Tom B. Jimmerfield;

A bill (S. 1124) granting a pension to Margaret Kingery; and

A bill (S. 1125) granting a pension to Joseph Wilfong; to the Committee on Pensions.

By Mr. WHEELER:

A bill (S. 1126) for the relief of M. M. Twichel; to the Committee on Indian Affairs.

By Mr. TRAMMELL:

A bill (S. 1127) to provide for the payment of one half the amount of losses sustained on account of the campaign for the eradication of the Mediterranean fruit fly in Florida, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. REED:

A joint resolution (S.J.Res. 37) granting permission to Hugh S. Cumming, Surgeon General of the United States Public Health Service; John D. Long, Medical Director United States Public Health Service; and Clifford R. Eskey, surgeon, United States Public Health Service, to accept and wear certain decorations bestowed upon them by the Governments of Ecuador, Chile, and Cuba; to the Committee on Foreign Relations.

STABILIZATION OF THE COMMODITY PRICE LEVEL

Mr. CONNALLY. Mr. President, I ask consent to introduce a bill providing for the reduction of the gold content of the dollar and establishing thereafter a system by which the number of ounces of gold for which the dollar will be redeemed will be regulated by the index of commodity prices.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1111) to raise the commodity price level to the debt-incurrence stage and to stabilize it thereafter was read twice by its title and referred to the Committee on Banking and Currency.

5-DAY WEEK AND 6-HOUR DAY—AMENDMENT

Mr. DILL and Mr. GOLDSBOROUGH each submitted an amendment intended to be proposed by them, respectively, to the bill (S. 158) to prevent interstate commerce in certain commodities and articles produced or manufactured in industrial activities in which persons are employed more than 5 days per week or 6 hours per day, which were ordered to lie on the table and to be printed.

AMENDMENT OF EMERGENCY RELIEF AND CONSTRUCTION ACT, 1932

Mr. WHEELER submitted an amendment intended to be proposed by him to the bill (S. 509) to amend the Emergency Relief and Construction Act of 1932, which was referred to the Committee on Banking and Currency and ordered to be printed.

AGRICULTURAL RELIEF—AMENDMENTS

Mr. CAREY submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power, which was ordered to lie on the table and to be printed.

Mr. BULKLEY submitted an amendment intended to be proposed by him to House bill 3835, the agricultural relief bill, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

A NATIONAL PLAN FOR AMERICAN FORESTRY

Mr. COPELAND submitted the following resolution (S.Res. 57), which was referred to the Committee on Printing:

Resolved, That the report of the Department of Agriculture, entitled "A National Plan for American Forestry", transmitted to the Senate on March 30, 1933, in response to Senate Resolution 175, Seventy-second Congress, be printed with illustrations as a Senate document.

EMERGENCY RELIEF OF AGRICULTURAL INDEBTEDNESS

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, referred to the Committee on Banking and Currency, and ordered to be printed, as follows:

To the Congress:

As an integral part of the broad plan to end the forced liquidation of property, to increase purchasing power and to broaden the credit structure for the benefit of both the producing and consuming elements in our population, I ask the Congress for specific legislation relating to the mortgages and other forms of indebtedness of the farmers of the Nation. That many thousands of farmers in all parts of the country are unable to meet indebtedness incurred when their crop prices had a very different money value is well known to all of you. The legislation now pending, which seeks to raise agricultural-commodity prices, is a definite step to enable farm debtors to pay their indebtedness in commodity terms more closely approximating those in which the indebtedness was incurred; but that is not enough.

In addition the Federal Government should provide for the refinancing of mortgage and other indebtedness so as to accomplish a more equitable readjustment of the principal of the debt, a reduction of interest rates, which in many instances are so unconscionably high as to be contrary to a sound public policy, and, by a temporary readjustment of amortization, to give sufficient time to farmers to restore to them the hope of ultimate free ownership of their own land. I seek an end to the threatened loss of homes and productive capacity now faced by hundreds of thousands of American farm families.

The legislation I suggest will not impose a heavy burden upon the National Treasury. It will instead provide a means by which, through existing agencies of the Government, the farm owners of the Nation will be enabled to refinance themselves on reasonable terms, lighten their harassing burdens and give them a fair opportunity to return to sound conditions.

I shall presently ask for additional legislation as a part of the broad program, extending this wholesome principle to the small home owners of the Nation, likewise faced with this threat.

Also, I shall ask the Congress for legislation enabling us to initiate practical reciprocal tariff agreements to break through trade barriers and establish foreign markets for farm and industrial products.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 3, 1933.*

Mr. ROBINSON of Arkansas. I introduce a bill having relation to the message just read and ask that it be referred to the Committee on Banking and Currency.

The bill (S. 1110) to provide emergency relief with respect to agricultural indebtedness, to refinance farm mortgages at lower rates of interest, to amend and supplement the Federal Farm Loan Act, to provide for the orderly liquidation of joint-stock land banks, and for other purposes, was read twice by its title and referred to the Committee on Banking and Currency.

POWERS GRANTED TO THE PRESIDENT

Mr. COSTIGAN. Mr. President, yesterday there appeared in the New York Herald Tribune an article by Mr. Theodore C. Wallen emphasizing tendencies, in part already started, in part unprecedented, toward changes in our form of government. The constitutional significance of recent legislative developments under the present program of enlarged powers granted to the President is worthy of careful scrutiny and review. I ask leave to have selected portions of the article printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, Apr. 2, 1933]

VAST POWERS FOR ROOSEVELT—CONGRESS HAS CURB; CAN REVOKE GRANT—CIVIL LIBERTIES RETAINED; EXPERIMENT MAY INFLUENCE REPUBLIC'S FUTURE

By Theodore C. Wallen

WASHINGTON, April 1.—Through a combination of circumstances which brought him to the Presidency at a dark hour of the Republic the Nation has readily put into President Roosevelt's hands unprecedented emergency powers, which are growing day by day, despite some signs of hesitation that are developing in Congress. In the national determination that unity on any reasonable policy is better than disunion and confusion, our system of government is being made over temporarily along lines loosely described as a cross between democracy and dictatorship.

While there is a vast fundamental difference between what we have and dictatorships of Germany, Italy, and, before that, Russia, the experiment is an entirely new one for this country, and conceivably could greatly influence the future course of the Republic.

In this same Washington which a year ago was fearful lest the Reconstruction Finance Corporation turn out to be a vast political machine, laws have been put through in rapid-fire order and more are being pressed for action which give the President power in peace time to make and unmake laws by Executive order and to decree actions vitally affecting the life of every citizen.

POWER OVER PRICES

There are few things the average citizen does which could not be altered tremendously in the long run by sole fiat of the President under the emergency program that is being developed. It may be construed to touch the prices he pays for practically any article—the clothes he wears, the food he eats, his wages, the money he has or does not have to spend, and his means of protecting, saving, or investing that money.

The bank president can be told whether his bank shall be shut or open and to what degree. He may within limits be told what kind of business is to be transacted in the bank. He is to be required to tell the public how much he makes in floating any security. The value of the dollar he uses may be greatly influenced. His use of gold may be regulated or restricted entirely, and he must look to Washington for permission to pay out cash over his counters.

This new presidential authority may even pursue him into his home and affect the prices of the food at his dinner and the clothing and luxuries worn at his table. All this is possible under legislation either passed or in transit through Congress. The farm relief bill passed by the House and now pending in the Senate empowers the administration to raise farm prices to their pre-war purchasing ratio through taxes on the processor which, in turn, would be passed on to the consumer.

The reciprocal tariff bill, soon to be started on its way, would enable the President, in reciprocal agreements with foreign powers, to change rates up to 50 percent without reference to the Tariff Commission and subject only to congressional veto within 60 days.

The wheat farmer in Kansas can be told, in a way, how much wheat he may plant and to whom, in a general way, it may be sold. The price of his clothing, like that of the banker, would respond to administration control of the cotton crop much as the cotton grower would feel in his food prices the Federal control of the wheat and corn crops. The prices of his tools and other manufactured products are responsive to the broad tariff powers proposed for the Executive. It is hard to find an individual insulated from the powerhouse of authority being stored up daily in Washington.

In the drafting of the emergency banki..g law a question arose as to whether the President did not already have authority, under the War-Time Trading with the Enemy Act, to embargo gold. Since there was some doubt about it the authority was written into the new law. This has been the spirit of the new order in Washington. The grant of dictatorial powers presupposes confidence in the individual at the head of the Government. In this spirit the President has been given the benefit of the doubt.

CAN SET RATE OF PAY

When it came to the President's plan for recruiting idle men in the cities for reforestation work, organized labor objected to a provision for paying the men a dollar a day. Labor leaders feared that to write such a provision into the law would be to set a bad wage precedent, if not actually to establish a low-wage standard. So the provision was stricken out, and the President received carte blanche to pay what he pleased.

This law, coupled with those authorizing the President to reorganize and reduce the Federal establishment and to cut Federal salaries 15 percent, gives him, constructively, power enough to close up Government offices and use the money to pay the unemployed, should he so desire. To take an absurdly extreme example, there are those who say he could, if so minded, reduce the personnel in any Government department to a mere skeleton organization sufficient to maintain the semblance of the fundamental functions of the Government. The only limit on his expenditures for reforestation is the available money in the Treasury. He may transfer and dismiss employees at will. Through his Secretary of Agriculture he may choose whomsoever he pleases, regardless of civil service, for the huge organization to administer the farm-relief plan.

With few exceptions, wherever a change has been made in the fabric of the President's program it has been to give him more power than he asked.

* * * * * * *

With public sentiment intolerant of politics at such a time, Congress has driven ahead undeterred by such considerations. To the already enormous powers of the President in that respect will be added a great many more before the program is complete and the special session of Congress adjourned.

* * * * * * *

COULD STOP EXPORT TRADE

He is able to go even farther under the arms embargo bill, which leaves it to the President to stop export trade in arms to any specific country. Should he adopt the contraband of war definition, the power might extend to cotton and virtually to anything under the sun, since there is hardly anything which does not enter into the war efficiency of a state.

The opposition that has been raised against the arms-embargo plan is not to the political potentialities in it but rather to the possibilities of its embroiling us in a war by an indiscreet exercise of its provisions.

It all goes to show what confidence the Nation is ready to repose in the Executive in time of danger. Power has been transferred to Mr. Roosevelt so fast that he himself has not had time to explore the full force of it, much less to exercise much of it. He has gained it far faster than did Mussolini in Italy or Hitler in Germany.

In sharp contrast with their dictatorships, however, the extraordinary emergency powers granted to the President of the United States may be recalled by Congress at will, provided Congress has sufficient leadership and unity of direction. Impeachment would merely transfer the same powers to another individual.

POWERS MAY BE RECALLED

This new American order differs basically from that in Italy and Germany in that the Americans established it voluntarily and may recall it at will. The dictatorships in Europe hold their power not by the votes of the people essentially but by force of a body of armed men. This is the essential difference between a dictatorship and democracy.

A democracy which freely grants extraordinary powers to the Executive but retains the power to recall them at any time is still in every sense of the word a democracy. Under dictatorship the extraordinary powers cannot be recalled by vote of the people or their genuine representatives. Unlike Germany and Italy, the new American order, while it touches virtually everyone, abridges no one's civil liberties. There is no restraint on the free speech which makes for an enlightened public opinion.

The present American concentration of authority in the Executive arises from the difficulty, if not impossibility, of making the Nation's parliamentary body, with its many diverse elements, function satisfactorily with respect to a complicated problem which involves agreement on the details of economy and taxes and Government financing, on debts, currencies, tariffs, crops, armaments, and foreign policy.

SUPPORTED BY PUBLIC OPINION

Since there can be no national opinion on all these subjects, national opinion has rallied to the plan of putting the power in the Executive and supporting him. This national opinion has no relation to political parties, but proceeds rather from a sense of the common danger. Where the path leads remains to be seen. The favorable reaction to the administration's first moves, in the banking crisis and in the victory over the veterans' lobby, strengthened the congressional will to pursue it further.

There is no exact analogy in what is happening in Germany today. Many of the powers that Hitler is coming into were ready-made for him. Two years ago Chancellor Bruening had to meet a banking emergency very much like our own. He did it by asking the Reichstag for authority to promulgate executive decrees corresponding to the Executive orders of President Roosevelt. This set up a machinery of dictatorial government. While Bruening did not abuse it, the motor was at the door, purring and ready to go, when Hitler came in.

Congress holds not only a veto power over some of the President's emergency decrees but also the further power to cancel his extraordinary authority whenever it can muster a two-thirds majority in both Houses. Hence, should the people become dissatisfied or concerned about the growth of their new system, they reserve the power through Congress to end it at any time.

In Italy Mussolini is getting his people used to the idea of a dictatorship. President Roosevelt, of course, is not attempting to do the things that Mussolini did, but in the early stages Mussolini nursed along his Parliament, extracting power by degrees.

LIKE BRITISH COALITION

There is a parallel for us, of course, in the establishment of the British National Government nearly 2 years ago. Faced by a financial crisis, the whole country fused into patriotic zeal behind a single coalition government, with the opposition reduced to a petty handful, and elected a 5-year Parliament in this mood. Then in the succeeding years the national elements broke off one by one, leaving only the Conservatives.

While the patriotic support of the President prevails, the very individualism of the American nature and its present reaction to the Washington experiment suggest that any such virtually absolute dictatorship such as Germany's or Italy's is not for the United States of America. And yet the traditional and sometimes cumbersome machinery of government may for a considerable time be changed beyond recognition.

* * * * * * *

REHABILITATION PROBLEMS—EDITORIAL FROM THE NYACK JOURNAL NEWS

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting editorial on our present situation from the Journal News, published at Nyack, N.Y.

There being no objection, the editorial was ordered printed in the RECORD, as follows:

[From the Journal-News, Thursday, Mar. 30, 1933]

LET US KEEP OUR SHIRTS ON

Sir Ronald Lindsay, the British Ambassador, when asked as to the results of his recent interview with Secretary of State Hull, at which were discussed various matters of great international import, answered in good idiomatic Americanese, "We all kept our shirts on."

With things as they are, at home and abroad, there never has been a better time for doing just that. Getting flustered and excited will get us nowhere. The problems facing us call for a cool head and dispassionate consideration. We as people are only faintly interested in Japan's withdrawal from the League of Nations—although the relations of that Empire to world affairs

in general may later engage our more serious attention. With respect to the proceedings of the Hitlerite government in Germany, we as people are horrified at the sufferings and indignities reported to be inflicted on the Jews resident there; but that the reports reflect the actual facts seems open to serious doubt, a doubt enhanced by the assurances coming to us from high Jewish authority within Germany itself. While we lament the fatuous stupidity of European statesmanship which keeps that Continent in a state of economic unrest and in an ever-present dread of another war, nevertheless we may, if needs be, leave them to stew in the juice of their own making but with the assurance that not again, either with men or dollars, will America intervene in their affairs.

Our immediate problems are domestic and are grave enough and pressing enough to engage our entire attention and our best thought. We are, or we should be, concerned with the problems of the rest of the world only so far as they have a reflex on our own situation. This is what we have more than once referred to as "enlightened selfishness"—a duty which every government owes to its people.

Let us then devote ourselves to the rehabilitation of our own affairs, the setting in order of our own house. A good start has been made. The weaknesses of our banking system have been disclosed—weaknesses in part inherent in the system itself and in part due to the grasping selfishness of individual bankers and banking institutions. With the restoration of confidence in the stability and integrity of the financial system of our country, a long step forward has been taken—but more, much more, remains to be done. And this cannot be done overnight. The way is hard and laborious. Economies must be enforced, the Budget balanced not by the imposition of additional taxes but by retrenchment in expenditures. Productive work must be found for our millions of unemployed—honest labor, not indiscriminate charity. The plight of the farmers must be relieved that industry may be benefited by the restoration of their purchasing power. A way must be found whereby there can be saved to them the homes and businesses of the individual house owner and the small business man. While every effort must be made to prevent the foreclosure of mortgages on homes and farms, yet the well-being of those who have honestly invested in that class of security and who are dependent for their livelihood upon the interest therefrom must be preserved—there would be but scant justice in relieving the borrower at the expense of the lender. The railroads of the country, a basic industry, must be saved. Real estate must be relieved of a burden of taxation it cannot bear.

These are the major problems immediately confronting us. Their solution calls for the utmost of patience, tact, realization of conditions, and mutual forbearance—and in their approach and consideration all of us "should keep our shirts on."

While all may not be right with the world, yet God still reigns in His Heaven.

MESSAGE FROM SON OF THE LATE THOMAS A. EDISON

Mr. COPELAND. Mr. President, I ask to have inserted in the RECORD a message to his employees, and also to the American people, from the son of the late Thomas A. Edison, printed in the magazine Time in its issue of even date.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

GET GOING

On the white walls of Thomas A. Edison, Inc., in West Orange, N.J., a notice was plastered last week, a message from President Charles Edison, son of Thomas, to his employees:

"President Roosevelt has done his part; now you do something.

"Buy something—buy anything, anywhere; paint your kitchen, send a telegram, give a party, get a car, pay a bill, rent a flat, fix your roof, get a haircut, see a show, build a house, take a trip, sing a song, get married.

"It does not matter what you do—but get going and keep going. This old world is starting to move."

"AGRICULTURE'S LEVEL-HEADED MAJORITY"

Mr. FLETCHER. Mr. President, a very intelligent article, I think, appears in the Saturday Evening Post of April 1, entitled "Agriculture's Level-Headed Majority", by Ralph M. Ainsworth. I ask that it may be inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Saturday Evening Post, Apr. 1, 1933]

AGRICULTURE'S LEVEL-HEADED MAJORITY

By Ralph M. Ainsworth

I have been a farmer for 25 years, and after reading 19 articles telling of the farmers' plights, strikes, and holidays by 19 writers—none of whom ever operated a farm—I thought the readers of this publication might like to know just how the average farmer feels, acts, and lives in this depression.

I grow corn, hogs, and wheat on 540 acres of the finest land that can be found in central Illinois. Some of this land I operate as a landlord, but on most of it I am only a tenant farmer.

Since I started farming my first 160, 25 years ago, I have seen this land advance from $160 an acre in 1907 to $450 in 1919, and then gradually decline to $80 an acre in December of 1932.

I can honestly and truthfully say that in the last 4 years I haven't made a dollar on the farm; yet, fortunately, I have been able to pay my cash rent out of money I saved when prices were good and farm incomes were big. I rent one 80-acre farm from a man living in Mason City, Ill. It took all of the crop raised on that 80 and $250 of good, hard money I had saved for a rainy day to pay my landlord his rent for this year. Unfortunately, I had signed a 7-year lease to pay $6 an acre each year, and it was up to me to abide by the contract. I thank my lucky stars I have only 1 year more left on that burdensome cash-rent lease. No; I didn't see red when I paid the rent. I was as able to lose as my landlord, possibly better.

But I have seen red, and I always will see red when one of the many Government agencies that were organized to loan money to the farmer at a time when he didn't really need a loan steps in and forecloses on his farm or his chattels and turns the busted farmer out of doors without any means of making a living. If these many Government loan organizations were formed to give financial aid and charity to farmers, let them be consistent and grant a moratorium to the farmer at a time when conditions are immeasurably worse than they were when the loan was made. If our Government is in a "nine hole", it is not the first, nor will it be the last. I refer to foreign debts.

Yet I am not a militant farmer, and still have my first militant farmer to meet. Last summer I traveled the length and breadth of Illinois and got over into Iowa and Missouri. I also took an auto trip with my family to Atlanta, Ga. In all these travels I did not see a single farmer barricade attempting to keep food out of our cities. I have seen coal miners strike, but never farmers.

The farmers' problems are debts and overproduction. We need the food consumption of the city. We need all we can get, and more too. To withhold food from the city consumer only adds to our burdensome farm surplus. Frankly, I doubt if 5 percent of the farmers in America believe anything can be gained by starving city folks into paying higher prices.

Wouldn't you get a big laugh if a storekeeper were to say, "Pay us what we think we should have for our merchandise, or we will refuse to sell you our goods"?

You would say, "Keep the goods and we will buy elsewhere." The farmer, more than likely, would say, "We will do without merchandise until times get better."

And that is just what farmers are doing. They are refusing to buy all the luxuries and most of the necessities until times get better. The small-town merchant is witnessing the greatest farmer-buying strike this country has ever known; and, much to his dismay, he is beginning to realize that the farmer, when driven by necessity, can go for an indefinite period and limit his purchases to a few groceries. When the farmer has his own meat, butter, eggs, fruit, and vegetables, there is not a lot of food left to buy. Robinson Crusoe lived well for years and didn't spend a nickel. Farmers could do that if they had to.

Millions of tenant farmers who have large families are keeping warm and well fed on a cash outlay of less than $100 a year. The old Sunday suit and overcoat bought in 1929 are still giving the outward appearance of respectability. If necessary, these clothes can be made to last another 5 years.

Farmers, as a class, are not militant, and they are very much opposed to the Farmers' Holiday Association. Even around Sioux City, Iowa, where the movement did the greatest damage to property, most of the farmers preferred to stay at home and saw wood, as the expression goes. But in tens of thousands of cases, these stay-at-home-and-mind-my-own-business farmers were literally sawing firewood for the first time in their lives. Wood takes the place of coal, and coal calls for cash.

WHERE FOOD IS NOT A PROBLEM

I have never yet seen a real Corn Belt farmer who looked as if he had ever missed a meal. In many cases he has to kick food out of his way to get on or off the back porch. His clothes may be old, his pocketbook may be empty, and his farming equipment in need of repair, but food and fuel he has only to bring into the house. The only farmer I ever heard complain of lack of food weighed more than 250 pounds and had to ration his coffee until he could sell a truckload of hogs.

In the past year numberless city folks who have been without work for months have, in desperation, moved to abandoned farms in the hope of finding a living on soil that no experienced farmer would undertake to operate. These would-be farmers from the city, in many cases, arrive with a few household goods, no livestock, no equipment, and no knowledge of farming.

In one case an old couple past 70 years of age bought a 7-acre sand hill on which stood a good house and barn. This man and his wife would have starved had not the neighbors given them the use of some black, fertile land in the valley for truck growing. The gentle manners, polish, and wit of the old gentleman soon found a warm spot in the hearts of native dirt farmers. In less than a month the husband was teaching a men's Sunday-school class and the wife was ministering to the needs of the sick in the valley. The farmers of the neighborhood had made them a part of their community life. It was mutual love at first sight.

But it is not always that way.

The manager of a life-insurance company lost his $15,000-a-year job when his company failed. He thought he felt the call of the wide-open places, so he bought a blow-sand farm, remodeled the house, piped the farm with water, and stocked it with pure-bred cattle and hogs. His work clothes consisted of shorts and

bare legs, while his daughters worked in the garden in abbreviated bathing suits. The result was that some local wit put up a sign on the hard road which read: "Nude farm 1 mile east." These people who were indifferent to conventional farm dress were never fully accepted as a part of the community.

The father, whose nickname in the community was Shorts, had beginner's luck with his spring pigs. He actually succeeded in raising an average of better than 8 pigs to the litter from 26 pure-bred Duroc sows—a record I have never seen equaled. All went well until the pigs were about 4 months old. He had overlooked dipping his pigs every 30 days, and they were covered with lice. Shorts didn't even know what was wrong, so he sent out a Macedonian appeal to the honest-to-God farmers in the neighborhood for help and advice. "Will we help Shorts or not? Yes; we will." So they took 5 gallons of dip over to Nude Farm, sorted the pigs into closely packed pens, gave Shorts a sprinkler, and told him to walk in among his pigs and sprinkle them down. Shorts accepted the challenge and hopped around among his squealing pigs with his bare legs while the farmers sat on the side fence and laughed at the most absurd and ridiculous show they had ever witnessed. After that Shorts wore the conventional blue overalls of the neighborhood, and his daughters wore gingham dresses. He was then accepted as part of the community, but with reservations.

Though farmers, as a class, are in desperate straits, they are, perhaps, more content with their lot than they were in 1929, when their city cousins had fine jobs, clothes, and automobiles, to say nothing of superior, snobbish ways. Many farmers are actually concerned over the poverty of the day laborer's family in the town where they market their products. In some cases the town laborers who at one time did the wheat shocking and helped the farmer with his hay are actually starving, now that the farmer has no money and must depend on his wife and small children for help in the field at harvest time. Thousands of farmers are giving milk, sausage, and fruit to the town families of the laborers who once helped them with their work.

FARMER PHILANTHROPY

A onetime big-scale farmer recently plowed, harrowed, and staked off into half-acre garden plots 20 acres of land for the town folks who, in his more prosperous days, helped him farm his land.

"I have plenty of land," said the farmer, "but no money with which to hire labor to grow 12-cent corn; so why not cut corners and give the poor enough land to grow a year's supply of food? At current prices this land has no income value."

Tens of thousands of farmers are giving a home and plain country food to the children of city relatives who have been months without work. These children go to the country schools where overalls and cotton dresses are in the best of taste and bare feet are meant to walk on in the spring and summer.

Twelve years ago a large family sought their fortune in the city—except one brother, who stayed on the farm. Because the farmer brother could never get past the eighth grade he was nicknamed Dumb Henry by his city brothers, who were master carpenters, bricklayers, plumbers, and contractors. Now Dumb Henry, the farmer, is sending to the country school the children of his plumber and bricklayer brothers.

This is only one of thousands of cases in which big-hearted farmers who haven't $20 in their pockets are feeding and educating the children of our cities' unemployed. There may be cases in which city relatives have taken the children of farmers in order to keep them from starving until this depression is over, but I certainly do not know of any such cases.

If the farmer is in desperate shape, the condition of the small-town merchant is fully as bad, since he gets no sympathy whatsoever from the farmer, who must sell 12-cent corn and 3-cent hogs before he can buy. The farmer can dig himself in when times are bad. He can let his equipment run down. He can confine his operations only to his garden and a little plot of corn for his pigs, cows, and chickens. Not so with the country merchant, who must keep his stock of goods complete and up to date, or else lose to the larger city stores what little farmer trade there is left.

THE PLIGHT OF A MERCHANT

I know one case in particular where the proprietor of a small-town department store, who at one time had a thriving business and employed seven clerks, laid off all but one clerk and undertook to sell out his stock of goods and quit. But after the clerks were dismissed no one came to his store to buy his shelf-worn goods. Finally, he put up a sign which read: "I give up. Buy these goods at your own price." The merchant still has the goods, and the farmers are giving him the laugh. Even farmers who owe this merchant money will not keep him supplied with food. But they do give farm produce to the clerks this merchant dismissed.

The farming clan of America includes its full share of the blockheads and young, hot-headed holiday strikers; but, on the other hand, I think we can claim more than our full share of the level-headed thinkers of America.

As long as 5 years ago some of our most conservative farmers suggested a Government tax of a dollar an acre for growing wheat, 50 cents an acre for growing corn, and a subsidy of 50 cents an acre for growing soil-building legumes that were to be plowed under to enrich the soil. But did any politician listen to this practical suggestion? No; they gave us a Farm Board to speculate in grain as well as to hold it off the market in an abortive attempt to scare consumers into buying.

As I write this article the great solid majority among farmers is in favor of some plan that will cut production of foodstuffs to fit domestic needs. It is the hot-headed younger farmers who are decidedly in the minority, who resort to militant measures to starve city folks into paying a higher price for their food and who suggest fantastic plans for a high price for farm products that are consumed in America, with a low price for the surplus that is shipped abroad.

Some small-town merchants claim that the farmer who is burdened with debt is a better cash customer than the fortunate minority who are out of debt. This is only natural. It is in keeping with the everlasting law of self-preservation. A landowner whose farm is mortgaged for more than it is worth refuses to pay his land taxes and puts the money in more new clothes for his family than are actually needed, knowing that if the worst comes to pass he will never be asked to give up the clothes on his back.

It is only natural that the farmer, in desperate financial straits, will get a lot of satisfaction from chattel-mortgage sales where phone wires are cut so the sheriff cannot be called and where the bankrupt farmer's stuff is bid in for less than $10 by kind neighbors who give it back to the owner, who now has a new debt-free start.

It is hardly conceivable that the farmer who is entirely out of debt can have the same viewpoints as those who are hopelessly involved. Yet the great majority of those who hold their farms free of any encumbrance have a keen resentment for any mortgagee who takes a farm away from a man who has been a good neighbor.

Now, there are more farmers free of indebtedness than one who is not acquainted with the farming situation would suppose. The Reconstruction Finance Corporation estimates that at least half of the farms in the United States are free of any mortgage indebtedness; and, furthermore, at least one third of the farmers in the United States have no mortgage or personal indebtedness of any kind whatsoever.

I belong to this latter class of farmers, who have made the difficult job of keeping out of debt a daily watchword. I pay my land taxes as they become due because it pays me to do so, just as it pays the farmer who is about to lose his farm to let his taxes default. Therefore I have one item of expense that the debt-ridden farmer can and does side-step. Because I pay taxes and thus contribute more than my share to the cost of local government and community services I am far more concerned with this one and only big necessary cash outlay than I am with the low price of grain or livestock.

I take the stand that we farmers who overproduce are primarily to blame for the low prices we brought upon ourselves; but when it comes to high taxes, I get a high degree of satisfaction in finding fault with State, county, and township services that might be dispensed with until farm returns are again normal. In finding this fault with high taxes I probably go too far. I operate my farms on the assumption that in any and all events, the business of farming must at least pay its way on a cash-disbursement basis. As my work animals died off and as my implements wore out I cropped less land, got along with less help, and put more acres into soil-building legumes. As a result I have more than done my share in cutting down production.

But I am not the only farmer who has followed this program of drastic reduction of acreage and farm-operating costs. Most of the millions of farmers who are out of debt are out of debt because they have done without new equipment, and this is one reason that we have had a depression.

You may not know that the acreage in wheat in the United States has already been reduced from 76,000,000 acres in 1919 to less than 50,000,000 acres for 1932, and possibly as low as 45,000,000 acres for 1933.

The corn acreage has been reduced from 117,000,000 acres in 1917 to an estimated 85,000,000 acres for 1933.

There are not enough tractors, work animals, and implements in America to put crops in those big acreages of 15 years ago, even if farmers had the money; and that is the one thing they do not possess. In fact, I look for famine wheat prices in the United States in less than 2 years. If a shortage could command a price of $1.79 for a bushel of wheat in the depression of 1873–79, it can do it again.

A shortage, and nothing else, will bring about these high prices; and when high prices for farm products are realized, the business of farming will pay as it has paid in the past. When farming shows a profit, farmers will spend that profit for the things they have done without for the past 10 years; and then, but not until then, will the depression be over.

But what of the farmer and his land? Will he not have lost it all before farm returns again show a profit? No!

Only farmers know how to make a farm pay. Our banks and insurance companies who hold the mortgages do not care to own land they cannot operate at a profit. They will sell it back to farmers on long-time payments; and, in many cases, they may cut the debt in half as an inducement to get the present owner to stay on his land.

I have tried to show how the average dirt farmer thinks, feels, and acts in this depression. We farmers are better satisfied with our lot than we were 3 years ago. On the soil we find work and security in the one and only self-sustaining unit to be found in modern, complex society. When we get money we will spend; and the more we make, the more we will spend.

In the meantime, we will sell you city folks all the food you can afford to buy, and at the best price you are willing to pay.

We will not try to starve you out or smoke you out. We like you, but we like you better in the cities than we would if you all moved out to a little plot of ground in the country. Some of you might wear shorts.

SUMMARY OF FOREIGN DOLLAR BONDS IN DEFAULT

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed in the RECORD Letter No. 24 of the American Council of Foreign Bond Holders, being a brief summary of foreign dollar bonds, interest payments on which are in default.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Letter No. 24

A BRIEF SUMMARY OF FOREIGN DOLLAR BONDS, INTEREST PAYMENTS ON WHICH ARE IN DEFAULT, MARCH 1933 [1]

NEW YORK CITY, *March 21, 1933.*

Holders of foreign bonds are no longer greatly concerned with suspension of sinking-fund operations, but interruption in the half-yearly routine of cashing coupons affects most acutely their material well-being.

A study recently made by the American Council of Foreign Bond Holders has revealed that there are now 131 dollar bond issues, sponsored by foreign national, provincial, and municipal governments, as well as by foreign banks and corporations, which are partially or wholly in default on their interest payments.

The list comprises bonds pertaining to 18 countries, of which 9 are European, 7 South American, and 2 Central American. Only 7 out of the 18 nationalities are in default on every one of their dollar obligations, and 3 out of the 7 are making partial payments.

The total outstanding balance of these defaulted bonds is $1,486,047,000, reduced by operation of sinking funds from an original aggregate principal amount of $1,644,979,500.

Table herewith shows details of origin, total amounts issued, and total amounts outstanding for each country, seven of which are still paying interest on national-government obligations:

Countries	Amounts issued	Outstanding
United States of Brazil	$384,112,000	$329,203,800
Republic of Chile	344,612,000	325,883,000
Kingdom of Sweden	150,000,000	144,006,000
Republic of Colombia	115,485,000	98,365,900
Republic of Peru	94,500,000	91,286,000
Argentine Republic	102,893,500	89,503,000
Soviet Union of Russia	75,000,000	75,000,000
Kingdom of Hungary	86,198,000	70,461,500
Republic of Bolivia	68,400,000	59,422,000
Kingdom of Yugoslavia	57,250,000	54,497,500
Republic of Austria	60,000,000	52,043,300
Republic of Greece	38,000,000	36,518,500
Kingdom of Bulgaria	17,500,000	16,988,500
Republic of El Salvador	16,500,000	12,663,000
Republic of Uruguay	11,171,000	10,420,000
Kingdom of Netherlands	12,000,000	9,600,000
Republic of Costa Rica	9,800,000	8,898,000
Republic of Germany	1,500,000	1,287,000
Total	1,644,979,500	1,486,047,000

Interest on the aforesaid 131 loans is scheduled to be paid at the rate of from 5 to 8 percent. Discrimination is in accordance with details furnished by the following table:

	Principal outstanding	Yearly interest
3 bond issues at 5 percent	$144,006,000	$7,200,300
1 bond issue at 5½ percent	25,000,000	1,375,000
23 bond issues at 6 percent	475,984,500	28,559,070
17 bond issues at 6½ percent	269,237,500	17,500,437
1 bond issue at 6¾ percent	17,737,500	1,197,281
54 bond issues at 7 percent	349,156,300	24,440,941
16 bond issues at 7½ percent	68,100,000	5,107,500
16 bond issues at 8 percent	136,825,200	10,946,016
131 bond issues at from 5 percent to 8 percent	1,486,047,000	96,326,545

Only 4 out of the 131 loans are unprovided with sinking funds for redemption of bonds. Operation is by purchases in the open market when bonds are obtainable below the redemption price, or by the drawing of a stipulated number of bonds each half year or year. Such drawn bonds are payable at par or over par, in accordance with the terms of the bond contract. Discrimination is as follows:

Eighty loans redeemable for sinking fund by purchases in the open market.

Thirty-eight loans redeemable for sinking fund drawings at 100.

Two loans redeemable for sinking fund by drawings at 102.

One loan redeemable for sinking fund by drawings at 103.

Five loans redeemable for sinking fund by drawings at 105.

Four loans without sinking fund.

One hundred and thirty-one loans in default.

BRAZIL

Taking into consideration the area and population of Brazil and its resources, not only natural and prospective but actually tangible in the form of agricultural, industrial, mining, and florestal activities, the foreign debt does not seem to be unreasonably large and compares favorably with those of other borrowers of American dollars.

Moreover, the Federal Government is paying some interest in cash and the remainder of its own obligations in scrip, a circumstance which lifts this debt to a much higher plane than that of Chile, Peru, or Bolivia, although the scrip payment must be classified as default because bondholders who feel compelled to convert their scrip into cash now have to suffer a discount of at least 60 percent.

With the exception of one San Paulo 7-percent coffee loan, Brazilian State and municipal debts are in full default, since little heed can be given to alleged payments in currency at par to national banks, where it is held to the order of the depositors, who have in some instances drawn upon these funds for revenue.

The constitutional right of the States to contract loans abroad has always been a thorn in the side of the Federal Government, which has now resolved to abrogate, or at least restrict drastically, the liberty so often abused in the past. Some of the more powerful States will cling to their usual procedure, and others will be extremely glad to transfer their load to Federal shoulders under any conditions.

It will be extremely interesting to see what comes of this controversy; but a proposal, recently made, to convert the State debts into currency obligations will find no acceptance here. The probability is that the southern States will insist upon a goodly measure of the autonomy they hitherto enjoyed, with a view to reestablishment of their credit abroad.

CHILE

Seventh in area and fifth in population among the 10 South American republics, Chile is today in default, with its interest payments on the whole of a larger outstanding dollar debt than that of any of the others, except Brazil, whose total in default exceeds that of Chile by only $3,320,800. The country is rich in minerals but only about 26 percent of it is fertile, and of this three fifths is pasture land.

Nitrate of soda, the principal mineral product of Chile, is mined exclusively in two Provinces, Antofagasta and Tarapaca, seized, respectively, from Bolivia and Peru in the war of 1879–1884. During the European war years of 1915–1918, Chile exported 10,665,000 long tons of nitrate, on which the export tax alone amounted to $142,427,000, without counting the export tax on iodine, a by-product, or that on borax, also a product of the named Provinces. This levy represents 51 percent of the Government's total revenues during the 4-year period.

These exports were exceptional, but even after 1918 until 1929, during which period there were 4 lean years, exports averaged 2,000,000 tons a year, comparing with 2,666,000 tons during the war years; it being therefore inexplicable how Chile, disposing of such enormous resources wrested from its neighbors, should have been permitted to borrow the preposterous sum of $344,612,000 between 1922 and 1929, in addition to a huge debt in sterling, in order to maintain army and navy absorbing over 30 percent of the collected revenues and to finance costly public works, when it was perfectly evident that the development of synthetic nitrogen would eventually ruin the nitrate of soda industry.

SWEDEN

Although occupying third place in the list of defaulted dollar bond nationalities, Sweden has never failed to pay interest on its Government obligations and has to thank one man for a terrible blow to the national prestige. Investigation into the affairs of Kreuger & Toll and International Match Corporation is in competent hands, and Swedish Government bonds continue to merit the esteem of American investors, who know that Sweden still makes the best matches in the world.

COLOMBIA

In Colombia the procedure of the National Government has been idoneous and dignified. Interest is being paid on all National Government obligations, direct and contingent. The debts of two mortgage banks may be converted into National Government securities if bondholders will make certain concessions.

When it became evident that service on the departmental and municipal loans could not be remitted without serious depletion of the gold reserve, the National Government offered to pay interest on its own 6-percent scrip if the government in question would undertake to continue payments in national currency. The two most prominent departments refused to do so, and the plan fell through, much to the disappointment of bondholders. This situation causes anxiety, but it is incredible that the people of Antioquia, for instance, are reconciled to forfeit their long-established reputation for square dealing.

Colombia is waging a defensive war against Peru, which has cost to date at least $15,000,000; otherwise it is extremely likely that this year would have witnessed resumption of payments on all Colombian obligations, with certain adjustment of interest and sinking funds.

Since August 1930, Government finances have been wisely and efficiently ordered. The balance of trade is highly favorable, and the production of gold up 50 percent.

[1] Copyright, 1933, by the American Council of Foreign Bondholders, Inc.

PERU

Pending adjustment of the Amazon frontier controversy with Colombia, little can be said in favor of the Peruvian foreign-debt situation, which will remain desperate until Peru settles down to work in peace under an executive which commands the respect and allegiance of the people. This country, which used gold coinage exclusively when Argentina, Brazil, and Chile were floundering in oceans of depreciated paper currency, and which had reduced its foreign debt to the equivalent of $12,000,000 in 1924, when New York bankers started the heavy financing which was to swell the total by $94,000,000, is quite capable of regaining its former good reputation, although the fearful expense of war, civil or otherwise, has effected such deterioration in the economic structure during the past 2½ years that bondholders will probably be required to make extensive concessions.

ARGENTINA

Interest on 10 Argentine Government dollar loans is being paid with commendable regularity. Most of them are 6-percent obligations, the value of which has been rated by this market at between 40 and 50 this year—a 12 to 15 percent income yield because the Provinces and municipalities are slipping so fast that 10 issues out of 15 are now in default on their interest payments.

Buenos Aires, the premier Province of Argentina, which contains territories the fertility of which compares with the best in our own country or in Egypt, is the latest to default, and offers payment of interest in Argentine currency at par of exchange existing on January 1, 1933, to be remitted "when exchange is available", the balance to be funded by "arrears certificates", bearing interest at 5 percent. On January 1, 1936, full bond service should be resumed, but sinking funds will be devoted, in the first instance, to the retirement of the said "arrears certificates."

This plan applies to the dollar bonds only. Interest will continue to be paid in cash on the European issues, a discrimination which the provincial government seeks to justify by the contention that the break in sterling facilitates remittances to London. Sinking funds are suspended on both dollar and sterling issues.

Bondholders in the United States can hardly be expected to applaud this proposal, but those who refuse to accept it will not receive any payments whatever until they change their minds—a striking instance of the autocratic power wielded by debtors in this fourth year of the world crisis.

RUSSIA

If speculators are willing to pay $40 for a repudiated $1,000 Russian Government bond of 1916, it is because they believe it will be greatly to the advantage of a Russian Government of 1934, or later, to recognize the debt. It makes no difference to the bondholder whether the said government will call itself imperial, republican, or soviet when that time comes. The money was lent to the Russian people and if it is ever paid the Russian people will pay it.

HUNGARY

It must be disconcerting to many holders of Hungarian Government dollar bonds to discover that there are no less than 16 loans now in default. Several of them have names which do not even remotely suggest their origin. The one National Government dollar loan is not yet in default, and the amount outstanding on the three municipal issues is only $32,152,000. Evidently, therefore, the other 13 loans to banks, institutes, and corporations are chiefly responsible for the intolerable burden to this proud and ancient kingdom, which was shorn of 68 percent of its territory and 59 percent of its population in 1920 by the treaty of Trianon. It does not seem reasonable, for instance, that the European Mortgage & Investment Corporation should have been granted over $20,000,000 in 1926 and 1927, although this concern reduced its debt by $8,000,000 before defaulting on its interest payments.

Some bond service is being deposited in the National Bank of Hungary, but the financial condition of the Government is such that there is little hope of an early resumption of remittances.

BOLIVIA

The amount of Bolivia's foreign debt in default compares favorably with those of most other South American countries, and the Government of that Republic would merit a considerable degree of sympathy in its economic misfortunes were it not for the war of conquest against Paraguay which it has provoked, and the flagrant misuse of borrowed money for that purpose. Original purchasers of the 7-percent bonds may well feel indignant that they were beguiled into financing this iniquity, which is a disgrace to American civilization, although there is no evidence that the house of issue was better informed as to Bolivia's bellicose intentions than bondholders themselves.

Bolivia's discontent dates from 1879, when Chile occupied Antofagasta, the one Bolivian seaport on the Pacific coast. A port in the Chaco, opposite Asuncion on the River Paraguay, would provide a most unsatisfactory substitute, but better, think Bolivians, than no port accessible to ocean-going steamers. Intervention may reopen the question of the Pacific. Holders of Bolivian bonds should hope for the recovery of Antofagasta and tin—in other words peace and prosperity.

YUGOSLAVIA

Although Yugoslavia has much more than double the territory and nearly as much population as Austria and Hungary combined, its defaulted dollar debts outstanding are only 44½ percent of their total. The equivalent of full bond interest in national currency is being deposited in the national bank, since foreign exchange is temporarily unobtainable. This applies also to the State Mortgage Bank 7's.

This country inspires confidence, even in its humiliation.

AUSTRIA

Austria's outstanding dollar debt in default is smaller than that of its former partner, Hungary, and included a loan to the city of Vienna which alone accounts for over 50 percent of the whole—perhaps not an unreasonable ratio if the relative importance of that city to the remainder of the Republic is taken into consideration.

Austria offers payment of interest in national currency at the exchange rate of the day to bondholders who will spend or invest the proceeds in Austria. This offer compares favorably with the procedure of most of the other defaulting nations.

GREECE

Negotiations between the Greek Government and the English Council of Foreign Bondholders have demonstrated that Greece is prudently resolved to enter into commitments for remittance of bond service for 1 year at a time, in accordance with the financial conditions of the Government.

The $2 loans in default were issued under the auspices of the League of Nations, which has declared itself to be well impressed by the Government's anxiety to meet its engagements. Partial cash payments of interest were made last year, and will probably continue in a measure consistent with the country's progress toward solvency.

BULGARIA

Last July Bulgaria offered to pay 50 percent of bond service, but in November reduced its offer to 40 percent. The remaining 60 percent is to be invested in Bulgaria in a manner to be approved by the League of Nations. Evidence of good will and good faith is shown by this procedure.

SALVADOR

The 8-percent loan of the Republic of El Salvador, offered in this market on October 9, 1923, was remarkable for the unprecedented safeguards and guaranties surrounding it. These precautions were apparently powerless to prevent default when this smallest republic in America decided to follow the prevailing fashion, although its pledged revenues were considerably larger than in 1923.

Interest on the first-lien 8-percent bonds might therefore very well have been continued indefinitely, but a protective committee was formed which obtained the consent of the Government to pay interest only on those bonds which should be deposited with the committee's nominee, and thereby become subjected to payment of a fee for expenses and compensation.

It was originally proposed to issue $6,500,000 third-lien 7-percent bonds to cancel debt to International Railway, local banks, and other creditors in Salvador; but the issue was afterward gradually increased to $10,500,000, of which $9,008,100 is still outstanding.

Examination of this situation leads to the belief that these supplementary issues are largely responsible for the recent failure of the 1923 financing.

URUGUAY

It was reported early last year that the Montevideo municipal government was able and willing to pay bond interest, but was forbidden to do so by the National Government of Uruguay for reasons of foreign-exchange stringency. If this is true, the action was discreditable, because the gold reserve at the national bank is adequate to protect the currency, the low exchange value of which is due to want of confidence engendered by such procedure as this. Appreciation of the fact by this market is shown by quotations for Government issues, on which interest is still being paid, although sinking funds are suspended, as they were for 6 years from 1915.

HOLLAND

Holland-American Line 6-percent bonds are not dollar securities, but they were sold in this market, are listed on the New York Stock Exchange, and are quoted at a price per 2,500 guilders, which is practically $1,000. The issue was originally 30,000,000 guilders, say $12,000,000, of which 24,000,000 guilders, say $9,600,000, is outstanding. The bonds differ in no other respect from any foreign dollar corporation bond traded in here, and are included in this compilation as extremely interesting specimens. Only 63 bonds changed hands last year on the stock exchange, indicating that the Hollanders did not care to buy them, even at 13. One would have thought that the prestige involved would have been worth $600,000 a year to the Government of the Netherlands.

COSTA RICA

In August last the Costa Rican Government confessed that conditions of country and treasury made it imperative that instead of $2,387,500 for service on the 7-percent bonds of 1951 until and through 1935, it would offer only $245,452 to bondholders; that is to say, $23 in cash on each bond outstanding, plus 5 percent interest on the $222 balance, represented by funding scrip in lieu of 7 coupons to be clipped off the outstanding bonds, principal amount of which is $7,198,000.

It is ominous that a 5-percent sterling refunding loan, issued in 1911, is also subjected to this moratorium by the Costa Rican Government, although the bonds are a first charge on all customs duties, and the loan contract provides that in event of default of one monthly installment the trustee will appoint an agent having the sole right to issue certificates in which all customs duties will be payable.

In view of this fiasco and of the previous bad record of Costa Rica, it seems doubtful whether full interest and sinking-fund payments will be resumed in 1936 on the 7-percent dollar bonds or the Pacific Railway 7½'s.

GERMANY

There is still a possibility that Heidelberg city may pay the coupon due July 1 next, but fiscal agents have not received monthly remittances as called for by the bond contract, and the municipal authorities declare they will be unable to meet their obligations on that date.

It would be tempting to omit this one small item for Germany if it were not for the fact that two other German obligations, namely, Provincial Bank of Westphalia 6's and Bavarian Palatinate Consolidated Cities 7's, having matured for redemption this year, have not been paid.

For the bank maturity of $3,000,000, 10 percent is offered in cash and the remainder in blocked marks. The Bavarian Palatinate obligation amounts to only $140,500, but is followed by 13 other serial maturities, yearly until 1945, for account of the same loan, on which $3,134,500 is outstanding.

AMERICAN COUNCIL OF FOREIGN BONDHOLDERS, INC.
MAX WINKLER, *President*.

THE FARM BILL

Mr. WALCOTT. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting statement by the senior Senator from Rhode Island [Mr. METCALF] on the subject of the pending agricultural bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SENATOR METCALF DECLARES FARM BILL SUPER SALES TAX; WOULD LOAD STAGGERING BURDENS ON CONSUMER'S POCKETBOOK, HE SAYS; PREDICTS ANY ATTEMPT BY DICTATOR TO FIX PRICES WILL BE COLOSSAL FAILURE

By Ashmun Brown

WASHINGTON, April 1.—In agreement with President Roosevelt on much of the administration program, eager and willing to support that program in the public interest to restore confidence and stability, Senator JESSE H. METCALF, of Rhode Island, yet finds it impossible to approve the farm relief bill now before the Senate. In his opposition he has the sympathy, although not the votes, of a number of Democratic Senators who hesitate to oppose their party chief in a period regarded as an emergency, but who deplore the farm bill as something foisted upon the administration by farm leaders professing to speak for all agriculture.

After a studious analysis of the bill, Senator METCALF is convinced that the setting up of an Agricultural Department dictatorship over farming, as the bill proposes; extending that dictatorship to cover a considerable group of industries; levying nearly a billion dollars of new taxes on foods and wearing apparel, which must be paid by the consumers, not only will not aid the farmer but is certain to injure him and all other elements of the population.

"We can enter into endless discussions on the provisions of this bill", said Senator METCALF in a statement today. "These discussions would carry us into every phase of American life and into every economic practice existing within our borders. We might enter into endless discussions of its constitutional phases and its merits from the standpoint of workability. But any analysis of this bill, regardless of its length or detail, might be readily summed up in the statement that it is an economic dictatorship. The Secretary of Agriculture is given power to rent lands and force them to lay idle; he is given the power to determine the price of rental; he is given the power to arbitrarily impose a tax on everything we eat and wear, even on the towels and blankets in our home and the carpets that cover our floors. He is given the power to open factories or to close them, under regulations which he himself may write. He may impose a fine of $1,000 per day for violation of these regulations without recourse. While the consumer of products made from certain basic agricultural commodities is supposed to pay the tremendous tribute by reason of a surplus of these commodities, he is powerless to escape from the exaction. If the people of the United States increase their consumption of asparagus, the Secretary of Agriculture in his wisdom may tax the processing of asparagus to satisfy the producers of eggs. It is possible for this system of taxation to become an endless chain of ever-mounting exactions for the alleged benefit of agriculture.

DICTATORSHIP WITH VENGEANCE

"Such powers constitute a dictatorship with a vengeance. To administer even a portion of these powers would require an army of tax collectors, accountants, policemen, and innumerable parasites who would be preying on the very vitals of the Nation. I have heard estimates that it would require as many as 50,000 persons. The cost would be enormous. It has been estimated that for a family of five the tax would amount to $58.85 per year, all of which would be collected on the bare necessities of life. This bill is also a sales tax with a vengeance. It is a super sales tax, placed on the very necessities of life. In the last Congress a general sales tax was proposed for the purpose of balancing the Budget, bolstering the national credit, and maintaining confidence in American institutions. In that sales tax necessities were largely to be exempted. The last Congress was practically unanimous in its condemnation of an effort to place a one half of 1 percent tax on food supplies. What strange power has caused us to abandon our protectorate over the workingman, to abandon our efforts to keep easily available the necessities of life—from patriotic and principled championship of a free and open democracy to a crusade to place an overwhelming tax on the bare needs we once sought to exempt, and to establish a dictator?

PLAN UTTERLY UNWORKABLE

"How can a super sales tax of this kind be justified when we know if it even remotely approaches the expectations of its proponents it will be infinitely greater than any sales tax ever proposed? The actual cash burden of such a tax would equal three times the burden of the highest general sales tax proposed in the last Congress, and this tremendous total would be heaped on the bare necessities of life.

"This plan is utterly unworkable; the Nation is too big, too varied, too strong to tolerate such an absurd system of price control, or to have its individuality and its nationalism smothered beneath the stench of dictatorship.

"The administration of these powers would lead to an unending number of complications which no human being will be able to unravel. The dictator says, 'We shall not tax the food the farmer processes for his own table', and in doing this he is making class legislation of the worst kind. He is taxing one group of our people for the necessities of life and exempting another group. We are taxing 56 percent of our population for the essential food products and exempting the other 44 percent. Most of this large burden will fall on the industrial East. It will be an overwhelming burden on the factories of this country because of the inability of the consumer to purchase at such tremendously increased prices. The man without a job or the man with a very small income will have a hard time buying even the necessities of life.

FARMER OWN MIDDLEMAN

"Are we considering that thousands upon thousands of small communities receive their milk and eggs from the farmers of those communities, that the farmer is his own middleman? Are we going to tax the farmer every time he churns 10 pounds of butter and trades with his poultry-farming neighbor for eggs? Almost every small farmer in this country churns butter for the people of his neighborhood. If all the processed basic commodities are not to be taxed, how under the sun can we expect any sort of equitable administration of the powers, or hope that they might be used successfully? What about the tax on grain which the farmer feeds to livestock? Much livestock food is necessarily bought from the processor; certainly the farmer is going to pay that tax, and it is going to be hard for him to pay.

"The powers of taxation given to the economic dictator are practically without limit. If at any time he finds that any agricultural commodity or product thereof comes into competition with any article processed from basic agricultural commodities, he may place a tax on the competing article. The manufacturers of leather shoes will descend on the dictator and demand the tax on canvas shoes and deerskin shoes, and every other kind of footwear which might be directly or indirectly related to agriculture, because these shoes are in competition with leather, which is processed from cattle. The fact is, there is hardly anything under the sun that a human being has to have that cannot, under the terms of this bill, be subjected to a merciless taxation. As one thing springs into competition, so will other things spring into competition with it, and by virtue of that competition might be brought into the processing tax. Thus it could go on, into an almost endless number of products.

WOULD INCREASE UNITED STATES PAY ROLLS

"Most certainly the administration of these powers can increase employment only by bolstering the Federal pay rolls for the purpose of tax collection. Where are the employees of fertilizer factories to secure new jobs when lands lie idle and fertilization is made impossible on the crop lands? Where are the employees of elevators and railroads to secure new jobs when the transportation of farm products drops to the anticipated point? Where are the innumerable farm hands who will be thrown out of jobs by virtue of the abandonment of the land which required their assistance to find jobs? It is proposed to increase the farmer's purchasing power so that he may buy new and more farm equipment. If the purpose of this bill is achieved, he will need less farm equipment and not more; he will actually have a surplus of plows, and of reapers, and of tractors. Where will the men who manufacture the equipment to farm these lands find new jobs? Possibly they can apply to the dictator for a job collecting taxes?

"Are we considering the tremendous number of small farms? Is it possible to police these innumerable agricultural plots where the products of a few acres of land are traded from year to year for new seed and for the bare necessities of life which we propose to tax? The exercise of these powers will work an excruciating hardship on this small farmer. He can reap little of the benefit but will bear the cross of taxation, until he staggers under the overwhelming weight of his burden. The rental of marginal lands will necessarily take place in the regions of large farms, and it is in these areas that great expanses of fertile soil are lying idle to await the day for cultivation.

GRAIN ACREAGE DOWN

"Out of 983,000,000 acres of farm land in this country only about 400,000,000 acres are devoted to the production of crops and most of the 583,000,000 acres not now used for crop production are located in the very areas bordering on the very farms where the

marginal lands we proposed to lease are located. Why, the acreage in wheat has actually decreased within the past 14 years, rather than increased. In 1919, 73,000,000 acres were planted in wheat and in 1929 only 62,000,000 acres were planted in wheat. Wheat acreage has decreased by 15.2 percent. Does this mean we have got to lease 11,000,000 acres of wheatland before we can begin the leasing of that wheatland which would curtail production? There has been a decrease in the past 14 years of 5,000,000 acres in cornland. Does this mean that we must first lease 5,000,000 acre of cornland before we can negotiate leases to actually curtail the production of corn? There has been a decrease of 12 percent in the acreage of oats planted in this country in the past 14 years. This decrease is 4½ million acres. What would prevent the oat farmers from planting those 4½ million acres after they had leased some of their present active land to the Government? There has been a decrease in the acreage planted in rye of more than 60 percent during the past 14 years, or over 4½ million acres. There has been a decrease of 3,000,000 acres in the land planted with hay in the past 14 years. In 1924 there were about 34,000,000 acres of cropland lying idle, or fallow, but in 1929 these idle lands had increased to 41,000,000 acres.

NUMBER OF CATTLE DOWN

"The actual number of cattle on our farms has decreased by 12,400,000 in the past 13 years. There has been a gradual reduction. Certainly we cannot expect to bring about such a tremendous further depreciation in the number of cattle on our farms. No; we are proposing to authorize an experiment which shows on its very face to be absurd. The per-capita production of wheat in 1932 was the lowest, with only one exception, since 1866. The acreage of wheat in 1929 was 11,000,000 less than in 1919. On the other hand, the consumption of wheat flour has been showing a greater decline. The per-capita consumption of wheat flour in 1932 was 23 percent less than in 1913. In the past 2 years it has declined more than 8 percent. Certainly no measure could possibly be contemplated which would more surely bring about further lowering of the consumption of wheat flour. Where on earth can we end by sending down wheat consumption and wheat production at the same time?

"Not only will this bill make the balancing of our National Budget a difficult matter, but it will create a new Budget even greater than the old. It will complicate our problems of national finance to a point where it will take generations to unravel them. Business men will have little confidence in the economic stability of this country with such powers reposing in a Cabinet officer. They will not know from one day to the next to what new experiment in taxation their products will be subjected. Open competition will be stifled, because successful competition would be penalized by taxation. Such power would be a dire and dangerous blow to the exercise of free and open competition among our industries.

BASED ON "HIGH COST OF LIVING"

"The agricultural dictator chooses the period of 1909 to 1914 as the basis for obtaining agricultural parity. The Democratic platform, adopted in 1912, in the very middle of this era, said, 'The high cost of living is a serious problem in every American home.' The Republican platform of the same year said, 'The high cost of living has become a matter of world concern.' Running for the Presidency on the Democratic platform, President Wilson said, 'The high cost of living will be a matter receiving the serious and determined consideration of my administration.' In 1912 both the Republicans and the Democrats were seeking votes by broadside attacks on the high cost of the necessities of life. Today this same period is being used as a basis for boosting prices on the necessities of life. Further than this, they are ignoring all natural laws of supply and demand and substituting therefor a system of taxation unparalleled in the annals of humankind.

"Even assuming that we are successful in some degree in overcoming the problem of agricultural lands not now in use, and having done that, are further successful in squandering hundreds of millions of dollars for the rental of lands now growing crops, how are we to be assured that farmers, anticipating a better price for their grain, will not devote their additional leisure and unused equipment to the business of intensive farming? No one will deny that a farmer can grow on 80 acres of land as much as he would ordinarily grow on 100 acres of land by reason of intensive agriculture. Certainly we cannot limit the distance between corn rows, nor between corn hills, nor limit the number of pigs to which a sow shall give birth. These are things beyond the control of any dictator and no power under the sun is capable of coping with such problems.

ASKS ABOUT EXPERT

"Assuming further that we were successful in raising the price of cotton, how are we to export? Surely we cannot sell in foreign markets a production which has been artificially boosted in value. How are we to meet competition from foreign countries? Even now Egypt is contemplating a vast increase in cotton acreage. Are we to sacrifice our foreign market at the expense of our domestic consumer?

"The President has stated that this is a new and untrod path. If it is to be trod once in this country, I predict that it will never be trod again so long as records exist in the world for the benefit of future generations. It is a path of price fixing by taxation through the exercise of dictatorship. For the past several years Brazil has been burning mountains of coffee, and coffee is selling at the lowest price in history. A few years ago Great Britain tried to fix the price of rubber and by an experiment with a single commodity, stirred up an economic hornet's nest throughout the world and ended with failure. We, ourselves, trod a path of price fixing—a dismal and expensive failure we are now almost ashamed to recall. Certainly the path of price fixing has been trod before. It is a path strewn with miserable and disastrous failures of every description. The experiments left destruction and chaos in their wake.

DICTATORSHIP NOT NEW PATH

"Surely a dictatorship does not constitute a new path. Dictatorships have sprung up in times of crises, when great civilizations, losing for a moment faith in long-established democracies, have placed their hope and trust in autocratic experiments in government. Nations have been taxed to death. Those who will face the truth today must know that this Nation, young as it is, is rapidly becoming smothered in a labyrinth of taxation which is eating away its vitals. No, there is no untrod path in price fixing, and no untrod path in taxation, and no untrod path in dictatorship. For thousands of years these paths have been followed, always beginning in an era of distress and ending in disaster.

"Our Government is already supporting entirely too great a number of people. As a result of the enormous increase in public employees and pensioners, all branches of Government in this country are supporting either wholly or in part, more than 10,000,000 people. Think of it! One seventh of the adult population of the country supported wholly or partially by taxation. And the number is increasing daily. Every month the Federal Government sends pension checks to 1,308,084 persons. Those receiving part or all their support from taxable resources of cities, States, and the Nation are:

Veterans	1,308,084
Federal employees of all classes	949,328
Tax-supported insane institutions	292,000
Prisoners, daily average	223,000
Federal hospital population	39,407
School teachers	1,037,605
State, city, and county pay rolls	1,312,000
Directly or indirectly on roads	2,750,000
Directly and indirectly, working on public construction	900,000

MANY PENSIONERS NOT INCLUDED

"The total number of persons in these groups is 8,811,424, and this figure does not include pensioners of cities, States, counties, and towns, or persons receiving bonuses or other forms of financial aid from any division of the Government. No public charities are included in these figures. In considering our public expenditures we should not lose sight of natural economic laws and the dangers of overtaxation.

"It is a strange thing that out of the miserable failures of our attempts to assist agriculture, we have not learned a fundamental lesson which the farmers themselves have tried to teach us. The farmers have cried out against the parasites of farm lobbies, of farm bureaus, of union organizers, and most particularly against the overwhelming cross of taxation. Our States and our cities and our counties, as well as the National Government, have been crucifying our citizens with ruthless expenditures. We pinion them down with taxes and more taxes, until they are scarcely able to move. The urban dweller cannot consume the farmer's wheat because he must pay the Government 40 percent of all he earns. I think the finest thing we can do to help the farmer would be to let him alone, with two exceptions: Help him in some way to relieve the burden of indebtedness and bring about a drastic reduction in his taxation through governmental economy. The farmers are sick and tired of farm lobbyists who pretend to be magicians. They are intelligent enough to know that there are no miracle men sacrificing their careers for the benefit of agriculture.

MINNESOTA FARMER SPEAKS

"A short excerpt from a letter from a Minnesota farmer will emphasize this point. It reads as follows:

"'People think the farmers are asking for all these things to be done, but it is just a bunch of grafters living on tax money. Just to show you how much the farmers want the county agents and all the other things, we had a tax meeting and, out of 120 people, 110 were against him and in 2 weeks the president of that bureau got the money allowed for him. People here are losing their places; and if they could be left alone a year until prices come back, they could save their homes. We are the people who should be protected, for we are trying to care for ourselves, and the real farmer has never asked anything but to be let alone.'

"I am not arbitrarily opposing the granting of unusual powers to the President. I believe a democracy should be flexible and that there may be times when the exercise of a very limited dictatorship would help guarantee the existence of the institutions and principles of such a democracy. The cost of Government has mounted high, and the inability of governing bodies to sufficiently reduce it has been demonstrated. In the matter of Government economy I think we were justified in extending the powers of the President. This same I believe to be true in the crisis which faced our banking system. We are justified in extending the powers of our national leader to meet grave emergencies; but I think when we unconditionally surrender our protectorate over the necessities of life, we are admitting a failure of democracy rather than making a move toward protecting its institutions. I cannot condone, even for a moment, a move of this Congress which would place in the hands of an Iowa newspaper publisher almost autocratic powers of taxation of the necessities of life; powers which in themselves constitute a dictatorship over

our entire economic system. The whole foundation of civilized government is based on the degree to which that government may control the necessities of life, and the manner in which it protects the rights of men to obtain food and shelter."

THOMAS JEFFERSON

Mr. KING. Mr. President, I ask unanimous consent to have inserted in the RECORD a very able and interesting address concerning Thomas Jefferson, delivered by my colleague the junior Senator from Utah [Mr. THOMAS] at the Jefferson banquet in St. Louis, Mo., on April 1, 1933.

There being no objection, the address was ordered to be printed in the RECORD, and it is as follows:

Last month in an address which I delivered in the Salt Lake Tabernacle, using Abraham Lincoln as a theme, I attempted to stress what might be called the basically spiritual factors used in forming a national cult. My theme then was Lincoln. My theme tonight will be Jefferson. The lives of both persons, though, inspire the same spiritual treatment; therefore, I trust that you will forgive me if I approach these two men as patron saints of our American democracy, and give them their proper place in our American national cult.

President Coolidge declared that the great hope of this country rests in its spiritual development; that nations without spirituality perish. The psalmist put it: "The fool hath said in his heart there is no God." In Proverbs we read, "Where there is no vision the people perish." Confucius, the great Chinese philosopher, said that eternal life is the social heritage; and Mencius, his chief disciple, in explaining what is meant by social heritage, does it by contrasting that which makes man different from the other animals. The lower animals, he said, have no social memory. Man, on the other hand, not only retains a memory of the past and is able to draw on experience to aid him in the present, but also can project himself and his fellows into the future. It is because of this fact that man alone of all the animals is first of all a teacher. Thus, great men never die; and valiant deeds live on forever. Thus national life and traditions are developed; and thus great cults are formed.

In this way human institutions become in very deed living souls—souls, too, with many characteristics. When the institution is a nation, the words, acts, and lives of those among the nation's great who represent the universal desire of the nation become the nation's ideal and inspiration. Thus, our national cult has been formed.

The lives of two men have been definitely placed by almost universal acceptance in the foundation of this cult, and mark two corners of its base. No one doubts but that the lives and ideals of Washington and Lincoln are part of this foundation of the American national spirit. The third corner may be occupied at one time or another by a Jefferson, a Roosevelt, a Jackson, or a Wilson; by an Emerson, an Edison, or an Elliott; by a Webster, an Adams, a Sumner, a Schultz, or a Benton; by a Hamilton, a Madison, a Franklin, or a Jay; by a Marshall, a Story, a Taft, or a Holmes; by a Martha Washington, a Dolly Adams, a Frances Willard, or a Jane Addams. All these and many more have, and are at times most worthy of, a place.

The fourth corner of this foundation of the American national cult shall be forever left vacant. It is the corner of projection, of aspiration, and hope. It is there that every American youth and every American maid, filled to the overflowing with the spirit of service for America, shall project himself or herself into his or her country's destiny. Thus, we have created a framework of an American cult. It is here that the spirit of America shall find its eternal existence.

As that which we call soul growth is the greatest essential for the individual, just so it is for the institution and the Nation. Men in nations and in institutions sometimes are found who see only the physical needs in those institutions and nations. To dull the spirit is to curb the soul growth. Men who would administer the affairs of nations and of institutions cannot too well learn that spirit. To destroy an ideal, to curb an aspiration, or to dull a soul is to give a killing effect. We must learn to realize that nations, like individuals, have souls. We cannot always lay our finger on it nor define it for, like the soul of man or like such a concept as Rousseau's general will, it cannot be described nor can it be discovered. But if this spirit is marred the damage is felt and the hurt is not removed in days, and at times the stain remains through the years. A gross, a narrow, or a dastardly act—such as giving rise to or incident to the perpetuation of, say, the Hitler regime in Germany—may bring sorrow to thousands and leave a lasting injury. The loss of a few lives in fanatical and zealous persecution, the destruction of property, may be soon overcome, but the spirit and genius which have made Germany and the German people what they are may be marred and hurt in a lasting way. A thoughtless, overly enthusiastic, ambitious act, based upon false pride or imagined injury to a national dignity, may destroy the spiritual glory which makes and keeps the Mikado's Empire a living soul and an inspiring motive to her whole people. A Shanghai incident or a Jewish injustice may gnaw for years at the souls of these great peoples as an unworthy act that worms its way everlastingly into the conscience of a thoughtful man.

Why has America definitely given to Washington and Lincoln places in our American national cult? Theodore Roosevelt, I think, has best answered that question for us. "There have been other men as great", said this strenuous American, "and other men as good, but in all the history of mankind there are no other two great men as good as these, and no other two good men as great." We know from reading further from Roosevelt what he meant by the two adjectives "good" and "great", for we see that he thought that both Washington and Lincoln possessed all the gentler virtues commonly exhibited by good men who lack rugged strength of character and all the strong qualities commonly exhibited to the exclusion of those gentler virtues by the "towering masters of mankind."

Let us now turn to a consideration of that cornerstone of our imagined national cult edifice on which we have engraved for tonight the name of Jefferson. Consider his life briefly, and see why we are justified in letting that life represent an outstanding ideal of American Democracy. Thomas Jefferson was president of the American Philosophical Society, and on the 11th day of April 1827 Nicholas Biddle delivered the society's oration in honor of Jefferson. I shall take from this great speech a paragraph essential in supplying our background and essential to the making of Jefferson the man, and of the creation of America the nation. I quote:

"Thomas Jefferson was born on the 2d day of April 1743 in the county of Albemarle in Virginia. His ancestors had at an early period emigrated from England to that Colony, where his grandfather was born. Of that gentleman little is known, and of his son the only circumstance much circulated is that he was one of the commissioners for settling the boundary between Virginia and North Carolina, and assisted in forming the map of Virginia, published under the name of Fry & Jefferson. These occupations require and presuppose studies of a liberal and scientific nature—but his character presents nothing remarkable; and our Thomas Jefferson, instead of the accidental luster which may be conferred by distinguished ancestry, enjoys the higher glory of being the first to illustrate his name. The patrimony derived from them placed him in a condition of moderate affluence, far beyond want yet not above exertion, that temperate zone of life most propitious to the culture of the heart and the understanding. He received his education at the College of William and Mary; on leaving which, he commenced the study of law under Chancellor Wythe, and after attaining his majority was elected a member of the State legislature. During several years afterward he was engaged in a successful and lucrative practice—and it is attested by one, eminently fitted by his own merit to appreciate that of others, that his arguments, which are still preserved, on the most intricate questions of law, prove his ability to reach the highest honors of his profession. Undoubtedly the vigor of mind which he could bring to any pursuit would have rendered him distinguished in it; but his repugnance to public speaking would probably have prevented his attaining great eminence as an advocate, and we may not regret that the intellectual discipline and acuteness of that profession were soon applied to his duties as a member of the legislature, and to those liberal studies which prepared him for the great crisis which was rapidly approaching. Of that event the first impulse was to startle into vigor the whole intellect of the country, to summon all its citizens to active duties, and to make every occupation and every profession yield up its brightest and its bravest to the camp and the senate. It is at such an hour, compared to which the excitements of ordinary existence are utterly spiritless, that the native strength of the human character is displayed in the moral sublimity of its nature. It is then are roused from the depths of their own musing the master spirits whom the common interests of life could not tempt from their seclusion, but who now come forth with the contagious enthusiasm of genius, and assume at once the dominion which less gifted minds are content to acknowledge and obey. In this commotion of all the original intellects of America, Jefferson yielded at once to the inspiration, and was from that hour devoted to the great cause of freedom."

In the making of this great Nation, what were Jefferson's own ideas about the essential factors? We find the answer to this question in Jefferson's own epitaph: "Here was buried Thomas Jefferson, author of the Declaration of American Independence, of the statute of Virginia for religious freedom, and the father of the University of Virginia." In a life full of honors, of activities, here we find Democracy's patron saint recognizing as important, above the other things, national independence, that a nation may work out its life and destiny in its own way; individual independence, that a man may think as his mind directs, believe as his heart desires, and worship as he sees fit.

Then, in Jefferson's pride as a father of a university, do we not see his acceptance of the theory of a reasoned, planned, thoughtful, and intellectual life for both man and the Nation? The philosophy of progress is accepted, the perfectibility of man and government are hinted at, and both man and the Nation occupy a place of dignity in the eternal scheme of things as they were never before so privileged in the philosophies of other thinkers. Our American Constitution is now the oldest constitution on earth. This fundamental American institution has stabilized itself by becoming a living organism. The Jeffersonian philosophy has contributed to this.

America has not been frightened at experiment. Jefferson feared that man might become ruled by his dead. He therefore accepted the theory of revolution, and went so far as to assume that there should be a governmental revolution at least once in every generation, so that men's political ideas may not be re-

tarded by the past. And in the working-out of our governmental process this theory of revolution was incorporated in our constitutional scheme—of course, not by Jefferson personally, because Jefferson was not a member of our Constitutional Convention, nor was he even in our country at the time the Constitution was written; but his spirit was there, his doctrines were incorporated, and America in its election practices has followed the theory of governmental revolution, governmental change at regular periods in orderly manner—a substitution of ballots for bullets, if you will—but revolutionary change nevertheless.

Our Supreme Court scheme of interpretation reflects the fact that the American Constitution is a living organism and not a dead binding force. The Jeffersonian principle there shows itself. One other simple fact about the evolution of the American Government: There is, you know, the story of the person who went into a French bookshop and asked for a copy of the French Constitution. The book dealer replied: "I am sorry, but we do not carry current literature."

When the French Revolution was brought into existence, and at the meeting of their Constituent Assembly, it was decided by the idealistic Frenchmen there that in the government which was about to be set up, no person who was a member of the Constituent Assembly should be a beneficiary of the about-to-be-established government; idealistic, to be sure, but not politically practical. In answering the question, how it happened that America is stable, let us answer by contrasting this French experience with our own. The American fathers—some way or another—recognized the important fundamentals which Jefferson himself recognized in his own epitaph. America, to be sure, is both a child of evolution and revolution, but with us, after all, stability is due, first, to our great educational scheme, a fundamental Jeffersonian principle; second, to our recognition of the fact that government is, and always has been, a mere reflection of persons, and always acts in a personal way—a Jeffersonian principle; and, therefore, we see, in reviewing American history, the same leadership in the period of our revolution, in our constitution-making, and in the setting-up of our Government.

Let us note, to illustrate further, the life-long influence of Thomas Jefferson: First, his leadership as author of the Declaration of Independence; second, his leadership in our foreign relations with France; third, as author of the Northwestern Proviso, the fundamental scheme in accordance with which our new States have been organized; fourth, as an establisher of our foreign relations as Secretary of State under Washington; fifth, as Vice President, during which period he wrote Jefferson's Manual, the fundamental parliamentary rules, by which the Senate of the United States is guided to this day; sixth, his public-land scheme; seventh, his insistence upon the acceptance of the decimal system; eighth, his eight epoch-making years as President of the United States; ninth, his post-Presidential influence, extending until the day of his death in 1825, when Monticello became the shrine of American Democracy; tenth, his fathering of and his leadership in the great political party which has been contemporaneous with the whole history of our country, and which has contributed probably more than any other single thing to the American two-party system, and which has shown a power of existence greater than any single institution, excepting our Government itself. The Democratic Party survived the Civil War. It split, to be sure, but in 4 years it was reunited. The American churches were divided at the same time. They have not been able to come together since.

Other political parties have been to a greater extent single-issue parties, and therefore they have come and they have gone with their issues; The Federalist, the Whigs, and the Free-Soilers. The Democratic Party, based as it is upon the fundamental philosophy not only of government but actually of life itself, has stood throughout the history of our Nation, never completely vanquished. In relation to this it is interesting to point out that but two Presidents of the United States have had political theories universal in their application and world-wide in their nature, and these two have both been Democrats. Thomas Jefferson gave us the philosophy of democracy which has become a world-wide accepted fundamental principle. Democratic governments are attainable through the education and the training of democratically minded individuals. Governments derive their powers from the consent of the governed, and nations are made by a universal acceptance of the fundamentals of a democratic philosophy, which assumes, first of all, the perfectibility of man, his progressive growth and development, and the further acceptance of the theory that his nature is ultimately good. The acceptance of such doctrines results in a philosophy of the state, which recognizes national and state morality, and an ethical basis for political action.

Woodrow Wilson applied these same democratic theories in presenting his schemes for international actions and in his attempt to bring about an international morality, a world recognizing the law and acting in conformity with law, restraint rather than force, and an ultimate bowing of the individual national will to world sentiment.

Jeffersonian democracy has not yet been attained in the world in its perfected state or in its ultimate. Wilsonian international morality seems a long way off, but both are attainable, and the world will see both working, because both are based upon the highest ethical and moral political theories.

So far in our discussion we have lived in the past and dealt with theory. In practice what have we? Throughout the world we find the nations, in a way, turning their backs upon the fundamental Jeffersonian principles of the American Revolution. In the late war we fought, supposedly, to make the world safe for democracy, and wherever constitutions were set up after the Great War they were generally set up on a democratic basis. Thus the American Revolution gave promise of becoming a world-wide revolution and the accepted form for governmental organization throughout the earth. But the old governmental cycles seem to have a hold on man today, as Aristotle thought they had at all times, and everywhere in the world out of the democratic constitutions we see autocratic tendencies springing. Dictatorships seem to be the vogue. Are these facts contradictions or are they sequences? History alone will answer that question.

In times of national emergency it is necessary for nations to act as a unit. When things must be done immediately the details connected with the doing must be left to the one, or at least to the few. Watch American democracy working at the present time. Under an inspired leader we see the unifying influence of it work. Some may think that dictatorial powers are becoming the vogue here as in other lands. The history of our country shows us that this is not the truth. At every emergency in our history dictatorial power has been charged, but never once has a dictator in fact developed. God grant that we may never see the day when this shall be necessary; but we must have united action now or our emergency will not be overcome. I repeat: Watch us as a nation spring to the support of the inspired leadership of our newly inaugurated President, and note what united action can do. From one end of our country to another the spirit of despair is gone. Pessimism has left; optimism has returned, and men are living again lives of hope for the future. It is not merely psychological. The program so far presented, and so far initiated, and to a certain extent so far accomplished, is very much greater than merely a psychological program. It is economic; it is political; its effect will be lasting.

Let me review for you, if I may, the accomplishments of the last 25 days: The banking bill, the Economy Act, the beer bill, the emergency relief for earthquake sufferers in California, the reforestation bill. Unemployment measures are promised, a public-building program is projected, reforms in regard to investment securities will be forthcoming, agricultural relief bills are in the making. It is interesting to note that each one of these measures is based upon a theory which, in its final analysis, has for the upbuilding, the general welfare, and the economic happiness of the average man—the theory of democracy working. Never in the history of our country have we seen our Nation rallying so splendidly in support of fundamental Jeffersonian principles. Our ability to achieve will stand out as a beacon to a temporarily disillusioned world, which has lost faith in democracy and has fallen into the outstanding error of all history: That man is incapable of governing himself.

Now, for us here tonight, let us renew our faith in democracy, and point out the fact that all that man has gained throughout the whole history of humanity has been accomplished, because man was willing to experiment. People today would be on the same level as the Australian bushmen if certain individuals had not been willing to try—to test and to discover a better way to do, or a finer way to live.

The genius of the American Government, after all, is, as has been said by great thinkers on government, the fact that we have not a single American Government operating everywhere at the same time, but we have, in reality, 49 distinct and separate sovereignties operating at the same time, and each one a democracy. Each one, too, in a way, is experimenting with something new—some new change in accordance with a sort of scheme of trial and error, if you wish—but experimenting nevertheless. And out of this cannot help but come advancement, progress, new aspects, new interpretations, new ways of doing things. This is political man's way of proving that the law is made for man and not man for the law; in proving that it is the spirit that counts and not the letter. It is the philosophy, the philosophy of the wise of all times that we see operating in our Nation today.

Franklin Roosevelt, our great leader, has, thank God, shown himself to be a leader not afraid to try, not frightened of the new, not dealing with things in a spirit which accepts the theory that man is a victim of the law of his surroundings, be they economic, social, or political, but that man can remake and can change his economic, his political existence, if he so chooses. May the brightness of the leadership which we have seen displayed in the last month not be dimmed; may the enthusiasm of a nation united to do not be dulled; and may we all go forward with renewed faith and devotion, and believe in those great fundamental principles which have made us what we are, and which will keep us trying, trying, everlastingly trying, until the near ultimate is gained.

I am here as your guest tonight in a State and in a city which are not my own. I am loath to become a party to local politics; first, because I am your guest; and, second, because tonight we have tried to worship at the shrine of our American national cult as Americans, thinking only of the welfare of the people as a whole; but in many places in our country local elections are about to be held. Can we not all here tonight hope, work, and even pray, that in these elections the people of local communities will work and vote to prove the existence of a united Democracy, striving to help the average man, and will vote in such a way that they will prove to the world that America is united in very deed, in spirit, heart, and soul with Democracy's latest champion, Franklin D. Roosevelt.

5-DAY WEEK AND 6-HOUR DAY

Mr. BLACK. I move that the Senate proceed to the consideration of the bill (S. 158) to prevent interstate commerce in certain commodities and articles produced or manufactured in industrial activities in which persons are employed more than 5 days per week or 6 hours per day.

The VICE PRESIDENT. The question is on the motion of the Senator from Alabama that the Senate proceed to the consideration of Senate bill 158.

Mr. BORAH. I should like to ask the Senator if it is his intention to undertake to dispose of the measure today?

Mr. BLACK. I do not anticipate that we can dispose of it in 1 day, but I intend to speak on it immediately, both as to the policy involved and its constitutional features.

Mr. BORAH. I should be very glad to have the Senator discuss the measure.

Mr. BLACK. I expect to discuss it at length.

The VICE PRESIDENT. The question is on the motion of the Senator from Alabama.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 158) to prevent interstate commerce in certain commodities and articles produced or manufactured in industrial activities in which persons are employed more than 5 days per week or 6 hours per day, which had been reported from the Committee on the Judiciary with amendments.

Mr. BLACK. Mr. President, it is my intention at this time to discuss Senate bill 158, which, by motion, has been taken up in the Senate for consideration. I desire to invite those who have any questions in their minds as to the constitutional authority of Congress to pass this measure to remain in the Chamber, if they can, while I present the legal phases connected with the bill.

A thorough and careful and long and painstaking investigation has convinced me that there can be little question of the right of Congress to pass this bill in the form in which it appears before this body. I say that in spite of the fact that those who have given but superficial consideration to the decision of the Supreme Court in the child-labor case have frequently been of the opinion that this measure would come in direct conflict with that opinion. I deny that this bill would be held unconstitutional, even if the majority opinion of the court in the Dagenhart case should be adhered to. There is a clear line of demarcation, and, in my judgment, a careful and analytical study made by any lawyer interested in the proposition would cause him to reach the conclusion that, even if the majority opinion in the child-labor case should continue to be the law of the land, the bill would stand the test of the Supreme Court of the United States.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER (Mr. LONG in the chair). Does the Senator from Alabama yield to the Senator from Maryland?

Mr. BLACK. I yield.

Mr. TYDINGS. I will ask the Senator if he will yield for a question now, or would he prefer that I withhold my question until later? I do not want to disrupt the Senator's line of argument.

Mr. BLACK. I am perfectly willing to proceed in either way. I have endeavored to arrange in logical sequence the questions occurring with reference to the bill. I shall have no objection, however, if Senators desire, to take them up in another order.

Mr. TYDINGS. I will accede to the Senator's wishes in the matter. I do not want to disrupt his argument, but I am anxious to get a couple of matters cleared up in my own mind. However, I will wait if the Senator prefers.

Mr. BLACK. It is my judgment that I shall probably discuss all the questions the Senator has in mind.

Mr. TYDINGS. Does the Senator intend to discuss those matters dealing with crops that are put up in a very short space of time?

Mr. BLACK. I will state to the Senator that perhaps with reference to that it would be as well to suggest my attitude now as at a later time.

A number of telegrams have reached Members of the Senate with reference to the application of the pending bill to canneries. The argument is made that on account of the short time the canneries are able to engage in work, it would not be possible for them to perform their duties, under the provisions of the bill.

When this bill came up before the subcommittee, we invited, publicly and every other way we knew how, all who were interested in any exceptions to appear before the subcommittee and make their requests known. I realized then, as I realize now, that perhaps there are some particular kinds of business as to which, by reason of the temporary nature of the work, there might necessarily be required some kind of an exception. I shall be very glad, before the bill reaches a final vote, to have those matters presented, with the full facts, so that the Senate can reach a conclusion as to whether the suggestions represent a bona-fide necessity, or simply a desire, and I shall be very glad to discuss that later with the Senator.

Mr. TYDINGS. I may point out to the Senator, just along the line of his own observation, that there are many industries in the country in which labor is transported for a period of 10 days or 2 weeks to deal with an agricultural crop which happens to come to harvest time all within a very short period, and in a great many cases the transportation of twice the amount of laborers would be necessitated, because if the days were divided up into two parts of 6 hours each, it would require the transportation of double the number of individuals with whom to perform the work.

The second thing I wanted to call to the Senator's attention was this: If the 5-day week and the 6-hour day are put into effect, how are the wages of those who are now working by the hour to be kept at their present standard from the standpoint of daily return?

Mr. BLACK. May I state to the Senator that his question came up before the subcommittee, and I expect to discuss it later. I will say, however, that if the bill should result, as did the share-the-work program, in bringing about a reduction of wages in proportion to the reduction of hours, it would not accomplish its purpose. It would not accomplish its purpose because all of us recognize that one of the chief difficulties in the economic machinery today is the lack of purchasing power on the part of those who must buy the products of the trade and commerce of this Nation.

A suggestion was made by some that the bill should have attached to it a provision for a minimum wage. The Supreme Court has expressly ruled, under the facts and circumstances then before it, that any minimum wage law would contravene the Constitution. Therefore, the Senate Judiciary Committee did not deem it wise to place on this bill a minimum-wage provision. But it is our opinion that if it could be done it would not be injurious to industry, by reason of the fact that the competitors of those who were compelled to maintain a decent standard of wages would also be compelled to do the same thing. The competitors of those who were compelled to work their employees shorter hours would have to do exactly the same thing.

The result would be that there would be established throughout the country a standard of working hours. There will be a decided hostility and opposition throughout this Nation to an effort on the part of those engaged in employing labor under present conditions to destroying further the purchasing power of this Nation by reducing wages in proportion to the reduction in hours. It is my belief that if industry did attempt to follow such a method, the power of Congress would be broadened and amplified to meet new conditions.

I expect to point out later that conditions may so change in a short period of time that legislation is justifiable under the Constitution which could not have been upheld under different conditions previously existing.

Mr. TYDINGS. Mr. President, will the Senator yield again?

Mr. BLACK. I yield.

Mr. TYDINGS. Of course, this bill has behind it the idea that we have reached the point where it is absolutely necessary to share the work, and I am not taking any exception to that. But as a practical result of the enactment of the bill, it occurs to me that this situation would be evolved: Suppose, for the sake of illustration, a plant were working 24 hours a day, and had three 8-hour shifts. Suppose, instead of having three 8-hour shifts, under this proposed law it would have to have four 6-hour shifts. A man working 8 hours a day, we will say, at 50 cents an hour, would be getting $4 a day. Would he not get $3 a day under this 6-hour bill? Of course, the amount of money which the mill would pay out would be the same for the day's work, except that 4 groups instead of 3 groups would receive the payment. Therefore, while more groups would be earning, those who are now employed would, to that extent, lose one third of the money they now receive for an 8-hour day. I was wondering whether or not the Senator had, as I know he has, considered that phase of the matter, and if my idea about it is correct or wrong.

Mr. BLACK. It is my judgment that the Senator's idea that such result would follow from this bill is wrong.

Mr. TYDINGS. Will the Senator let me interrupt his thought, and perhaps I can save him an explanation. The mill would then have to pay more for the same amount of work than it now pays for that amount of work, when 4 groups instead of 3 groups turn out the same amount of work in 24 hours, if all of them are to receive the same amount of daily wage under the 4-shift dispensation as they now receive under the 3-shift dispensation.

Mr. BLACK. I sincerely hope the Senator is correct; and I may state that such viewpoint was maintained by many before our committee who are engaged in manufacturing enterprises and others representing labor. My idea is that labor has been underpaid and that capital has been overpaid. I am of the opinion that that is one of the chief contributing causes to the present condition in which America finds itself.

Mr. TYDINGS. Mr. President, will the Senator yield again?

Mr. BLACK. I yield.

Mr. TYDINGS. I do not want to consume too much time, but as long as we are on this subject I would like to pursue it a step further. I cannot see how, by legislation, we can compel an employer who now has 3 shifts working 8 hours a day, and each person in each of those shifts making $4 a day, to pay 4 shifts $4 a day, when they render only three fourths as much service as would be rendered by an 8-hour shift.

Mr. BLACK. I may say to the Senator that the bill does not attempt to compel that.

Mr. TYDINGS. I understand that.

Mr. BLACK. As a matter of fact, if we had the legal authority, I would not object to that at all; but there will be other compelling factors. One of them will be the force of organized labor. Another will be the force of organized public opinion. It is my judgment that the people of this Nation have realized at last that men who are employed in industry cannot be starved, they cannot be underpaid, and at the same time depended upon to buy the products of industry throughout this Nation.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. BLACK. I yield.

Mr. McKELLAR. It seems that the bill does not cover agriculture at all.

Mr. BLACK. It does not.

Mr. McKELLAR. Why was that left out?

Mr. BLACK. It was left out deliberately, for the reason that the man who is working on a farm is at the mercy of the elements. The man who works in a factory is not. A factory is a shelter. Those employed there can work whether it rains, snows, sleets, or the sun shines. The farmer cannot. It is absolutely essential to his success that he put in every hour possible at the periods which are propitious for his work, while under other circumstances, when the rains come or the snows fall, he cannot work.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BLACK. I yield. I would much prefer, if it is satisfactory, to continue with the argument in a logical way. I believe it would be more satisfactory.

Mr. TYDINGS. I will not interrupt the Senator again, but before we leave the line of conversation we have had——

Mr. BLACK. The Senator is interested in canneries.

Mr. TYDINGS. I am thinking of railroads now. Suppose a man working on the railroad 8 hours a day should be getting 50 cents an hour. Suppose he is going to be permitted to work only 6 hours a day, at 50 cents an hour. Obviously, he would be getting $3 a day instead of $4. I do not know whether we could compel or order the railroads to agree to pay the man who is working 6 hours a day $4 a day, which the man now working 8 hours obtains for his services. Unless we are able to do that, we might as well face the situation frankly, that for those who are working on an hourly basis 8 hours a day, a compulsory 6-hour law will in many cases bring about a 25 percent reduction in compensation.

Mr. BLACK. In response to the Senator's statement I will say that the bill does not apply to railroads. It is my intention, however, to offer one that will, and it is my intention when I offer it to provide that wages cannot be reduced. We probably have that constitutional right with reference to the railroads. It is very questionable and exceedingly doubtful whether under present conditions we have the right with reference to other industries, but insofar as railroad operators are concerned, the Senator need rest under no uneasiness. We have that right.

Mr. TYDINGS. If the Senator will yield for one more question, I will promise not to interrupt further.

Mr. BLACK. I yield.

Mr. TYDINGS. I only used the railroads as an illustration. Of course, the illustration might apply to any industry.

May I point out that many industries now, public service and otherwise, like the railroads, are in the hands of receivers? That means that they have not had enough money to meet expenses under the old dispensation. If the Senator's philosophy is carried out as expressed in this bill, namely, that for shorter hours men shall receive the same amount of daily wage, I am at a loss to know where the money is to come from for these concerns now in the hands of receivers to pay the extra wages, if they cannot keep their heads above water under the old dispensation.

Mr. BLACK. I shall be glad to reply to the Senator, although, as I have stated, the bill would not apply to railroads. Under the old dispensation of watered stock, under the old dispensation of $150,000-per-year salary for corporation presidents and officers, under the old dispensation—

> That they should take who have the power,
> And they should keep who can—

I agree with the Senator; but I contend that the inevitable result of increasing the wages of those working on railroads and working in industry would be to aid those very railroads and industries to obtain enough additional business and income, by reason of the improved conditions throughout the country, to operate in a successful manner. I stand upon the philosophy that I stated a few moments ago, and I believe any student of American statistics can establish the truth of it, that wage earners have been underpaid and capital has been overpaid. The inevitable result has been that we have taken away from the pockets of the very people upon whom we must depend as purchasers for our trade and commerce.

More than 90 percent of the trade and commerce of this Nation is carried on with the people of this Nation. More than 90 percent of those American customers are farmers and wage earners, so that underpayment to farmers and industrial workers creates a vicious circle. Whenever we take away from the pocket of labor more than we should

and put labor's money into the pocket of capital, we have permitted capital to destroy itself and to commit economic suicide; and that has been going on in this country for many years.

However, that is not the sole question involved in this bill. There are many other questions involved. Now that machinery has advanced to such a stage in this Nation that we can produce all that we need, both for foreign and for domestic consumption, by working shorter hours on the part of all the people, I desire to give to those people who have been promised it throughout the ages the benefit of that leisure which is justly theirs by reason of the improvement of machinery. Why should we cling tenaciously to a system which forces 12,000,000 men into idleness in order that twelve or twenty-five million more may work 10, 12, 13, 14, 15, and 16 hours per day?

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Nebraska?

Mr. BLACK. I do.

Mr. NORRIS. I should like to suggest to the Senator from Alabama also that the argument implied in the interruption of the Senator from Maryland [Mr. TYDINGS] has been made from the beginning, whenever any attempt has been made to reduce the hours of labor. The same argument was made when an attempt was made to reduce the hours of labor from 16 to 12, and from 12 to 10, and from 10 to 8. If conditions have been changing—as everybody concedes they have been—in order to prevent an oversupply of the things that feed and clothe the people we must provide for a shorter work week and workday, unless we are to have the same thing that would have happened if we had not reduced the hours of labor from 10 hours to 8 hours.

Mr. BLACK. The Senator is absolutely correct.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Michigan?

Mr. BLACK. I yield; yes.

Mr. VANDENBERG. Does the Senator intend to revert later to the practical phase of perishable commodities, or would he care to pursue that matter now?

Mr. BLACK. I may state to the Senator that a great many Senators have called me and come to see me about that matter. I will state further that so far as I am individually concerned, if it can be established that work cannot be carried on practically and fairly and justly in any particular industry at any particular time, by reason of exceptional circumstances connected with that industry, I shall be glad to go over the matter with Senators, and let it be presented to the Senate in such a way as they see fit in connection with any amendment they may propose.

Mr. VANDENBERG. I should expect that to be the Senator's viewpoint, because, of course, there would be no object in enforcing, for instance, a rule of industrial conduct upon a beet-sugar factory or a canning factory which in effect would cut back the net advantage to the farmer himself in that area. It occurs to me, in line with the Senator's very generous observation a moment ago, that it might be possible to work out an emergency license permit in the hands of the Secretary of Labor. Might not that be possible?

Mr. BLACK. I think it is.

Mr. SHIPSTEAD. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Minnesota?

Mr. BLACK. I yield.

Mr. SHIPSTEAD. I desire to compliment the Senator on the excellent argument he is making; and in line with what he said let me observe that the Government statistics show that from 1922 up until the present time, with the exception of 1929, unemployment was increasing in the United States. The Government statistics also show that during that period of time the aggregate income to agriculture up until 1927 was reduced by more than 40 percent, and the income to labor during the same time had decreased in the aggregate 30 percent, while the income to industry had increased 72 percent. Since 1927, of course, we know that agriculture's income and labor's income have been further greatly reduced.

I thank the Senator for permitting this interruption.

Mr. BLACK. The Senator is correct, and I thank him for his valuable comment.

Now, Mr. President, since I desire to approach the subject of the right of Congress to pass this bill, I shall, so far as possible, proceed. Of course, if there is any particular point at which I arrive that a Senator feels should be further discussed at that time, I shall not object to an interruption.

I call attention, however, to the fact that this bill, and our right to pass this bill, rest squarely upon section 8, article I of the Constitution, which, insofar as it is pertinent, reads as follows:

> The Congress shall have power * * * to regulate commerce with foreign nations, and among the several States.

A discussion of this measure requires a consideration of the two phases of governmental policy and constitutionality.

There appear in the CONGRESSIONAL RECORD of January 10, 1933, the reasons prompting me to offer the bill. It is not my intention to repeat the details contained in these remarks.

After the bill was introduced, extensive hearings were conducted by a subcommittee of the Senate Judiciary Committee. Those hearings are printed and available to those who are interested.

On February 25 I discussed in the Senate the evidence produced at the hearings. At the present time I shall not again discuss the facts believed to justify this legislation, nor its underlying philosophy, except so much as may be necessary to provide the background for the application of the legal principles invoked to support the constitutional right for enactment of the bill.

It is not out of place, however, to call attention to the fact that recent years have developed a judicial tendency to emphasize human relationships and social necessities in the application of legal principles. Many people have looked upon this gradual evolution of the judicial mind as indicating an awakened consciousness to the wants and needs of human beings in a highly complex commercial civilization. Legalistic formulas invented in past centuries to fit past conditions and theories have in recent years been exposed to public and judicial criticism as a people faced by new problems and modern dangers seek a way to release themselves from human inequalities produced and fostered by a reverence for these antiquated formulas.

Even the great Supreme Court of this Nation has written judicial interpretations of the Constitution, persuaded by briefs containing a few pages of legal principles and hundreds of pages of facts compiled from an examination of social statistics relating to health, morals, and human happiness. Without sacrificing any of those principles of honesty and good faith that have since the foundation of this Government protected the right of ownership of property honestly acquired and fairly used, the tendency of today is to give a new and exalted emphasis to the more sacred right of human beings to enjoy health, happiness, and security justly theirs in proportion to their industry, frugality, energy, and honesty. My reference is to the growing hostility to permitting a blind and extravagant worship of property rights to smother, submerge, and take away fundamental and inherent human rights.

In our system of checks and balances each right and privilege has its place. In the very infancy of this Government, however, a great southerner said that "the spirit of commerce is the spirit of greed." While this indictment cannot stand against all individuals engaged in commerce, it is unfortunately too true with reference to many. I attribute the modern emphasis upon social rights, now frequently and happily reflected in our judicial decisions, as an effort to curb this spirit of avarice, and preserve for our people the beneficent advantages that a fair trade and commerce can afford a nation.

In accord with this spirit I should like to sketch a bare outline of the conditions, Nation-wide, and to some extent world-wide, that prompt this legislation. In no other way can we properly approach a consideration of the legal principles invoked to justify its passage nor make clear the constitutional base upon which it rests.

This country and much of the civilized world have suddenly emerged into a new economic era. Results have proven that we were wholly unprepared for the transition. Falling suddenly from the dizzy heights of whirling business activities, boasted prosperity and plenty, and credulous superoptimism, the people were at first dazed. Then followed a time of expectant hope, that nothing could be wrong and conditions would soon naturally and normally return. As it grew more and more apparent that old methods would not revive languishing commerce and despairing agriculture efforts were made to treat the national ills with worn-out remedies, wholly unsuited to present troubles, and which failed to follow the new spirit of social progress born of human needs and human wants.

Now the time has come to look squarely at conditions, analyze the causes of our troubles, and with pioneer courage blaze new trails out of our maze of difficulties.

There are some facts that stand out in bold relief.

One fact is that our commercial system cannot live if the producers of the Nation are impoverished. Our manufactured goods cannot be sold in the United States unless our farmers and our industrial workers can buy them. Our agricultural products cannot be sold in the United States unless our farmers and industrial workers can buy them. The chief market for American goods is in America; and our chief customers for American goods in America are farmers and industrial workers. Since the United States has in the past, and will in the future, sell more than 90 percent of the products sold to American customers, Americans must be able to buy American goods, or American commerce cannot be revived.

The agricultural phase of this problem does not directly enter into this discussion. It does indirectly. The major portion of American farm products is sold to industrial workers. Whatever impoverishes the industrial worker tends in turn to impoverish the farmer.

Today, more than 12,000,000 Americans are jobless. This is more than one fourth of the wage earners of America. Millions more are working part time. Until this condition is changed, there is no hope for normal trade and commerce to be resumed. A witness before the committee studying this bill computed the annual loss to America of 12,000,000 unemployed at $400,000,000 weekly, or $20,000,000,000 per annum. This, he said, was the loss figured in unfeeling dollars. The indirect loss of health, training, mental and physical degeneration, and loss of stamina cannot be estimated.

For 4 years the number of unemployed has been growing. It is perhaps useless to theorize now on the causes of unemployment. On February 26, in this Chamber, I called attention to the growing displacement of men by machinery. It is sufficient for the purposes of presenting the legal phases of this bill to present the fact of unemployment, not its causes.

Unemployment grows from unemployment. Poverty feeds upon poverty. Legitimate commerce and trade enriches a nation and its people, if operated under rules free from greed and privilege, and in such way that all can participate in its advantages and opportunities.

Unemployment must be met and wiped out before trade and commerce can be revived. It is useless to lend money to some of the people unless we give the unemployed a chance to work. We have tried that method and it has failed.

The reforestation bill will likely give jobs to 250,000 men, or about one fiftieth of the totally unemployed. The passage of that measure was a distinctly forward movement in our fight.

The proposed public-works program may employ another million. We will still have between ten and eleven million people wholly out of work after these projects are in effect.

This problem of unemployment must be solved. Our people have been patient. They have been patient because they have not lost hope. When people lose hope they want change, and when enough people lose hope they will have change. This problem of unemployment and human misery has changed the map of Europe. It has brought startling changes in the governments of Europe.

The time is here when we must put America's unemployed to work. The failure to adopt every means that gives reasonable promise of success is indefensible. It is not in keeping with a Government which maintains the tradition that it is "of, for, and by the people."

The stagnation of trade and commerce, and its consequent unemployment, is the greatest national emergency this country has been called upon to meet. Four times as many American citizens are now unemployed as the total American Army during the World War. Our schools are closed, in large numbers, throughout the Nation. Our children are losing the chance for mental development. Hunger and undernourishment combine to stunt and dwarf both mind and body, and we face a coming generation embittered by poverty and weakened by sickness and disease. For the first time in American history the National Government has been compelled to directly appropriate practically $1,000,000,000, for food, clothing, and shelter for people in 48 States. At the same time we have appropriated practically $4,000,000,000 to sustain financially weakened business ventures in every State in the Union. This $4,000,000,000 appropriation was made in an effort to revive languishing trade and commerce among the States, in order that people might work. Surely, after appropriations of billions of American dollars to sustain American interstate commerce, no one now would be bold enough to deny that the Federal Government has not only a humane interest but a direct money interest in controlling this commerce in such a way that it may not be completely destroyed; surely, no one will say that if emergencies ever justify it, threatening, as it does, the life of commerce. If the commerce of a commercial nation dies, what happens to the nation?

Let us see what the Supreme Court of the United States says about emergency legislation.

In Two Hundred and Fifty-sixth United States Reports, page 156, the case of Block against Hirsh, the Supreme Court had under consideration a bill affecting the District of Columbia passed by Congress, and a bill passed in the State of New York by the Legislature of New York, both of which related to rental contracts. These two bills were passed affecting rental contracts, although the Constitution provides that no law shall be passed impairing the obligation of contracts. There was no question raised about that, so far as I can see, in the majority opinion. The minority emphasized that constitutional provision. The minority opinion asserted that this law was in effect a suspension of this constitutional provision. The majority, however, took an entirely different position. Let me read from the opinion of the majority.

Remember that the bill which the Senate has up for consideration is for a period of 2 years. It states on its face that it is emergency legislation. It has a legislative declaration that something must be done in order to preserve interstate commerce from collapse and destruction. With this fact in mind, let me read you what the Supreme Court of the United States said with reference to a bill which contained a 2-year limitation to meet emergency conditions. This bill is based on a specific constitutional provision.

Here is what the majority opinion said:

> No doubt it is true that the legislative declaration of facts that are material only as the ground for enacting a rule of law—for instance, that a certain use is a public one—may not be held conclusive by the courts—

Citing several cases—

> but a declaration by a legislature concerning public conditions that by necessity and duty it must know is entitled at least to great respect. In this instance Congress stated a publicly notorious and almost world-wide fact.

I digress there to call attention to the fact that Congress is here calling attention to a "publicly notorious and world-wide fact." The bill now under consideration calls attention

to the fact that 12 million American citizens are without jobs and that their earning and purchasing power is destroyed. Continuing the quotation:

> In this instance Congress stated a publicly notorious and almost world-wide fact. That the emergency declared by the statute did exist must be assumed, and the question is whether Congress was incompetent to meet it in the way in which it has been met by most of the civilized countries of the world.
>
> The general proposition to be maintained is that circumstances have clothed the letting of buildings in the District of Columbia with a public interest so great as to justify regulation by law. Plainly, circumstances may so change in time or so differ in space as to clothe with such an interest what at other times or in other places would be a matter of purely private concern.

A number of cases are here cited to support that proposition. The Court states further:

> They sufficiently illustrate what hardly would be denied. They illustrate also that the use by the public generally of each specific thing affected cannot be made the test of public interest, *Mt. Vernon-Woodberry Cotton Duck Co.* v. *Alabama Interstate Power Co.* (240 U.S. 30, 32), and that the public interest may extend to the use of land. They dispel the notion that what in its immediate aspect may be only a private transaction may not be raised by its class or character to a public affair.

I read further from the opinion of the Court, at page 156, as follows:

> Congress has stated the unquestionable embarrassment of government and danger to the public health in the existing condition of things. The space in Washington is necessarily monopolized in comparatively few hands, and letting portions of it is as much a business as any other. Housing is a necessary of life. * * *
>
> Perhaps it would be too strict to deal with this case as concerning only the requirement of 30 days' notice. For although the plaintiff alleged that he wanted the premises for his own use the defendant denied it and might have prevailed upon that issue under the act. The general question to which we have adverted must be decided, if not in this then in the next case, and it should be disposed of now. The main point against the law is that tenants are allowed to remain in possession at the same rent that they have been paying, unless modified by the Commission established by the act, and that thus the use of the land and the right of the owner to do what he will with his own and to make what contracts he pleases are cut down. But if the public interest be established the regulation of rates is one of the first forms in which it is asserted, and the validity of such regulation has been settled since *Munn* v. *Illinois* (94 U.S. 113). It is said that a grain elevator may go out of business whereas here the use is fastened upon the land. The power to go out of business, when it exists, is an illusory answer to gas companies and waterworks, but we need not stop at that. The regulation is put and justified only as a temporary measure. (See *Wilson* v. *New*, 243 U.S. 332, 345, 346; *Fort Smith & Western R.R. Co.* v. *Mills*, 253 U.S. 206.) A limit in time, to tide over a passing trouble, well may justify a law that could not be upheld as a permanent change.

What do we have in this bill? A limit in time. What is that limit? It is 2 years. What was the limit in the case before the Supreme Court? It was 2 years. Upon what justification did the Court rest its opinion? That there was an emergency existing by reason of the terrible conditions prevailing throughout this country and notoriously throughout the world. The Supreme Court in that case specifically made the statement, as it had already done in the case of Wilson against New, upholding the Adamson 8-hour law, that it was a temporary law, and that for that reason it was justified in being passed, even though, but for the emergency, it would not have run the constitutional gantlet.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER (Mr. McCARRAN in the chair). Does the Senator from Alabama yield to the Senator from Texas?

Mr. BLACK. I yield to the Senator.

Mr. CONNALLY. I do not want to disturb the Senator's line of argument, but I assume the Senator's bill is based on the power of Congress to control interstate commerce?

Mr. BLACK. That is correct.

Mr. CONNALLY. In the *Child Labor cases*, the last one before the Supreme Court, as I remember, the Court held that Congress could not control child labor because it was expended on products prior to their entrance into interstate commerce. I am wondering if the Senator will discuss that point later in the course of his argument?

Mr. BLACK. I expect to discuss that fully.

Mr. CONNALLY. Will the Senator distinguish between the lack of power of the Government to regulate child labor in a factory and the power to regulate adults as to their hours of labor?

Mr. BLACK. It is my intention fully to do so. I might state to the Senator that I expect also, although I do not think it is necessary, to call attention to the fact that that was an opinion rendered by a majority of 5 to 4. I do not concede, insofar as I am personally concerned, that a 5-to-4 decision of the Court is necessary final. The Constitution is final.

Mr. CONNALLY. At least it is entitled to as much weight as a 4-to-5 opinion.

Mr. BLACK. The Senator is correct. I expect to go into that matter fully and completely. It is a most natural inquiry to make.

Mr. CONNALLY. Let me ask the Senator this question on the point about which the Senator is now talking. Of course, the Constitution does not recognize any difference in the power of Congress normally and in times of emergency. As I understand the Senator from Alabama, however, he contends that emergent conditions change the facts, and, therefore, that an exercise of power by Congress has to depend on the conditions, and that that power would be given to Congress to do something in an emergency because of those facts——

Mr. BLACK. For the emergency.

Mr. CONNALLY. Which it would not have power to do in normal times.

Mr. BLACK. The Senator is correct, and the Supreme Court has so expressly held in this and in three other cases.

Mr. BORAH. Mr. President, do I understand the Senator to admit that if this were permanent legislation it would be unconstitutional?

Mr. BLACK. Oh, no; I do not. I am simply calling attention now to this one phase of it, that, even if anyone should reach the conclusion that permanent legislation would not be authorized by the Constitution, that conclusion could not be urged with reference to legislation for 2 years only without ignoring the opinions of the Supreme Court in the case of Block against Hirsh, of Brown against Feldman, of Wilson against New, and of Fort Smith Railroad against Mills.

I do not know whether or not the Senator was here when I read from the case to which I was referring. I will state exactly the position which I take with reference to this phase of legislation. It is this, that laws must fit conditions and that a condition might exist one year that would not exist the next year. The Supreme Court expressly held in this case, in the teeth of the constitutional inhibition against the impairment of contracts, that the obligation of contracts could be impaired in order to meet an emergent situation for a period of 2 years. They have expressly held in the case of Wilson against New, under the Adamson 8-hour law, that while Congress does not have the power to regulate minimum wages, in order to meet the emergency existing at that time, Congress did have the right to pass a temporary emergency bill in spite of the fact that if it had been permanent legislation it would have been stricken down as contrary to the Constitution. There can be no question——

Mr. BORAH. It is a question which disturbs me, I will say to the Senator.

Mr. BLACK. I say there can be no question that if these cases set forth the law, if they are to be accepted as meaning what they say, then to meet a present existing emergency for a temporary period of time Congress does have the right to enact legislation which it would not have the right to enact if it were of a permanent nature.

Mr. BORAH. In other words, it is the contention of the Senator that conditions may suspend the provisions of the Constitution, so that a law which would not, as a permanent measure, be constitutional would be constitutional as an emergency proposition?

Mr. BLACK. That is the contention of the Court, and not of the Senator from Alabama. I have just read one of

the cases which so holds. I shall now read from another. There can be no question in the mind of anyone who reads these cases.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Texas?

Mr. BLACK. I yield.

Mr. CONNALLY. The Senator does not contend, however, that the mere declaration by Congress of an emergency or even a fact is at all conclusive?

Mr. BLACK. It is not conclusive, but it is entitled, as the Court says, to great respect.

Mr. CONNALLY. It is simply persuasive, and if the Court should find that Congress had used that pretext to exercise power the Court would, of course, set the act aside.

Mr. BLACK. If the Court should find that Congress exercised it arbitrarily and capriciously upon facts that did not exist.

Mr. CONNALLY. Would not the Court find whether it did act capriciously or arbitrarily if the facts did not in fact exist?

Mr. BLACK. Certainly.

Mr. CONNALLY. In other words, there is, it might be said, a tentative presumption as to the accuracy of the declaration by Congress of the existence of a certain state of facts, but the declaration is not conclusive, and the Senator does not contend it would be conclusive, as I understand.

Mr. BLACK. I do not.

Mr. ROBINSON of Arkansas. Mr. President, may I ask a question of the Senator from Alabama?

Mr. BLACK. I yield.

Mr. ROBINSON of Arkansas. Whence is derived the power to suspend the Constitution or any provision of it because of an emergency?

Mr. BLACK. That was the question asked by the minority in the case from which I have just read. The minority said that the law in question could not be upheld and that even the emergency could not justify ignoring the constitutional prohibition.

Mr. ROBINSON of Arkansas. It is my understanding that the object of constitutional limitations is to safeguard fundamental rights and to prevent the exercise of powers that might be found oppressive or detrimental. It is to avoid abuses which might occur. I do not understand that there is any authority in Congress, or any other body, to say that an emergency exists and because of an emergency we will suspend the Constitution, except of course there are provisions of the Constitution which in themselves recognize emergencies. There is a provision in the Constitution having relation to the writ of habeas corpus, declaring that it shall not be suspended except in time of war or rebellion; but if constitutional limitations are to be applied only when conditions are normal and are to be disregarded when conditions are abnormal, I think that would result in a complete breakdown of constitutional government.

Mr. BORAH. It would result in a complete judicial autocracy or oligarchy in this country.

Mr. ROBINSON of Arkansas. Yes. It has been said here that power does not exist in the Congress to say when an emergency rule is applicable. It follows that the power, if it exists at all, must be found in the judiciary.

Mr. BORAH. Exactly.

Mr. ROBINSON of Arkansas. I do not think the judiciary have any more power to suspend the Constitution than has the Congress.

I am in sympathy with the provisions of the Senator's bill and believe that in due course the bill should be enacted; but if, in order to do so, we must act on the theory that the courts are empowered to suspend or abrogate any provision of the Constitution, I should proceed very reluctantly.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Idaho?

Mr. BLACK. I yield; and I shall answer the Senator from Arkansas in a moment.

Mr. BORAH. Could the Supreme Court of the United States declare, if an emergency should arise, that the right of trial by jury could be suspended for a limited period of time?

Mr. BLACK. In the case referred to the Supreme Court of the United States made no declaration at all. It was the Legislature of New York and the Congress of the United States that made the declaration as to an emergency.

Mr. BORAH. Exactly; but the Supreme Court said that the declarations of Congress and of the legislature were not conclusive.

Mr. BLACK. That is correct.

Mr. BORAH. Then, if the Constitution may be suspended by someone on account of an emergency, there must be somebody whose judgment will be conclusive; and if the judgment of Congress is not conclusive, and according to the contention of the Senator the Court has held that in an emergency the Constitution may be suspended, then the judgment of the Supreme Court must be the final judgment on that matter. I again ask, Could the Supreme Court declare such an emergency to exist as that the right of a free press would be suspended for a period, that the right of trial by jury would be suspended for a period, and that the right to have witnesses testify in the presence of the defendant would be suspended for a period? Where are we going to stop on this proposition?

I agree with the Senator from Arkansas. I am in thorough sympathy with the principle which is involved in the pending bill, and I believe we have got to come to it. I think social justice requires it, but I am not so sure that we can cut across lots to reach the objective. I am seeking a way to accomplish our objective which will stand.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Illinois?

Mr. BLACK. I yield to the Senator.

Mr. LEWIS. May I take the liberty to say to the Senators who have risen during the last few moments on this question that they may recall that the Milligan case answers nearly all the questions the able Senators have asked. That case came up from Indiana to the Supreme Court of the United States.

Mr. BLACK. It is cited in the case to which I have referred.

Mr. LEWIS. I was not conscious that it had been referred to, but I remember that in that case there was a reference to the very questions the able Senators have been putting to the Senator from Alabama.

Mr. BORAH. In the Milligan case, if the Senator from Alabama will pardon me, the Supreme Court declared the doctrine that provisions of the Constitution could be suspended upon the plea of an emergency was a most dangerous doctrine, and could be justified neither upon the terms of the Constitution or the plea of necessity.

Mr. WAGNER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from New York?

Mr. BLACK. I yield.

Mr. WAGNER. I did not understand the Senator from Alabama to contend that this proposed legislation contemplated suspending any provisions of the Constitution or any rights acquired under the Constitution. As I understand, all private contracts are subject to the condition that the rights acquired under such contracts are subordinated to the public interest, and, if the enforcement of any contract is contrary at the time to the public interest, it is not an impairment of the obligation of the contract to suspend those rights. In other words, the contract remains in existence, as I understand, but there is an implied condition in every contract that if any of the rights acquired under it conflict with the public interest and the public welfare, then to that extent such private rights must give way to the public welfare. I think that is all we are doing in this emergency legislation.

Mr. CONNALLY. Mr. President, may I interrupt the Senator again?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Texas?

Mr. BLACK. I yield.

Mr. CONNALLY. The Senator has read a case that relates to the District of Columbia rent law, as I understand.

Mr. BLACK. Yes; and the New York rent statute.

Mr. CONNALLY. I am wondering if there is anything in that case to point out the difference growing out of the functions which Congress exercises in legislating for the District of Columbia? I can understand how, under its general legislative power over the District, Congress has the police powers which the States ordinarily possess and all the legislative powers reposed in the States. I can understand how the Congress in legislating for the District might do something which would be constitutional and legal which it could not do with reference to the remainder of the country.

The Senator's bill, of course, relates to the whole United States. I have not read that case recently. I remember having read it at the time we had before us the rent matter. But is the power of Congress in that case based upon its general constitutional power to legislate for the whole country, or based upon its power to exercise the police power as a legislative body for the District of Columbia?

Mr. BLACK. The Supreme Court opinion cited in justification of the Court's attitude in the rent case is Wilson against New.

Mr. CONNALLY. Which is a State case.

Mr. BLACK. Wilson against New is a case involving the Federal act passed by Congress fixing the hours of labor on railroads, and a minimum wage, in which the Court held that there was no power on the part of Congress to enact a permanent minimum wage law. They have held that in a number of cases, but the Court in Wilson against New did hold that, to meet an emergency, there was power to temporarily fix a minimum wage to meet the national emergency.

Let me read what the minority said in this case. It may call to the attention of Senators some of the arguments which we have heard here. Understand, I do not base the validity of the pending bill upon any one idea or upon any one principle. I do assert that, if these two cases are the law of the land, and if there does exist at this time a national emergency which threatens interstate commerce and the very life of the Republic unless something is done, and done quickly, under these cases we would have a right to pass legislation of a temporary nature to meet the temporary emergency, when we might not have the right to pass legislation of a permanent nature. I base that upon the opinions of the Court. Let us see what the minority said in this case. Let us see what their argument was, because they are exactly in line. The minority of four in the rent case said, in part:

> I dissent from the opinion of the judgment of the Court. The grounds of dissent are the explicit provisions of the Constitution of the United States. The specifications of grounds are the irresistible deduction from those provisions, and we think would require no expression but for the opposition of those whose judgments challenge attention.

The dissenting opinion then at great length points out that no emergency can justify the passage of legislation, just as has been pointed out by the able Senator from Idaho and the able Senator from Arkansas. The minority in this case pointed out the exact arguments which have been raised on this floor in opposition to the opinion of the majority. Nevertheless, there stands unchallenged, unchanged, and unaltered the opinion of the Supreme Court of the United States that where an emergency condition exists which requires action, and rapid action, in order to correct the evil which is sapping at the very lifeblood of the Nation Congress has the right to pass temporary laws to meet the temporary emergency.

In the case of Wilson against New it was pointed out in the opinion that the Supreme Court had previously held a permanent wage law unconstitutional. The Court then declared the Adamson wage law to be a minimum wage law, and upheld it squarely upon the ground that the temporary emergency which threatened to tie up all interstate commerce of the United States justified the Congress of the United States in using powers necessary to meet the emergency by passing a temporary law under the commerce clause.

The Court, in the later case of *Fort Smith Railroad Co.* v. *Mills* (243 U.S. 332), specifically called attention to the fact that the constitutionality of the Adamson law was upheld not because it was justified as a permanent policy but because it was a temporary policy to meet a temporary emergency which threatened all the interstate commerce of the Nation.

Of course, that did not come under the war powers, but it came under the inherent power of the Government, acting under its Constitution, to preserve the safety and liberty and health and happiness of its people when threatened by an emergency, by a law passed to meet and for the time of the emergency. No one can read these cases and escape the conclusion that if there impends over this Republic an emergency which treatens its very life, which brings about undernourishment of its children, which closes its public schools, and cuts short the ambition of the youth of the land, which places business in bankruptcy and insolvency, which threatens to give to us a new generation stunted and dwarfed mentally and physically, and daily breeds discontent and hopeless despair, unless action is taken, and quick action, no one can read these cases and deny that unless they are overruled Congress has the right, under the commerce clause, to enact legislation of a temporary character to meet a temporary emergency, when the law ceases to be effective when the emergency is met.

I do not rest this bill upon that one principle, but I do assert that unless those cases are to be overruled by the Court this decision alone, under existing conditions, would justify the passage of this measure.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. WAGNER. For the same reason that Congress has the power, if the power exists in Congress, to pass this emergency legislation limiting the hours and the days of work, the State legislatures are also empowered to pass laws during this emergency limiting the hours of labor, just as Congress is attempting to limit them by the legislation proposed by the Senator.

Mr. BLACK. As I shall call attention to later, a State has a right to do it even not to meet an emergency, and I shall even call attention to the fact that the Supreme Court has held that we have exactly the same police power with reference to the commerce clause that the State has with reference to fixing the hours of labor and that it necessarily follows that we have the power.

Mr. WAGNER. If the Senator places it upon the ground of an emergency, of course I sustain him in that view.

Mr. BLACK. There is no question about it, and that is the reason why the statute of the State of New York was upheld.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. ROBINSON of Arkansas. I wish to make clear at this juncture that it is my thought that the justification for this legislation must be found within the Constitution, rather than outside the Constitution. I do not believe that Congress has the power, or that the judiciary has the power, to set aside the Constitution for one hour, and I think that any case or any legislation that is rested on that basis will, in the end, prove subversive.

Mr. LONG. Mr. President, will the Senator yield to me?

Mr. BLACK. I yield.

Mr. LONG. I concur with what the Senator from Arkansas has said. The basis upon which I understand this and similar legislation is justified is that the public interest in an emergency is one thing, and when there is no emergency it is another. The public interest is always paramount, and in instances of such emergencies, where the public interest, as the Senator from Alabama illustrates,

requires shorter hours in order that interstate commerce may not be practically abandoned, then private contracts are subordinated to the greater welfare of the public in such an emergency. So it is within the Constitution.

Mr. BLACK. The Senator is correct. Let me now read a sentence from the decision of the Supreme Court. It is upon that that I rely.

Mr. WAGNER. Mr. President, will the Senator yield again?

Mr. BLACK. Let me read this one sentence.

Mr. WAGNER. Very well.

Mr. BLACK. The Supreme Court said:

> A limit in time to tide over a passing trouble well may justify a law that could not be upheld as a permanent change.

Of course, that was the opinion of five members of the Supreme Court. I recognize the right, and I assert it here, to make the statement that the Constitution is the law, and not the individual opinions of judges.

Mr. ROBINSON of Arkansas. That is correct.

Mr. WAGNER. Will the Senator yield now?

Mr. BLACK. I yield.

Mr. WAGNER. That is the point I wanted to make. I happen to know about the New York State legislation as to the rent law, because I had the privilege of writing the first opinion, while I was on the bench in New York, holding the law constitutional, and that law was enacted under the Constitution, not in defiance of it.

Mr. BONE. Mr. President, will the Senator yield to me?

Mr. BLACK. I yield.

Mr. BONE. Does the Senator assume that on the face of the bill itself the measure is unconstitutional, and can only be sustained on the theory that it is emergency legislation?

Mr. BLACK. Oh, no; I believe the bill to be constitutional, and I believe it is constitutional for us to pass a law of a permanent nature along this line. My study of the law convinces me thoroughly that that is true. In the first place, I believe it is consistent with the majority of the Supreme Court in the *Child Labor* case, even though, in my opinion, that majority opinion was wrong.

I assert the same right with reference to that opinion of the Court as has been asserted here with reference to other opinions, namely, that we are governed by the Constitution of the United States in the final analysis, and not by the prepossessions of a certain number of judges who may write an opinion on a particular matter. But I have attempted to show by these cases that if there were nothing in the world in this bill except an emergency measure, under the four opinions which I have cited, which are decisions of the Supreme Court of the United States, the bill would run the constitutional gantlet. I do not mean to imply or to infer that it is necessary to rely upon the principle of emergency in order to sustain the bill. However, these are cases which I find in the library, the opinions have been written by the Supreme Court of this Nation, the Court have declared them to be their opinions of the law, and under them, if they do correctly state the law, there would not be the slightest possibility of escape from the irresistible conclusion that, as an emergency measure alone, this bill would have to be upheld.

Let us proceed farther, however, because I think this idea has been fully discussed. Let us see what is the power of Congress under the commerce clause of the Constitution. One who studies it and reads the numerous cases which have been cited will not wonder why so many people question efforts at times to draw distinctions, to reach legal conclusions, which distinctions are not authorized by logic or reason. An effort has been made by the courts to escape the plain intent and purpose of the commerce clause, and in order to do that we find their opinions from time to time occupying divergent positions with reference to the same question.

It is my belief, and I shall attempt to show, in reaching the child-labor case from the historical background, that the minority opinion in that case was undoubtedly representative of views and intentions of the writers of the Constitution, and that the majority opinion was an attempt to whittle it down. I do not say that with any degree of disrespect, of course, to the very able and learned justices who sat upon that or any other case. Frequently decisions appear as the result of prepossessions on the part of those who write the opinion. Frequently they are the natural outgrowth of an accepted political philosophy which has found its place in the life of the writer of the opinion. All of us know that such is true. It needs but to be asserted to be admitted.

Mr. President, let us look for a few minutes at what the power of Congress was, at what was intended when it was said that Congress should have the right "to regulate interstate commerce." Those are very simple words. It is very interesting to know that for the first 40 or 50 years of the history of this country the discussions all arose by reason of the efforts of the States to get power. For the last 50 years the controversies have arisen by reason of congressional action to obtain power, in the main.

The first opinion that was ever written on this clause was that in the case of Gibbons against Ogden, with which every lawyer here is of course familiar. The language from which I shall first read is that of Chief Justice Marshall. Let us see what was his first interpretation of the meaning of this clause. Said Chief Justice Marshall:

> It is the power to regulate; that is, to prescribe the rule by which commerce is to be governed. This power, like all others vested in Congress, is complete in itself, may be exercised to its utmost extent, and acknowledges no limitations, other than are prescribed in the Constitution. These are expressed in plain terms, and do not affect the questions which arise in this case, or which have been discussed at the bar. If, as has always been understood, the sovereignty of Congress, though limited to specified objects, is plenary as to those objects, the power over commerce with foreign nations, and among the several States, is vested in Congress as absolutely as it would be in a single government, having in its constitution the same restrictions on the exercise of the power as are found in the Constitution of the United States.

There was a clear and explicit statement of what the commerce clause meant. It meant that the Federal Government, with reference to the regulation of interstate commerce, had vested in it full and complete power, the same as though there had been no State lines, as was later said in substance by the Supreme Court of the United States, but that the States had absolute and complete plenary power within their boundaries as to commerce between people within the States. So we find that is the first clear exposition by Chief Justice Marshall in the original case which went up on this question.

Now let us see what was the statement made by Judge Johnson, who was appointed a Democrat, and who was supposed to represent the strict-construction idea of the Constitution of the United States. Judge Johnson came from South Carolina. He said:

> The power of a sovereign State over commerce, therefore, amounts to nothing more than a power to limit and restrain it at pleasure.

Words could be no more emphatic than that.

> And since the power to prescribe the limits to its freedom necessarily implies the power to determine what shall remain unrestrained, it follows that the power must be exclusive; it can reside but in one potentate; and hence the grant of this power carries with it the whole subject, leaving nothing for the State to act upon.

Now let us see what was the expression in the case of *Stockton* v. *B. & N. Y. Power Co.* (32 Fed. 9), by Mr. Justice Bradley, sitting as a circuit judge:

> We think that the power of Congress is supreme over the whole subject, unimpeded and unembarrassed by State lines or State laws; that in this matter the country is one and the work to be accomplished is national. * * * In matters of foreign and interstate commerce there are no States.

And so, getting back to the very beginning of the history of this country, at a time when the trail was being blazed, and when these judges were fresh from their knowledge of the difficulties that this country had suffered by reason of clashes and conflicts of States in connection with commerce, we find that it was their opinion, representing as they did both the

Hamiltonian idea and the Jeffersonian idea, that with reference to interstate commerce the power of this Government was as supreme as though there had been no State lines.

This did not transgress upon the right of a State, because the State had full and complete right and authority to determine the rules and regulations governing commerce within the State exactly as it saw fit. It was only at a later date—at a date when it had been proven in this country that the spirit of commerce is the spirit of avarice—that there began to develop in the line of opinions a whittling down in accordance with a political philosophy which, in my judgment, too often overemphasized the sacred right of money and property and too often forgot the sacred right of human liberty, freedom, and the right to live.

Mr. Justice Harlan, in the famous *Lottery cases*, said:

> That the power to regulate commerce is vested in Congress as absolutely as it would be in a single government having in its constitution—

What does that mean? That means that with reference to interstate commerce, intercourse and trade between the people of the various States, the power of Congress is supreme.

Going farther, the Court said:

> Having in its constitution the same restrictions on the exercise of the power as are found in the Constitution of the United States; that such power is plenary, complete in itself, and may be exerted by Congress to its utmost extent, subject only to such limitations as the Constitution imposes upon the exercise of the powers granted by it; and that in determining the character of the regulations to be adopted, Congress has a large discretion which is not to be controlled by the courts simply because, in their opinion, such regulations may not be the best or most effective that could be employed.

That was in the case of *Champion* v. *Ames* (188 U.S. 321).

Let us travel a little farther:

> Congress, in exercising its constitutional power over interstate commerce, may adopt police regulations, as well as the States, and it has power to adopt not only means necessary but convenient to its exercise.

That was decided in five different Supreme Court cases.

Going to the next opinion, upholding the Reed amendment to prohibit the shipment of liquor into dry States, the Supreme Court, in *United States* v. *Hill* (248 U.S. 420), said this:

> That Congress possesses supreme authority to regulate interstate commerce, subject only to the limitations of the Constitution, is too well established to require the citation of the numerous cases in the Court which have so held. Congress may exercise this authority in aid of the policy of the State if it sees fit to do so. It is equally clear that the policy of Congress, acting independently of the States, may induce legislation without reference to the particular policy or law of any given State.

In other words, in that case it was distinctly held that the Congress of the United States, under the commerce clause, had a right to exercise such police power as it saw fit in order to enforce its regulations, or, if it deemed it convenient, to adopt such regulations.

Mr. REED. Mr. President, will the Senator tell us what was the nature of the regulation in that case?

Mr. BLACK. That was the *Lottery case*.

These are expressed in plain terms. The Court said with reference to that case.

> If, as has always been understood, the sovereignty of Congress, though limited to specified objects, is plenary as to those objects, the power over commerce with foreign nations and among the several States is vested in Congress as absolutely as it would be in a single government—

Repeating:

> having in its constitution the same restrictions on the exercise of the power as are found in the Constitution of the United States. * * * The power of a sovereign State over commerce, therefore, amounts to nothing more than a power to limit and restrain at pleasure.

Let us look further with reference to the power. Let us read from the more recent case of *Tagg Bros.* v. *United States* (280 U.S. 420), only recently decided. This was a most interesting case. It was a case in which Congress had passed a law which governed intrastate and interstate dealings with reference to the handling of stock. It was shown in this particular case that the law actually covered a broker, a stockbroker, in the State who had no capital but one horse, and who would ride on that horse into the stockyards, buy stock, and sell many of them within the State. Some of them, of course, would be sold without the State. The Secretary of Agriculture was given the power to, and he did, fix the rate of compensation for these brokers. Certainly it would look as if that were going to the farthest extreme. The stock had not yet reached the channels of interstate commerce. It was back there, in this case, in the State of Nebraska. It might never enter the channels of interstate commerce; but the Secretary of Agriculture fixed the fee to be charged by the broker without regard to whether he was buying this stock for interstate or intrastate commerce.

Now, note: That did not refer to something that was then already in the line of interstate commerce and being transported. It was in a circuit, just as anything else may be in a circuit from the time it grows in the field until it is sold. Not only that, there was nothing harmful about it. It was just plain stock that was to be used and sold for beef somewhere in the country. The Supreme Court said, with reference to this regulation—I have the book here if any Senator desires to see it:

> The purpose of the regulation attached is to prevent their service from thus becoming an undue burden upon and obstruction of that commerce.

The Court is referring to interstate commerce. In other words, it says that even though this broker may be buying both for interstate and for intrastate commerce, the Federal Government has the right to go into the State of Nebraska, the State of California, or any other State, and fix the commission to be charged by the broker.

Let us see what was said in the case of *Swift & Co.* v. *United States* (196 U.S. 375).

> But we do not mean to imply—

Says the Court—

> that the rule which marks the point at which State taxation or regulation becomes permissible necessarily is beyond the scope of interference by Congress in cases where such interference is deemed necessary for the protection of commerce among the States.

In other words, the Court expressly said in that case that Congress has an absolute right to go into the State, even where the State itself, under its powers, can pass regulations, and the Congress of the United States can pass regulations governing transactions with reference to production, within the State, if they believe those transactions might interfere with interstate commerce thereafter.

Bear in mind that that is not limited to something that is harmful. It is not harmful. In the very case under discussion they were talking about something which was absolutely necessary to sustain life. The very case was with reference to the product of the packers. Not only was it not harmful but it had not then entered interstate commerce.

Let us see the next case, *Stafford* v. *Wallace* (258 U.S. 520):

> The reasonable fear by Congress that such acts, usually lawful and affecting only intrastate commerce—

Note that—

> when considered alone, will probably and more or less constantly be used in conspiracies against interstate commerce or constitute a direct and undue burden on it, expressed in this remedial legislation, serves the same purpose as the intent charged in the Swift indictment to bring acts of a similar character into the current of interstate commerce for Federal restraint.

Note that—

> Acts usually lawful and affecting only intrastate commerce.

The Court goes on to say:

> This Court will certainly not substitute its judgment for that of Congress in such a matter unless the relation of the subject to interstate commerce and its effect upon it are clearly nonexistent.

That was the case of Stafford against Wallace to which I have just called attention.

Mr. REED. Mr. President, will the Senator permit an interruption?

Mr. BLACK. Certainly.

Mr. REED. It seems to me the cases that the Senator has been citing all deal with the regulation of acts that would have some effect upon the flow of interstate commerce, such as the stockbroker's license fee, which, if excessive, would tend to restrain the volume of commerce.

Mr. BLACK. The Senator is correct.

Mr. REED. How, then, does the Senator think that that is a precedent for such a statute as that which he proposes here? Because, obviously, the hours of labor can have no effect upon the volume of interstate commerce, unless it may be that the effect of this act is to restrict production, and thereby diminish interstate commerce.

Mr. BLACK. The Senator has misconstrued the purpose stated by the Court as justifying the passage of that act. Also, the bill which I have, as I shall later point out, has a direct bearing on interstate commerce; and unless the hours of labor are reduced according to the commonly accepted opinion of this country it will be far more injurious to interstate commerce than anything guarded against by the packers' law. It will destroy it, and make it collapse, as we will have a weakened and impoverished and undernourished people, unable to buy through interstate commerce.

But the Court said that what was done within the State would affect those commodities in other States; and bear in mind that I was calling attention to that case particularly for the purpose of stressing the fact that the Congress went within the State and regulated both intrastate and interstate dealings, with the idea that after these dealings had occurred some of the product would later start in interstate commerce, and therefore it might constitute a burden that would be harmful to interstate commerce.

I shall read to the Senate in a few minutes the different statements that have been made as justifying laws which will cover a part of the proposition the Senator suggested.

So much for the law as it has been stated with reference to the powers of Congress. I shall later refer to the powers of Congress as construed in the Dagenhart case, the majority opinion of which, in my judgment, was a complete departure from the proper construction which was originally given to the Constitution; but, none the less, under the majority opinion, I shall attempt to show the Senate that this bill is wholly justified.

Now let us diverge for just a moment to a line of reasoning with reference to the police power of Congress.

Now, Mr. President, I desire to read to the Senate from the case of *State* v. *Bunting*, found in Seventy-one Oregon Reports. The portion from which I read is on page 263. I read this because the case later went to the Supreme Court and because I shall show that if the opinions of the Supreme Court are to stand Congress has an absolute, unqualified right to fix the hours of labor in accordance with and springing from its police power under the commerce clause.

The Supreme Court of Oregon, in this case, made this statement:

> The hours of labor in certain industries, in which too many hours of service in one day would be injurious to the health and well-being of the operatives, may be reasonably regulated by the State, under its police power. This power, legitimately exercised, can neither be limited by contract nor bartered away by legislation.

In other words, the Supreme Court of Oregon held that under the police power of the State the State had the right to fix the hours of labor in industry.

That case went to the Supreme Court of the United States. I shall read from the headnote, *Bunting* v. *Oregon* (243 U.S. 426):

> Section 2 of the General Laws of Oregon, 1913, c. 102, page 169, providing that "no person shall be employed in any mill, factory, or manufacturing establishment in this State more than 10 hours in any one day, except watchmen and employees when engaged in making necessary repairs, or in case of emergency, where life or property is in imminent danger: *Provided, however*, employees may work overtime not to exceed 3 hours in any one day, conditioned that payment be made for said overtime at the rate of time and one half of the regular wage", is construed as in purpose an hours of service law and as such is upheld as a valid health regulation.

Now, note, because it is very important in connection with the next case I shall read. The Supreme Court of Oregon said that the State of Oregon had the right, under the police power, to fix the hours of work in industry. The Supreme Court of the United States upheld that opinion of the Supreme Court of Oregon, holding, therefore, that the State had the right, within its police power, to fix the hours of labor.

I call the attention of the Senate to the fact that in the following cases the Supreme Court of the United States has expressly and explicitly held that within its constitutional authority over interstate commerce Congress may also adopt police regulations, as well as the States, so long as it confines the exercise of the power to subjects and agencies over which it has control. In other words, with reference to the hours of labor, the State has control for commerce within the State. With reference to the hours of labor, the very moment the stream and flow of interstate commerce is affected the Supreme Court of the United States has said that the Congress can exercise the same police power as can the State with reference to the subjects over which it has control.

Insofar as the Dagenhart majority opinion conflicts with that idea, by inference, it is a direct clash with the cases to which I have just cited to the Senate. In other words, the process of reasoning is irresistible. A State has a right under its police power to fix the hours of labor; Congress, as has been so held in numerous cases which I have read, has police power with reference to the subjects which have been entrusted to its care; and it has entrusted to its care the sole, exclusive, and plenary power over interstate commerce. If that be true, and Congress has police power—and the Supreme Court of the United States has expressly held that the fixing of the hours of labor is within the police power of a State—how can anyone justify a conclusion that Congress does not have the same power as that possessed by the State in connection with the regulation of interstate commerce?

Bear in mind that I have read before the Senate numerous cases which hold that with reference to interstate commerce the power of Congress is the same as though there were one single government. Using the language of one of the opinions, "With reference to interstate commerce, there are no States." That has been the express policy which has been followed down through the line of reasoning, and it was natural.

This Nation began its life as a commercial nation. Our forefathers had learned that a provision regulating commerce was in the Magna Carta. Following that principle they had inserted a provision with reference to commerce between the States in the Articles of Confederation, but that provision was weak and so weak it caused the people to say that the Articles of Confederation were no more than a rope of sand. Why did they say that? Because the individual States were given the right to determine on imports and exports within the State. One of the prime controlling reasons for writing the Constitution of the United States was that escape might be had from the burden which was thrown upon the commerce of the Nation, so that the Nation might grow and expand as a great commercial and trading people. So we find what? Congress has exactly the same police power that a State has with reference to those matters coming within its authority. Congress is given complete power over interstate commerce. The State in the exercise of its police power can fix the hours of labor. If the State can fix the hours of labor as to goods flowing in intrastate commerce, what argument or what reason can anyone assign why the Federal Government, having complete and plenary power over interstate commerce, cannot exercise its police power to protect its commerce from exactly the same evil against which it has been held the State can protect its commerce?

So, Mr. President, I again assert that, under this phase of the bill, in view of the exclusive and plenary right of Con-

gress to control interstate commerce between the States, with the historical background in this case, and the desire to have a free and unimpeded commerce subject only to rules and regulations fixed by the Congress, the conclusion is irresistible that, in the exercise of its unquestioned police power, it can exercise that power to protect itself the same as the State can exercise its police power to protect itself.

Mr. President, I shall go on from the police power of Congress, leaving simply this thought, that the chain is there; there is not a missing link. The Congress has power to regulate interstate commerce; the Congress has police power with reference to interstate commerce; and police power includes the right to fix the hours of labor. The States have been held by the Supreme Court of the United States to have the power under their police power to fix hours of labor. Therefore the conclusion is irresistible that the Government of the United States, having supreme power over interstate commerce, is certainly no weaker than the States to protect its commerce from the same kind of goods that the State can protect itself from in order to carry on its commerce.

Mr. President, how will this bill go into the court? It will go into the court according to the opinion in the case of *Adkins* v. *Children's Hospital* (261 U.S. 544) with—

> Every possible presumption is in favor of validity of an act of Congress until overcome beyond rational doubt.

Not only that, but the bill, if enacted, will not be declared unconstitutional with reference to the provision as to the hours of labor unless "it is so clearly arbitrary or oppressive or so unreasonable and so far beyond the necessities of the case as to be deemed a purely arbitrary interference with lawful business transactions. That is an established rule of construction which has been upheld by the Supreme Court of the United States; and I read the language of the Supreme Court of the United States in the case of *Muller* v. *Oregon* (208 U.S. 412).

Now, who has the power to decide this policy? Congress. In the case of *Stafford* v. *Wallace* (258 U.S. 520) the Supreme Court said this:

> It is primarily for Congress to consider and decide the fact of danger and meet it. This Court will certainly not substitute its judgment for that of Congress in such a matter unless the relation of the subject to interstate commerce and its effect upon it are clearly nonexistent.

Who can say, with 12,000,000 men unemployed in America, with commerce between the States practically stopped, that the lack of purchasing power on the part of those people is wholly disconnected with interstate commerce? Who keeps up interstate commerce? The people of the United States. When they cannot buy, commerce perishes from the face of this Nation. It would certainly be strange and unusual to say that the Congress of the United States can protect the people from a conspiracy to fix the price of goods, but at the same time cannot protect them from conditions which are bringing death, starvation, misery, and destruction all over the land.

In the case of *Swift & Co.* v. *The United States* (196 U.S. 375) the Court said this:

> But we do not mean to imply that the rule which marks the point at which State regulations become necessary is beyond the scope of interference by Congress, in cases where such interference is deemed necessary for the protection of commerce among the States.

In the case of *Gibbons* v. *Ogden* (9 Wheat. 1), the Court said:

> The power of regulation "is vested in Congress as absolutely as it would be in a single government."

It has been held that in the single government of the State of Oregon they can fix the hours of labor for the goods which are used in intrastate commerce.

In the case of *Champion* v. *Ames* (188 U.S. 321), the Court said:

> In determining the character of the regulations to be adopted, Congress has a large discretion which is not to be controlled by the courts, simply because, in their opinion, such regulations may not be the best or most effective that could be employed.

In *See Cases* v. *United States*, 239, 510, the Court said:

> Its power to adopt not only means necessary but convenient to its exercise.

Thus we find that Congress is the judge of that which is convenient, of that which is necessary to protect its commerce, of that which is harmful to its people, and of that which will destroy its commerce. Only in the case the Supreme Court of the United States finds no reasonable connection between the legislation written and the object sought to be controlled in interstate commerce can the legislation be stricken down on the ground of its unconstitutionality.

An opinion has gone abroad in the land, and constantly we hear it, that Congress can prevent anything from being shipped in interstate commerce that is harmful, but that it must be harmful. Of course "harmful" is a very broad word. The thought is rather expressed facetiously, it seems to me, by Chief Justice Hughes in a recent opinion, when he calls attention to the fact, in connection with a case in which it was urged that the goods must be illicit, that the word "illicit" is yet to be defined. So we hear this statement constantly being made that the goods must be harmful and it has been accepted as the law.

There have been some cases in which it has been held that the goods were harmful, and that was assigned as one of the reasons for sustaining the law, but one cannot find in any case in the books where the Court has said that that was the only reason that would permit Congress to pass such a law. As a matter of fact, the Court has sustained numerous laws where the goods involved were not only not harmful but were necessary to sustain life.

Now let us see what has been done. Congress has enacted a law to prohibit the shipment from one State to another of game killed contrary to the State law. How are people in Massachusetts going to be injured who happen to eat a bird which has been illegally killed in New York? Could they tell the difference? Would their taste be so sensitive that they could distinguish between an illegally killed bird and a bird that was killed under the law? Would eating such a bird be injurious to their health? Certainly not. Harmfulness of the commodity is no necessary criterion. It is clear that, insofar as the actual transportation is concerned, there is no difference in shipping game lawfully killed and game unlawfully killed. The law can be justified only because Congress has complete control over interstate commerce. Who would claim that that bird had started in interstate commerce while it was flying through the air, and that when some man shot it down contrary to law it had entered interstate commerce? It was shot down, for instance, in the State of New York while peacefully flying in the forest by somebody who had killed more than the law says he should kill. After the bird has been shot, it is taken to a railroad train and shipped into another State. This illustration alone is sufficient to explode once and for all the fallacy either that the goods shipped must be harmful or that they cannot be regulated until they are actually started on the wheels of transportation from one State to another.

However, that is not the only case. In the case of *U.S.* v. *Hill* (248 U.S.) the question of the Reed amendment came up. Someone might say, "Well, of course, Congress has a right to regulate interstate commerce in goods that have been obtained in some way contrary to law." Well, why would it? It certainly would not if the goods must be harmful; it certainly would not if Congress cannot regulate until the goods start on their journey. Both those theories are exploded. But someone might say, "The goods are contrary to the law of the State, and therefore cannot be shipped." Let us see about that. The Supreme Court answers that in the case involving the Reed amendment, which really related to something that was contrary to the law of the State. The Supreme Court said that that fact justified action, but it would further insist it was equally clear that Congress, acting independently of the States, may enact legislation without reference to the particular policy

or law of any given State. In other words, Congress can, under its police power, prevent the shipment of liquor, if it sees fit, and the court so holds in the case referred to.

Now, let us go a little further. Bear in mind that we are going to hear before this discussion is over that the child-labor case said that the commodities were not harmful; that nobody in any other State could be hurt by buying the goods made in a given State. That is true, but they could be just as much injured by buying goods that were manufactured by child labor as they could by buying a bird that was shot contrary to law.

The Sherman antitrust law makes it a crime to form unlawful combinations within a State. The law derives its authority from the commerce clause of the Constitution, on which this bill rests. The courts will enjoin shipments of goods produced or sold by those engaged in such conspiracy, although the goods may be most useful. Congress also has the power actually to prohibit the shipment of such goods in interstate commerce. It has been expressly held that Congress can prohibit the shipment in interstate commerce of goods produced or manufactured or controlled by a monopoly. The goods may not be harmful. There might be, for instance, a monopoly on Bibles; there might be a monopoly on school books; there might be a monopoly on articles absolutely needed in other States; but still if they are produced by a conspiracy or monopoly, Congress has absolute right to keep them out of other States. The monopoly which is acting in a State is not engaged, then, in interstate commerce. Interstate commerce would not commence when they set the type to print the Bibles; interstate commerce would not begin when the printing of the Bibles was completed; interstate commerce would begin when they started the Bibles on their way to other States; and, even though the Bible should be accepted as the rule and guide of the faith of the people to whom it was sent, even though, instead of being harmful, it might be unanimously conceded that it is absolutely essential for their spiritual development and spiritual growth, if it were produced by a monopoly, Congress has the power to stop that Bible from being moved a single inch from one State into another. So let us forget the idea that has been currently circulated that, in order for Congress to have control of goods shipped in interstate commerce, they must be harmful.

Let us take another law—that is not all; I could stand here and cite them from now until night but I will just give the Senate two more. Food that is misbranded cannot be shipped in interstate commerce. It may be good food; it may be excellent food; it may be the very food that a man wants and needs; but if it has been misbranded where it was produced, it cannot be shipped in interstate commerce. It is not harmful; it also has not as yet entered the current of interstate commerce. If the people can be protected under the commerce clause from the use in interstate commerce of wholesome but misbranded food, surely their Congress can pass laws under the commerce clause to protect them from a method of production that takes away all food.

Just one other reference which I hope may be sufficient evidence to lay this ghost about the absolute necessity of showing that goods must be inherently harmful to be denied the facilities of interstate commerce.

Let us look now at another law that Congress passed. Congress has said that it is unlawful for a railroad to transport goods manufactured, mined, or produced by it, or under its control, or in which it has an interest, direct or indirect. That law has been held to be a valid exercise of the congressional power under the commerce clause in the case of *Delaware & Lackawanna Railroad* v. *U.S.* (231 U.S. 363).

What does that mean? That means that if a railroad has an indirect interest in a coal mine in the State of Pennsylvania, it is against the law to move 1 ton of that coal from Pennsylvania to any other State in the Union. That coal would burn just as well as though it had not been produced by a company in which a railroad had an interest. Nobody thinks that that coal would explode when it got into another State and destroy somebody's life because a railroad indirectly helped to produce it. It is the same kind of coal that it would be if it had been produced by somebody else.

Let those who say that under the Dagenhart or any other case the goods must be harmful to the people of the State in which they enter answer the question, What is the difference between game legally killed and game illegally killed to the man who eats it? What is the difference between coal mined by a railroad and mined by somebody else to the man who wants to keep warm? What is the difference to the man who buys goods to clothe him from the chilling blasts of winter, insofar as his health is concerned, whether those goods were produced by a monopoly or not by a monopoly? As a matter of fact, the monopoly can be controlled by the State. As a matter of fact, the State has the right, in its police power, to prevent a railroad from shipping anything that it mines or produces. What do we do here? We go back to the production, and we say that if it is produced in this way it cannot get into interstate commerce, even though it is the best thing and the most needful thing the customer desires to buy.

Mr. President, if anyone who has not been here and who has not read these cases asserts later, in the course of the argument, that the goods must be harmful in order to bring them within the power of Congress, I hope it will be remembered that these kinds of goods were not harmful and that these are but a few of the many instances which I could call to the attention of the Senate where it was held not to be necessary for them to be harmful, and where Congress can regulate even the production of the goods themselves.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. LONG. As I gather the Senator's review of those decisions, our Supreme Court has gone back to the method of the production to see whether or not it is in the public interest.

Mr. BLACK. That is correct, that is exactly what they have done. If it is not in the public interest to produce as they are producing, Congress can say, "We will not stop you from producing, we will not stop you from selling in any State, but we will take the facilities of interstate commerce away from you." We have that power.

I now desire to read to the Senate just a few of the statements which have been made to justify Congress in passing laws under the commerce clause. In the first place, I desire to have it distinctly understood that it is my belief that under the commerce clause the Congress itself has the right to determine how it will regulate that commerce. I think when the Supreme Court attempted to draw distinctions, as it has in several cases, with reference to the effect of goods here, and the effect of goods there, it transcended its judicial authority. It is my belief that with reference to interstate commerce the Congress of the United States is as supreme as Chief Justice Marshall and Justice Johnson and Justice Harlan and the other distinguished justices of this country declared it to be. But let us see some of the clauses which have been used as justifying the control of interstate commerce.

In aid of the policy of the State.

United States v. *Hill* (248 U.S. 420).

Gross misuse of interstate commerce.

The same case.

Because of its harmful results.

The same case.

Defeat of the property rights of those whose machines have been taken against their will.

The same case.

Harmful results to those of other States.

The same case.

Regulation may take the character of prohibition.

The same case.

Note this:

As a State may for the purpose of guarding its people * * *. So Congress for the purpose of guarding the people of the United States against lotteries and to protect the commerce of all the States, may pass legislation under the commerce clause.

One Hundred and Eighty-eighth United States Reports, page 321.

The next quotation is:

> The public advantage justifies the discretion.

In other words, they have gone so far in one case as to assign the authority for passing the law to the fact that the public advantage justifies the exercise of discretion. That was with reference to the Carmack amendment, and is found in Two Hundred and Nineteenth United States Reports, page 186.

In Hammer against Dagenhart the Court assigned as one of the reasons for striking down the child labor case the fact that it was purely local in its character. Another reason assigned was this:

> Not only necessary but convenient to its exercise.

They were referring these to the regulation of interstate commerce, and that is from the *Seven cases of Eckleman* v. *U.S.* (239 U.S. 510).

> Prevent their service from becoming an undue burden upon and obstruction of interstate commerce.

Tagg Brothers v. *U.S.* (280 U.S. 420).

Next:

> In cases where such interference is deemed necessary *for the protection* of commerce among the States.

Swift & Co. v. *U.S.* (196 U.S. 375).

Note this language:

> To foster, protect, control, and restrain.

Federal Employees Liability case (223 U.S. 47):

> To foster, protect, control, and restrain, necessary for the protection of commerce among the States.

When we look out over this Nation today and see 12,000,000 people out of jobs and know, at the same time, that on account of the spirit of avarice in commerce men and women are working 10, 11, 12, 13, 14, 15, and 16 hours a day, while their friends and their neighbors tramp the highways in search of work to earn a living, can it be said that commerce is not affected? Does commerce not need to be protected from practices like this? Can there be any greater burden upon interstate commerce than to take away the purchasing power of one fourth of the wage earners of this country completely and to take away partially the purchasing power of 90 percent of the remainder? Can it not be restored by adopting a sane and sensible method, which we have not yet attempted to any extent, of striking at the root of our troubles, instead of vainly continuing to worship the old idea that if you water the tree at the top the roots will take care of themselves?

No, Mr. President; commerce in this Nation cannot be protected, it cannot be fostered, it cannot be cared for until the millions of people out of work, yearning for jobs, living at the hands of charity, are given a chance to do that which industry will not voluntarily permit them to do.

We have heard a lot about the share-the-work movement. What did that mean? Wherever it has been practiced it has usually been followed by reduction in wages. That would not follow if a uniform law should be put into effect in this country. Not only that, but while they have called it a share-the-work movement and have reduced the number of working hours per week they have increased the number of working hours per day, and at the hearings on the pending bill we were told that in the silk industry they have been actually working people 16 hours a day at a 50 percent lower wage than they received in 1928. Not only that, but the secretary of the Silk Manufacturers' Association told us that he came to that committee with his hands up. He said:

> The manufacturers are helpless. Not only are they helpless, but they are hopeless. Our only chance is for Congress to use its power to save our commerce and our business from complete destruction and annihilation.

I could make the same statement with reference to others. But let us discuss the Dagenhart case, and, in the first place, let me call the Senate's attention to the way that case was decided. It was a 5-to-4 decision. I assert that, according to modern principles of humanity and justice and fairness, the minority opinion was more consonant and more consistent with progress than the majority opinion.

Justice Day wrote the majority opinion. Justice White, Justice Van Devanter, Justice Pitney, and Justice McReynolds concurred in the majority opinion. Of the justices who participated in this opinion, only Justices Van Devanter and McReynolds of the majority are still on the bench, and only Justice Brandeis of the minority. Since that decision six new justices have been appointed. They are Chief Justice Hughes and Justices Sutherland, Butler, Stone, Roberts, and Cardozo. As yet the decision to be rendered by that group is in the lap of the gods. They have not spoken, and no doctrine of stare decisis applies to opinions on constitutional interpretation.

If the opinion is wrong, it cannot and it should not stand, because we raise our hands and promise obedience to the Constitution of the United States, not to its interpretation by a majority of one at any particular period. I do not say that with any idea of disrespect.

Mr. LONG. Mr. President, if the Senator will permit me to interrupt, while this may appear to be a little out of line with what the Senator is saying, does the Senator recall that the Constitution of the United States provides that Congress shall create a Supreme Court and such other courts as it may from time to time establish? Our Constitution simply provides for the creation of the Supreme Court. It is possible for the Congress to enlarge it, diminish it, or to make itself a part of the court. The time might come in America when Congress itself would be in the same position in which the House of Parliament in England is, particularly if the Supreme Court were out of touch with what was necessary for the public at the time.

Mr. BLACK. Mr. President, I might call attention to the fact that this Court as it is now constituted, practically, in the case of *Brooks* v. *U.S.* (267 U.S. 432), has of its own volition interpreted the Dagenhart case, and no one can read the opinion in that case without reaching the belief that the Court was not wholly satisfied with the Dagenhart case.

Mr. President, let us see just a moment what would be the effect of a new opinion on this subject. I desire to call attention to the fact that applications of principles of law change with conditions. They are not inflexible. They are not unalterable. Conditions bring about the necessity for changes. Mr. Justice Bradley, in the case of *California Pacific Railroad Co.* (127 U.S. 1), said this:

> Its exertion (congressional power over highways and bridges) was but little called for, as commerce was then mostly conducted by water and many of our statemen entertained doubts as to the existence of the power to establish ways of communication by land. But since, in consequence of the expansion of the country, the multiplication of its products, and the invention of railroads and locomotion by steam, land transportation has so vastly increased, a sounder consideration of the subject has prevailed and led to the conclusion that Congress has plenary power over the whole subject.

It will be noted that I am not alone in the statement that the Supreme Court sometimes changes its opinion. They even make statements which I have not made, because here is the Supreme Court saying that, in view of changed conditions, "a sounder consideration has prevailed." What they meant by that language was that they had changed their former opinion.

Next the Supreme Court said:

> Constitutional provisions do not change, but their operation extends to new matters as the modes of business and the habits of life of the people vary with each succeeding generation.

In re *Debs* (158 U.S. 564).

Chief Justice Waite, in *Pensacola Telephone Co.* v. *Western Union Telegraph Co.* (96 U.S. 1), said this:

> The powers granted to Congress under the commerce clause of the Constitution, "Are not confined to the instrumentalities of commerce or the Postal Service known or in use when the Constitution was adopted, but they keep pace with the progress of the country and adapt themselves to the new developments of time and circumstances."

In the case of *Murphy* v. *California* (225 U.S. 623) the Court said this:

> A lottery of itself is not wrong, may be fairer, having less of overreaching in it than many of the commercial transactions that the Constitution protects * * * and at one time it was lawful. It came to be condemned by experience of its evil influence and effects. It is trite to say that circumstances of themselves may form circumstances, become the source of evil, or may have an evil tendency.

Apply that language to the fact here. Note the language:

> Circumstances of themselves may form circumstances, become the source of evil.

What are those circumstances? The circumstances are that this is built up as a trading and commercial nation; it is dependent upon trade and commerce. If trade and commerce languish, the people are in trouble. All over this Nation trade and commerce are at a low ebb. Twelve million people have lost their purchasing power. Circumstances occurred. There was a time when it was necessary to work people in the forests 15 hours a day in order to get enough lumber to build houses. That necessity does not exist now. There was a time when wool was prepared with the old-fashioned spinning wheel, taken as it came from the backs of the sheep, and it took a long time to produce a pair of socks, and it was necessary for people to work long hours. That condition does not exist now. As a matter of fact, the time has arrived when, out of circumstances of production, has grown a greater evil, the evil of unemployment, the evil of enforced idleness of 12,000,000 people, and of very little work for the remainder of the 48,000,000, and out of that evil comes the necessity for change.

The Supreme Court of New York was courageous enough to recognize the necessity for change. After 8 years they admitted in their opinion that a former opinion had been changed by conditions, so they had been informed in this case. They had originally held an hours-of-labor law unconstitutional, but now note what they say in the second appeal, 8 years thereafter, in March 1915:

> So, as it seems to me, in view of the incomplete manner in which the important question underlying this statute—the danger to women of night work in factories—was presented to us in the Williams case, we ought not to regard its decision as any bar to a consideration of the present statute in the light of all the facts and arguments now presented to us and many of which are in addition to those formerly presented, not only as a matter of mere presentation, but because they have been developed by study and investigation during the years which have intervened since the Williams decision was made. There is no reason why we should be reluctant to give effect to new and additional knowledge upon such a subject as this even if it did lead us to take a different view of such a vastly important question as that of public health or disease than formerly prevailed.

Mr. President, let us go back to the Dagenhart case a moment. That case did not affect all of interstate commerce. It affected a small portion of interstate commerce. No one complained that child labor would clog the markets. No one complained that the small amount of products of child labor would change the course and current of interstate commerce. The court said that it was plainly and manifestly a sole and single attempt to regulate the hours of labor in the State, and had no connection with interstate commerce.

But conditions today are different. This bill is not related to child labor alone. It is not referable merely to a small portion of the products that enter the stream and current of interstate commerce. It relates to every commodity, every article of goods manufactured in the name of industry; and upon its enactment depends the very life of commerce itself. Unless commerce is revived by giving employment, it will not be revived. Unless we give employment to these people so that they can go to work and earn something to buy the products of factories and mines and mills our commerce is dead, and we can pour our billions by loans into bankrupt business until we have exhausted the credit of the Treasury.

No, Mr. President; this bill relates to all of interstate commerce. It affects its life and its vitality. It is not limited as was the act involved in the Dagenhart case, where the court said it was purely local in character. This bill affects the laborers in every mill and factory in California, New York, Tennessee, and all over this Nation. It proposes to give to them a reasonable chance to earn an honest living.

I do not advert at this time to the difference between leisure and idleness, but I am calling your attention to the national aspects of this problem. Let me call your attention to the fact that it is national, and no one now can escape it.

If the problem is not national, why have we appropriated already practically $1,000,000,000 out of the people's pockets to feed the poor and the hungry and the starving?

If it is not national in its scope, how can we defend burdening industry in every part of this Nation with a billion-dollar tax to feed the people who have been thrown out of employment?

If it is not national, how can we defend at all the passage of the home loan bank bill? What defense is there for reaching down into the pockets of the people of this Nation and passing a law to save their homes all over this country, thereby affecting the internal affairs of the States?

If it is not national, what justification has there been for burdening commerce and trade by loaning millions and hundreds of millions of dollars to the farmers over this country in order that they might buy the products of factories and mines?

If it is not national in its scope, what man can stand up and defend the appropriation of $4,000,000,000, which must come out of the pockets of the taxpayers of this country engaged in industry in every State of this Nation, and employing that money for the purpose of trying to give work in order that commerce may be revived and may not perish from America?

No! It is too late to say this problem is not national. The principle of local control cannot be applied to this law. It does not affect merely a few children working in a factory in Pennsylvania. It is not limited to a few individuals working in a mine somewhere in the coal regions of this Nation. It reaches out into every section of this Nation where we have put the hands of the taxgatherer in order to sustain commerce; and we propose to do it in a sane and sensible method, and in line with the just principles of humanity which should govern this enlightened country of ours today.

Mr. President, this problem relates to all of interstate commerce.

Not only is this problem ours, but I placed in the CONGRESSIONAL RECORD of March 27, at page 874, a statement showing that this problem is being met all over the country. What have they been doing? Read that statement and you will see. They have been reducing the hours of labor. Have they been doing it voluntarily? No; not to any great extent. The spirit of avarice in commerce will not do it. Humanitarian manufacturers came before our committee with tears in their eyes and stated that they were helpless to compete with those who were using sweatshop methods in these days of enlightenment and progress, and they were compelled to work their people long hours in order to meet competition and give any employment whatever. If you will read this statement, you will also see that the countries of the world have been meeting the problem by laws. They have been meeting it by municipal laws, by State laws, and by Federal statutes.

But what position are we in today? There is only one possible way in which we can reach this subject. We have tried out the voluntary method of reducing hours. I noted in Sunday's paper that since the Senate Judiciary Committee reported this bill the Chamber of Commerce of the United States, with its usual rapidity of action, in order to raise human beings to a higher standard and to alleviate human suffering, has at last discovered that the hours of labor ought to be reduced, and has passed a resolution saying that it will try to bring about a voluntary reduction of the hours of labor. Naturally, it opposes a reduction by law.

No, Mr. President; that time is past. The past President of the United States attempted, with the influence of his

high office, to bring about voluntary action throughout this country. He met with signal failure. Not only did the industries not reduce the hours of labor, but where they did divide the work they cut salaries and wages to the bone. Not only did they do that, but where they cut off employees for a few weeks, where they reduced the hours of work per week, they increased the hours of work per day. Now, at this very time, with more than 12,000,000 people helpless and hopeless in the grip of unemployment, starvation, hunger, misery, and want, we find people in every State of this Nation, men and women, sitting there with the constant whir of machinery dinning into their ears, working from 10 to 16 hours a day in order to earn a mere pittance to keep themselves from starving to death.

Do you tell me that this problem is not national? Do you tell me that the time has not come for bold and courageous action if we are to meet it?

"Oh," they say, "you will breed idleness." No; we do not breed idleness. Throughout all the years the excuse for machinery has been that it would relieve human beings from the drudgery and slavery of long hours of constant toil. That relief has been promised them since the advent of the machine. The time has come now when with the use of machinery and efficiency we can produce with a 30-hour week more than we can sell at home and abroad.

What do we find? We find that instead of the advantages of improved machinery going to consumers and the men who work, it has gone to increase the tolls of those who own the plants; and they have built them and overbuilt them until they find themselves crucified on their cross of greed and unable to sell their product because they have robbed the laborer of the ability to purchase.

Mr. President, they tell us that this proposal will breed idleness. Well, what is the difference? Are not 12,000,000 wholly idle today? Are they not idle without hope? Do they not have despair in their hearts and fear that those whom they love will not be able to live because of the lack of food? Have we not taken away from them the security that comes from honest work and honest toil and an honest job? And are we not at the same time destroying our unemployed people by permitting others to work long hours and depriving them of the legitimate opportunities of leisure which should be theirs?

I do not subscribe to this doctrine, this propaganda which has been industriously circulated mainly by the writings of people who were never compelled to listen to the whir of machinery 12 or 13 hours a day, who never went down into the recesses of the earth to dig coal, but who have talked about the "exaltation" of constant, laborious drudgery. I have never heard, in that beautiful story that appears in Holy Writ, that anybody was excluded from the Garden of Eden because of the fact that work was a blessing and not a curse.

I welcome the coming of earned leisure to people when I think of the minds dwarfed by constant toil, when I think of the intellects that perhaps might have soared to great heights in the thought and genius of this Nation that have been deprived of their opportunity by reason of the fact that they must sit and listen to the grinding whir of machinery hour after hour until their energy is sapped, their life practically is taken, and the very blood is drained from their faces. I think, what may we have lost in some of those people?

I think of that man who strolled around in a little country churchyard in England. He could have strolled in a million more all over this Nation where machinery has taken its toll of life; and he could have said, in each one:

> Some mute inglorious Milton here may rest,
> Some Cromwell guiltless of his country's blood.

I do not anticipate leisure with any apprehension or any horror. I welcome it. I am glad that the day has come when, in our land that we love, we can, if we are bold enough and courageous enough, give to the men who toil that which is theirs—the benefit of that leisure which comes from machinery and efficiency. Where should it go? Where is it going today? It is not going to the 12,000,000 men who are unemployed. It is not even going to the people who are working 16 hours a day. No, Mr. President; the avarice and greed of commerce has seen to that. Now that their spokesmen see the time coming when there is an enlightened public sentiment all over this land, manifested in the Senate, manifested in the House, manifested in the White House, manifested in the Supreme Court—when they see that the time is ripe for recognizing the fact that people, human beings, are the things that need to be protected in this country—no wonder they come forward at this late hour and say, "If you will just let us alone, we will reduce the hours of labor."

Mr. President, I am not willing to depend upon them now. They come too late. Quick action is imperative. I introduced this bill in the belief that, if passed, it will mark a milestone in the way of human progress. I believe it will immediately put millions to work. I hope that it may be passed, and may establish throughout this country a normal working day of 6 hours. If we can produce what we need in that time, why work any more? Do people love laborious work so much? Those who have written about the great glories of tiring and wearisome labor have usually done so from a safe place occupied by them where they knew they would never be dependent upon their hands to earn their daily bread.

Mr. President, I speak here today for the 12,000,000 who have lost their jobs. I speak for 25,000,000 more who have partially lost their jobs. I speak for the whole 48,000,000 who are walking the streets today not knowing whether they will have a job tomorrow or not. I speak for the unorganized millions who must support the unemployed with billions of taxes. And then you tell me that Congress, which has the right to regulate interstate commerce, has no power to say that these poisoned goods shall not infest the currents and streams of interstate commerce, destroying the commerce itself, sapping the lifeblood of the individuals and the Nation! You tell me that Congress is here with hands held out impotently, saying, "We would like to do this, but the Constitution is in the way"!

That Constitution was never written to be an obstacle to human progress. It has never been so held. It is expansive; it is elastic to meet conditions as they are. I do not believe that that great document, which was written in order to protect human liberty and human government, can be safely interposed in order to block this great forward movement upon which America is bound to embark.

My friends, in conclusion let me say this:

I do not know what your action will be with reference to this bill; but mark my words: All over this Nation the people are watching Congress, and the people know that they have not been getting a square deal. Up in that little town in New Jersey that was testified about, where 40 per cent of the people are working, some of them 16 hours per day, as these jobless people see the overwork forced upon the others we cannot take out of their minds the fact that there is something wrong. We cannot sit here and continue to pour out the money and credit of the United States to sustain failing business enterprises and at the same time ignore the men and women upon whom the safety of this Republic depends. When enough of them are out of jobs, and when enough of them lose hope, when they see legislation fail to pass that they know would relieve conditions, do not be deceived. The people are the same in every age and in every country—patient, long-suffering, kind, you may say—but the kindness is taken out of the human heart when its owner sees the factory working 12, 13, 14, 15, 16 hours a day, with underpaid labor, as the unemployed hold out their hands in distress in order to get the very necessities of life for themselves and their children.

I present this bill as a real step forward on the part of the people of this country. It is not a complete remedy for existing conditions. We shall have to go farther, and we might just as well recognize the fact. I would have passed with it, if I could, a provision for unemployment insurance to prevent the repetition in the future of any such terrible condition as exists in this Nation. I would provide that

every soldier of industry, every man who has toiled upon the farm, and who has reached years where no longer are his hands nimble and his body active, should have a reserve built up so that he could spend his remaining years in security and peace and comfort. To these measures we must go. This is but one step along the pathway of progress. Thank God, there have sounded from that Chamber down the hall some notes that indicate that the Constitution of the United States will no longer block the way of progress in human happiness, but it shall be utilized not as an obstacle, but as a stepping-stone to carry human beings to higher planes of happiness and peace and security.

I present this bill, Mr. President, with the firm belief that it will put millions of people to work; that in no other way are we going to put them to work; that if we do not put them to work, and unemployment continues, we had better beware.

I present it because I love the sacred traditions of this country, because I love its Government, and because I want it to live. But does that country deserve to live which is not willing to march forward in order to see that human suffering does not come without fault on the part of the individual, and which is not willing to wipe out, as nearly as it can, the inequalities that have sprung up by reason of the avarice of commerce and trade?

I present this bill in the firm conviction that it will meet the approval of this body and will meet the approval of the Supreme Court, and will meet the approval of America.

Mr. ROBINSON of Arkansas obtained the floor.

Mr. VANDENBERG. Mr. President, will the Senator from Arkansas permit me to submit an amendment to the pending bill, with just a very brief statement?

Mr. ROBINSON of Arkansas. Very well, I yield.

Mr. VANDENBERG. Mr. President, I find myself in complete harmony with the general philosophy of action suggested by the able Senator from Alabama [Mr. BLACK]; but I think we shall find certain situations in which there would be a definite loss of advantage under the application of the rule which he has so ably submitted to the Senate. I am thinking particularly of the treatment of perishable commodities. I am thinking, for instance, particularly of the fruit canneries in my own State of Michigan, representing a tremendous institution and activity. I am thinking that, on the basis of the available evidence, it would be impossible to can the perishable fruits of northern Michigan on the basis of the undiluted formula which the Senator has submitted. On the other hand, I realize that the moment it is undertaken to write exemptions or exceptions we may have drawn the teeth of the measure, and I assure the Senator I have no interest in that objective. I ask him whether he would think there was any serious menace in adding as section 4 an amendment to read as follows:

SEC. 4. In case of seasonal or other extraordinary need in respect to any perishable commodity described in section 1, the Secretary of Labor may issue an exemption permit which shall relieve the commodity from the provisions of this act.

Would the Senator feel that that was in conflict with the purpose which he has undertaken to present?

Mr. BLACK. Mr. President, it is my judgment that there are probably some enterprises for which it would be impossible to procure labor on the basis proposed by the bill. If an enterprise can establish the fact that it cannot secure the labor, I can see no reason why the Secretary of Labor should not be vested with such power as the Senator suggests. I would not be willing, however, to consent to an amendment which carried with it the idea that merely because production might cost a little more an exemption should be granted. I think the Senator will see the idea I have in mind.

Mr. VANDENBERG. I do.

Mr. BLACK. I may call the Senator's attention in this connection to the fact that a witness, who was in the business of manufacturing clothing, who takes the wool from the back of a sheep and carries it into the finished garment, figured out for the Senate committee that there would be an increased cost of only $1.68 per suit of clothes in his factory if this proposed law should go into effect. I am of the opinion that the canneries that can secure the labor on this basis should secure it in that way; but if, on the contrary, there is a business which by reason of its seasonal activities is unable within the short period of time in which it can work to secure such labor, then, in my judgment, it would be a case that would justify elasticity in the operation of the rule.

Mr. VANDENBERG. I thank the Senator for his statement, and I think our objectives are in entire harmony. I would not want any exemptions available for factories for purely selfish reasons. On the other hand, I know the Senator would not want to write a rule which would make it impossible to handle the perishable crops which frequently are presented at Michigan canneries and which have to be canned on the very day they are delivered at the canneries and which cannot be held even overnight, because they are brought to the cannery in the precise degree of ripeness to be handled. I have much testimony to prove that these canneries, which in most instances are located in small communities, would not have either the labor, in the first instance, sufficient to go on a rotation of shifts, or, if the labor were imported for the purpose of rotating shifts, there would not be housing accommodations for the brief period in which the operation must be concentrated. I am sure we could agree upon the necessary wording of a final emergency section which would accomplish what I want to accomplish, and would, in no sense, invade the protection which the Senator seeks to provide. May I ask unanimous consent to submit a proposed amendment to the bill, and ask that it be printed and lie on the table, and also that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, the amendment read by the Senator from Michigan will be received, printed, and lie on the table.

Mr. ROBINSON of Arkansas. Mr. President, the modification which I understand the Senator from Michigan to propose would not materially impair the effectiveness of the general principle running through the bill. The object of the bill, of course, is to spread employment; it is to take up the slack in unemployment, due in large part to the introduction during the last few years of greatly improved machinery displacing large numbers of hand laborers and contributing to a condition which everyone recognizes and should be anxious to remedy.

Mr. VANDENBERG. The Senator has stated my view precisely, and it is wholly in that spirit that I am submitting the amendment. It seems to me it could be said with equal truth that it would be a travesty for us to be proceeding upon a program of farm relief at this moment and at the same time, perhaps, make it impossible for this large sector of agriculture to operate effectually.

Mr. BLACK. Might I suggest to the Senator that the Senator from Washington [Mr. DILL] has offered an amendment along the same line. I would also suggest that the Senator from Michigan confer with the Senator from Washington in connection with the entire matter.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 3342) to provide revenue for the District of Columbia by the taxation of beverages, and for other purposes, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mrs. NORTON, Mr. PALMISANO, Mr. BLACK, Mr. STALKER, and Mr. WHITLEY were appointed managers on the part of the House at the conference.

REVENUE FROM BEVERAGES IN THE DISTRICT

The PRESIDING OFFICER (Mr. GEORGE in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H.R. 3342) to provide revenue for the District of Columbia by the taxation of beverages, and for other pur-

poses, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. KING. I move that the Senate insist upon its amendment, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. TYDINGS, Mr. LEWIS, and Mr. CAREY conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER laid before the Senate sundry messages from the President of the United States transmitting nominations, which were referred to the appropriate committees and which appear at the end of today's Senate proceedings.

The PRESIDING OFFICER also laid before the Senate a message from the President of the United States transmitting a treaty, which was referred to the Committee on Foreign Relations and ordered to be printed in confidence for the use of the Senate.

ASSISTANT SECRETARY OF WAR

The PRESIDING OFFICER. Reports of committees are in order.

Mr. ROBINSON of Arkansas. At the request of the Chairman of the Committee on Military Affairs, I report favorably from that committee the nomination of Harry H. Woodring, of Kansas, to be Assistant Secretary of War.

REPORT OF NAVAL NOMINATIONS

Mr. TRAMMELL, from the Committee on Naval Affairs, reported favorably sundry naval nominations, which were ordered placed on the Executive Calendar.

THE CALENDAR

The PRESIDING OFFICER. If there be no further reports of committees, the calendar is in order.

Mr. ROBINSON of Arkansas. Mr. President, I received a request a few moments ago that action be deferred with respect to the first nomination on the calendar. I therefore ask that the nomination go over for the day.

The PRESIDING OFFICER. Without objection, the nomination, no. 5 on the Executive Calendar, will go over.

TRANSFERS IN THE REGULAR ARMY

The Chief Clerk read the nomination of Neal Dow Frankline, transferred to the Judge Advocate General's Department.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Lt. Col. Hugo Ernest Pitz, transferred to the Quartermaster Corps.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Capt. Roy Crawford Moore, transferred to the Quartermaster Corps.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Capt. Andrew Daniel Hopping, transferred to the Quartermaster Corps.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of First Lt. Ira Kenneth Evans, transferred to the Quartermaster Corps.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Second Lt. Herbert Charles Gibner, Jr., transferred to the Air Corps.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Second Lt. Merrick Hector Truly, transferred to the Air Corps.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

PROMOTIONS IN THE REGULAR ARMY

The Chief Clerk read the nomination of Cleveland Rex Steward to be captain, Medical Corps.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Alva Jennings Brasted to be chaplain with the rank of lieutenant colonel.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William Andrew Aiken to be chaplain with the rank of lieutenant colonel.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Ernest Wetherill Wood to be chaplain with the rank of lieutenant colonel.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Herbert Adron Rinard to be chaplain with the rank of major.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

OFFICERS' RESERVE CORPS

The Chief Clerk read the nomination of George Henderson Wark to be brigadier general, Officers' Reserve Corps.

The PRESIDING OFFICER. Without objection, the nomination is confirmed. That completes the calendar, and, without objection, the President will be notified of the confirmations.

The Senate resumed legislative business.

ECONOMY IN GOVERNMENT—ADDRESS BY SENATOR M'KELLAR

Mr. BACHMAN. Mr. President, my colleague [Mr. MCKELLAR] delivered an address over the radio last Saturday night on economy in government, and I ask unanimous consent that it may be inserted in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the radio audience, I have been asked to talk to you about economy in government, and I am very happy to do so.

During the period of 13 years from 1919 to 1932 our Federal Government was perhaps the most extravagant government that ever existed among men. The war, no doubt, had taught us to be more extravagant than ever before; but for some 10 of the 13 years after the war the country was unusually prosperous on the surface, there was an orgy of speculation and high prices, and it was accordingly easy to raise taxes, and the National Government's expenditures increased by leaps and bounds. Up to the World War our national expenditures had never reached a billion dollars per year. For the 10 years after the war the entire expense reached the enormous average figure of over five billions a year, and just running expenses, exclusive of interest paid on the national debt, and all sums paid to veterans, exceeded the vast sum of $3,000,000,000 per year.

There was never such an orgy of speculation, dishonesty, corruption, frenzied finance, fictitious values, fraudulent stocks and bonds, dishonest trade and commerce transactions as during the period of 10 years following 1920, and all these conditions and practices were reflected in our Government and its expenditures; and it became a highly artistic accomplishment and a more or less honorable distinction for many of those in high official positions to steal from our Government. Those who stole without getting caught were highly distinguished, and those who got caught did not receive so much distinction. Some of these enormous sums of money raised by taxation were spent for governmental purposes, but a very large portion of it was spent in every conceivable form of graft known among corruptionists.

During that period some $4,000,000,000 was spent on what everybody has come to know as "legalized graft" and which is commonly called "tax refunds." Of course, when an honest mistake is made by the Government, taxes ought to be refunded; but it is silly and ridiculous to say that from 1920 to 1932, inclusive, in the collection of our taxes in a period of 12 years $4,163,138,817.39 of mistakes were made in the collection of taxes! Only 11 millions in refunds was made in the first 3 years after the passage of the act, and then the grafters found out and used to the limit its possibilities, and money on this account flowed more freely from the Treasury than water flows over Niagara. This more than $4,000,000,000 in taxes, largely paid in by war profiteers during the war, was refunded, mostly to the so-called "great, greedy,

and grasping individuals, partnerships, and corporations" which, in the orgy of dishonesty and corruption, were the favorites of the Government in that period. For the most part, it was paid out by subordinate employees of the Treasury secretly, and the high officials of the Treasury professed not to know how or why it had been paid out. Some of us fought this more or less legalized graft for more than 10 years, and during that fight we cut out a great deal of it. I sincerely hope we can soon get rid of all of it.

It was during this period that the oil pirates, led by Doheny and Sinclair, despoiled the Government of hundreds of millions of dollars. It was during this period that officials of the Veterans' Bureau despoiled the Government, and also the veterans, of the funds due the veterans. It was during this period that those in charge of the property of foreigners taken over by the Government during the war became dishonest and corrupt. It was during this period that subsidies to the great shipping interests and the airways interests were put through, and which still continue to take from the people their taxes by scores of millions. Legalized grafting became one of the most successful and important of businesses, and everyone apparently who could obtain these vast gratuities from the Government, whether entitled to them or not, was seeking thus to mulct his own Government.

For years some of us have been fighting against these corrupt practices and these frightful expenditures of our National Government. During the prosperous years we got some petty reductions. However, more than a year ago we secured in the Senate the passage of a resolution establishing the Economy Committee, and the reductions in governmental expenditures which took place prior to March 4, 1933, were to a very great extent, directly or indirectly due to the work of this committee. In 1931 we secured a reduction in expenditures of $334,000,000 under the sums recommended by Mr. Hoover for that year. The next year the Economy Committee was continued, and this committee secured reductions in the Senate of about $285,000,000 under the sums recommended by Mr. Hoover. I regret to say that when this saving got into conference, a majority of the House conferees and a majority of the Senate conferees got together and over the strongest fight that it was possible for the majority of our Senate Economy Committee to make there was cut out of the bill some $210,000,000 of these savings. We did save, however, this last year, about $75,000,000 under Mr. Hoover's Budget recommendations.

So that even prior to March 4, 1933, we cut down the running expenses of the Government some $409,000,000. Prior to adjournment on March 4, 1933, the Congress passed a bill giving to the President the right to abolish bureaus, to combine and consolidate bureaus, commissions, and other instrumentalities of government. President Roosevelt has already vigorously begun the administration of this authority, and it is believed that under this bill there will be a saving by the President of $200,000,000.

Since the new session has begun we have passed another bill, known as the emergency economy bill, giving to President Roosevelt the right to cut down salaries (and Congressmen's and Senators' salaries were included in the bill), to reduce compensations to soldiers of all wars, and providing for numerous other economies; and there will probably be saved under this bill some $400,000,000 more. So that it can be safely said that under the savings of $409,000,000 before March 4, and the savings to be practiced by President Roosevelt under special acts of Congress since March 4 of some $600,000,000, the running expenses of our Government by the end of the present fiscal year will be reduced by more than a billion dollars. This is an enormous saving, and I believe it will meet the approval of the American people.

In closing let me say this for President Roosevelt: When he came in on March 4, the doors of nearly every bank in the country were closed, and, of course, had these banks remained closed the doors of nearly every business house would have soon closed. Our National Treasury was empty. There was more than a $5,000,000,000 deficit of the last 3 years staring him in the face. Expenditures were exceeding income by more than $200,000,000 a month. Confidence in the financial stability of our Government was gone. Investors looked askance at Government paper. Never in our history were the Government's finances in such a fearful plight. The task of the new President seemed almost impossible of fulfillment.

But in less than 4 weeks President Roosevelt has taken such vigorous and active steps for the rehabilitation of our country, and its institutions, and its business, that almost a financial miracle has been wrought. He has opened the greater number of our banks. Business houses are going along largely as usual. Confidence in the Government and the Government's finances has been restored. Relief work has been done, and, in my judgment, we have passed the worst of the financial crisis. I devoutly hope so. The country has indeed secured a leader, and if he is privileged to continue this leadership, before a great while I expect to see our country restored to where honest men and honest women may again have work, and may again secure a reasonable return for that work; where dishonest and corrupt practices may be excluded from our Government; where fake bond issues and stock issues will be no more; where dishonesty and corruption are frowned upon; where legalized and all other forms of grafting will be no longer tolerated; and where true economy of Government will restore to all our people happiness and prosperity.

No President ever came into office at such a trying time, and no President has ever accomplished one tenth as much in so short a time as has Franklin Roosevelt. He deserves and I believe he is receiving the support of the country.

RECESS

Mr. ROBINSON of Arkansas. If there is no further business to be transacted, I move the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 20 minutes p.m.) the Senate took a recess until tomorrow, Tuesday, April 4, 1933, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 3 (legislative day of Mar. 13), 1933

ASSISTANT SECRETARY OF STATE

Sumner Welles, of Maryland, to be an Assistant Secretary of State.

AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY

Claude G. Bowers, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Spain.

UNITED STATES CIRCUIT JUDGE

Joseph W. Woodrough, of Nebraska, to be United States circuit judge, eighth circuit, to succeed Arba S. Van Valkenburgh, retired.

COLLECTOR OF CUSTOMS

Harry M. Durning, of New York, to be collector of customs for customs collection district no. 10, with headquarters at New York, N.Y., in place of Philip Elting, resigned.

PUBLIC HEALTH SERVICE

The following-named surgeons to be senior surgeons in the Public Health Service, to rank as such from the dates set opposite their names:

Alvin R. Sweeney, March 7, 1933.

Harry F. White, March 12, 1933.

These officers have passed the examination required by law and the regulations of the Service.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

First Lt. Robert Francis Carter, Infantry (detailed in Quartermaster Corps, with rank from Nov. 16, 1923.

PROMOTIONS IN THE REGULAR ARMY

To be lieutenant colonel

Maj. John Thomas Harris, Quartermaster Corps, from March 19, 1933.

To be majors

Capt. Paul Hancock Brown, Infantry, from March 19, 1933.

Capt. William Stuart Eley, Infantry, from March 20, 1933.

Capt. Joseph Pescia Sullivan, Quartermaster Corps, from March 20, 1933.

To be captains

First Lt. Irving Compton, Infantry, from March 19, 1933.

First Lt. Rudolph William Broedlow, Infantry, from March 20, 1933.

First Lt. Albert Edmund Rothermich, Infantry, from March 20, 1933.

To be first lieutenants

Second Lt. Jeremiah Paul Holland, Field Artillery, from March 19, 1933.

Second Lt. John Mills Sterling, Air Corps, from March 20, 1933.

Second Lt. Edward James Francis Glavin, Infantry, from March 20, 1933, subject to examination required by law.

Second Lt. Mark Kincaid Lewis, Jr., Air Corps, from March 20, 1933.

MEDICAL CORPS

To be captains

First Lt. William A. Dains Woolgar, Medical Corps, from March 19, 1933.

First Lt. Joseph Steinberg, Medical Corps, from March 19, 1933.

First Lt. Karl Rosenius Lundeberg, Medical Corps, from March 19, 1933.

First Lt. Arthur Herman Corliss, Medical Corps, from March 19, 1933.

First Lt. Jonathan Milton Rigdon, Medical Corps, from March 19, 1933.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 3 (legislative day of Mar. 13), 1933

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

TO JUDGE ADVOCATE GENERAL'S DEPARTMENT

Capt. Neal Dow Franklin.

TO QUARTERMASTER CORPS

Lt. Col. Hugo Ernest Pitz.
Capt. Roy Crawford Moore.
Capt. Andrew Daniel Hopping.
First Lt. Ira Kenneth Evans.

TO AIR CORPS

Second Lt. Herbert Charles Gibner, Jr.
Second Lt. Merrick Hector Truly.

PROMOTIONS IN THE REGULAR ARMY

Cleveland Rex Steward to be captain, Medical Corps.

Alva Jennings Brasted to be chaplain with the rank of lieutenant colonel.

William Andrew Aiken to be chaplain with the rank of lieutenant colonel.

Ernest Wetherill Wood to be chaplain with the rank of lieutenant colonel.

Herbert Adron Rinard to be chaplain with the rank of major.

APPOINTMENT IN THE OFFICERS' RESERVE CORPS

GENERAL OFFICER

To be brigadier general

George Henderson Wark to be brigadier general, reserve, Kansas National Guard.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 3, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, offered the following prayer:

Eternal God, Thou hast taught us to pray. It invests our souls with a horizon wide as the universe and endows us with a heritage as enduring as time. Heavenly Father, we thank Thee that it bears witness that we are Thy children, for Thou wilt surely hear when we pray and bless us with Thy companionship through endless ages. Search our consciences, O God. Make visible to our eyes the divine light. May we be caught up in the service of humanity. O may the lamp of universal brotherhood be relighted and save the world from the conflicting tumult of suffering and intolerance. We pray that they may never stain our flag or the history of the Republic. Let us hear the voice of the divine herald, "Peace on earth, good will toward men." Bless our country; it is very grand, yet very sacred, because it is the gift of a good God. We thank Thee for it. Amen.

The Journal of the proceedings of Thursday, March 30, 1933, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following date the President approved and signed a joint resolution of the House of the following title:

On March 30, 1933:

H.J. Res. 121. Joint resolution to provide for the acceptance of sums donated for the construction of a swimming-exercise tank for the use of the President.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 812. An act to provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3342. An act to provide revenue for the District of Columbia by the taxation of beverages, and for other purposes.

The message also announced that the Senate had agreed to the amendments of the House to the bill (S. 598) entitled "An act for the relief of unemployment through the performance of useful public work, and for other purposes."

THE WAGNER BILL—PRIVILEGES OF THE HOUSE

Mr. SNELL. Mr. Speaker, when would be the proper time to make the point of order relative to the right of the Senate to originate a bill such as the one just reported over, Senate 812, to provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes?

The SPEAKER. The Chair thinks the gentleman may make his point of order at this time.

Mr. SNELL. Then, Mr. Speaker, I make the point of order that under article I, section 7, clause 1, of the Constitution, all bills for raising revenue must originate in the House of Representatives. The provision on page 2, line 17, of the bill referred to authorizes the issuance of $500,000,000 of bonds, and that comes under the matter of raising revenue, and, if it does pertain in any way to the revenues of the Government, it should originate in the House of Representatives, or, if there is a question of reasonable doubt, it should be resolved in favor of the House, and then there can be no doubt about the constitutionality of the law. It is further stated in several places in the bill that funds so provided are appropriated for such and such purposes.

The SPEAKER. The Chair thinks it involves the prerogatives of the House.

Mr. BANKHEAD. Mr. Speaker, to say the least I think the point of order is premature.

Mr. SNELL. But I asked the Speaker when the proper time was to raise the point of order and the Speaker intimated at the present time, as I understood him.

Mr. BANKHEAD. I beg the gentleman's pardon; I did not hear that.

The SPEAKER. The gentleman refers to the so-called "Wagner bill"?

Mr. SNELL. Yes; S. 812.

Mr. BYRNS. Mr. Speaker, in line with what the gentleman from Alabama [Mr. BANKHEAD] has said, would not the proper time to consider this matter be after the bill has been reported and brought up for consideration on the floor?

Mr. SNELL. Mr. Speaker, I directed the inquiry to the Chair, and as I understood the Speaker, I was to bring the matter up at the present time. I am willing to let the matter go over until a later date if the gentleman from Tennessee

so desires, but I do not want to lose any of my rights in the matter, for I think it is very important as far as the prerogatives of the House are concerned.

The SPEAKER. The Chair thinks the gentleman may bring it up at the proper time by resolution.

Mr. TREADWAY. Mr. Speaker, I have such a resolution, if this is the proper time to offer it.

The SPEAKER. Does the gentleman raise the question of the privileges of the House?

Mr. TREADWAY. Mr. Speaker, I rise to a question of the privileges of the House and offer the following resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 91

Resolved, That Senate 812, in the opinion of this House, contravenes the first clause of the seventh section of the first article of the Constitution of the United States, and is an infringement of the privileges of this House, and that the said bill be respectfully returned to the Senate with a message communicating this resolution.

Mr. BYRNS. Mr. Speaker, I make the point of order that that resolution is not privileged.

Mr. SNELL. O Mr. Speaker, there is no question about the privilege of the resolution, for it affects the rights of the House itself and is of the highest privilege.

Mr. BYRNS. It seems to me that it ought to go to a committee for consideration, and not be taken up on the floor of the House without previous notice.

Mr. TREADWAY. Is not a matter of consideration a question of the highest privilege?

The SPEAKER. The Chair thinks the resolution presents a question of privilege of the House and may be considered at this time. The point of order is overruled.

Mr. TREADWAY. Mr. Speaker, in connection with the resolution I call the Speaker's attention to two similar instances. I call the Chair's attention to a precedent in the Seventieth Congress, when Resolution No. 92 was returned to the Senate with a resolution in similar form to the one I have just presented. It affected the classification of certain grades of rice at a higher rate of duty than that held to be the rate under existing law.

The other precedent to which I call the attention of the Chair also was in the Seventieth Congress, referring to Senate bill 789. That bill proposed to exempt from income tax for a period of 10 years the profits derived from shipping, if said profits were put back into American shipping. This case appears in the CONGRESSIONAL RECORD of February 7 or February 8, 1928. It seems to me that these two precedents are directly in line with the question now raised of consideration of this measure. No matter how the language may be camouflaged, under it there will be a direct charge, as everyone knows, of $500,000,000 against the Treasury of the United States.

Mr. BYRNS. Mr. Speaker, it occurs to me that a matter of this importance, brought up here without previous notice to any Member of the House, ought to be given more consideration than is now proposed. As a substitute, I move that the resolution be referred to the Committee on Ways and Means. The gentleman from Massachusetts is a member of that committee, and I assume he will have no objection to that.

Mr. SNELL. I have no objection if the gentleman wants this resolution put over, but I object to referring a privileged resolution of this character to any committee. If the gentleman from Tennessee [Mr. BYRNS] desires to have the resolution lay over, there is no desire on this side to press it. I simply want to protect the rights of the House of Representatives. I presume the gentleman from Tennessee is just as eager to do that as I am.

Mr. BYRNS. Undoubtedly.

Mr. SNELL. If the gentleman desires to have this lay over, I am willing to agree to that, but I am not willing to have a motion made to refer it to the Committee on Ways and Means.

Mr. BYRNS. Some of us have not had an opportunity to examine the bill closely in the light of the gentleman's objection. I have read the bill and it occurred to me that it was not a revenue bill, but I do not have the bill before me.

Mr. SNELL. Suppose we let the resolution lie on the Speaker's desk and take it up tomorrow. There is no desire on our part to press it.

Mr. BYRNS. That is satisfactory.

Mr. SNELL. The only thing is we want to be sure we are not yielding any rights of the House of Representatives.

Mr. BYRNS. Meantime, what will become of the bill? Will it be referred to a committee or will it lie on the Speaker's desk?

The SPEAKER. It will not be referred until the resolution is disposed of.

Mr. SNELL. It will be agreeable to us to let the resolution lie on the Speaker's desk and take it up tomorrow.

The SPEAKER. Without objection, the consideration of the resolution will go over until tomorrow.

There was no objection.

ELECTION OF MEMBERS OF COMMITTEES

Mr. DOUGHTON. Mr. Speaker, I offer a privileged resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 92

Resolved, That the following Members be, and they are hereby, elected members of the following standing committees of the House of Representatives, to wit:

Mines and Mining: WALTER NESBIT, Illinois.

World War Veterans' Legislation: KATHRYN O'LOUGHLIN MCCARTHY, Kansas.

The resolution was agreed to.

QUESTION OF PERSONAL PRIVILEGE

Mr. BLANTON. Mr. Speaker, I rise to a question of personal privilege. On last Thursday there was a very strong speech for the medicinal liquor bill made by our good friend from Pennsylvania, Mr. PATRICK J. BOLAND. From his wet standpoint it was a splendid speech, but it was printed under my name by the Government Printing Office. [Laughter.] The following are his remarks, not mine:

The purpose of this bill is to accomplish three things:

First. Repeal the limitation on the number of prescriptions that may be issued during any certain period of time by any one physician.

Second. Repeal the restrictions on the method of writing prescriptions for liquors of all kinds so that a physician may write a prescription for liquor the same as he would write any other prescription.

Third. Repeal the limitation on the quantity of liquor of any kind that may be prescribed so that the sound discretion of the physician may be exercised in fixing the amount of liquor needed.

Surely a physician should not be restricted in using his best judgment as to whether a certain amount of liquor should be prescribed or not. Allow me to state that the doctors in Pennsylvania are among the highest type gentlemen that we can boast of, and I rather feel that we can trust our physicians to prescribe what they think is useful; and, personally, I am in favor of whatever they would recommend.

It has always seemed arbitrary to me to limit the physicians to a certain amount of permits in a certain number of days, and if additional permits were necessary they would have to have the support of the health authorities stating that an epidemic was prevalent. It is plain to be seen that in the case of an emergency the physician might be without prescription blanks for some time before he could get an additional supply.

How embarrassing it must be to the profession to have a doctor go to see a patient whom he can relieve through a certain prescription and for whom he is restricted from prescribing the remedy. I believe today that Congress will relieve this arbitrary condition by passing this much-needed legislation, and I feel very much honored in having some little part in the passing of it.

You will find the above remarks of our friend Mr. BOLAND under my name in column 1 on page 1053 of last Thursday's RECORD. I had interrupted him in the following colloquy:

Mr. BLANTON. Will the gentleman yield?

Mr. BOLAND. Yes.

Mr. BLANTON. Outside of the cities of Pittsburgh and Philadelphia, is it not a fact that the great Keystone State of Pennsylvania is dry?

Mr. BOLAND. No.

Mr. BLANTON, I mean outside of these two cities.

Mr. BOLAND. No; I will not concede that at all, because the district I represent is the Lackawanna district, and I came down here with all the nominations on two occasions and the only advertisement I had was that I would vote to repeal the eighteenth amendment.

Mr. BLANTON. That was due to the gentleman's personal popularity, and was in spite of his views on this question. The genial disposition of our good friend is so magnetic that naturally all of his constituents like him and are willing to overlook his stand on a few questions.

Then followed under his name plainly typewritten "BOLAND" on the succeeding page of manuscript the seven paragraphs of his speech attributed to me, quoted above; but when the manuscript reached the Government Printing Office Mr. BOLAND's name was marked through with a pencil, though still plainly discernible, and his above-quoted remarks were printed under my name as if they were my own remarks.

My unalterable position against intoxicating liquor, against repeal, against beer, and against removing present restrictions from medicinal whisky are so well known this error on the part of the Government Printing Office has placed me in an inconsistent attitude from one side of the United States to the other. There are over 35,000 copies of the daily CONGRESSIONAL RECORD that are daily sent to and distributed in the 48 States of this Nation. I am receiving already communications from people living in near-by States expressing surprise and wanting to know what caused me to change my position. I do not want to be placed in that attitude, and therefore I ask recognition under the question of personal privilege.

The SPEAKER. The gentleman is recognized.

Mr. BLANTON. Mr. Speaker, no one in this House has a higher regard for my good friend from Pennsylvania, Mr. PATRICK J. BOLAND, than I. I think a great deal of him as a friend and as a colleague. From his standpoint on this question, the speech he made was a good, strong wet speech. From the wet standpoint not a flaw could be picked in it by Brother O'CONNOR or Brother BOYLAN or Brother SABATH or Brother CULLEN or any of the other brothers. It is perfect, but to be placed by the Government Printing Office under my name, when I have taken a dry stand here for 16 years in this Congress, it was a great injustice.

Now, there is no excuse in the world for an error of that kind occurring. I have gotten the official manuscript from the Printing Office, and it proves this error conclusively. Here is the official manuscript of Mr. BOLAND'S speech. He yielded to me for the observations already quoted. The next page has at the beginning "PATRICK J. BOLAND, continuation of speech", plainly typewritten at the top of it, and there is a little pale pencil mark drawn through his name by somebody. It is admitted that this was erroneously done in the Government Printing Office.

Do you know who all must pass on an error like that before it can get into the RECORD? First, there is the copy cutter. He is responsible for everything that goes in before it is set up in type. Then there is a linotype setter, who actually sets the manuscript in type. If he is a man of discernment—the kind of discernment that would warrant him to draw the salary he receives down there—he ought to have caught that error instantly, because here is Mr. BOLAND's name in large capital letters at the top of the remarks which he prints under my name. Then after it is set up, there are two initial proofreaders, who read and compare together. They are called the proofreaders in black. They read the composition set up in black ink. Then after they make their corrections, in order to avoid all errors, that copy and proof go to the blue proofreaders. The corrected proof is printed in blue ink, and these second proofreaders must read and compare it again to catch errors. Then it goes, finally, to the referee, who goes over it to see that no errors have been overlooked. There are these five different checks of everything that goes into the CONGRESSIONAL RECORD to keep errors out of it.

I maintain that that was an inexcusable error. It should not have gotten by all five of these checks. Some of these should have discovered and corrected it. I want to call your attention to one thing. These employees of ours in the Government Printing Office are the best-paid printing-plant employees in the world. Did you know that? They are paid more than any similar employees in any private printing plant in the world. Did you know they receive 15 percent extra pay for night work? They receive for all overtime and for Sunday work time and a half. That means that they receive 150 percent of their regular base pay every time they work Sundays or overtime. When they work on a holiday they receive two and one-half times their base pay. Every holiday they work they get 250 percent of their salaries. They do not work on Saturday, for both Saturday and Sunday are regular holidays. They work only 5 days a week, of 8 hours per day, or 40 hours per week, and the ones who do work on Saturday receive the extra pay for doing it.

Under the ruling of the Public Printer, the employees are permitted this year to take their 30 days leave with pay, which he claims accumulated to their credit last year. On July 1, 1932, there were 4,845 employees on the rolls of the Government Printing Office, and during the fiscal year of 1932 ending on that date the Public Printer paid for 20,941 hours of overtime, at the extra overtime rate of pay. On account of our reducing appropriations the employees on December 1, 1932, had been reduced so that only 4,769 employees then remained on the rolls. The average compensation of all employees for the fiscal year of 1932 was $2,149.96, while, as I will show you, quite a number received very large salaries.

Let me now show you some of these salaries. I have here the President's Budget for 1934, from which I will quote.

Mr. GOSS. Mr. Speaker, I make the point of order the gentleman is not presenting a question of personal privilege, in my opinion.

Mr. BLANTON. Oh, but I am.

The SPEAKER. The Chair thinks he is and so holds.

Mr. BLANTON. My very unwise young friend from Connecticut is learning things as he goes along.

Mr. GOSS. I thank the gentleman for the compliment.

Mr. BLANTON. And after he stays here as long as I have he will find out that when he makes these hypercritical points of order they come home to him once in awhile, because there is not a man on this floor who gets out of the record, who gets beyond the rules and regulations, more often than my friend does.

Mr. GOSS. I thank the gentleman for the compliment.

Mr. BLANTON. And I think a great deal of him for all that; he is a pretty good young fellow for all that.

Mr. BOYLAN. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. In just a moment.

Mr. BOYLAN. I wish to ask one little question right at this point.

Mr. BLANTON. I cannot yield at the present time. My friend and collaborator, the distinguished, able, efficient Representative from New Jersey [Mrs. NORTON] has an important matter to bring up and I do not want to be taking up her time.

From the President's Budget for the next fiscal year of 1934 I will read you some of the salaries—that is, the base salaries—of the Government Printing Office employees:

Public Printer, $10,000; Deputy Public Printer, $7,500.

Then I quote this from the President's Budget:

To enable the Public Printer to comply with the provisions of law granting holidays and half holidays, and Executive orders granting holidays and half holidays with pay to employees, and to enable the Public Printer to comply with the provisions of law granting (30 days) annual leave to employees with pay, * * * $2,500,000.

They have a mechanical superintendent at $6,000; production manager, $5,600; superintendent of accounts,

and budget officer, technical director, $5,200; night production manager, $5,000; purchasing agent, $4,800; 5 employees, including the superintendent of printing, $4,600 each; chief clerk, and 3 others, at $4,400 each. They have a CONGRESSIONAL RECORD clerk at $4,000; assistant to the Public Printer at $4,200; assistant purchasing agent at $3,800; 7 other assistants at $3,800; the foreman gets $3,700; an assistant superintendent and 31 others get $3,600; the chief computer gets $3,500; the chief indexer gets $3,480; they have 17 employees getting $3,400 each; 2 others get $3,250 each; 62 get $3,200 a year each; they have a financial clerk at $3,000; 15 other employees at $3,000 each; 4 at $2,900 each; 1 at $2,875; 1 at $2,800; head plateman, $2,750; 9 clerks at $2,600 each; 4 at $2,500 each; 2 at $2,460 each; 6 at $2,400 each; 8 at $2,300 each; 10 at $2,200 each; 11 at $2,040 each; 7 at $2,000 each; 8 at $1,980 each; 3 at $1,920 each; 43 at $1,860 each; 19 at $1,800 each; 21 at $1,680 each.

Then we get down to those paid at a basic rate per hour.

There are 260 employees getting $1.15 an hour basic pay, which is two and one half times doubled when they work on holidays, and one and a half times doubled when they work overtime or on Sundays, and increased 15 percent when they work at night.

They have 1,030 employees getting $1.10 an hour basic pay; 548 employees getting $1.05 an hour basic pay; 183 employees getting $1 an hour basic pay. They are all well paid and cared for, and there is not any excuse for making a mistake of this kind.

Mr. BOYLAN. Will the gentleman yield for a question right there?

Mr. BLANTON. No. I will yield in another minute.

Mr. BOYLAN. The gentleman said last time he would yield in a minute. The time limit has elapsed.

Mr. BLANTON. No; I regret not to yield now to my friend from New York, as I want to discuss these facts.

Mr. BOYLAN. It is very pertinent right in this connection.

Mr. BLANTON. I regret that I cannot yield now. I will show you how a mistake like this might hurt. Suppose one of my dry speeches were to be put under Mr. O'CONNOR's name or under Mr. CELLER's name?

Mr. O'CONNOR. It would be all right with me.

Mr. BLANTON. Or under Mr. SABATH's name, or even under the name of our distinguished friend the gentlewoman from New Jersey [Mrs. NORTON].

Mrs. NORTON. Nobody would believe it.

Mr. BLANTON. They would not believe that she would make a "dry" speech, would they?

Mrs. NORTON. No.

Mr. BLANTON. I will tell you what someone can do when you are 2,000 miles away from home; a political opponent or someone who might not like me could take this RECORD and go from one side of my district to the other and say, "Here is what BLANTON says in behalf of a wet bill on the floor of the House."

Why, last year when I was busy here working day and night for the people, a shrewd lawyer—a district attorney—went over my district of 19 counties for months and said that we were voting to pay $11 a day to a chaplain just to make a prayer. He did not know that this distinguished and beloved minister of the gospel is our spiritual leader in this House, that he is the pastor, you might say, for 435 congressional families, that he sits here with us as he does now, encouraging us to do our duty. [Applause.] And he gets a little measly salary of $1,680 a year, and earns several times that amount.

This politician, speaking over my district for months, said that we paid the doorkeeper of the House $55 a day to sit at a door, when as a matter of fact our doorkeeper, Hon. Joe Sinnott, does not "sit at a door", and he actually receives $6,000 per year, less the economy cuts, for working 365 days in the year, and looking after scores of employees under him.

When did you ever see Joe Sinnott sitting at a door? This politician did not know there are about 20 doors to this House that must be properly guarded, both as to this floor and the gallery. He did not know that Joe Sinnott works hard 365 days in the year for a salary of $6,000, and has numerous employees under him to look after. Yet this slick politician went from one side of my district to the other saying that we Congressmen paid our Doorkeeper $55 a day to just sit at a door when we were in session. Suppose he had had this RECORD with this wet speech under my name?

So you can see it is necessary that the time of this House be taken to make such corrections.

Now, let me give you a little insight into some history. You gentlemen who were here then will remember back in 1921 I spent about 2 months checking up the Government Printing Office. I went down there and went into every department of it. I spent 2 months of my vacation time checking it up, and I made a detailed report of my investigations to this House. I got permission on October 21, 1921, to extend my remarks in the RECORD.

I printed this in the appendix of the RECORD of October 22, 1921. There was not a word of that report that was improper in any way, and it was made in the interest of the people of this Nation. In this report there was a short document, sworn to, and filed with the Public Printer by Millard French, an employee of the Government Printing Office, swearing on oath that because he refused to pay $15 a month out of his salary to a union there he was cursed and abused, and treated like a dog, and threatened to be kicked out, and was kicked out. Because I called attention to this and reprinted the language, deleting the bad words, just as I did when I was a judge on the bench in certifying records of the court on appeal to higher courts, the Republican leader who was here then—thank God our present leader is not like him—was promised by certain men that he would be sent to the Senate if he would put me out of Congress. And this Republican leader, Frank Mondell, tried to put me out of Congress. He made a motion to expunge my whole speech and said that I had used bad language in it when I had not, and without giving me one moment to explain, he had expunged my speech from the RECORD. Then he moved to expel me from the House. He did not refer the matter to a committee, as he should have done, had he been fair; he did not give me counsel, he did not give me time to answer or to prepare a defense. He called it up on the spur of the moment, he thought that by expunging my report from the RECORD the people of the United States would believe I had done wrong.

There were 302 Republicans in this House at that time. Frank Mondell was the Republican majority leader of the House. He could have done anything he wanted to with votes if he could have convinced them that I was wrong, for he had 302 Republican votes under his command. Frank Mondell called Republican after Republican to his office that morning and demanded as their leader that they vote with him to pitch me out of this House, but, thank God, he could get only 204 votes against me in this House of 435 Members.

Then, in the following election, he ran for the United States Senate in the State of Wyoming, from which he had been their Congressman for years. I had that RECORD reprinted at my own expense. I sold a farm to do it. I had it printed at a private printing plant. I got the poll-tax list containing the name of every voter in Wyoming, and I sent this expunged report of mine on the Government Printing Office to the men and women of Wyoming. I said, "I have been standing for the moral side of every issue since I have been a grown man. I leave it to you as to whether Frank Mondell did me justice"; and did you know he did not carry but one county in the whole State of Wyoming? [Laughter and applause.] Yet Mondell had been Wyoming's only Congressman for 20 years. Did you know that Wyoming went Republican and sent a Republican

here, Mr. Winter, to succeed Mondell, and at the same time Mondell carried but one county in his State. And Frank Mondell has been dead politically ever since, and has long since gone and been forgotten. His own people of Wyoming justly punished Mondell for the great injustice he wantonly did me.

Mr. CLARKE of New York. Mr. Speaker, much as I love the speaker, I do not think he needs to go quite as far afield and attack us Republicans. There are only a few of us left here to fight now.

Mr. BLANTON. I want to say to my good friend from New York that there is a different sentiment in this House since the days of Mondell. I have a cordial, friendly feeling for every Republican in this House.

Mr. CLARKE of New York. There are a lot of Republicans who have helped to keep you here and the gentleman should be appreciative of that attitude.

Mr. BLANTON. I know it, and I am appreciative, and I want to say that of the 204 Republicans, some of whom, by threats and browbeating, Mondell then got to vote against me, there are mighty few left in the House now—only a handful, comparatively.

Mr. CLARKE of New York. Mr. Speaker, I shall have to insist that both Tom and I are wandering far away from the subject in hand.

Mr. BLANTON. I am now getting back to the Government Printing Office.

Mr. CLARKE of New York. Well, get back to the wet-and-dry issue. [Laughter.]

Mr. BLANTON. All right. Ever since my investigation and report in 1921 there has been a feeling of resentment here and there in the breasts of at least a few in the Government Printing Office against me because of this report. While most of the officials and employees there are my friends some have never gotten over it. There are some of the finest men in the world among the officials and employees of the Government Printing Office. Some of them are my close, personal friends. Some of them are Masons of high standing, and I have addressed their Government Printing Office Masonic Lodge, and have been pleasantly entertained by them. But there are a few who never have forgiven me for showing the rotten conditions that existed in that plant.

I am a little inclined to believe that some sentiment of this kind might possibly have caused this error. Of course, I might be mistaken. But I just cannot understand why some of the five check-ups did not discover the error before printing it. I may say that if the Democrats do their duty by the Democrats, as the Republicans always do their duty by Republicans, it should not be many more days before our President puts a Democratic Public Printer at the head of the Government Printing Office. I am a firm believer in the good, old slogan followed both by Republicans and Democrats that "To the victor belong the spoils."

For the information of all of our splendid new Members here, I will say that on December 7, 1927, our present distinguished and beloved majority leader, the gentleman from Tennessee [Mr. BYRNS], granted me time, and I read from this floor my report on the Government Printing Office which Mondell had expunged in 1921, and you will find it on pages 200 to 212, inclusive, in the daily CONGRESSIONAL RECORD of Wednesday, December 7, 1927. I would appreciate it if you new colleagues would kindly get this RECORD and read it, and it will disclose the great injustice Mondell did me in 1921.

Mr. Speaker, in closing I again call attention to page 1053, column 1, lines 11 to 46 inclusive, which is the speech of my good friend from Pennsylvania [Mr. BOLAND], but appears under my name. I ask unanimous consent that that be corrected.

Mr. BOYLAN. Reserving the right to object, Mr. Speaker, I want to ask the gentleman a question.

Mr. BLANTON. I have a right to have it corrected without unanimous consent, but I yield to my friend from New York, because I intended to yield to him anyway.

Mr. BOYLAN. Thank you. May I ask the gentleman, in the past year, how many errors has the Public Printer made in the gentleman's remarks?

Mr. BLANTON. Oh, in the past few years I guess about 15—little insignificant typographical errors that did not hurt me any. The other very serious error was when I ordered years ago 50,000 copies of a speech, that cost me nearly a thousand dollars to print, there was inserted in the middle of my speech, as a part of it, four pages of a most partisan Republican speech, made by a Republican colleague, making a vicious attack upon President Wilson. I distributed several thousand copies of this speech in my district before I discovered the error. That one was costly.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Yes; I yield to a most valuable Member on the Republican side of the House.

Mr. RICH. We want to protect the gentleman. He should realize that he is on dangerous ground. He is now dealing with the wet and dry question, and he must realize that a majority of the wets are on the Democratic side, and the gentleman will be compelled to come back to the Republicans and ask them to protect him again. The gentleman should be very careful how he acts.

Mr. BLANTON. Oh, I never have asked the Democrats or the Republicans to protect me. I protect myself. I have been doing it for a good long time. But I must conclude this speech. Though they may hardly be able to believe it, I am going to help Mr. PALMISANO and Mr. BLACK and Mrs. NORTON handle their beer bill today, because when the time comes I shall make a preferential motion here to concur in the Senate amendments. They hope to send the bill to conference and there to strike out the Senate amendments. I am in favor of the Senate amendments, to keep liquor out of this Capitol.

Mrs. NORTON. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Yes.

Mrs. NORTON. Suppose we do not want to concur?

Mr. BLANTON. Then probably the lady will not want to yield me time to make the motion.

Mrs. NORTON. I shall try not to.

Mr. SNELL. Mr. Speaker, I make the point of order that the gentleman has long since exhausted any question of personal privilege brought before the House at this time.

Mr. BLANTON. No; I have not, quite.

Mr. SNELL. Mr. Speaker, I make the point of order and ask the Chair to rule upon it.

The SPEAKER. Under the rules, the gentleman must confine his remarks to the question of personal privilege.

Mr. BLANTON. I shall confine myself to the question of personal privilege, but did not want the gentleman from New York to take me off my feet until I got through taking this drink of water. In conclusion, I should say that with regard to the great majority of nearly 5,000 employees in the Government Printing Office, they are my friends. A few down there are not. Plenty of wets there are my friends, but there are a few down there, maybe, wet and dry, who are not, and once in a while I get stung, and I have to take up the time of the House to correct the RECORD, and I have done it. I thank you.

DISTRICT OF COLUMBIA BEER BILL

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 3342, to provide revenue for the District of Columbia for the taxation of beverages, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference.

The SPEAKER. The gentlewoman from New Jersey asks unanimous consent to take the bill H.R. 3342 from the Speaker's table, disagree to the Senate amendment, and ask for a conference. Is there objection?

Mr. BLANTON. Mr. Speaker, is that request separable? If the lady will separate the question, I shall not object.

The SPEAKER. It is a unanimous-consent request.

Mr. BLANTON. If she will separate the request and ask first to take the bill from the Speaker's table, I shall not object, because I want to make a preferential motion to concur in the Senate amendment.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

Mr. BLANTON. I object.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to take the bill H.R. 3342, with a Senate amendment thereto, from the Speaker's table.

The SPEAKER. The gentlewoman from New Jersey asks unanimous consent to take the bill from the Speaker's table. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk proceeded to read the Senate amendment.

Mr. BLACK (interrupting the reading). I ask unanimous consent that the further reading of the Senate amendment be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection?

Mr. BLANTON. I reserve the right to object, Mr. Speaker, so that the parliamentary situation may be clearly understood before the vote is taken on my motion to concur in the Senate amendments. The changes made by the Senate are all desirable, salutary, and decent, and should be adopted, for we drys do not want beer sold in this Capitol and other Government buildings and we do not want it sold—

In vehicles parked entirely upon the premises designated in the permit.

Here is the parliamentary situation: The Senate struck out all of the House bill after the enacting clause and inserted its own bill, which is the House bill including the Senate amendments. One of these Senate amendments, known as the Gore amendment, practically identical with that offered in the House by the gentleman from Georgia [Mr. TARVER], is as follows:

Provided, That no license shall be issued for the sale of any such beverages in any building owned or leased by the United States and used for the transaction of public business.

This Gore amendment was adopted in the Senate last Friday by a vote of 44 yeas to 28 nays, being nearly a 2 to 1 vote for the amendment. The Senate must have had some good reason for adopting the amendment. They must be of the opinion that it is not to the best interests of the American people to have this beer sold in their Nation's Capitol and other Government buildings. I am in favor of the House's concurring in this very salutary amendment, for by concurring we will keep beer from being sold in this Capitol.

The other very salutary amendment passed in the Senate, and with which we should concur, is what is known as the Capper amendment, which prevents this beer from being sold in vehicles parked entirely upon the premises of the permittee. Certainly the House should concur in that wise amendment. If it is understood by everyone that the Senate amendments prevent the sale of beer in Government buildings and the sale out in beer gardens to automobiles of people parked there, I shall not object to dispensing with the further reading of the Senate bill.

I shall move to concur in these very desirable Senate amendments. If we do concur in same, that will end the contróversy, and there will be no beer sold in the Capitol and other Government buildings and no beer sold to people in automobiles parked on the premises of the beer barons. If we do not vote to concur, the committee will move to disagree with these Senate amendments and send the bill to conference, and in conference will have these Senate amendments stricken from the bill, and we will then wind up by having pre-war beer sold in this Capitol and in every other Government building in Washington.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. BLACK]?

There was no objection.

The Senate amendment is as follows:

Strike out all after the enacting clause and insert:

"That the term 'beverage' as used in this act means beer, lager beer, ale, porter, wine, similar fermented malt or vinous liquor, and fruit juice, containing one half of 1 percent or more of alcohol by volume, and not more than 3.2 percent of alcohol by weight.

"SEC. 2. (a) No individual, partnership, association, or corporation shall within the District of Columbia manufacture for sale or sell any beverage without having first obtained a permit under this act for such manufacture or sale.

"(b) No individual shall within the District of Columbia offer for sale, or solicit any order for the sale of, within the District of Columbia, any beverage unless—

"(1) such individual has first obtained a permit of the character described in section 4(a) (5); and

"(2) the vendor is the holder of a permit issued under this act authorizing such sale.

"Nothing in this subsection shall apply to any offer for sale or solicitation made upon the premises designated in the permit of the vendor.

"SEC. 3. The Commissioners of the District of Columbia are authorized to issue permits to individuals, partnerships, or corporations, but not to unincorporated associations, on application duly made therefor for the manufacture, sale, offer for sale, or solicitation of orders for sale, of beverages within the District of Columbia, subject, however, to the limitations, and restrictions imposed by this act. The Commissioners shall keep a full record of all applications for permits, of all recommendations for and remonstrances against the granting of permits, and of the action taken thereon.

"SEC. 4. (a) Permits issued under authority of this act shall be of five kinds:

"(1) 'On sale' permits, which shall be issued only for bona-fide restaurants or hotels, or for bona-fide incorporated clubs with annual dues of at least $6. Such permits shall authorize the permittee to sell beverages for consumption on the premises designated in the permit, (A) in the case of restaurants, at public tables or in vehicles parked entirely upon the premises designated in the permit, but no beverage shall be sold or served in any room not used primarily for the serving and consumption of food; except that beverages may be sold or served to assemblages of more than six individuals in private rooms or at private tables when expressly authorized by the Commissioners, or (B) in the case of hotels or clubs, at tables or in the rooms of guests or members. No such permit shall be issued for any restaurant which has not been established and doing business for at least 6 months immediately prior to the application for such permit;

"(2) 'Off sale' permits, which shall authorize the permittee to sell beverages for consumption only off the premises designated in the permit, and not to other permittees for resale, but such sale shall be made only in the immediate container in which the beverage was received by the 'off sale' permittee, except that in the case of an 'off sale' permit held by the holder of a manufacturer's or wholesaler's permit beverages may be sold only in such barrels, bottles, or other closed containers as the Commissioners may by regulation prescribe; but no 'off sale' permit shall be issued or remain in force in respect of any premises for which an 'on sale' permit is in force;

"(3) Manufacturers' permits, which shall authorize the permittee to manufacture beverages and to sell the same in barrels, bottles, or other closed containers to other permittees for resale only;

"(4) Wholesalers' permits, which shall authorize the permittee to sell beverages in barrels, bottles, or other closed containers to other permittees for resale only; and

"(5) Solicitors' permits, which shall authorize the permittee within the District of Columbia to offer for sale, or solicit orders for the sale of, within the District of Columbia, any beverage if the vendor of such beverage is the holder of a permit issued under this act authorizing such sale. Solicitor's permits shall not be issued without the recommendation of the vendor whom the solicitor represents. Nothing in this act shall be construed as repealing any portion of section 7 of the District of Columbia Appropriation Act for the fiscal year ending June 30, 1903, approved July 1, 1902, as amended.

"(b) The holder of a manufacturer's or wholesaler's permit shall not be entitled to hold an 'on sale' permit and may hold only one 'off sale' permit, which shall be issued only in respect of the premises designated in his permit as a manufacturer or wholesaler.

"SEC. 5. (a) Any individual, partnership, or corporation desiring a permit under this act shall file with the Commissioners an application therefor in such form as the Commissioners may prescribe, and such application shall contain such information as the Commissioners may require, and (except in the case of an application for a solicitor's permit) shall contain a statement setting forth the name and address of the true and actual owner of the premises upon which the business to be permitted is to be con-

ducted. Before a permit is issued the Commissioners shall satisfy themselves (1) that the applicant is financially responsible, and generally fit for the trust to be in him reposed; (2) that the applicant, if an individual, or if a partnership, each of the members of the partnership, or if a corporation, each of its principal officers and directors, is of good moral character; (3) that the applicant, if an individual, or if a partnership, each of the members of the partnership, or if a corporation, each of its principal officers, is a citizen of the United States not less than 21 years of age, and has never been convicted of a felony; (4) except in the case of an application for a solicitor's permit, that the applicant intends to carry on the business authorized by the permit for himself and not as the agent of any individual, partnership, association, or corporation, and that he intends to superintend in person the management of the business permitted, or intends to have some other person to be approved by the Commissioners manage the business for him; (5) that, in the case of an applicant for an 'on sale' or an 'off sale' permit, no manufacturer or wholesaler of beverages (other than the applicant) has a substantial financial interest, direct or indirect, in the business for which the permit is requested or in the premises in respect of which such permit is to be issued, and that such business will not be conducted with any money, equipment, furniture, fixtures, or property rented from, or loaned or given by, any manufacturer or wholesaler; and (6) except in the case of an application for a solicitor's permit, that the proposed location of the business is an appropriate one, taking into consideration its surroundings and the number of similar permits already issued in the neighborhood where the applicant's business is to be conducted. Not more than five 'on sale' permits shall be issued to any one individual, partnership, or corporation, and a separate application shall be filed with respect to each place of business.

"(b) Any such application shall be verified by the affidavit of the applicant, if an individual, or by all the members of a partnership, or by the proper officer of a corporation. If any false statement is knowingly made in such application or in any accompanying statements under oath which may be required by the Commissioners the person making the same shall be deemed guilty of perjury. The making of a false statement in any such application or in any such accompanying statements, whether made with or without the knowledge or consent of the applicant, shall, in the discretion of the Commissioners, constitute sufficient cause for the revocation of the permit.

"SEC. 6. The fees required for permits issued pursuant to the provisions of this act shall be as follows: For each 'on sale' permit, $100 per annum; for each 'off sale' permit, $50 per annum; for each manufacturer's permit, $1,000 per annum; for each wholesaler's permit, $250 per annum; and for each solicitor's permit, $1 per annum. The required permit fee shall accompany the application required by section 5 of this act. A permit shall be good for 1 year from the date of its issue, unless sooner revoked for cause by the Commissioners, and may, with the approval of the Commissioners, be renewed upon payment of the required fee. Permits shall not be transferred except with the consent of the Commissioners, and each permit (except a solicitor's permit) shall designate the place of business for which it is issued.

"SEC. 7. In the event a permittee has designated a person to manage the business for him, and the employment of such manager shall terminate, such permittee shall forthwith notify the Commissioners of such termination, and shall within a reasonable time thereafter designate a new manager, and such new manager shall be subject to the approval of the Commissioners. If no manager acceptable to the Commissioners is designated within a reasonable time after the employment of the former manager has terminated, the permit shall, in the discretion of the Commissioners, be revoked.

"SEC. 8. If any manufacturer or wholesaler of beverages shall have any substantial financial interest, either direct or indirect, in the business of any other 'on sale' or 'off sale' permittee, or in the premises on which said business is conducted, the Commissioners shall, in their discretion, revoke the permit issued in respect of the business in which such manufacturer or wholesaler is so interested. No manufacturer or wholesaler of beverages shall rent, lend, or give to any 'on sale' or 'off sale' permittee or to the owner of the premises on which the business of any 'on sale' or 'off sale' permittee is to be conducted any money, equipment, furniture, fixtures, or property with which the business of said permittee is to be conducted.

"SEC. 9. Each manufacturer and wholesaler of beverages within the District of Columbia shall, on or before the 10th day of each month, furnish to the assessor of the District of Columbia, on a form to be prescribed by the Commissioners, a statement under oath showing the quantity of beverages sold for resale during the preceding calendar month to each 'on sale' and 'off sale' permittee within the District of Columbia. Each 'on sale' and 'off sale' permittee shall, on or before the 10th day of each month, furnish to the assessor of the District of Columbia, on a form to be prescribed by the Commissioners, a statement under oath showing the quantity of all beverages sold by him during the preceding calendar month.

"SEC. 10. No 'on sale' or 'off sale' permittee shall purchase any beverage from any manufacturer or wholesaler doing business outside of the District of Columbia and not holding a permit issued under the provisions of this act, and transport or caused the same to be transported into the District of Columbia for resale, unless such manufacturer or wholesaler has obtained from the Commissioners a certificate of approval, which certificate shall not be granted unless and until such manufacturer or wholesaler shall have agreed with the Commissioners to furnish to the assessor of the District of Columbia, on or before the 10th day of each month, a report under oath, on a form to be prescribed by the Commissioners, showing the quantity of beverages sold or delivered to each 'on sale' or 'off sale' permittee during the preceding calendar month. If any such manufacturer or wholesaler shall, after obtaining such certificate, fail to submit any such report, the Commissioners shall, in their discretion, revoke such certificate.

"SEC. 11. There shall be levied and collected by the District of Columbia on all beverages sold by any 'on sale' or 'off sale' permittee within the District of Columbia a tax of $1 for every barrel of beverages containing not more than 31 gallons, and at a like rate for any other quantity, or for the fractional parts thereof. The tax imposed by this section shall be paid by the 'on sale' or 'off sale' permittee to the collector of taxes of the District of Columbia on or before the 10th day of each month for beverages sold by the permittee during the preceding calendar month.

"SEC. 12. The act entitled 'An act to prohibit the manufacture and sale of alcoholic liquors in the District of Columbia, and for other purposes,' approved March 3, 1917, with the exception of sections 11 and 20 thereof, is hereby repealed; except that the term 'alcoholic liquor' used in said section 11 of such act shall not be construed to include beverages authorized to be manufactured and sold by this act.

"SEC. 13. No 'off sale' permittee shall give or sell, and no 'on sale' permittee shall give, sell, or serve any beverage to any person under 18 years of age. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not more than $100, or be imprisoned not longer than 6 months, or be subject to both such fine and imprisonment.

"SEC. 14. The Commissioners are hereby authorized to prescribe such rules and regulations not inconsistent with law, as they may deem necessary, for the issuance of permits, and for the manufacture, sale, offer for sale, or solicitation of orders for sale, of beverages, and the operation of the business of permittees. Such regulations may be altered or amended from time to time as the Commissioners may deem desirable.

"SEC. 15. It shall be the duty of the Commissioners to cause frequent inspections to be made of all premises with respect to which any permit shall have been issued under this act. If any permittee violates any of the provisions of this act or any of the rules and regulations of the Commissioners promulgated pursuant thereto, or fails to superintend in person or through a manager approved by the Commissioners the business for which the permit was issued, or allows the premises with respect to which the permit of such permittee was issued to be used for any unlawful, disorderly, or immoral purposes, or knowingly employs in the sale or distribution of beverages any person who has been convicted of a felony, or otherwise fails to carry out in good faith the purposes of this act, the permit of such permittee may be revoked by the Commissioners after the permittee has been given an opportunity to be heard in his defense.

"SEC. 16. Whoever violates any of the provisions of this act (except sec. 13 thereof) or any of the rules and regulations promulgated pursuant thereto shall, upon conviction thereof by a court of competent jurisdiction, be punished by a fine of not more than $500 or by imprisonment for not longer than 6 months, or by both such fine and imprisonment, in the discretion of the court. If any permittee is convicted of a violation of the provisions of this act or any of the rules and regulations promulgated pursuant thereto, the court shall immediately declare his permit revoked and notify the Commissioners accordingly, and no permit shall thereafter be granted to him within the period of 3 years thereafter. Any permittee who shall sell or permit the sale on his premises or in connection with his business or otherwise, of any alcoholic beverages not authorized under the terms of this act, unless otherwise permitted by law, shall, upon conviction thereof, forfeit his permit in addition to any punishment imposed by law for such offense.

"SEC. 17. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act and the application of such provisions to other persons or circumstances shall not be affected thereby.

"SEC. 18. It shall be unlawful to sell or offer for sale any beverage within the District of Columbia prior to April 7, 1933."

Mrs. NORTON. Mr. Speaker, I move that the House disagree to the Senate amendment and send the bill to conference.

Mr. BLANTON. Mr. Speaker, I make a preferential motion to concur in the Senate amendment.

If that is done, this bill will go to the White House today.

The SPEAKER. That is a preferential motion. The question is on the motion of the gentleman from Texas to concur in the Senate amendment.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 62, noes 113.

Mr. BLANTON. Mr. Speaker, I make a point of no quorum, and on that I ask for the yeas and nays.

The SPEAKER. The Chair will count. [After counting.] One hundred and seventy-five Members are present, not a quorum. The Clerk will call the roll.

Mr. GOSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GOSS. Do I understand that the vote was objected to on the ground that there was not a quorum present?

The SPEAKER. The gentleman is correct.

Mr. GOSS. Then this vote is on accepting the Senate amendment?

The SPEAKER. The question is on the motion of the gentleman from Texas to concur in the Senate amendment.

The question was taken; and there were—yeas 150, nays 197, not voting 83, as follows:

[Roll No. 9]

YEAS—150

Abernethy	Elizey, Miss.	Lundeen	Rogers, Okla.
Allen	Eltse, Calif.	McCarthy	Sanders
Arnold	Evans	McClintic	Sandlin
Ayres, Kans.	Fish	McFadden	Sears
Bankhead	Flannagan	McFarlane	Shallenberger
Beedy	Fletcher	McGugin	Shannon
Bland	Frear	McKeown	Sinclair
Blanton	Fuller	McMillan	Smith, Va.
Briggs	Fulmer	McReynolds	Snell
Brown, Mich.	Gasque	Major	Stalker
Browning	Gibson	Maloney, Conn.	Steagall
Bulwinkle	Gilchrist	Mapes	Strong, Pa.
Burch	Gillette	Martin, Colo.	Strong, Tex.
Busby	Glover	Martin, Mass.	Stubbs
Byrns	Goldsborough	May	Sumners, Tex.
Caldwell	Gray	Miller	Swank
Cannon, Mo.	Greenwood	Milligan	Swick
Carden	Gregory	Mitchell	Tarver
Carpenter, Kans.	Guyer	Morehead	Taylor, Colo.
Castellow	Hastings	Oliver, Ala.	Taylor, Tenn.
Chase	Hill, Knute	Owen	Terrell
Claiborne	Hoeppel	Parker, Ga.	Thurston
Clarke, N.Y.	Hope	Parks	Tobey
Cochran, Mo.	Huddleston	Parsons	Treadway
Collins, Miss.	Johnson, Tex.	Patman	Turner
Colmer	Jones	Peterson	Umstead
Cooper, Tenn.	Keller	Pierce	Watson
Cox	Kelly, Pa.	Pou	Weaver
Cravens	Kerr	Ragon	White
Crowe	Kinzer	Ramspeck	Whittington
Crowther	Kurtz	Rankin	Wilcox
Culkin	Kvale	Rayburn	Wilson
Cummings	Lambertson	Reece	Wolcott
Dear	Lanham	Reed, N.Y.	Wolverton
Deen	Lea, Calif.	Rich	Wood, Ga.
Dowell	Lozier	Richards	Woodrum
Doxey	Luce	Robertson	
Driver	Ludlow	Rogers, Mass.	

NAYS—197

Adair	Celler	Faddis	Hughes
Adams	Chavez	Farley	Imhoff
Andrew, Mass.	Church	Fernandez	Jacobsen
Andrews, N.Y.	Codin	Fiesinger	James
Arens	Colden	Fitzpatrick	Jeffers
Ayers, Mont.	Cole	Ford	Jenckes
Bacon	Collins, Calif.	Fosa	Johnson, Minn.
Bakewell	Condon	Gambrill	Johnson, W.Va.
Beam	Connery	Gifford	Kahn
Beck	Crosby	Gillespie	Kee
Berlin	Cross	Goodwin	Kelly, Ill.
Biermann	Crosser	Goss	Kemp
Black	Cullen	Griffin	Kennedy, Md.
Blanchard	Darden	Griswold	Kennedy, N.Y.
Bloom	Delaney	Hamilton	Kleberg
Boehne	DeRouen	Hancock, N.Y.	Kloeb
Boileau	Dickinson	Harlan	Kniffin
Boland	Dickstein	Hart	Knutson
Boylan	Dies	Harter	Kocialkowski
Brennan	Dirksen	Hartley	Kopplemann
Brown, Ky	Dobbins	Healey	Kramer
Brumm	Dockweiler	Henney	Lamneck
Brunner	Douglass	Hess	Larrabee
Buchanan	Duffey	Higgins	Lehlbach
Buck	Duncan, Mo.	Hildebrandt	Lehr
Burke, Nebr.	Dunn	Hill, Ala.	Lemke
Burnham	Durgan, Ind.	Hill, Sam B.	Lewis, Colo.
Carpenter, Nebr.	Eagle	Holmes	Lloyd
Carter, Calif.	Eicher	Hooper	McCormack
Carter, Wyo.	Englebright	Howard	McDuffie
McGrath	O'Malley	Schulte	Vinson, Ga.
McLean	Palmisano	Scrugham	Vinson, Ky.
Maloney, La.	Parker, N.Y.	Secrest	Wadsworth
Mansfield	Peavey	Seger	Wallgren
Marland	Perkins	Shoemaker	Walter
Martin, Oreg.	Pettengill	Simpson	Warren
Mead	Peyser	Sirovich	Wearin
Merritt	Polk	Sisson	Welch
Millard	Powers	Spence	Werner
Monaghan	Prall	Studley	West
Montet	Randolph	Sutphin	Whitley
Moran	Ransley	Sweeney	Wigglesworth
Mott	Reilly	Thom	Williford
Murdock	Richardson	Thomason, Tex.	Williams
Musselwhite	Robinson	Thompson, Ill.	Withrow
Nesbit	Rogers, N.H.	Tinkham	Young
Norton	Ruffin	Traeger	Zioncheck
O'Brien	Sabath	Truax	
O'Connell	Sadowski	Turpin	
O'Connor	Schaefer	Utterback	

NOT VOTING—83

Allgood	Cochran, Pa.	Green	Oliver, N.Y.
Almon	Connolly	Haines	Ramsay
Auf der Heide	Cooper, Ohio	Hancock, N.C.	Reid, Ill.
Bacharach	Corning	Hoidale	Romjue
Bailey	Crump	Hollister	Rudd
Beiter	Darrow	Jenkins	Schuetz
Bolton	De Priest	Johnson, Okla.	Smith, Wash.
Brand	Dingell	Kenney	Smith, W.Va.
Britten	Disney	Lambeth	Snyder
Brooks	Ditter	Lanzetta	Somers, N.Y.
Buckbee	Dondero	Lee, Mo.	Stokes
Burke, Calif.	Doughton	Lesinski	Sullivan
Cady	Doutrich	Lewis, Md.	Taber
Cannon, Wis.	Drewry	Lindsay	Taylor, S.C.
Carley	Eaton	McLeod	Underwood
Cartwright	Edmonds	McSwain	Waldron
Cary	Fitzgibbons	Marshall	Weideman
Cavicchia	Focht	Meeks	Wolfenden
Chapman	Foulkes	Montague	Wood, Mo.
Christianson	Gavagan	Moynihan	Woodruff
Clark, N.C.	Granfield	Muldowney	

So the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Cary (for) with Mr. Kenny (against).
Mr. Reid of Illinois (for) with Mr. Bachrach (against).
Mr. Jenkins (for) with Mr. Britten (against).
Mr. Taber (for) with Mr. Connolly (against).
Mr. Cartwright (for) with Mr. Hollister (against).
Mr. Burke of California (for) with Mr. Corning (against).

General pairs:

Mr. Doughton with Mr. Darrow.
Mr. Allgood with Mr. Edmonds.
Mr. Johnson of Oklahoma with Mr. McLeod.
Mr. Brand with Mr. Cavicchia.
Mr. Almon with Mr. Cooper of Ohio.
Mr. Drewry with Mr. Ditter
Mr. Green with Mr. Focht.
Mr. Hancock of North Carolina with Mr. Marshall.
Mr. Lambeth with Mr. Wolfenden.
Mr. McSwain with Mr. Stokes.
Mr. Clark of North Carolina with Mr. Doutrich.
Mr. Wood of Missouri with Mr. Christianson.
Mr. Romjue with Mr. Dondero.
Mr. Disney with Mr. Waldron.
Mr. Taylor of South Carolina with Mr. Eaton.
Mr. Underwood with Mr. De Priest.
Mr. Bailey with Mr. Cochran of Pennsylvania.
Mr. Hoidale with Mr. Woodruff.
Mr. Cady with Mr. Snyder.
Mr. Meeks with Mr. Cannon of Wisconsin.
Mr. Dingell with Mr. Ramsay.

Mr. McCORMACK. Mr. Speaker, the gentleman from Massachusetts, Mr. GRANFIELD, is unavoidably absent. If present, he would vote "no."

Mr. LEHR. Mr. Speaker, the gentleman from Michigan, Mr. WEIDEMAN, is unavoidably absent. If present, he would vote "no."

Mr. BYRNS. Mr. Speaker, the following Members are unavoidably absent, and if present would vote "no":

Messrs. RUDD, WEIDEMAN, BEITER, LEE of Missouri, FITZGIBBONS, MONTAGUE, GAVAGAN, AUF DER HEIDE, HAINES, CHAPMAN, GRANFIELD, LANZETTA, LINDSAY, LESINSKI, OLIVER of New York, SCHUETZ, SOMERS of New York, SMITH of West Virginia, SULLIVAN, CARLEY, BROOKS, LEWIS of Maryland, CRUMP, and FOULKES.

Mr. ENGLEBRIGHT. Mr. Speaker, I have been requested to announce that the following Members have been unavoidably detained, and if present they would vote "no":

Messrs. MOYNIHAN, MULDOWNEY, BUCKBEE, WOLFENDEN, MCLEOD, CAVICCHIA, and BOLTON.

Mr. SNELL. Mr. Speaker, for the purpose of getting a ruling from the Speaker I make objection to the practice of announcing that Members have been unavoidably detained, but if present they would vote thus and so. When any Member is not present, why should it be announced how he would vote?

The SPEAKER. There is no place in the rules providing for it.

Mr. BYRNS. It is a custom that we have.

Mr. SNELL. I submit that it can be carried to extremes, and I think we have been carrying it to extremes of late.

Mr. BYRNS. That may be so; but I think when a Member is unavoidably detained, the privilege ought to be given him to have that statement made and to show how he would vote.

Mr. BLANTON. It is a Republican custom we have been following.

Mr. SNELL. No; it is not. I take exception to that. It is not; the gentleman knows very well it is not.

Mr. BLANTON. We inherited it from the Republicans.

Mr. SNELL. No; you did not inherit it.

Mr. BLANTON. I think, myself, that the practice is very unwise, and I do not believe that it has ever been of any benefit to anybody.

The result of the vote was announced as above recorded.

Mrs. NORTON. Mr. Speaker, I renew my motion to disagree to the Senate amendment and ask for a conference.

The motion was agreed to.

The SPEAKER appointed the following conferees: Mrs. NORTON, Mr. PALMISANO, Mr. BLACK, Mr. STALKER, and Mr. WHITLEY.

CORRECTION OF THE RECORD

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BOLAND. Mr. Speaker, on Thursday, March 30, a great injustice was surely done to my good friend from Texas, Mr. BLANTON. On page 1053, as the gentleman has stated to you, he was credited with a speech that I made upon the floor. I wish some of the speeches that were made by him I could get credit for since I have been a Member of Congress. However, it is all in the viewpoint. I came here with the express purpose of being a little angry that Mr. BLANTON was getting credit for my speech; but, lo and behold, I find him on the floor asking that justice be done. Now, the gentleman asked unanimous consent that the RECORD be corrected. It was objected to.

I now wish to ask unanimous consent to have the RECORD corrected.

Mr. BLANTON. It has already been corrected in the Printing Office.

Mr. BOLAND. Very well, then. I just wanted to state that I was here for the purpose of trying to have the RECORD corrected where Mr. BLANTON was given credit for my speech.

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. McGUGIN. Mr. Speaker, I am in full sympathy with the gentleman from Texas [Mr. BLANTON] in wanting the RECORD corrected as to his remarks. There is one part of his remarks about which I should like to make some comment, and that is his criticism of those responsible for printing the CONGRESSIONAL RECORD.

It may be a case of difference of opinion, but it seems to me there is not a more careful or more efficient organization to be found anywhere than those responsible for printing the CONGRESSIONAL RECORD, beginning with the reporters who take down our words here on the floor and leading all the way through to the printing of the RECORD itself. [Applause.]

I think it is remarkable that our reporters make as few mistakes as they do here. In the next stage, I think we owe an eternal debt of gratitude to the messengers who chase us down all over town to give us our proof. I have but the highest regard and credit for our good old friend, Sam Robinson. [Applause.] Just the other night I went home with one of my corrected speeches in my pocket. It was my error. Sam chased me down at 11 o'clock, got it, and it appeared in the RECORD perfectly the next morning.

Mr. BLANTON. Will my friend yield?

Mr. McGUGIN. I cannot yield now.

Mr. BLANTON. I agree with this statement of the gentleman from Kansas.

Mr. McGUGIN. Occasionally an error will occur in the RECORD, as errors are bound to occur in all undertakings. Those connected with the printing of the RECORD cannot stand on this floor and speak for themselves. I dislike very much to permit the criticism to go into the RECORD which will go out to the country tomorrow, a criticism of those responsible for the printing of the RECORD, without at least a few words being said in their defense.

Personally I think it is exceptional that they make as few mistakes as they do. This is the reason I make these remarks.

That the gentleman's speech was miscredited I am exceedingly sorry. I am glad it is being corrected, and it will be corrected. On this score I am in full accord with the gentleman from Texas, but I cannot go along with him on his criticism of those responsible for preparing the RECORD. [Applause.]

PRESIDENT ROOSEVELT'S FARM RELIEF PROGRAM—SMITH PLAN—DOMESTIC ALLOTMENT AND RENTAL PLAN

Mr. FULMER. Mr. Speaker, I ask unanimous consent to extend my remarks and to insert therein quotations from the farm relief bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. FULMER. Mr. Speaker, under leave to extend my remarks in the RECORD, I am quoting from a bill introduced by me March 20, which embodies the President's agricultural legislation, with comments thereon:

IN THE HOUSE OF REPRESENTATIVES,
March 20, 1933.

Mr. FULMER introduced the following bill, which was referred to the Committee on Agriculture and ordered to be printed:

H.R. 3835

A bill to relieve the existing national economic emergency by increasing agricultural purchasing power

Be it enacted, etc., That the present acute economic emergency being in part the consequence of a severe and increasing disparity between the prices of agricultural and other commodities, which disparity has largely destroyed the purchasing power of farmers for industrial products, has broken down the orderly exchange of commodities, and has seriously impaired the agricultural assets supporting the national credit structure.

A few illustrations will suffice to show what has happened to agricultural prices:

Prior to the war, during the period of 1909–14, for instance, farm wagons sold for $60 and cotton was selling for 12 cents per pound, or $60 per bale. At that time 1 bale of cotton would pay for a farm wagon. At this time the same wagon is selling for $90, cotton at 6 cents per pound, or $30 per bale. You can see from this that it will take 3 bales of cotton at this time to pay for the same wagon which 1 bale would buy prior to the war.

One of the heaviest expenses of the farmers of the South is their fertilizer bill. The following facts will give you some idea of just what southern farmers are up against in buying fertilizer and paying for the same at prevailing farm prices at this time: In 1913 a ton of 8–3–3 fertilizer cost $20.31. The average price of cotton was 12.2 cents; so it

required 166.5 pounds of cotton to buy a ton of fertilizer. Likewise in 1913, when the average wholesale price of 8–3–3 fertilizer was $20.31 a ton, the average price of wheat was 80 cents, and it required 25.4 bushels of wheat to buy a ton of fertilizer.

In 1931, when the wholesale price of 8–3–3 fertilizer was $19.12 and the price of cotton was 5.7 cents a pound, so that it required 335.4 pounds of cotton to buy a ton of fertilizer, the farmer had to carry to market 101 percent more cotton in 1931 to buy a ton of fertilizer than he did in 1913. Also in 1931, when the wholesale price of fertilizer was below the pre-war level and stood at $19.12, the price of wheat had dropped to 44.3 cents, and it required 43.2 bushels of wheat to buy a ton of fertilizer. In other words, it took 70 percent more bushels to buy the fertilizer in 1931 than in 1913.

In 1913 the average cost of a binder, as reported by the implement manufacturers to the Bureau of Labor Statistics, was $95.43. The average price of wheat then was 80 cents a bushel, and it took 120 bushels of wheat to buy a binder.

In 1931, as reported from the same source, the average price of a binder was $150.81, and the price of wheat 44.3 cents, so that it took a little over 340 bushels to buy a binder. This means that the farmer had to haul to town 185 percent more bushels in 1931 than he did in 1913 in order to buy a binder.

In 1913 the cost of a cultivator was $21.85 and the average price of cotton was 12.2 cents, so that it required 179 pounds of cotton to buy a cultivator.

In 1931 the price of the cultivator was $32.42 and the price of cotton was 5.7 cents, so that it required almost 692 pounds of cotton to buy the selfsame machine. In other words, the farmer had to deliver 286 percent more pounds of cotton in 1931 than he did in 1913 to buy the same cultivator. In 1913 it took less than one third of a bale of cotton to buy the cultivator and in 1931 it took over a bale and a third.

As a cotton producer, buying industrial products, fertilizer, and machinery to run my farm and selling my cotton and other farm products as outlined, you can readily see that my farm is an annual sinkingpot for every dollar that I can rake and scrape from every source available. I want to state to you frankly that if this position occupied by farmers is to be continued 12 months longer without any fair adjustment of prices not only will the agricultural interests of this country be absolutely defeated but all other lines of business that you have been trying to protect temporarily by loans from the Reconstruction Finance Corporation will pass out of existence, with millions of dollars in losses to the Government out of these loans.

During the past 12 years farm prices have been declining. In the meantime the purchasing power of this great agricultural group has also been declining while industrial commodity prices have either held their own or advanced as in the case of wagons and other products referred to a few minutes ago.

During this period, under the Harding, Coolidge, and Hoover administrations, we have also had the greatest undisturbed and unrestricted combining, merging, and price fixing on the part of industries ever in the history of this great Republic. In fact, the Federal Trade Commission, an arm of the Federal Government that was created for the purpose of looking after the interests of the public, has joined with industry in holding what is known as "trade-practice conferences" for the purpose of helping industry work out trade practices, rules, and regulations. In doing business this Commission has even given its endorsement thereto.

We have also had no restrictions on the part of the Government on speculation in farm products, stocks, and bonds, which has been the greatest in the history of this country, all of which has helped to bleed agriculture and the American people white.

In the meantime the international bankers, with what you might term the approval of the Republican administration, have put over on the public 25 billion dollars' worth of worthless securities, stocks, and bonds, mostly foreign.

Farmers, unorganized, the only class of citizens in the United States today still operating their business on an independent, individual basis, have not been able to protect themselves or bring about any bargaining power in buying and selling. In other words, this great group of people who feed and clothe the world have been absolutely at the mercy of speculators and the handlers and manufacturers of farm products.

Now, during this period what has happened? Farmers, not being able to pay actual expenses, taxes, fixed prices on what they had to buy, ranging from 50 to 200 percent above the prices of farm products, in trying to keep up the American standard of living have gradually mortgaged their capital resources at high rates of interest, until today they have lost their paying ability as well as to their purchasing power. In the meantime millions of good, honest, hard-working farmers are facing bankruptcy; and unless something is done to bring about a fair price for that which they produce they will be forced into tenant homes and breadlines. In other words, farmers have been bled white, and these various organized and well-protected parasites which have been bleeding agriculture, along with legitimate business, are falling by the wayside and unemployment has increased into the millions.

DECLARATION OF POLICY

(P. 2)

SEC. 2. It is hereby declared to be the policy of Congress—

(1) To establish and maintain such balance between the production and consumption of agricultural commodities, and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the pre-war period, August 1909–July 1914; and

(2) To approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as is deemed feasible in view of the current consumptive demand in domestic and foreign markets.

(3) To protect the consumers' interest by readjusting farm production at such level as will not increase the percentage of the consumers' retail expenditures for agricultural commodities, or products derived therefrom, which is returned to the farmer, above the percentage which was returned to the farmer in the pre-war period, August 1909–July 1914.

TITLE I.—COTTON OPTION PLAN

KNOWN AS THE "SMITH PLAN"

SEC. 3. The Federal Farm Board and all departments and other agencies of the Government are hereby directed—

(a) To sell to the Secretary of Agriculture at such price as may be agreed upon all cotton now owned by them.

(b) To take such action and to make such settlements as are necessary in order to acquire full legal title to all cotton on which money has been loaned or advanced by any department or agency of the United States or held as collateral for loans or advances, and to make final settlement of such loans and advances upon such terms as may be deemed advisable, in the judgment of the Secretary and the Department or agency involved; and to sell this cotton also to the Secretary in the same manner as is provided in the preceding paragraph hereof.

The Secretary of Agriculture is hereby authorized to purchase the cotton specified in paragraphs (a) and (b).

The Federal Farm Board holds liens covering loans made to Cotton Cooperative Associations on 1,600,000 bales of cotton, which is practically under the control and subject to the Board's call for payment of these loans. The Secretary holds under his control about 800,000 bales of cotton pledged against seed loans by southern cotton farmers. This makes a total of 2,400,000 bales, which is proposed under the bill to be purchased by the Secretary of Agriculture at an agreed price and pooled for the purpose of using same in carrying out the provisions of the cotton-option contract plan known as "Senator SMITH's farm-relief plan."

FINANCING

(P. 3, sec. 4)

SEC. 4. The Secretary of Agriculture shall have authority to borrow money upon all cotton in his possession or control and deposit as collateral for such loans the warehouse receipts for such cotton.

The opponents of this plan have put out a lot of propaganda about the Government's borrowing money to take over this cotton for the purposes under the Smith plan. They do not tell you, however, that the money thus borrowed by the Government simply means that it will be returned to the Government in paying off the liens for loans on this cotton by the Federal Farm Board, which is a part of the Government. In the meantime, they do not explain to you that the seed-loan obligations for which cotton in the hands of the Secretary of Agriculture is pledged are for money furnished by the Government. In other words, there is no difference, as far as the Government is concerned, whether this cotton remains in the hands of the Government as it now stands or is taken over, according to the purpose of this bill.

FINANCING LOANS

(P. 3, sec. 5)

SEC. 5. The Reconstruction Finance Corporation is hereby authorized and directed to advance money and to make loans to the Secretary of Agriculture to acquire such cotton and to pay the carrying costs thereon, in such amounts and upon such terms as may be agreed upon by the Secretary and the Reconstruction Finance Corporation, with such warehouse receipts as collateral security.

This is simply a business transaction, whereby the Reconstruction Finance Corporation is empowered to make loans on cotton warehouse receipts to the Secretary of Agriculture. I am sure that a loan of this type secured by warehouse receipts covering cotton will prove to be one of the best loans made by the Reconstruction Finance Corporation. In the meantime, what difference does it make? The cotton belongs to the Government, and the Reconstruction Finance Corporation is a Government activity. In other words, the Government is responsible for loans made by this corporation.

CONTRACT PROVISION

(P. 4, sec. 6)

SEC. 6. (a) The Secretary of Agriculture is hereby authorized to enter into contracts with the producers of cotton to sell to any such producer an amount of cotton equivalent in amount to the amount of reduction in production of cotton by such producer below the amount produced by him in the preceding crop year, in all cases where such producer agrees in writing to reduce the amount of cotton produced by him in 1933, below his production in the previous year, by not less than 30 percent, without increase in commercial fertilization per acre.

A CONCRETE EXAMPLE

Suppose I, as a cotton farmer, planted 150 acres of cotton in 1932 and produced thereon 100 bales of cotton. To come in under this plan, which is voluntary on my part, I enter into a contract with the Secretary agreeing that I will reduce my 1933 production 30 percent, or from 100 bales to 70 bales. The Secretary, on his part, on the strength of my cotton agreement, sells to me, on credit, a sufficient number of bales of cotton from the pool to make up for my reduction, or, in this instance, 30 bales.

TYPE OF CONTRACT

(P. 4, subdivision (b))

(b) To any such producer so agreeing to reduce production the Secretary of Agriculture shall deliver a nontransferable-option contract agreeing to sell to said producer an amount equivalent to the amount of his agreed reduction of the cotton in the possession and control of the Secretary.

The contract is made nontransferable so as to keep down any speculating in the contracts. The contract is also made optional on the part of the farmer, so as not to involve the farmer should the contract not prove to be of value to him at the time for delivery of the cotton, or when the cotton is sold. In other words, if farmers who do not enter into agreement under this plan proceed to increase their production, which they could, to the extent of replacing the reduction on the part of the farmers who enter into contracts; or if on account of a good cotton season and no bollweevils, farmers should make a normal crop, or perhaps increase the total yield over 1932, which would naturally keep down any increase in price—in fact, it may reduce the price next fall—why certainly farmers would not want to take these contracts, and neither would they be able to do so.

Immediately on reading this section we have the opponents of the bill making the statement that this will simply leave the Government holding the bag. May I state again that the Government would not be in any worse condition if this happens than it is at this time, because the Government is now holding the bag. In other words, the Government has nothing to lose, but the plan may prove helpful to the Government and to farmers, which would be helpful to every other line of business.

(P. 5, lines 12 to 18)

That such agreement to curtail cotton production shall contain a further provision that such cotton producer shall not use the land taken out of cotton production for the production for sale, directly or indirectly, of any other nationally produced agricultural commodity or product.

Naturally, we of the South have a right, from a selfish viewpoint, to kick about this provision. However, it is absolutely fair, if we are going to try and help agriculture from a national and not a sectional viewpoint. This provision does not prevent my people from growing various crops for food and feed purposes, or for sowing cover crops for the purpose of building up our lands.

DISPOSITION OF COTTON

(P. 7, sec. 7)

SEC. 7. The Secretary shall sell the cotton held by him at his discretion, but subject to the foregoing provisions: *Provided*, That he shall dispose of all cotton held by him by March 1, 1935: *Provided further*, That he is authorized to sell unlimited amounts at any time a price equivalent to not less than 10 cents, basis middling, ⅞-inch staple, at the ports can be procured.

Under this provision the Secretary can dispose of the cotton at his discretion, however subject to the provisions governing contracts and sales to farmers. In the meantime, if farmers fail to make contracts, or refuse to carry out their contracts, then the Secretary is directed to sell all of this cotton not later than 1935. In the meantime, if farmers have entered into contracts for this cotton, or if they fail to make contracts, the Secretary is directed to sell this cotton if and when it reaches 10 cents per pound. When this cotton is finally disposed of either by sale under contracts, at 10 cents per pound, or by 1935, as proposed in section 7, the Government will then be out of the cotton business.

It is also true under this arrangement the cotton trade will know just what is intended on the part of the Secretary in disposing of this cotton, and would be able to govern their business accordingly.

TITLE II.—AGRICULTURAL ADJUSTMENT PROVISIONS

GENERAL POWERS

SEC. 8. In order to effectuate the declared policy, the Secretary of Agriculture shall have power—

(1) To provide for reduction in the acreage or reduction in the production for market, or both, of any basic agricultural commodity, through agreements with producers or by other voluntary methods, and to provide for rental or benefit payments in connection therewith in such amounts as the Secretary deems fair and reasonable, to be paid out of any moneys available for such payments.

This section embodies the domestic allotment, as introduced by me last year, and also the rental-basis plan. Here we give very large powers to the Secretary of Agriculture, which will enable him to use either plan, and under such rules and regulations as are approved by the President of the United States, in making contracts with farmers for reduction of production, giving farmers real cash inducements to be paid out of the tax or adjustment charge collected from the processor or manufacturer. This tax or adjustment charge is to be passed on to the consumers by the processor or manufacturer, as in the case of all tariffs.

We simply propose, under the domestic-allotment plan, to place farmers in the tariff picture by paying them a bounty or an adjustment charge that will bring farm prices in line with the prices that farmers pay for the things that they buy. We propose to place farmers on the American standard

of living with protected industries and American labor. Can there be anything unfair about that?

CONCRETE EXAMPLE UNDER THE DOMESTIC-ALLOTMENT PLAN

Any farmer, who, on his own volition, enters into an agreement with the Secretary to reduce his production, we will say, 20 percent, and is able to prove that he has carried out his agreement, will be paid the processing tax or adjustment charge collected by the processor, less the expense of administering the act, on that portion of his total production consumed in the United States.

Any farmer who wants to continue his independent system of farming would not come under any of the provisions of the bill; neither would he receive any of its benefits. This plan does not disturb the well-established rules and regulations in doing business up until the cotton passes into the hands of the processor or manufacturer.

It is a well-known fact that the manufacturers do not care anything about the Smith plan; it is simply a move on their part to defeat the domestic-allotment and rental plan, which will really help agriculture. The Smith plan certainly cannot do any harm; but, although the plan sounds good, I have little faith in it, especially at this late hour.

CONCRETE EXAMPLE AS APPLIED TO COTTON

A farmer who produced 100 bales of cotton in 1932 would enter into an agreement with the Secretary to reduce his 1933 production, we will say, 20 percent, or from 100 bales to 80 bales. On account of this agreement and proof of same, this farmer will be issued a certificate, or perhaps his benefits would be divided into two certificates payable at different dates, for the amount of the tax or adjustment charge as placed on cotton by the Secretary and collected from the manufacturers of cotton.

Any farmer who desires to continue his farming operations, independently planting what he pleases and producing as much as he pleases, as already stated, would be at liberty to do so, but he would not receive any benefits under the bill from the tax or adjustment-charge fund. He would, however, participate in any increase in the world price that might be brought about on account of any reduction in production.

Suppose the bill is passed, and put into operation, say in April, and we find next fall when farmers are selling their cotton that the world price is 7 cents per pound.

The farmer who came in under the act would sell his 80 bales of cotton, as usual, on the open competitive market at the world basis price, 7 cents. The farmer who did not come in would do likewise, receiving the same 7 cents per pound.

The records of the farmer who came in would show the following:

80 bales cotton at 7 cents, or $35 per bale	$2,800
Tax on 40 bales consumed in the United States, with a tax of 6 cents—40 bales cotton at 6 cents, or $30 per bale	1,200
Total received for cotton	4,000

The farmer who did not come in under the plan would have the following records: 100 bales cotton at 7 cents, or $35 per bale, $3,500, or $500 less than the farmer who came in, and he would be out of the picture.

In the meantime the farmer who came in would be able to save a fertilizer bill on his abandoned acreage of $8 per acre, amounting to about $400. He would also save the expense of cultivating, picking, and ginning, say, $200. In the meantime he would be permitted to grow food or feed crops on the abandoned acreage or sow corn crops to improve his lands. On the other hand, the farmer who did not come in would have to deduct the additional fertilizer bills of $400 and the $200 as referred to from the total amount received, which would net $2,900.

In the meantime we are working down the surplus, thereby increasing the world price, which, when the world price reaches 13 cents, the bill will become inoperative.

We hear much about the army of employees and the police force that will have to be employed to carry out the purposes of the bill. Why, up and until the cotton passes into the hands of the processor or manufacturer it will be very simple. With the county agents and with the licensing of ginners and with gin reporters which the Federal Government, now has in every cotton county in the State, the employment problem in the State is practically solved.

If Mr. Smith, who came in, gins more than his 80 bales, he could not prove his claim and would not receive any benefits under the bill. You state that he could still produce 100 bales and let Mr. Jones, who did not come in, gin and sell same. That is true, but he would not participate in any benefits under the bill on the cotton sold through Jones, who did not come in.

Why, he can do the same thing under the Smith plan, and he can do the same thing under the rental plan also. Well, you state, if this is true, there is a possibility of farmers defeating the whole scheme. I agree with you, and so stated when the bill passed the House. However, with the powers given the Secretary and on account of the deplorable condition of cotton farmers, I believe farmers, bankers, and merchants will all cooperate.

On the other hand, if we do not put into operation these various plans, farmers realize that at these low prices for cotton they will have to increase their production so as to obtain their total volume of dollars, hoping to be able to balance their budget. In the meantime, suppose the production is increased by those who do not come in or on account of good cotton-growing seasons and no bollweevils, which would naturally reduce the world price next fall. Under this condition, you will find that farmers will not call for their optional contracts under the Smith plan, and will therefore be in the same class with farmers who did not come in. However, those who come in under the domestic allotment plan would receive their portion of the adjustment charge regardless of the world price. This would also apply under the rental basis. I am ready to state here and now if the Secretary is given the power as contained in the bill as passed by the House and if manufacturers will join in with the Secretary and the President in properly administering the bill you will see a different picture in the agricultural situation 12 months from now.

MARKETING AGREEMENTS

(P. 6, subsec. (2))

(2) To enter into marketing agreements with processors, associations of producers, and other agencies engaged in the handling, in the current of interstate or foreign commerce, of any agricultural commodity or product thereof, after due notice and opportunity for hearing to interested parties. For the purpose of carrying out any such agreement the parties thereto shall be eligible for loans from the Reconstruction Finance Corporation under section 5 of the Reconstruction Finance Corporation Act. Such loans shall not be in excess of such amounts as may be authorized by the agreements and shall bear interest at a rate not in excess of 3 percent per annum.

I agree with the opponents of the bill that this is giving the Secretary very large powers; but at this time when farmers are losing their farms and, along with millions of unemployed consumers, going into breadlines, thereby costing the Government millions in relief funds, which is just like putting that many millions in a rat hole unless agriculture is rehabilitated, do you not think it is time to give this power to the Secretary and the President?

It is a known fact today that the trouble with agriculture and the unemployed consuming public is that both groups are at the mercy of middlemen, the handlers of farm products, and the manufacturers or processors of farm products. We need more than anything else at this time a real up-to-date grading and marketing system. We need a better distributing system from the county, State, and up through centralized marketing markets. This, no doubt, would eliminate thousands of parasites operating between producers and consumers, who today are sapping the very lifeblood out of these two groups.

These middlemen know this, and they are the ones who are opposing this legislation. They know that farmers cannot organize and do these things, and naturally they do not want the Government to help farmers and consumers do that which they cannot do for themselves.

These middlemen, millers, and manufacturers are organized and have their trade practices and rules in doing business, whereby they can fix prices going and coming.

Mr. Clayton, of Anderson, Clayton & Co., the largest cotton dealers in the world, who are able to put cotton up or down at will, thereby making millions at the expense of cotton producers, is fighting this bill to the last ditch. His paid lobbyists can be seen daily in the Capitol and the committee rooms where farm legislation is being considered. Mr. Clayton makes this statement:

The President's farm bill is not for the whole people.

Absurd!

Mr. Clayton also states:

It is a tax on all who buy food and clothing to provide funds to reward farmers for producing less food and clothing.

Yet he states he is for the Smith plan. The sole purpose of the Smith plan is to reduce production of cotton, which means clothing. However, it is a known fact that he is for the Smith plan only to defeat real farm-relief legislation.

He states:

City dwellers buy all their food and clothing, for they cannot grow these things like farmers, and that they would have to pay the tax.

Prior to the war, when cotton was selling for 13 cents per pound, and wheat over a dollar per bushel, city dwellers and that great army of now unemployed wage earners were able to buy these things. Now that farm products are selling below the cost of production, the purchasing power of the farmers is gone. What is happening to city dwellers and the wage earners that Mr. Clayton has so much real (?) sympathy for? They are unemployed, unhappy, and many of them are filling untimely graves. Yet if we will leave the farmer and the agricultural solution alone, as Mr. Clayton and his cohorts would have the President and the Congress do, he would be content and happy. He realizes that, to defeat the President's farm-relief program, he would be permitted to follow in footprints of Kreuger and Insull in trying to reach the point where he would be able to direct the world's cotton buyers. He states:

This bill will wreck the Democratic Party.

Mr. Clayton is of very short memory. Certainly he should remember that the Republican Party was wrecked in following his advice as well as the advice of big businesses, international bankers, and the speculative interests of this country. If what the President has been trying to do since March 4 wrecks the Democratic Party, I am willing to go down in the midst of the wreck. I find also that the American people are satisfied with what the President is doing and is trying to do. It is only international bankers and speculaters of whom Mr. Clayton is chief, on account of their own selfish interests, who are kicking about what the President is doing. Mr. Clayton states the Secretary and the President (including myself, I suppose, because I introduced the bill) did not stop at pleasing the self-styled "farm lobby", who asked for a processor's tax, but that we also gave to farmers an option to contract for certain cotton in the hands of the Secretary to satisfy farmers with a gamble on the cotton market instead of a cash benefit from the proceeds of the taxes.

The biggest gang of lobbyists that has ever infested the Halls of Congress and Washington since I have been a Member of Congress has been here during this session, representing processors, manufacturers, cotton merchants, and speculators.

It is high time that the Congress assist President Roosevelt in teaching this selfish interest, these dictators of government and controllers of the farmers' prices, a few things. The "forgotten man", which includes agriculture, will remain forgotten unless we assist the President to put into action his "new deal."

It is amazing to see how interested these "birds" are in farmers, consumers, and wage earners when we would pass legislation that would be helpful to farmers, consumers, and wage earners. Why, they tell you what this bill will do to farmers, consumers, and wage earners. When did farmers ask their price fixers to come to Washington to look after their interests? May I state that the Republican administration, for the past 12 years, have accepted the advice and testimony of these wolves coming to Washington, dressed in sheep's clothing, claiming that their interest is in the farmer, consumer, and wage earner. However, their deceitful testimony and selfish purpose will not fit in with the people's President, Mr. Franklin D. Roosevelt's "new deal."

I hope that Members will write Anderson, Clayton & Co., Houston, Tex., and secure a copy of the propaganda mailed out by him on March 20 referred to by me. It is the most ridiculous, unfair, and unsound argument ever sent out through the United States mails.

Fred J. Lingham, chairman committee on legislation, Millers National Federation, representing 75 percent of all flour mills in the United States, a paid lobbyist for the organization, residing here in Washington, has been one of the main spokesmen for farmers, consumers, and wage earners. However, when he was asked to explain to the Agricultural Committee of the Senate what entered into the difference between the price of 20 cents per bushel of wheat received by the farmer, which amounts to $1 for 5 bushels of wheat that it takes to produce a barrel of flour, which his mill sold to the retail trade at $5.05 per barrel, he stated that it was a rather complicated proposition and it would be rather hard for him to explain.

Later on, I am going to tell you how the Secretary and the President will be able, under this bill, to look into Mr. Lingham's dealings and get this information.

I should be glad if those who are opposing this legislation, and the President's program, would think about this costly gap between the farmer and the consumer, $1 for 5 bushels of wheat to the farmer, and $5.05 for the barrel of flour that comes out of this 5 bushels of wheat, to say nothing about the bran and shorts the miller gets out of these 5 bushels and the retail price finally paid by the actual consumer.

Mr. Lingham also mailed out a long "open letter" as he called it, in which he seemed to be interested only in the welfare of the farmer, consumer, and wage earner.

LICENSING PROCESSORS, MANUFACTURERS, AND OTHER AGENCIES

3. To issue licenses permitting processors, associations of producers, and other agencies to engage in the handling, in the current of interstate or foreign commerce, of any basic agricultural commodity or product thereof, or any competing agricultural commodity or product thereof. Such licenses shall be subject to such terms and conditions, not in conflict with existing acts of Congress or regulations pursuant thereto, as may be necessary to eliminate unfair practices or charges that prevent or tend to prevent the effectuation of the declared policy and the restoration of normal economic conditions in the marketing of such commodities or products and the financing thereof. The Secretary of Agriculture may suspend or revoke any such license, after due notice and opportunity for hearing, for violations of the terms or conditions thereof. Any agency engaged in such handling without a license as required by the Secretary under this section shall be subject to a fine of not more than $1,000 for each day during which the violation continues.

(4) To require any licensee under this section to furnish such reports as to quantities of agricultural commodities or products thereof bought and sold and the prices thereof, and as to trade practices and charges, and to keep such systems of accounts, as may be necessary for the purpose of this act.

This is the most important feature in the bill and is the thing that is worrying the opponents.

I say frankly that unless this is carried in the bill, and unless the Secretary secures the services of men to administer this act who cannot be controlled by the millers

and manufacturers, the bill will not be worth the paper that it is written on.

The handlers of farm products and the processors of farm products object to this on the ground that the Secretary, who, by the way, is under the President, would be able to regulate business. I am sure that the Secretary and the President are not concerned about doing any harm to the business of these handlers of and processors of farm products. If they will conduct their business on a fair basis, the Secretary will not have to use the licensing feature of this bill.

I warn you now if this section goes out—these people being able to combine, monopolize, and under trade-practice rules, fix and control prices whereby they would be able to take the benefits under this bill away from farmers—that it would be better to kill the bill.

Read the Federal Trade Commission's hearings on their investigation of price fixing by the Southern Cotton Oil Co., Procter & Gamble, owners of the Buckeye Cotton Seed Oil Mills, and Swift & Co., owners of Swift Cotton Seed Mills, and you will get a picture of what I am talking about.

Take the report of the American Tobacco Co. made some days ago, whereby after this corporation had charged out of its profits all expenses, advertising—page advertisements—carried in all the papers and magazines in the country, depreciation, taxes, State income tax, and tobacco taxes, and you will find that this company was able to make a net profit of 25 percent on their large investment, while tobacco farmers are going into tenant homes and breadlines.

I understand that the net incomes of these large tobacco manufacturers amount to more annually than the total amount paid by them for all tobacco produced by tobacco farmers. Why, certainly speculators on the grain, cotton, and stock exchanges do not want the Government to be in a position to inspect or restrict them in their high-handed methods in robbing producers and consumers. Why should any man or set of men be allowed to sit around the cotton exchange, selling and buying among themselves millions of bales of cotton daily—all paper transactions—which governs the price of farmers' actual cotton? Why, when I offered an amendment to a bill some time ago proposing to restrict short selling and place the buyer of cotton on the future market on an equal basis with the seller, whereby the seller could call for actual cotton and grades that he could use in his business, or in his cotton mill, why these same speculators objected, stating that it would destroy the exchange and the farmers' market. Why should international bankers and speculators dealing in securities, stocks, and bonds be allowed to unload on the public worthless securities, stocks, and bonds without any regulations or any restrictions on the part of the Government? That is what has been going on under the Republican administration for the past 12 years. Fifty billion dollars' worth of stocks and bonds, and not worth half the paper they were written on, have been sold and unloaded on the people. A perfectly good bank was closed in my home town, having bought for investment one fourth million dollars' worth of foreign bonds at the advice and insistence of New York bankers. Now, my money and the money of the people of Orangeburg on deposit with this bank is gone.

PROCESSING TAX OR ADJUSTMENT CHARGE

SEC. 9. (a) To raise revenues for the payment of extraordinary expenditures incurred by reason of the national economic emergency there shall be levied, assessed, and collected, during the marketing period (as ascertained and prescribed by regulations of the Secretary of Agriculture), for any basic agricultural commodity with respect to which rental or benefit payments are made under this act, in connection with reductions in the acreage of the crop, or in the production, for market, during such period, a tax to be paid by the processor on the first domestic processing of the commodity, whether of domestic production or imported. Such tax shall, except as hereinafter provided, equal the difference between the current average farm price for the commodity, and the fair exchange value of the commodity. Such value for any commodity shall be the price therefor which will give the commodity the same purchasing power, with respect to articles farmers buy, as during the pre-war period, August 1909–July 1914. The current average farm price and the fair exchange value shall be ascertained by the Secretary of Agriculture from available statistics of the Department of Agriculture.

As previously stated, cotton mills will, if this bill is put into operation under either of the plans, buy cotton as they are doing today, that is when and from whom they please at the world price.

But after this cotton is manufactured, the manufacturer will be required to add the tax or adjustment charge in the amount as named by the Secretary not to exceed the difference between the world price as paid on the open market and the pre-war price during the period of 1909–14.

In other words, under the allotment plan, suppose the world price is 7 cents. The manufacturer, after counting the actual cost of his merchandise, including the cost of cotton—7 cents—manufacturing, and all other expenses incident to his business, then adds the tax and passes same on through his regular channels of business to be paid by the ultimate consumer. Suppose in the first set-up the Secretary calls for a 3-cent tax per pound on cotton. The manufacturer simply adds the 3 cents, which would not amount to much per yard, or per piece, or per actual garment.

All of this hue and cry on the part of the manufacturer that this advance would retard consumption is without foundation. Let us see about this false alarm!

Take a cotton shirt selling today for $1.50; there is less than 7 cents' worth of actual cotton in that shirt. Why, when these "birds" who want to keep the Government out of business, when you try to do something for farmers, come to Washington asking the Government to protect them with a tariff to be levied by the Government and which permits them to collect same out of the consuming public, they give as their excuse for asking for this subsidy, which is costing the public millions annually, that it is to protect labor. They state their expensive machinery, their expensive administrative set-up, and, as stated, on account of the expense of labor they have to have this subsidy to compete with foreign competition. But they do not take into consideration, when we would put agriculture in the picture on the same basis—not at their expense but at the expense of the consumer—that farmers have to sell on an open, unprotected market in competition with foreign countries.

I call your attention to this: In the increased price the manufacturer will not have to buy any additional machinery, no additional administrative forces, no additional laborers, but will just simply have to add the 3-cent tax to the 7 cents' worth of cotton contained in the $1.50 shirt. And if they would be fair or if the middlemen would be fair, the shirt would not cost a dime more than the price now. They tell you, if you advance the price under this bill, that it will retard consumption. Let us see what actually happened the first of last fall, when cotton actually advanced 3 cents a pound, the same amount that I would put on cotton in the first instance if I were to administer the bill.

The opponents of this bill state that if we advance the prices of farm products it will retard consumption and thereby ruin business. Let us see if this is true. About the 1st of August, 1932, cotton was selling at 6 cents per pound. For no other reason than speculative, as far as I am concerned, prices began to rise until it reached a 3-cent-per-pound advance around the 3d of September. Prices then began to decline until November 30 and returned to 6 cents. Take a look at these figures:

Cotton—Price middling spot, 1932

	Cents
July 30	6
Aug. 15	7
Aug. 30	7½
Sept. 3	9
Sept. 10	8
Sept. 24	7½
Oct. 8	7
Oct. 29	6½
Nov. 26	6

FIGURES SPEAK LOUDER THAN WORDS

I am going to insert at this point monthly business statistics, prepared for me by the Department of Commerce, which clearly and unquestionably give to you the trend of all lines of business during the advance and decline in price of the cotton referred to.

Series	Unit	July	August	September	October	November
Business activity (annalist)	Computed normal=100	52	55.5	60.4	60	59.9
Industrial products (F.R.B.), unadjusted	1923-25=100	56	59	67	68	65
Textiles (F.R.B.), unadjusted	do	64	86	104	102	96
Distribution:						
Freight-car loadings (average weekly.)	1,000 cars	484,400	516,270	561,150	631,621	548,802
Department-store sales, unadjusted	Monthly average, 1923-25=100	47	50	73	77	73
Mail-order sales	$1,000	32,073	33,777	39,156	45,423	41,281
Newspaper advertising (52 cities)	1,000 lines	80,871	78,839	93,003	103,323	94,967
Employment: Factory (F.R.B.) unadjusted	1923-25=100	57.2	58.6	61.5	62.0	61.4
Pay rolls: Factory (F.R.B.) unadjusted	do	39.6	40.1	42.1	43.5	42.3
Finance:						
Commercial failures:						
Number		2,596	2,796	2,182	2,273	2,073
Liabilities	$1,000	87,190	77,031	56,128	52,870	53,621
Security prices:						
Domestic bonds (Dow-Jones)	Percent of par value of 4-percent bond.	42.98	53.35	55.01	49.86	47.51
Stocks (Standard Statistics)	1926=100	35.9	53.3	56.2	49.9	47.5
Cement	1,000 barrels	7,689	7,835	8,210	7,939	6,462
Cotton consumption	1,000 bales	279	403	492	503	504
Cotton textiles	1,000 yards	35,418	45,195	56,991	63,277	62,264
Carded sales yarn (weekly average)	1,000 pounds	1,400	1,798	2,534	2,885	2,531
Silk (deliveries)	Bales	38,382	59,905	59,694	53,703	43,955
Pig iron	1,000 long tons	572	531	593	645	631
Steel ingots	do	793	832	976	1,069	1,015
Tin (deliveries)	Long tons	2,265	2,585	2,680	3,130	3,240
Lumber (weekly average)	1928-31=100	36.1	38	39.1	43.5	39.7
Machine tools (shipments)	1922-24=100	27	30	43	45	29
Paper-board shipping boxes	1,000 square feet	399,160	436,358	477,032	508,182	409,736
Anthracite	1,000 short tons	3,021	3,465	4,108	5,234	4,260
Bituminous	do	17,857	22,480	26,314	32,677	30,634

Oh, they say under the bill it would be an artificial advance, while the actual facts referred to last fall were brought about on account of supply and demand.

The advance last fall was not brought about on account of actual supply and demand. It was purely a speculative transaction and I would love to know how much Brother Clayton made out of that rise and decline in price. We had as much surplus when the price commenced to advance as we have now. If it was because of supply and demand, why did not the increased price hold? You will note from the figures submitted by the Department of Commerce, when cotton began to advance every line of business began to improve. Employment began to pick up, failures began to decline; department-store sales increased 40 percent. Why? The purchasing power of farmers was increased, and that is what this bill proposes to do, and this will have to happen before the wheels of industry will begin to turn; put the unemployed to work and bring back normal prosperity.

SECRETARY'S POWER TO HOLD MEETINGS

(Sec. (B), p. 8)

(b) If the Secretary of Agriculture, after investigation and due notice and opportunity for hearing to interested parties, finds at any time that the imposition of the tax at the rate hereinbefore provided has resulted or is likely to result in a substantial reduction in the quantity of the commodity or products thereof domestically consumed, he shall fix such lower rate as is necessary to maintain or restore such domestic consumption. Such rate may be revised from time to time pursuant to further findings under this subsection. In making any such finding the Secretary shall give due consideration to the following factors among others:

(1) Reports as to wage scales, employment, and unemployment in urban regions.

(2) Changes in the consumption of the agricultural commodity and of other commodities.

(3) Evidence derived from statistical studies of supply and demand for previous periods, which indicate the change in consumption of the commodity which would normally occur in consequence of a particular change in the cost to processors or consumers.

(4) Other relevant data as to changes in the cost of living of consumers, consumers' buying habits, and current and prospective conditions in industry pertinent to determining the probable effective demand for the commodity.

I understand that the Senate Committee has stricken this from the bill. If those who oppose the bill were really for the bill, they would certainly want subsection (b) to remain in the bill. What could be more fair to handlers and manufacturers of farm products than this section? The Secretary is to investigate, give notice to all interested parties, hold hearings if he desires, and so forth.

Certainly, if the Secretary should find that 3 cents per pound on cotton is or would operate against the interests of all concerned, retarding consumption, he should have the right to retain same.

On the other hand, if the 3-cent set-up would tend to restore the purchasing power of farmers and business should increase, which would permit a second set-up of 2 cents per pound, or the difference between the world price and the pre-war price so as to further restore the purchasing power of farmers and increase business, with this section out of the bill he would be helpless and the purposes of the bill would be defeated. Cutting this section out is another way to make the bill inoperative.

(1) Reports as to wage scales, employment, and unemployment in urban regions.

(2) Changes in the consumption of the agricultural commodity and of other commodities.

(3) Evidence derived from statistical studies of supply and demand for previous periods, which indicate the change in consumption of the commodity which would normally occur in consequence of a particular change in the cost to processors or consumers.

(4) Other relevant data as to changes in the cost of living of consumers, consumers' buying habits, and current and prospective conditions in industry pertinent to determining the probable effective demand for the commodity.

Here we absolutely set forth a policy and call to the attention of the Secretary of Agriculture the various things that might enter into the many reasons why the processing fee should be lowered or advanced.

MISCELLANEOUS

SEC. 10. (a) The Secretary of Agriculture may appoint such officers and employees, subject to the provisions of the Classification Act of 1923 and acts amendatory thereof, and such experts as are necessary to execute the functions vested in him by this act; and the Secretary may make such appointments without regard to the civil service laws or regulations: *Provided*, That no salary in excess of $10,000 per annum shall be paid to any officer, employee, or expert of the Emergency Agricultural Adjustment Administration, which the Secretary shall establish in the Department of Agriculture for the administration of the functions vested in him by this act.

The opponents of the bill state that the Secretary is given unlimited power in putting on an army of workers. I am

willing to trust our President, who will be directly responsible for the expense of administering this legislation.

Suppose it is necessary to put on quite a number of employees. Agriculture is entitled to this consideration. In the meantime it is proposed that the bill will pay its own way and will not take any money out of the Treasury.

STATE AND LOCAL EMPLOYMENT

(Sec. (b), p. 10)

(b) The Secretary of Agriculture is authorized to establish, for the more effective administration of the functions vested in him by this act, State and local committees, or associations of producers, and to permit cooperative associations of producers, when in his judgment they are qualified to do so, to act as agents of their members and patrons in connection with the distribution of rental or benefit payments.

This section does not necessarily contemplate an expensive set-up for the purpose of administering the act within any State, as suggested by the opponents. It is my belief that bankers and merchants, as well as farmers, will be very glad to associate themselves into committees for the purpose of rendering assistance free of charge. We have in all of the cotton States local agencies and county commissioners who can be utilized at a very small expense, when called upon, and only for their actual services. The Extension Service operating in each State—including the county agent, agricultural, and demonstration teachers—are now paid by the Federal Government and the States, and could also be utilized.

I can easily understand how anyone opposing the passage of this legislation could make quite a lot of capital out of the argument that it will take an army of people to administer the act.

REGULATIONS TO BE APPROVED BY THE PRESIDENT

(Sec. (c), p. 10)

(c) The Secretary of Agriculture is authorized, with the approval of the President, to make such regulations with the force and effect of law as may be necessary to carry out the powers vested in him by this act. Any violation of any regulation shall be subject to such penalty, not in excess of $100, as may be provided therein.

Certainly this section should satisfy the minds of those who oppose this legislation on the ground that the Secretary of Agriculture will be a dictator in administering this act. I have heard it said on the part of some of the cotton manufacturers that they would not mind giving the President the powers contained in this bill, but they were absolutely against the Secretary, a Cabinet member, having the powers authorized under the bill.

Section (c) plainly states that the Secretary of Agriculture is authorized to make such regulations with the force and effect of law as may be necessary to carry out the powers vested in him by this act, but with the approval of President Roosevelt.

POWERS DEFINING PROCESSING

(Sec. (d))

(d) The Secretary of the Treasury is authorized to make such regulations as may be necessary to carry out the powers vested in him by this act, including regulations, with the force and effect of law establishing conversion factors for any commodity and article processed therefrom to determine the amount of tax imposed with respect thereto, and defining processing with respect to any commodity.

This section simply gives to the Secretary of the Treasury the right to promulgate rules and regulations in connection with establishing conversion factors for any commodity, and to determine the amount of tax imposed with respect to each type, grade, or product before or after the product has been processed.

(Sec. (e), p. 11)

(e) The action of any officer, employee, or agent in determining the amount of and in making any rental or benefit payment shall not be subject to review by any officer of the Government other than the Secretary of Agriculture or Secretary of the Treasury.

Complaint has been made that under this section we have given the last word to the Secretary of Agriculture and the Secretary of the Treasury in making rental or benefit payments under this act. Taking into consideration the policy governing the act, the various administrative officers or employees, who will pass upon, for instance, the amount of rent to be paid, and under the liberal policy as contained in page 9 given to the Secretary in passing upon the amount of tax or the adjustment charge, it is very apparent that we need give no further consideration to these matters after they have been finally passed upon by the Secretary under rules and regulations approved by the President.

TO PREVENT SPECULATION BY OFFICIALS

(g) No person shall, while acting in any official capacity in the administration of this act, speculate, directly or indirectly, in any agricultural commodity or product thereof, to which this act applies, or in contracts relating thereto, or in the stock or membership interests of any association or corporation engaged in handling, processing, or disposing of any such commodity or product. Any person violating this subsection shall upon conviction thereof be fined not more than $10,000 or imprisoned not more than 2 years, or both.

The thing I am fearful of is, if we are successful in passing this legislation, that the opponents, handlers of farm products, the processors and manufacturers of farm products, because of being well organized, with high-paid lobbyists located here in Washington, will be able to persuade the Secretary of Agriculture to let them name the keymen in connection with the administering of the act. This section would at least prevent them from using the information that they would naturally have for the purpose of speculating in farm products. It is my belief, if the Secretary of Agriculture permits these "birds" to name the men to administer this act, it will simply mean that the bill will not be operated in the interest of agriculture, and will most assuredly bring about the defeat of the real purpose of the legislation. Should this happen, we will be permitted to hear the opponents of this bill say, "I told you so."

COMMODITIES

SEC. 11. As used in this act, the term "basic agricultural commodity" means wheat, cotton, corn, hogs, cattle, sheep, rice, tobacco, and milk and its products, and any regional or market classification, type, or grade thereof; but the Secretary of Agriculture shall exclude from the operation of the provisions of this act, during any period, any such commodity or classification, type, or grade thereof if he finds, upon investigation at any time and after due notice and opportunity for hearing to interested parties, that the conditions of production, marketing, and consumption are such that during such period this act cannot be effectively administered to the end of effectuating the declared policy with respect to such commodity or classification, type, or grade thereof.

While in section 11 we have listed the basic agricultural commodities, you will note in this section, page 12 and line 6, that the Secretary of Agriculture will have the right to exclude from the operation of the provisions of this act during any period that the act may be in force any such basic commodity or classification, type, or grade thereof. In other words, we have permitted a number of products to be listed in this legislation; it is not intended that the Secretary of Agriculture shall put each of these commodities into immediate operation or subject to the processing tax. You will note that due notice will be given and hearings of interested parties, growers, and selling agencies, as well as manufacturers will be held. We have had quite a lot of opposition from packers, stating that the bill would not operate as to hogs, and that if hogs are to come under the operation of the bill that it would most assuredly ruin the hog producers as well as packing plants. Certainly, if this is true, the President of the United States, the Secretary of Agriculture, those in charge of administering the act, interested growers, selling agencies, and packers would not put hogs into operation on a satisfactory agreement.

APPROPRIATION

SEC. 12. (a) The proceeds derived from taxes imposed under this act, or so much thereof as may be necessary, are hereby appropriated to be available to the Secretary of Agriculture for rental and benefit payments and administrative expenses, including refunds under this act, personal services in the District of Columbia and elsewhere, contract stenographic reporting services, and printing and paper in addition to allotments under existing law.

Under this section it is proposed to make available sufficient funds to properly administer this act until funds can be collected from the processing tax or adjustment charge. It is my firm belief that inasmuch as a great many farmers will not participate in the domestic-allotment or the rental-basis plan, that inasmuch as we will collect this processing fee or adjustment charge on all farm products that the Secretary brings within the operation of the bill, that we will find that it will not be long before we will have a real surplus out of the receipts of this processing fee or adjustment charge.

We did not hear anyone kicking about appropriating millions of dollars for the purpose of organizing the Reconstruction Finance Corporation, so as to enable this corporation to loan millions to the railroads, on which the corporation has not even received the interest thereon and millions to banks and self-liquidating projects, all of which will be just like putting that much money in a rat hole unless agriculture is properly rehabilitated and fair prices are secured by farmers for farm products.

(Secs. (b) and (c), p. 13)

(b) the Secretary of Agriculture and the Secretary of the Treasury shall jointly estimate from time to time the amounts currently required for such payments and expenses, and the Secretary of the Treasury shall advance to the Secretary of Agriculture the amounts so estimated. The amount of such advance shall be deducted from such funds as subsequently become available under subsection (a).

(c) The Secretary of Agriculture shall transfer to the Treasury Department and is authorized to transfer to other agencies, out of funds available under this section, such sums as are required to pay administrative expenses incurred and refunds made by such department or agencies in the administration of this act.

Subsections (b) and (c) simply outline the proper administrative procedure on the part of the Secretary of Agriculture and the Secretary of the Treasury who shall jointly estimate from time to time the amount of money required in connection with the operation of the bill, the transferring to the Treasury Department and other agencies available funds, as are required to pay administrative expenses, and so forth.

TERMINATION OF ACT

SEC. 13. This act shall cease to be in effect whenever the President finds and proclaims that the national economic emergency in relation to agriculture has been ended; and pending such time the President shall by proclamation terminate with respect to any basic agricultural commodity such provisions of this act as he finds are not requisite to carrying out the declared policy with respect to such commodity. The Secretary of Agriculture shall make such investigations and reports thereon to the President as may be necessary to aid him in executing this section.

This section very plainly indicates that the President has the last word in connection with the operation of the bill, the determining of the end of the present economic emergency, as well as the terminating of the operations of this legislation.

I am surprised at the opponents of this bill, especially Members of Congress, refusing to give to the President these powers in trying to solve the serious agricultural problem, which is, as stated, necessary before we will be able to bring about normal prosperity.

SEPARABILITY OF PROVISIONS

SEC. 14. If any provision of this act is declared unconstitutional, or the applicability thereof to any person, circumstance, or commodity is held invalid the validity of the remainder of this act and the applicability thereof to other persons, circumstances, or commodities shall not be affected thereby.

SUPPLEMENTARY REVENUE PROVISIONS

EXEMPTIONS AND COMPENSATING TAXES

SEC. 15. (a) If the Secretary of Agriculture finds, upon investigation at any time and after due notice and opportunity for hearing to interested parties, that any class of products of any commodity is of such low value compared with the quantity of the commodity used for their manufacture that the imposition of the processing tax would prevent in whole or in large part the use of the commodity in the manufacture of such products and thereby substantially reduce consumption and increase the surplus of the commodity, then the Secretary of Agriculture shall so certify to the Secretary of the Treasury, and the Secretary of the Treasury shall abate or refund any processing tax assessed or paid after the date of such certification with respect to such amount of the commodity as is used in the manufacture of such products.

(Subsec. (b), p. 15)

(b) No tax shall be required to be paid on the processing of any commodity by the producer thereof on his own premises for consumption by his own family, employees, or household; and the Secretary of Agriculture is authorized, by regulations, to exempt producers from the payment of the processing tax with respect to hogs, cattle, sheep, or milk and its products, in cases where the producer's sales of the products resulting from the processing of the commodity do not exceed $100 per annum.

Subsection (b): Under this subsection producers are permitted to process any farm product that comes under the operation of the bill, if same is for the consumption of his own family or his employees, free of tax or adjusted charge. If hogs, cattle, sheep, or butter should come under the operation of the bill, producers of these products would be limited to the sale thereof to an amount of $100 per annum in the open market tax free. I would much prefer having this exemption amount to at least $250 per annum. However, there must be some limitation under the bill, if the same is to operate effectively and fairly to all concerned.

(Subsecs. (c) and (d), p. 15)

(c) Any person delivering any product to any organization for charitable distribution or use shall, if such product or the commodity from which processed, is under this act subject to tax, be entitled to a refund of the amount of any tax paid under this act with respect to such product so delivered.

(d) The Secretary of Agriculture shall ascertain from time to time whether the payment of the processing tax upon any basic agricultural commodity is causing or will cause to the processors thereof disadvantages in competition from competing agricultural commodities by reason of excessive shifts in consumption between such commodities or products thereof. If the Secretary of Agriculture finds, after investigation and due notice and opportunity for hearing to interested parties, that such disadvantages in competition exist, or will exist, he shall proclaim such finding. The Secretary shall specify in this proclamation the competing agricultural commodity and the compensating rate of tax on the processing thereof necessary to prevent such disadvantages in competition. Thereafter there shall be levied, assessed, and collected upon the first domestic processing of such competing agricultural commodity a tax, to be paid by the processor, at the rate specified, until such rate is altered pursuant to a further finding under this section, or the tax or rate thereof on the basic agricultural commodity is altered or terminated. In no case shall the tax imposed upon such competing agricultural commodity exceed that imposed per like unit upon the basic agricultural commodity. The terms "competing agricultural commodity" shall include, among others, rayon, silk, linen, and oleomargarine, and any basic agricultural commodity as to which a tax is not in effect under section 9.

It is agreed that it would be unfair to fix a processing fee or an adjustment charge on any farm product being used for charitable distribution. Under subdivision (d) it appears to me to place the Secretary of Agriculture, in administering this act, in a position, by direction, as contained in this section, so to operate this legislation as to be fair to selling agencies, producers, and processors. In every instance, in connection with the investigation and in putting into operation the various sections of the bill, on the part of the Secretary of Agriculture, we find that the Secretary has been given the power to give due notice of his contemplated actions, and the opportunity is to be given to all parties concerned to be heard. We find under this provision that the Secretary is given power to levy, assess, and collect on competing commodities a tax to be paid by the processor at such rate as will protect the producer, the selling agencies, and the processor handling a basic product under the operation of this bill.

It would be very unfair, for instance, to advance the price of cotton 3 cents or to the full amount it would take to bring the price of cotton up to and on a basis with the pre-war basis prices, and not to place a competing rate for a like amount, for instance, on rayon, silk, linen, and jute. This will not place these competing products at a disadvantage, but will simply place them on the same basis where we find them today, in connection with the world-basis price on cotton.

In other words, if cotton is advanced from 6 to 9 cents and these competing commodities are to remain without

placing a like amount of tax thereon, it will give to the selling agencies and processors of these products a leeway for additional profit to the amount of the adjustment charge on cotton and the opportunity of making further inroads on the cotton industry, which would naturally tend to defeat the very purposes of the bill.

It has been stated by the opponents that the placing of a processing tax or adjustment charge on farm products consumed in the United States would operate against the exporting of farm products and would also give foreign countries an advantage in that they would be privileged to import cotton or cotton products, thereby destroying our manufacturers and selling agencies, as well as the real purpose of the legislation. This is not true, for the reason that we will continue to export as usual, on a world-basis price, on which there will be no tax or adjustment charge collected or paid by the processor or exporter. In the meantime any manufacturer or selling agency in foreign countries importing these products will be subject to a like amount of tax.

FLOOR STOCKS

(Pp. 17 and 18)

SEC. 16. (a) Upon the sale or other disposition of any article processed wholly or in chief value from any commodity with respect to which a processing tax is to be levied, that on the date the tax first takes effect or wholly terminates with respect to the commodity, is held for sale or other disposition (including articles in transit) by any person other than a consumer or a person engaged solely in retail trade, there shall be made a tax adjustment as follows:

(1) Whenever the processing tax first takes effect, there shall be levied, assessed, and collected a tax to be paid by such person equivalent to the amount of the processing tax which would be payable with respect to the commodity from which processed if the processing had occurred on such date.

(2) Whenever the processing tax is wholly terminated, there shall be refunded to such person a sum (or if it has not been paid, the tax shall be abated) in an amount equivalent to the processing tax with respect to the commodity from which processed.

(b) Notwithstanding the provisions of subsection (a), such subsection shall apply with respect to such portion of retail stocks on hand at the date the processing tax takes effect, as is not sold or otherwise disposed of for consumption within 1 month and after such date.

Section 16, with its subsections (a), 1 and 2, apparently is very clear and needs no explanation. Subsection (b) very definitely states, notwithstanding the provisions of subsection (a), that these subsections shall apply only to such portion of retail stocks on hand the day the processing tax takes effect, as is not sold by the retailer within 1 month after such date. This will give due notice to all retailers, selling agencies, bakers, and so forth, that it will be useless for them to take on large stocks of manufactured goods or farm products that will come under the operations of this bill hoping to escape paying the process tax or adjustment charge thereon.

EXPORTATIONS

SEC. 17. (a) Upon the exportation to any foreign country (including the Philippine Islands, the Virgin Islands, American Samoa, and the island of Guam) of any product with respect to which a tax has been paid under this act, or of any product processed wholly or in chief value from a commodity with respect to which a tax has been paid under this act, the exporter thereof shall be entitled at the time of exportation to a refund of the amount of such tax.

(b) Upon the giving of bond satisfactory to the Secretary of the Treasury for the faithful observance of the provisions of this act requiring the payment of taxes, any person shall be entitled, without payment of the tax, to process for such exportation any commodity with respect to which a tax is imposed by this act, or to hold for such exportation any article processed wholly or in chief value therefrom.

EXISTING CONTRACTS

SEC. 18. (a) If (1) any processor, jobber, or wholesaler has, prior to the date of approval of this act, made a bona fide contract of sale for delivery after such date of any article in respect of which a tax is imposed under this act, and if (2) such contract does not permit the addition to the amount to be paid thereunder of the whole of such tax, then (unless the contract prohibits such addition) the vendee shall pay so much of the tax as is not permitted to be added to the contract price.

(b) Taxes payable by the vendee shall be paid to the vendor at the time the sale is consummated and shall be collected and paid to the United States by the vendor in the same manner as other taxes under this act. In case of failure or refusal by the vendee to pay such taxes to the vendor, the vendor shall report the facts to the Commissioner of Internal Revenue, who shall cause collections of such taxes to be made from the vendee.

This section applies to contracts on the part of the manufacturer, jobber, or wholesaler to selling agencies or retailers prior to the date of the approval of this act, which clearly states how and from whom the taxes shall be collected. However, in each instance manufacturers, jobbers, wholesalers, selling agencies, or retailers should not be disturbed for any tax paid by either or any of them will be passed on to the ultimate consumer; they will only be operating as collecting agencies for Uncle Sam under the law.

COLLECTION OF TAXES

SEC. 19. (a) The taxes provided in this act shall be collected by the Bureau of Internal Revenue under the direction of the Secretary of the Treasury. Such taxes shall be paid into the Treasury of the United States.

(b) All provisions of law, including penalties, applicable with respect to the taxes imposed by section 600 of the Revenue Act of 1926, and the provisions of section 626 of the Revenue Act of 1932, shall, insofar as applicable and not inconsistent with the provisions of this act, be applicable in respect of taxes imposed by this act: *Provided*, That the Secretary of the Treasury is authorized to permit postponement, for a period not exceeding 60 days, of the payment of taxes covered by any return under this act.

(c) In order that the payment of taxes under this act may not impose any immediate undue financial burden upon processors, any processor subject to such taxes shall be eligible for loans from the Reconstruction Finance Corporation under section 5 of the Reconstruction Finance Corporation Act.

You will note from section 19 that the process tax or adjustment charge shall be collected by the Bureau of Internal Revenue as all other Federal taxes are collected.

It is my belief that the opponents of this legislation who state that, in the collecting of these taxes there will be required an army of employees, is wrong. The Bureau of Internal Revenue has all the necessary machinery and employees, except in a very few instances to carry out successfully the provisions of the bill in the collections of these taxes.

Under subsection (b) you will note that the Secretary of the Treasury is authorized to postpone for a period, not exceeding 60 days, the payment of the processing tax or adjustment charge, which will enable manufacturers and others paying this tax to collect it in connection with their sale before payment of same.

Under subsection (c) manufacturers and payers of this tax are given further relief whereby they are permitted to borrow from the Reconstruction Finance Corporation for the purpose of paying these taxes, which are to be used in paying benefits to farmers under the allotment or rental basis plan contained in the bill.

I want it understood that I am whole-heartedly behind this legislation, for the reason that out of my experience, having been engaged in a large supply business, buying and selling farm products, as well as being actively engaged in large farming operations, it is my belief that if, as stated, the proper men are selected to administer the act, and if manufacturers and producers will join in whole-heartedly with the Secretary of Agriculture and the President of the United States in administering this legislation, that the months will not be many before the purchasing power of that large farm group of people will be restored and general business, as well as employment, will be much improved.

I have no patience with any Member of the House or Senate who would retard the passage of the President's program, for the reason that perhaps he is interested in some pet scheme of his own or because of the propaganda that is being put out against this legislation by the opponents of the bill.

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to revise and extend my remarks by inserting a published letter on farm legislation.

Mr. BACON. Mr. Speaker, reserving the right to object, who wrote the letter?

Mr. MARTIN of Colorado. If I may have half a minute, I can inform the House.

Mr. CLARKE of New York. Mr. Speaker, I object, if necessary, to stop this "stuff" going in. We have too much farm-relief bunk in the RECORD already.

THE VALUE OF AGRICULTURAL RESEARCH

Mr. MONTET. Mr. Speaker, I ask unanimous consent to extend my remarks on the value of agricultural research.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. MONTET. Mr. Speaker, the current depression has caused greater shrinkage in demand for farm commodities, in farm-commodity prices, and in farm incomes than any other decline recorded in the last 70 years. This is particularly true with reference to the more expensive commodities. The consumption of the cheaper agricultural commodities has remained practically unchanged, but the prices of all commodities have fallen. The depression has again demonstrated the whole truth that it takes purchasing power, as well as consumption, to keep prices up.

The price slump is not solely due to general agricultural expansion. It can be attributed in part to the fact that production did not fall so rapidly as demand; thus the agricultural reaction to the depression was markedly different from the industrial reaction. The farm production of 1931 was about the same as it was in 1928, whereas the production of nonagricultural commodities was nearly 50 percent less. This cannot be said in criticism of our farmers, as farm production cannot be adjusted quickly to changes in demand, and this necessarily operates to the disadvantage of the individual farmer. It makes agriculture the great shock absorber and stabilizing influence in hard times. Sustained farm production, though it helps to force prices down, makes life easier for wage earners who are fortunate enough to have earnings, and, of course, it is necessity and not philanthropy that obliges agriculture to fill this role. Nevertheless agriculture does so to the substantial benefit of the community, and this should be remembered when farmers ask public support for agricultural-relief measures.

From August 1929 to August 1932 prices of all groups of farm commodities at the farm declined nearly 60 percent; wheat dropped 65 percent, cotton 64 percent, wool 74 percent, and hogs 60 percent. In the same period nonagricultural prices at wholesale declined 24 percent. In other words, farm-commodity purchasing power is little more than half what it was before the war.

The farmers' gross income in 1931 was $5,955,000,000 compared with $9,403,000,000 in 1930 and $11,950,000,000 in 1929. This represents a decline of some 50 percent in 2 years. Before the war field crops yielded greater returns than livestock, but since 1921 livestock has forged ahead of field crops. This is probably true because of the fact that livestock enterprises rest more broadly on the home market, and this may forecast greater stability for American agriculture. At the present time the farmers' net income has been reduced to practically nothing, and besides the farmers have had little relief from interest and taxes. Farm real-estate values have continued to fall in all parts of the country. Their financial security as well as their standard of living has been impaired. The total farm-mortgage debt in the United States increased from $3,300,000,000 in 1910 to $9,500,000,000 in 1928. In 1930 the interest charges on this indebtedness amounted to some $600,000,000, and since 1928 an increasing number of farms have been mortgaged. The 1930 census shows 42 percent of all owner-operated farms as mortgaged. Foreclosures on these mortgages have become all too prevalent. They are breaking down the morale of our farmers to the detriment of debtors, creditors, and the Nation as well. Most of the burdens of this indebtedness have increased from forces largely outside the farmer's control. The salvation of our farmers out of their present predicament has become of national concern, and they rightfully look to Congress to save them for the Nation's sake.

The farmers' taxes as a whole have increased some 170 percent since 1914, and with their incomes down to some 50 percent less than pre-war level this tax load has become extremely onerous. This burden has more than doubled by the falling of prices since 1929, as it now takes more than four times as many units of farm produce to pay the farm tax bill now as it took in 1914. In 1931 taxes on farm property absorbed some 11 percent of the gross farm income, compared with only 4 percent before the war. It is therefore obvious that the farmers' tax burden is unfair. This is not only due to the increase in public expenditures but to the failure of our tax system to allow for the post-war decline in farm income. Both economy and in public expenditures and a drastic revision of our revenue system are therefore necessary. It is an uncontroverted fact that the property tax discriminates against the farmer under certain conditions, but of course this is not a part of the Federal revenue system. The general property-tax problem is one to be solved by the various States and the subdivisions thereof.

The farmer today is without ready credit facilities almost everywhere, save those that are provided in a limited sense by Federal agencies. Local credit agencies depend for their lending power upon a flow of income into their communities. When this flow dwindles or dries up, outstanding loans cannot be collected and new loans cannot be made. The local revolving fund ceases to revolve, and the local credit agencies have been therefore unable to maintain but only a small fraction of their lending power. The same thing is true with reference to life-insurance companies and other lending agencies; however, the Federal Government has been able to assist our farmers in a limited way through various Government activities, but on the whole the farmer has been unable to secure sufficient credit to carry on.

Of course, world conditions played their part in tearing down the farming structure of this country as is noted in our decline in the exports of agricultural products from the United States. In the fiscal year 1931–32, these declined in value 28 percent from those of the preceding year, 50 percent from those of 1929–30, and 59 percent from those of 1928–29. This 3-year decline followed a 7-year period of relative stability in exports. In this 7-year period the value of exports was lower than it was during the war and immediately thereafter, but higher than it was before the war. The 1931–32 exports carried us down to about the level at the beginning of the century. These declines are not only reflected in the value thereof but in the volume as well.

Because incomes have dropped and taxes have not, public interest in Government expenditures is at a high level. Though our agricultural institutions have a long and honorable history, they are not exempt from current criticism from high public expenditures. The public rightfully demands to know what return it receives from its tax investment.

Personally, I know of no money spent to more advantage for the good of the Nation than that spent by our Government for agricultural research. While the Government appropriated $306,400,098 for the Department of Agriculture for the fiscal year ending 1932, only 10 cents out of every dollar so appropriated was spent or could be spent on the ordinary agricultural activities of the Department. The following is a break-down of this appropriation:

Item	Amount	Percentage of total
(1) Road construction (including $188,660,236 paid to the State for Federal-aid highways)	$212,421,775	69.33
(2) Emergency relief loans	10,806,829	3.53

Item	Amount	Percentage of total
(3) Payments to States for support of agricultural experiment stations, extension work, and cooperative forestry activities, including fire prevention	$16,040,465	5.23
(4) Ordinary activities	67,131,029	21.91
(a) Of general public interest, $36,372,082 (11.87 percent).		
(b) Primarily for agriculture, $30,758,947 (10.04 percent).		
(5) Total Department of Agriculture, all purposes	306,400,098	100.00

It will be noted from this table that over four fifths—81 percent—of the 1932 expenditures of the Department went to the general public rather than to agriculture. The following is a table of the Department's expenditures, classified by organization units:

Expenditures and obligations classified by organization units

Organization unit	General activities	Payments to States (exclusive of Federal-aid road funds)	Road construction	Emergency relief loans	Total
Office of the Secretary	$1,227,044				$1,227,044
Office of Information	1,404,207				1,404,207
Library	110,116				110,116
Office of Experiment Stations	370,283	$4,357,000			4,727,283
Extension Service	1,708,734	8,662,466			10,371,200
Weather Bureau	4,140,941				4,140,941
Bureau of Animal Industry	15,272,021				15,272,021
Bureau of Dairy Industry	743,180				743,180
Bureau of Plant Industry	5,573,323				5,573,323
Forest Service	17,114,943	3,020,999	$16,189,381		36,325,323
Bureau of Chemistry and Soils	1,909,749				1,909,749
Bureau of Entomology	2,484,676				2,484,676
Bureau of Biological Survey	1,903,591				1,903,591
Bureau of Public Roads	209,225		196,232,394		196,441,619
Bureau of Agricultural Engineering	613,990				613,990
Bureau of Agricultural Economics	6,826,180				6,826,180
Bureau of Home Economics	236,452				236,452
Plant Quarantine and Control Administration	3,383,563				3,383,563
Grain Futures Administration	193,941				193,941
Food and Drug Administration	1,704,861				1,704,861
Farmers' Seed Loan Office				$10,806,829	10,806,829
Total	67,131,029	16,040,465	212,421,775	10,806,829	306,400,098

It is therefore obvious that 81 percent of the Department's appropriation was expended for road construction simply by reason of the fact that the Bureau of Roads has been made one of the organization units of this Department. Up to 1932 the normal expenditures of this Department have ranged between $125,000,000 and $180,000,000, including road funds; too, there was included in this appropriation direct relief to farmers suffering from drought and flood. It is therefore evident that this Department has been charged with activities that are not of themselves ordinary agricultural activities. The Department was called on to spend $36,000,000 in connection with weather service, forest and game conservation, and the enforcement of the Pure Food and Drug Act, all of which was for general public interest. In the activities primarily for agriculture there was spent the sum of $30,758,947, or 10.04 percent, of the total appropriation. These expenses, which are made primarily for agriculture, are of as much concern to industry, commerce, and to the general public as they are to agriculture, and it is my opinion that the country can ill afford to dispense with activities of this Department which are carried on primarily for agriculture. In connection with these activities the Department undertakes tasks which the individual cannot do for himself and does necessary things which would otherwise not be done.

The basic task of this Department is scientific research. All of its duties, such as extension and information work, eradication and control of plant and animal diseases and pests, weather and crop reporting, forest and wild-life administration, regulatory-law administration, and even road construction rest upon research; without research these public functions delegated to it by Congress could not be carried on. These researches only seek to gain useful knowledge in response to tasks imposed upon the Department by Congress in connection with agricultural and national needs. Research is a dividend-paying investment, as is realized by all manufacturers who carry on these activities in their own sphere of industrial necessity.

It is often said that agricultural research is not required at present because it tends to stimulate agricultural production. In my opinion, this logic is faulty. While in time of great surpluses which cannot be absorbed by our and world markets, production should be reduced, yet it certainly cannot be said that it makes no difference how this reduction is brought about. The method is all-important. Our farmers should have information available to them so as to make this reduction in an efficient manner and along scientific basis so that costs may not rise more than prices. For instance, pests may remove the surplus, but they will not do so to the farmers' profit. Reductions should be made in a manner that will not increase net costs. No one ever reflected profit by sacrificing efficiency, and it is through our Department of Agriculture that the farmers of this country must look for scientific advice in the reduction of production along a scientific and paying basis. The cost of production is always important. No individual farmer can afford to treat these problems scientifically. This duty rests upon the Nation.

In appraising the value of the services rendered this Nation by the research activities of the Department of Agriculture, among many other beneficial results accomplished, we find that investigations made by this Department have helped to reduce production costs, eliminate waste, improve the quality of farm products, and facilitated the distribution of agricultural products, thus contributing directly to the raising and maintenance of our standard of living. It has also made large contributions to the improvement of human health and the longevity of life. It discovered that certain diseases were transmitted by the cattle tick. This was the first demonstration that a microbial disease can be transmitted by insects. This led to the knowledge that yellow fever, malaria, African sleeping sickness, Rocky Mountain fever, and other maladies are carried through intermediate hosts. That knowledge has saved hundreds of thousands of lives. Its research has curbed to a large extent the transmission of tuberculosis from milch cows to human beings. Its supervision of the canned-food industry has undoubtedly improved the health of our Nation.

There are incidents where the research of this Department has saved an entire branch of agriculture, for instance, the restoration of the sugarcane industry in Louisiana which was threatened with extinction with mosaic disease. This disease was discovered in 1919 in the sugarcane area of Louisiana. It rapidly spread through other sugarcane-growing areas of the United States. The sugarcane industry faced complete collapse. The Department made a study of the situation and by reason thereof developed varieties of sugarcane that are resistant to this disease. As a result of this research, the sugarcane production in Louisiana has increased over 500 percent since 1926.

It also succeeded in developing a curly top variety of sugar beets and has discovered means of decreasing the deterioration of mill cane. Its study of soils and erosion has been of much benefit to the sugar industry of this country. In cooperative experiments with the California Experiment Station, early maturing hybrid selections of rice were found to produce better yields than the varieties commonly used, much to the benefit of the rice industry in California. Wheat-breeding investigations have produced practical and profitable results. Its research studies have saved the Florida farmers from celery mosaic. It developed the wilt-

resistant tomato named "Pritchard" to the benefit of the tomato growers. Its work has contributed to the success of our cabbage farmers, corn growers, flax, hops, tobacco, and alfalfa growers as well. It has also contributed largely to the success of our dairy industry through the development of cheap home-grown feeds. It was largely through its efforts that every American farmer was freed from the grip of the Chilean-nitrate producers in connection with our fertilizer requirements. It has successfully taught the American farmer how to secure the most out of fertilizers through proper applications. In the irrigation projects of the West its research work has prevented injury to soil and crops from the accumulation in the soil of dissolved salts contained in irrigation water by the proper application of water. Without the activities of this Department, pests would have devoured this country long ago. It has taught our growers how to store fruits and potatoes. The Department developed processes for the manufacture of citric acid, lemon and orange oil, stock feeds, and other valuable products which transform into profit quantities of oversized and odd-shaped fruits which previously had been wasted. The Department has developed a method of making high-grade cellulose from the waste of sugarcane after the sugar has been extracted, thus providing a basic material for rayon. Chemists of this Department devised a method of producing high-quality starch from sweetpotatoes.

Diabetics will be benefited by the production of pure inulin extracted from chicory, now grown in limited quantities in the United States. Barbados molasses is imported in large quantities because of its flavor. Chemical investigations by this Department recently revealed the nature of this flavor and succeeded in reproducing it in sirup of domestic origin, thus making it possible that our domestic molasses can be profitably substituted for the foreign product. Frozen fruit pulp has been made possible by the research work of this department.

The ice-cream industry has been benefited by a process recently developed in the Department making it possible for sugar to be removed from skim milk without affecting the casein. It also developed a process by which milk may be held frozen as long as 3 weeks and restored to its normal state without loss of flavor or physical properties. The fast-increasing date industry in this country and the production of tung oil are fruits of this Department's labors. It introduced long-staple cotton to this country. Varieties of lettuce recently introduced by the Department set new standards of quality and at the same time resist both mildew and blight. Its investigations developed means of preventing the crystallization of sugar from cane sirup and of controlling the color and flavor of cane sirup by the use of decolorizing carbon. Its investigations promise success in the development of a method for the prevention of deterioration in the flavor and quality of orange juice.

In its soil-erosion activities it has probably saved the Corn Belt from the depletion of its rich top soil. The wild life of this country has undoubtedly been saved by the activities of this Department. It has taught our farmers how to grade all their products. Home canning is also one of its outstanding accomplishments, as well as seed selection. In April 1932 it took this Department but 10 days to stamp out our tenth invasion of the foot-and-mouth disease. Its stock year inspections, tuberculosis, and cattle-tick fever activities contribute largely to the health of our people. It has taught us how to control the grasshopper menace, and in its efficient administration of the Food and Drug Act it has contributed an added guaranty to the health of our people. It has saved farmers millions and millions of dollars by teaching them the proper use of appropriate fertilizers to various crops and soils. It teaches us how to more profitably utilize our lands and farm commodities, and this work goes hand in hand with measures designed to control production in relation to consumption demand.

One might go on without limit setting out the benefits received by agriculture as a whole as a result of the research work of the Department of Agriculture. One of the principal activities in which the Department is now engaged looks to the more profitable utilization of farm surplus, culls, and waste. Industry has little waste, and it is a well-known fact that if the waste now prevalent on our farms could be transformed into useful products, the farmer's revenue would be materially increased. In the production of the great staple crops—such as the small grains, cotton, sugar—and timber, there is necessarily grown a great tonnage of straws, stalks, hulls and cobs, and bark, for which on the whole there is no large industrial use, and the problem of profitable utilization of these agricultural wastes still remains to be solved. The Department is now conducting a comprehensive investigation of the possibility of using these various waste materials for a great variety of purposes, and the farmer can now ill afford to have these activities curtailed, when he is so much in need of added revenue.

As stated at the outset, all of these combined activities are carried on at a total cost of little more than $30,000,000. They are all indispensable activities and we cannot afford to discontinue them in these days and times when our farmers are so much in need of added income and a reduction in cost of production. It is my opinion that if there is any activity in our Government which justifies its existence it is that of the Research Bureau of the Department of Agriculture.

PROTECTION OF GOVERNMENT RECORDS

Mr. SUMNERS of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4220) for the protection of Government records, as amended.

The Clerk read as follows:

Be it enacted, etc., That whoever, by virtue of his employment by the United States, having custody of, or access to, any record, proceeding, map, book, document, paper, or other thing shall, for any purpose prejudicial to the safety or interest of the United States willfully and unlawfully conceal, remove, mutilate, obliterate, falsify, destroy, sell, furnish to another, publish, or offer for sale any such record, proceeding, map, book, document, paper, or thing, or any information contained therein, or a copy or copies thereof, shall be fined not more than $2,000 or imprisoned not more than 3 years, or both, and moreover shall forfeit his office and be forever afterward disqualified from holding any office under the Government of the United States.

SEC. 2. Whoever shall willfully, without authorization of competent authority, publish or furnish to another any matter prepared in any official code; or whoever shall, for any purpose prejudicial to the safety or interest of the United States, willfully publish or furnish to another any matter obtained without authorization of competent authority, from the custody of any officer or employee of the United States or any matter which was obtained while in process of transmission from one public office, executive department, or independent establishment of the United States or branch thereof to any other such public office, executive department, or independent establishment of the United States or branch thereof or any matter which was in process of transmission between any foreign government and its diplomatic mission in the United States; or whoever shall for any purpose prejudicial to the safety or interest of the United States, willfully, without authorization of competent authority, publish or furnish to another, any such matter or anything purporting to be any such matter, shall be fined not more than $10,000 or imprisoned not more than 10 years, or both.

SEC. 3. In any prosecution hereunder, proof of the commission of any of the acts described herein shall be prima facie evidence of a purpose prejudicial to the safety or interest of the United States.

The SPEAKER. Is a second demanded?

Mr. PERKINS. Mr. Speaker, I demand a second.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PERKINS. I yield 5 minutes to the gentleman from Michigan [Mr. HOOPER].

Mr. HOOPER. Mr. Speaker, the question will be raised as to whether or not this bill could by any possibility apply to Members of Congress. I, with the rest of the members

of the Judiciary Committee, have given very careful and close attention to this bill, and I am positive that such a question cannot properly be raised.

A Member of Congress is not an employee of the Government within the sense and meaning of the bill. He is one of a number of men who are officials in the legislative branch of the Government, and we must rely upon official information obtained by each Member of Congress being used properly and discreetly. The bill does not apply to them. It is a departmental bill, and we are called upon to give full faith and credit to one great Department of the Government at this particular time.

I am here to address myself to Members on my own side of the aisle, to say to them that I do believe that this bill at this time and under the circumstances which exist is absolutely necessary.

The committee has studied it very carefully, indeed, and have gone over the language with the most painstaking care. We know that under the circumstances we should not infringe too much on the rights of individuals on the one hand, but on the other to give the Government the benefit of this necessary legislation.

Mr. TINKHAM. Will the gentleman yield?

Mr. HOOPER. I yield.

Mr. TINKHAM. What are the special circumstances, if they can be disclosed to the House?

Mr. HOOPER. I will say to my good friend that the special circumstances under which the bill comes up here are such that I would not care to take the responsibility of disclosing them.

Mr. BLACK. Does the gentleman think he has a right to withhold that information from the House?

Mr. HOOPER. I do not think that is a fair question for the gentleman from New York to ask under the circumstances. There is no information that I would willfully conceal from the Members of the House. I think the Members on both sides of the aisle know that I would not intentionally conceal anything which I ought to reveal to them. [Applause.]

I advise Members on my own side of the aisle to help pass this bill. I do not think there is any special opposition, under existing circumstances it is necessary to the public welfare, and I for one am willing to yield to the judgment of the Department of State in passing this legislation.

Mr. PERKINS. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I do not propose to ask for the specific reasons or for the explanations back of this legislation. I am rather led to believe, after a service of 12 years on the Foreign Affairs Committee, that such information and circumstances are probably exaggerated. I personally do not believe any harm would come if all of the facts back of this legislation were presented here in the orderly way before the Congress. I am inclined to think that that would be the proper procedure, and that it would be for the best interests of our own country, because when there are secrets they are immediately followed by rumors and exaggerations of all kinds. I cannot conceive of anything that would be prejudicial to the safety of the United States if all of the facts were explained here; but I do not propose to ask for any further information than has been presented, nor do I propose to oppose the legislation.

Mr. BLACK. Mr. Speaker, will the gentleman yield?

Mr. FISH. I am sorry, but my time is limited. I want it understood specifically that this legislation carries no infringements of the rights and prerogatives of the Members of the House, and particularly of the members of the Committee on Foreign Affairs, who by the very nature of their service on that committee are supposed to keep in touch with the foreign affairs of our country. I say, without fear of contradiction, that there are many members on our committee who have given 10, 12, and more years of their service in this House to a study of our foreign problems, who know far more than many Under Secretaries and Assistant Secretaries of State who are appointed for 1 or 2 years, and then are followed by some new appointee. Some of these spokesmen of the State Department, often with limited knowledge or experience, come before our committee and tell us what we should do to safeguard the international relations of the United States. Sometimes the State Department adopts a holier than thou attitude and hides behind a veil of secrecy on matters that should be made public and passed upon by the American people.

For the information of the House, I am going to make a statement of facts which I think will be of interest, although they do not bear directly upon this legislation. When I was chairman of the committee investigating the activities of the Communists in the United States, I was called upon by my committee to subpena some 3,000 cablegrams sent by or received by the Amtorg Trading Corporation from Soviet Russia, all of which cablegrams were in code. I was informed by both the Navy Department and the War Department that they had decoding experts who could decode every cablegram or any cablegram in code that was ever sent by any country in the world. I presented a large part of these cablegrams that had been subpenaed under the law to the War Department and to the Navy Department without result. Not one expert—and they had from 6 months to a year—succeeded in decoding a single word of those cablegrams, although they had assured me that they could decode them. In view of the fact that we are discussing a related question on the floor I thought it appropriate to make this statement, and to say that so far as I know these foreign nations if they use sufficiently protective codes would never be found out by the Government of the United States or by the State Department or the War Department or the Navy Department. We are fairly harmless in that respect at least, judging from past experience. I hope as a result of this measure that at least public attention will be directed toward remedying the situation and that sufficient funds be provided to develop and insure a greater efficiency and capacity in decoding cablegrams of vital importance to the safety of our Government.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. PERKINS. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. MCFADDEN].

Mr. MCFADDEN. Mr. Speaker, when I raised this question on the floor of the House this morning it was with the idea that there should be no further limitation placed on public utterances of Members of the Congress on matters affecting the people of the United States. I see in the report that, while this legislation is urged, the statement is made that at the same time it is proposed to safeguard the rights of Members of Congress and individuals and the public interest as they relate to the freedom of speech and of the press. We now have about as complete control over information in the United States as it is possible to get. The press of the United States, particularly the metropolitan press, is almost 100 percent controlled by interests which are detrimental to the United States when it relates to matters relating to foreign affairs. When it comes to the matter of the radio likewise there is such control. So far as the moving pictures are concerned the same situation exists. The same situation exists in all of these sources of information that I mention, and that includes also the lines of communication, such as telegraph and telephone. They are all under perfect control of the influences which are responsible for our present debacle so far as the dissemination of information or propaganda which is detrimental to the people of the United States is concerned. I might add also that propaganda from foreign countries tending to break down our form of government and to dictate to us what kind of government we should have and how we should administer it and concerning war debts due us, economic conferences, disarmament or arms, World Court, far eastern situation, and embargo is also involved.

I have particular interest in this respect in seeing to it that there is no further curb put upon those of us who must

point out from time to time those things with which we are not in agreement with the State Department, and in these other departments of the Government who are more or less under control of these foreign influences. I do not hesitate to repeat what I have previously said, that I do not believe our State Department is frank and fair with the American people in dealing with many of these diplomatic situations, and right here in this particular legislation we are told that we must not ask a question. It reminds me of the period from 1917 to the close of the war when we were asked to pass legislation of this nature, and nothing was disclosed to us nor were we permitted to disclose what was back of it. We Members of Congress who are responsible to the constituency which sent us here are asked to vote blindly on an important matter like this. I think I understand fairly well the situation here and what is involved. It may be that what the State Department is proposing to do here may not be in the best interest of all of the American people, because I know very well that some matters which are involved in this are held in doubt very much by a great block of American citizens. The State Department is now following the mistaken policy of the Hoover-Stimson regime in the far eastern situation and we now find ourselves embarrassed with a threat of war; it is, I will venture to say, 98 percent due to the Hoover-Stimson policy which is now being continued.

Mr. BLACK. Will the gentleman yield?

Mr. McFADDEN. I will.

Mr. BLACK. Under the terms of this bill, does the gentleman think that if the newspaper offices believe that in a certain department in the Government there was corruption and the editor sent a reporter into that department and he got certain information and furnished it to his editor that department could then harass him and intimidate him under the terms of this act?

Mr. McFADDEN. That is correct. That is one of the things I am fearful of. I am also fearful that if a Member of Congress obtains information in that same manner he may be subjected to the terms of this act. I am particularly interested that this law be not construed to cover other things than that which is suggested as the main object for the bill. If the information on which this bill is based is correct, I am in accord that the legislation should be enacted, but I have been here long enough to know that an innocent piece of legislation, when once enacted, like this is used for other purposes than that for which it was originally intended.

There should be no muzzling of Members of Congress in this bill. I would like definite assurances from the members of the Judiciary Committee, who know all these things, to insure us that such a course will not prevail. Before we are out of the present debacle there will have to be some plain speaking on the floor of this House.

Mr. BLANTON. Will the gentleman yield?

Mr. McFADDEN. I yield.

Mr. BLANTON. The chairman of the committee has placed sufficient legislative intent for interpretation hereafter in the RECORD to show that it is not intended by Congress that the rights of either Senators or Members of the House shall be restricted in any manner; and, therefore, we may continue, as heretofore, to have access to all Government departments and bureaus and procure and use here information.

Mr. McFADDEN. But the gentleman knows very well that the intentions of Congress are frequently overlooked in the administration of laws which we pass.

Mr. BLANTON. They should not be, and we will not permit departments to overlook our legislative intent.

Mr. McGUGIN. Will the gentleman yield?

Mr. McFADDEN. I yield.

Mr. McGUGIN. One of the questions involved, which is equally as important as whether the rights of Members of Congress are infringed upon, is whether or not the rights of citizens of the United States are infringed upon.

Mr. McFADDEN. Of course. We Members of Congress are to represent the people of the United States and not some administrative officer.

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. McFADDEN] has expired.

Mr. PERKINS. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. KURTZ].

Mr. KURTZ. Mr. Speaker, I desire to say that this bill, in the opinion of every member of the Committee on the Judiciary, is not only essential but absolutely necessary at this time. It is true the committee is not disclosing some of the information that was brought before the committee, for it is deemed unwise to do so, but there is no member of the committee who does not realize the absolute necessity and importance of this legislation. Every member of the committee is in favor of the legislation, after examining the testimony that was produced before the committee. If the House will examine the law as it exists at the present time, it will discover there is very little difference between the law that is on the statute books of the United States today and the law that is to be enacted, with the exception of that portion of the second paragraph in the bill which reads as follows:

> Whoever shall willfully, without authorization or competent authority, publish or furnish to another any matter prepared in any official code—

That is absolutely new, and that is the particular portion of this bill which every member of this committee is anxious to see enacted into law.

Other portions of the bill are practically a rehash of the existing law, as you will see if you look at the report of the committee. That new provision is the very important portion of this bill. It relates to cases where an individual who intercepts a code from, say, England to the British Embassy in the United States and then publishes a book or pamphlet stating that it contains the exact code message that was sent from England to its representative in the United States to the great embarrassment of both Governments. In my opinion, and in the opinion of every other member of this committee, that should not take place in the United States. Especially do we not want that to happen here, when there are nations that are at the present time apparently antagonistic to the United States. The present relationship between certain other nations and the Government of the United States is quite sensitive, and that is the reason there is no disclosure made by the Committee on the Judiciary on this particular subject.

Insofar as newspapers, radio messages, and other methods for the transmission of information to the public are concerned, I desire to say that they, too, would be prohibited if they chance to violate the provisions of this particular bill. It does not curb the right of free speech in any particular, but it does curb any person who has possession of documents, or who shall unlawfully get possession of codes, from publishing them to the prejudice of our Government. It curbs them from printing books and telling the public that which may or may not be true if surreptitiously taken from codes and private documents. It is a step in the right direction, and I am sure I speak for every member of the committee when I say they are all in happy accord in the belief that it is absolutely essential to the welfare of America and the world at this time to pass this particular piece of legislation.

Mr. PERKINS. Mr. Speaker, I yield the balance of my time, 4½ minutes, to the gentleman from New York [Mr. BLACK].

Mr. BLACK. Mr. Speaker, I think this is a most dangerous piece of legislation, particularly, offered in this way. If the situation is so important as to warrant the committee reporting a bill to cure it, and the information is so dangerous that it cannot be made known to the public, there is a way of making it known to the Congress without making it known to the public. We can clear the galleries, we can clear the press gallery; and it is most important to me at

this time, in the interest of this House, that the House should be treated with proper respect and dignity, and particularly it should be treated so by its own committee. I do not think any committee of this House has the right to come here and urge a far-reaching piece of legislation like this, infringing on the liberties of the press, on the liberties of the citizen, on free speech, and ask for it merely on their own responsibility and their word that there is a tense situation existing.

The gentleman from Pennsylvania [Mr. KURTZ] justifies the bill on the analogous situation as to what is supposed to exist, but that does not justify the first part of the bill.

If this bill becomes law, should any editor of a newspaper suspecting that there is corruption in a Federal department, send a reporter to that Federal department, and the reporter take off copies of any record and bring it back to his editor, under the terms of this bill he could be indicted. Indeed, from what we have seen of corruption in Federal places in the past, a corrupt Federal official would not hesitate to threaten with indictment any man who might expose him.

More important than the terms of the bill is the responsibility of Congress for a proper system of legislation. Why legislate in the dark? Are we children not able to understand, that a committee should want to force such a bill through without explanation? A member of the Committee on Foreign Affairs just spoke. He stated from the floor of the House that he knows why this bill is needed. Why should he be given more information than the rest of us? I say that in the interest of decent legislation and in the interest of a free press in this country at this time this legislation should be voted down.

The SPEAKER. The question is on the motion to suspend the rules and pass the bill as amended.

The question was taken; and on a division (demanded by Mr. MCFADDEN) there were—ayes 103, noes 27.

Mr. MCFADDEN. Mr. Speaker, I object to the vote on the ground there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and ninety-five Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 300, nays 29, not voting 101, as follows:

[Roll No. 10]

YEAS—300

Abernethy	Cady	Dies	Hart
Adair	Caldwell	Dobbins	Harter
Adams	Cannon, Mo.	Dockweiler	Hastings
Allen	Carden	Dondero	Healey
Almon	Carter, Calif.	Dowell	Henney
Andrew, Mass.	Carter, Wyo.	Driver	Hess
Andrews, N.Y.	Cary	Duffey	Higgins
Arnold	Celler	Duncan, Mo.	Hildebrandt
Ayers, Mont.	Chapman	Dunn	Hill, Ala.
Ayres, Kans.	Chase	Edmonds	Hill, Knute
Bacon	Christianson	Eicher	Hill, Sam B.
Bakewell	Church	Eltse, Calif.	Hoeppel
Bankhead	Clark, N.C.	Englebright	Holmes
Beam	Clarke, N.Y.	Faddis	Hooper
Beck	Cochran, Mo.	Fiesinger	Hope
Beedy	Coffin	Fish	Hughes
Berlin	Colden	Fitzpatrick	Imhoff
Blanchard	Cole	Fletcher	Jacobsen
Bland	Collins, Calif.	Ford	Jeffers
Blanton	Collins, Miss.	Foss	Johnson, Okla.
Bloom	Colmer	Frear	Johnson, Tex.
Boileau	Condon	Fuller	Johnson, W.Va.
Boland	Connery	Gambrill	Jones
Boylan	Cooper, Tenn.	Gasque	Kahn
Brennan	Cox	Gibson	Kee
Briggs	Cravens	Gifford	Keller
Brooks	Crosby	Gilchrist	Kelly, Ill.
Brown, Ky.	Cross	Gillespie	Kelly, Pa.
Brown, Mich.	Crosser	Gillette	Kemp
Browning	Culkin	Glover	Kennedy, Md.
Brumm	Cullen	Goldsborough	Kennedy, N.Y.
Buchanan	Cummings	Goodwin	Kenney
Buck	Darden	Goss	Kerr
Bulwinkle	Dear	Gregory	Kinzer
Burch	Delaney	Griffin	Kleberg
Burke, Nebr.	DeRouen	Guyer	Kloeb
Burnham	Dickinson	Hancock, N.Y.	Kniffin
Byrns	Dickstein	Harlan	Knutson
Kopplemann	Milliard	Reece	Taylor, Tenn.
Kramer	Miller	Reilly	Terrell
Kurtz	Milligan	Richards	Thom
Lambertson	Mitchell	Richardson	Thomason, Tex.
Lamneck	Monaghan	Robertson	Thompson, Ill.
Lanham	Moran	Robinson	Thurston
Lea, Calif.	Morehead	Rogers, Mass.	Tobey
Lehlbach	Murdock	Rogers, N.H.	Traeger
Lehr	Musselwhite	Rogers, Okla.	Treadway
Lewis, Colo.	Nesbit	Ruffin	Truax
Lloyd	Norton	Sabath	Turner
Lozier	O'Brien	Sadowski	Turpin
Luce	O'Connell	Sanders	Umstead
McCarthy	O'Connor	Sandlin	Vinson, Ga.
McClintic	Oliver, Ala.	Schaefer	Vinson, Ky.
McCormack	Owen	Scrugham	Wadsworth
McDuffie	Palmisano	Sears	Wallgren
McFarlane	Parker, Ga.	Seger	Walter
McGrath	Parker, N.Y.	Shallenberger	Warren
McKeown	Parks	Simpson	Watson
McLean	Parsons	Sirovich	Wearin
McLeod	Patman	Smith, Va.	Weaver
McMillan	Perkins	Snell	Welch
McReynolds	Peterson	Spence	Werner
McSwain	Peyser	Stalker	West
Major	Pierce	Steagall	Whitley
Maloney, Conn.	Polk	Strong, Pa.	Whittington
Maloney, La.	Pou	Strong, Tex.	Wigglesworth
Mansfield	Powers	Stubbs	Wilcox
Mapes	Prall	Studley	Williford
Marland	Ragon	Sumners, Tex.	Williams
Martin, Colo.	Ramsay	Sutphin	Wilson
Martin, Mass.	Ramspeck	Swank	Wolcott
May	Randolph	Sweeney	Wolverton
Mead	Rankin	Swick	Wood, Ga.
Meeks	Ransley	Tarver	Woodrum
Merritt	Rayburn	Taylor, Colo.	Zioncheck

NAYS—29

Arens	Ellsey, Miss.	Lundeen	Sinclair
Black	Flannagan	McFadden	Tinkham
Busby	Howard	McGugin	White
Carpenter, Kans.	Huddleston	Mott	Withrow
Castellow	Johnson, Minn.	O'Malley	Young
Claiborne	Kocialkowski	Peavey	
Deen	Kvale	Secrest	
Eagle	Lemke	Shoemaker	

NOT VOTING—101

Allgood	Darrow	Haines	Reid, Ill.
Auf der Heide	De Priest	Hamilton	Rich
Bacharach	Dingell	Hancock, N.C.	Romjue
Bailey	Dirksen	Hartley	Rudd
Beiter	Disney	Holdale	Schuetz
Biermann	Ditter	Hollister	Schulte
Boehne	Doughton	James	Shannon
Bolton	Douglass	Jenckes	Sisson
Brand	Doutrich	Jenkins	Smith, Wash.
Britten	Doxey	Lambeth	Smith, W.Va.
Brunner	Drewry	Lanzetta	Snyder
Buckbee	Durgan, Ind.	Larrabee	Somers, N.Y.
Burke, Calif.	Eaton	Lee, Mo.	Stokes
Cannon, Wis.	Evans	Lesinski	Sullivan
Carley	Farley	Lewis, Md.	Taber
Carpenter, Nebr.	Fernandez	Lindsay	Taylor, S.C.
Cartwright	Fitzgibbons	Ludlow	Underwood
Cavicchia	Focht	Marshall	Utterback
Chavez	Foulkes	Martin, Oreg.	Waldron
Cochran, Pa.	Fulmer	Montague	Weideman
Connolly	Gavagan	Montet	Wolfenden
Cooper, Ohio	Granfield	Moynihan	Wood, Mo.
Corning	Gray	Muldowney	Woodruff
Crowe	Green	Oliver, N.Y.	
Crowther	Greenwood	Pettengill	
Crump	Griswold	Reed, N.Y.	

So (two thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Until further notice:

Mr. Corning with Mr. Darrow.
Mr. Fulmer with Mr. Britten.
Mr. Brunner with Mr. Cavicchia.
Mr. Griswold with Mr. Bacharach.
Mr. Boehne with Mr. Crowther.
Mr. Hancock of North Carolina with Mr. Buckbee.
Mr. Sullivan with Mr. Evans.
Mr. Lindsay with Mr. Connolly.
Mr. Disney with Mr. Taber.
Mr. Douglass with Mr. Wolfenden.
Mr. Oliver of New York with Mr. Bolton.
Mr. Montague with Mr. Dirksen.
Mr. Somers with Mr. Jenkins.
Mr. Drewry with Mr. Reed of New York.
Mr. Rudd with Mr. Waldron.
Mr. Schuetz with Mr. Cooper of Ohio.
Mr. Lewis of Maryland with Mr. Woodruff.
Mr. Cartwright with Mr. Eaton.
Mr. Haines with Mr. Doutrich.
Mr. Crump with Mr. Hartley.
Mr. Carley with Mr. Muldowney.
Mr. Granfield with Mr. Reid of Illinois.
Mr. Brand with Mr. Cochran of Pennsylvania.

Mr. Greenwood with Mr. Ditter.
Mr. Underwood with Mr. Focht.
Mr. Green with Mr. Hollister.
Mr. Martin of Oregon with Mr. James.
Mr. Romjue with Mr. Rich.
Mr. Doxey with Mr. Marshall.
Mr. Lambeth with Mr. Stokes.
Mr. Burke of California with Mr. De Priest.
Mr. Doughton with Mr. Moynihan.
Mr. Gavagan with Mr. Utterback.
Mr. Biermann with Mr. Cannon of Wisconsin.
Mr. Jenkins with Mr. Lanzetta.
Mr. Chavez with Mr. Foulkes.
Mr. Fernandez with Mr. Lesinski.
Mr. Smith of West Virginia with Mr. Wood of Missouri.
Mr. Crowe with Mr. Gray.
Mr. Auf der Heide with Mr. Bailey.
Mr. Allgood with Mr. Hamilton.
Mr. Beiter with Mr. Carpenter of Nebraska.
Mr. Hoidale with Mr. Lee of Missouri.
Mr. Dingell with Mr. Fitzgibbons.
Mr. Smith of Washington with Mr. Durgan.
Mr. Sisson with Mr. Farley.

Mr. McCORMACK. Mr. Speaker, the gentleman from Massachusetts, Mr. GRANFIELD, is unavoidably absent. If he were present, he would vote "yea."

Mr. HART. Mr. Speaker, the gentleman from Michigan, Mr. WEIDEMAN, is absent on account of official business. If he were present, he would vote "yea."

Mr. BOLAND. Mr. Speaker, the gentleman from Pennsylvania, Mr. HAINES, is unavoidably absent. Were he present, he would vote "yea."

The result of the vote was announced as above recorded.

IMPEACHMENT AGAINST UNITED STATES DISTRICT JUDGE HAROLD LOUDERBACK

Mr. SUMNERS of Texas. Mr. Speaker, I offer a privileged resolution for immediate consideration.

The Clerk read as follows:

House Resolution 93

Whereas MALCOLM C. TARVER, on the 27th day of March 1933, submitted to the House of Representatives his resignation as a manager on the part of the House in the pending impeachment against Harold Louderback, a district judge of the United States for the northern district of California, which resignation on said date was accepted by the House of Representatives,

Resolved, That J. EARL MAJOR and LAWRENCE LEWIS, Members of the House of Representatives, be, and they are hereby, appointed managers on the part of the House of Representatives, with the managers on the part of the House heretofore appointed and acting, to conduct the impeachment pending in the United States Senate against Harold Louderback, a district judge of the United States for the northern district of California.

The resolution was agreed to.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. GAVAGAN, for the day, on account of illness.

To Mr. SNYDER, for 2 days, on account of death in family.

To Mr. GRAY, for 3 days, on account of important business.

To Mr. BURKE of California, indefinitely, on account of earthquake in California.

RESIGNATION FROM COMMITTEES

The SPEAKER laid before the House the following resignation:

APRIL 3, 1933.

Hon. HENRY T. RAINEY,
Speaker House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: I hereby tender my resignation as a member of the following standing committees of the House of Representatives:

Coinage, Weights, and Measures.
Public Buildings and Grounds.

Very truly yours,

LOUIS T. MCFADDEN.

The resignation was accepted.

MESSAGE FROM THE PRESIDENT—REFINANCING OF FARM-MORTGAGE INDEBTEDNESS

The SPEAKER laid before the House the following message from the President, which was read, as follows:

To the Congress:

As an integral part of the broad plan to end the forced liquidation of property, to increase purchasing power, and to broaden the credit structure for the benefit of both the producing and consuming elements in our population, I ask the Congress for specific legislation relating to the mortgages and other forms of indebtedness of the farmers of the Nation. That many thousands of farmers in all parts of the country are unable to meet indebtedness incurred when their crop prices had a very different money value is well known to all of you. The legislation now pending, which seeks to raise agricultural commodity prices, is a definite step to enable farm debtors to pay their indebtedness in commodity terms more closely approximating those in which the indebtedness was incurred; but that is not enough.

In addition, the Federal Government should provide for the refinancing of mortgage and other indebtedness so as to accomplish a more equitable readjustment of the principal of the debt; a reduction of interest rates, which in many instances are so unconscionably high as to be contrary to a sound public policy; and, by a temporary readjustment of amortization, to give sufficient time to farmers to restore to them the hope of ultimate free ownership of their own land. I seek an end to the threatened loss of homes and productive capacity now faced by hundreds of thousands of American farm families.

The legislation I suggest will not impose a heavy burden upon the National Treasury. It will, instead, provide a means by which, through existing agencies of the Government, the farmowners of the Nation will be enabled to refinance themselves on reasonable terms, lighten their harrassing burdens, and give them a fair opportunity to return to sound conditiions.

I shall presently ask for additional legislation as a part of the broad program, extending this wholesome principle to the small-home owners of the Nation, likewise faced with this threat.

Also, I shall ask the Congress for legislation enabling us to initiate practical reciprocal tariff agreements to break through trade barriers and establish foreign markets for farm and industrial products.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 3, 1933.*

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 47 minutes p.m.) the House adjourned until tomorrow, Tuesday, April 4, 1933, at 12 o'clock noon.

COMMITTEE MEETING

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 o'clock a.m. on April 4, 1933, continuing hearings on H.R. 4314, the proposed Federal Securities Act.

EXECUTIVE COMMUNICATIONS, ETC.

12. Under clause 2 of rule XXIV a letter from the secretary of the Reconstruction Finance Corporation, transmitting a report of the activities and expenditures of the Reconstruction Finance Corporation for February 1933, together with a statement of loans authorized during that month, showing the name, amount, and rate of interest in each case (H.Doc. No. 13), was taken from the Speaker's table, referred to the Committee on Banking and Currency, and ordered to be printed.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H.R. 4070) granting a pension to Bertha Howard Woodward, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STUBBS: A bill (H.R. 4544) to prohibit, until the end of the calendar year 1934, the importation of all crude petroleum and crude petroleum byproducts into the United States of America; to the Committee on Ways and Means.

By Mr. CANNON of Wisconsin: A bill (H.R. 4545) to provide for the recalling of $13,424,146,750 of tax-free Government bonds and the issuance of United States currency in lieu thereof; to the Committee on Ways and Means.

By Mr. PIERCE: A bill (H.R. 4546) to amend the act of May 25, 1926, entitled "An act to adjust water-right charges, to grant other relief on the Federal irrigation projects, and for other purposes"; to the Committee on Irrigation and Reclamation.

By Mr. CROWE: A bill (H.R. 4547) to provide for renewal of 5-year level premium term Government insurance policies for an additional 5-year period without medical examination; to the Committee on World War Veterans' Legislation.

By Mrs. NORTON: A bill (H.R. 4548) to provide old-age securities for persons over 60 years of age residing in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. KNUTSON: A bill (H.R. 4549) to provide relief with respect to agricultural indebtedness, to provide for the refinancing thereof, and for other purposes; to the Committee on Ways and Means.

By Mr. MARTIN of Massachusetts: A bill (H.R. 4550) to amend the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. AYRES of Kansas: A bill (H.R. 4551) to amend section 13 of the Federal Reserve Act by making notes of finance and credit companies subject to discount; to the Committee on Banking and Currency.

By Mr. GUYER: A bill (H.R. 4552) to prohibit the sale of certain fermented malt or vinous liquors at Army posts or naval bases, its transportation into such posts or bases, and for other purposes; to the Committee on the Judiciary.

By Mr. McSWAIN: A bill (H.R. 4553) to amend the National Defense Act of June 3, 1916, as amended; to the Committee on Military Affairs.

By Mr. HOEPPEL: A bill (H.R. 4554) to amend section 4808 of the Revised Statutes (U.S.C. title 24, sec. 3), to prevent discriminatory reductions in pay of the retired personnel of the Navy and Marine Corps; to the Committee on Naval Affairs.

Also, a bill (H.R. 4555) to protect American labor, to reduce crime, to lessen the danger of foreign entanglements, and for other purposes; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 4556) to safeguard American labor and to help maintain our monetary credit; to the Committee on Immigration and Naturalization.

By Mr. CONNERY: A bill (H.R. 4557) to prevent interstate commerce in certain commodities and articles produced or manufactured in industrial activities in which persons are employed more than 5 days per week or 6 hours per day; to the Committee on Labor.

By Mr. HOEPPEL: A bill (H.R. 4558) to safeguard national credit, to reduce unnecessary expenditures in the United States Foreign Service, and to lessen the danger of foreign entanglements; to the Committee on World War Veterans' Legislation.

By Mr. PEYSER: A bill (H.R. 4559) to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes; to the Committee on Labor.

By Mr. MARTIN of Massachusetts: A bill (H.R. 4560) to regulate advertising of imported articles; to the Committee on Interstate and Foreign Commerce.

By Mr. KNUTSON: A bill (H.R. 4561) to authorize owners of resort property to secure from the home-loan banks loans secured by mortgages and to authorize such banks to lend to members on the security of such mortgages; to the Committee on Banking and Currency.

By Mr. DUNN: A bill (H.R. 4562) to limit the amounts that may be loaned by national banking associations upon shares of stock of corporations used as collateral security for such loans; to prohibit loans upon shares of "watered" stock of public-service or other corporations; to prevent abnormal stock-market booms and the stock-market panics, bank failures, and industrial depressions that inevitably follow; to the Committee on Banking and Currency.

Also, a bill (H.R. 4563) providing for and regulating the issue, directly by the Treasury Department of the United States, of a new form of Government currency to be called "United States currency notes"; making such notes and United States bonds interchangeable, repealing all laws authorizing the issue of gold certificates; providing for the cancelation and retirement of gold certificates; authorizing the Secretary of the Treasury to exchange United States currency notes for gold certificates; providing for the establishment and maintenance by the credit of the United States Government of a separate redemption fund for the redemption of United States currency notes; and for other purposes; to the Committee on Banking and Currency.

By Mr. STEAGALL: A bill (H.R. 4564) to provide for the purchase by the Reconstruction Finance Corporation of preferred stock and/or bonds and/or debentures of insurance companies; to the Committee on Banking and Currency.

By Mr. TREADWAY: Resolution (H.Res. 91) providing for the return of S. 812 to the Senate; ordered to be printed.

By Mr. CELLER: Resolution (H.Res. 94) to investigate the activities of the Irving Trust Co., of New York, as receiver in bankruptcy and equity causes; to the Committee on Rules.

By Mr. SIROVICH: Resolution (H.Res. 95) for the investigation of financial, operative, and business irregularities and illegal actions by interests inside and outside the motion and sonant pictures industry; to the Committee on Rules.

By Mr. McLEOD: Joint resolution (H.J.Res. 138) to save the United States Government the sum of approximately $28,585,745.50 per annum in the operation of the Rural Free Delivery Service by the Post Office Department; to the Committee on the Post Office and Post Roads.

By Mr. KVALE: Joint resolution (H.J.Res. 139) proposing an amendment to the Constitution of the United States conferring upon the Congress power to regulate the production and marketing of commodities and to prescribe minimum wages and maximum hours of labor during an emergency; to the Committee on the Judiciary.

By Mr. CROWE: Joint resolution (H.J.Res. 140) to authorize a compact or agreement between Kentucky and Indiana with respect to hunting and fishing privileges and other matters relating to jurisdiction on the Ohio River, and for other purposes; to the Committee on the Judiciary.

By Mr. BRUMM: Joint Resolution (H.J.Res. 141) authorizing the issuance of a special postage stamp in honor of Dr. Joseph R. Priestley; to the Committee on the Post Office and Post Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURKE of California: A bill (H.R. 4565) for the relief of Ernest T. Blanchard; to the Committee on Military Affairs.

By Mr. CANNON of Wisconsin: A bill (H.R. 4566) for the relief of Mike Bankers; to the Committee on Military Affairs.

By Mr. COCHRAN of Missouri: A bill (H.R. 4567) for the relief of James P. Spelman; to the Committee on Claims.

By Mr. COLLINS of California: A bill (H.R. 4568) granting a pension to Nancy E. Talbert; to the Committee on Invalid Pensions.

By Mr. DUNN: A bill (H.R. 4569) for the relief of Miles Thomas Barrett; to the Committee on Military Affairs.

By Mr. HOEPPEL: A bill (H.R. 4570) authorizing the pay of warrant officers on the retired list for transferred members of the Fleet Naval Reserve and Fleet Marine Corps Reserve who served as commissioned officers during the World War; to the Committee on Naval Affairs.

By Mr. GIBSON: A bill (H.R. 4571) authorizing the Commissioners of the District of Columbia to grant a permit for the construction of an oil and gasoline pipe line; to the Committee on the District of Columbia.

By Mr. GIFFORD: A bill (H.R. 4572) to amend the military record of Walter Gordon; to the Committee on Military Affairs.

By Mr. GUYER: A bill (H.R. 4573) for the relief of Charles P. Shipley Saddlery & Mercantile Co.; to the Committee on War Claims.

By Mr. HOEPPEL: A bill (H.R. 4574) granting a pension to Della Means; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4575) for the relief of Bogustas De Kartowski; to the Committee on Military Affairs.

By Mr. HOWARD: A bill (H.R. 4576) granting an increase of pension to Melissa Jones; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4577) granting an increase of pension to Melissa E. Burns; to the Committee on Invalid Pensions.

By Mr. KELLY of Illinois: A bill (H.R. 4578) for the relief of Matt Andriasevich; to the Committee on Claims.

By Mr. KVALE: A bill (H.R. 4579) for the relief of Dr. Charles T. Granger; to the Committee on Claims.

By Mrs. McCARTHY: A bill (H.R. 4580) granting a pension to Martha Breakey Ellis; to the Committitee on Invalid Pensions.

By Mr. MARTIN of Oregon: A bill (H.R. 4581) granting a pension to Margaret B. Burkhart; to the Committee on Pensions.

Also, a bill (H.R. 4582) granting a pension to Isabelle Gros Johnston; to the Committee on Pensions.

By Mr. MERRITT: A bill (H.R. 4583) granting a pension to Gertrude S. Sharpe; to the Committee on Pensions.

By Mr. PARKER of New York: A bill (H.R. 4584) granting a pension to John Charles Inglee; to the Committee on Pensions.

By Mr. REECE: A bill (H.R. 4585) granting a pension to Mary C. Adams; to the Committee on Pensions.

Also, a bill (H.R. 4586) granting a pension to Reatha Reneau; to the Committee on Invalid Pensions.

By Mr. TREADWAY: A bill (H.R. 4587) for the relief of Edward P. Kean; to the Committee on Military Affairs.

By Mr. WERNER: A bill (H.R. 4588) to repeal section 2 of chapter 333, Forty-fifth Statutes; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

279. By Mr. BACHARACH: Petition of the Jewish Community of Vineland, N.J., protesting against the persecution of defenseless Jews in Germany; to the Committee on Foreign Affairs.

280. By Mr. BEEDY: Petition of the Eighty-eighth Legislature of the State of Maine to the Congress of the United States, urging it to restore the 2-cent postage rate; to the Committee on Ways and Means.

281. By Mr. CULLEN: Petition of New York Board of Trade, Inc., urging Congress to pass the necessary legislation to make lawful the establishment of a free port in the harbor of New York; to the Committee on Rivers and Harbors.

282. Also, petition of the Banking Board of the State of New York, urging legislation providing that no national bank or branch thereof shall be established in any community served by a State bank or trust company without the approval of the State authorities, if as provided the State will provide by law that no State bank or trust company or branch thereof shall be established in any community served by a national bank without the approval of the Federal authorities as well as of the proper State authority; to the Committee on Banking and Currency.

283. By Mr. DELANEY: Petition of the Brooklyn Civic Club, Inc., of Brooklyn, N.Y., condemning the conduct on the part of the German Government toward the Jews, and urging the United States Government to intercede in their behalf; to the Committee on Foreign Affairs.

284. Also, petition of the New York Board of Trade, Inc., favoring the establishment of a free port in the harbor of New York; to the Committee on Rivers and Harbors.

285. Also, petition of the Abraham Miller Association, Inc., voicing their protest at the actions against the Jews in Germany, and appealing to the United States Government to take necessary steps to put an end to them; to the Committee on Foreign Affairs.

286. By Mr. JOHNSON of Minnesota: Resolution by the City Council of the City of Virginia, Minn.; to the Committee on Agriculture.

287. Also, resolution adopted by the Trades and Labor Assembly of International Falls, Minn., pertaining to labor; to the Committee on Labor.

288. By Mr. KVALE: Petition of Duluth, Winnipeg, and Pacific System Federation, No. 148, urging enactment of legislation to revise the tariff law between the United States and Canada, to stimulate transportation, and to enact legislation to revise tax exempt securities law; to the Committee on Ways and Means.

289. Also, petition of various citizens, favoring the enactment of a bill to revaluate the gold ounce; to the Committee on Coinage, Weights, and Measures.

290. Also, petition of Duluth, Winnipeg, and Pacific System Federation, No. 148, urging enactment of unemployment insurance measures; to the Committee on Labor.

291. Also, petition of St. Johns and Mamre locals of the Farmers' Union in Minnesota, urging enactment of the Frazier bill; to the Committee on Banking and Currency.

292. Also, petition of the City Council of the City of Minneapolis, urging an increase in Federal-aid appropriation for public work; to the Committee on Appropriations.

293. Also, petition of Ramsey County Legislative Committee, opposing cuts in veterans' benefits; to the Committee on Economy.

294. Also, petition of Askov, Minn., local club of the Socialist Party of America, favoring a policy of prohibiting exportation of arms and ammunition to all belligerent nations; to the Committee on Foreign Affairs.

295. Also, petition of Watonwan County Holiday Association, urging enactment of the Frazier bill; to the Committee on Banking and Currency.

296. Also, petition of Minnesota Council of Catholic Women, opposing the enactment of the equal-rights amendment; to the Committee on the Judiciary.

297. Also, petition of American Legion Auxiliary of North Branch, Minn., urging enactment of the program of national defense; to the Committee on World War Veterans' Legislation.

298. By Mr. MEAD: Petition of the Banking Board of the State of New York, regarding the membership of all banks to Federal Reserve System; to the Committee on Banking and Currency.

299. Also, petition of Citizens Unemployed Relief Association of Buffalo, N.Y., regarding Red Cross distribution of Government flour; to the Committee on Ways and Means.

300. By Mr. MERRITT: Petition of citizens of Bridgeport, in the State of Connecticut, protesting against the outrages inflicted upon the Jewish people in Germany; to the Committee on Foreign Affairs.

301. Also, petition of citizens of Stamford, in the State of Connecticut, protesting against the outrages inflicted upon the Jewish people in Germany; to the Committee on Foreign Affairs.

302. By Mr. MORAN: Memorial of the Eighty-sixth Legislature of the State of Maine to the Congress of the United States, urging it to restore the 2-cent postage rate; to the Committee on Ways and Means.

303. By Mr. REILLY: Resolution adopted at a meeting held in the city of Milwaukee March 29, 1933, providing for the immediate cessation of antisemitic propaganda against the German Jews, and that our Government take steps to safeguard its Jewish inhabitants from unwarranted attacks; to the Committee on Foreign Affairs.

304. By Mr. RUDD: Petition of C. F. Thatcher, Inc., Brooklyn, N.Y., favoring a higher duty on military boots; to the Committee on Ways and Means.

305. Also, petition of New York Board of Trade, Inc., New York City, favoring the establishment of free ports in the United States, and especially one to be located in the port of New York; to the Committee on Rivers and Harbors.

306. Also, petition of Parshelsky Bros., Inc., Brooklyn, N.Y., favoring certain amendments to House bill 706; to the Committee on Ways and Means.

307. By Mr. STRONG of Pennsylvania: Letter of Nathan Asbel, Nanty-Glo, Pa., with plan for solution of the problems of the coal industry; to the Committee on Interstate and Foreign Commerce.

308. By Mr. SUTPHIN: Petition of residents of Ocean County, N.J., who assembled in a mass meeting to protest against the feudal course of persecutions being practiced in Germany against the Jewish race; to the Committee on Foreign Affairs.

309. By Mr. TREADWAY: Petition of Oatman Morningside Woman's Christian Temperance Union, of Pittsfield, Mass., urging the enactment of certain legislation pertaining to the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

310. By Mr. UTTERBACK: Petition of the Eighty-eighth Legislature of the State of Maine to the Congress of the United States, urging it to restore the 2-cent postage rate; to the Committee on Ways and Means.

311. By Mr. WELCH: Senate Joint Resolution No. 16 of the California Legislature, relating to United States Senate bills Nos. 5417 and 5607, pertaining to Federal reclamation projects; to the Committee on Irrigation and Reclamation.

312. By the SPEAKER: Petition of citizens of South Bend, Ind., requesting that the Federal Government exert its influence upon the German Government to the end that it renounce its avowed program of anti-Jewish legislation; to the Committee on Foreign Affairs.